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THIS ISSUE

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“Investing is a business where you can look very silly for a long period of time before you are proven right.” — Bill Ackman

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Tourism Snags Performance of Some JSE Companies in 2024; Prospects Brighten for 2025

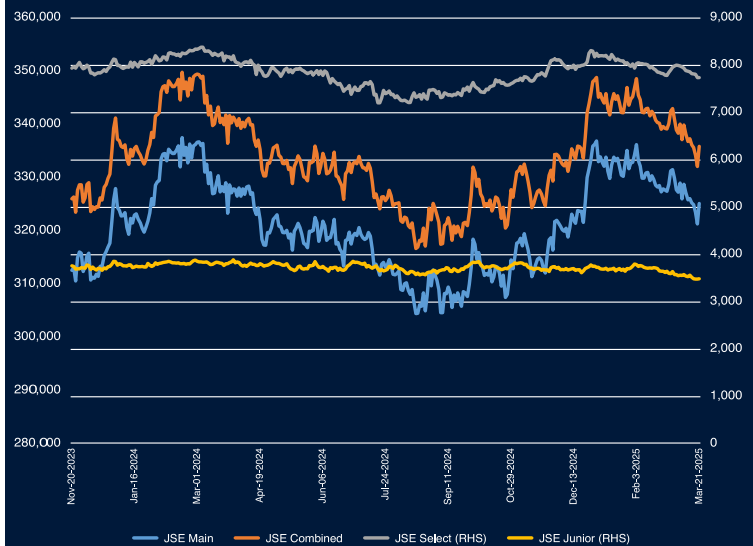
2024 unveiled a surprising twist in Jamaica's tourism narrative as the sector's activity took an unforeseen dip. Marred by two severe weather systems (Hurricane Beryl and Tropical Storm Rafael) and a Level 3 United States (U.S.) Travel advisory, total visitor arrivals to Jamaica slipped (-0.7%), reflecting lower stopover arrivals (-0.5%) and cruise travel (-1.0%) according to the Jamaica Tourist Board. This, along with other macroeconomic and company-specific challenges, impeded the performance of some tourism-dependent companies listed on the Jamaica Stock Exchange (TD stocks). Here we explore how the 2024 dip in tourism affected TD stocks, the outlook for the industry for 2025 and key risk considerations.

The year began on a high with Jamaica's tourism industry setting new records of 2.0Mn (+7.7%) visitors in the first five months of the year. However, growth was quickly reversed when Hurricane Beryl barreled through the island in July, compounding challenges caused by the U.S. travel advisory that told its citizens to "reconsider travel to Jamaica due to crime and medical services". In July alone, total visitor arrivals fell by 14% year over year, due to diverted and cancelled flights, the largest monthly decline seen in 2024. Despite the U.S. softening the language in its travel advisory around crime and higher tourist inflow between October and December for entertainment and leisure events, coinciding with the start of the peak holiday season, there was a decline of 2.0% in passenger movement at the island's international airports for the entire year. This ultimately

resulted in a 0.7% decrease in total visitor arrivals (air and cruise).

Amid the decline in tourism, most TD stocks saw slower revenue or earnings growth throughout 2024¹. On the Junior Market, Knutsford Express (KEX) noted that a reduction in tourist passenger ridership contributed to its 24.2% earnings decline for the 6 Months ending November 30, 2024, and alluded that the U.S. Travel Advisory was a headwind to travel demand. This was a reversal from the 10.3% growth seen in the same period of 2023. Dolphin Cove (DCOVE) attributed its 9.5% revenue decline to unusually bad weather conditions over the year, including the arrival of Hurricane Beryl, which led to MJB receiving fewer flights during the summer and lower visitor numbers. This, coupled with higher direct and indirect expenses, filtered into a 36.6% decline in its earnings. Likewise, Express Catering Limited's (ECL's) 1.1% revenue slip was blamed on the lower passenger count in Sangster International Airport's (MJB) departure lounge, albeit slightly tempered by an increase in the spend-per-passenger rate. Nonetheless, the company's previous commitment to cost containment and efficiency maximisation allowed it to record higher net profits (+41.0%). Meanwhile, Everything Fresh Limited (EFRESH) noted a 12% reduction in hotel sales in Jamaica, partly due to the travel advisory. However, EFRESH's overall topline performance was supported by its Bahamian operations and non-hotel sales in Jamaica. Finally, the downturn in tourist arrivals between July and September

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	335,725.60	-0.43%	-3.50%
Main Market Index	325,040.47	-0.28%	-3.20%
Select Index	7,724.46	-1.57%	-6.76%
Junior Market Index	3,471.88	-2.25%	-7.05%

WINNERS & LOSERS FOR THE WEEK ENDED MARCH 21, 2025

	\$ Change	% Change
KEY	+\$0.42	+20.59%
CPFV	+\$5.10	+16.67%
ISP	-\$9.36	-32.09%
AMG	-\$0.59	-20.34%

MARKET OVERVIEW

The overall bearish sentiment seen in the market since the start of the year persisted last week. In fact 8 of the 9 market indices gave up ground week over week, with the Cross-listed Index (1.44%) the only one closing in positive territory. 124 stocks traded, with 49 advancing, 66 declining, and 8 remaining unchanged. This trend closely mirrored the performance of the previous week where 124 stocks traded, with 44 advancing, 68 declining, and 12 trading firm, making it the third consecutive week where the Combined Index declined. The volume leaders represented over 53% of total traded volumes, with Indies Pharma Jamaica Limited Ordinary Shares making up 45,089,981 units (30.33%), Transjamaican Highway Limited accounting for 18,118,259 units (12.19%), and Wigton Energy Limited contributing 16,334,419 units (10.99%).

Despite some stocks posting double-digit gains, the overall trend last week was a decline, with 8 out of 9 indices falling. This downward trend has persisted since the beginning of 2025, as all indices have been down during this period. The main decliners of the last week were JSE USD Equities and JSE Junior Market Indices, which declined by 4.6% and 2.3%, respectively. The decline in the JSE USD Equities Index was primarily driven by a 17.3% drop in the share price of Productive Business Solutions Ltd USD (PBS USD). While there was no news to justify this decline, however, PBS USD is a thinly traded stock, making it susceptible to significant price fluctuations even with small trading volumes. In the JSE Junior Market Index, the largest contributors to the 2.3% decline were ISP Finance Service Limited (ISP), Tropical Battery Company Limited (Tropical), and Dolphin Cove Limited (DCOVE), which fell by 32.1%, 17.0%, and 7.5%, respectively. There was no news to explain these declines; however, ISP Finance announced during the week that it is actively seeking to expand its business through mergers and acquisitions, following the acquisition of a \$1.2Bn portfolio earlier this year. On the other hand, the JSE Cross Listed Index gained 1.44%, driven by a 1.7% increase in the share price of its heaviest-weighted stock, Massy. During the week, Massy Group secured a \$150Mn unsecured, long-term security package with IDB Invest to support Massy's expansion, including modernising its logistics and distribution operations with a focus on automation.

¹ The financials discussed throughout the story are for the respective periods: Knutsford Express Limited- 6 Months ending November 30, 2024; Dolphin Cove- 9 Months ended September 30, 2024; Express Catering Limited- 6 Months ended November 30, 2024; and Caribbean Producers Jamaica- 3 Months ended September 30, 2024; and Everything Fresh Limited- 9 Months ended September 30, 2024.

also drove a decline in main market TD stock, Caribbean Producers Jamaica Limited's (CPJ's) revenues (-0.6%) in its September quarter, while higher operating costs also resulted in a loss in its bottom line.

Notwithstanding the 2024 decline, 2025 could be a year of revival as Jamaica's tourism sector is projected to achieve its '5x5x5' targets of 5Mn visitors and J\$5Bn in earnings, according to Tourism Minister Edmund Bartlett. These expectations are backed by an 80% load factor² of the 1.3Mn airlift seats already secured for the winter period (December 15th to April 15th each year), a 12.9% increase over 2024. Further, the outlook is bolstered by strategic initiatives such as the government of Jamaica's (GoJ) J\$16Bn budget allocation for marketing and technology enhancements in the sector – focusing on North American and South American markets. Additionally, a J\$6.3Mn marketing strategy targeting emerging markets like India and other Asian-Pacific countries underscores the country's commitment to diversifying its visitor base and could help negate declining arrivals from other regions, especially the U.S. if its travel advisories persist or protectionist policies increase uncertainty in the economy and lead to cuts in consumer spending. Expanding airlifts and increased air connectivity will also be crucial to tapping into new markets and further diversifying Jamaica's visitor base. For example, LATAM Airlines launching new flights from Peru to Jamaica, Caribbean Airlines resuming daily flights from Fort Lauderdale to Jamaica since its pandemic halt, and discussions with Azul Airlines and Avianca to introduce flights from Brazil and other regions in South America could present growth opportunities for the sector. Ultimately, these developments are likely to support increased economic activity from tourism, higher earnings and higher stock prices to the benefit of TD shareholders. Nonetheless, high operating costs, which also stifled earnings for CPJ³, DCOVE, KEX and

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EFRESH could limit the translation of higher revenues to earnings in the short term.

Despite the positives, there are risks to the outlook for 2025. Importantly, U.S. protectionist policies and rising trade tensions are increasing economic uncertainty, which could cause consumer spending to decline. Tariffs are also likely to drive up prices for consumer goods, potentially translating into higher inflation and leading to a decrease in discretionary expenditures, particularly on travel from the U.S. and Canada, which are Jamaica's top two (2) tourism source markets. Moreover, political factors, such as the restrictive immigration stance affecting green card holders in the U.S. could foster fear and uncertainty among potential travellers. The fear of losing their immigration status could reduce the flow of tourists from the U.S. who might otherwise visit Jamaica. Additionally, the increasingly competitive landscape among Caribbean nations could also result in tourists seeking cheaper, more budget-friendly destinations. There are also the ever-present risks of Hurricane's each season, especially amid warmer global temperatures. If any or a combination of these risks materialise, TD companies could encounter similar challenges in 2025, particularly due to reduced topline growth from fewer visitor arrivals. This consequence, in the absence of effective cost containment, would worsen earnings declines and temper their stock performance.

Notwithstanding, we believe a tourist rebound supported by the expansion initiatives targeted by the government, still-high demand for leisure-based travel and a possible boost to U.S. outbound travel from the income boost delivered by expected tax cuts, as well as the affordability gains as the U.S. dollar remains strong, will be the main premise for tourism growth in 2025 on the Island. This outlook, combined with the still-lingering uncertainties creates a complex environment for the tourism industry and companies, requiring adaptive strategies to ensure resilience and growth for 2025 and onwards.

² The load factor is a metric used in the airline industry that measures the percentage of available seating capacity that has been filled with passengers. A high load factor indicates that an airline has sold most of its available seats.

³ CPJ's revenues have rebounded in its Q2 financial release; however, no context was given for the line-item movements. Earnings was still down YoY due to higher costs

Foreign Exchange Market

For the week ending March 21, 2025, the Jamaican dollar depreciated by 0.13%, with the USD selling rate increasing from J\$157.43 on March 14, 2025, to J\$157.63 on March 21, 2025. This depreciation occurred as demand for USD from tend users (specifically, the energy, distribution and retail sectors) inched up over the week.

Selling	Close: 14/03/25	Close: 21/03/25	Change
J\$/US\$1	\$157.31	\$157.63	\$0.32
J\$/CDN\$1	\$110.09	\$109.82	-\$0.94
J\$/GBP£1	\$206.49	\$202.96	-\$3.35

Global Bond Prices

Last week, the market reacted to the latest retail sales report and the Federal Open Market Committee's (FOMC) policy decision and economic outlook. The benchmark 10-year Treasury yield fell on Monday as investors studied the latest retail sales report to gauge the state of consumer spending. "While spending did not weaken in line with sentiment, estimates imply a subdued Q1," Barclays economists led by Jonathan Miller wrote in a report. "Pull-forward effects in late 2024 from consumers front-running expected tariffs is now giving way to more pessimism." Retail sales increased 0.2% last month, reversing a downwardly revised decline of 1.2% in January, but less than the 0.6% increase that economists polled by Dow Jones had estimated. Sales excluding autos increased 0.3%, in line with expectations and hinting that the economy remains on a steady footing. Furthermore, Recession fears have been heightened lately as Wall Street tries to gauge the effect of President Donald Trump's fast-changing tariff policies, d retaliatory measures by major trading partners, as well as signs of weaker consumer sentiment, on economic growth and prices. Later on in the week, the FOMC maintained its key borrowing rate within the 4.25% to 4.50%. Fed officials also outlined their rate projections for the year, saying the Fed will see half-percentage point of total rate cuts in 2025. The Fed typically moves in quarter-percentage-point increments, meaning this could translate into two reductions this year. Fed Chair Jerome Powell also noted that Trump's tariffs — imposed on global trade partners — may lengthen the process of getting to price stability. "I do think with the arrival of the tariff inflation, further progress may be delayed," Powell said at a press conference after the decision. Trump's tariffs on global trade partners have sparked concerns about the possibility of a recession amid slowing economic growth. Investors can expect a flurry of economic data this week, including insights on existing home sales, mortgage lending rates, GDP growth, and the personal consumption expenditures index on Friday.

Despite rising slightly on Friday amid ongoing uncertainty about the U.S. economy, the 10-year Treasury yield fell by

a cumulative 7 basis points week-over-week to 4.25%, as demand for 10-year Treasuries increased. However, there were net higher yields on emerging market bonds in the Latin America and Caribbean region. The median bid yield increased from 6.40% to 6.51%, which implies that bond prices declined WoW .

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
ALSEA (7.75%) 2026	Ba3/Stable	104.25	5.12%	BUY
BERMUD (4.75%) 2029	A2/Stable	103.25	3.84%	BUY
DOMREP (5.5%) 2029	BB/Stable	102.25	4.86%	BUY
DOMREP (8.625%) 2027	BB/Stable	107.00	5.01%	BUY
DOMREP (5.95%) 2027	BB/Stable	104.25	3.52%	BUY
DOMREP (6%) 2028	BB/Stable	104.75	4.44%	BUY
DOMREP (6.95%) 2037 (NEW ISSUE) ⁴	BB/STABLE	105.00	6.35%	BUY
GEOPARK (5.5%) 2027	B+/Stable	98.50	9.13%	BUY
GM (5.4%) 2029	Baa2/Stable	104.75	4.24%	BUY
KINGAIR(6.75%) 2036	BB/STABLE	105.00	6.14%	BUY
LTMCI (7.88%) 20230	BB/STABLE	104.75	6.75%	BUY
M (5.875%) 2030	BBB-/Stable	99.75	5.93%	BUY
MARGRO (6.404%) 2029 (NEW!) ⁵	BBB-/Stable	106.00	4.93%	BUY
NFLX (5.88%) 2028	A/Stable	108.25	3.44%	BUY
NFLX (4.875%) 2030	A/Stable	104.75	3.86%	BUY
NRG (6.00%) 2033 (NEW ISSUE!) ⁶	BB+/Stable	102.75	5.56%	BUY
NRG (6.25%) 2034	BB+/Stable	104.25	5.67%	BUY
PYPL (2.85%) 2029	A-/Stable	96.50	3.70%	BUY
SFC (5.3%) 2028	BB-/Positive	102.75	4.35%	BUY
TPLHTT (9%) 2029	Ba3/Stable	107.50	6.98%	BUY

4 Issuer- Govt. of the Dominican Republic, Industry- Sovereign, Type-Senior Unsecured, Callable-Yes, Coupon Rate- 6.95%, Coupon Payment- Semi-annually, Maturity- March 15, 2037, Risk Profile - Moderate

5 Issuer- Marex Group PLC., Industry- Financial Services, Type-Senior Unsecured, Callable-Yes, Coupon Rate- 6.404%, Coupon Payment- Semi-annually, Maturity- November 4, 2029, Risk Profile -Moderate

6 Issuer- NRG Energy Inc., Industry- Energy, Type- Senior Unsecured, Callable-Yes, Coupon Rate- 6.00%, Coupon Payment- Semi-annually, Maturity- February 01, 2033, Risk Profile - Moderate

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
TRAJAM (5.75%) 2036	BB-/Positive	97.00	6.11%	BUY
BANORT (5.75%) 2031	Baa2/Positive	99.00	1.39%	SELL
CSOLNO (6%) 2027	B+/Stable	15.00	438.54%	SELL
NFE (6.5%) 2026	BB-/Stable	98.25	7.77%	SELL
NFE (6.75%) 2025	BB-/Stable	98.50	7.57%	SELL

day CD Auction moved down to 5.67% from 5.96%. The next auction for 30-day CDs is on 26 March 2025. Meanwhile, repos saw stronger demand based on the BOJ's 14-Day Repo Auction results. Eligible repurchase agreement (Repo) bids received totalled \$2.0Bn, to match the offer amount of \$2.00Bn at a bid-to-offer ratio of 1.0x relative to 0.975x last week. The next auction for repos is March 24, 2025.

Finally, the Fixed Rate 10.00% Benchmark Investment Notes due in 2028 and 2037 were issued. The 2028 Note, with an offer size of \$14Bn, was oversubscribed by 1.51x, while the 2037 Note, with an offering of \$12Bn, was undersubscribed, receiving a bid-to-ask ratio of 0.94x. The average rates for successful bids on these two notes were 6.08% and 6.75%, respectively

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	102.45	5.48%
	2039	116.55	6.13%
	2045	116.05	6.45%

*NB: The rates quoted above are opening indicative levels on the international market and are subject to change as market conditions vary throughout the trading session. Additionally, the prices quoted to clients of NCB Capital Market Limited (NCBCLM) are adjusted to reflect the costs associated with completing the transaction on

the respective client's behalf.

Local Corporate Bonds

Name	Maturity	Coupon	Price	Yield
BDHR	2027	6.50%	100.35	8.02%
SJPC	2032	8.15%	103.75	8.18%
PBS	2025	8.85%	100.85	6.03%

Money Market

Last week, liquidity in the JMD money market decreased, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs). As at March 21, 2025, the total aggregate current balance amounted to J\$68.57Bn, marking an 30.0% decrease compared to the previous week .

Demand for money market instruments remains strong, as evidenced by the oversubscription in the Bank of Jamaica's (BOJ) latest 30-day Certificate of Deposit (CD) Auctions. Total bids amounted to J\$13.51Bn relative to the J\$4.00Bn issue size, implying a bid-to-offer ratio of 3.38x, compared to 1.60x the previous week. The corresponding average yield on the 30-

Dates to watch this week

■ International ■ Local

March 2025				
MON	TUE	WED	THUR	FRI
24	25	26	27	28
	ISP - Annual General Meeting HONBUN- Annual General Meeting (Courtleigh Hotel & Suites) CPFV- Dividend Payment (BDS\$0.005)			GK – Annual General Meeting, EPLY – Dividend Payment (BDS\$1.04) MASSY- Dividend Payment (TT\$0.0354) JPS9.5% - Dividend Payment (US\$0.2368)
		GBP Core CPI (YoY & (MOM) (Feb)	US GDP Price Index (QoQ)(Q4)	

Ticker	Closing Price (March 24, 2025)	P/E	Avg. Sector P/E	Current Recommendation
CAR	\$14.21	16.1x	14.3x	BUY
GK	\$73.89	8.7x	17.4x	BUY
OMNI	\$1.03	21.4x	21.3x	BUY
TJHUSD (NEW!)	\$0.02	9.7x	9.1x	BUY
HONBUN	\$7.98	17.0x	20.6x	BUY

Regional News

CDB Funding New Initiative in the Caribbean; Modernising Tourism Education

The Barbados-based Caribbean Development Bank (CDB) is collaborating with the Caribbean Tourism Organisation (CTO) in a new initiative to modernise tourism education and workforce development across the Caribbean. The project is also aimed at strengthening the Caribbean's competitiveness in an industry vital to its economic stability. The Tourism Human Capital Development Project, funded through CDB's Caribbean Technological Consultancy Services (CTCS) Network, will allocate about US\$400,000 to update training materials, develop workforce management tools, and deliver professional development programmes. Titled 'Enhancing the Knowledge and Skills of Tourism Workers in the Caribbean Region', the project aims to bolster the sustainability of the tourism industry, particularly for micro, small, and medium-sized enterprises (MSMEs). The CDB said that by modernising educational resources, the initiative will enhance tourism curricula, improve workplace management, and expand training opportunities for employers, workers, and entrepreneurs in CTO member countries. 'These efforts will equip industry professionals with the skills needed to adapt to evolving market demands and ensure the sector's long-term resilience,' said Dona Regis-Prosper, the CTO's secretary-general and chief executive officer. 'Strengthening our current and future workforce, from students and educators to MSMEs and industry leaders, is key to the sector's growth. Through targeted training, technical assistance, and enhanced educational resources, this project empowers individuals and businesses to elevate industry standards, improve service delivery and drive sustainable tourism development across the region..

Source ~ Trinidad Express Newspapers

Caribbean Nations Respond to Reported US Travel Ban

Caribbean governments operating citizenship by investment (CBI) programs are scrambling for answers after reports of the US placing them on a travel-ban list. Four Caribbean nations find themselves caught in diplomatic uncertainty following reports that the Trump administration may impose travel restrictions on their citizens. According to The New York Times and Reuters, Antigua & Barbuda, Dominica, Saint Kitts & Nevis, and Saint Lucia appear on a "yellow list" in a draft proposal that would give them 60 days to address

security concerns or face more severe limitations. None of the affected governments have received official communication from Washington. "I want to assure the people of Saint Kitts & Nevis that your government has received no formal or informal communication regarding the alleged U.S. travel restriction draft list," Prime Minister Dr. Terrance Drew stated in response to the reports. Similarly, Roosevelt Skerrit, Prime Minister of Dominica, confirmed his government "has not received any official communication from the United States regarding a draft list of 43 countries recommended for visa restrictions." Dominica has instructed its Ambassador to make "the necessary inquiries seeking clarification." The reported travel ban includes eight countries that operate CBI programs. According to the New York Times, U.S. concerns could include "failing to share with the United States information about incoming travellers, purportedly inadequate security practices for issuing passports, or the selling of citizenship to people from banned countries." Antigua & Barbuda's embassy promptly sent a formal note to the US Department of State on March 15. The note expresses "deep concern" while highlighting that Antigua "maintains a sanctions policy fully aligned with that of the U.S. Treasury in all financial matters." The government emphasized that its CBI program conducts rigorous vetting through international agencies, including INTERPOL. Prime Minister Gaston Browne remains optimistic, arguing that "upon any objective analysis, it will be found that there is no reason to restrict travel from our country." All four Caribbean governments have promised to keep their citizens informed as they seek official information from Washington.

Source ~ Investment Migration Insider

International News

White House Begins Review of Federal Agency Plans for Second Round of Mass Layoffs

White House officials are reviewing federal agencies' downsizing plans, a move expected to result in the mass firing of thousands of government workers within the coming weeks, two sources with knowledge of the matter said. President Donald Trump had given the agencies until March 13 to draw up plans for a second wave of mass layoffs as part of his rapid-fire effort to reshape and reduce the size of the federal government, which he has called bloated and inefficient. All U.S. government agencies have submitted their plans, said the sources, who spoke on the condition of anonymity. No deadline has been set for completing the review. One of the two sources said the White House would like to see the entire process wrapped up by the end of September. "We're going

to take our time,” the source said. Elon Musk, the tech billionaire whose Department of Government Efficiency is the driving force behind Trump’s downsizing effort, is “being kept abreast” of significant details of the review but is not “combing through every document,” the second source said. Trump is not involved with the review, which is being led by DOGE, the White House’s Office of Management and Budget, and the Office of Personnel Management, the federal government’s human resources arm, that source said. “Some of the plans will be sent back because they’ll need more work and details,” the source said. “Once they are approved, the agencies will go back and handle their RIFs (reduction in force plans).” The White House and OPM declined comment. OMB and DOGE did not respond to a request for comment. So far, DOGE has overseen cuts of more than 100,000 jobs across the 2.3 million-member federal civilian workforce. Its sweeping efforts have become mired in dozens of lawsuits challenging the firing of thousands of probationary workers, the abrupt shuttering of several federal agencies and access to sensitive computer systems given to DOGE staffers. Labor unions, opposition Democrats and governance experts say Musk’s blunt approach has caused chaos, leading to the firing and then rehiring of workers, while failing to show that his cost-cutting effort is producing significant cost savings. Critics say it is a cover for Trump to dismantle agencies and programs long distrusted by the Republican Party. Recent plans for workforce cuts by agencies such as the Department of Veterans Affairs, the Department of Education and the General Services Administration were not final and all three agencies have submitted fresh plans, the sources said. The Department of Education had previously announced plans to halve its workforce, and Veterans Affairs said it will fire 80,000 workers. “Many of the agencies will need to submit a monthly progress report on how they are proceeding with their plans,” the second source said, without sharing details. The full scope of the potential upcoming cuts was not clear, but the second source provided some initial details. NASA, for instance, has indicated it will cut jobs in its diversity, equity and inclusion program and its Office of Technology, Policy and Strategy, the source said. At the Food and Drug Administration, the second round of cuts will focus on staff working in record management and laboratory safety among others, the source said.

Source ~ Reuters

China Seeks Foreign Capital Old and New to Bolster Changing Economy

Iron ore miner Vale, a Chinese commercial partner since the 1970s, is welcome, along with other Brazilian firms, to further expand economic links with China, its commerce ministry said. The comments came as chief executives of foreign firms gathered in Beijing this week for a key annual corporate forum and China mounted a charm offensive to woo foreign investment. Vale has seen China turn into a global manufacturing powerhouse since receiving its first iron ore cargo in 1973, but the country’s pivot to a more consumption-driven economy requires it to woo new foreign investors in emerging sectors. “China welcomes Brazilian companies, including Vale, to continue to deepen trade and investment cooperation,” Vice Commerce Minister Wang Shouwen told the company’s chief executive, Gustavo Pimenta, in Beijing. China was also welcoming Vale to participate in opportunities in the domestic market, the commerce ministry added in its statement on Thursday. In a “special action plan” unveiled last week to boost consumption, Beijing pledged to further open its service sector to foreign capital, encouraging ventures in areas ranging from bed and breakfast offerings to property services. “As consumption in China grows, if our household consumption relative to annual economic output is to rise to 50%, or even higher, from 40%, services consumption must play a big role,” said Tang Yao, an economics professor at Peking University. “(We) should encourage foreign investment to enter the services industry,” added Tang, who teaches at the university’s Guanghua School of Management. As it grapples with the problems of an ageing population, Beijing also seeks investment in healthcare. A 500-bed hospital wholly owned by a Singapore company began operations late in February in the northern city of Tianjin, marking a first for China’s healthcare sector. Three wholly foreign-owned hospitals have been approved, with 13 foreign-owned companies cleared to provide value-added telecom services, while over 40 foreign firms have launched biotech projects, a ministry spokesperson told reporters. Foreign companies are welcome to take a share in the dividends of China’s development, a foreign ministry official told a regular news conference. At the same time, some foreign businesses need to brace themselves for fierce competition from Chinese rivals

Source ~ Reuters

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