

# ▶ Market Guide

## THIS ISSUE

**Webs of Wealth: The Pros and Cons of Cross-Holdings for Investors**

Foreign Exchange Market Summary

Money Market Update

Stock Recommendations

“Anyone who is not investing now is missing a tremendous opportunity.” — Carlos Slim

**Annya Walker, CFA**  
VP Strategy Research  
Innovation & Projects  
☎ (876) 935-2716  
✉ Walkerad@jncb.com

**Raju Gunnings, FMVA**  
Senior Research Analyst  
✉ Gunningsr@jncb.com

**Thea Christian, CBCA, FMVA, CMSA**  
Senior Research Analyst  
✉ Howardta@jncb.com

**Shereese Bailey, CBCA, CMSA, FMVA**  
Research Analyst  
✉ Baileysd@jncb.com

**Jamie Muir, FMVA**  
Research Analyst  
✉ Muirja@jncb.com

**Sean-Isaac Watson, CMSA**  
Research Analyst  
✉ Watsonsn@jncb.com

## Webs of Wealth: The Pros and Cons of Cross-Holdings for Investors

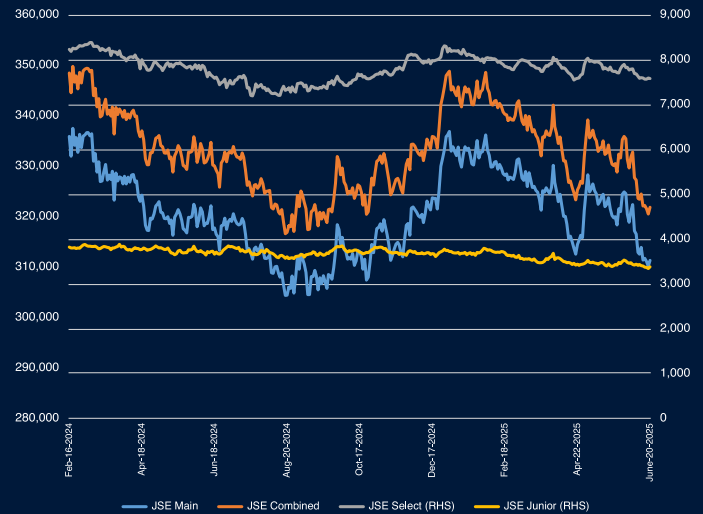
“No man is an island” is a well-known adage in Jamaica that emphasises the importance of connection and interdependence. On the Jamaica Stock Exchange (JSE), it’s clear that even our local companies embrace this mantra. As companies continue to look for opportunities to grow and diversify their operations, they sometimes acquire shares in other listed companies, a phenomenon known as cross-holding. In doing so, they can create value through synergies and strategic alliances, but can also pose challenges, including the reliance on earnings contributions from affiliates and limited pools of shares available for trading by investors. For the average investor, understanding how cross-holdings work is key to crafting a resilient investment portfolio that can generate sustainable returns and weather market cycles. With this in mind, this week’s article will assess the prevalence of cross-holdings on the JSE and some of the pros and cons to consider as investors build their portfolios.

Our assessment of the companies listed on the JSE shows that several firms have material cross holdings in other local publicly listed stocks. Approximately 20 listed entities – either directly or via their subsidiaries – are among the top 10 holders of other listed companies. Unsurprisingly, among the 20 entities, Main Market Financial Services and Conglomerate companies are among the major holders<sup>1</sup>. Leading this trend is Sagicor Group Jamaica (SJ), followed by NCB Financial Group Limited (NCBFG) and Mayberry Group Limited (MGL). Among Sagicor’s top exposures are TransJamaican Highway (TJH: 16.92%) and Berger Paints Jamaica Limited (BRG: 10.40%).

NCBFG also holds significant stakes in Guardian Holdings Limited (GHL: 61.77%), TJH (31.77%) and Elite Diagnostic Limited (ELITE: 18.68%), among others. In the Conglomerate Sector, GraceKennedy Group Limited (GK) holds significant stakes in Key Insurance (KEY: 73.27%) and Regency Petroleum Limited (RPL: 9.52%). Jamaica Producers, which holds a 34.63% stake in Pan Jamaica Group Limited (PJAM), also holds a major stake in Kingston Wharves Limited (KWL: 42.03%). For its part, PJAM<sup>2</sup> maintains a 30.23% stake in SJ. While many Main Market companies hold top stakes across various sectors, few companies in the Junior Market own stakes in other listed firms. A notable exception is Derrimon Trading Company Limited (Derrimon) and Tropical Battery Limited (TROPICAL), with 65.02% and 1.13% ownership, respectively, in Caribbean Flavours and Fragrances Limited (CFF). With at least 91 JSE-listed companies having at least one publicly listed firm as a top ten shareholder (see Figure 1), this raises important considerations for investors seeking diversification. While these cross holdings could yield benefits for shareholders, including mutually beneficial synergies and strategic alliances - that support stronger financial performance - and enhanced corporate governance, there are potential drawbacks, including the reduction of publicly available shares for trading (i.e. free float), especially for the target companies, and earning risks if the targets underperform.

A major benefit of cross holdings is the potential to generate valuable synergies, which can improve efficiency and profitability. Investing in other companies allows firms to access complementary

### WEEKLY MOVEMENT IN INDICES



### MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	321,802.10	-0.81%	-7.50%
Main Market Index	311,290.55	-0.81%	-7.30%
Select Index	7,568.44	-0.23%	-8.65%
Junior Market Index	3,370.20	-0.86%	-9.77%

### WINNERS & LOSERS FOR THE WEEK ENDED JUNE 13, 2025

	\$ Change	% Change
FIRSTROCKUSD	+\$0.00	+31.29%
EPLY7.75	+3.09	+18.95%
MDS	-\$0.31	-19.50%
ASBHUSD	-\$0.04	-18.41%

### MARKET OVERVIEW

The local stock market indices experienced a third consecutive week of broad-based declines, suggesting continued bearish investor sentiment. The JSE Combined Index fell by 0.81% over the period. Market breadth was neutral, with 51 of the 121 actively traded securities declining, 51 advancing, and 13 closing flat, as several large-cap stocks continued to contribute to the decline. Market activity weakened, with total trading volume decreasing by 14.3% and total value traded contracting by 42.1%. Leading the volume charts was Transjamaican Highway Limited (TJH) with 13.18Mn units or 21.86% of total traded volume.

Week-over-Week (WoW), all major indices declined and the JSE USD Equities Index (-5.99%) and the JSE Manufacturing & Distribution Index (M&D; -1.13%) fell the most. The sharp decline in the JSE USD Equities Index was primarily attributable to an 18.4% drop in AS Bryden Holdings USD ordinary shares (ASBHUSD). Its low liquidity and wide bid-ask spread contributed to the price decline, when 8,290 shares were sold at US\$0.16 per share. Meanwhile, the M&D Index decline was primarily led by a 13.2% drop in Lasco Manufacturing Limited (LASM), a 5.0% decline in Seprod Limited, and a 6.3% decline in Jamaica Broilers Group Limited (JBG). Notably, there were no material news or disclosures during the week to justify these price movements, suggesting the declines may have been largely driven by broader market sentiment.

<sup>1</sup> The top 10 shareholders were sourced from the JSE for CFF, DOLLA, ELITE, KWL, TJH, RPL, and KEY, using their most recent financials dated as at March 31, 2025, and for Berger for the year ended December 31, 2024.

<sup>2</sup> named PanJam Investment Limited at the time of the acquisition, before merging with Jamaica Producers

capabilities, streamline supply chains, and share technological or operational expertise that supports long-term growth. For example, Seprod, through its various cross holdings, including in A.S. Bryden (ASBH: 79.99%) and Caribbean Producers (CPJ: 79.99% through ASBH), has and is expected to continue benefiting from such synergies. The group has built a portfolio of integrated businesses, allowing it to increase its market reach and gain operational efficiencies. In 2022, when Seprod announced the ASBH acquisition, management noted its potential to allow both companies to “take a quantum leap in creating a regional company, utilising the best of our Caribbean people to create value-added synergies”. To that end, the group announced plans to construct a logistics and distribution warehouse in Trinidad & Tobago (T&T) to boost exports, lower production costs, and improve product reach. Likewise, GK’s acquisition of KEY, between 2019 and 2020, facilitated leadership and staff changes, which yielded synergies. These include improved product and service offerings along with greater operational efficiency, which led to a turnaround in KEY’s performance.

Alongside greater synergies, these cross holdings can foster mutually beneficial strategic alliances. For example, Mayberry Group Limited (MGL), through its subsidiary Mayberry Investments Limited (MIL), which holds a 31% stake in Dolla Financial Company (DOLLA), is actively involved in DOLLA’s financing activities. In November 2023, Dolla was approved for a J\$500Mn facility under the Micro Small and Medium-sized Enterprise (MSME) Line of Credit, managed by MIL. MIL also served as the lead arranger and broker for DOLLA’s successful J\$1.9Bn<sup>3</sup> Corporate Note Issuance in December 2024. These financings enabled DOLLA to strategically expand its loan portfolio. MIL likely also benefited through fees and broker incomes. Similarly, VM Investments Limited (VMIL) has also forged a strategic relationship with its associate, Kingston Properties Limited (KPREIT: 23.01%), underwriting KPREIT’s 2019 rights issue and lending the company \$700Mn as a bridge loan in June 2021. This would’ve allowed for fee income for the underwriters, VM Wealth. The company also noted

**The prevalence of cross-holdings has created more dynamic relationships between companies, shareholders, and investors. With over 91% of companies on the JSE involved in crossholdings, several have benefited from synergies and strategic alliances that improved efficiency, product reach, and business opportunities.**

that it would continue to participate in the strategic direction of KPREIT going forward.

Major cross holdings have also played an important role in diversifying revenue streams and enhancing financial stability, often at a time when core earnings are not at their best. In the Financial Year ended March 31, 2024 (FY2024), Proven Group Limited (Proven) recorded a significant one-off gain of US\$15.65Mn from its 20% stake in JMMB Group Limited (JMMBGL). This one-off gain came at a time when its core earnings declined on the back of higher staff costs, and without it, the company would have reported a loss. Similarly, NCB Financial Group’s (NCBFG) 61.77% stake in GHL has assisted in mitigating the fluctuations in the earnings of its banking business in recent years, amid the challenging operating environment of financial companies locally. Similarly, PJAM’s substantial 30.23% stake in SJ - which is the principal holding of the Financial Services (FS) Division of PJAM - has significantly contributed to its financial performance over the years<sup>4</sup>. These examples highlight the diversification benefits of investments across multiple companies and sectors, which can accrue to listed companies and enhance their overall financial resilience and stability<sup>5</sup>.

Despite offering solid benefits, cross-holdings can also have disadvantages for investors and the broader market. One notable concern relates to how the earnings of a company can be influenced by the underperformance of a subsidiary, associate or affiliate. For example, PJAM’s FY2020 net profits declined 57.8% partly due to a 22% decline in returns from its associates<sup>6</sup>, including SJ. Notably, SJ

recorded a 12% reduction in net profits and a substantial decline in its dividend distribution to shareholders. There is also the downside risk of a reduction in shares available for trading, which can ultimately affect a stock’s liquidity. Lower liquidity can impair price discovery, as it becomes more difficult for investors to enter or exit positions without affecting stock prices. For example, the percentage of CPJ shares available for daily trading has been reduced to roughly 10.00%, following ASBH’s acquisition of a 79.99% majority stake in the company. This is significantly below the market average of 34.09%, and implies that investors could find it difficult to buy or sell CPJ shares at favourable prices. The same holds following Seprod’s recent take-up of an additional 29.85% of ASBH shares, which has resulted in a free float of 5.50%. Likewise, KEY’s pool of shares available for trading is also limited, given GK’s 73.27% stake. Moreover, GK’s recent takeover bid to acquire all outstanding KEY shares could likely result in the company being delisted. This would result in one less listed company available to investors and therefore highlights the extreme when crossholdings result in company delisting.

The prevalence of cross-holdings has created more dynamic relationships between companies, shareholders, and investors. With over 91% of companies on the JSE involved in crossholdings, several have benefited from synergies and strategic alliances that improved efficiency, product reach, and business opportunities. While these benefits support higher and more diversified revenue streams, underperforming subsidiaries, associates, and affiliates could affect earnings, while material ownership by listed entities could limit liquidity. That aside, investors could face unintended portfolio exposure to industries and sectors that undermine diversification efforts – a story for another day. On the balance of these pros and cons, due diligence is essential as investors build their stock portfolios. Before purchasing shares in a company, investors should carefully assess financial statements, news and company disclosures to gain useful insights.

3 Initially targeted at \$1 billion, the offering was upsized to \$1.9 billion in response to strong demand.

4 For the three months ended March 31, 2025, the FS Division reported a profit before finance cost and taxation of \$1.2Bn for the year, reflecting a 304% increase when compared to the prior year.

5 NCB’s insurance segment has historically provided an average 24.9% contribution to NCBFG’s annual operating income. This figure includes NCB Insurance Agency & Fund Managers Limited.

6 An associate company is one where an investor owns a significant portion of the voting shares (typically 20-50%), but not enough to have a controlling stake.



Sources: S&P Capital IQ and NCBM Research

## Foreign Exchange Market

For the week ending June 20, 2025, the Jamaican dollar depreciated by 0.66%, with the USD selling rate moving from J\$159.87 on June 13, 2025, to J\$160.93 on June 20, 2025. This was primarily driven by an increase in interdealer trading within the USD currency market.

Selling	Close: 13/06/25	Close: 20/06/25	Change
J\$/US\$1	\$159.87	\$160.93	\$1.07
J\$/CDN\$1	\$118.00	\$117.96	-\$0.03
J\$/GBP£1	\$216.61	\$216.32	-\$0.28

## Global Bond Prices

Last week, the bond market responded positively to news released on Wednesday of potential rate cuts this year by the U.S. Federal Reserve (Fed) after keeping rates steady, and lower retail sales, but the market remains cautious given the conflict between Israel and Iran. The Fed on Wednesday kept interest rates steady amid expectations of higher inflation and lower economic growth, but still pointed to two reductions later this year. Markets had already priced in no chance of a central bank move last week, and the decision aligned with those expectations as the Federal Open Market Committee kept its key borrowing rate targeted in a range between 4.25%-4.5%, where it has been since December. Along with the rate decision, the committee indicated, through its closely watched “dot plot”,<sup>7</sup> that two cuts by the end of 2025 are still on the table. However, it lopped off one reduction for both 2026 and 2027, putting the expected future rate cuts at four, or a full percentage point. Furthermore, retail sales dropped by 0.9% in May according to the Census Bureau, worse than the 0.6% contraction that economists surveyed by Dow Jones had estimated. Excluding automobiles, sales fell by 0.3% last month, underperforming expectations for a 0.1% increase. Gas station sales declined 2% in the month, which can be attributed to both lower prices and possibly slower economic activity. The conflict between Israel and Iran also lifted the bond

market, as the US intervened, attacking key Iranian nuclear sites, joining Israel in the biggest Western military action against the Islamic Republic since its 1979 revolution. This saw investors shifting to much less risky assets, highlighting a flight to safety amidst the increasing uncertainty.

In the wake of dovish signals from the Federal Reserve, lower may retail sales and the seeming escalation in the ongoing Israel-Iran conflict, bond yields declined, and prices rose WoW. The 10-year U.S. Treasury yield closed at 4.38% on June 20, down from 4.41% the prior week. Emerging market bond prices also rose and yields fell, with Latin America and the Caribbean sovereign bonds participating in the broader fixed income rally. Bonds issued by the governments of The Bahamas, Bermuda, Barbados, the Dominican Republic, Jamaica, and Trinidad & Tobago saw lower yields and higher prices.

Over the last few weeks, both the Government of Barbados and The Bahamas executed cash tender offers for some of their existing Notes. Barbados has announced a cash tender to repurchase its 6.50% notes maturing in 2029, while The Bahamas launched a cash tender offer for six of its outstanding bonds: the 6.000% notes due 2028, 9.000% notes due 2029, 6.950% notes due 2029, 8.950% notes due 2032, 6.625% notes due 2033, and 7.125% notes due 2038. The cash tenders are a part of both governments’ debt management strategy. Consequently, Barbados plans to issue a new mid 8.00% note due in 2035, meanwhile, The Bahamas issued a new 8.25% note maturing in 2036. Given the current macroeconomic environment, along with the expectation of modest interest rate reductions between 2025 and 2026, issuers are likely to continue refinancing existing short-term debt with longer-term maturities.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
BAHAMA (6.00%) 2028	BB-/Stable	102.50	5.18%	BUY
BAHAMA (6.95%) 2029	BB-/Stable	102.25	6.35%	BUY
BAHAMA (8.95%) 2032	BB-/Stable	111.00	7.00%	BUY
BAHAMA (6.63%) 2033	BB-/Stable	95.50	7.39%	BUY
BERMUD (4.75%) 2029	A2/Stable	104.50	3.42%	BUY
DOMREP (5.5%) 2029	BB/Stable	103.50	4.45%	BUY
DOMREP (8.625%) 2027	BB/Stable	108.50	3.71%	BUY
DOMREP (6.95%) 2037	BB/Stable	105.50	6.28%	BUY
GM (5.40%) 2029	Baa2/Stable	105.50	3.99%	BUY

<sup>7</sup> The Fed’s dot plot is a chart that records each Fed official’s projection for the central bank’s key short-term interest rate.

Bonds	Currency Rating	Indicative Price	Yield	Recommendation
JAMAN (6.75%) 2028	BB-/Positive	107.50	3.92%	BUY
JAMAN (8.50%) 2036	BB-/Positive	111.75	6.92%	BUY
KINGAIR (6.75%) 2036	BB/Stable	105.00	6.14%	BUY
LTMCI (7.88%) 20230	BB/Stable	105.75	6.46%	BUY
MARGRO (6.404%) 2029	BBB-/Positive	107.00	4.61%	BUY
MINSUR (4.5%) 2031	BBB-/Stable	97.25	5.01%	BUY
NFLX (5.88%) 2028	A3/Positive	109.00	3.05%	BUY
NFLX (4.875%) 2030	A3/Positive	105.75	3.60%	BUY
NRG (6.00%) 2033	BB+/Stable	104.00	5.35%	BUY
NRG (6.25%) 2034	BB+/Stable	105.25	5.52%	BUY
POSWDL (7.875%) 2030 <b>(NEW ISSUE)<sup>8</sup></b>	BB/Stable	102.75	7.56%	BUY
PYPL (2.85%) 2029	A-/Stable	98.00	3.36%	BUY
SFC (5.30%) 2028	BBB/Positive	103.75	3.90%	BUY
TPHLTT (9.00%) 2029	Ba3/Stable	106.50	7.15%	BUY
TRAJAM (5.75%) 2036	BB-/Positive	96.50	6.18%	BUY
NFE (6.50%) 2026	Caa1/Negative	47.50	81.73%	SELL
CSOLNO (6.00%) 2027	B+/Stable	16.75	702.13%	SELL
BANORT (5.75%) 2031	Baa2/Positive	100.50	1.18%	SELL

## GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	103.20	4.90%
	2039	117.20	6.04%
	2045	116.25	6.42%

\*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 (NCBCML) 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%	102.50	8.37%
PBS	2025	8.85%	100.85	6.03%

## Money Market

Last week, liquidity in the JMD money market declined, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs). As at June 20, 2025, the total aggregate current balance amounted to J\$33.85Bn, a 24.6% reduction week over week.

Demand for money market instruments remains strong, as evidenced by the oversubscription in last week's Bank of Jamaica (BOJ) 30-day Certificate of Deposit (CD) Auction results. Total bids on the 30-day CD Auction amounted to J\$30.41Bn, showing strong investor demand for the offer size of J\$21.00Bn. The offer amount increased by 40.0% while the bid received grew by 14.3%, resulting in a decline in the bid-to-offer ratio from 1.8X to 1.4x. Notably, the average yield increased by 9bp to 5.76% over the week. The next auction is scheduled for June 25, 2025.

Meanwhile, the BOJ's auction of a US\$80Mn, 45-month U.S. dollar-indexed note bearing a 4.25% coupon and maturing on March 19, 2029, was undersubscribed, attracting only 133 bids with a total value of US\$58.22Mn.

<sup>8</sup> Issuer- Port of Spain Waterfront Development Limited, Industry- Infrastructure, Type- Secured, Callable-Yes, Coupon Rate- 7.876%, Coupon Payment- Semi-annually, Maturity- August 19, 2040, Risk Profile - Moderate

## Dates to watch this week

■ International ■ Local

June 2025				
MON	TUE	WED	THUR	FRI
23	24	25	26	27
	-SVL (AGM) - AC Hotel by Marriot	-JFP (AGM)- 155 Spanish Town Road -JSE (AGM)- 40 Harbour Street & online -KEY (AGM)- 42-56 Harbour Street & online		DCOVE Dividend Payment Date (\$0.60per share)  Massy Dividend Payment (TT\$0.0354)
	-CAD CPI (YoY) (May)	-PanJam Dividend Payment (\$0.15 per share) -FTNA Dividend Payment(\$0.25 per share)	US GDP (QoQ) (Q1)	CAD GDP (MoM) (April)

## Recommendations

Ticker	Closing Price (June 24, 2025)	P/E	Avg. Sector P/E	Current Recommendation
CAR	\$15.63	10.7x	15.1x	<b>BUY</b>
GK	\$73.42	8.6x	11.5x	<b>BUY</b>
SVL	\$20.10	36.5x	36.5x	<b>BUY</b>
TJH	\$3.61	8.9x	18.5x	<b>BUY</b>
TJHUSD	\$0.02	8.7x	14.3x	<b>BUY</b>

## Regional News

### US Confirms Another Travel Ban Could Target Four Caribbean Nations

The United States (US) State Department has confirmed that President Donald Trump is considering a travel ban targeting 36 countries, including four in the Caribbean. Over the weekend, the Washington Post reported that Antigua and Barbuda, Dominica, St Kitts-Nevis, and St Lucia were named in a leaked State Department document signed by Secretary of State Marco Rubio and circulated to US diplomatic missions, regarding potential travel restrictions. The memo reportedly cites concerns tied to these countries' citizenship-by-investment programmes. Under the Citizen by Investment (CBI) programme, foreign investors are granted citizenship in exchange for substantial contributions to national development. These four Caribbean countries have previously defended their CBI programmes as legitimate economic tools, citing strong due diligence measures. All four nations have stated they have not received official communication from Washington regarding the proposed travel ban. Bruce explained that the US government evaluates countries based on security capabilities, information sharing, identity management practices, visa system abuses such as high overstay rates, and failure to repatriate removable nationals. Furthermore, the memo gives affected governments 60 days to meet new benchmarks. In addition to the Caribbean countries, the list includes 25 African nations, along with several from Central Asia and the Pacific.

Source ~ Caribbean National Weekly

### Guyana to Help Supply One-Third of Global Oil Output By 2030

The International Energy Agency (IEA) is warning that global oil supply growth is set to significantly outpace demand in the coming years, as geopolitical tensions, such as the ongoing conflict between Israel and Iran, pose serious risks to energy security. In its latest medium-term report, Oil 2025, the agency noted, "As the Israel-Iran conflict focuses attention on immediate energy security risks, the new IEA medium-term outlook sees global oil supply increase set to outpace demand growth in the coming years. With intensifying geopolitical strains and heightened uncertainty about global economic prospects, oil markets are undergoing structural changes as the key drivers of supply and demand growth of the past 15 years start to fade. The IEA projects that between 2024 and 2030, global oil demand will rise by 2.5 million barrels per day (mb/d),

reaching a plateau of around 105.5 mb/d by the end of the decade. However, production capacity is expected to grow by more than 5 mb/d to 114.7 mb/d, with strong contributions from natural gas liquids and other non-crude sources. The United States, Canada, Brazil, Guyana, and Argentina are expected to dominate this non-OPEC+ supply increase. The IEA stated that these five countries will collectively provide nearly one-third of the world's oil supply by 2030, with the Americas accounting for nearly all the 3.1 mb/d growth projected for non-OPEC+ during this period. According to the report, China, which has driven the growth in global oil demand for well over a decade, is set to see its consumption peak in 2027, following a surge in electric vehicle sales and the continued deployment of high-speed rail and trucks running on natural gas. At the same time, US oil supply is now expected to grow at a slower pace as companies scale back spending and focus on capital discipline, although the United States remains the single largest contributor to non-OPEC supply growth in the coming years. The United States, Canada, Brazil, Guyana, and Argentina are expected to dominate this non-OPEC+ supply increase. The IEA stated that these five countries will collectively provide nearly one-third of the world's oil supply by 2030, with the Americas accounting for nearly all the 3.1 mb/d growth projected for non-OPEC+ during this period.

Source ~ Kaieteur News

## International News

### Fed Keeps Rates Steady but Pencils in Two Cuts by End of 2025

The U.S. central bank held interest rates steady on Wednesday and policymakers signaled borrowing costs are still likely to fall in 2025, but Federal Reserve Chair Jerome Powell cautioned against putting too much weight on that view, and said he expects "meaningful" inflation ahead as consumers pay more for goods due to the Trump administration's planned import tariffs. Powell noted that if it weren't for tariffs, rate cuts could be justified, as recent inflation figures have been relatively low. But a cost shock is coming, he insisted, with producers, manufacturers, and retailers still involved in a complicated struggle over who will pay the levies imposed so far, and President Donald Trump still contemplating an aggressive set of import duties that could go into effect early next month. In new economic projections released alongside the Fed's statement, policymakers sketched a modestly stagflationary picture of the economy, with growth in 2025 slowing to 1.4%, unemployment rising to 4.5%, and inflation

ending the year at 3%, well above the current level. While policymakers still anticipate cutting rates by half a percentage point this year, as they projected in March and December, they slightly slowed the pace from there to a single quarter-percentage-point cut in each of 2026 and 2027 in a protracted fight to return inflation to their 2% target. There was a split among the 19 policymakers, with seven of them feeling that no rate cuts would be needed. That diversity of views reflects that while uncertainty over Trump's tariff policy is down from its peak in April, it's still "a very foggy time," Powell said, adding that policymakers may have divergent assessments of the risk that inflation could stay persistently higher, or that the labor market could weaken.

Source ~ Reuters

### **World Awaits Iranian Response After US Hits Nuclear Sites**

The world braced on Sunday for Iran's response after the U.S. attacked key Iranian nuclear sites, joining Israel in the biggest Western military action against the Islamic Republic since its 1979 revolution. With the damage visible from space after 30,000-pound U.S. bunker-buster bombs crashed into the mountain above Iran's Fordow nuclear site, Tehran vowed to defend itself at all costs. It fired another volley of missiles at Israel that wounded scores of people and flattened buildings in Tel Aviv. The U.S. State Department ordered employees' family members to leave Lebanon and advised citizens elsewhere in the region to keep a low profile or restrict travel. An advisory from the U.S. Department of Homeland Security warned of a "heightened threat environment in the United States." Law enforcement in major U.S. cities stepped up patrols and deployed additional resources to religious, cultural, and diplomatic sites. Tehran has so far not followed through on its threats of retaliation against the United States - either by targeting U.S. bases or trying to choke off global oil supplies - but that may not hold. Speaking in Istanbul, Iranian Foreign Minister Abbas Araqchi said his country would consider all possible responses. There would be no return to diplomacy until it had retaliated, he said. "The U.S. showed they have no respect for international law. They only understand the language of threat and force," he noted. Ali Shamkhani, an adviser to Iran's Supreme Leader Ayatollah Ali Khamenei, said on X that the initiative was "now with the side that plays smart, avoids blind strikes. Surprises will continue!". U.S. President Donald Trump, in a televised address, called the strikes "a spectacular military success" and boasted that Iran's key nuclear enrichment facilities had been "completely and obliterated." But his officials

gave more nuanced assessments and - except for satellite photographs appearing to show craters on the mountain above Iran's subterranean plant at Fordow - there has been no public accounting of the damage. The U.N. nuclear watchdog, the International Atomic Energy Agency, said no increases in off-site radiation levels had been reported after the U.S. strikes.

Source ~ Reuters

NCB Capital Markets Ltd (formerly Edward Gayle and Co.) established in 1968 is Jamaica's oldest stockbrokerage. The company became a part of the National Commercial Bank (NCB) Group in 1994 and a fully owned subsidiary in October 2002. In December 2002, the then Edward Gayle and Co. was merged with another NCB subsidiary, NCB Investments. The products distributed by this combined subsidiary cover the traditional money market product offerings (J\$ and US\$ Repos), primary dealer services, stock brokerage and investment advisory services. Edward Gayle was renamed NCB Capital Markets Ltd. in October 2003.

NCB Capital Markets Limited ("NCBCML") through its representative(s) has provided information to you on various financial products and services and investment opportunities for information and educational purposes only. While NCBCML has made every effort to ensure that the information provided to you is accurate and based on research and analysis that we have carried out or derived from sources that we believe to be accurate and reliable, NCBCML makes no representations or warranties about the accuracy, completeness or suitability for any purpose of the information published and will not be liable for any loss which you or anyone else may suffer in reliance on the information we have provided to you. This Report does not take into account the specific investment

objectives, financial situation or particular needs of any specific recipient and therefore this Report should not be regarded by recipients as a substitute for the exercise of their own judgment or for obtaining advice directly from one of our investment advisors.

#### Important Disclosures:

The views expressed in this report are the views of NCB Capital Markets Ltd at the date of this report.

In accordance with Section 39 (l) of the Securities Act of 1993, NCB Capital Markets Limited hereby states that it is a subsidiary of NCB Financial Group Limited and to that extent may be regarded as interested in the acquisition or disposal of the shares of NCB Financial Group Limited. However, the company acts in a proper and professional manner in making any recommendations regarding shares listed on the Jamaica Stock Exchange. Share prices may fluctuate and past performance is not necessarily a guarantee of future returns.