Market Guide

September 15, 2026

THIS ISSUE

EMI Growth Reflects More Than Rebuilding as Opportunities and Risks Expand

"It's far better to buy a wonderful business at a fair price than a fair business at a wonderful price." - Warren Buffet

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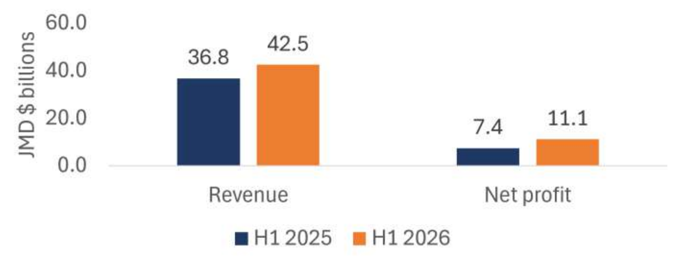
EMI Growth Reflects More Than Rebuilding as Opportunities and Risks Expand

Figure 1: Aggregate EMI Earnings H1 2026 vs H1 2025



Chronixx released his Album Exile on 10 October 2025, with a track on it called "Hurricane". Weeks later, Melissa made the title literal, wreaking havoc, particularly in western parishes. With the Jamaican Government, volunteers, and members of the diaspora showing their resilience and pledging to rebuild, we anticipated that recovery spending would support growth for local Energy, Materials and Industrials (EMI) stocks. Against this background, it appears that market participants expected that their earnings and stock prices would "Keep on Rising" amid higher demand for building materials, supporting infrastructure and alternative energy sources. However, the June 2026 earnings season shows that the benefits have been spread less evenly than initially expected and have often been offset by external and internal headwinds. This week we'll assess how post-Melissa demand has shaped H1 2026 earnings for EMI stocks on the Jamaica Stock Exchange (JSE) and where other factors, including the timing of critical reconstruction spend, are causing a deviation from earlier projections.

EMI stocks generated aggregate earnings of J$11.1Bn for the six months to June 2026, their strongest six-month performance in two years (see Figure 1). While post-Melissa demand contributed to this result, its impact was less significant than expected. In the eight months since the hurricane, reconstruction demand benefited those closest to the reconstruction supply chain, leaving earnings growth unevenly distributed across the sector (see Table 1). Meanwhile, other EMI players benefited from factors not directly related to the hurricane, including business line expansion, increased infrastructure capacity, stronger sales execution and lower finance costs. Higher freight and input costs, foreign-exchange losses, increased depreciation and weaker sales were "Scheming" and weighed down earnings.

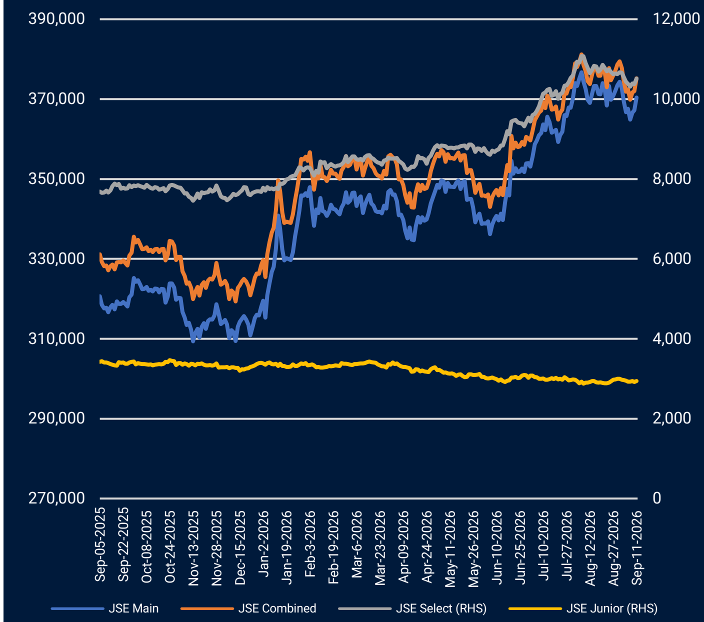
Table 1: EMI Earnings (H1 2026 vs H1 2025) - J$Mn

Ticker	H1 2025	H1 2026	% Change
CCC	2,539	5,748	126.4%
TJH	2,822	3,945	39.8%
KW	1,719	1,041	-39.4%
WIPT	203	306	50.7%
OMNI	82	143	73.6%
CHL	154	130	-15.7%
AHPC	34	116	242.7%
BRG	5	39	712.4%
TROPICAL	(64)	34	153.4%
MPCCEL	(143)	(392)	-174.5%
Total	**7,351**	**11,110**	**51.2%**

Skanking on Rebuild Demand

Players closest to the rebuild supply chain, like Caribbean Cement (CCC), Atlantic Hardware & Plumbing (AHPC), OMNI and Cargo Handlers Limited (CHL), are skanking on early post-Melissa demand. CCC led the improvement, with its six-month net profits rising by 126.4% to J$5.75Bn from J$2.54Bn. This strong

WEEKLY MOVEMENT IN INDICES



MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	375,211.57	0.90%	14.24%
Main Market Index	370,359.28	0.98%	16.47%
Select Index	10,514.01	0.76%	36.98%
Junior Market Index	2,939.15	-0.45%	-13.59%

WINNERS & LOSERS FOR THE WEEK ENDED SEPTEMBER 11, 2026

	$ Change	% Change
LEARN	$0.04	28.57%
CPJ	$1.87	27.58%
MEEG	-$0.63	-15.87%
CAC	-$0.26	-15.29%

MARKET OVERVIEW

The local equity market regained some ground from the previous week's 1.4% decline, with the JSE Combined Index advancing 0.9%. Gains were largely concentrated in large-cap stocks, while market breadth remained slightly negative. 58 of the 125 stocks traded declined, compared with 55 advancers. Trading activity moderated, with total market volume declining 21.1% week-over-week (WoW) to 135.17Mn units. Market value traded also decreased by 21.9% to J$831.59Mn

Six of the other eight major indices closed higher, led by the JSE Cross Listed and JSE Main Indices. The Cross Listed Index rose 3.5%, bolstered by the appreciation of Massy Holdings Limited (Massy; +5.0%) and Guardian Holdings Limited (GHL; +1.1%). The Main Index advanced 1.0%, driven primarily by gains in Pan Jamaica Group Limited (PJAM; +8.2%), TransJamaican Highway Limited (TJH; +6.2%) and Massy. TJH's performance likely reflected positioning ahead of the company's scheduled dividend decision. Following the close of trading on Friday, TJH declared an interim dividend of J$0.1652 per share, payable on October 23, 2026, to shareholders on record as at October 2. The declaration could support further near-term price appreciation as investors position to qualify for the payment, although gains may moderate once the stock trades ex-dividend.

The only two decliners were the JSE USD Equities Index and the JSE Junior Market, both down 0.5%. The USD Equities Index was weighed down by TJHUSD (-1.0%). The divergence from the JMD-listed shares likely reflected differences in liquidity and trading activity between the two listings. Meanwhile, declines in Jamaican Teas Limited (JAMT; -6.2%) and Mailpac Group Limited (Mailpac; -4.5%) pressured the Junior Market Index, with no material company-specific developments identified for the week.

performance was partly attributed to higher sales volumes, reflecting sustained demand in the domestic market associated with ongoing recovery activities following Hurricane Melissa. Its kiln expansion allowed it to meet the increase in demand and contributed to its record sales volumes in Q2 2026 and its strongest earnings before interest, taxes, depreciation and amortisation (EBITDA) performance to date. AHPC grew even faster, with six-month revenues up 69.3% to J$1.46Bn and profits up 242.7% to J$116.28Mn. It benefited from supplying businesses and organisations involved in reconstruction (albeit at discounts) following the hurricane[1]. It also released a new agricultural product line in February, which contributed just under J$300.0Mn at single-digit margins. Beyond hurricane tailwinds and new business lines, AHPC also benefited from a 22.5% reduction in finance costs due to the use of initial public offering (IPO) proceeds to repay debt. OMNI and CHL also captured post-Melissa demand. OMNI's H1 2026 revenues grew 34.6% to J$1.33Bn on stronger demand for construction and storage products, and net profit grew 73.6% to J$142.55Mn. Still, gross margins narrowed to 39.0% from 41.0%, as shipping disruptions raised material, freight and supplier costs, while new machinery added production costs and depreciation. For CHL, whose financial year ends in September, June-quarter revenues rose 20.0% to J$140.76Mn on pipe deliveries for the National Water Commission's (NWC) Western Water Resilience Improvement project[2], higher cement volumes and additional transhipment business. However, it did not fare as well as its peers. Higher labour and handling costs limited net profit growth to 1.6%, at J$90.07Mn. Across the six months to June, however, revenues were flat at J$245.94Mn, down 0.3%, and net profit fell 15.7% to J$129.76Mn, so the rebuilding uplift is recent rather than cumulative.

Growth Without the Storm

A second group grew on tailwinds, without explicitly benefiting from Hurricane Melissa. Outside the materials sector, TransJamaican Highway (TJH) increased six-month net profit 39.8% to US$24.86Mn, helped by Phase 1C, increased use of t-Tag, and a 7.6% dip in finance costs. Notably, the toll road may be supporting the transport of recovery material to western parishes, likely bolstering topline revenues for the period. On the other hand, Melissa may have cost TJH more than it gave. A state-ordered 15-day toll suspension, from 26 October to 10 November 2025, cost it an estimated US$3.5Mn in tolls and weighed on Q4 2025 earnings, even as the full year hit a record. It may yet be recouped, as TJH contends the suspension breached its property rights and is in talks with the Toll Authority on compensation. Berger Paints grew on a mix of the two, since its Q1 2026 statement credits demand that strengthened as rebuilding accelerated after Melissa, even as company-specific gains did much of the work. Profits grew from J$4.83Mn to J$39.27Mn, attributed to stronger sales efforts, more reliable supply and lower employee benefits expenses. Similarly, Tropical Battery swung to a J$34.02Mn profit from a J$63.71Mn loss, aided by better supplier terms, a more profitable product mix and higher export prices for spent batteries. Its energy business is particularly significant. The renewable segment, which spans Jamaica and the Dominican Republic through KAYA Energy, delivered 27.0% of nine-month operating profit on 12.0% of revenues alongside a growing order book.

> Consulting your NCBCM Wealth Advisor, monitoring company financials and market news for updates on procurement timelines, freight and energy costs, foreign-exchange pressures and execution risk will be key to determining whether the post-Melissa opportunity becomes broad-based or remains concentrated among a few winners.

Melissa Didn't Work in Everybody's Favour

For some EMI players, Hurricane Melissa and other macroeconomic headwinds made them laggards. While Kingston Wharves' (KW's) six-month revenues rose 5.6% to J$6.33Bn, net profit fell 39.4% to J$1.04Bn, as costs increased and higher-margin cargo volumes weakened. Notably, changes in global shipping services reduced transhipment and automotive cargo volumes, while limited yard space also diverted some cargo to other ports. Foreign-exchange losses, higher borrowing costs for equipment and yard expansion, and increased depreciation also compounded the earnings slowdown. Hurricane Melissa's effect on KW was indirect, as the winding down of post-storm relief shipments contributed to lower less-than-container-load volumes, reducing the temporary boost to Logistics activity. Wigton also saw its earnings drop 34.8% as electricity generation fell and, with it, revenues (-4.4%). Higher maintenance costs tied to the residual effects of two consecutive hurricanes (Beryl-2024 and Melissa-2025) pushed operating expenses up 15.5%, while lower interest income and the absence of foreign-exchange gains cut other income, also draining earnings.

Where the Rebuilding Opportunity Remains & Risks That Lurk

While Melissa didn't have a "Sweet Argument" for all EMI earnings thus far, the opportunity isn't fully lost as most of the anticipated post-Melissa public spend is yet to materialise. The Planning Institute of Jamaica (PIOJ) reports stronger capital spending by the National Works Agency and the National Road Operating and Constructing Company (NROCC) alongside a 90.3% fall in National Housing Trust housing starts[3], so civil engineering is running well ahead of new housing. In addition to this, Caribbean Cement managing director, Jorge Martinez, expects National Reconstruction and Resilience Authority (NaRRA) demand to materialise from the second half of 2027. With that being said, recovery depends on procurement pace and how quickly projects move from approval to execution[4]. When contracts flow, the opportunity set spans the value chain: materials, hardware and paint suppliers from project spending; ports, freight handlers and toll roads from movement of imported materials and equipment; and logistics expansion near the Port of Kingston from relieving existing capacity constraints[5]. Several companies are positioning for that swell. At CCC's 77th annual general meeting (AGM), Martinez said the company is ready to serve whatever cement demand NaRRA brings, citing more than J$15.4Bn invested in plant upgrades and efficiency over four years, domestic volumes up almost 7% year on year, and set to rise considerably as reconstruction ramps up. OMNI has its newly commissioned machines in production and has been lifting inventory within its production limits to meet rebuild demand, with management naming further capacity building as a priority for the year ahead.[6] KW is buying land and equipment beside the port and is in talks with the Port Authority and Jamaica Customs for more. That would ease the space squeeze that cost it cargo in H1 2026. Cargo Handlers is partnering up to win work on Western

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[1] Jamaica Gleaner, reporting comments by AHPC CEO Deanall Barnes on supplies provided for national reconstruction.
[2] Pre-dating Hurricane Melissa, the Western Water Resilience Improvement Project (WWRIP) is a four-phase National Water Commission programme, valued at about US$450Mn, to rebuild water transmission and treatment capacity from Westmoreland to St Ann and improve supply to more than 200,000 people.
[3] Planning Institute of Jamaica, "Review of Economic Performance, April–June 2026 and Economic Outlook, July–September 2026," Aug. 18, 2026.
[4] Jamaica Information Service, "NaRRA Procurement Framework to Ensure Oversight and Accountability – PM Holness," Apr. 16, 2026; Office of the Prime Minister, "NaRRA Bill Now Law as Government Advances National Reconstruction Programme," May 27, 2026.
[5] Kingston Wharves Limited, 2025 Annual Report; NCB Capital Markets, "Port of Kingston Gears Up for Fresh Round of Major Investment," Jan. 28, 2026.
[6] Jamaica Observer, 4 March 2026

Jamaica's shops, offices and resorts. Tropical Battery is backing a renewable order book that keeps growing in Jamaica and the Dominican Republic. Melissa may turn out to be its best salesman for the company. After weeks in the dark, solar panels and batteries look less like a luxury and more like insurance, and that is an easier sell. Wigton is leaning on the same logic, with almost 100MW of solar capacity already won at auction, with a larger second tranche to bid on. This would give it contracted generation revenues to rebuild an earnings base, which fell 34.8% in H1 2026. If procurement converts at scale, and these EMI players' plans are executed as intended, EMI earnings could see broader and more significant earnings growth.

That said, the earnings outlook for the sector is not without risks. Geopolitical tensions in the Middle East are driving up global energy prices and, with them, transportation costs. This will put upward pressure on expenses for EMI players. Shipping delays and route changes arising from the conflict, and Panama Canal restrictions due to the increasing risk of a very strong El Niño[7] could raise freight and insurance costs, delay imported materials or reduce cargo volumes[8]. On a positive note, the outages after Melissa and the need for more reliable power strengthen the case for renewable energy generation, battery storage and backup-energy solutions.

On the balance of these opportunities and risks, investors looking to rebalance their portfolio with EMI stocks should stay selective, adding companies best positioned to convert rebuilding demand into sustained earnings growth and trimming exposure to those that remain vulnerable to margin pressure, weak execution or limited participation in the reconstruction cycle. Consulting your NCBCM Wealth Advisor, monitoring company financials and market news for updates on procurement timelines, freight and energy costs, foreign-exchange pressures and execution risk will be key to determining whether the post-Melissa opportunity becomes broad-based or remains concentrated among a few winners. Ultimately, the post-Melissa opportunity is still alive, but returns will require patience, disciplined stock selection, and close attention to how quickly reconstruction spending moves from promise to profit.

Foreign Exchange Market

The Jamaican dollar appreciated relative to the USD, week-over-week, with the USD weighted average selling rate moving from J$159.03 on September 4, 2026, to J$158.72 on September 11, 2026. The stronger JMD reflected increased USD selling activity from brokers anticipating B-FXITT intervention from the Bank of Jamaica (BOJ) on Thursday, September 17th and Friday, September 18th. The BOJ is expected to sell a minimum of US$40.00Mn and a maximum of US$80.00Mn.

Selling	Close: 4/9/2026	Close: 11/9/2026	Change
J$/US$1	159.03	159.03	($0.31)
J$/CDN$1	116.13	116.13	($1.07)
J$/GBP£1	217.69	217.69	($1.54)

Global Bond Market

Global bond markets weakened last week as escalating Middle East tensions and disruptions to regional energy supplies drove oil prices sharply higher. WTI crude rose above US$100 per barrel, while Brent approached US$110, intensifying concerns that higher energy costs could prolong inflationary pressures and prompt monetary tightening by the U.S. Federal Reserve (Fed).

U.S. inflation data reinforced these concerns. The Producer Price Index rose 0.4% month-over-month in August, in line with expectations, but accelerated to 5.4% year-over-year from 4.8% in July. Core producer prices increased by a softer-than-expected 0.2% over the month. The consumer price index (CPI) subsequently rose 0.4% month-over-month and remained at 3.4% year-over-year, while core CPI increased 0.3% monthly and eased marginally to 2.4% annually. Although the CPI report broadly aligned with expectations, inflation remained above the Fed's target and strengthened expectations for a rate increase at its September meeting, particularly as renewed escalation of the conflict and US tariff on Canadian goods could add to price pressures. Nationwide now expects a quarter-point hike at this week's Federal Open Market Committee meeting.

Against this backdrop, the 10-year U.S. Treasury yield briefly approached 5.0%, its highest level since 2023, before ending the week near 4.97%. The sell-off reflected expectations for tighter monetary policy, rising energy-driven inflation risks and persistent concerns about the U.S. fiscal deficit and debt supply. Treasury's increased buyback programme provided limited relief, with approximately US$5.2Bn of 10- to 20-year securities repurchased against more than US$10Bn tendered. The operation remained small relative to the broader Treasury market and failed to materially ease pressure on longer-term yields. Similarly, emerging market bonds came under pressure as rising yields drove bond prices lower, with the weakness evident in both Jamaican (JAMAN) and Dominican Republic (DomRep) bonds.

	Currency Rating	Indicative Price	Yield	Recommendation
Abbott Labs (4.65%) 2036	A+/ Stable	94.91	5.62%	BUY
Airbnb (5.25%) 2036	A-/ Stable	97.51	5.59%	BUY
Amazon (4.55%) 2033	AA-/ Stable	96.66	5.16%	BUY
Amazon (4.65%) 2035	AA-/ Stable	94.35	5.44%	BUY
Amazon (4.875%) 2036	AA-/ Stable	95.21	5.53%	BUY
Bahamas (6.63%) 2033	BB-/ Stable	95.08	7.58%	BUY
Bahamas (8.25%) 2036	BB-/ Stable	110.74	6.73%	BUY
Bahamas (8.95%) 2032	BB-/ Stable	112.05	6.52%	BUY

[7] NOAA Climate Prediction Center, "Official ENSO Strength Probabilities," Sept. 2026.
[8] Panama Canal Authority, "Advisory to Shipping No. A-25-2026: Adjustment to the Maximum Allowable Draft in the Neopanamax Locks," Aug. 5, 2026.

	Currency Rating	Indicative Price	Yield	Recommendation
Barbados (8.00%) 2035	B+/ Positive	107.53	6.84%	BUY
Blackstone (6.00%) 2032	BBB-/ Positive	98.72	6.28%	BUY
Block Inc (6.00%) 2033	BB+/ Positive	100.11	5.98%	BUY
DOMREP (5.50%) 2029	Ba2/ Stable	101.10	5.01%	BUY
DOMREP (6.00%) 2033	Ba2/ Stable	99.77	6.04%	BUY
DOMREP (5.75%) 2034	Ba2/ Stable	97.63	6.15%	BUY
DOMREP (5.88%) 2035	Ba2/ Stable	97.12	6.29%	BUY
DOMREP (6.15%) 2038	Ba2/ Stable	97.22	6.49%	BUY
DOMREP (6.95%) 2037	Ba2/ Stable	103.36	6.50%	BUY
GEOPARK (8.75%) 2030	B+/ Stable	105.18	6.99%	BUY
Goldman Sachs Private Credit (5.875%) 2031	BBB-/ Stable	99.32	6.05%	BUY
Jamaica (6.25%) 2037 **(NEW)**	BB-/ Stable	102.90	5.89%	BUY
Jefferies (6.25%) 2036	BBB/ Stable	100.39	6.19%	BUY
Kingston Airport Revenue (6.75%) 2036	Ba3/ Negative	100.36	6.70%	BUY
Minerva (4.38%) 2031	BB/ Stable	89.55	7.13%	BUY
Minerva (7.50%) 2036 **(NEW)**[9]	BB/ Stable	95.33	8.21%	BUY
NCBFG (11.0%) 2030	B+/ Stable	108.16	8.48%	-
NETFLIX (4.875%) 2030	A2/ Positive	100.61	4.69%	BUY
NETFLIX 5.25% 2036 **(NEW)**[10]	A/Stable	98.69	5.42%	BUY
NRG (3.88%) 2032	BB+/ Stable	91.89	5.63%	BUY
NRG (6.00%) 2033	BB+/ Stable	99.65	6.06%	BUY
NRG (6.125%) 2036	BB+/ Stable	97.07	6.42%	BUY

	Currency Rating	Indicative Price	Yield	Recommendation
NRG (6.25%) 2034	BB+/ Stable	99.35	6.35%	BUY
Petro Rio (6.75%) 2030	BB+/ Stable	100.52	6.60%	BUY
TRANSJAM (5.75%) 2036	BB/ Stable	93.02	7.39%	BUY
Trinidad and Tobago (6.20%) 2038 **(NEW)**[11]	BBB-/ Negative	98.90	6.33%	BUY
Trinidad and Tobago (6.50%) 2036	BBB-/ Negative	101.78	6.24%	BUY
Trinidad Generation Unlimited (7.75%) 2033	BB/ Stable	106.56	6.53%	BUY
BANORTE (5.75%) 2031	BB-/ Negative	98.30	10.04%	SELL
FRICON (7.7%) 2028	C	13.92	160.92%	SELL

*Prices and yields are indicative. For further information on the recommendations outlined in this publication, including suitability considerations and detailed investment insights, clients are encouraged to contact their NCB Capital Markets Wealth Advisor. Your Wealth Advisor can provide personalised guidance aligned with your investment objectives, risk tolerance and portfolio strategy. Additionally, see Disclaimer on page 9.

GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	102.30	4.61%
	2036	116	6.23%
	2037	101.35	6.07%
	2039	116.05	6.04%
	2045	115.40	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 (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	8.15%	100.25	7.76%

[9] **Issuer-** Minerva Luxembourg S.A., Industry-Agriculture, **Type-** Senior Unsecured, Callable-No, **Coupon Rate**- 7.50%, **Coupon Payment**- Semi-annually, **Maturity** – April 22, 2036, Risk Profile – Aggressive
[10] **Issuer-** Netflix, Inc., Industry-Media & Entertainment, **Type-** Senior Unsecured, Callable-Yes, **Coupon Rate**- 5.25%, **Coupon Payment**- Semi-annually, **Maturity** – August 15, 2036, Risk Profile – Conservative
[11] **Issuer-** Government of the Republic of Trinidad and Tobago, **Type-** Senior Unsecured, Callable-Yes, **Coupon Rate**- 6.20%, **Coupon Payment**- Semi-annually, **Maturity** – July 16, 2038, Risk Profile – Moderate

Money Market

Liquidity in the JMD money market, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs), declined by 7.7% last week. As at September 11, 2026, the total aggregate current balance amounted to J$69.82Bn, compared to J$75.66Bn the previous week.

Demand for Bank of Jamaica (BOJ) liquidity management instruments remained firm, reflecting continued investor appetite for short-term Jamaican-dollar assets. At the latest 30-day Certificate of Deposit (CD) auction, the BOJ received J$40.36 billion in bids against J$34.00 billion on offer, translating to a 1.19x bid-to-cover ratio, up from 1.10x at the prior auction. The stronger subscription occurred despite a 54.6% increase in the amount offered week-over-week, indicating that demand remained solid even as supply was increased. Meanwhile, the weighted average yield rose by 10 basis points to 5.80%, suggesting a modest upward adjustment in pricing. The next 30-day CD auction is scheduled for Wednesday, September 16, 2026.

The BOJ also conducted a 14-day repurchase agreement (repo) auction, which received J$4.00Bn in eligible bids from an offer of J$3.00Bn. The auction's weighted average yield increased by 8 basis points to 6.06%, suggesting participants demanded slightly higher returns for short-term liquidity.

Dates to Watch This Week

International | Local

September 2026

MON 14	TUE 15	WED 16	THUR 17	FRI 18
PROVEN Dividend Payment- (US$0.0020/J$0.3163)	Consumer Price Index (STATIN)	CPFV Dividend Payment (BBD$0.005 per share) Mailpac Dividend Payment ($0.02 per share)	CAR Dividend Payment ($0.41 per share)	
CAD- Core CPI (YoY) (Aug)		US- Fed Interest Rate Decision UK- Core CPI (YoY) (Aug)	BOE Interest Rate Decision	

Recommendations

Ticker	Closing Price (September 15, 2026)	P/E	Avg. Sector P/E	Current Recommendation
OMNI	$0.93	11.5x	19.4x	**BUY**
SVL	$17.34	22.5x	22.5x	**BUY**
FESCO	$3.46	12.8x	16.9x	**BUY**

Prices and yields are indicative. For further information on the recommendations outlined in this publication, including suitability considerations and detailed investment insights, clients are encouraged to contact their NCB Capital Markets Wealth Advisor. Your Wealth Advisor can provide personalised guidance aligned with your investment objectives, risk tolerance and portfolio strategy. Additionally, see the Disclaimer on page 9.

Unit Trusts

Fund	Fund Composition	Price/ NAV$	12 Month Growth Rate	YTD Growth Rate	Yield (Estimated Yearly Income)
NCB Capital Markets Limited (NCB CAPFUNDS)			NAV* As at September 14, 2026		
O Money Market Fund (M Fund)	F	17.0271	6.03%	4.71%	4.91%
O Income Optimizer Fund (iO Fund) ◊	F	15.8456	3.59%	2.86%	4.05%
☆ Caribbean Equity Fund (E Fund) †	E	27.5102	0.36%	3.71%	8.53%
◊ Real Estate Fund (rE Fund) †	R, F	17.7565	5.36%	4.76%	4.48%
◊ Income Distribution (id Fund) †	F	100.5444	0.00%	0.54%	5.17%
O USD Money Market Fund (xM Fund)	F	1.2576	2.77%	1.85%	2.63%
O USD Bond Fund (xB Fund)	F	1.3647	1.77%	1.71%	2.81%

Key: O = Tax Free (special conditions apply) · ☆ = Tax Free · † = Sales commission/front end fee up to 2% · ◊ = Non-Diversified Unit Trust · F/E/R = Fixed Income, Equity, Real Estate

Regional News

Mexico's Headline Inflation Accelerates in August, Core Pressures Ease

Mexico's annual inflation rate accelerated for the first time in five months in August, official data showed on Wednesday, backing up a cautious monetary policy approach by the country's central bank. Consumer prices in Latin America's second-largest economy rose 3.26% in the year through August, accelerating from a 3.12% increase in July. Economists forecast a 3.3% increase in a Reuters poll. Food-price shocks could keep headline inflation volatile over the next few months, Abadia added. Bank of Mexico Deputy Governor Jonathan Heath last week said the central bank should not cut interest rates again in the short term and suggested any further easing may be about a year away.

In August alone, consumer prices increased 0.20%, following a 0.03% increase the prior month, according to non-seasonally adjusted figures. Economists expected a 0.25% rise. Mexico's government updated its inflation forecasts in a draft budget proposal submitted to Congress late Tuesday. It sees inflation ending 2026 at 3.5% and at 3.0% by the end of 2027. The closely watched core index, which strips out some volatile food and energy prices, rose 0.16% during the month, below a 0.20% market forecast and down slightly from the 0.23% recorded the previous month. The annual core rate stood at 3.88%, also slowing from the 3.95% registered in July and below expectations of a 3.93% increase.

Source ~ Reuters

Dominican Republic's Tourism Tax Revenue Triples Over the Past Decade

Tax revenue generated by tourism-related activities in the Dominican Republic has tripled over the past decade, increasing from approximately RD$15Bn to more than RD$45Bn in 2025, according to economist Nassim Alemany. The figures include income taxes and other levies linked to tourism, as well as passenger-related fees and revenues generated by hotel and tourism activities. Alemany noted that tourism-related tax revenue has grown more strongly since the pandemic than before 2020. The increase has been supported by the expansion of the tourism sector and its linkages with other industries. Beyond hotels and restaurants, tourism generates demand across agriculture, manufacturing, commerce, transportation and construction.

Tourism-related businesses made approximately RD$220Bn in purchases during 2025, including around RD$68Bn from commerce, RD$26Bn from manufacturing, RD$22Bn from construction and RD$6.8Bn from transportation. Tourism's direct, indirect and induced contribution reached an estimated 15.9% of GDP, compared with a direct contribution of 8.3%, highlighting the sector's wider impact on economic activity beyond traditional tourism businesses. The data highlights tourism's growing importance not only as a source of visitor spending but also as a contributor to government revenue and wider domestic economic activity. This is supported by continued strength in visitor arrivals, with the Dominican Republic welcoming a record 7.7Mn visitors in the first seven months of 2026. The gap between tourism's 8.3% direct contribution and 15.9% broader contribution to GDP further underscores the sector's spillover benefits across other industries

Source ~ Dominican Today

International News

Bank Of England Set to Hold Rates Steady

The Bank of England looks set to keep interest rates steady this week despite surging oil prices but is expected to slow the pace at which it offloads the government bonds it bought to boost the economy between 2009 and 2021. Governor Andrew Bailey said last week the central bank had no "secret plan" to raise interest rates this year, unless the ongoing climb in oil prices driven by the war in the Middle East translated into more lasting domestic price pressures. Economists polled by Reuters this month unanimously predicted the BoE would hold rates steady in September, and most judged the next move was more likely a cut next year than a hike. But with oil prices topping $100 a barrel and looking in line with the most adverse of three scenarios the BoE outlined in July, some analysts are having doubts. Financial markets are pricing in a 30% chance of a quarter-point rate hike on September 17, according to LSEG data on Monday, up from less than 10% at the start of last week, and almost fully pricing in a November move.

But Bailey stressed he wanted to see clearer signs that higher energy prices might foster chunky pay rises this year or broad-based price increases – potentially sustaining above-target medium-term inflation – before backing a rate rise. Few economists expect a change this month from July's 6-3 Monetary Policy Committee split to hold rates steady. Chief Economist Huw Pill, Megan Greene and Catherine Mann voted in July for an immediate quarter-point rise to 4.00%, with Mann switching from the hold camp the previous month — a hawkish drift that has widened at every meeting since March.

Source ~ Reuters

ECB's Attention Shifting to Natural Gas as Prices Soar

Eurozone inflation could turn out higher than already elevated projections, and recent energy price developments are concerning, particularly the surge in natural gas costs, European Central Bank policymakers said on Monday. The ECB raised some of its inflation projections last week when it lifted interest rates, but oil and gas prices are already well above the "baseline" levels in those forecasts, suggesting that high price growth could prove more persistent than feared. The ECB's projections foresaw December gas futures at €60.1 per megawatt-hour under the baseline, with the adverse scenario putting it at €77. The current market price is over €83. A similar trend is happening with oil: Brent crude is now trading at $107 a barrel, well above the price assumed in the ECB's adverse scenario. This deterioration in the inflation outlook could herald more rate hikes, which would put the ECB's key rate, now at 2.5%, into a territory that restricts economic growth.

Other policymakers were more cautious, however, and argued that the ECB should stick to its meeting-by-meeting approach and signal higher rates once more evidence is amassed. European countries that rely on natural gas for heating hesitated to fill storage facilities over the summer in the hope that the Iran conflict would end and prices fall sharply.

With storage levels far below historic norms, they are now rushing to store gas, helping push natural gas prices to a four-year high. That in turn is likely to push up heating and electricity costs for households and businesses and fuel inflation more broadly. Some economists argue, however, that the sharp increase in renewable energy production since Russia's invasion of Ukraine and a slowdown in energy-intensive sectors like heavy industry make the bloc less sensitive to natural gas prices. Food price growth has meanwhile been unexpectedly low, although a perfect storm of factors, including a European drought, the broader El Nino weather phenomenon and soaring diesel and fertiliser prices, key inputs in agriculture, is expected to push up prices in the coming months. ECB policymakers will next meet on October 29. Financial markets see a roughly 60% chance of a rate hike then, while a move by the end of the year is fully priced in.

Source ~ Reuters

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