

# Market Guide

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

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

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

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

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

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

"History provides a crucial insight regarding market crises: they are inevitable, painful and ultimately surmountable. — Shelby M.C. Davis

May 19, 2026

## The Great Divide: Why Is the Junior Market Lagging?

In boxing, lighter fighters may have speed, but the heavyweights usually have the reach, power and ability to absorb pressure when the fight gets tough. That difference often becomes most visible in the later rounds, when strength and resilience matter more than early momentum. In 2026, a similar difference is emerging on the Jamaica Stock Exchange (JSE). While Main Market stocks increased in market value this year, Junior Market stocks have continued to lag, weighed down by softer earnings<sup>1</sup>, higher operating costs and cautious investor sentiment. This week, we'll examine why the Junior Market has lagged the broader market, the sectors and companies driving the decline, and whether the recent pullback may be creating opportunities for long-term investors.

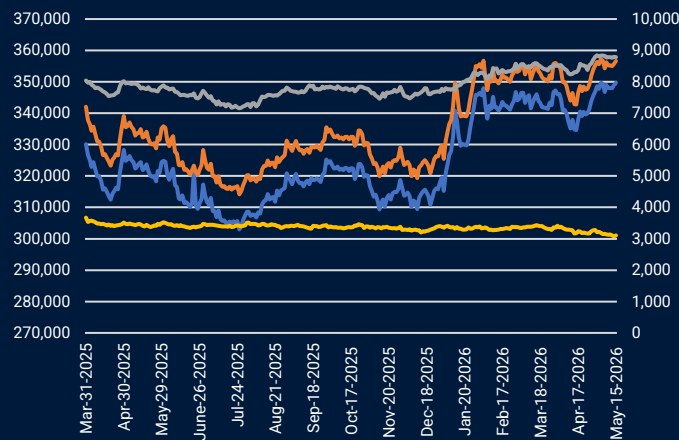
As the rounds progressed in 2026, the gap between the market's heavyweights and lighter contenders became increasingly visible. The broader stock market has appreciated by approximately 8.6% year-to-date and 2.8% excluding WIPT<sup>2</sup>, while the Junior Market has declined by 8.7% (See Figure 1). This widening performance gap, which was most prominent among Manufacturing & Distribution (M&D), Energy, Materials and Infrastructure (EMI), and Financial Sector (FS) stocks, appears strongly linked to earnings. The Junior Market's market value decline was accompanied by a 9.7% drop in aggregate earnings to \$3.88Bn. This contrasts with a 35.0% surge in aggregate earnings to \$120.20Bn for Main Market stocks.

Junior Market M&D stocks absorbed some of the heaviest blows, representing the single largest drag on the Junior Market stock valuations. The sector erased approximately \$4.82Bn in market value (-6.2%), and saw aggregate

YTD earnings decline by \$260.76Mn (13.7%) to \$1.64Bn. The notable laggards were FosRich (-18.5%), Fontana (-9.1%) and Honey Bun (-15.0%), all of whom also reported lower earnings during the period. FosRich took one of the hardest hits, swinging from an \$82.33Mn profit in 2024 to a \$433.62Mn net loss in 2025. The deterioration reflects softer revenues, which delivered a significant blow to profitability. Higher operating expenses and softer construction-related demand, with post-Hurricane Melissa disruptions likely added further pressure to project execution and sales activity. Similarly, Fontana's earnings declined by 36.5% year-over-year to \$245.61Mn in 2025, as Hurricane Melissa materially disrupted its western operations, including a 16-day closure of its second-largest location by sales and reduced trading hours across western region stores. Profitability was further pressured by margin compression, weaker operating leverage, higher operating expenses tied to expansion and integration activities, and higher finance costs. In addition, Honey Bun's earnings decline of 82.7% was primarily driven by elevated operating costs linked to the commissioning and early-stage ramp-up of its new Angels production facility, along with revenue disruption caused by Hurricane Melissa. Notably, the lower valuations and earnings contrast with Main Market M&D stocks (+5.0%), whose YTD earnings surged by 41.5% to \$19.03Bn.

Junior Market EMI stocks also struggled to stay on their feet, with market capitalisation declining by \$1.86Bn, coinciding with a 10.6% decline in earnings to \$500.50Mn. Key to the decline included Knutsford Express (KEX: -19.4%) and Lumber Depot (LUMBER: -9.6%). KEX

### WEEKLY MOVEMENT IN INDICES



### MOVEMENT IN INDICES

JSE Indices	Closing Levels	WoW % Change	YTD % Change
Combined Index	356,619.27	+0.12%	+8.58%
Main Market Index	349,662.58	+0.19%	+9.96%
Select Index	8,788.48	+0.14%	+14.50%
Junior Market Index	3,105.67	-0.98%	-8.69%

### WINNERS & LOSERS FOR THE WEEK ENDED MAY 15, 2026

JSE Indices	\$ Change	% Change
FIRSTROCKUSD	+\$0.0045	17.70%
PBS	+\$0.18	15.00%
MTL (TURKS)	-\$0.02	-26.80%
KLE	-\$0.23	-24.47%

### MARKET OVERVIEW

Last week, the market, as measured by the JSE Combined Market Index, advanced by a marginal 0.12%, as investors digested a surge of March quarter earnings releases. Market breadth remained negative for the second consecutive week, with 72 of the 125 traded stocks declining, compared to 41 advancing, while 12 closed unchanged. Despite this, trading activity rose sharply, with 253.22Mn units valued at J\$1.05Bn trading hands. This represents a substantial week-over-week (WoW) increase of 132.56% in volume and 100.39% in value. Activity was highly concentrated, as the top three volume leaders accounted for 62.83% of total market volume, a sharp increase from the prior week's 32.07%. Leading the activity was Kintyre Holdings (JA) Limited, which traded 118.47Mn units (46.32%), followed by TransJamaican Highway Limited with 22.14Mn units (8.65%) and Derrimon Trading Company Limited with 20.11Mn units (7.86%).

Performance across the other major indices was positive, with six advancing and three declining. The JSE USD Equities Index was the standout performer, gaining 4.11%, driven by strong advances in Productive Business Solutions (PBS USD: 15.0%) and TransJamaican Highway Ltd. USD shares (TJHUSD: +2.6%). PBS USD shares likely rallied on the May 13 dividend declaration. This came despite the company reporting weaker earnings performance for Q1 2026. Its net profit declined by 17.1% to US\$2.24Mn, reflecting a 10.0% year-over-year contraction in revenues to US\$84.58Mn. Meanwhile, TJH USD shares were driven by its Q1 earnings, which had net profit up 46.0% YoY to US\$13.2Mn supported by the Phase 1C (May Pen-Williamsfield) addition. Another notable increase was the JSE Financial Index (+0.66%), which was due to share price gains in PanJam (PJAM) (+4.6%) and Scotia Group Jamaica Ltd. (SGJ) (+3.3%).

On the downside, the Junior Market Index recorded the sharpest decline, falling 0.98%. The downturn was influenced by price drops in several stocks, including MFS Capital Partners (-23.3%) and KLE Group (-24.5%). MFS's shares likely declined in response to the 57% contraction in its 9M FY26 earnings due to the adverse impacts of Hurricane Melissa. Following closely was the JSE Cross Listed Index, which fell 0.95%, pulled down by declines in heavyweights Massy Holdings Ltd. (-1.35%) and Guardian Holdings Limited (-0.29%).

<sup>1</sup> Softer earnings releases during the period December 31, 2025 and April 27, 2026 would have given investors enough time to process and act on the information

<sup>2</sup> The outsized appreciation in West Indies Petroleum Terminal's (WIPT's) stock price materially boosted broader market performance during the period. Consequently, comparisons excluding WIPT may provide a more representative view of underlying market trends.

remained on the ropes as earnings declined by 53.7% over the period, reflecting the lingering impact of Hurricane Melissa. Management noted that the extended recovery phase weighed on revenue and operations, particularly as travel, transportation, and courier activity continued to stabilise after the storm. Lumber Depot also weighed on the sector as earnings slipped by 2.0% for the period. While the company continued to generate revenue growth despite macroeconomic challenges connected to Hurricane Melissa, net profit growth was affected by the end of its full tax-free status, as the company now pays corporate income taxes at 50.0% of the otherwise applicable rate. Again, the divergence with the Main Market EMI stocks was notable, as they appreciated by 16.5% excluding the outsized impact of WIPT, while sector earnings increased by 16.4% from \$13.26Bn to \$15.43Bn.

Interestingly, while the Junior Market FS landed solid earnings punches, it failed to win over investors, with aggregate market value declining by \$1.55Bn (-9.2%). Despite a 9.3% improvement in aggregate earnings to \$1.05Bn, there were still several underlying issues that sparked investor concerns and continued to weigh on sentiment across the sector. For example, Dolla Financial's (DOLLA's) market value declined by 12.0%, despite earnings increasing by 50.6%. The decline likely reflected investor concerns regarding news of fraudulent activity involving loan security documentation, as well as higher bad debt and expected credit loss provisions, which could impact future earnings. Access Financial Services (AFS: -5.0%), in contrast, saw its earnings decline by 9.3%. The company pointed to temporary hurricane-related disruption across key lending segments, higher people-related costs, marketing expenses, professional fees and bond-related costs, which pressured profitability during the period. IronRock Insurance (ROC: -29.4%) was another major laggard, as elevated claims activity from Hurricane Melissa resulted in a reversal of \$80.71Mn net profit to a \$12.45Mn loss. By comparison, Main Market Financial stocks appreciated by 2.4% while earnings surged by 48.5% to \$59.76Bn, suggesting the market's broader hesitance towards FS stocks, even as earnings grew.

While the Junior Market may have taken several hard hits in 2026, the fight is not necessarily over for long-term investors. Many Junior Market stocks are now trading at materially lower valuations (See Figure 2), even though several companies continue to maintain viable business models and long-term growth potential. Importantly, because much of the weakness appears closely linked to softer earnings, a stronger round in the ongoing earnings season

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could help restore confidence and improve sentiment toward Junior Market stocks. Early signs of improvement are emerging, including Fontana, whose latest quarterly results rebounded following the disruption caused by Hurricane Melissa, amid stronger same-store sales, increased customer activity, and improved contribution from the recently integrated Monarch Pharmacy locations. However, earnings were still affected by temporary integration-related expenses, one-time amortisation costs and higher staff costs associated with the expanded business. Moreover, some of the pressures currently weighing on the stock market may gradually ease over time as the economy continues to recover. Post-Hurricane Melissa reconstruction activity could support demand across manufacturing, distribution and services, particularly for companies positioned to benefit from rebuilding momentum. However, risks remain. Inflationary pressures stemming from the energy shock caused by the war on Iran could further weaken investor sentiment, particularly if higher energy, fertiliser and shipping costs delay the BOJ's easing cycle or compress corporate margins. Jamaica is also approaching the 2026 Hurricane Season, meaning climate-related risks remain an overhang for smaller companies that may have less flexibility to absorb another operational shock. Still, if earnings begin to rebound and macroeconomic conditions stabilise, some Junior Market stocks may yet mount a comeback, creating opportunities for investors willing to look beyond near-term volatility.

Figure 1: Divergence Between the Combined Market and the Junior Market

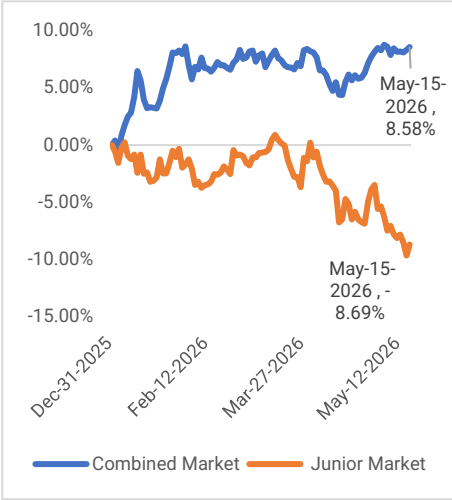
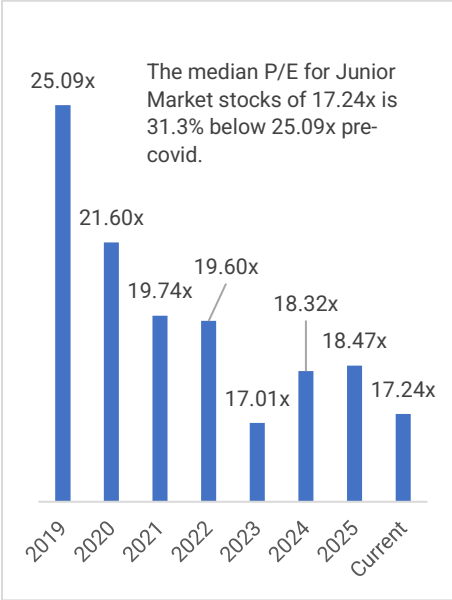


Figure 2: Junior Market Median P/E



## Foreign Exchange Market

For the week ending May 15, 2026, the Jamaican dollar remained relatively flat against the USD, with US\$1 selling for J\$159.03 on May 15, 2026, compared to J\$158.93 on May 8, 2026. However, the Jamaican dollar could strengthen over the next two weeks as the Bank of Jamaica (BOJ) is scheduled to provide USD liquidity to the foreign exchange market through its B-FXITT Standard Sale Operations set for May 21 and May 28, 2026.

Selling	Close: 8/5/2026	Close: 15/5/2026	Change
J\$/US\$1	\$158.93	\$159.03	\$0.10
J\$/CDN\$1	\$117.81	\$115.78	(\$2.03)
J\$/GBP£1	\$218.62	\$213.08	(\$5.54)

## Global Bond Market

Global markets remained heavily influenced by the ongoing United States (U.S.) conflict with Iran, as geopolitical tensions continued to fuel concerns surrounding inflation and energy security. Oil prices climbed sharply last week as diplomatic efforts to end the conflict continued to stall and the Strait of Hormuz remained effectively closed under a dual blockade. Brent crude futures strengthened above US\$107 per barrel by last Friday and were on track to rise over 6.0% for the week. President Trump described the existing ceasefire as on "massive life support" after dismissing Tehran's latest response to his peace proposal. As a result, bond markets came under pressure as rising oil prices weighed on investor sentiment, contributing to a broad decline in global bond prices.

Inflation data released over the past week reinforced fears that the energy shock is feeding through into broader price pressures. US Consumer Price Index (CPI) inflation rose 0.6% month-on-month in April, lifting the annual rate to 3.8% above the 3.7% forecast. Elevated oil prices were a key contributor, with energy prices up nearly 18.0% compared to last year's levels. Meanwhile, Producer Price Index (PPI) inflation accelerated to 6.0% year-over-year in April, exceeding expectations for a 5.0% increase. Higher oil and energy costs were again the primary drivers. Core PPI, which excludes food and energy prices, also came in above expectations, rising 5.2% year-over-year compared to forecasts of 4.3%.

The hotter-than-expected inflation prints prompted markets to substantially reprice the Federal Reserve outlook, with near-term rate cuts all but priced out. The CME FedWatch tool now shows a 56% probability of a rate hike by December 2026, up from roughly 10–12% through most of April. The repricing coincides with a leadership transition at the Fed. Kevin Warsh was confirmed by the U.S. Senate on May 13 as the 17th Chair of the Federal Reserve Board, succeeding Jerome Powell. While Warsh has historically favoured an easier policy, three regional Fed presidents dissented at the April FOMC meeting against any language implying a dovish bias, suggesting the incoming Chair will face meaningful resistance to a near-term pivot. This is

particularly timely with both CPI and PPI now at multi-year highs. This could nullify the expectation that possible dovishness from the new Fed chair will result in cuts in 2026.

Given the aforementioned, U.S. Treasury yields jumped sharply as investors digested the hot inflation data and persistent oil price pressures. The 10-year Note closed May 15 at 4.59%, up 23bps week-over-week. Emerging market (EM) sovereign bond yields rose in line with the treasury yields. As such, price action across Jamaican, Dominican Republic, Costa Rican, and Panamanian bonds declined.

	Currency Rating	Indicative Price	Yield	Recommendation
ABT (4.65%) 2036 (NEW) <sup>3</sup>	A+/ Stable	\$99.00	4.78%	BUY
Airbnb (5.25%) 2036 (NEW) <sup>4</sup>	BBB+/ Stable	\$101.75	5.02%	BUY
Amazon (4.55%) 2033 (NEW) <sup>5</sup>	AA-/ Stable	\$101.00	4.38%	BUY
Amazon (4.65%) 2035 (NEW) <sup>6</sup>	AA-/ Stable	\$99.50	4.72%	BUY
Amazon (4.875%) 2036 (NEW) <sup>7</sup>	AA-/ Stable	\$100.50	4.81%	BUY
Bahamas (6.63%) 2033	BB-/ Stable	\$104.75	5.79%	BUY
Bahamas (8.25%) 2036	BB-/ Stable	\$115.75	6.22%	BUY
Bahamas (8.95%) 2032	BB-/ Stable	\$115.75	5.95%	BUY
Barbados (8.00%) 2035	B+/ Positive	\$109.75	6.56%	BUY
Blackstone (6.00%) 2032	BBB-/ Positive	\$100.75	5.84%	BUY
Block Inc (6.00%) 2033	BB+/ Positive	\$102.75	5.53%	BUY
DOMREP (5.50%) 2029	Ba2/ Stable	\$103.25	4.23%	BUY
DOMREP (5.75%) 2034	Ba2/ Stable	\$100.00	5.75%	BUY
DOMREP (5.88%) 2035	Ba2/ Stable	\$100.25	5.84%	BUY
DOMREP (6.15%) 2038	Ba2/ Stable	\$99.75	6.18%	BUY
DOMREP (6.95%) 2037	Ba2/ Stable	\$106.50	6.12%	BUY

<sup>3</sup> Issuer- Abbott Laboratories, **Type**- Senior Unsecured, **Callable**-Yes, **Coupon Rate**- 4.65%, **Coupon Payment**- Semi-annually, **Maturity** – September 16, 2036, **Risk Profile** - **Conservative**

<sup>4</sup> Issuer- Airbnb Inc Industry-Alternative Accommodation, **Type**- Senior Unsecured, **Callable**-Yes, **Coupon Rate**- 5.25%, **Coupon Payment**- Semi-annually, **Maturity** - March 16, 2036, **Risk Profile** - **Conservative**

<sup>5</sup> Issuer- Amazon Inc Industry-Retailers, **Type**- Senior Unsecured, **Callable**-Yes, **Coupon Rate**- 4.55%, **Coupon Payment**- Semi-annually, **Maturity** - March 13, 2033, **Risk Profile** - **Conservative**

<sup>6</sup> Issuer- Amazon Inc Industry-Retailers, **Type**- Senior Unsecured, **Callable**-Yes, **Coupon Rate**- 4.65%, **Coupon Payment**- Semi-annually, **Maturity** - November 20, 2035, **Risk Profile** - **Conservative**

<sup>7</sup> Issuer- Amazon Inc Industry-Retailers, **Type**- Senior Unsecured, **Callable**-Yes, **Coupon Rate**- 4.875%, **Coupon Payment**- Semi-annually, **Maturity** - March 13, 2036, **Risk Profile** - **Conservative**

	Currency Rating	Indicative Price	Yield	Recommendation
GEOPARK (8.75%) 2030	B+/ Stable	\$103.50	7.64%	BUY
Goldman Sachs Private Credit (5.875%) 2031	BBB-/ Stable	\$101.25	5.57%	BUY
Jefferies (6.25%) 2036 (NEW) <sup>8</sup>	BBB/ Stable	\$105.00	5.57%	BUY
Kingston Airport Revenue (6.75%) 2036	Ba3/ Negative	\$103.50	6.29%	BUY
Minerva (4.38%) 2031	BB/ Stable	\$85.65	6.26%	BUY
NCBFG (11.0%) 2030	B+/ Stable	\$104.98	10.83%	BUY
NRG (3.88%) 2032	BB+/ Stable	\$94.50	4.99%	BUY
NRG (6.00%) 2033	BB+/ Stable	\$102.75	5.50%	BUY
NRG (6.125%) 2036	BB+/ Stable	\$101.25	5.96%	BUY
NRG (6.25%) 2034	BB+/ Stable	\$103.00	5.79%	BUY
Petro Rio (6.75%) 2030	BB-/ Positive	\$103.00	5.96%	BUY
TRANSJAM (5.75%) 2036	BB/ Positive	\$99.50	5.81%	BUY
Trinidad and Tobago (6.50%) 2036	BBB-/ Negative	\$105.50	5.75%	BUY
BANORTE (5.75%) 2031	BB-/ Positive	\$102.25	5.26%	SELL
FRICON (7.7%) 2028	CCC/ RWN	\$22.50	103.31%	SELL
NFE (6.5%) 2026	SD	\$22.75	964.41%	SELL

## GOJ Globals

Ticker	Maturity	Bid	Offer Yield*
JAMAN	2028	102.65	4.82%
	2036	116.00	6.28%
	2039	117.75	5.89%
	2045	117.50	6.29%

\*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	8.15%	100.35	8.02%
SJPC	2032	8.85%	103.75	8.18%

## Money Market

Liquidity in the JMD money market, as measured by the aggregated current balances held by Deposit-Taking Institutions (DTIs) increased. As at May 15, 2026, the total aggregate current balance was J\$52.09Bn, compared to the previous week J\$42.48Bn.

Last week, the Bank of Jamaica's (BOJ) 30-day Certificate of Deposit (CD) auction was oversubscribed with total bids received amounting to J\$32.53Bn for a total offer amount of J\$15.00Bn, implying a 2.17x bid-to-offer ratio. This represents a 70 basis point (bps) increase from the previous week's 1.47x ratio as the offer size was decreased by 31.8% or J\$7.00Bn. The average yield remained relatively stable at 5.65%, 5 bps lower than the prior week's. The next CD auction is scheduled for Wednesday, May 20, 2026.

The BOJ also conducted a 14-day repo auction on May 11, 2026, offering J\$1.00Bn in liquidity. Total bids received was J\$2.80Bn, giving a 2.8x bid-to-offer ratio. The weighted average yield settled at 5.84%, which is a 27 bps increase compared with the prior auction's average of 5.57%. Looking ahead, market participants will be closely watching the Bank of Jamaica's monetary policy decision due Wednesday. We expect the BOJ to maintain the policy rate given the high uncertainty surrounding the inflation outlook due to elevated energy prices.

<sup>8</sup> Issuer- Jefferies Financial Group Industry-Broker Asset Managers, Exchanges, Type- Senior Unsecured, Callable-No, Coupon Rate- 6.25%, Coupon Payment- Semi-annually, Maturity – January 15, 2036, Risk Profile - Conservative

## Dates to Watch This Week

International Local

May 2026

MON	TUE	WED	THUR	FRI
18	19	20	21	22
		UK CPI (YoY) (Apr) EU CPI (YoY) (Apr) FOMC Meeting Minutes	Guardian Holdings Ex-Dividend Date NCBFG Ex-Dividend Date Qantas IPO Closing Date Barita Investments Limited Annual General Meeting	
		Sagicor Real Estate Fund Annual General Meeting BOJ Interest Rate Decision		

## Recommendations

Ticker	Closing Price (May 19, 2026)	P/E	Avg. Sector P/E	Current Recommendation
WOODCATS	\$0.73	10.4x	15.0x	BUY
SVL	\$17.18	22.2x	22.2x	BUY
CCC	\$103.00	12.6x	21.5x	BUY
GK	\$70.52	10.0x	11.6x	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 8.

## 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 May 15, 2026		
O Money Market Fund (M Fund)	F	16.6104	5.78%	2.15%	4.75%
O Income Optimizer Fund (iO Fund) ◊	F	15.6430	6.06%	1.55%	3.73%
Caribbean Equity Fund (E Fund) †	E	27.0013	-5.09%	1.79%	8.05%
◊ Real Estate Fund (rE Fund) †	R, F	17.5848	17.77%	3.75%	2.19%
O USD Money Market Fund (xM Fund)	F	1.2467	3.43%	0.97%	2.29%
O USD Bond Fund (xB Fund)	F	1.3478	1.61%	0.45%	2.39%

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

### Venezuela investment opportunity hinges on low-cost development, ExxonMobil says

ExxonMobil says future investment in Venezuela will depend on whether projects can deliver competitive returns and low-cost production from the country's heavy oil resources, a position outlined during the company's first quarter 2026 earnings call when Chief Executive Officer Darren Woods responded to questions about opportunities in Venezuela, telling analysts, "Venezuela is a huge resource that's now opened up more freely to the world." He noted that the development of Venezuela's crude resources would require significant investment and technology because of the nature of the oil, saying, "The oil in Venezuela is very heavy, and therefore requires a lot of effort to get production up and get it onto the market." ExxonMobil has prioritized low-cost production across its upstream portfolio, including in neighboring Guyana, where the company and its Stabroek Block partners have developed four offshore projects now producing more than 900,000 barrels per day combined; against that backdrop, Woods stressed that production costs would be central to any future Venezuela investment, saying "Doing that in a way that is low cost is going to be absolutely critical for Venezuela's oil to be a full contributor to the world balance and to meet the demand that's out there." Woods said ExxonMobil's experience in heavy oil production through its Canadian operations could position the company for future opportunities in Venezuela if investment conditions become favorable, adding, "I think we're uniquely positioned in terms of low-cost production of the Venezuela resources when that opportunity, when the context is right and the investment returns look promising," and later pointing to the company's operational and technology experience in heavy oil developments: "We are uniquely positioned in terms of the global footprint that we have in the ability to go into Venezuela with the right set of circumstances to apply that

technology and produce those barrels at a much lower cost of supply than many of our competitors would be capable of doing."

Source ~ Oil Now

### US Restates \$100 Million in Direct Assistance to the Cuban People, if the Cuban Regime Permits

The United States continues to seek meaningful reforms to Cuba's communist system, which has only served to enrich the elites and condemn the Cuban people to poverty, according to a US Department of State press release on May 13. US Secretary of State Marco Rubio noted that the United States has also made numerous private offers to the Cuban regime to provide generous assistance to the Cuban people, including support for free and fast satellite internet and USD 100 million in direct humanitarian assistance. "The regime refuses to allow the United States to provide this assistance to the Cuban people, who are in desperate need of assistance due to the failures of Cuba's corrupt regime," said the US Department of State, adding that "[Today], the Department of State is publicly restating the United States' generous offer to provide an additional USD 100 million in direct humanitarian assistance to the Cuban people that would be distributed in coordination with the Catholic Church and other reliable independent humanitarian organisations. The decision rests with the Cuban regime to accept our offer of assistance or deny critical, life-saving aid and ultimately be accountable to the Cuban people for standing in the way of critical assistance."

Source ~ Caribbean National Weekly

## International News

### Motor Vehicles, AI Boost US Manufacturing Production; Supply Shortages from War Loom

U.S. factory production posted its largest increase in 14 months in April, rising 0.6% (the largest gain since February 2025) after an upwardly revised 0.1% gain in March, driven by motor vehicles and demand for technology goods amid an AI spending boom; economists polled by Reuters had forecast a 0.2% rebound, and factory production advanced 1.3% year-over-year, while overall industrial production advanced 0.7% after an upwardly revised 0.3% drop in March (previously reported as a 0.5% decline), rising 1.4% YoY, with capacity utilization climbing to 76.1% from 75.7% (still 3.3 percentage points below its 1972–2025 average) and the manufacturing operating rate rising 0.4 percentage point to 75.8%. Motor vehicle and parts output jumped 3.7%, and production at high-technology industries increased 1.0% after rising 0.5% in March, with computers and peripheral equipment up 1.5% for a second straight month, semiconductors and related electronic components up 1.0%, and communications equipment up 0.6%; excluding high-technology industries and motor vehicles, manufacturing rose 0.3% after a similar gain in March, durable goods production shot up 1.2%, while nondurable goods eased 0.1% (chemicals -0.9%, plastics and rubber products -0.9%, petroleum and coal products +1.0% for a second straight month, with gains also in food, beverage and tobacco products). Businesses are rapidly adopting AI, investing billions of dollars and helping prop up manufacturing, which accounts for 9.4% of the economy, with AI spending contributing significantly to the economy's 2.0% annualized growth pace in the first quarter, though some of April's increase in manufacturing production could be related to businesses front-loading orders to avoid potential shortages and higher prices from the Middle East conflict, prompting Michael Gapen, chief economist at Morgan Stanley, to note: "Overall, firmer demand and continued expansion in output point to some resilience in the manufacturing sector. However, uncertainty around supply and prices leaves risks to the near-term outlook tilted to the downside."

Source ~ Reuters

### Oil Prices Jump after Trump says he is Losing Patience with Iran

Oil prices rose Friday as President Donald Trump is likely to turn his attention back to the stalemated conflict with Iran after leaving a summit in China with President Xi Jinping, with international benchmark Brent crude futures for July gaining more than 3% to close at \$109.26 a barrel and U.S. West Texas Intermediate futures for June advancing more than 4% to settle at \$105.42 per barrel. Trump told Fox News that he is losing patience with Iran, saying "I am not going to be much more patient. They should make a deal," in an interview that aired Thursday evening, and added that Xi would like to see the Strait of Hormuz opened, noting the Chinese president doesn't like the fact that Iran is charging tolls for ships to cross Hormuz; Trump also said Xi agreed to not give military equipment to Iran. U.S. Treasury Secretary Scott Bessent told CNBC in an interview on Thursday that China will work behind the scenes to help reopen Hormuz, stating "It's very much in their interest to get the strait reopened," though Beijing has not mentioned Hormuz in its public statements from the summit, with China's Foreign Ministry saying Friday that "the use of force is a dead end" and that negotiations are the right way forward, a Foreign Ministry spokesperson adding, "There is no point in continuing this conflict, which should not have happened in the first place. To find an early way to resolve the situation is in the interest of not only the U.S. and Iran, but also regional countries and the rest of the world." Trump said China had agreed to buy more oil from the U.S., telling Fox, "They've agreed they want to buy oil from the United States, they're going to go to Texas, we're going to start sending Chinese ships to Texas and to Louisiana and to Alaska," though China has not confirmed the energy purchases and did not respond to CNBC's request for comment before publication.

Source ~ CNBC

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