LEADING ECONOMIC INDICATORS

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LOCAL UPDATE SEPTEMBER-2025

MARKET REVIEW

T-Bill Results

Tenure	July-25	Aug-25	Sep-25
3 month	5.19%	5.18%	5.20%
6 month	5.37%	5.33%	5.24%

Bond Market

In September 2025, Standard and Poor's (S&P) Global Ratings upgraded Jamaica's long-term foreign and local currency sovereign credit ratings from 'BB-' to 'BB', while maintaining a "Positive" outlook. S&P cited strong governance, fiscal discipline, and debt reduction. Debt-to-GDP has fallen to 64.8% at the end of March 2025 and is on track to meet the legislated 60% target by March 28. Despite hurricane-related setbacks, fiscal and monetary policies remain stable, with sound macroeconomic fundamentals.

Jamaica Stock Exchange (JSE)

	SEPTEMBER	YTD
Main Index	↑ 1.35%	↓ 3.16%
Junior Index	↑ 0.65%	↓ 8.20%
USD Index	↓ 7.31%	↓ 23.16%

SEPTEMBER YTD
Main Market

Advance: Decline 25:27

Main Market YTD

Big Winner	PULS	↑ 74.39%
Heavy Loser	KEY	↓ 21.24%
Market Cap.	$1,741.73B	↑ 1.35%

KEY INDICATORS
September-25

	Period	YEAR 2025	YEAR 2024	Change 12 month	Change YTD	12 Mth Trend*
CAPITAL MARKET INDICATORS						
BOJ 30-day CD	Sept	6.03%	6.75%	-72bps	-31bps	↓
6 month T-Bill	Sept	5.24%	7.33%	-209bps	-93bps	↓
BOJ Policy Rate	Sept	5.75%	6.50%	-75bps	-25bps	↓
FX Rate	Sept	$161.22	$158.70	1.59%	3.07%	↑
JSE Junior Market Index	Sept	3,429	3,829	-10.45%	-8.20%	↓
JSE Main Index	Sept	325,183	318,326	2.15%	-3.16%	↑
	Period	**YEAR 2025**	**YEAR 2024**	**Change 12 month**	**Change YTD**	**12 Mth Trend***
KEY MACRO-ECONOMIC INDICATORS						
Inflation (Y-o-Y)	Sept	2.10%	5.70%	-360bps	-290bps	↓
NIR (US$M)	Sept	$6,195.50	$5,200.53	19.13%	10.96%	↑
Tourist Arrivals	Jan-Jun	1,478,168	1,512,750	-2.3%		↓
Unemployment	July	3.3%	3.6%	-30bps		↓
Real GDP Growth	Apr-Jun	1.6%	0.2%	140bps		↑
Current Account Balance (US$M)	Jan-Mar	223.6	228.9	(5.3)		↑

KEY: Arrow Indicates Direction / Color Indicates Impact

Favourable | Adverse | Indifferent

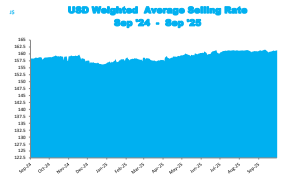
Commentary

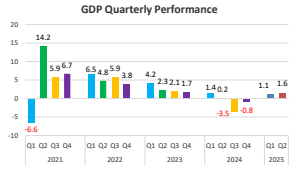
CONTINUED STABILITY IN PRICES AS INFLATION RATE REMAINS BELOW TARGET

Over the twelve months leading up to September 2025, the Consumer Price Index increased by 2.1 percent, reflecting continued stability in domestic prices despite isolated pressures in specific categories. The primary contributors to the annual inflation rate were the divisions 'Housing, Water, Electricity, Gas and Other Fuels', 'Restaurants and Accommodation Services', and 'Food and Non-Alcoholic Beverages'. The 'Housing, Water, Electricity, Gas and Other Fuels' division rose by 4.8 percent over the period. This increase was largely driven by a 7.0 percent rise in the index for the group 'Imputed Rentals for Housing', reflecting adjustments in estimated rental costs across several parishes. Additionally, there was a 3.1 percent increase in the index for 'Electricity, Gas and Other Fuels', attributable mainly to higher electricity tariffs over the review period. These developments highlight the continued influence of housing and energy-related components on overall inflation dynamics. The 'Restaurants and Accommodation Services' division registered a 4.1 percent increase, supported by a 4.2 percent rise in the 'Food and Beverage Serving Services' group. Overall, the inflation outturn for September 2025 underscores continued price stability in the domestic economy, supported by monetary policy and improving supply conditions in some food categories. While energy and housing costs continue to present upward risks, the general inflation trend remains contained and within target.

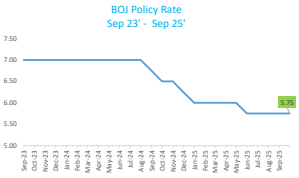
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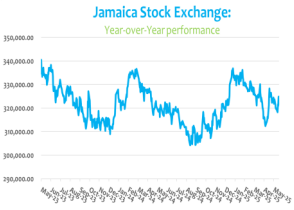
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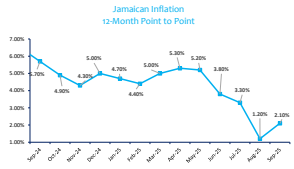












Sector Performance

Foreign Exchange: The BOJ's Weighted Average Selling Rate (WASR) stood at J$161.22 as at September 30, 2025. This marked a slight increase from the $161.09 recorded at the end of previous month. September 2025 saw three (3) B-FXITT totaling US$90M. This pushed the Year-To-Date (YTD) total at the end of the month to 26 B-FXITT interventions totaling US$820M, a 4.26% reduction from the US$856.48M across 31 interventions during the same period in 2024. These actions were driven by demand for foreign currency from end-users such as businesses and importers needing to fulfill external obligations. These injections aimed to stabilize the foreign exchange market amid ongoing demand pressures, ensuring sufficient liquidity and preventing sharp exchange rate fluctuations.

Remittances: In June 2025, Net Remittance Transfers increased by 2.69% year-over-year (YOY) and stood at US$276.60M, falling 13.05% from the US$295.45 seen in May 2025. Despite this fall, on a longer time horizon, remittances have totaled US$1.65B between Jan 2025 – June 2025. This marks a 3.73% increase over the US$1.59B accumulated between Jan 2024 – June 2024. This growth was primarily driven by a rise in total remittance inflows, which grew by US$8.21M or 2.86% YOY. In addition, Net Remittance Outflows grew 5.40% YOY closing June 2025 at US$19.05M. The United States remained the dominant source of remittances to Jamaica, accounting for 60.54% of total inflows in June 2025. Other significant contributors included the United Kingdom at 10.13%, followed by Canada and the Cayman Islands, which represented 8.80% and 5.49%, respectively.

Net International Reserves: At the end September 2025, Net International Reserves (NIR) reached US$6.20B, marking a US$44.23 or 0.72% rise compared to US$6.15B in August 2025. This growth was mainly driven by a 1.10% or US$38.20M rise in currency & deposits, as total foreign assets rose 0.61% or US$37.60M. Meanwhile, total foreign liabilities fell 22.80% from US$29.1 million in August 2025 to US$22.4 million in September 2025. As at September 2025, the reserves were sufficient to cover approximately 51.3 weeks of goods imports and 32 weeks of goods and services imports, a slight change from the 51.00 weeks and 31.80 weeks, respectively, in the prior month.

Interest Rates: The Monetary Policy Committee (MPC) of the Bank of Jamaica (BOJ) met on September 25 and 26, 2025, to review its monetary policy stance amid persistently low inflation, ongoing global uncertainties, and shifting interest rate paths in major advanced economies. After assessing the data, the Committee decided to maintain the policy rate at 5.75 percent, judging the current stance to be suitable for guiding inflation back toward the target range. The MPC's decision was influenced by some key considerations. Firstly, although headline inflation stood at 1.2 percent in August, below the Bank's 4.0 to 6.0 percent target range, core inflation remains within target, suggesting that the underlying price trend is stable. The temporary factors behind the low headline rate are expected to fade. Secondly, the decline in headline inflation is not linked to weak demand conditions. Finally, the Committee noted that the balance of risks to the inflation outlook continues to lean to the upside.

Stock Market Performance: In September 2025, the Main Market Index registered a 1.35% monthly increase, down from the 3.97% month-over-month increase at the end of August 2025. On an annual basis, the Main Market Index saw a 2.15% rise relative to the 2.67% recorded for the corresponding period last month. Month-over-month, 25 stocks advanced, 27 declined, and 1 remained unchanged. Top advancing stocks included PUL (+74.39%), VMIL (+39.90%), and MTL(+30.43%), while some of the major decliners were KEY (-21.24%), MPC (-15.07%), and JSE (-10.87%).

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GLOBAL UPDATES September - 2025

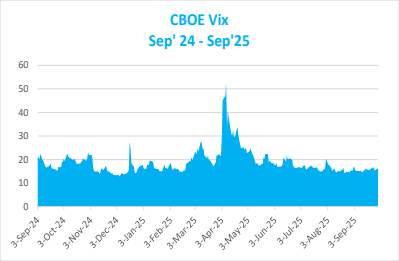
MARKET REVIEW

T-Bill Results

Tenure	July-25	Aug-25	Sep-25
3 month	4.46%	4.23%	4.02%
6 month	4.31%	4.01%	3.83%

CBOE Volatility Index

The CBOE Volatility Index (Vix), the stock market's fear gauge, shows lower volatility for August 2025 relative to a year ago. For the month of September 2025, the index averaged 15.75 compared to 17.77 for September 2024. Market anxieties have settled somewhat, owing to lesser aggressive tone on trade policy from the Trump Administration relative to the start of 2025.



S&P 500

	September	YTD
Consumer Disc	↑ 3.12%	↑ 4.74%
Consumer Stap	↓ -1.82%	↑ 2.04%
Energy	↓ -0.52%	↑ 4.27%
Utilities	↑ 3.97%	↑ 15.13%
Health Care	↑ 1.62%	↑ 1.20%
Industrials	↑ 1.72%	↑ 17.07%
Technology	↑ 7.21%	↑ 21.75%
Communications	↑ 5.53%	↑ 23.69%
Materials	↓ -2.31%	↑ 7.73%
Financials	↑ 0.04%	↑ 11.49%

KEY INDICATORS - US
September-25

Indicators	Period	Year 2025	Year 2024	Change 12 Month	Change YTD	12 Mth Trend
CAPITAL MARKET INDICATORS						
UST 10-year	Sept	4.16%	3.81%	35bps	-42bps	↑
UST 30-year	Sept	4.73%	4.14%	59ps	-5bps	↑
Dow Jones Industrial Average	Sept	46,398	42,330	9.6%	9.0%	↑
S&P 500	Sept	6,688	5,704	17.3%	13.7%	↑
Nasdaq Composite	Sept	22,660	18,189	24.6%	15.5%	↑
Nikkei 225	Sept	44,933	37,920	18.5%	12.6%	↑
INDICATORS						
Policy rate	Sept	4.25%	5.00%	-75bps	-25 bps	↓
Crude Oil	Sept	$66.66	$73.59	-9.4%	-7.3%	↓
US CPI	Sept	324.80	315.30	3.0%	2.9%	↑

**KEY: Arrow Indicates Direction / Color Indicates Impact* — Favourable | Adverse | Indifferent

Commentary

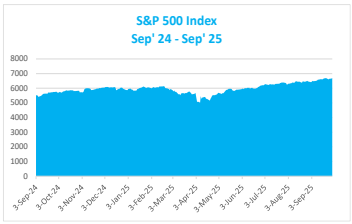
U.S. Inflation Increases Less-than-Expected in September 2025

Inflation in the United States increased less than anticipated in September. The Consumer Price Index (CPI) increased by 0.3 percent month-over-month, placing the annual rate at 3.0 percent, both below expectations. Excluding food and energy, core CPI rose 0.2 percent on the month and 3.0 percent over the year. Energy prices provided the largest monthly lift, led by a 4.1 percent increase in gasoline, while food prices advanced modestly by 0.2 percent. Over the past year, energy costs were up 2.8 percent, food prices rose 3.1 percent, and within that, meat, poultry, fish, and eggs climbed 5.2 percent. Nonalcoholic beverages were also higher by 5.3 percent. Electricity prices rose 5.1 percent, and natural gas surged 11.7 percent, though gasoline prices fell 0.5 percent compared to a year earlier. Shelter costs, which account for about one-third of the CPI basket, increased by 0.2 percent monthly and 3.6 percent annually, while services excluding shelter were also up 0.2 percent. Among goods, new vehicles rose 0.8 percent, used cars and trucks declined 0.4 percent, and apparel, sensitive to import tariffs, rose 0.7 percent in September.

The U.S. labour market data for September were delayed due to a partial government shutdown following a budget impasse. In the absence of official figures, private-sector indicators suggest the economy added around 50,000 jobs, up from 22,000 in August. The unemployment rate likely held steady at 4.3 percent. Private employment gains (+62,000) appear to have offset an estimated loss of 12,000 public-sector jobs, mostly at the federal level. These trends point to a steady but cooling labour market, consistent with broader signs of a gradual economic slowdown.

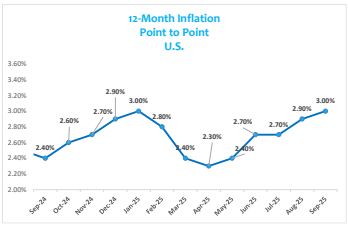
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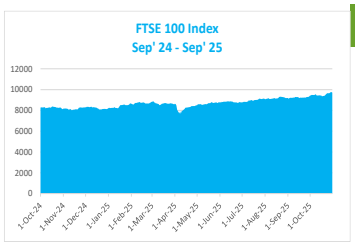


US Market Performance

Stock Market: Markets shifted their attention to the Federal Reserve in September, anticipating the first rate cut since December last year. The S&P 500 gained 3.53% (3.65% with dividends) for the month, following advances of 1.91% in August, 2.17% in July, and 4.96% in June. Year-to-date, the S&P 500 is up 13.72% (14.83%). Sector performance was mixed in September, with 7 of the 11 sectors posting gains (compared with 9 in August). Information Technology led the month with a 7.21% rise and is up 21.75% year-to-date. Materials lagged, down 2.31% for the month but still up 7.73% YTD. All 11 sectors remain positive so far this year, led by Communication Services (+23.69% YTD), while Health Care trails (+1.20% YTD). The Dow Jones Industrial Average closed September at a record 46,397.89, setting six new closing highs during the month and eight so far this year. The index rose 1.87% (2.00% with dividends) from August's close of 45,544.88, and 3.20% (3.42%) from July's close of 44,130.98.

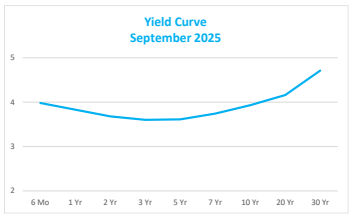


Interest Rates: In September, the Federal Open Market committee (FOMC) cut the federal funds rate by 25 basis points to a range of 4.00%–4.25%. The Fed noted that economic growth had moderated in the first half of the year, while job gains slowed and unemployment edged higher but remained low. Inflation, meanwhile, has moved up and remains somewhat elevated. Weighing increased downside risks to employment against persistent inflation, the Fed judged it prudent to relax the policy rate to support its dual mandate.



European & UK Economy

Inflation in the euro area rose slightly to 2.2 percent in September, up from 2.0 percent in August. The increase was largely driven by higher prices in services, which climbed to 3.2 percent from 3.1 percent, and a smaller decline in energy prices, which fell by 0.4 percent compared with a 2 percent drop the month before. Prices for non-energy industrial goods were steady at 0.8 percent, while food prices eased to 3.0 percent from 3.2 percent in August. Services contributed the most to annual inflation in September, adding 1.49 percentage points (pp), followed by food, alcohol and tobacco (+0.58 pp), non-energy industrial goods (+0.20 pp), and energy (-0.03 pp). In the United Kingdom, the Consumer Prices Index (CPI) increased by 3.8 percent in the 12 months to September, unchanged from August. The most significant upward pressure came from transport, while recreation, culture, food, and non-alcoholic beverages provided the largest downward offsets. Core CPI (excluding food, energy, alcohol, and tobacco) eased slightly to 3.5 percent, from 3.6 percent in August. Goods inflation edged up to 2.9 percent, while services inflation held steady at 4.7 percent. At its September meeting, the Bank of England's Monetary Policy Committee voted 7–2 to keep the Bank Rate at 4 percent, signalling continued caution amid persistent underlying price pressures.



GLOBAL OUTLOOK

Following a resilient start to 2025, the global economy is beginning to show clearer signs of cooling, according to the International Monetary Fund (IMF). While early-year data reflected robust activity, much of that strength stemmed from temporary factors, such as inventory accumulation, front-loaded trade, and short-term investment shifts, rather than sustainable growth momentum. The IMF projects that global growth will slow from 3.3 percent in 2024 to 3.2 percent in 2025, and 3.1 percent in 2026. On an end-of-year basis, growth is expected to moderate more sharply, from 3.6 percent in 2024 to 2.6 percent in 2025. Advanced economies are forecast to expand by about 1½ percent, with the United States decelerating to 2.0 percent. Emerging market and developing economies are expected to maintain growth slightly above 4 percent. Global inflation is projected to ease to 4.2 percent in 2025 and 3.7 percent in 2026, though trends vary widely across regions.

