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Analyst Insight

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Trump Tariffs and What This Could Mean for the Local Real Economy

Since returning for a second term, President Trump has sent markets into a tailspin with a slew of executive orders aimed at reviving U.S. manufacturing, renegotiating trade agreements, and, most importantly, seeking to "*make America great again*". While he has made his intention to reduce America's trade deficit clear, uncertainty surrounding trade policy has begun to fester. This uncertainty is reflected in rising inflation expectations, particularly as the implementation of reciprocal tariffs on all U.S. trading partners approaches. Once these tariffs take effect on April 2, 2025, their impact could be far-reaching, with countries maintaining significant trade deficits with the U.S. (such as China, Mexico, Vietnam, Ireland, and Germany) being hit the hardest.

However, while President Trump may impose broad-based tariffs on all trading partners, what exactly does this mean for commodities like steel, copper, plywood, and fertilizers that are commonly used in the real sector?

U.S. Commodity Imports in a Global Context

To provide a clearer picture, it is essential to contextualize U.S. imports of these materials relative to global trade. Data from the Observatory of Economic Complexity indicate that the U.S. was the second-largest importer of iron and steel in 2023, trailing only China, with imports accounting for approximately 6.9% (US$33.1 billion) of global trade. In the broader metals category, the U.S. imported roughly US$167 billion worth, representing 10.9% of global trade, making it the largest destination market worldwide. This was also true for wood and wood articles (including plywood and timber), as the U.S. imported US$23.9 billion worth of these goods, accounting for 16% of global trade in that category in 2023. Beyond construction-related commodities, the U.S. was the third-largest importer of fertilizers, behind Brazil (US$15.8 billion) and India (US$10.6 billion), with imports totalling more than US$9.97 billion and representing 9.68% of global trade.

Exporter Reactions and Implications for Global Prices

Exporters in targeted economies are likely to respond to impending tariffs by adjusting trade flows. Canada and Mexico are particularly vulnerable, as more than 75% of each country's metal exports went directly to the U.S. in 2023. Similarly, over 80% of Canada's and Mexico's wood and wood article exports were shipped to the U.S. that same year. In fertilizer exports, Canada faces significant exposure, ranking as the third-largest exporter globally, accounting for 10.1% (US$10.4 billion) of global trade, with 43.9% of its fertilizer exports destined for the U.S. in 2023.

Given the U.S.'s considerable share of global commodity demand, a key question arises: What are the potential effects on global commodity prices as higher tariffs are levied on key trading partners, and what does this mean for small, open economies like Jamaica?

Impact on Jamaica's Economy

The U.S. remains Jamaica's largest trading partner, accounting for 38.8% (US$3.1 billion) of total imports in 2023, with 2023 being the last full year of available trade data. Among these, mineral products, including refined petroleum, petroleum gas, and asphalt mixtures, were the most imported goods from the U.S. That same year, the U.S. was also Jamaica's largest export destination, receiving 37.5% (US$709 million) of total exports, primarily consisting of mineral products such as petroleum and aluminium ore. Given President Trump's emphasis on revitalizing U.S. manufacturing and energy production, Jamaica could benefit from increased U.S. oil and gas output, potentially reducing energy costs and stimulating greater domestic production.

However, higher U.S. tariffs will undoubtedly disrupt trade flows, and regional shifts could lead to lower prices for some raw materials in Jamaica. Newly appointed Canadian Prime Minister Mark Carney has already outlined plans to strengthen trade relations with other economies, stating that Canada's "old relationship with the U.S. is over" and emphasizing the need to "dramatically reduce" reliance on U.S. trade. Consequently, an oversupply of commodities could work to Jamaica's advantage as excess supply drives prices lower.

Considerations for Economic Growth and Sectoral Impacts

Nevertheless, trade reallocation carries both implicit and explicit costs. The broader impact of higher tariffs on global economic growth must also be considered. Historically, tariffs have been viewed as a headwind for growth, particularly in large economies like China, where reduced export demand from its largest destination market could materially impact GDP growth. Similarly, in the U.S., higher tariffs on imported products may erode citizens' purchasing power, leading to reduced consumption and a slowdown in overall economic activity. In August 2019, the U.S. Federal Reserve estimated that tariffs imposed on steel, iron, and aluminium during Trump's first term, along with retaliatory measures, reduced total U.S. manufacturing output by approximately 0.8% between December 2018 and July 2019. The Organization for Economic Co-operation and Development (OECD) has already cut its 2025 global growth forecast by 20 basis points to 3.1%, citing heightened trade uncertainty as a key risk factor.

The construction industry, being cyclical in nature, may not see immediate benefits from lower commodity prices. Even as financing rates decline, developers may remain hesitant to launch new projects amid economic uncertainty, potentially leading to subdued real estate activity.

The agricultural sector presents a different dynamic. While Canadian fertilizer exporters face significant risks due to higher tariffs, Jamaican importers and suppliers could see improved margins from lower prices. However, the extent to which local farmers benefit remains uncertain, as price stickiness on the downside may limit cost reductions at the consumer level. As a result, potential gains may be concentrated among importers and large manufacturing and distribution firms.

Navigating Market Disruptions: Strategies for Jamaican Manufacturers

Jamaica's manufacturing sector faces both challenges and opportunities. Excess global supply could lower input costs for raw materials like chemicals, plastics, metals, and packaging, boosting profitability for manufacturers, particularly in consumer goods, food processing, and beverages. However, uncertainty in export markets, especially the U.S., could weaken demand for Jamaican exports, forcing companies to seek alternative markets or accept tighter margins in the short term.

For the mining industry, particularly alumina and bauxite exports, the effects of tariffs could be significant. In the short term, a slowdown in U.S. growth could weaken global aluminium demand, impacting Jamaican exports and foreign exchange earnings. However, in the long run, Trump's push to boost U.S. metals production could increase demand for raw materials like Jamaican bauxite and alumina. To capitalize on this, mining companies should monitor U.S. industrial policies, enhance production efficiencies, and strategically position themselves for potential growth.

Conclusion: The Need for Strategic Planning

While Jamaica may benefit from lower commodity prices due to global oversupply, logistical costs, trade reallocation challenges, and broader economic uncertainty could complicate these potential savings. As the U.S. flexes its economic might and countries like Canada and Mexico scramble for alternative markets, one thing remains clear: tariffs create headwinds for global growth and trade fragmentation could have lasting effects.

To navigate these changes, Jamaican businesses must adopt agile and forward-thinking strategies. Utilizing forward contracts, optimizing inventory management, diversifying suppliers, and leveraging collaborative purchasing can help mitigate risks and capitalize on short-term market disequilibria. In an evolving global economy, adaptability is not just advantageous, it is essential for long-term growth and stability.

Regards

Investment Playbook

EQUITIES

Stock Ticker	Stock Information (as at March 28th, 2025)	Comments
WISYNCO Wisynco Group Limited	P/E: 17.15x P/B: 3.06x Price: $22.3 Div Yield 2.06%	**OVERWEIGHT** Throughout the pandemic, Wisynco has managed to improve its operational efficiency but given the effects of COVID-19 on industries such as tourism and education, the Company was unable to deliver significant revenue growth. Now, with tourism rebounding and schools operating at a greater level, Wisynco has married its improved operational efficiency with stronger revenue growth, allowing for significant net profit growth. As tourism is expected to continue growing towards its pre-pandemic level of output, we expect Wisynco to continue to perform well. Wisynco Equity Report
JMMBGL JMMB Group Limited	P/E: N/A P/B: 0.77x Price: $21.74 Div Yield 1.15%	**OVERWEIGHT** Given its relatively low P/E ratio and considering the Group's consistently strong performance throughout the pandemic, the market has been underpricing JMMBGL significantly relative to its local counterparts. JMMBGL's price has declined by 5.8% YTD which provides investors with an opportunity to acquire JMMBGL shares at a more attractive price. The long-term outlook for the company and the stock remains favorable, buoyed by an expanding regional footprint. In July JMMBGL closed on its acquisition of a commercial bank in the Dominican Republic (DR) which now enables the company to offer a full range of financial services in the market. The DR operations currently contributes 17% of net operating revenue and we will be keen to watch the effect of the expansion to JMMBGL's performance over the next few quarters. JMMB Equity Report
MASSY Massy Holdings Limited	P/E: 10.12x P/B: 0.88x Price: $78.58 Div Yield 4.63%	**OVERWEIGHT** Massy Holdings Limited. (MHL, Massy), through its portfolio companies, engages in trading, manufacturing, distribution, and service industry businesses throughout the Caribbean region. The company operates through three portfolios: Integrated Retail, Gas Products, Motors, and Machine and two business lines: Financial Services, and Strategic and Other Investments. In financial year 2020, Massy transitioned from a Conglomerate to an Investment Holding Company. By so doing, Massy's strategy has changed, with the Group focusing mainly on its core portfolios. These core areas of the business represent Massy's competitive advantages, are well-positioned to scale, and are therefore expected to drive strategic growth going forward. Massy Equity Report

Ratings Definitions

OVERWEIGHT/BUY

Exposure to this asset should be between 5% and 10% of your total portfolio

UNDERWEIGHT

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LASD Lasco Distributors	P/E: 11.88x P/B: 1.51x Price: $4.4 Div Yield 2.45%	**OVERWEIGHT** Lasco Distributors has continued its growth trajectory, displaying resilience throughout the pandemic, and we expect this to continue post-pandemic supported by the improving economic backdrop of the global economy. As continued domestic demand for goods and services remain strong, the company is also looking to strengthen its exports as well as continue to launch new product lines. However, this isn't without challenges as global supply shocks has affected LASD's gross margins. In response, management has prudently managed operational costs such that higher imported inflationary costs has not completely eroded the bottom line, resulting in continued growth. Lasco Distributors Equity Report
SCIJMD/SCIUSD Sygnus Credit Investments	P/E: 5x / 4.43x P/B: 0.62x / 0.55x Price: $12.54 / $0.07 Div Yield: 5.88% / 6.63%	**OVERWEIGHT** Sygnus' business model is built on providing capital and direction to the underbanked, targeting the middle market. To accomplish this, the Company has executed several capital raises involving equity, preference shares and debt raise. Sygnus has demonstrated their commitment to growth and being the market leader in the regional private credit space with their acquisition of a Puerto Rico-based, private credit firm, Acrecent Financial in Q3 of their financial year. This acquisition has significantly added to the group's income and overall profitability. The stock trades at significant discount relative to peers both from a P/E perspective and a P/B perspective. At present, given Sygnus' strong current and expected future growth, the market is pricing Sygnus at a steep discount to its book value per share. Sygnus Credit Investments Equity Report
TROPICAL Tropical Battery Limited	P/E: 122x P/B: 2.84x Price: $2.44 Div Yield 0%	**OVERWEIGHT** Tropical Battery has been aggressively pursuing revenue diversification strategies, to reduce its dependence on auto battery and accessory sales. This is evident by the company's recent launch of three new subsidiaries aimed at providing renewable energy solutions for commercial customers. In addition, the company recently implemented a new inventory management system that has yielded improved operational efficiencies in addition to targeted sales initiatives that have improved revenue growth. We believe that the Company will continue to grow as they build out new revenue lines, improve operational efficiencies and drive targeted sales initiatives. Tropical Battery Equity Report

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PROVENJMD/ PROVENUSD Proven Group Limited	P/E: N/A P/B: 0.72x / 0.58x Price: $16.65 / $0.09 Div Yield: 3.09% / 3.48%	**OVERWEIGHT** Proven has shown a decline in profitability throughout the current financial year, a performance driven by lower share of earnings of associates and higher operating expenses. The company continues to demonstrate its appetite for growth through acquisitions as evidenced by the recent 100% acquisition of Fidelity Bank (Cayman). The company has a history of acquiring companies with accretive value. We expect that profit margins will improve in the future as one-off spending related to recent acquisitions pass.
LUMBER Lumber Depot Limited	P/E: 15.79x P/B: 2.83x Price: $3 Div Yield 2.33%	**OVERWEIGHT** Lumber represents an option to gain exposure to the construction sector which has been a relatively resilient and fast-growing sector. With this sector tailwind, lumber has shown strong revenue growth since its 2019 listing and the financial year 2022 revenue and net profit are 10.1% and 26.8% higher than financial year 2021 revenue and earnings, respectively. We are still monitoring how the company progresses given the loosening of restrictions and continued growth in the construction sector. We also note that despite the growth it has shown over the last 2 years, the stock still trades at an attractive PE compared to Junior market peers. Lumber Depot Equity Report
TJH TransJamaican Highway Limited	P/E: 9.59x P/B: 4.59x Price: $3.81 Div Yield 5%	**OVERWEIGHT** The Group continues to experience stronger-than-projected traffic growth, as evidenced by the performance during the third quarter of the 2023 financial year, and this trend is expected to persist at least in the short term. Additionally, the JIO acquisition has improved operating efficiency, and it is expected that as the group continues to reduce debt, profitability and cash flow generation will continue to improve. TJH Equity Report

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JBG Jamaica Broilers Group Limited	P/E: 8.53x P/B: 1.08x Price: $28.41 Div Yield 2.62%	**OVERWEIGHT** JBG's financial performance has rebounded nicely from the lows seen in FY2020, driven by the recovery in the Jamaican economy and tourist arrivals, coupled with JBG's growing presence in the US market and the increasing production of the Best Dressed Chicken line of products. The loss making Haiti operation has been discontinued which should contribute to improved margins in the coming quarters. Positive results from expansion into the United States and recovery in Jamaican operations, along with stringent cost control have contributed to the surge in profitability in the first half of the 2023 financial year. Jamaica Broilers Group Equity Report
SEP Seprod Limited	P/E: 22.08x P/B: 2.2x Price: $89.41 Div Yield 2.03%	**OVERWEIGHT** Seprod saw its financial performance surge for the 2022 financial year, owing to the strategic acquisition of AS Bryden, with revenues and net profit growing by 82% and 93% respectively. Going into the 2023 financial year, we expect easing of supply chain pressures, stability in commodity prices, and further consolidation of profits from AS Bryden to further lift net profits. Along with new products, Seprod also plans to aggressively target growth in export markets and is currently in the process of making necessary investments to increase capacity of its margarine plant. Seprod Limited Equity Report
LASM Lasco Manufacturing	P/E: 11.79x P/B: 2.16x Price: $7.5 Div Yield 1.99%	**OVERWEIGHT** We expect that the Company's growth trajectory will be sustained, however, in the short term, the financial results have seen an impact from the overall macroeconomic conditions since the pandemic. Margins across the board have been compressed despite record profitability in 2022. Despite continued record tourism arrivals and growth in key sectors such as entertainment, steps need to be taken to restore margin progression. Against this backdrop it is notable that inflationary pressures and supply issues that plagued the company from 2022 to the first quarter of this year will likely begin to ease in the spring of 2023, suggesting a rebound in net profit growth for the company moving forward beyond FY 2023. Plans to further expand its geographical footprint by driving the contribution of export to its revenue will be value-added to the long-term sustainability of the Company's operations Lasco Manufacturing Equity Report

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GK GraceKennedy Limited	P/E: 8.6x P/B: 0.79x Price: $72.51 Div Yield 3.26%	**MARKETWEIGHT** For the year ended December 31, 2022, GK reported significant top-line growth, however, margin deterioration contributed to a decline in the bottom line. Revenues increased by 10.5% while profits saw a 15.1% decline of flat as operating expenses grew at a faster rate than revenues. The company cited challenges presented by high inflation globally, sustained supply chain issues, increasing interest rates, and foreign currency volatility as issues that have affected profit margins. GK continues to advance its merger & acquisition (M&A) strategy, after it increased its stake in Catherine's Peak Bottling Company Limited in the first quarter of 2023 to move its ownership stake from 35% to 70%, thus granting them a stronger position in the spring water market. The company continues to seek M&A transactions locally and internationally. These acquisitions stand to add more diversity and growth to the company's earnings. GraceKennedy Group Equity Report
MAILPAC Mailpac Group Limited	P/E: 23.7x P/B: 6.75x Price: $2.37 Div Yield 1.1%	**MARKETWEIGHT** During the peak periods of the pandemic, MAILPAC benefited immensely as online shopping became a larger share of shoppers' wallets. In large part, this period of heavy demand driven by pandemic restrictions has passed and while we anticipate online shopping will remain integral for the everyday consumer, the outsized growth we witnessed in FY2020 and FY2021 will not be repeated. Admittedly, the Company has a robust balance sheet with more cash than total liabilities which we believe places MAILPAC in a position to make growth-inducing investments. However, the current slowdown in demand and consequently revenue and profit growth underscores our MARKETWEIGHT recommendation Mailpac Group Equity Report
SGJ Scotia Group Jamaica Limited	P/E: 8.04x P/B: 1.13x Price: $54.91 Div Yield 3.1%	**MARKETWEIGHT** The greatest driver of profitability in FY2021 was the reduction of Expected Credit Losses (ECL) relative to the previous year as the economic backdrop improved. Scotia is not likely to have this benefit recur to the magnitude it did in FY2021. The group has made an accelerated effort to digitize its business in line with its digital strategy to drive efficiency and better service customer needs. SGJ is looking to further consolidate its operations and funnel investments in core operations through technology and talent, while also looking to enter new markets and launch new products. Scotia has two major positives. The first is that the current rising interest rate environment supports the Group's bank model, more so than other listed financial institutions. The second is that SGJ is a consistent source of relatively attractive dividends which makes the Company a good asset for investors with a clear preference for income. Scotia Group Equity Report

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FTNA Fontana Limited	P/E: 20.57x P/B: 3.96x Price: $9.46 Div Yield 2.64%	**MARKETWEIGHT** Fontana has been growing and expanding since listing on the junior exchange in 2019. The Company has plans to expand, which include a new outlet to bring its footprint to a total of seven locations. In its most recent quarter, Net Profit saw a 32.7% increase over the same quarter in the prior financial year. Further, the cost of sales has been impacted given the current inflationary environment and is likely to continue being affected in the near to medium term. However, the company continues to grow organically and is financially positioned to do so. Due to the current environment and increased finance costs, profitability could dampen in the near term but in the long term, the addition of its new outlet could support growth. On balance, the Company has both significant risks and the potential for upside, which underscores our recommendation. Fontana Equity Report
SVL Supreme Ventures Limited	P/E: 29.55x P/B: 9.98x Price: $20.1 Div Yield 2.66%	**MARKETWEIGHT** Supreme Ventures is the market leader in the lottery and gaming industry. The company has also in recent years embarked on an aggressive growth strategy through several acquisitions (Champion Gaming and Post To Post Betting). The company would have been impacted by the pandemic as the lockdown measures impacted its operations at Caymanas Park. With the easing of restrictions, the Company should benefit from an easing of lock down restrictions and a normalization of business. Despite this, in the medium term we note that the company now has competition in the lottery segment of the market which may negatively impact margins. The degree to which this might impede the pace of revenue growth will however depend on the take up of new games such as Scratchaz which, at present, seems popular amongst younger consumers as it is a new addition to the Company's product offerings. Supreme Ventures Equity Report
ECL Express Catering Limited	P/E: 15.63x P/B: 3.76x Price: $2.88 Div Yield 3.38%	**MARKETWEIGHT** ECL has seen improved performance as the tourism industry rebound, following the pandemic, has been robust. However, the Company is not currently operating at pre-covid efficiency levels, as price increases due to the current global supply chain challenges have driven higher costs across all product categories. While we do expect the tourism industry to continue to recover, driving ECL's revenues to grow and likely surpass pre-covid levels by FY2023/FY2024, the inflationary pressures can not be ignored. Longer-term we do expect the company to reap the benefits of their expanded footprint within the Sangsters International Airport as well as the return to trend growth in stopover arrivals. ECL Equity Report

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Monitoring List

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SOS Stationery & Office Supplies Limited	P/E: 19.88x P/B: 2.34x Price: $1.59 Div Yield 0%	Stationery and Office Supplies presents investors with another option to benefit from the reopening of the domestic economy. A core segment of their business would have suffered from the lockdown measures and work from home, namely the sale of furniture and its SEEK line of books. However, during that period stationary sales have done well to fill that revenue gap. With the resumption of economic activity, the return to office and the expansion in the BPO sector, SOS might be a large beneficiary in 2022.
SJ Sagicor Group Jamaica Limited	P/E: 18.23x P/B: 1.62x Price: $43.21 Div Yield 3.17%	Sagicor Group Jamaica Limited would have been adversely impacted by the pandemic even more so than the typical financial sector company due to their exposure to the tourism sector. This would have therefore led to sizeable impairment losses on their investment in associated companies (I.e., Playa Hotel and Resorts). For 2022 we therefore expect to see some amount of recovery as the group has disposed of their investments in Playa which will stem impairment losses while simultaneously still having direct exposure to travel through their US resort (The Hilton DoubleTree) while their banking services should benefit from a pickup in economic activity.

***The "Monitoring List" represents stocks that are on our radar as our initial expectation for these companies is positive. However, no official recommendation is presented as these stocks are still being evaluated.*

Monitoring List

Fixed Income

Bond & Issuer	Bond Information (as at March 28th, 2025)	Comments
HLT 3.75% 2029 Hilton Domestic Operating	Price (Bid/Ask): $93.30/ $93.74 Yield to Maturity (Bid/Ask): 5.61%/5.48% Maturity: May 1st, 2029 Modified Duration: 3.65 Credit Rating: BB+ (S&P)	The Hilton Hotels gives investors access to several global brands in the hospitality and travel sector. As of 2022, Hilton managed, franchised, or owned 7,165 hotels and resorts, totaling 1.1 million rooms in 123 countries. The industry also continues to represent a potential travel recovery play as the demand for business transient (short stay business travel) and group travel continues to gain momentum with trends through 2Q23 continuing to look strong.
SFCCN 5.3% 2028 Sagicor Financial Corporation	Price (Bid/Ask): $98.75/$99.12 Yield to Maturity (Bid/Ask): 5.74%/5.61% Maturity: May 13th, 2028 Modified Duration: 2.78 Credit Rating: BBB (S&P) / BB+ (Fitch)	**OVERWEIGHT** SFCCN 5.3% 2028 gives investors exposure a global life insurer with a growing footprint in the North American Market. While the credit has seen some spread compression, we believe that there might be more to come. This comes as it trades slightly cheap relative to peers with the major concern as it relates to macroeconomic exposure to Caribbean government debt is likely to be improved with the Ivari transaction. In this regard, the successful closure of the acquisition means that there is potential for more spread compression. In addition to this, approaching closer to the end of the Fed hiking cycle might also limit the potential downside tailwinds on price from even more restrictive monetary policy. SFCCN Fixed Income Report
BAC 7.25% 2025 Bank of America Corp	Price (Bid/Ask): $101.15/$101.44 Yield to Maturity (Bid/Ask): 5.06%/4.51% Maturity: October 15th, 2025 Modified Duration: 0.51 Credit Rating: BBB+ (S&P) / A (Fitch) / A3 (Moody's)	Bank of America is one of the largest financial institutions in the United States, with more than $2.5 trillion in assets. The bank now has one of the most complete retail branch networks and overall retail franchises in the United States. BAC is also a Tier 1 investment bank, a top four U.S. credit card issuer, a top three U.S. acquirer, has a solid commercial banking franchise, and owns the Merrill Lynch franchise, which has become one of the leading U.S. brokerage and advisor firms.
MAT 3.75% 2029 Mattel Inc	Price (Bid/Ask): $94.69/$95.17 Yield to Maturity (Bid/Ask): 5.24%/5.10% Maturity: April 1st, 2029 Modified Duration: 3.58 Credit Rating: BBB (S&P) / BBB-(Fitch) / Baa3 (Moody's)	Mattel markets toy products that are sold to its wholesale customers and direct to retail consumers. The Company offers products for children and families, including toys for infants and preschoolers, girls and boys. A rebound in dolls, especially Barbie and Frozen, is the key to Mattel outperforming projections for 2023.

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Unit Trust

Unit Trust Fund	27/03/2025	20/03/2025	Week/Week Return	Year-to-Date Return	1 Year Return	Yield
Capital Growth	77.791	76.97	1.06%	-4.73%	0.68%	-
Money Market	17.4826	17.4010	0.47%	2.08%	5.89%	5.22%
Income Portfolio	100.00	100.00	-	-	-	4.80%
FX Bond Portfolio (US$)	1.5007	1.4997	0.07%	1.04%	2.45%	4.59%
Real Estate Portfolio	17,461.65	17,406.95	0.31%	0.41%	38.66%	-
FX Growth Portfolio	1.1804	1.1663	1.21%	13.53%	13.53%	-
FX Income Accumulator Portfolio	1.0358	1.0359	-0.01%	0.46%	1.81%	2.98%

"Someone's sitting in the shade today because someone planted a tree a long time ago."

Warren Buffett

LOCAL EQUITY MARKET

For the week ending March 28, 2025, the local stock market, measured by the Combined Index, improved by 0.48%. The Main Market Index improved by 0.21%, the Junior Market Index improved by 3.79%, and the JSE USD Equities Index improved by 1.17%. During the week Medical Disposables & Supplies Limited was the largest gainer, rising by approximately39.26% to close at $1.88. ISP Finance Services Limited was the biggest decliner, which fell by 19.08% to close at $16.03.

Large-cap stocks, reflecting those listed on the Main Market Index are outperforming on a YTD basis, declining by 2.99%, relative to its Junior Market counterpart which has declined by 3.52%.

For the week ending March28, 2025, overall market activity resulted from trading 125 stocks of which 66 advanced, 46 declined and 13 traded firm. Market volume amounted to 547,499,210 units valued at over $5,238,755,331.76.

Key contributors to trading volume are JMMB Group LTD 10.00% VR JMD Preference Shares with 241,392,415 units (43.71%), followed by TransJamaican Highway Limited With 123,026,096 units (22.28%) and Wigton Energy Limited with 50,013,703 units (9.06%).

Revisiting relevant news during the week:

Jamaica's export earnings fell 8.6% during Jan – Nov, last year – STATIN

Kingston, Jamaica-Jamaica recorded an 8.6 per cent decline in export earnings during the January to November 2024 period.
Jamaica's export earnings fell 8.6% during Jan – Nov, last year – STATIN

Barita seeks $6.2 billion in public bond offer

As part of its push to further grow its core business, Barita Investments Limited will be seeking to raise an estimated $6.15 billion in a senior unsecured public bond offer which will be open for two months and feature seven tranches.
Barita seeks $6.2 billion in public bond offer

Michelle Chong passes the torch at Honey Bun

Honey Bun is preparing to usher in a new era of leadership with the planned elevation of Deputy CEO Daniel Chong to the top role later this year, a move that signals continuity in the company's succession planning amid an aggressive expansion plan.
Michelle Chong passes the torch at Honey Bun

NCB Financial Group refinancing $10 billion in debt

As NCB Financial Group Limited (NCBFG) continues to reduce its debt balance it is set to refinance about $10.04 billion in arrears through the issuance of new bonds on the capital markets.
NCB Financial Group refinancing $10 billion in debt

Gov't revives stalled tourism projects in eastern Jamaica

Long-delayed Government projects are back on the agenda for the parishes of St Thomas and Portland, coinciding with a surge of investor and individual interest in the corridor, which is fast becoming a hot spot for high-end tourism and real estate development.
Gov't revives stalled tourism projects in eastern Jamaica

Indies Pharma secures $60 million from first batch of FDA-approved drug

Pharmaceutical company Indies Pharma Jamaica Limited has secured US$405,000 or just over $60 million in its first drawdown from the sale of its new Regadenoson generic drug approved by the US Food and Drug Administration (USFDA) last year.
Indies Pharma secures $60 million from first batch of FDA-approved drug

Index	28/03/2025	21/03/2025	31/12/2024	Week/Week	Year-to-Date
JSE Main Market	325,739.24	325,040.47	335,794.94	0.21%	-2.99%
JSE Junior Market	3,603.55	3,471.88	3,735.05	3.79%	-3.52%
JSE Combined Market	337,336.70	335,725.60	347,896.22	0.48%	-3.04%
JSE USD Equities Market	226.94	224.32	251.88	1.17%	-9.90%
JSE Financial Index	68.07	67.17	68.41	1.34%	-0.50%
JSE M&D Index	107.43	107.97	110.44	-0.50%	-2.73%

INTERNATIONAL DEVELOPMENTS

U.S.

Stocks fall on trade policy uncertainty, growth concerns, and persistent inflation

U.S. stock indexes declined during the week, largely driven by weakness in the information technology and communication services sectors, while value stocks outperformed growth shares for the sixth consecutive week. T. Rowe Price traders noted that markets seemed to start the week "cautiously optimistic," with relatively muted but broadly positive moves as investors focused on the possibility of the Trump administration taking a more measured approach to its next round of tariffs.

Consumer expectations hit a 12-year low

Meanwhile, the Conference Board reported that its consumer confidence index declined for the fourth consecutive month in March to 92.9, down from February's reading of 100.1. The expectations portion of the index—which measures consumers' short-term outlook for income, business, and labor market conditions—dropped 9.6 points to 65.2, reaching its lowest level in 12 years and remaining below 80, which could indicate a recession ahead, for the second consecutive month. The report noted that optimism about future income "largely vanished, suggesting worries about the economy and labor market have started to spread into consumers' assessments of their personal situations."

Business activity accelerates in March, but future outlook deteriorates

Elsewhere, S&P Global reported that its Flash Composite Purchasing Managers' Index (PMI) for March came in at 53.5, indicating an acceleration in business activity growth from February as strength in the services sector offset an unexpected drop in manufacturing activity. Notably, however, expectations for the year ahead worsened to the second-lowest level since October 2022, with many companies "citing worries over customer demand and the impact of aspects of the new administration's policies." Input prices also increased at the sharpest rate in almost two years in March, largely due to tariffs and increased staffing costs.

Europe

In local currency terms, the pan-European STOXX Europe 600 Index ended about 1.4% lower as Trump announced a fresh round of U.S. trade tariffs. This made for a disappointing week overall for European markets, which had started the week in positive territory on the back of encouraging economic updates and geopolitical news. France's CAC 40 Index gave back 1.6%, Germany's DAX fell 1.9%, and Italy's FTSE MIB eased 0.8%. The UK's FTSE 100 Index eked out a 0.1% gain.

Growth, inflation worries weigh on central bank policy moves

The latest monetary policy statements highlighted trade-related uncertainty, with central bankers attempting to balance growth headwinds against the risk of faster inflation. Several policy announcements emphasized the cloudier economic outlook, with some central banks adopting a wait-and-see approach.

The Bank of England held interest rates at 4.5%, as expected. Only one of the nine rate setters voted for a reduction, which was seen as a hawkish signal by the market, which had anticipated a 7–2 split. Policymakers expressed concerns over high inflation expectations.

Lagarde says ECB to remain vigilant

Speaking at the European parliament, European Central Bank (ECB) President Christine Lagarde said the ECB would remain vigilant because of the uncertainties stemming from rising trade tensions. She also said that a proposed U.S. tariff of 25% on European imports would lower eurozone economic growth by 0.3 percentage points in the first year, with the hit to gross domestic product increasing to about half a point if Europe were to respond in a similar manner. She added that inflation could pick up by about 0.5% due to retaliatory measures and a weaker euro.

Japan

Japan's stock markets rose over the week, with the Nikkei 225 Index gaining 1.68% and the broader TOPIX up 3.25%. Foreign investor interest helped lift the shares of Japanese trading companies. The Bank of Japan (BoJ) adopted a cautious stance, holding rates steady as it assesses the potential impact of higher U.S. tariffs on Japan's economy.
The yen weakened to the low end of the JPY 149 against the U.S. dollar range from about JPY 148.6 at the end of the previous week. The yield on the 10-year Japanese government bond fell to 1.52% from the prior week's 1.54%.

T. Rowe Price

Index	28/03/2025	21/03/2025	31/12/2024	Week/Week	Year-to-Date
Dow Jones	41,583.90	41,985.35	42,544.22	-0.96%	-2.26%
S&P 500	5,580.94	5,667.56	5,881.63	-1.53%	-5.11%
NASDAQ 100	19,281.40	19,753.97	21,012.17	-2.39%	-8.24%
FTSE 100	8,658.85	8,646.79	8,173.02	0.14%	5.94%
Euro Stoxx 50	5,331.40	5,423.83	4,869.28	-1.70%	9.49%

ABOUT US

Barita Investments Limited, is a publicly-traded company on the JSE, 74.3% owned by Cornerstone Financial Holdings Limited ("Cornerstone").

The Barita Group is made up of Barita Investments Limited and its subsidiary, Barita Unit Trusts Management Company Limited (BUTM). Founded by Rita Humphries-Lewin in 1977, Barita has the distinction of being one of the oldest stock brokerages in Jamaica. The Company is regulated by the Financial Services Commission (FSC), is a member of the JSE and is licensed as a Primary Dealer and Cambio Dealer by the Bank of Jamaica (BOJ or the Central Bank). In August 2018, Cornerstone Financial Holdings Limited (Cornerstone or CFHL) acquired majority shares in Barita and has supported the Company's mission and vision to be a premier investment force in Jamaica and the wider Caribbean.

OUR PRODUCTS AND SERVICES INCLUDE:

- Stock Market investments on any of the three regional exchanges
- Fixed Income Trading
- Investment Banking Services
- Unit Trust Investments
- Currency Trading
- Structured Products
- Retirement Planning
- Wealth Planning
- Market Research

BUTM currently offers seven (7) unit trust products spanning fixed income, equities and real estate and is recognised as a strong player in the middle market retail segment and a leader in unit trust performance.

Barita serves its clients island-wide through its Head Office in Kingston and branches in Mandeville and Montego Bay with a team of 163 members across its operations island-wide.

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