Leading Economic Indicators

October 2026

GraceKennedy Capital Management

Jamaican Macroeconomic Trends

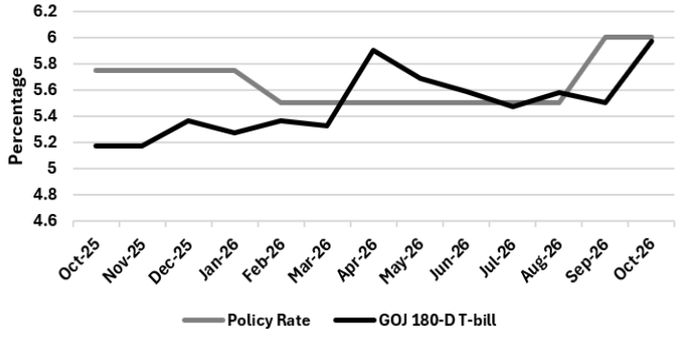
Indicators	Period	Year		Change			12 Mth Trend
		2026	2025	Monthly	YTD	12-Month	
CAPITAL MARKET INDICATORS							
180-day GOJ T-bill	October	5.97%	5.17%	42bps	60bps	80bps	▲
BOJ Policy Rate	October	6.00%	5.75%	0bp	25bp	25bps	▲
FX Rate	October	159.66	161.46	-0.13%	-0.05%	-1.11%	▼
JSE Main Index	October	385,199	322,821	-0.03%	21.14%	19.32%	▲
KEY MACRO-ECONOMIC INDICATORS							
Inflation (Y-o-Y)	September	8.60%	2.10%	70bps	410bps	650bps	▲
NIR (US$M)	September	7,182	6,196	8.150%	14.17%	15.92%	▲
Tourist Arrivals	Jan-Aug	2,352,129	2,853,979	-13.44%	-17.58%	-16.54%	▼
Unemployment	Apr-Jun	3.70%	3.30%	-	40bps	-40bps	▲
Real GDP Growth Rate ++	Apr-Jun	-2.90%	1.60%	-	420bps	-450bps	▼
Public Debt (J$B)	August	2,408	2,196	0.22%	9.58%	9.68%	▲
Fiscal Surplus/(Deficit) (J$M)+	Apr-Sep	($55,710)	($15,477)	-	-	259.95%	▼

KEY: Arrow Indicates Direction / Color Indicates Impact

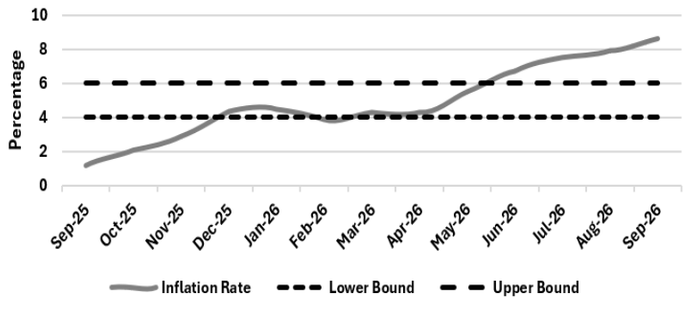
++ The values are for CY 2026 and the comparable CY2025 period

+YTD is based on the GOJ fiscal year which runs from Apr - Mar

Local Policy & T-bill Rates
October 2025- October 2026



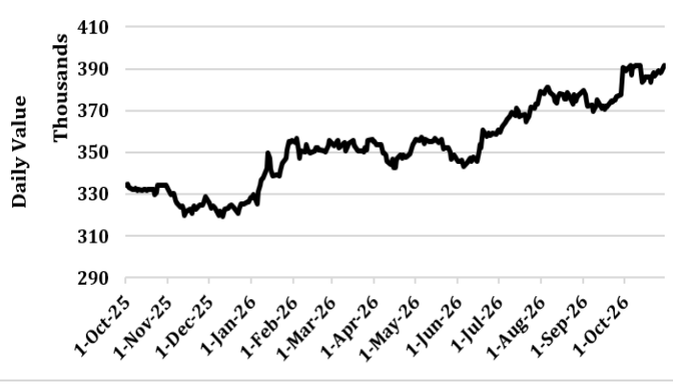
12-Month Point-to-Point Inflation Trend: September 2025- September 2026



USD Weighted Average Selling Rate
October 2025- October 2026



JSE Combined Index
October 2025- October 2026



The BOJ maintained its policy rate at 6.00% following the 50-bps increase in September, signaling a continued focus on containing inflationary pressures.

Headline inflation accelerated to 8.60% in September, rising further above the BOJ's 4.00%-6.00% target range and suggesting that price pressures remain broad-based. The combination of elevated inflation and a tighter policy stance reduces the likelihood of near-term monetary easing.

The 180-day GOJ Treasury bill yield increased by 42 basis points to 5.97%, reflecting tighter monetary conditions and higher inflation expectations.

The Jamaican dollar appreciated marginally by 0.13% to J$159.66 per US dollar, remaining broadly stable despite elevated inflation.

Net International Reserves (NIR) increased to US$7.18 billion in September, rising 15.92% year-on-year and providing strong protection against external shocks. The increase in reserves was further supported by the Government's successful international bond issuance during September.

Visitor arrivals for January-August totaled 2.35 million, down 17.60% year-to-date, highlighting the continued impact of Hurricane Melissa on the sector.

The pace of tourism recovery remains a key determinant of broader economic growth and foreign-exchange earnings going forward.

The JSE Main Index was broadly unchanged in October but remained one of the strongest-performing indicators, with gains of 21.10% year-to-date and 19.30% over the last twelve months. Continued investor confidence, resilient corporate earnings, and reconstruction-related opportunities continue to support local equity valuations.

Jamaica Economic Outlook: Growth, Inflation and Recovery

Economic activity across Latin America and the Caribbean remains resilient despite an increasingly challenging external environment. The International Monetary Fund (IMF) projects regional growth of 2.30% in 2026, improving modestly to 2.50% in 2027, below the projected global growth rate. Activity continues to benefit from strong US demand, tourism, remittance inflows and favourable commodity prices. However, these supportive factors are being offset by geopolitical tensions, higher energy and food prices, trade uncertainty and tighter fiscal conditions.

The outlook also varies considerably across the region. Commodity-exporting economies, particularly those benefiting from new energy projects, are expected to record stronger growth, while tourism-dependent Caribbean economies face more moderate medium-term prospects. Although tourism demand remains supportive, persistent supply-side constraints, high public debt and limited fiscal flexibility continue to restrict the region's growth potential. Higher global energy and food prices also pose an additional challenge, particularly for countries that rely on imported fuel and food.

Jamaica Outlook

Jamaica's economic outlook remains closely tied to its recovery from Hurricane Melissa and the broader external environment. The IMF projects zero economic growth in 2026, followed by a recovery to 2.40% in 2027. The expected improvement reflects the gradual normalization of economic activity and increased reconstruction efforts. However, the recovery remains exposed to disruptions in tourism, agriculture, and mining, as well as higher global energy and food prices.

Inflation is projected to average 5.90% in 2026, before moderating to 5.50% in 2027. Meanwhile, the current account deficit is expected to widen to approximately 5.10% of GDP in 2026, partly reflecting increased demand for imported reconstruction materials, equipment and other goods.

Despite these near-term pressures, Jamaica benefits from established policy credibility, a resilient financial sector, international reserves and continued access to international capital markets. These factors provide important buffers against external shocks and support the country's capacity to navigate the recovery.

Implications for Investors

The macroeconomic backdrop remains characterized by elevated inflation, restrictive monetary policy, strong external reserves, and a gradual economic recovery following Hurricane Melissa. While near-term growth is expected to remain subdued, reconstruction activity and resilient financial-market conditions should support selected sectors of the economy over the medium term.

Source: International Monetary Fund

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Global Macroeconomic Trends

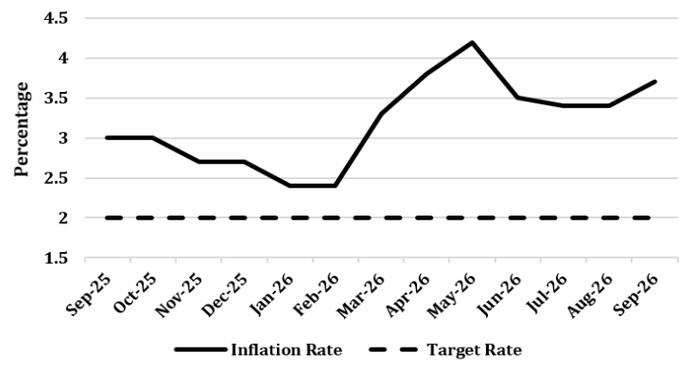
Indicators	Period	Year 2026	Year 2025	Change YTD	Change 12 Month	12 Mth Trend
CAPITAL MARKET INDICATORS						
UST 1-year	October	4.36%	3.70%	88bps	66bps	▲
UST 5-year	October	4.71%	3.71%	98bps	100bps	▲
UST 10-year	October	4.94%	4.11%	76bps	83bp	▲
UST 30-year	October	5.31%	4.67%	47bps	64bps	▲
Dow Jones Industrial Average	October	51,770	47,563	7.71%	8.85%	▲
S&P 500	October	7,580	6,840	10.73%	10.82%	▲
Nasdaq Composite	October	25,437	23,725	9.44%	7.22%	▲
Nikkei 225	October	63,290	52,411	25.73%	20.76%	▲
KEY MACRO-ECONOMIC INDICATORS						
Crude Oil	October	120.15	65.44	95.84%	83.60%	▲
US Inflation	September	3.70%	3.00%	100bps	70bps	▲
US Real GDP Growth Rate	Jul-Sep	3.40%	3.90%	90bps	-50bps	▼
US Fund Effective Rate	October	3.88%	3.86%	24bp	2bps	▲

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

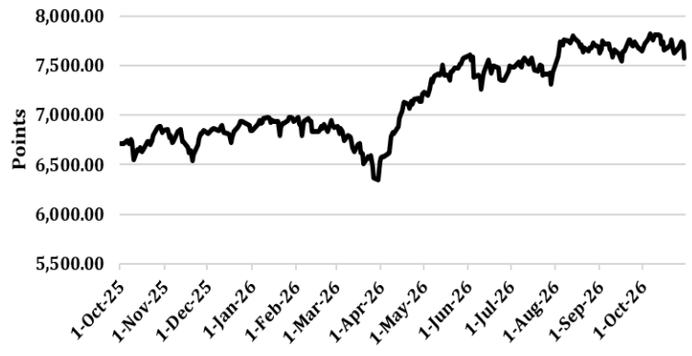
U.S Treasury 10 Yrs Yield
October 2025- October 2026



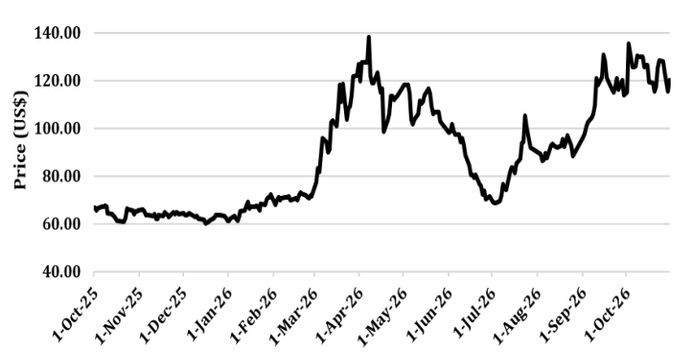
U.S. Point-to-Point Inflation Rate
September 2025- September 2026



S&P 500
October 2025- October 2026



Brent Crude Oil Prices
October 2025- October 2026



U.S. economic growth accelerated to 3.40% in the third quarter from 1.50% in the second quarter, supported by strong consumer spending, business investment, and productivity gains.

Inflation pressures re-emerged as a key macro risk. U.S. inflation rose to 3.70% in September, up from 3.00% a year earlier, driven in part by a sharp increase in energy prices. The uptick in inflation reinforced concerns that progress toward the Federal Reserve's 2.00% target may remain uneven.

The Federal Reserve maintained a restrictive policy stance despite the effective fed funds rate averaging 3.88% in October. Strong economic growth and rising inflation reduced expectations for near-term monetary easing, reinforcing the higher-for-longer interest-rate narrative.

Crude oil prices surged to approximately US$120 per barrel in October, representing one of the strongest gains among key macro indicators.

Treasury yields continued to move higher across the curve, with the 10-year Treasury yield rising to 4.94% and the 30-year yield reaching 5.31%. Markets continued to price in a prolonged period of restrictive monetary policy, while persistent inflation pressures and fiscal borrowing needs contributed to upward pressure on long-term rates.

U.S. equity markets remained resilient despite rising yields and higher oil prices. The S&P 500, Dow Jones Industrial Average, and Nasdaq Composite all remained significantly above year-ago levels, reflecting continued confidence in corporate earnings, economic resilience, and long-term growth opportunities. Technology and artificial intelligence themes continued to dominate market leadership.

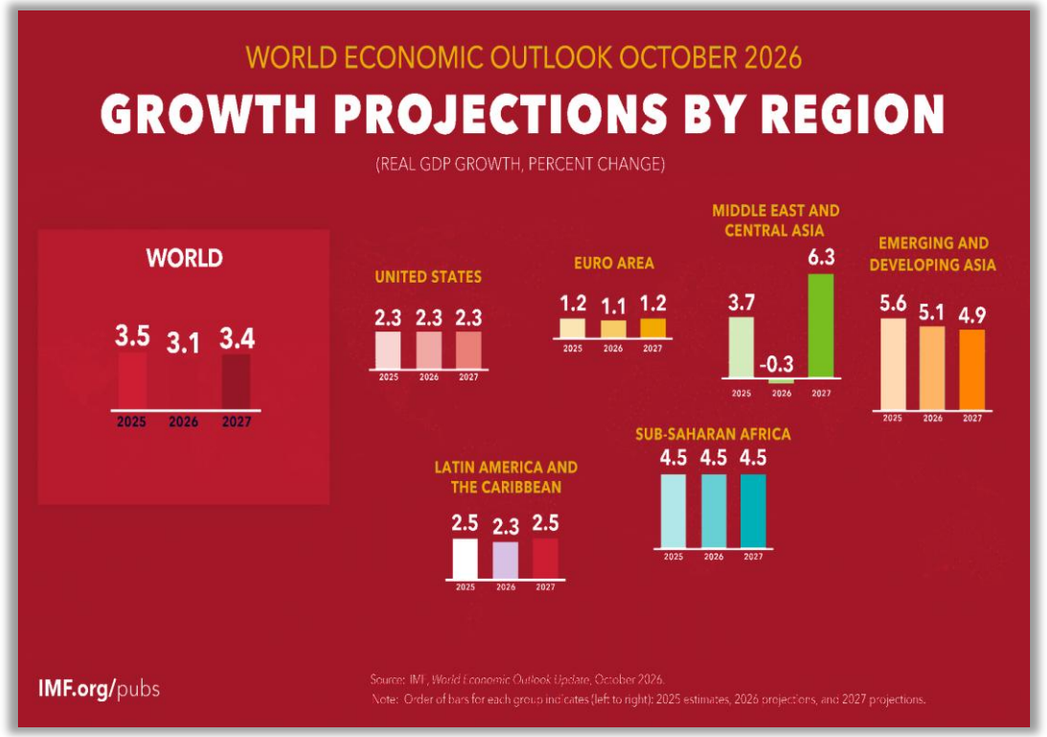
International equities also remained well supported. Japan's Nikkei 225 continued to outperform many global peers, rising more than 25% year-to-date, supported by strong technology demand, improving corporate profitability, and ongoing investment in semiconductor-related industries.

United States Outlook: Growth Supported by AI and Business Investment

The global economic environment remains challenging, with growth across major economies increasingly influenced by geopolitical tensions, higher energy prices, trade uncertainty, and the uneven benefits of technology investment. While the United States continues to demonstrate relative economic resilience, growth prospects across other major economies remain mixed.

United States Outlook

The U.S. economy continues to demonstrate resilience despite an increasingly uncertain global backdrop. Supported by robust consumer demand, sustained business investment, and significant spending on AI and technology infrastructure. The IMF expects economic growth of 2.30% in both 2026 and 2027. Nevertheless, the outlook remains subject to several downside risks.



Key Risks To The Outlook Include:

- Persistent inflationary pressures that may delay monetary policy easing
- Higher energy prices, which could put upward pressure on inflation and production costs
- Trade and geopolitical uncertainty, which could weigh on consumer spending, business confidence, and global investment flows

AI-driven investment continues to provide an important source of economic momentum, supporting business expansion and productivity growth. However, any slowdown in technology spending or a weaker-than-anticipated realization of productivity gains could temper growth prospects.

Inflation remains a key risk for the U.S. outlook. Higher food and energy prices could delay the return of inflation to the Federal Reserve's target, limiting the scope for policy easing. Accordingly, inflation, labor market performance, and economic growth will remain critical determinants of future monetary policy decisions.

Overall, the U.S. economy is expected to remain resilient, supported by robust consumer demand, continued private-sector investment, and ongoing innovation. Nevertheless, the outlook remains subject to downside risks stemming from inflation persistence, geopolitical tensions, and global trade uncertainty.

Source: International Monetary Fund

WHAT WE ARE WATCHING

Inflation

Headline inflation rose to 8.60%, increasing the likelihood that monetary policy remains restrictive.

BOJ Policy Rate

The BOJ maintained its policy rate at 6.00%; inflation trends will remain the key determinant of future policy decisions.

Tourism Recovery

Tourism arrivals remain below prior-year levels following Hurricane Melissa but are expected to improve as recovery efforts continue.

Global Risks

U.S. policy, oil prices, and geopolitical developments remain key external influences on growth and inflation.

THEMES DRIVING MARKETS

Positive Drivers

- Strong External Reserve
- Stable Financial Market
- Strong Corporate Earnings
- Reconstruction & Infrastructure Spending

KEY RISKS TO MONITOR

Domestic Risks

- Inflation Persistence
- Slower Tourism Recovery
- Weather-Related Disruption
- Weaker Than Expected Growth

External Risks

- Oil Price Volatility
- U.S. Interest Rates
- Geopolitical Tension
- Weaker Global Growth

Market Perspective

Jamaica's economic outlook remains supported by strong external reserves, stable financial market conditions, and ongoing reconstruction activity. However, elevated inflation and a restrictive monetary policy stance may constrain near-term growth. Looking ahead, inflation, Bank of Jamaica policy decisions, tourism activity, U.S. monetary policy, oil prices, and geopolitical developments will remain key factors influencing market performance and investment opportunities.

Government of Jamaica Bonds

Issuer	Issue Date	Security - Benchmark Investment Note	Maturity	Tenure (Years)	Coupon	TTM* YRS
GOJ	25-Nov-26	Reopen FR 8.25%	13-Dec-40	14	8.25%	14.12
GOJ	22-Jan-27	Reopen FR 9.62%	30-Nov-31	4	9.26%	5.07
GOJ	22-Jan-27	Reopen FR 7.50%	31-May-35	8	7.50%	8.57
GOJ	22-Jan-27	Reopen FR 11.25%	12-Feb-46	19	11.25%	19.28
GOJ	5-Mar-27	Reopen FR 9.62%	30-Nov-31	4	9.62%	5.07
GOJ	5-Mar-27	Reopen FR 7.50%	31-May-35	8	7.50%	8.57
GOJ	5-Mar-27	Reopen FR 11.25%	12-Feb-46	19	11.25%	19.28
Note: Schedule is subject to change						
TTM- Time To Maturity*						

The BIN's primary purpose is to raise funding for the Government's budgetary and financing needs.

Economic Calendar of Events November 2026

Date	Events
November 16, 2026	Consumer Price Index (October)
November 18, 2026	BOJ Interest Rate Meeting
November 20, 2026	BOJ Standard FX Intervention

Jamaica Calendar

Date	Events
November 10, 2026	Consumer Price Index (October)
November 13, 2026	Producer Price Index Release
November 25, 2026	GDP 2nd Release (Q3 2026)

United States Calendar