Leading Economic Indicators

May 2026

GraceKennedy Capital Management

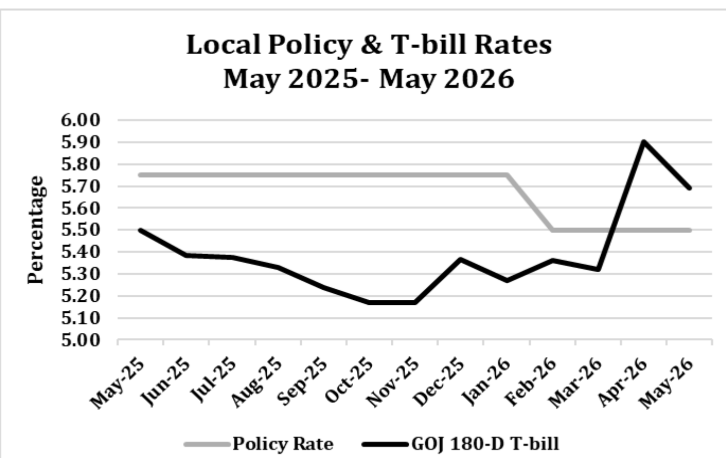
Jamaican Macroeconomic Trends

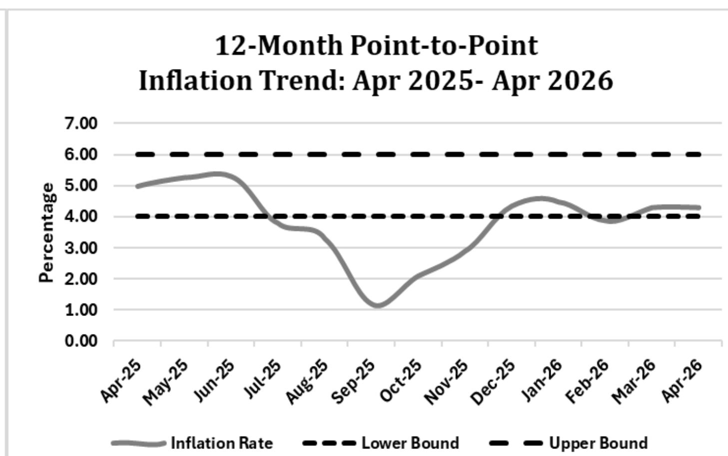
Indicators	Period	Year 2026	Year 2025	Change Monthly	Change YTD	Change 12-Month	12 Mth Trend
CAPITAL MARKET INDICATORS							
180-day GOJ T-bill	May	5.69%	5.50%	-21bps	32bps	19bps	▲
BOJ Policy Rate	May	5.50%	5.75%	0bp	-25bp	-25bps	▼
FX Rate	May	158.44	160.12	0.18%	-0.81%	-1.05%	▼
JSE Main Index	May	341,344	324,832	-1.58%	7.35%	5.08%	▲
KEY MACRO-ECONOMIC INDICATORS							
Inflation (Y-o-Y)	April	4.30%	5.30%	0bps	-20bps	-100bps	▼
NIR (US$M)	April	6,451	5,859	-6.58%	2.56%	10.12%	▲
Tourist Arrivals	Jan-Feb	646,446	813,669	3.45%	-23.86%	-20.55%	▼
Unemployment	Jan-Mar	3.60%	3.70%	-	30bps	-10bps	▼
Real GDP Growth Rate ++	Jan-Mar	-5.90%	1.10%	-	120bps	-700bps	▼
Public Debt (J$B)	March	2,364	2,184	2.17%	7.54%	8.23%	▲
Fiscal Surplus/(Deficit) (J$M)+	April	$7,830	($15,501)	-	-	-150.52%	▲

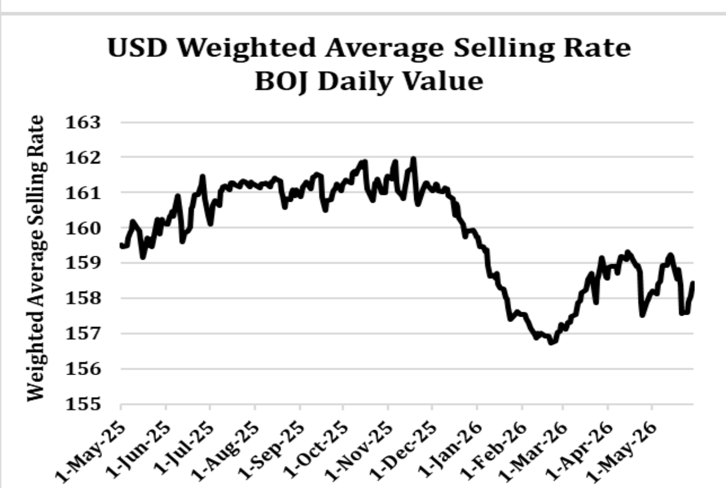
****KEY: Arrow Indicates Direction / Color Indicates Impact***

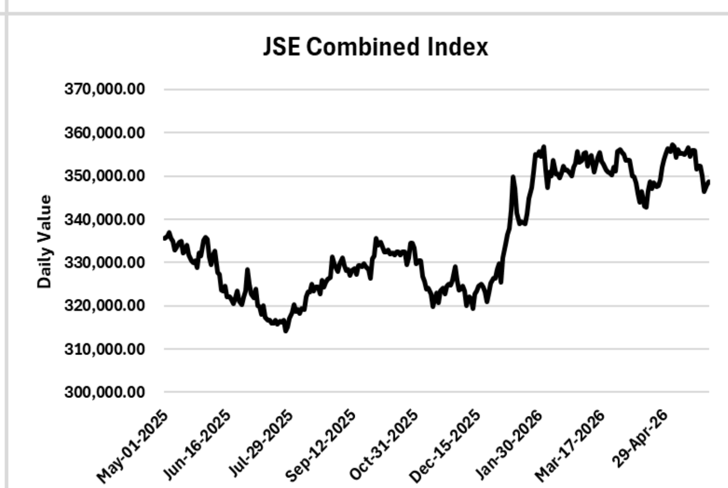
++ The values are for CY 2026 and the comparable CY2025 period

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









At its last policy meeting in May 2026, the Bank of Jamaica (BOJ) maintained the policy rate at 5.50%, reflecting a cautious stance amid heightened global uncertainty.

The 180-day GOJ T-bill rate declined by 21 basis points over the month, reflecting improved liquidity conditions.

Headline inflation remained steady at 4.3% in April, at the lower bound of BOJ's target range.

The Monetary Policy Committee (MPC) noted that the inflation outlook has become highly uncertain, driven by sharp increases in global commodity prices, particularly crude oil, amid conflict-related supply disruptions.

At the end of May 2026, the BOJ's weighted average selling rate (WASR) closed at J$158.44, reflecting a monthly depreciation of 0.18%, with a year-to-date and year-over-year appreciation of 0.81% and 1.05%, respectively.

Year-to-date movements in the USD FX rate have been largely driven by BOJ interventions aimed at boosting the US-dollar supply in the market.

The BOJ sold US$60M in May 2026, a decline from US$120M in May 2025. On a year-to-date basis, the BOJ has supplied US$390 million to the market, lower than the US$440 million recorded in the same period last year.

Net international reserves (NIR) decreased to US$6.4 billion in April, representing a 6.58% fall month-over-month.

Gross reserve as of April 2026 is sufficient to cover approximately 27 weeks of goods and services imports. This is comparable to the international benchmark of 12 weeks of goods and services imports.

May's combined equity market performance was supported by stronger financial results, which helped sustain market conditions despite ongoing macroeconomic uncertainties.

Dividend payments also provided meaningful support to overall market activity, reinforcing investor demand and contributing to the month's aggregate equity performance.

Jamaica's GDP: Navigating Post-Hurricane Recovery and Future Outlook

Jamaica's GDP performance entering 2026 reflects the impact of a significant shock, followed by encouraging early signs of stabilization. Real GDP declined by approximately 5.9% in Q1 2026, largely due to the disruption caused by Hurricane Melissa.

Looking ahead, the decline is expected to be temporary, with recovery already beginning in the most affected sectors.

The tourism industry, while experiencing setbacks in the immediate aftermath of the hurricane, is gradually improving, supported by rebuilding efforts and steady underlying demand. At the same time, reconstruction activity is expected to support growth in construction and related services, providing a lift to economic activity over the near to medium term.

The Bank of Jamaica's assessment supports this outlook, noting low financial-sector risks and strong liquidity conditions. While private-sector credit growth has moderated somewhat, the financial system remains well-capitalized and positioned to support the recovery.

Stable financial conditions, alongside strong foreign-exchange reserves, should also help to maintain overall economic stability as the recovery unfolds.

Nonetheless, some uncertainties remain, particularly from external factors such as higher commodity prices, global financial conditions, and climate-related risks.

These could affect the pace of recovery, especially in sectors like tourism that remain sensitive to global trends.

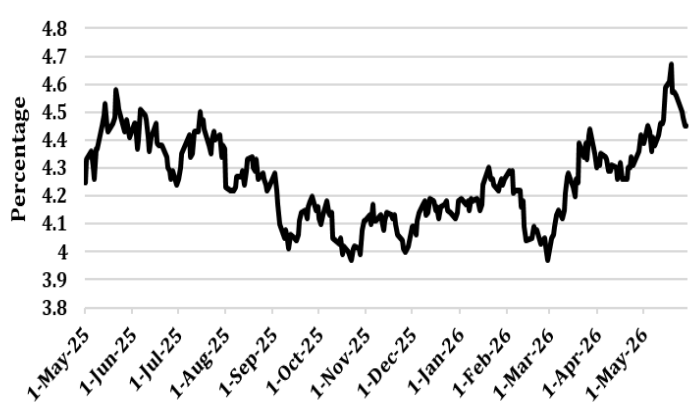
Source: The Planning Institute of Jamaica & The Bank of Jamaica

Global Macroeconomic Trends

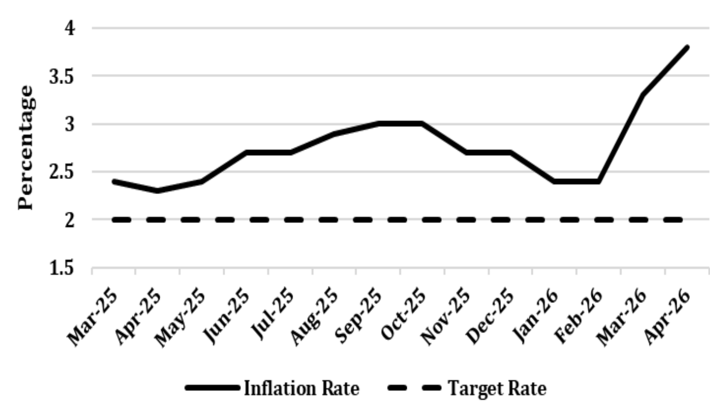
Indicators	Period	Year 2026	Year 2025	Change YTD	Change 12 Month	12 Mth Trend
CAPITAL MARKET INDICATORS						
UST 1-year	May	3.79%	4.11%	31bps	-32bps	▼
UST 5-year	May	4.13%	3.96%	40bps	17bps	▲
UST 10-year	May	4.45%	4.41%	27bps	4bp	▲
UST 30-year	May	4.99%	4.92%	15bps	7bps	▲
Dow Jones Industrial Average	May	51,032	42,270	6.18%	20.73%	▲
S&P 500	May	7,580	5,912	10.73%	28.22%	▲
Nasdaq Composite	May	26,973	19,114	16.05%	41.12%	▲
Nikkei 225	May	66,330	37,965	31.76%	74.71%	▲
KEY MACRO-ECONOMIC INDICATORS						
Crude Oil	May	102.75	64.32	67.48%	59.75%	▲
US Inflation	April	3.80%	2.30%	110bps	150bps	▲
US Real GDP Growth Rate	Jan-Mar	1.60%	-0.60%	110bps	220bps	▲
US Fund Effective Rate	May	3.61%	4.34%	6bps	-73bps	▼

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

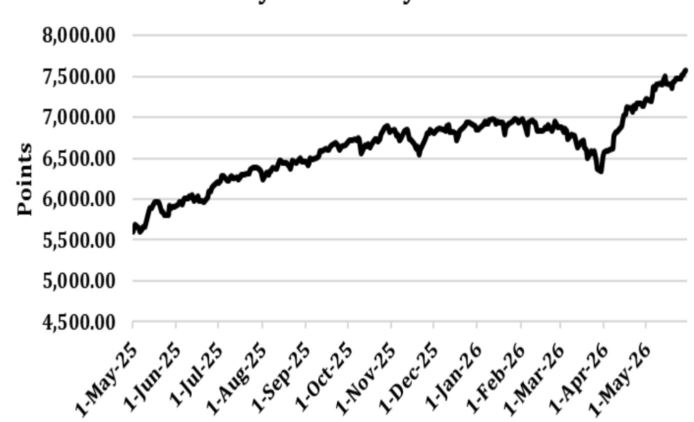
U.S Treasury 10 Yrs Yield
May 2025- May 2026



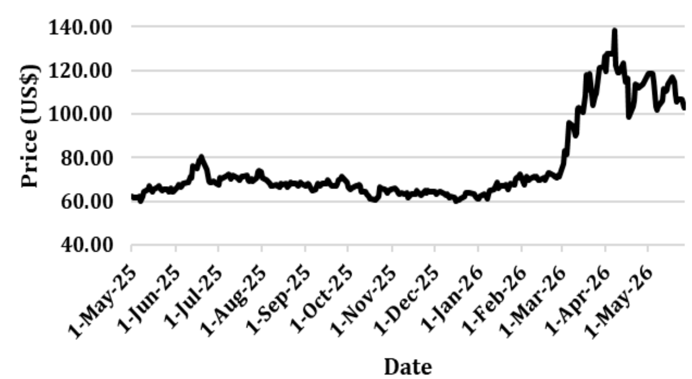
U.S. Point-to-Point Inflation Rate
April 2025-April 2026



S&P 500
May 2025- May 2026



Brent Crude Oil Prices
May 2025- May 2026



The Federal Reserve held the policy rate unchanged at 3.50%–3.75% at its April FOMC meeting, marking a third consecutive pause.

Policymakers emphasized that inflation remained above target, explicitly linking recent price pressures to higher global energy prices and ongoing geopolitical tensions in the Middle East.

Crude oil prices remained elevated but increasingly volatile through April into May. This partially retraced March's spike as intermittent de-escalation signals emerged.

Markets interpreted the Fed's stance as reinforcing a "higher-for-longer" policy framework, with expectations for rate cuts pushed further out, particularly as energy-driven inflation risks remained present.

U.S. Treasury yields stayed elevated and broadly range-bound, with the 10-year holding in the mid-4% range. The yield curve remained relatively flat at the long end, signaling persistent inflation concerns, elevated fiscal risks, and limited scope for near-term monetary easing.

U.S. equities rebounded strongly through April into early May, reversing March's weakness.

The Nasdaq outperformed, driven by sustained AI and technology-led momentum, while the S&P 500 posted broad-based gains and the Dow registered more moderate increases.

Globally, major indices, such as the Nikkei 225, also advanced, reflecting a recovery in risk appetite, though gains remained sensitive to shifts in oil prices and geopolitical headlines.

Labor-market conditions continued to show gradual cooling, with job growth moderating but remaining positive, reinforcing a soft-landing narrative rather than a sharp deterioration.

Government of Jamaica Bonds

Issuer	Issue Date	Security - Benchmark Investment Note	Maturity	Tenure (Years)	Coupon	TTM* YRS
GOJ	24-Jul-26	Reopen FR 9.62%	30-Nov-31	5	9.62%	5.50
GOJ	21-Aug-26	Reopen FR 7.50%	31-May-35	9	7.50%	9.00
GOJ	21-Aug-26	Reopen FR 8.25%	13-Dec-40	14	8.25%	14.54
GOJ	23-Oct-26	Reopen FR 9.62%	30-Nov-31	5	9.62%	5.50
GOJ	23-Oct-26	Reopen FR 7.50%	31-May-35	9	7.50%	9.00
GOJ	25-Nov-26	Reopen FR 8.25%	13-Dec-40	14	8.25%	14.54

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 (June)

Date	Events
June 15, 2026	Consumer Price Index (May)
June 29, 2026	BOJ Policy Rate Meeting
June 30, 2026	Labour Force Update

Jamaica Calendar

Date	Events
June 10, 2026	Consumer Price Index (May)
June 16, 2026	Import & Export
June 25, 2026	GDP 3rd Release

United States Calendar