Leading Economic Indicators

June 2026

GraceKennedy Capital Management

Jamaican Macroeconomic Trends

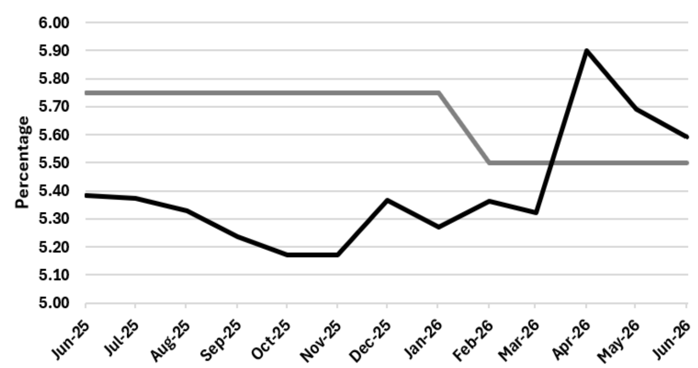
Indicators	Period	Year 2026	Year 2025	Change Monthly	Change YTD	Change 12-Month	12 Mth Trend
CAPITAL MARKET INDICATORS							
180-day GOJ T-bill	June	5.59%	5.38%	-10bps	22bps	21bps	▲
BOJ Policy Rate	June	5.50%	5.75%	0bp	-25bp	-25bps	▼
FX Rate	June	158.51	160.12	0.05%	-0.77%	-1.01%	▼
JSE Main Index	June	353,859	317,313	3.67%	11.28%	11.52%	▲
KEY MACRO-ECONOMIC INDICATORS							
Inflation (Y-o-Y)	May	5.50%	5.20%	120bps	100bps	30bps	▲
NIR (US$M)	May	6,484	5,785	0.50%	3.07%	12.07%	▲
Tourist Arrivals	Jan-Apr	1,325,146	1,573,649	-17.06%	-15.79%	-13.19%	▼
Unemployment	Apr-Jun	3.70%	3.30%	-	40bps	-40bps	▲
Real GDP Growth Rate ++	Jan-Mar	-5.90%	1.10%	-	120bps	-70bps	▼
Public Debt (J$B)	April	2,318	2,183	-1.95%	5.45%	6.16%	▲
Fiscal Surplus/(Deficit) (J$M)+	Apr-May	($20,205)	($35,646)	-	-	-43.32%	▲

KEY: Arrow Indicates Direction / Color Indicates Impact

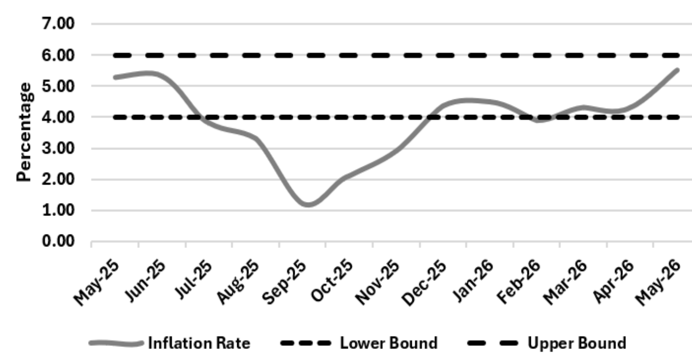
++ The values are for CY 2026 and the comparable CY2025 period

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

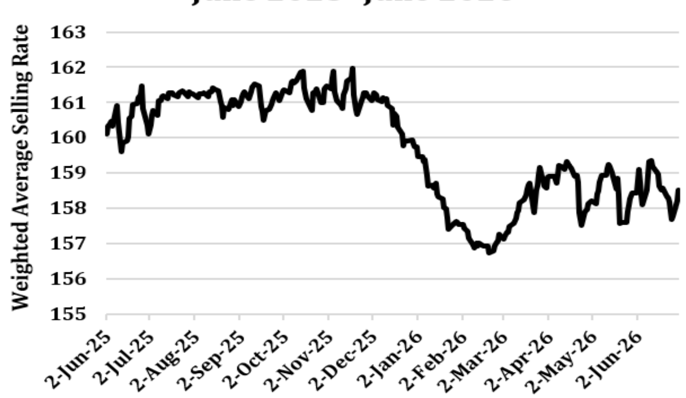
Local Policy & T-bill Rates
June 2025- June 2026



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



USD Weighted Average Selling Rate
June 2025- June 2026



JSE Combined Index
June 2025- June 2026

The Bank of Jamaica (BOJ) left its policy rate unchanged at 5.50% in June, reflecting confidence that inflation remains within the target range, while acknowledging ongoing risks from global economic and geopolitical developments.

Inflation stood at 5.5% in May, remaining near the upper end of the BOJ's 4.0%–6.0% target range. However, policymakers expect inflationary pressures to remain manageable despite external uncertainties.

Domestic liquidity conditions improved during the month, contributing to a decline in the 180-day Treasury bill rate and supporting stable financial market conditions.

The Jamaican dollar remained relatively stable, with the weighted average selling rate closing June at J$158.51, as the central bank continued to support orderly market conditions.

Jamaica's external position remains strong. Net International Reserves increased to US$6.4 billion in May 2026, providing approximately 26 weeks of import coverage, well above international benchmarks.

Q1 2026 GDP contracted by 5.9%, reflecting continued weakness in key sectors and the lingering effects of economic disruptions experienced earlier in the year. While growth remains challenged, policymakers continue to monitor signs of stabilization in economic activity.

The Jamaica Stock Exchange advanced during June, supported by gains in large-cap financial and manufacturing stocks, alongside improving investor activity and trading volumes.

Tourist arrivals remained below prior-year levels, highlighting ongoing challenges within the tourism sector despite broader resilience across the economy.

Labour Market Cooling Reflects Softer Economic Conditions

Jamaica's labour market showed signs of moderation in April 2026, with employment declining by 25,700 persons and the unemployment rate rising to 3.7% from 3.3% a year earlier.

While unemployment remains low by historical standards, the latest data point to a gradual easing in labour market conditions.

The labour force participation rate declined to 68.4%, while the number of persons outside the labour force increased. Combined, these indicators suggest that softer economic activity has begun to affect hiring and workforce engagement.

The weakening labour market is consistent with Jamaica's 5.9% contraction in real GDP during the first quarter of 2026, as economic disruptions associated with Hurricane Melissa weighed on activity, particularly in agriculture, tourism, and related sectors.

From an investment perspective, slower employment growth may translate into more moderate household spending and lower demand across some consumer-facing industries. However, Jamaica's relatively low unemployment rate and strong external reserves continue to provide important buffers against a sharper economic slowdown.

Encouragingly, domestic financial markets have thus far remained resilient.

The Jamaica Stock Exchange advanced during June, supported by gains in large-cap financial and manufacturing companies, suggesting investors remain focused on longer-term earnings prospects despite near-term economic weakness.

Looking ahead, improvements in tourism activity, labour market conditions, and GDP growth will be important indicators in assessing the pace of economic recovery during the second half of 2026.

Source: Statistical Institute of Jamaica

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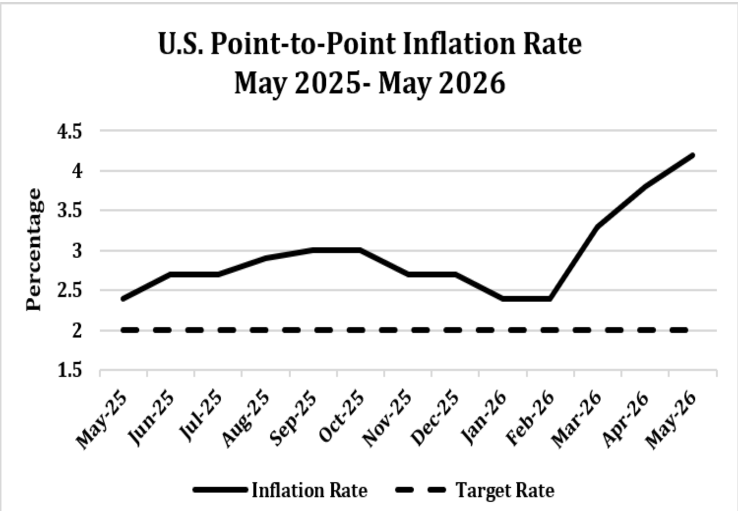
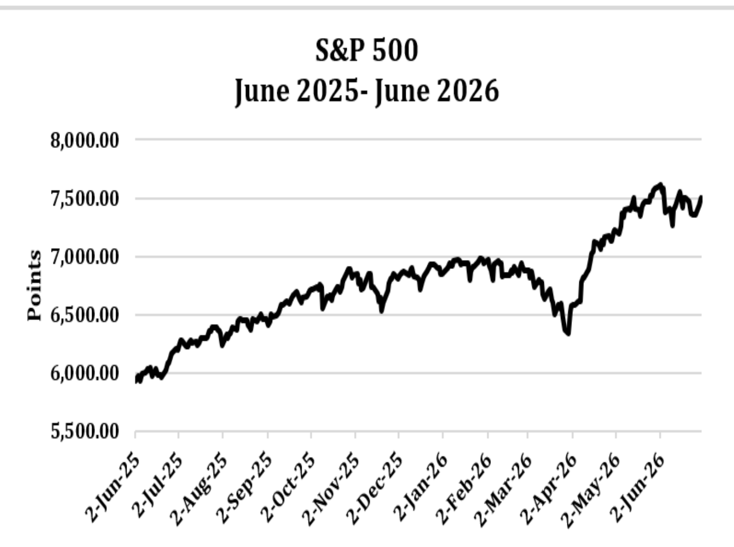
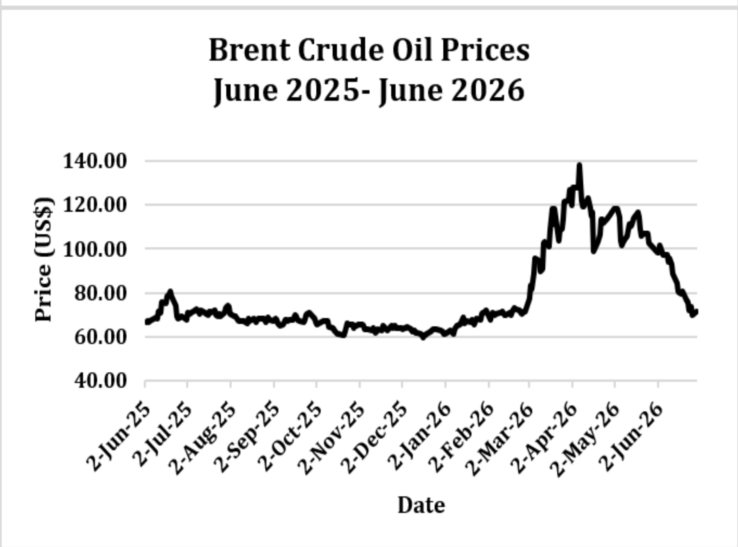
Global Macroeconomic Trends

Indicators	Period	Year 2026	Year 2025	Change YTD	Change 12 Month	12 Mth Trend
CAPITAL MARKET INDICATORS						
UST 1-year	June	3.98%	3.96%	50bps	2bps	—
UST 5-year	June	4.19%	3.79%	46bps	40bps	▲
UST 10-year	June	4.44%	4.24%	26bps	20bp	▲
UST 30-year	June	4.91%	4.78%	7bps	13bps	▲
Dow Jones Industrial Average	June	52,319	44,095	8.85%	18.65%	▲
S&P 500	June	7,499	6,205	9.55%	20.86%	▲
Nasdaq Composite	June	26,214	20,370	12.79%	28.69%	▲
Nikkei 225	June	70,062	40,487	39.18%	73.05%	▲
KEY MACRO-ECONOMIC INDICATORS						
Crude Oil	June	73.12	67.11	19.19%	8.96%	▲
US Inflation	May	4.20%	2.40%	150bps	180bps	▲
US Real GDP Growth Rate	Jan-Mar	1.60%	-0.60%	110bps	220bps	▲
US Fund Effective Rate	June	3.61%	4.34%	6bps	-73bps	▼

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







The U.S. Federal Reserve kept interest rates unchanged in June, reflecting continued caution as inflation remains above its long-term target.

Inflation concerns eased modestly during the month as oil prices retreated from recent highs, helped by improving supply conditions and reduced geopolitical tensions.

Bond yields moved slightly lower but remained elevated, reinforcing expectations that interest rates may stay higher for longer before meaningful cuts occur.

U.S. equity markets continued their strong advance, supported by resilient corporate earnings, improving investor sentiment, and strength in the technology sector.

Technology shares remained the primary driver of performance, with the Nasdaq outperforming broader market indices amid sustained enthusiasm surrounding artificial intelligence.

International markets also performed well, particularly in Japan, as easing energy-price concerns supported global risk appetite.

The U.S. labour market continued to cool gradually, with slower but still positive job growth supporting expectations of a soft economic landing rather than a recession.

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%	5.42
GOJ	21-Aug-26	Reopen FR 7.50%	31-May-35	9	7.50%	8.92
GOJ	21-Aug-26	Reopen FR 8.25%	13-Dec-40	14	8.25%	14.47
GOJ	23-Oct-26	Reopen FR 9.62%	30-Nov-31	5	9.62%	5.42
GOJ	23-Oct-26	Reopen FR 7.50%	31-May-35	9	7.50%	8.92
GOJ	25-Nov-26	Reopen FR 8.25%	13-Dec-40	14	8.25%	14.47

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 July 2026

Date	Events
July 15, 2026	Consumer Price Index (June)
July 29, 2026	Merchandise Trade
July 30, 2026	Producer Price Index

Jamaica Calendar

Date	Events
July 14, 2026	Consumer Price Index (June)
July 29, 2026	Interest Rate Meeting
July 30, 2026	GDP 1st Release (Q2 2026)

United States Calendar