



CARIBBEAN FINANCIAL DISPATCH



CARIBBEAN FX Rates	USD	CAD	GBP	Euro
Aruba (florin)	1.80	1.31	2.45	2.04
Bahamas (BSD)	1.00	0.73	1.35	1.14
Barbados (BBD)	2.03	1.47	2.74	2.30
Belize (BZD)	2.02	1.47	2.74	2.30
Cayman Isl. (\$)	0.83	0.60	1.12	0.95
Dom Rep	58.90	42.53	78.92	66.61
Guyana (GYD)	218.00	173.00	284.45	243.00
Haiti (HTG)	131.18	94.31	176.99	148.69
Jamaica *(JMD)	159.47	115.28	211.21	184.15
OECS (XCD)	2.71	1.95	3.62	3.05
Suriname (SRD)	37.43	27.07	50.76	41.98
T&T (TTD)	6.80	5.99	9.64	8.49

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- US threatens 50% tariff on EU

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Antigua: New Banking Amendment Bill

Antigua and Barbuda's Parliament has passed sweeping reforms to the Banking Act, aimed at improving financial inclusion and customer protection. The 2025 amendments mandate the provision of no-fee, interest-bearing basic bank accounts without minimum balance requirements, aligning with the ECCU's financial inclusion strategy. The bill also establishes a Financial Dispute Resolution Commission with binding authority, introduces fines up to \$250,000, empowers the Central Bank to cap fees, and tightens rules on related party transactions, shell banks, and customer data protection. The bill now awaits Senate approval.

REGIONAL ROUNDUP

Jamaica: Inflation declines by 0.4% in April

Jamaica's Consumer Price Index (CPI) declined by 0.4% in April 2025 compared to March, driven mainly by a 4.0% drop in electricity rates under the 'Housing, Water, Electricity, Gas and Other Fuels' category. The 'Food and Non-Alcoholic Beverages' index also fell by 0.5%, reflecting lower prices for key produce like yam, Irish potato, and cabbage. These declines were partially offset by a 0.4% rise in health costs due to more expensive prescription drugs. Year-over-year inflation stood at 5.3%, led by increases in food, housing, and restaurant services.

Higher shipping rates in short term likely

Despite a 90-day tariff truce between the U.S. and China—reducing tariffs from 145% to 30% on U.S. imports and from 125% to 10% on Chinese goods—shipping rates are expected to rise in the short to medium term due to increased demand, according to ShipX CEO Derek Sands. He noted that while vessel calls to U.S. ports like Los Angeles had declined during the tariff escalation, demand is now rebounding. In response, ShipX plans to launch a direct China-to-Caribbean shipping service by July to bypass U.S. ports. Sands acknowledged operational challenges but sees growth potential, particularly through Freeport, which is served by multiple international carriers.

Bermuda: Banking sector reports \$48.2m profit in Q4

Bermuda's banking sector posted a net profit of \$48.2 million in Q4 2024—a 65.3% drop from the previous quarter—primarily due to the reversal of deferred tax assets following the introduction of a corporate income tax. Despite a slight dip in net interest income to \$186.3 million, non-interest income rose by 7% to \$91.2 million, pushing total banking income up marginally to \$277.6 million. Real estate lending dominated the loan portfolio at 58.1%, though down from the previous quarter, with 84% of that in personal mortgages. The sector remains well-capitalized, with a risk-asset ratio of 26.5% and total assets of \$23.6 billion, reflecting a modest quarterly decline.

Jamaica to Invest \$13.2 Billion to Tackle Electricity Theft

Jamaica will invest \$13.2 billion over 10 years to combat electricity theft, which affects 30% of the grid and threatens national competitiveness, Energy Minister Daryl Vaz announced during the 2025/26 Sectoral Debate. The investment is part of the National Electricity Loss Reduction Plan, with added government oversight, regulations, and public engagement. Vaz also pledged reforms to JPS's outdated licence which expires in 2027 and the broader Electricity Act, citing high costs, poor disaster response, and the need for a modern, resilient, and affordable energy system.

BOJ cuts interest rate to 5.75 per cent

Jamaica's central bank, the Bank of Jamaica (BOJ), has cut its key interest rate by 25 basis points to 5.75%, its first reduction this year, citing sustained inflation within the 4–6% target range and easing global commodity prices. April's inflation held steady at 5.3%, while core inflation remained at 4.4%. Consequent on this, the rate on the Bank's overnight Standing Liquidity Facility will be decreased from 7.00 per cent per annum to 6.75 per cent per annum. The BOJ expects minimal immediate impact from U.S. tariffs but warns of potential downside risks to growth and inflation from global supply chain disruptions. While projecting 1.0–3.0% economic growth in FY2025/26, the BOJ signaled readiness to adjust policy if inflation risks resurface.

Bahamas Records \$58.6 Million Fiscal Surplus

The Bahamas posted a fiscal surplus of \$58.6 million in February 2025, up from \$6.9 million a year earlier, driven by a 20.8% rise in revenue to \$292.9 million and a slight 0.5% drop in spending to \$234.4 million. Tax revenue rose 14.1% to \$241.1 million, supported by higher VAT and business license collections, while non-tax revenue surged 66.5% due to increased dividends and bank fees. Despite a \$28.7 million rise in public debt, lower capital spending and interest payments reflected stronger fiscal discipline with capital expenditures falling to \$13.4 million and debt interest payments down to \$23.1 million. Year-to-date revenue reached \$2.04 billion, or 57.5% of the annual budget.



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REGIONAL ROUNDUP

2,000% in housing starts as economy grows by 0.8%

Jamaica's economy grew by 0.8% in the first quarter of 2025, according to the PIOJ. For the full 2024/25 fiscal year, GDP contracted by 0.8%, but growth of 1.0% to 2.0% is projected for 2025/26. The agriculture sector remained flat at 0.1% growth, as gains in short-term crops were offset by declines in traditional exports like bananas and sugarcane, and lower egg production. Mining and quarrying grew by 0.5%, driven by a 26% surge in crude bauxite output, although alumina production fell by 2.4% due to weaker global demand. Manufacturing grew 1.4%, buoyed by increased output in petroleum products, while the construction sector expanded by 1.5%, supported by a reported 2,355.6% growth in Housing Starts by the NHT and major infrastructure projects. The Services Industry was estimated to have grown by 0.7%.

Jamaica's poverty rate falls to a historic low

Jamaica's national poverty rate fell to a historic low of 8.2% in 2023, down from 16.7% in 2021. This is the lowest poverty rate recorded since official measurements began in 1989, while food poverty dropped to 2.8%, the lowest on record. The decline was driven by strong job growth, an 85.7% increase in the minimum wage, expanded social programmes, and remittance inflows of US\$3.4B. Additionally, income inequality declined, as reflected in Jamaica's Gini coefficient, which fell to 0.3560, its lowest level since 2017. The data shows that improvements in living standards were broad-based, particularly among the lowest 40% of income earners, who experienced the largest gains in real consumption.

Cayman debt falls to \$396 million

The Cayman Islands Government reported a strong \$268.1 million surplus for Q1 2025, driven by higher-than-expected revenue and lower spending. Public debt declined to \$396.8 million from \$445.7 million a year earlier, with only \$48.1 million due within a year. Cash reserves stood at \$614.6 million. However, significant long-term risks remain, including \$327.7 million in unfunded pension liabilities and an estimated \$2.4 billion in healthcare obligations, alongside outstanding interest-free loans to public entities. Despite these pressures, the Government remains in compliance with its fiscal responsibility rules.

Select Commodity Prices

Futures	Price	US\$ Change	Change
WTI Crude	US\$61.68	+0.48	+0.78%
Brent Crude	US\$64.95	+0.51	+0.79%
OPEC Basket	US\$65.60	+0.59	+0.91%
Natural Gas	US\$3.317	+0.064	+1.97%
Gold	US\$3,359.43	+62.28	+1.89%
Silver	US\$33.51	+0.41	+1.24%

T&T Tax amnesty extended to August 2

The Tax and National Insurance Amnesty has been extended to August 2, 2025, allowing taxpayers more time to settle outstanding contributions without penalties or interest. Finance Minister Davendranath Tancoo emphasized that failure to pay by the new deadline will result in all waived penalties and interest being reinstated. The amnesty applies to taxes up to the income year ending December 31, 2023, including VAT, PAYE, corporation tax, and several levies. It also covers interest and penalties on National Insurance contributions due before October 1, 2024, for employers registered with the NIB before that date.

Afreximbank launches US\$1 billion facility in Guyana

Afreximbank has launched a US\$1 billion financing facility in Guyana to support local businesses in the oil and gas sector, aiming to boost Caribbean-African trade ties and empower local content. The initiative aims to strengthen Caribbean-African trade ties and promote local content in the booming energy market. Finance Minister Dr. Ashni Singh urged the private sector to seize the opportunity, as Afreximbank pledged to translate the funding into tangible benefits for businesses.

GLOBAL PULSE

Interest rates on US debt hit 23 year high

US long-term borrowing costs have surged past 5% for the first time since 2023, reflecting renewed market volatility following Moody's downgrade of the US credit rating due to rising debt and political gridlock. With Congress advancing a bill that could add \$3 trillion more to the \$36 trillion debt, concerns are growing over the government's ability to manage its finances. Higher Treasury yields mean increased interest costs for the government, potentially squeezing public spending. They also push up borrowing costs for households and businesses, threatening economic growth, small business credit access, and housing affordability.

Global export losses of \$305 billion projected

A global Allianz Trade survey of 4,500 firms reveals rising alarm over U.S. tariffs, with 42% of exporters now expecting revenue declines—up from just 5% before Trump's April 2 "Liberation Day" announcement. Projected global export losses could reach \$305 billion in 2025. Export-reliant Germany is particularly exposed, with 39% of its exporters anticipating revenue declines and heightened fears over geopolitical risks and protectionism. In the U.S., 54% of companies say they will raise prices to offset tariff costs, while only 22% can absorb them.

UK Inflation Surges to 3.5% in April

UK inflation climbed to 3.5% in April, its highest level in over a year, according to data released today by the Office for National Statistics (ONS). The figure slightly exceeded the Bank of England's forecast of 3.4%, underscoring persistent price pressures despite recent monetary easing. The rise was driven by seasonal increases in energy bills, water charges, and council tax—costs that typically reset each April and weigh heavily on household budgets. The inflation spike comes just days after the Bank of England reduced its base interest rate to 4.25%.

JPMorgan CEO warns of stagflation

JPMorgan CEO Jamie Dimon has warned about markets complacency regarding risks posed by soaring U.S. deficits, tariffs, and global tensions, predicting that inflation and stagflation are more likely than investors anticipate. Dimon, the Chairman of the biggest U.S. bank by assets, says he expects corporate earnings estimates to fall, pushing stock prices down. He also questioned central banks' ability to manage these challenges effectively.

US threatens 50% tariff on EU

U.S. President Donald Trump reignited global trade tensions on Friday by threatening a 50% tariff on European Union goods starting June 1 and a 25% tariff on iPhones made outside the U.S. European exports to the U.S.—worth €500 billion—could be heavily impacted, especially in cars, pharmaceuticals, and luxury goods. While EU leaders prepare for further talks, markets and businesses brace for disruption.

US existing home sales fall

U.S. existing home sales fell 0.5% in April to a seasonally adjusted annual rate of 4.00 million units, the slowest April pace since 2009, despite lower mortgage rates and rising supply. Sales dropped 2.0% year-over-year, with high borrowing costs and economic uncertainty, weighing on buyer sentiment. Inventory rose 9.0% month-over-month and 20.8% year-over-year, while the median home price hit a record \$414,000.

OPEC+ considering a 300% increase in supply

OPEC+ is reportedly considering a significant oil supply increase of 411,000 barrels per day for July—three times the amount initially planned—according to Bloomberg. A final decision is expected on June 1. The potential oversupply has already led to a drop in oil prices, raising concerns that production could exceed market demand. This potential hike signals a shift towards prioritizing market share over price defense, influenced by factors like internal quota adherence and external pressures.

Sri Lanka cuts policy rate to boost economy

The Sri Lankan central bank cut its policy rate by 25 basis points to 7.75% on Thursday, aiming to support economic growth and guard against potential fallout from U.S. tariffs. The decision defied market expectations and comes as inflation remains subdued, at -2% in April, with a return to the 5% target only expected by 2026. Backed by a \$2.9 billion IMF programme, Sri Lanka's economy grew 5% in 2024 and is projected to grow 3.5% this year. Analysts suggest the rate cut may help maintain growth momentum and cushion against global economic uncertainty.



Redefining Radio

GLOBAL PULSE

China's economy remains resilient

China's April 2025 economic data show a resilient economy amid global uncertainty and U.S. tariff pressures. Exports rose 9.3% year-on-year, driven by strong shipments to the EU and ASEAN, which helped offset a 21% drop in exports to the U.S. Industrial output grew 6.1%, with high-tech and equipment manufacturing up nearly 10%, and retail sales climbed 5.1%, led by strong consumer demand for household goods. However, inflation remains subdued, with CPI at -0.1% and PPI down 2.7%, reflecting weak domestic demand. Fixed asset investment grew 4%, bolstered by high-tech and manufacturing sectors, while foreign investment declined in excess of 11%.

EU to delay bank rules

The European Union is expected to delay implementation of the Fundamental Review of the Trading Book (FRTB) by one year to January 1, 2027, amid uncertainty over the U.S. administration's plans to deregulate its financial sector. The FRTB, part of the Basel III reforms, has not yet been adopted by key financial centers like the U.S. and UK. European banks have pushed for the delay, citing competitive disadvantages if stricter rules are imposed ahead of their global peers. While the EU has implemented most Basel III reforms, the delay reflects growing calls for international alignment, particularly as the U.S. stalls and the UK also defers implementation to 2027.

UK records 4th highest deficit

The UK government borrowed £20.2 billion in April, exceeding forecasts and marking the fourth-highest April deficit on record, driven by rising public service costs and welfare payments despite higher tax revenues from increased employer national insurance contributions (NICs). Chancellor Rachel Reeves now faces mounting pressure to ease fiscal rules, as spending outpaces income and public debt reaches 95.5% of GDP. While a revision lowered last year's borrowing by £3.7 billion, economic uncertainty, threatens growth and Reeves's fiscal headroom, ahead of a crucial spending review set to define budgets through 2029.

US Senate Blocks California Gas Car Ban

The U.S. Senate has voted to block California's landmark rule to phase out gasoline-only vehicles by 2035, a measure also adopted by 11 other states covering a third of the U.S. auto market. The move, seeks to revoke an EPA waiver which allowed California to mandate that 80% of new vehicles sold by 2035 be electric. Automakers like GM and Toyota welcomed the decision, arguing the EV targets were unrealistic. The vote comes amid broader legislative efforts to curb EV incentives and ease emissions rules, potentially slowing the U.S. transition to electric vehicles.

	USD	EUR	JPY	GBP	CHF	CAD	
USD		0.8806	142.547	0.739	0.821	1.373	INTL F/X RATES
EUR	1.136		161.911	0.840	0.9326	1.561	
JPY	145.686	162.56		193.575	173.748	103.811	
GBP	1.353	1.1911	192.889		1.111	1.858	
CHF	1.2182	1.0723	173.625	0.9002		1.672	
CAD	0.7254	0.6414	0.0096	0.538	0.5978		

MARKET WATCH

Caribbean Stock Market

 JSE Index	319,910.42	▲0.07%
 All T&T Index	1,527.38	▲0.49%
 BISX All Share	2,966.83	0.00%
 BSE Local	2,815.15	▲0.04%
 BSX Index	2,812.85	0.00%
 ECSE	162.81	0.00%

JSE Composite 367,388.26 ▲0.35%	TTSE Composite 1042.22 ▲0.33%	Carib. Exchange 929.2 ▼0.64%	BSE Composite 681.01 ▲0.04%
TTSE X Listed 73.21 ▼0.14%	JSE X Listed 46.30 ▼0.32%	TTSE SME 91.85 ▲0.00%	JSE Select 7,735.48 ▲0.12%

Top Gainers:

JMMB Group Ltd	9.5%	J\$1.14	▲9.62%
Supreme Ventures		J\$18.63	▲7.13%

Top Losers:

First Rock Real Est. Inv.		J\$8.52	▼11.43%
Trinidad Cement		TT\$2.15	▼8.51%

Seprod revenue surges 32%

Seprod Limited reported a 31.9% year-on-year revenue increase to \$37.7 billion for Q1 2025, driven by expansion efforts, but rising finance costs linked to recent acquisitions cut into profits. Net profit from continuing operations fell to \$867 million from \$1.23 billion in Q1 2024, despite improved gross margins (26.7% vs. 26.2%) and a gross profit of \$10.1 billion. Total assets grew by 29.4% to \$133.4 billion, while liabilities rose to \$85.7 billion. Management remains focused on boosting productivity and reducing finance costs. A dividend of \$0.605 per share was approved, matching the prior year.

Ansa Merchant Bank profits jump 24.4%

ANSA Merchant Bank (Barbados) Limited reported a strong 2024, with profit before tax rising 24.4% to \$4.57 million, driven by growth across core areas including mortgages, vehicle financing, and project lending. Despite a challenging environment of rising funding costs and lower lending rates, the bank's total assets rose 24% to \$303.9 million, while equity grew 7.15% to \$71.9 million. With a robust capital adequacy ratio of 26.97%, the bank remains well-positioned for expansion.

Eppley profits jump 198%

Eppley Limited delivered a strong first quarter in 2025, reporting net profit of J\$247 million, a 198% increase over the prior year, and earnings of \$0.87 per share, translating to a 27% shareholder return. The company's J\$12 billion proprietary portfolio and US\$144 million in assets under management drove J\$134 million in fee income, while net investment income rose to J\$233 million despite higher funding and administrative costs. Backed by J\$1.6 billion in cash and a 0.87x leverage ratio, the Board declared a dividend of \$0.102 per share, payable June 13. Eppley expects continued earnings growth anchored by its private credit, real estate, and infrastructure investments.

Carreras profit doubles

Carreras Limited more than doubled its net profit to \$1.4 billion for the first quarter ended March 2025, up from \$568.5 million a year earlier, driven by a 63% surge in revenue to \$4.4 billion following a 2024 price increase. Gross margin rose to \$2.6 billion, while net cash from operations grew 25% to \$1.2 billion, with a cash balance of \$4.6 billion. The company declared a \$0.26 interim dividend, continued efforts to combat the illicit cigarette trade.

STATISTICAL CORNER

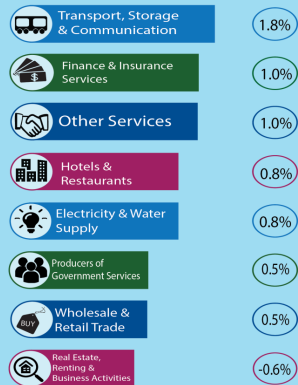


0.6% Increase in the Economy

PRELIMINARY ESTIMATES FOR
JANUARY TO MARCH 2025 COMPARED
WITH JANUARY TO MARCH 2024

GOODS PRODUCING INDUSTRY
INCREASED BY **0.4%**

SERVICES INDUSTRY
INCREASED BY **0.7%**



Less Financial Intermediation Services Indirectly Measured

1.0%

International Stock Market Performance

		Index	Change	% Change
DJIA	USA	41,603.07	-256.02	-0.61
S&P 500	USA	5,802.82	-39.19	-0.67
NASDAQ	USA	20,915.65	-196.82	-0.93
FTSE 100	UK	8,717.97	-21.29	-0.24
DAX	Germany	23,629.58	-369.59	-1.54
CAC 40	France	7,734.40	-130.04	-1.65
Nikkei 225	Japan	37,160.47	+174.60	+0.47
Taiwan SE	Taiwan	21,652.24	-18.72	-0.09



ECONOMIC UPDATE AND OUTLOOK

PRELIMINARY ESTIMATES



JANUARY TO MARCH 2025 **↑ 0.6%**

FISCAL YEAR 2024/25 **↓ 0.8%**

SHORT-TERM EXPECTATIONS



APRIL TO JUNE 2025

0.5% to 1.5%

FISCAL YEAR 2025/26

1.0% to 2.0%

POVERTY PREVALENCE - 2023

16.7%

2021

8.2%

2023

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