

# MARKET OVERVIEW



FEBRUARY 13, 2026

## DIVERSIFICATION – DON'T PUT ALL YOUR EGGS IN ONE BASKET

### The Importance of Diversification

In simple terms, diversification means spreading your investments across various asset classes including stocks, bonds, real estate, commodities, cash and alternative investments (e.g., private equity, cryptocurrencies) in an effort to gain additional investment opportunities and/or to reduce your risk. Each asset class responds differently to economic conditions, which helps you to mitigate concentrated risks. Accordingly, with some smart diversification strategies, you can build a portfolio of investments that ensure that no single event, market, or blunder has the power to derail your investment goals.

### Why Diversify in 2026

The markets surged and declined sharply several times in 2025. Investors' confidence was shaken and their wealth impacted by several climate related events, by turbulence from elevated US trade policy uncertainty as well as increased US military presence in the Latin American & the Caribbean region. Rising geopolitical tension between the US & China also added to these challenges. Persistent inflation also caused investors to seek higher returns on their investments in the face of central banks' interest rate cuts.

Diversifying your portfolio may be worth considering in 2026, given how some assets have outperformed last year. Many of these challenges experienced in the investment landscape 2025 are expected to remain in 2026. Rising geopolitical risks, US policy uncertainty, especially pertaining to tariffs and trade; and accelerating Artificial Intelligence adoption & productivity shifts are major themes that are expected to continue into 2026. Economic growth worldwide is expected to slow, and similar to what happened in 2025, inflation risks are still expected to be major risks in 2026. All of these factors cause some uncertainty in investment returns.

### Five Simple Diversification Strategies

Here are a few smart diversification strategies to make your investment portfolio from 2025 less vulnerable in 2026.

#### 1. Rebalancing

Rebalancing is a simple way to restore your portfolio to the original level of diversification you had established. If you had not rebalanced in recent years, your holdings in assets such as certain stocks that had recent runups, are probably higher than your original target weightings. As a result, your portfolio might still have room to increase your holdings in other asset classes.

#### 2. Adding bonds

Keeping even a small portion of bonds in your portfolio has the potential to reduce the volatility of returns within the portfolio. For instance, Bonds, specifically high-quality bonds, are an excellent choice to diversify a stock portfolio as these bonds add predictable cash flows, smoothing out the returns on the overall portfolio. If you are over 50, building a protection of safer assets, maybe high-quality short- and medium-term bonds and some cash is an excellent choice.

#### 3. Adding dividend stocks

Incorporating dividend stocks in your portfolio can also offer diversification benefits in the form of regular income streams in your portfolio. These companies tend to have more stable earnings and conservative balance sheets. As such, many dividend stocks are especially beneficial during times of high market volatility.

#### 4. Diversifying across asset classes, regions, and sectors

With the unparalleled level of interconnectivity between regions, economic shifts such as trade disruptions in Asia or policy changes in Europe or the USA can have profound effects on markets worldwide within hours. Thus, as market trends shift, one currency, one

company, one sector, or one region could find itself worse off in the new market environment. So, by not limiting your investments to only one asset class, geographic region or economic sector, you put some of your eggs into other baskets to protect your wealth, and to also improve your likelihood of achieving long-term growth.

## 5. Tailor to your financial goals

Tailor your diversification strategy to reflect your risk tolerance, age and financial goals. For instance, if you are selecting bonds and stocks, you may also customize within these asset classes by focusing on criteria such as specific industries, company sizes, investment styles and investment timelines, to better align with your specific preferences. For example, A 30-year-old investor seeking aggressive portfolio growth may prioritize stocks and emerging market bonds. A 60 year old retiree, on the other hand, might prioritize income-producing assets such as dividend stocks and bonds.

## In Summary

Diversifying your investment with a variety of assets—stocks, bonds, cash, and more—will allow you to withstand volatile markets. In tandem with thoughtful diversification and regular portfolio reviews, staying informed and remaining flexible will keep you on track to achieving your financial goals. **For more information and personalized guidance, please feel free to consult one of our investment advisors.**

## Global Bond Market

The following are the current Government of Jamaica bond prices as at February 13, 2026:

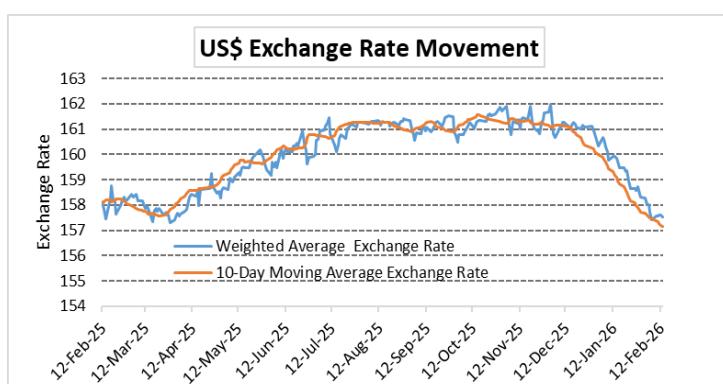
Maturity	Currency	Coupon	Bid	Offer	Offer Yield
2028	US\$	6.750%	103.15	103.65	3.57%
2036	US\$	8.500%	116.00	119.00	5.96%
2039	US\$	8.000%	120.20	121.20	5.56%
2045	US\$	7.875%	120.20	121.20	6.01%

\*All rates quoted are opening indicative levels in the international capital markets and are subject to change based on market conditions.

## Foreign Exchange Market

The Jamaican dollar appreciated by approximately \$0.12 relative to the US dollar week-over-week, moving from a selling rate of \$157.14 on Friday, February 6 to \$157.02 on Friday, February 13. The closing BOJ weighted average selling rates are as follows:

Exchange Rate	Close 2/06/2026	Close 2/13/2026	Weekly Change	YTD Change
J\$/US\$	157.144	157.025	0.08%	1.70%
J\$/CDN\$	115.313	117.152	-1.59%	-0.04%
J\$/GBP	212.909	215.895	-1.40%	0.47%



## Money Market

The following are the average treasury bill rates:

Tenure	Last Auction	Previous Yield	Current Yield	Net Change
90 day	4-Feb-26	5.09%	5.38%	0.29%
180 day	4-Feb-26	5.17%	5.36%	0.19%
270 day	4-Feb-26	5.61%	5.58%	-0.03%

## Jamaica Stock Market

This week's Market activity resulted from trading in 127 stocks, of which 63 advanced, 53 declined and 11 traded firm. Market volume amounted to 113,131,794 units valued at over J\$719,316,278.85.

Indices	Closing levels 2/13/2026	Weekly Change %	YTD Change %
JSE Combined Index	349,492.46	-0.41%	6.41%
JSE Market Index	340,787.31	-0.46%	7.17%
JSE All Jamaican Composite	396,978.87	0.01%	8.67%
JSE Select Index	8,266.21	0.76%	7.69%
JSE Junior Market	3,292.84	0.31%	-3.19%

## FHCIL'S STOCK PICKS

Stock	Last Price
GraceKennedy	\$71.89
ScotiaGroup	\$50.03
Caribbean Cement	\$107.15
TransJamaica Highway	\$6.62
Sygnus Credit Investments	\$11.10

This information is for educational and illustrative purposes only. It should not be relied upon by the reader as Research or investment advice. If you need advice in building a diversified stock portfolio, FHC Investments Limited can guide you in achieving your financial goals.



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