



# MONTHLY ECONOMIC BULLETIN

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June 2016 Issue

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## The CEO'S Remarks

In July the PSOJ held its tenth annual economic forum, which once again had JMMB as its main sponsor. The forum proved to be very timely and was well received, under the topic Developing Beyond the IMF.

This is something that at the PSOJ we believe we need to start discussing now and not wait until too close to the end of the agreement.

All the presenters were unanimous in their assessment that come March 2017, that Jamaica must have an agreement in place with the IMF for continued surveillance. All also agreed that this monitoring must have some “teeth” and not take the path of the previous Staff Monitoring Arrangement, which had no impact as the government at the time continued along a reckless fiscal path.

In addition to the IMF surveillance, it is also agreed that EPOC must continue to operate as it currently does. The EPOC has added the credibility, transparency, and accountability to the programme and has been an effective oversight.

The need for these is fundamentally because the Government, because of years of irresponsible fiscal practices and two debt exchanges, still does not have the international or local credibility to go it alone. The fear therefore is there is no signal that a continued IMF programme and the EPOC will be in place, beyond March 2017, then this could cause less confidence in Jamaica and lead to higher interest rates and a slow down in investments.

This supports the view we have taken at the PSOJ that at the heart of the credibility and economic

issues lies Government policy. After all it is Government policy (fiscal and monetary) that creates the business environment we operate in and provides the confidence needed to move the economy forward.

The reputation of the Government is that there has been a lack of understanding of what is required to improve the business confidence. This view is supported by the examples of retroactive and annually changing tax packages, or the inclination of Governments to increase taxes on a sector once it starts doing well. In other words the tendency of Government to kill the goose that lays the olden egg.

It is this lack of understanding a long term view of economic growth, and attitude towards capital, which has caused us to be in the current economic conditions. The policies we have implemented over the decades has for example resulted in Labour Productivity declining by an annual rate of 1.3% between 1973 and 2007.

This productivity decline has been the heart of our economic and social retardation. This has been as a direct result of the type of fiscal policies that we have implemented that discourages productivity and capital employment.

It is therefore the view that if we are to achieve the desired level of growth (between 3% to 5%) then this can only be done with government policies that address the infrastructural challenges in the economy and lead to improved Total Factor productivity.

There has been much commentary about the desired growth levels and this must now be supported by accommodating fiscal policy.

## Economic Highlights June 2016

- On the 12th of July the PSOJ and JMMB held the tenth annual PSOJ Economic Forum under the theme Developing Beyond the IMF. There were five presenters, for the forum, which included Professor Densil Williams (Mona School of Business & Management), followed by a panel, which included : Jermaine Burrell (JMMB), Sandra Samuels-Reid (WBO), and Dennis Chung (PSOJ). This was followed by the keynote speaker, German Galvan from McKinsey. Each made suggestions of what is required to grow the Jamaican economy, and maintain a sustainable path of development long after the IMF programme ends at end March 2017.
- On June 21, the IMF released a survey done on Jamaica's performance and economic development under the current IMF program. The survey highlighted that the country has met more than 95% of the program's conditions which has resulted in an improved macroeconomic landscape. The survey identified that Jamaica's reforms are beginning to bear fruit however bolder reforms are needed as growth is still too low. In addition to bolder reforms the IMF also emphasized that fiscal discipline is crucial to restoring economic stability as well as growth-enhancing structural reforms.
 

*The IMF identified the following areas for reformation.*

  1. Increasing access to finance by increasing banking sector competition and reforming financial sector taxation.
  2. Downsizing the public sector through by improving efficiency and reallocating some public functions to the private sector.
  3. Cutting bureaucracy at all levels of government to aid the business climate and to strengthen productivity and competitiveness.
  4. Implementing labor market reforms that strengthen the link between pay and performance and increase labor market dynamism.
  5. Reducing crime and tackling both its economic and broader social ramifications.
  - For the period June 2016 relative to May 2016 the monthly average of the US dollar and the Canadian dollar depreciated relative to the Jamaica dollar, while the monthly average of the Great Britain Pound appreciated. At the end of June 2016, the value of the Jamaica Dollar depreciated by J\$1.32 or 1.06% to J\$126.01=US\$1.00. The Canadian dollar depreciated by J\$1.62 or 1.68% to end at CAD\$1.00=J\$97.82. The value of the Pound went down by J\$0.84 or 0.5% to the end at GBP1.00=J\$179.13.
  - Inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) increased by 0.9% for the period June 2016 over May 2016. This was the highest movement since July 2015 when the index moved by a similar 0.9%. The increase in the rate for June brought inflation for the calendar year to date to -0.6%. The increase in the rate for June 2016 over May 2016 brought inflation for fiscal year to June to 0.7%. The 12-month point to point rate at the end of June 2016 was 2.5%.

## Economic Highlights June 2016

- Data for the month ending June 2016 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$259.72 billion (US\$2,265.13 million).
- The monetary base increased by J\$0.444 billion to J\$120.682 billion for June 2016 relative to the previous month, May 2016.
- On the last trading day in June 2016, for the month of June, the main JSE index advanced by 3,155.67 points or 2.02%, to close at 159,717.44 points. The JSE Combined Index also advanced by 3,671.31 points or 2.20% to close at 170,807.02 points, and the JSE Junior advanced by 72.40 points or 3.39% to close at 2,208.16 points. In contrast, once again, the JSE Cross Listed Index remained firm and closed the month at 499.06 points.
- Stopover tourist arrivals for April 2016 were 188,604. For the January to April 2016 period stopover tourist arrivals were 773,108. A total of 131,898 cruise passengers visited Jamaica in April, 2016. The January to April 2016 period saw 745,220 cruise passenger arrivals at the three major ports. This represented an increase of 90,656 passengers or 13.8% compared to the corresponding period last year.
- For March 2016, the overall weighted average lending rate on domestic currency loans decreased to 16.67% from 16.81% relative to the previous month. The weighted average domestic interest rates on deposits for the month's ending was 1.47%. This represented a decrease of 9bps relative to February.
- For March of this year foreign currency loans rate increased relative to February 2016. In this regard, the foreign currency loan rate marginally increased by 3bps to 7.35%. The interest rates on foreign currency deposits decreased for March relative to February this year. In this regard the foreign currency deposits rate fell by 4bps to 1.66%.
- At the end of February 2016 gross remittance inflows were US\$180.1 million and net remittances were US\$161.1 million. Total remittance inflows for January and February this year were US\$340.4 million.
- There were price reductions observed of 19.05% in (4) of the commodities monitored for June 2016. The price of the crude oil index Brent increased in June 2016 as well as the WTI. The Brent moved up by 2.86% and the WTI increased by 4.06%. Natural gas increased by 33.85%. The IMF's Fuel Energy index increased by 4%, and the Food and Beverage Index increased by 4%. The all commodity price index increased by 3%.

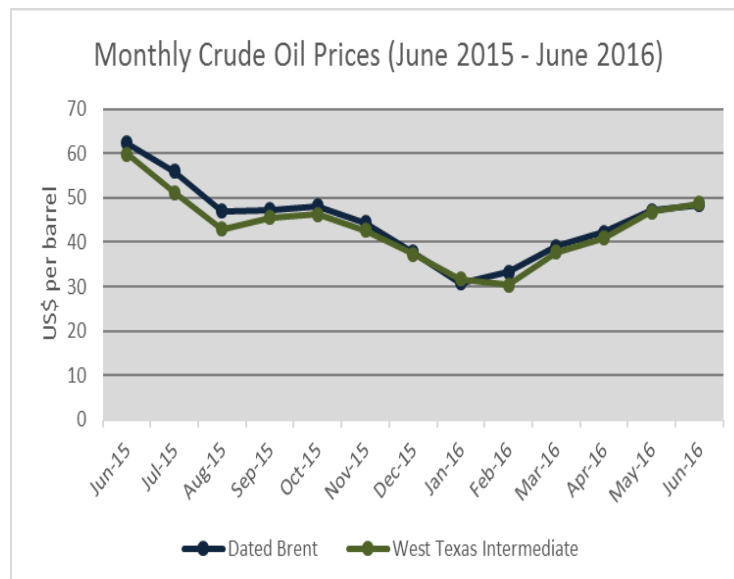
## International Commodity Prices

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### Crude Oil Prices

For the month ending June 2016, the average prices of both the Dated Brent and the West Texas Intermediate (WTI) increased. The Brent, at the end of June was recorded at **US\$48.48 per bbl**. This represented a **US\$1.35** or **2.86%** increase from the **US\$47.13 per bbl** recorded for the previous month. The West Texas Intermediate (WTI) ended the month at **US\$48.75**, this represented a **US\$1.9** or **4.06%** increase relative to last month. A one-year comparison of prices revealed that this year's price for the Brent was **22.25%** or **US\$13.87 per bbl** lower. When compared to last year's price, this year's WTI price was **18.48%** or **US\$11.05** below. When compared to the price level two years ago both the Brent and WTI were **56.66%** and **53.68%** below respectively. The 5-year average of prices ranging from June 2011 to May 2016 for the Dated Brent and the West Texas Intermediate are **US\$90.62 per bbl** and **US\$80.71 per bbl** respectively. This month's price was **47%** below the 5-year average of prices for the Brent and **39.60%** for the WTI.

Although monthly average prices increased in June, daily oil prices at the end June ended up being slightly lower than what was seen at the beginning of the month. Significant outages of the global oil supply contributed to the rising oil prices in early June. However, concerns over future economic growth in relation to the United Kingdom's June 23 vote to exit the European Union and the easing of supply disruptions in Canada contributed to falling oil prices in late June were considered.



The US Energy Information Administration (EIA) expects global oil inventory builds to average 0.6 million b/d in the second half of 2016, limiting upward price pressures in the coming months. The EIA forecasted the Brent prices to average at \$48b during the second half of 2016, which is relatively the same compared to current levels. However, daily and even monthly price discrepancy could be significant as economic and geopolitical events affect market participants' expectations of oil market balances.

### Natural Gas

For the month ending June 2016, natural gas prices increased relative May. The price for natural gas ended at **US\$2.57** per million metric. This reflected an increase of **US\$0.65** or **33.85%** from **US\$1.92** in May, the largest percentage increase over five years. In June 2015, natural gas per million metric was valued at **US\$2.77** signifying that this year's price is **US\$0.2** or **7.22%** lower. Similarly, a two-year comparison revealed that natural gas prices have decreased, a

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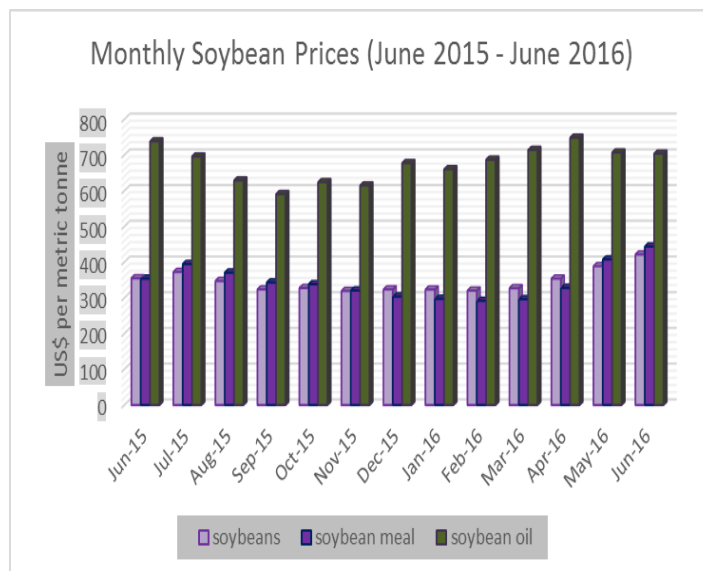
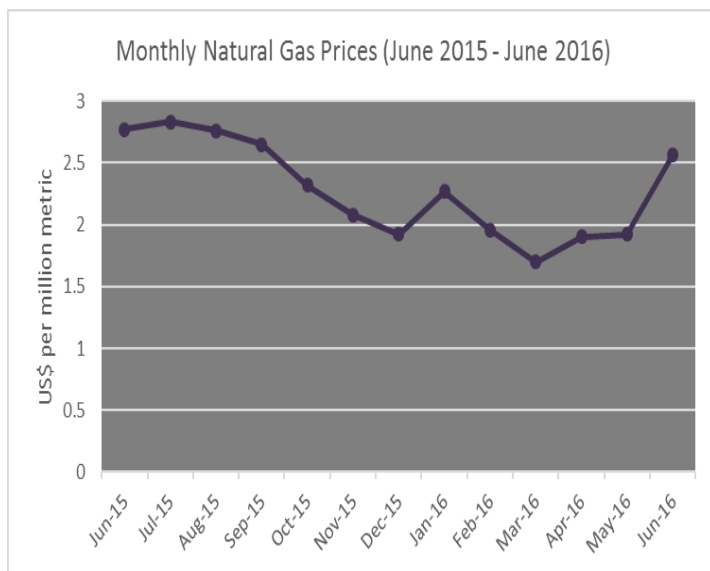
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## International Commodity Prices

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difference of **US\$2.00** or **43.76%** per million metric over the interval. The five-year average monthly price for natural gas ranging from June 2011 to May 2016 is **US\$3.30** per million metric, hence, this year's June price was **US\$0.733** or **22.19%** below.

The US Energy Information Administration (EIA) forecasted that total natural gas consumption in the US will average at 76.6 billion cubic feet per day (Bcf/d) in 2016 and 77.8 Bcf/d in 2017, compared to 75.3 Bcf/d in 2015. The US EIA stated that the increases in total natural gas consumption are mainly attributable to increases in electric power sector use. The forecasted electric power sector's use of natural gas increased by 5.1% in 2016 then declined by 1.5% in 2017, as a result of the rise in natural gas prices which contributed to an increase in coal generation. Forecast industrial sector consumption of natural gas increases by 2.7% in 2016 and by 1.7% in 2017, as new fertilizer and chemical projects come online.

### Soybean Prices

For the month ending June 2016, soybean price per metric tonne was **US\$421.23**. This denoted an **8.42%** or **US\$32.72** increase from May's value of **US\$388.51** per metric tonne. In June this year, the average price of the soybean meal increased while the average price for soybean oil price decreased. Soybean meal ended the month at **US\$443.41** per metric tonne. This represented an increase of **US\$35.91** or **8.81%**. At the end of June, the price per metric tonne for soybean oil stood at **US\$703.6** representing a **0.49%** or **US\$3.43** decrease compared to the previous month. A one-year comparison revealed that prices for soybean increased by **18.72%** or **US\$66.41**. This month soybean price was **US\$106.77** or **20.22%** lower than its price two years ago. When compared to the corresponding period last year the soybean meal price was **US\$89.51** or **25.29%** above. However, soybean oil price was below last year's price by **US\$34.44** or **4.667%**. A two-year comparison of prices for soybean meal and soybean oil revealed that they decreased by **14.61%** and



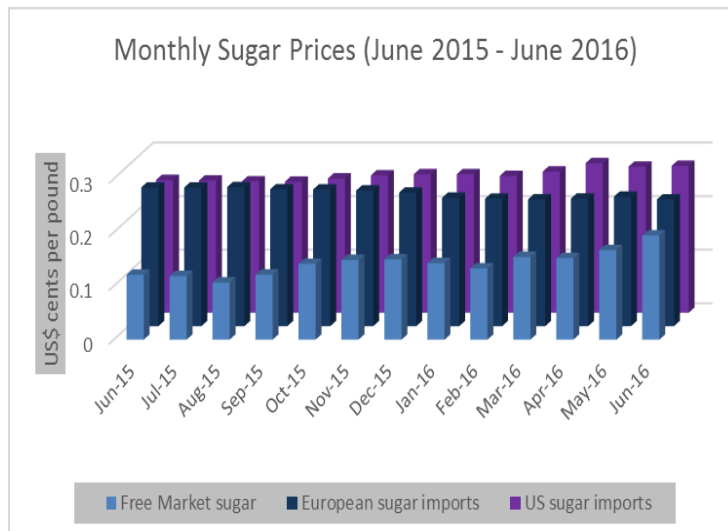
## International Commodity Prices

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**19.27%** respectively. The five-year average monthly price for soybean meal ranging from June 2011 to May 2016 is **US\$423.61** per metric tonne, which means that June's price was **US\$19.7955** or **4.673%** lower. The five-year average monthly price for soybean oil ranging from June 2011 to May 2016 is **US\$926.23** per metric tonne, which means that June's price was **US\$222.63** or **24.04%** lower.

### Sugar Prices

At the end of June 2016, the average price of the Free Market Sugar settled at **US\$0.1944** cents per pound. This represented an increase of **US\$0.0274** or **16.41%** when compared to May 2016. This is the largest percentage increase since July 2011. For the US Sugar imports, the average price increased marginally from **US\$0.2725** in May to **US\$0.2739** in June. This represented an increase of **US\$0.0014** or **0.51%** cents per pound. At the end of June 2016, the European Sugar imports ended the month at **US\$0.2364** cents per pound. This represented a **US\$0.0051** or **2.11%** decrease compared to the previous month. For the period June 2016 relative to June 2015, the price of Free Market sugar increased by **US\$0.0733** or **60.53%** cents per pound. A one-year comparison revealed that the price of the US Sugar imports has increased by **US\$0.0263** or **10.62%**, while the European sugar imports price has decreased by **US\$0.0223** or **8.62%**. In June 2014 the price for the Free Market sugar was **US\$0.1824** cents per pound, meaning that this year's June price is **US\$0.012** or **6.58%** higher. The price of the US sugar imports is **5.508%** higher



than the 2014 price while the price of the European Sugar imports is **15.90%** lower than the 2014 price. The 5-year average of prices ranging from June 2011 to May 2016 for the US imports and the European imports are **US\$0.2659** cents per pound and **US\$0.2612** cents per pound respectively. Hence, the price of US imports is above its long-term average by **3.003%** while the European imports is below its average by **9.504%**.

### Coffee Prices

For the month ending June 2016 the prices for both the Coffee of the Other Mild Arabicas category and Robusta coffee increased. The price per pound for coffee of the Other Mild Arabicas category was **US\$1.6585** cents per pound representing an increase of **US\$0.1045** or **6.72%**. A one-year comparison revealed that this month's price was **US\$0.0608** or **3.805%** higher than last year's June price. Robusta Coffee ended the month at **US\$0.9261** cents per pound. This month's price is above the previous month's price by **US\$0.0158** or **1.74%**. A one-year comparison revealed that the price of coffee in the Robusta category has decreased by **US\$0.0428** or **4.417%**. A two-year



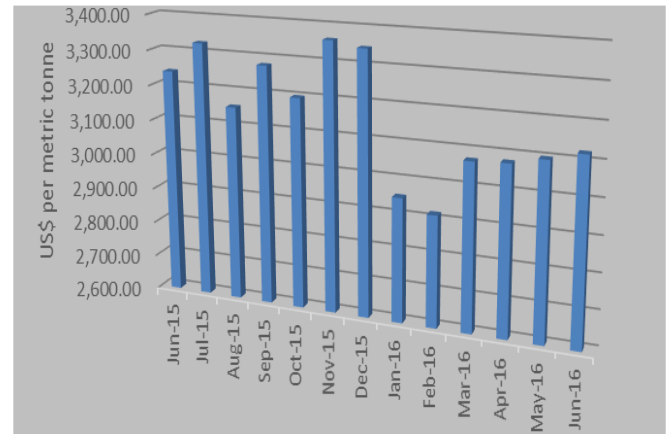
## International Commodity Prices

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### Cocoa Bean Prices

For the month ending June 2016, cocoa bean prices increased for the fourth month in a row. This time prices marginally increased by **US\$24.13** per metric tonne or **0.78%** to close at **US\$3,122.52** per metric tonne. A one-year comparison revealed that this year's price is higher by **US\$117.36** or **3.622%**. A two-year price comparison showed that the June 2016 price for cocoa beans is lower by **US\$51.79** or **1.631%** than its price in June 2014. The five-year average of monthly prices ranging from June 2011 to May 2016 for cocoa bean is **US\$2,780.29** per metric tonne, this means that this year's June price was **US\$51.79** or **1.632%** higher.

Monthly Cocoa Beans Prices (June 2015 - June 2016)



### Orange Prices

For the month ending June 2016, orange price increased to **US\$875.45** per metric tonne. The month's price increased by **14.48%** or **US\$110.71** per metric tonne, relative to May. This is the largest percentage

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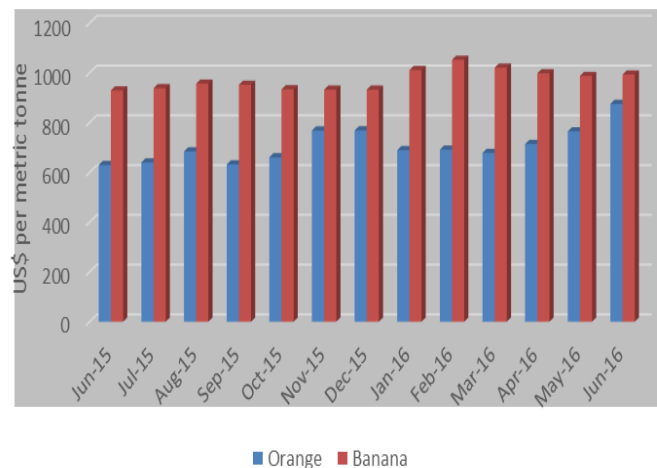
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## International Commodity Prices

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increase since July 2012. When compared to the same period in 2015, this year's price was **US\$245.55** or **38.98%** higher. A two-year comparison revealed that prices have risen by **US\$40.89** or **0.05%**. The five-year average monthly price ranging from June 2011 to May 2016 is **US\$825.91**, indicating that this month's price was **US\$49.54** or **0.06%** lower.

Monthly Orange and Banana Prices (June 2015 - June 2016)



### Banana Prices

Banana prices for the month ending June 2016 increased to **US\$993.22** per metric tonne. This represented a marginal increase of **US\$5.65** or **0.57%** relative to the previous month. For June 2016 relative to June 2015, banana prices increased by **US\$64.04** or **6.892%** per metric tonne. A two-year comparison revealed that this year's price is above the June 2014 price of **US\$926.07** per metric tonne by **US\$67.15** or **7.251%**. The five-year average monthly prices ranging from June 2011 to May 2016 is **US\$956.724**, this means that this year's price was **US\$36.49583333** or **3.8146662%** above

### Corn Prices

For the month ending June 2016, corn prices increased. This time, prices increased by **US\$10.95** or **6.48%** relative to May, to close the month at **US\$179.87** per metric tonne. Between June 2015 and June 2016 prices increased by **US\$13.15** or **7.887%**. A two-year price comparison showed that this year's price was

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US\$22.69 or 11.20% lower. The five-year monthly average for corn prices ranging from June 2011 to May 2016 is US\$231.31 per metric tonne, this means that this year's price was US\$51.443 or 22.24% lower.

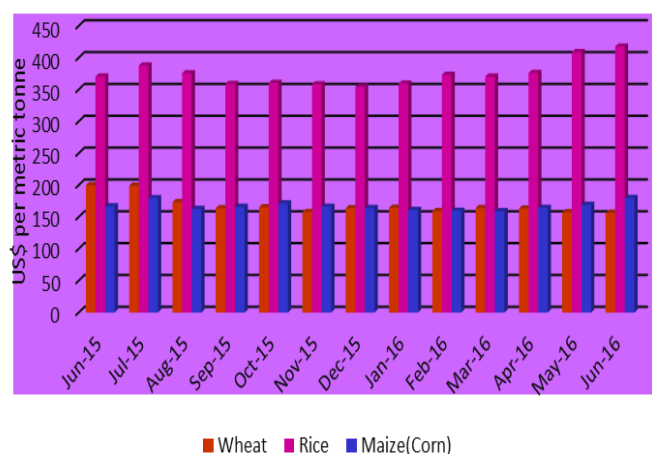
### Wheat

In June 2016, wheat prices marginally decreased by US\$0.88 or 0.56% relative to May 2016 to end at US\$ 156.65 per metric tonne. Relative to June 2015, prices have fallen by US\$43.17 or 21.60% per metric tonne. A two-year comparison of wheat prices showed that this year's June price was US\$104.94 or 40.11% below the June 2014's price. The average five-year monthly prices ranging from June 2011 to May 2016 is US\$259.4017 per metric tonne, meaning that this year's June price was US\$102.75 or 39.61% below.

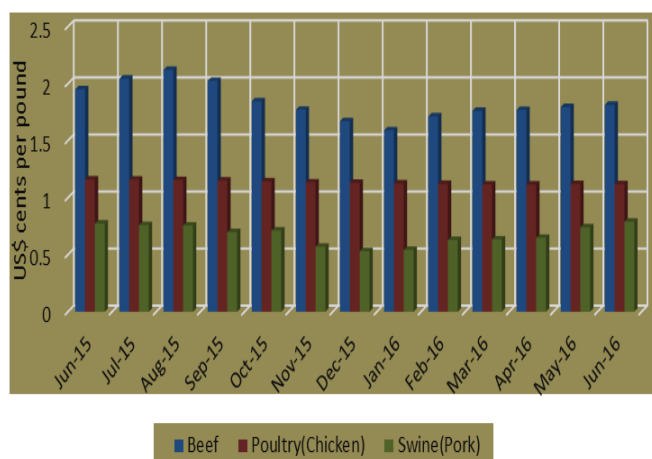
### Rice

For the month ending June 2016 the price of the 5 percent broken milled white rice ended at US\$417.59 per metric tonne. This value was US\$8.77 or 2.15% above the US\$408.82 in May this year. In addition, this month's price is above the June 2015 price by US\$47.04 or 12.69%. A two-year comparison revealed that the commodity's price was US\$2.92 or 0.7042% higher than its price in 2014. The five-year monthly price average for rice prices ranging from June 2011 to May 2016 is US\$480.07 per metric tonne, indicating that

Monthly Cereal Price (June 2015 - June 2016)



Monthly Meat Prices (June 2015 - June 2016)



June's price was US\$62.48 or 13.015% below the long term average.

### Beef Prices

In June 2016, the average price for beef increased for the fifth month in a row. Prices increased by US\$0.02 or 1.11% when compared to May, to close at US\$1.8145 cents per pound. When compared to June 2015, prices have fallen by US\$0.136 or 6.9726% cents per pound. In June 2014 prices were US\$2.0079 cents per pound hence this year's price

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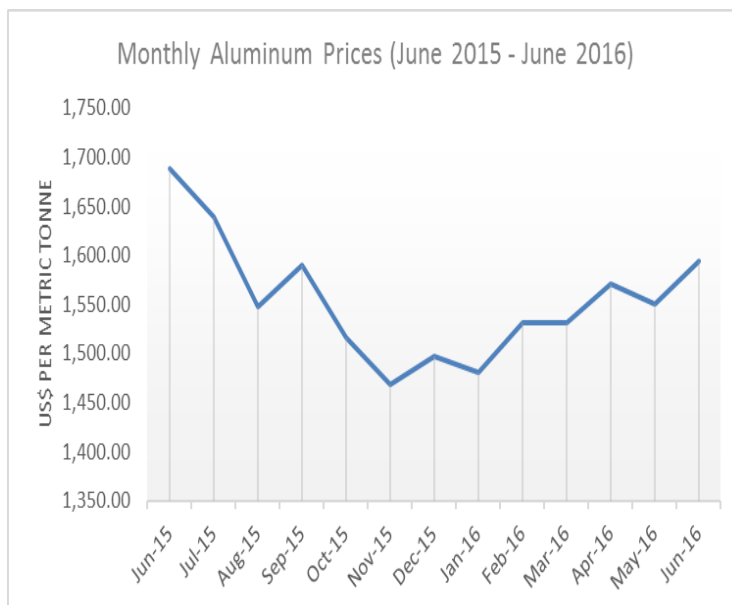
was **US\$0.1934** or **9.632%** below the 2014 price. The five-year average for prices ranging from June 2011 to May 2016 is **US\$1.9467** cents per pound indicating that this month's price was **US\$0.1322** or **6.7887%** below.

### Swine (Pork) Prices

Pork prices increased for the sixth month for the month ending June 2016. The price of pork was **US\$0.7895** cents per pound. This represented a **US\$0.0496** or **6.70%** increase from May's price of **US\$0.7399**. When compared with June 2015, prices increased by **US\$0.016** or **2.0686%**. Prices are below the price level 2-years ago by **US\$0.3632** or **31.5086%**. It is also below the 5-year average of **US\$0.8409** for prices ranging from June 2011 to May 2016 by **US\$0.0514** or **6.1127%**.

### Poultry Prices

Chicken prices decrease for the month ending June 2016. At the end of the month chicken was valued at **US\$1.1184** cents per pound, representing a decrease of **US\$0.0014** or **0.13%** from May. Poultry meat prices have exhibited a moderate but steady increase for the year so far, rising by 10% since January: The price in June 2016 was approximately **US\$0.0416** or **3.5862%** lower than the June 2015 price. In June 2014, the price for poultry was **US\$1.1088** cents per pound, indicating that this year's price was **US\$0.0096** or **0.8658%** higher. The average monthly price ranging from June 2011 to May 2016 is **US\$1.0424** cents per pound, this means that this year's price was **US\$0.07599** or **0.0729%** more.



### Aluminum Prices

The price of aluminum increased in June relative to May this year. Prices increased by **US\$42.88** or **2.77%** to end the month at **US\$1,593.51** per metric tonne. For June 2016 relative to June 2015, prices decreased by **US\$94.22** or **5.583%** per metric tonne. A two-year comparison revealed that this year's price was **US\$245.44** or **13%** below the price for the corresponding period in 2014. The five-year average for monthly prices ranging from June 2011 to May 2016 for aluminum is **US\$1,875.45** per metric tonne, this means that this year's June price was **US\$281.94** or **15.03%** lower.

### Impact of global prices on Jamaica

There were price reductions observed in **19.05% (4)** of the commodities monitored for June 2016. The price of crude oil index Brent increased in June 2016 as well as the WTI. The Brent moved up by **2.86%** and the WTI increased by **4.06%**. Natural gas increased by **33.85%**. The IMF's Fuel Energy index increased by **4%**, and the Food and Beverage Index increased by **4%**. The all

commodity price index increased by 3%. The Food and Agriculture Organization of the United Nations (FAO) Food Price Index averaged 163.4 points in June 2016, 6.6 points (4.2%) higher than in May and 1% below the corresponding month last year. Not only did the June increase mark the fifth consecutive monthly rise in the value of the FFPI, but it also represented the largest monthly increase witnessed over the past four years. The FAO Cereal Price Index averaged 156.9 points in June, up 4.4 points (2.9%) from May, but still 3.9 percent below the June 2015 level. Nearly all of last month's increase was caused by a strengthening of maize prices; primarily because of tightening spot export supplies in Brazil. Wheat values rose during the first half of

the month, before reversing course subsequently. The FAO Meat Price Index averaged 158.3 points in June, 3.8 points (2.4%) higher than its revised May value. For the third consecutive month, average quotations strengthened for all categories of meat, particularly those of pigmeat and ovine meat. In the EU, a shortage of pigs for slaughter and lighter slaughter weights constrained supply and caused export quotations to move up strongly. The FAO Sugar Price Index averaged 276.0 points in June, up as much as 35.6 points (14.8%) from May. The surge mostly mirrored less positive production prospects in Brazil, the world's largest sugar producer and exporter, following heavy rains which hampered harvesting operations and affected sugar yields.

Commodity	Unit	May Price	June Price	Monthly Change %
<b>Aluminum</b>	Metric tonne	1550.63	1593.51	2.77
<b>Bananas</b>	Metric tonne	987.57	993.22	0.57
<b>Beef</b>	Pound	1.7945	1.8145	1.11
<b>Cocoa Beans</b>	Metric tonne	3098.39	3122.52	0.0078
<b>Coffee-Arabicas</b>	Pound	1.554	1.6585	0.0672
<b>Coffee-Robusta</b>	Pound	0.9103	0.9261	0.0174
<b>Com-Maize</b>	Metric tonne	168.92	179.87	6.48
<b>Natural gas</b>	MMBTU	1.92	2.57	33.85
<b>Crude Brent</b>	Barrel	47.13	48.48	2.86
<b>Crude West Texas Intermediate</b>	Barrel	46.85	48.75	4.06
<b>Oranges</b>	Metric tonne	764.74	875.45	14.48
<b>Pork (Swine)</b>	Pound	0.7399	0.7895	6.7
<b>Poultry</b>	Pound	1.1198	1.1184	-0.13
<b>Rice</b>	Metric tonne	408.91	417.59	2.15
<b>Soybean</b>	Metric tonne	388.51	421.23	8.42
<b>Soybean meal</b>	Metric tonne	407.5	443.41	8.81
<b>Soybean oil</b>	Metric tonne	707.03	703.6	-0.49
<b>Sugar (free market)</b>	Pound	0.1668	0.1944	16.41
<b>Sugar US ( Import)</b>	Pound	0.2726	0.2739	0.51
<b>Sugar European (Import)</b>	Pound	0.2415	0.2364	-2.11
<b>Wheat</b>	Metric tonne	157.53	156.65	-0.56



# International Commodity Prices

June 2016 Issue

Actual prices through

20-Jan-2016

**Table 1. Near Term Commodity Price Baseline**  
(In U.S. Dollars)

Commodities	Units	Projections															
		2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
<b>Food</b>																	
<b>Cereals</b>																	
Wheat	\$/MT	248.8	274.3	226.3	220.6	205.0	196.3	178.8	162.3	186.3	174.8	178.4	185.0	188.8	190.7	193.4	198.2
Maize	\$/MT	210.1	213.9	173.9	173.5	174.2	168.4	169.4	167.1	156.6	146.9	149.9	153.7	157.3	159.5	159.9	158.1
Rice	\$/MT	440.7	409.4	435.0	420.8	406.6	381.8	374.0	358.3	356.0	357.6	347.8	345.9	308.9	310.3	301.8	300.2
Barley	\$/MT	162.7	166.9	132.8	122.0	132.2	128.1	127.9	123.2	121.6	124.0	125.4	110.9	134.7	137.4	138.9	122.8
<b>Vegetable oils and protein meals</b>																	
Soybeans	\$/MT	498.3	540.4	421.7	370.9	369.9	354.6	347.6	323.3	321.6	321.4	323.6	324.2	326.5	328.0	328.9	325.7
Soybean meal	\$/MT	493.3	531.9	436.0	406.7	372.7	348.0	369.3	320.8	297.1	300.2	304.9	307.3	310.1	311.5	312.7	312.3
Soybean oil	\$/MT	877.9	899.7	757.1	716.1	696.4	715.4	688.3	638.6	656.3	661.8	668.3	669.9	677.6	683.2	687.2	682.4
Palm oil	\$/MT	813.7	794.7	695.9	653.3	627.9	599.9	514.6	518.0	536.3	559.7	557.2	552.5	556.6	557.3	557.0	556.6
Fish meal	\$/MT	1657.9	1861.6	1973.6	2192.7	2031.9	1744.2	1558.9	1701.9	1704.5	1603.5	1405.2	1363.6	1358.2	1277.8	1119.8	1086.6
Sunflower Oil	\$/MT	1133.1	1121.5	1012.5	1054.2	974.0	1062.3	1010.4	1042.1	1022.1	1013.1	1004.0	995.9	1014.3	1005.3	996.3	988.2
Oilse oil	\$/MT	3599.0	3663.5	4122.1	4262.5	4568.3	4855.3	5616.4	4638.4	4190.4	4200.0	4248.3	4290.2	4342.4	4352.4	4402.4	4445.8
Groundnuts	\$/MT	2377.3	2228.8	2046.8	1940.1	2016.8	2023.4	2012.9	1731.8	1656.9	1616.7	1576.3	1535.9	1634.4	1694.7	1554.8	1514.9
Rapeseed oil	\$/MT	980.3	963.1	849.6	824.4	755.1	772.6	772.7	798.2	811.0	784.4	779.0	773.6	739.9	715.7	710.8	705.8
<b>Meat</b>																	
Beef	cts/lb	191.8	195.5	252.9	256.0	216.6	202.9	206.3	176.2	167.1	156.8	152.0	157.3	160.7	150.7	146.1	151.3
Lamb	cts/lb	124.1	135.4	132.8	130.2	122.5	112.4	101.3	95.3	95.5	95.5	96.4	97.6	98.2	98.2	99.1	100.3
Swine Meat	cts/lb	92.8	115.4	112.8	90.3	65.5	71.9	73.8	60.5	53.1	52.2	52.0	49.5	48.2	47.4	47.1	44.9
Poultry	cts/lb	104.7	109.0	113.0	113.9	114.0	115.6	115.5	113.6	113.1	117.5	120.1	118.4	120.6	125.3	128.1	126.3
<b>Seafood</b>																	
Salmon	\$/kg	7.8	6.9	5.9	5.8	5.6	5.1	5.3	5.3	5.8	5.4	5.4	5.0	5.1	4.7	4.7	4.5
Shrimp	\$/lb	17.1	17.8	17.0	14.3	15.7	15.7	15.0	10.0	10.1	9.4	9.3	9.8	9.5	8.8	8.7	9.2
<b>Sugar</b>																	
Free market	cts/lb	16.8	18.2	17.7	15.8	14.1	12.6	11.6	14.7	14.3	13.9	13.7	13.8	14.2	13.9	13.7	13.6
United States	cts/lb	22.4	25.3	26.5	25.3	24.8	24.6	24.5	25.5	25.8	25.9	26.0	26.0	25.5	25.6	25.6	25.5
EU	cts/lb	27.5	28.0	27.8	26.3	25.2	25.5	25.8	25.3	25.0	25.0	25.0	25.0	25.2	25.2	25.2	25.2
Bananas	\$/MT	947.1	929.2	939.3	911.9	974.8	978.4	948.9	932.7	932.3	921.3	900.7	891.1	897.7	887.1	867.3	858.0
Oranges	\$/MT	777.4	838.8	774.1	739.8	698.5	616.9	652.1	733.1	770.0	765.3	760.8	758.1	769.9	765.2	760.7	758.0
<b>Beverages</b>																	
<b>Coffee</b>																	
Other milds	cts/lb	175.8	213.7	208.4	213.5	177.0	161.0	153.2	150.8	132.2	113.9	117.0	120.6	123.1	124.6	126.6	128.6
Robusta	cts/lb	102.0	107.9	106.0	106.6	101.4	96.7	90.9	87.9	61.5	63.5	65.6	67.3	68.8	70.2	71.4	72.4
Cocoa Beans	\$/MT	2951.3	3085.0	3229.2	2985.6	2918.5	3068.1	3252.8	3301.5	2991.0	2863.5	2863.8	2833.2	2813.8	2813.6	2811.0	2802.3
Tea	cts/kg	247.9	222.2	233.7	247.6	291.2	320.1	387.2	363.0	343.5	343.5	355.1	364.8	345.9	345.9	357.6	367.4
<b>Agricultural raw materials</b>																	
<b>Timber</b>																	
<b>Hardwood</b>																	
Logs	\$/M3	289.8	291.5	286.5	260.4	249.9	245.4	243.6	245.2	244.6	244.6	244.6	244.6	254.6	254.6	254.6	254.6
Sawnwood	\$/M3	901.9	917.3	910.0	862.6	826.2	834.8	844.9	827.1	816.8	809.3	817.6	853.1	824.6	817.0	825.4	861.2
<b>Softwood</b>																	
Logs	\$/M3	178.4	169.7	167.4	181.5	169.8	159.1	159.8	159.4	159.4	169.1	159.4	160.5	164.0	174.0	164.0	165.2
Sawnwood	\$/M3	306.1	312.6	308.3	302.1	306.8	298.0	310.4	329.0	329.0	321.5	312.1	306.8	322.4	315.1	305.8	300.7
Cotton	cts/lb	94.0	92.6	77.1	68.7	68.8	72.3	71.0	69.5	62.0	62.3	62.6	62.0	63.0	63.3	63.5	63.6
<b>Wool</b>																	
Fine	cts/kg	1114.0	1086.0	1068.1	1029.4	947.8	1079.7	999.7	995.8	1028.3	1028.3	1028.3	1028.3	1028.3	1028.3	1028.3	1028.3
Coarse	cts/kg	1083.6	1058.7	1025.0	954.3	887.7	962.7	942.0	898.9	909.9	883.9	859.0	809.5	760.3	742.7	717.7	678.4
Rubber	cts/lb	102.1	96.1	83.4	73.5	78.6	81.2	66.1	57.0	57.2	58.9	58.7	60.4	61.0	62.0	62.2	62.0
Hides	cts/lb	107.6	109.8	110.8	112.7	105.8	96.8	76.1	71.7	70.0	71.5	72.2	74.5	77.7	79.3	80.1	82.7
<b>Metals</b>																	
Copper	\$/MT	7080.2	6795.3	6995.8	6692.3	5833.2	6056.6	5267.1	4884.9	4384.1	4357.5	4354.5	4352.0	4351.0	4351.0	4351.0	4351.0
Aluminum	\$/MT	1709.3	1800.2	1989.7	1970.4	1802.1	1770.3	1592.4	1489.9	1468.9	1471.3	1479.5	1487.9	1496.9	1507.8	1518.5	1529.1
Iron Ore	\$/MT	120.4	102.6	90.3	74.0	62.3	57.9	54.4	46.2	39.9	36.3	34.3	33.0	32.2	32.1	32.1	32.1
Tin	\$/MT	22636.3	23146.2	21915.2	19897.9	18370.0	15389.8	15229.5	15077.2	13553.8	13461.7	13430.0	13400.0	13380.0	13370.0	13316.9	13290.3
Nickel	\$/MT	14661.0	18467.8	18394.2	15860.5	14392.8	13055.8	10578.9	9423.0	8520.8	8562.0	8398.0	8691.7	8662.0	8692.0	8721.7	8745.0
Zinc	\$/MT	2026.5	2071.4	2310.7	2235.3	2079.8	2192.2	1842.8	1611.8	1484.4	1486.8	1497.5	1506.3	1514.2	1521.6	1527.8	1533.8
Lead	\$/MT	2101.4	2097.1	2182.4	2000.9	1810.4	1942.2	1717.0	1681.7	1619.9	1612.7	1615.8	1619.8	1624.5	1629.8	1635.1	1641.0
Uranium	\$/lb	35.2	29.8	31.2	37.8	37.9	36.8	36.4	36.0	35.1	30.0	30.9	35.4	35.8	30.5	31.5	36.1
<b>Energy</b>																	
Spot Crude 1/	\$/bbl	103.7	106.3	100.4	74.5	51.7	60.4	48.8	42.2	27.0	28.9	31.0	32.7	34.1	35.4	36.4	37.4
<b>Natural Gas</b>																	
Russian in Germany	\$/MMBTU	10.8	10.7	10.1	10.3	9.4	7.4	6.6	5.9	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Indonesian in Japan (LNG)	\$/MMBTU	17.8	17.6	16.5	16.1	14.4	9.6	9.8	9.8	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
US, domestic market	\$/MMBTU	5.2	4.6	3.9	3.8	2.9	2.7	2.7	2.1	2.2	2.3	2.4	2.6	2.8	2.6	2.7	2.8
<b>Coal</b>																	
Australian, export markets	\$/MT	82.6	77.9	72.7	67.4	65.6	63.2	61.6	56.1	56.0	52.5	46.7	48.9	56.8	53.2	47.4	49.6

1/ Petroleum price is average of spot prices for U.K. Brent, Dubai and West Texas Intermediate.

# International Commodity Prices

June 2016 Issue

Actual prices through  
20-Jan-2016
**Table 2. Medium Term Commodity Price Baseline**  
(In U.S. Dollars)

Commodities	Units	2009A1	2010A1	2011A1	2012A1	2013A1	2014A1	2015A1	2016A1	2017A1	2018A1	2019A1	2020A1	2021A1
					Actual					Projections				
<b>Food</b>														
<b>Cereals</b>														
Wheat	\$/MT	190.1	194.5	280.0	276.1	265.8	242.5	185.6	181.1	192.8	199.7	202.7	201.0	199.3
Maize	\$/MT	165.5	186.0	291.8	298.4	259.0	192.9	169.8	151.8	158.7	163.0	166.4	166.4	166.4
Rice	\$/MT	389.4	520.6	551.7	580.2	518.8	426.5	380.2	351.8	305.3	305.3	305.3	305.3	305.3
Barley	\$/MT	128.4	158.4	207.2	238.2	206.4	146.1	127.9	120.5	133.4	128.9	128.4	127.7	127.0
<b>Vegetable oils and protein meals</b>														
Soybeans	\$/MT	378.5	384.9	484.2	537.8	517.2	457.8	347.4	322.7	327.3	328.2	328.2	328.2	328.2
Soybean meal	\$/MT	359.3	331.3	378.9	473.3	477.3	467.0	352.7	302.4	311.6	314.9	316.9	316.9	316.9
Soybean oil	\$/MT	787.0	924.8	1215.8	1151.8	1011.1	812.7	672.2	664.1	682.6	681.0	681.0	681.0	681.0
Palm oil	\$/MT	644.1	859.9	1076.5	939.8	764.2	739.4	565.1	551.4	556.9	569.6	529.3	486.8	447.2
Fish meal	\$/MT	1255.9	1739.2	1519.3	1624.3	1710.5	1921.5	1759.2	1519.2	1210.6	1210.6	1210.6	1210.6	1210.6
Sunflower Oil	\$/MT	1041.7	1186.0	1621.8	1489.5	1341.1	1080.3	1022.2	1008.8	1001.0	1001.0	1001.0	1001.0	1001.0
Olive oil	\$/MT	3509.3	3171.3	3070.3	3135.7	3816.7	3911.8	4927.1	4232.2	4385.8	4385.8	4385.8	4385.8	4385.8
Groundnuts	\$/MT	994.6	1239.4	1724.0	1688.2	2314.5	2148.3	1946.2	1596.5	1574.7	1574.7	1574.7	1574.7	1574.7
Rapeseed oil	\$/MT	856.2	1011.7	1366.6	1239.1	1081.2	904.4	774.6	787.0	718.1	719.0	719.0	719.5	719.0
<b>Meat</b>														
Beef	cts/lb	119.6	152.5	183.2	187.9	183.6	224.1	200.5	158.3	152.2	152.2	152.2	152.2	152.2
Lamb	cts/lb	146.9	145.7	149.2	100.9	106.7	130.6	107.9	96.3	99.0	98.4	97.7	97.1	96.2
Swine Meat	cts/lb	55.8	74.4	89.1	82.8	86.5	102.8	67.9	51.7	46.9	47.4	46.9	46.1	45.5
Poultry	cts/lb	85.6	85.8	87.4	94.3	103.8	110.1	114.7	117.3	125.1	125.1	125.1	125.1	125.1
<b>Seafood</b>														
Salmon	\$/kg	4.9	6.1	5.9	4.8	6.8	6.6	5.3	5.4	4.8	4.8	4.8	4.8	4.8
Shrimp	\$/lb	9.5	10.1	11.9	10.1	14.0	16.6	14.1	9.7	9.0	9.0	9.0	9.0	9.0
<b>Sugar</b>														
Free market	cts/lb	18.2	20.9	26.2	21.4	17.7	17.1	13.2	13.9	13.9	13.6	14.5	14.5	14.5
United States	cts/lb	24.3	31.1	37.6	28.9	21.2	24.9	24.9	25.9	25.6	25.5	24.8	24.7	23.8
EU	cts/lb	26.0	25.7	26.7	26.4	26.0	27.4	25.4	25.0	25.2	25.2	25.2	25.2	25.2
Bananas	\$/MT	848.0	881.4	975.9	984.3	926.4	931.9	958.7	911.3	877.5	861.2	853.4	845.5	837.2
Oranges	\$/MT	909.0	1033.2	891.1	868.0	967.3	782.5	675.1	763.5	763.4	763.4	763.4	763.4	763.4
<b>Beverages</b>														
<b>Coffee</b>														
Other milds	cts/lb	141.6	194.4	273.2	187.6	141.1	202.8	160.5	120.9	125.7	132.2	137.3	137.3	137.3
Robusta	cts/lb	77.1	84.1	116.0	110.6	100.5	105.6	94.2	64.5	70.7	70.7	70.7	70.7	70.7
Cocoa Beans	\$/MT	2895.0	3130.6	2978.5	2377.1	2439.1	3062.8	3135.2	2872.9	2810.2	2760.0	2660.7	2557.4	2458.1
Tea	cts/kg	314.0	316.7	346.2	348.9	266.0	237.9	340.4	351.7	354.2	354.2	354.2	354.2	354.2
<b>Agricultural raw materials</b>														
<b>Timber</b>														
<b>Hardwood</b>														
Logs	\$/M3	287.2	278.2	390.5	360.5	305.4	282.0	246.0	244.6	254.6	254.6	254.6	254.6	254.6
Sawnwood	\$/M3	805.5	848.3	939.4	876.3	852.8	897.9	833.2	824.2	832.0	830.1	826.3	824.2	821.1
<b>Softwood</b>														
Logs	\$/M3	136.7	141.5	150.0	148.0	164.5	174.3	162.0	162.1	166.8	163.9	161.9	157.8	156.9
Sawnwood	\$/M3	291.0	281.8	280.9	284.7	301.4	307.3	311.0	317.3	311.0	309.0	304.6	301.3	298.3
Cotton	cts/lb	62.8	103.5	154.6	89.2	90.4	83.1	70.4	62.2	63.3	62.9	62.6	54.2	46.3
<b>Wool</b>														
Fine	cts/kg	778.5	1023.2	1638.2	1345.3	1197.7	1074.4	1005.8	1028.3	1028.3	1006.2	877.2	773.7	652.3
Coarse	cts/kg	611.4	820.1	1209.2	1212.6	1128.1	1030.4	922.8	866.8	724.3	608.7	601.8	540.2	485.4
Rubber	cts/lb	87.2	165.7	218.5	153.2	126.8	88.8	70.7	59.1	61.8	54.2	49.4	44.0	39.2
Hides	cts/lb	44.9	72.0	82.0	83.2	94.7	110.2	87.6	72.1	79.9	79.0	78.2	78.6	78.2
<b>Metals</b>														
Copper	\$/MT	5165.3	7538.4	8823.5	7958.9	7331.5	6863.4	5510.5	4362.0	4351.0	4360.8	4377.1	4394.7	4401.0
Aluminum	\$/MT	1689.2	2173.0	2400.6	2022.8	1846.7	1867.4	1664.7	1476.9	1513.1	1562.9	1625.4	1694.3	1751.7
Iron Ore	\$/MT	80.0	146.7	167.8	128.5	135.4	96.8	55.2	35.9	32.1	31.6	35.9	35.9	35.9
Tin	\$/MT	13602.7	20367.2	26051.4	21109.4	22281.6	21898.9	16066.6	13461.4	13339.3	13339.3	13339.3	13339.3	13339.3
Nickel	\$/MT	14672.4	21810.0	22909.1	17541.7	15090.0	16893.4	11862.6	8578.1	8705.2	8810.8	8900.8	8970.8	9017.0
Zinc	\$/MT	1638.4	2160.4	2195.5	1950.0	1910.2	2161.0	1931.7	1493.7	1524.3	1544.6	1553.8	1555.8	1555.8
Lead	\$/MT	1719.4	2148.2	2400.7	2063.6	2139.7	2095.5	1787.8	1617.0	1652.6	1659.3	1697.2	1735.0	1754.5
Uranium	\$/lb	46.7	46.0	56.2	48.9	38.6	33.5	36.8	32.9	33.5	33.5	33.5	33.4	33.5
<b>Energy</b>														
Spot Crude 1/	\$/bbl	61.8	79.0	104.0	105.0	104.1	96.2	50.8	29.9	35.8	39.7	43.1	45.3	46.5
<b>Natural Gas</b>														
Russian in Germany	\$/MMBTU	8.9	8.2	10.6	12.0	11.2	10.5	7.3	5.8	5.8	5.8	5.8	5.8	5.8
Indonesian in Japan (LNG)	\$/MMBTU	7.5	9.4	15.6	18.1	17.3	17.0	10.9	9.5	9.5	9.5	9.5	9.5	9.5
US, domestic market	\$/MMBTU	3.9	4.4	4.0	2.8	3.7	4.4	2.6	2.3	2.7	2.9	3.0	3.1	3.2
<b>Coal</b>														
Australian, export markets	\$/MT	77.0	106.0	130.1	103.2	90.6	75.1	61.6	51.0	51.7	51.7	51.7	51.7	51.7

1/ Petroleum price is average of spot prices for U.K., Brent, Dubai and West Texas Intermediate.

## Monthly Inflation Rate and Treasury Bill Rates

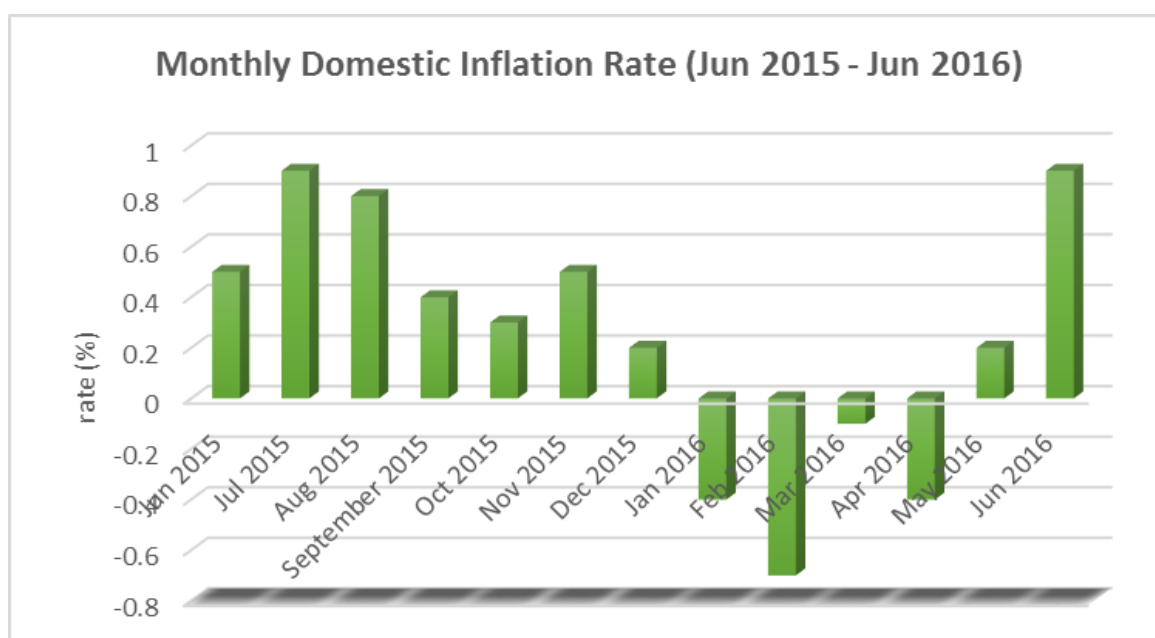
### Monthly Inflation Rate

Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **0.9%** for the period June 2016 over May 2016. This was the highest movement since July 2015 when the index moved by a similar **0.9%**. The increase in the rate for June brought inflation for the calendar year to date to **-0.6%**. The increase in the rate for June 2016 over May 2016 brought inflation for fiscal year to June to **0.7%**. The 12-month point to point rate at the end of June 2016 was **2.5%**.

According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by an increase of 0.1% in the division ‘Housing, Water, Electricity, Gas and Other Fuels’, an increase of 2.1% in the ‘Transport’ division and an increase of 0.9% in the division ‘Alcoholic Beverages and Tobacco’. The increase reflected in the division of ‘Housing, Water, Electricity, Gas and Other Fuels’

was primarily impacted by the higher electricity cost which was as a result of higher oil prices on the international market, the Special Consumption Tax (SCT) imposed on Heavy Fuel Oil (HFO) and the continued depreciation of the Jamaican dollar. The increase reflected in the division of ‘Transport was mainly as a result of higher petrol prices and an additional \$7.00 SCT per litre on petrol and also higher airfare prices due to an increase in departure tax. However, this was offset by a fall of 1.4% in the index for the group ‘Water Supply and Miscellaneous Services Related to Dwelling’. The increase in the ‘Transport’ division was mainly as a result of higher petrol prices on the local market. The increase in the Alcoholic Beverages and Tobacco division was due to the \$2 SCT charged on cigarettes.

Inflation in all the three regional areas increased for the month of June 2016 relative to May 2016. Inflation for the Greater Kingston Metropolitan area

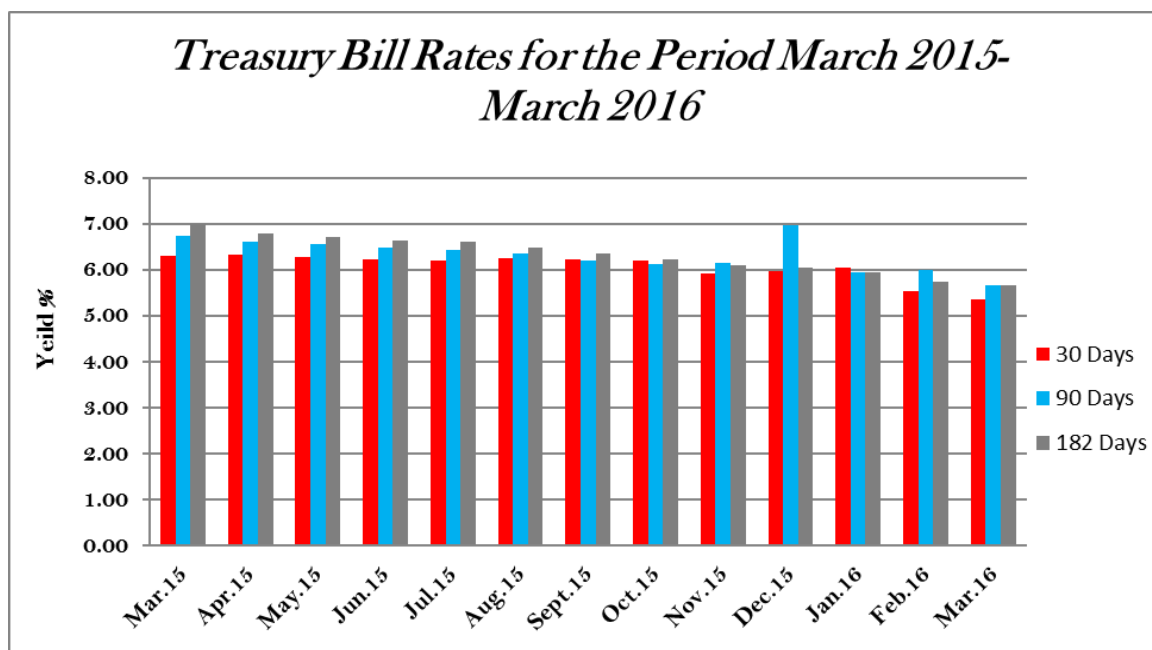
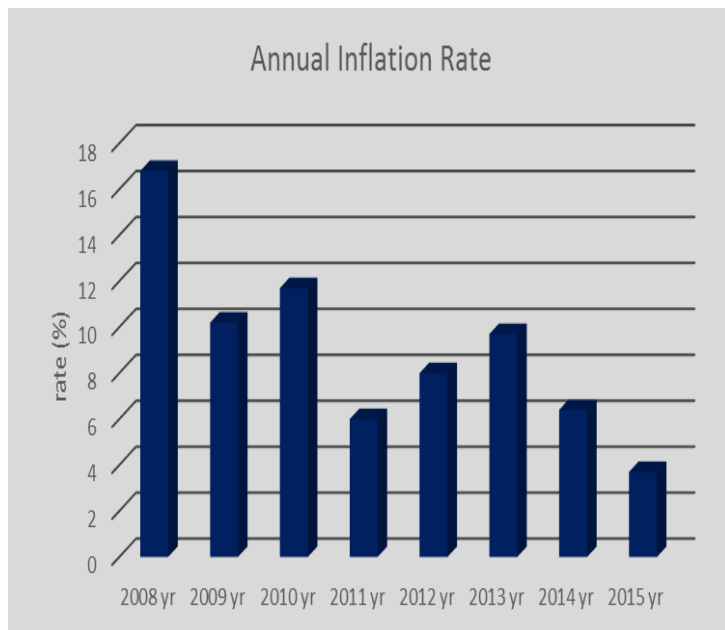


## Monthly Inflation Rate and Treasury Bill Rates

(GKMA), Other Urban Centers (OUC) and Rural Areas increased by 0.8%, 0.9% and 0.8%, respectively.

### Treasury Bill Rate

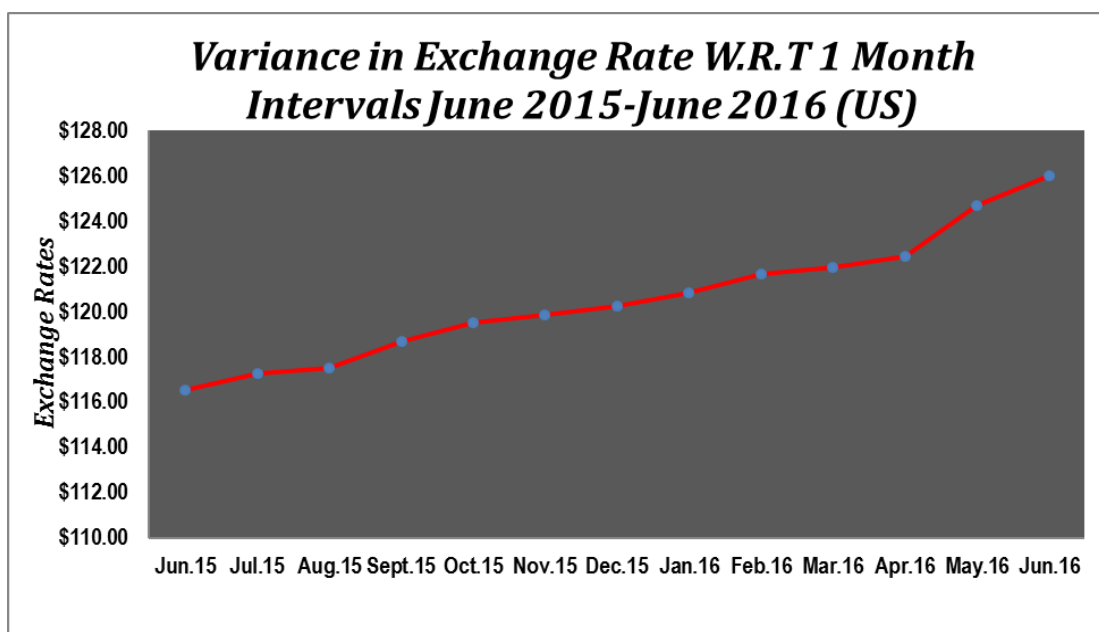
For the month of March 2016 relative to the previous month, yields on the Government of Jamaica 30-day, 90-day and 182-day treasury bills decreased. increased by **18bps**, **33bps** and **7bps** respectively. For the period March 2016 in comparison to March 2015, yields on GOJ treasury bills recorded a decrease of **94bps**, **106bps** and **133bps** for the 30-day, 90-day and 182-day treasury bills respectively. Similarly, a two-year comparison showed decreases in the rate of **285bps**, **326bps**, and **114bps** on the yields of the 30-day, 90-day, and 182-day.



## Monthly Exchange Rates Update

### JMD:USD

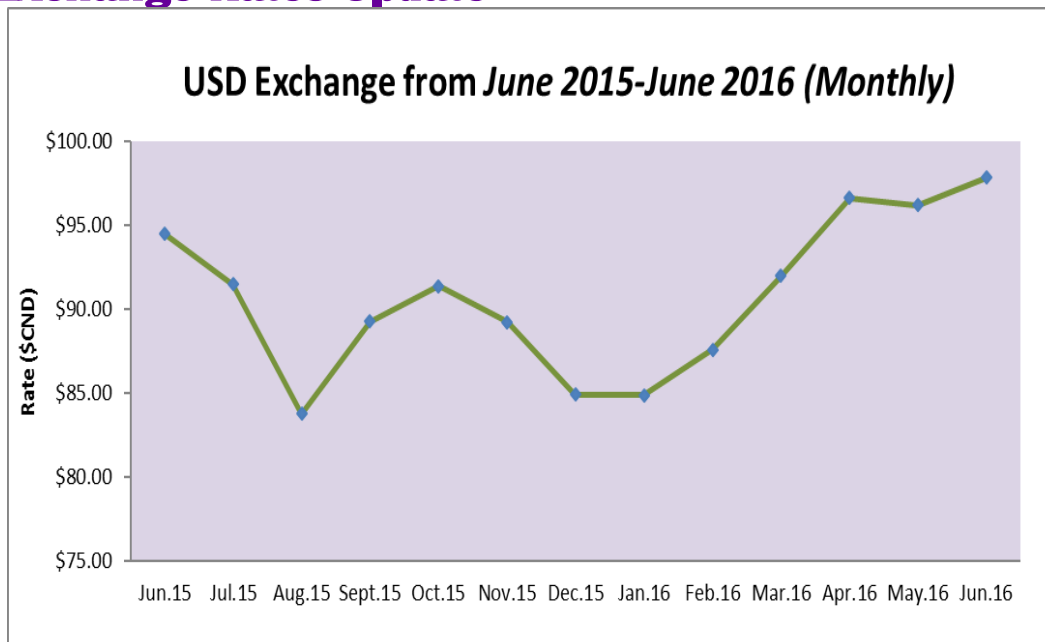
In analysis of the exchange rates over the period May 2016 to June 2016, it could be seen that the value of the Jamaican dollar depreciated by some **\$1.32** as it related to the US dollar (meaning an increase in the rate equal to **1.06%**). As a result the exchange rate progressed to settle at **US\$1.00=J\$126.01**. June 2016 in comparison to June 2015 revealed depreciation in the currency ratio of **\$9.49**, resulting in an overall increase in the value of the \$US by **8.14%** at an average rate of increase over the 12 month period of **0.65%**. The month's exchange rate was further compared with the rate of the same month recorded previously in 2014, the comparison showed that there was an increase in the value of the \$US by **\$J14.37** (percentage increase of **12.87**).



### JMD:CAD

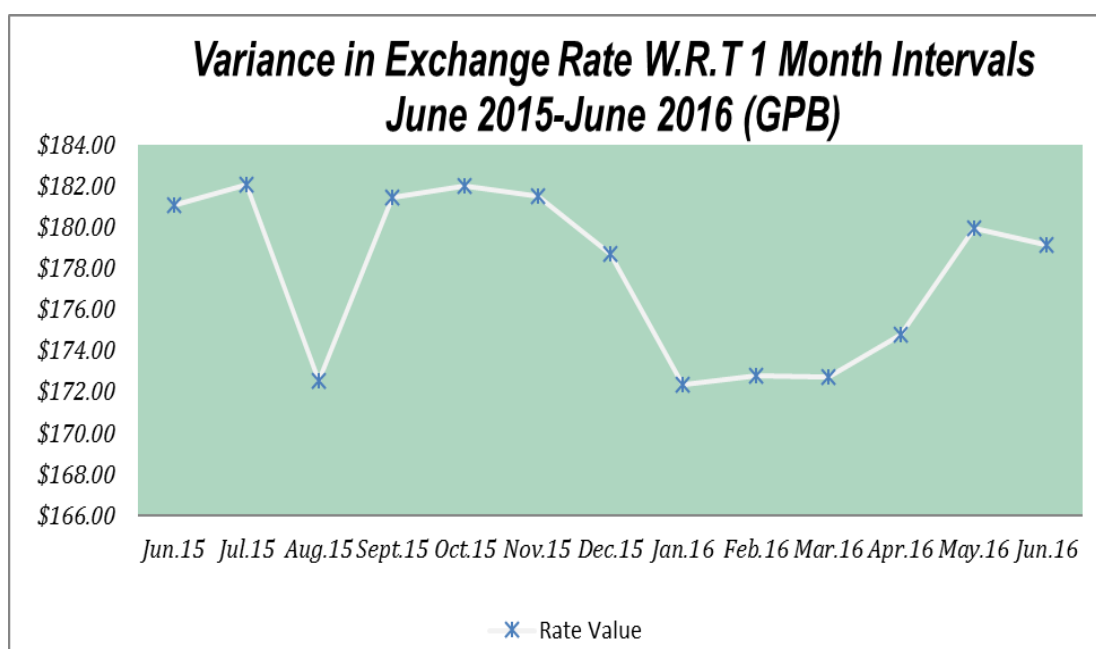
In relation to the exchange rate recorded for the month of June 2016, calculations revealed the fact that the Jamaican dollar depreciated by **1.68%** (**\$J1.62**) relative to the previous month, May to end at **CAD\$1.00=J\$97.82**. The exchange rate of June 2016 was further set side by side with the rate 1 year earlier (June 2015) which revealed that the value of the Jamaican dollar slid by **\$J 3.35 (3.55%)**. Furthermore, calculations comparing the exchange rate values for June 2016 and June 2014 made clear overall appreciation of the dollar over the 2-year period. This conclusion was made as a result of the difference in the value of the dollar of **\$J 5.36** (appreciation of **5.34%**).

## Monthly Exchange Rates Update



### JMD:GBP

The exchange rate's monthly variance of **J\$0.84** was seen to exist within the boundaries of May 2016 and June 2016, this indicated that the Jamaican dollar appreciated by some **0.5%**. The exchange rate was then **GPB1.00=J\$179.13** in comparison to the previous GPB1.00=J\$179.93. The annual comparison of the exchange rates for the months June 2015 and June 2016 revealed that the Jamaican dollar appreciated in such a way that there was a decrease in the price of the \$GPB equal to **J\$1.6 (1.08%)**. Further investigation of the exchange rate extending to June 2014 showed that the value of the Pound decreased by **\$J 9.56 or 5.34%**.



## Net International Reserves & Money Base

June 2016 Issue

### Net International Reserves

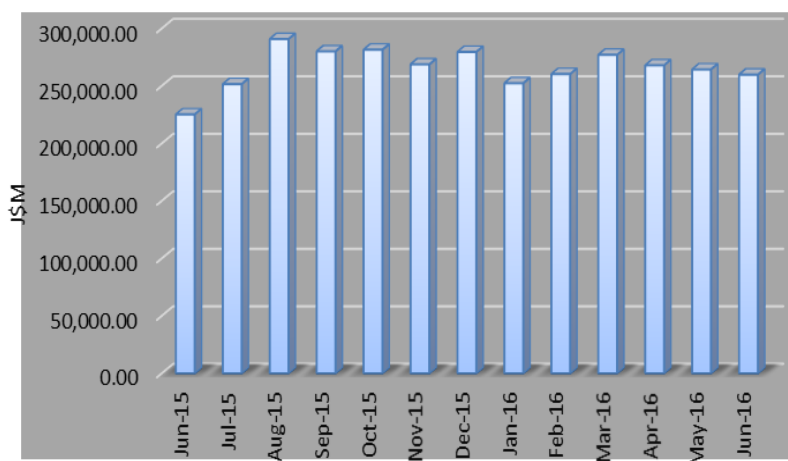
Data for the month ending June 2016 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J\$259.72 billion (US\$2,265.13 million)**. This reflected a decrease of **J\$4,539.65 billion (US\$39.59 million)** relative to May 2016. The change in the NIR for the month was due to an increase in foreign assets, however this was offset by a larger increase in foreign liabilities. Under the category of foreign asset one of the sources increased while two decreased. Currency and Deposits increased by **US\$41.82 million**, Securities decreased **US\$2.52 million** and SDR & IMF Reserve Position decreased by **US\$0.97 million**, to end the month with total foreign asset **US\$2,819.90 million**. This represented a total increase of **US\$38.33 million**. Under foreign liabilities, IMF expenditures increased while Other expenses remained unchanged; Payments to IMF increased by **US\$77.92 million** which was the total increase in foreign liabilities. At the end of June, the gross reserves were sufficient to finance **32.92 weeks** of goods imports which represented **20.92 weeks** over the international benchmark of **12 weeks** of goods imports.

### Monetary Base

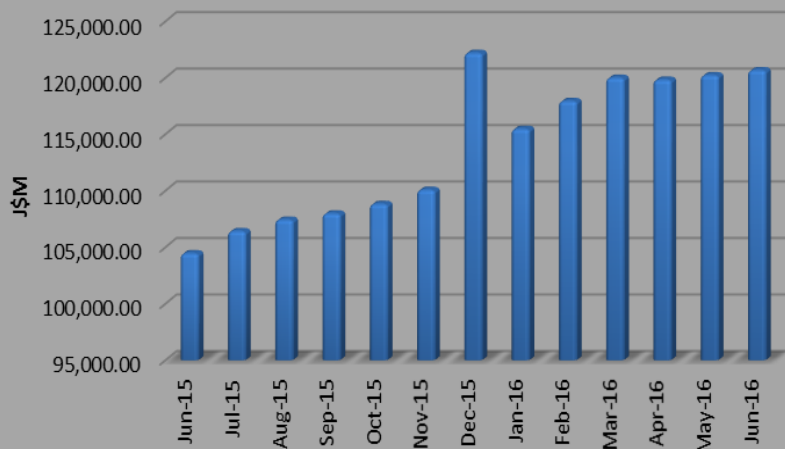
The monetary base increased by **J\$0.444 billion** to **J\$120.682 billion** for June 2016 relative to May this year. The change in

the base reflected increases in the Commercial Banks' Statutory Reserves and the Commercial Banks' Current Account while the Net Currency Issue decreased. Commercial Banks' Statutory Reserves increased by **J\$0.381 billion** to end at **J\$40.366 billion** and the Commercial Banks' Current Account increased by **J\$0.298 billion** to a total of **J\$0.579 billion**. Net Currency Issue decreased by **J\$0.234 billion** to a total of **J\$79.736 billion**.

Monthly Net International Reserve (2015-2016)



Monthly Monetary Base (2015-2016)



## Remittance Inflow Update

June 2016 Issue

At the end of February 2016 gross remittance inflows were **US\$180.1 million**. This represented an increase of **12.35%** or **US\$19.8 million** relative to the **US\$160.3 million** recorded January. When compared to the corresponding month of the previous year gross remittance increased by **US\$12.3 million** or **7.3%**. For February 2016, net remittances were **US\$161.1 million** reflecting an increase of **US\$23.2 million** or **16.82%** relative to January this year. When compared to the corresponding period of 2015, net remittances increased by **US\$12.0 million** or **8.0%**. Net remittances for January and February were **US\$299.1 million**, which represented a growth of **US\$2.6 million** or **0.9%** relative to the corresponding period of 2015. Total remittance inflows for the first two months of 2016 was **US\$340.4 million**, representing an increase of

**US\$6.3 million** or **1.9%** relative to the previous year. These inflows were above the average of **US\$318.6 million** for the previous five corresponding periods and above the corresponding pre-crisis outturn for 2008. The increase in total remittance inflows reflected an increase of **US\$4.5 million** inflows through remittance companies and an increase of **US\$1.9 million** or **3.4%** in Other Remittances.

For the fiscal year 2015/16 to February, total remittance inflows increased by **US\$62.1 million** or **3.1%** to **US\$2038.3 million** relative to the corresponding period of last year. Net remittances inflows also increased for the fiscal year 2015/16 to February relative to last year. Net remittance inflow rose by **US\$57.8 million** or **3.3%** to **US\$1821.4 million** relative to the corresponding period of the last fiscal year.

JAMAICA'S REMITTANCES				
(US\$MN)				
	2015 February	2016 February	Change	% Change
Total Remittance Inflows	166.2	160.3	-5.9	-3.6
Remittance Companies	139.3	136.8	-2.5	-1.8
Other Remittances	26.9	23.5	-3.4	-12.6
Total Remittance Outflows	18.9	22.4	3.5	18.7
Net Remittances	147.4	137.9	-9.5	-6.4

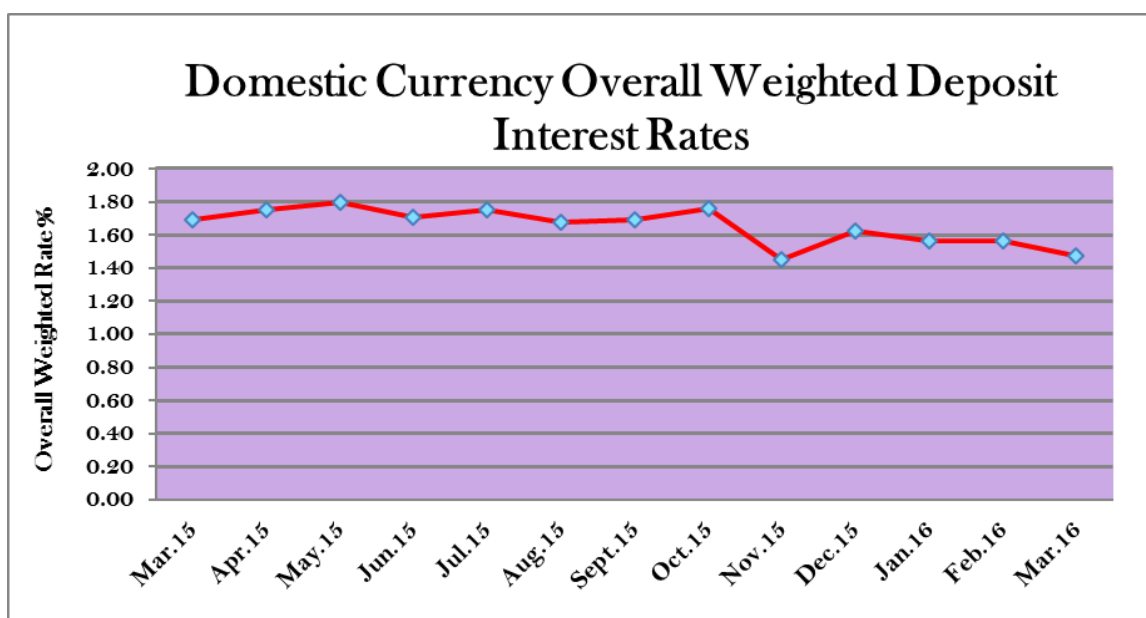
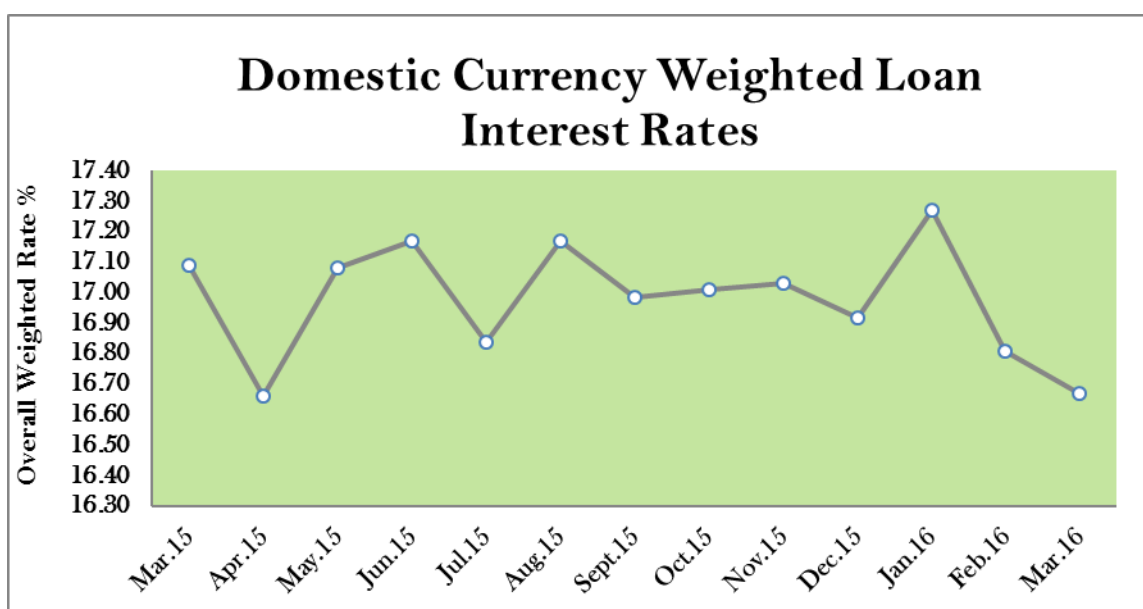


## Interest Rates

June 2016 Issue

For March 2016, the overall weighted average lending rate on domestic currency loans decreased to **16.67%** from **16.81%** relative to the previous month. This occurred in the context of decreases in the rates of four of the six loan types. These were, decreases in Local Government & Other Public Entities of **96bps**, in Commercial Credit of **21bps**, in Installment Credit of **14bps** and in Mortgage Credit of **2bps**. The impact of these decreases was offset by increases in Central Government and Personal Credit of **546bps** and **7bps** respectively.

Meanwhile, the weighted average domestic interest rates on deposits for the month ending was **1.47%**. This represented a decrease of **9bps** relative to February.

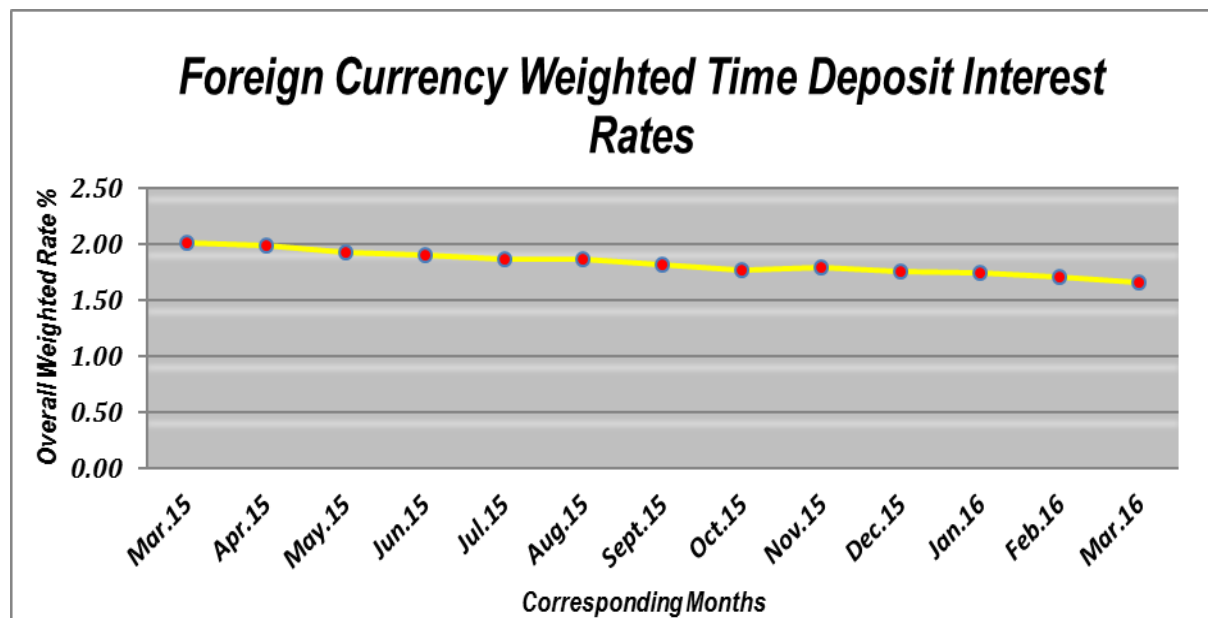
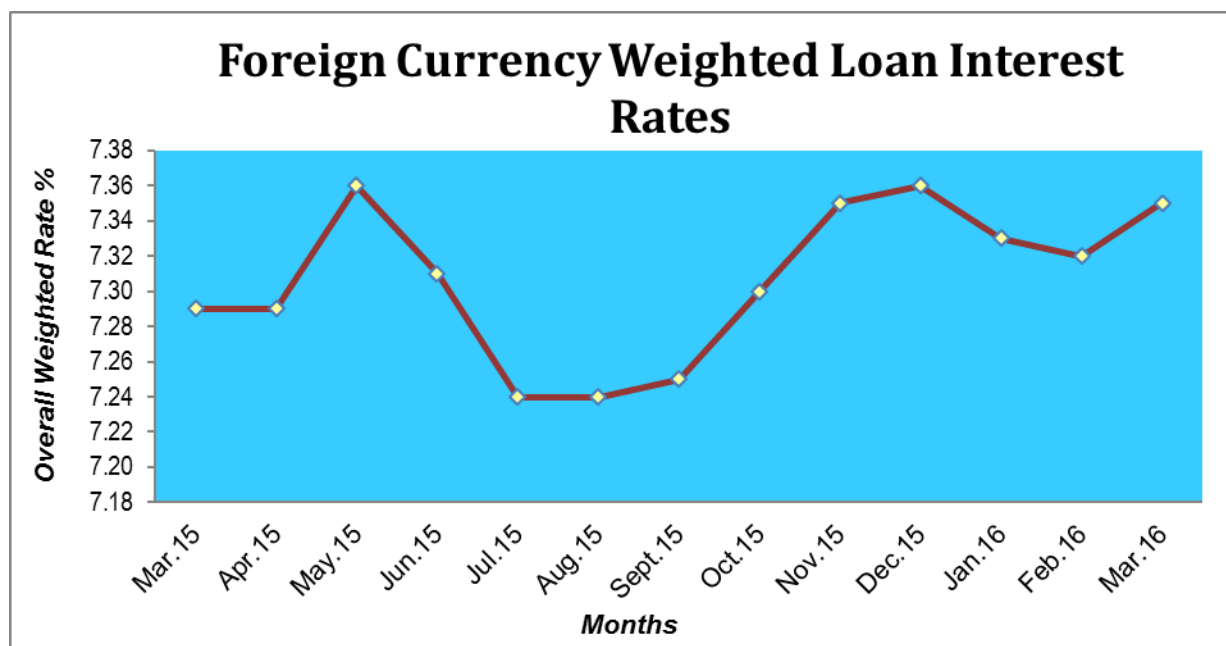


## Interest Rates

June 2016 Issue

For March this year foreign currency loans rate increased relative to February 2016. In this regard, the foreign currency loan rate marginally increased by **3bps** to **7.35%**. Three of the loan types increased; Commercial Credit by **4bps**, Local Govt. & Other Public Entities by **2bps** and Mortgage Credit by **1bps**. While Personal Credit and Installment Credit decreased by **13bps** and **5bps** respectively.

Meanwhile the interest rates on foreign currency deposits decreased for March relative to February this year. In this regard foreign currency deposits rate fell by **4bps** to **1.66%**.



## Tourism

June 2016 Issue

Stopover tourist arrivals for April 2016 were **188,604**. This month's total was **31,069** or **14.14%** lower than the **219,673** in February this year. April's total was a decrease of **0.7%** under the **189,903** recorded in April last year. In 2014 total stopovers for the corresponding period was **181,664**, hence this year's April total was **6,940** or **3.68%** more. For the January to April period, arrivals increased by **2.2%**, with **773,108** stopovers compared to **756,463** in 2015.

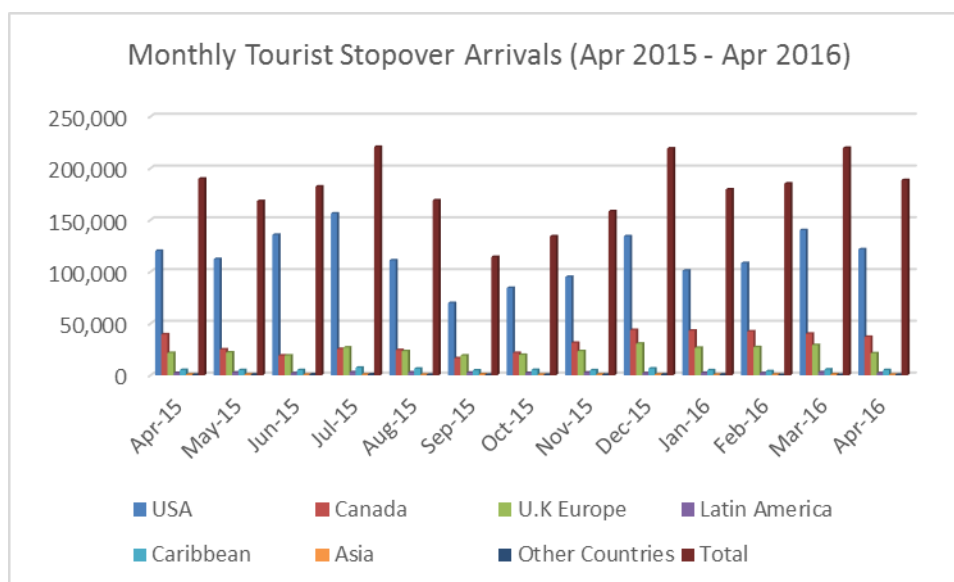
For April 2016, the changes reflected in the total stopovers observed for the seven categories of destination varied. Out of the seven categories five recorded decrease in numbers while two recorded increases when compared to April 2015. The largest percentage decreases were reflected in the stopovers from Canada, Latin America, and Asia with **6.3%**, **5.0%** and **2.8%** respectively. The other categories which reflected declines in stopovers were the Caribbean with **2.7%**, and Europe with **1.4%**.

These decreases were offset by increases in arri-

vals from Other Countries and the United States. Stopover arrivals increased by **8.4%** and **1.4%** for the Other Countries and the United States respectively. Of the Other Countries, once again Australia provided the most stopover arrivals to Jamaica, with **1,016** visitors in 2016 compared to **849** in 2015. The market share for stopover visitors for the January to April 2016 was as follows: USA **61.0%**; Canada **21.1%**; UK **8.5%**; Continental Europe **5.0%**, the Caribbean **2.5%**; and the others, including Latin America and Asia **1.9%**.

A total of **131,898** cruise passengers visited Jamaica in April, 2016. This represented a **97,213** or **42.43%** overall decrease compared to the **229,111** recorded in the previous month. For the corresponding period in 2015 total cruise passengers was **142,139** hence this year's total was **7.2%** more. In April 2014, the total arrivals stood at **146,640**, this means that this year's total was **10.05%** less.

The January to April 2016 period saw **745,220** cruise passenger arrivals at the three major ports, an increase of **90,656** passengers or **13.8%** compared to the corresponding period last year.



## Stock Market Update

June 2016 Issue

On the last trading day in June 2016, for the period June 01, 2016 to June 30, 2016, the main JSE index advanced by **3,155.67 points** or **2.02%** to close at **159,717.44 points**. The JSE Combined Index advanced by **3,671.31 points** or **2.20%** to close at **170,807.02 points**. The JSE Junior advanced by **72.40 points** or **3.39%** to close at **2,208.16 points**. In contrast, once again, the JSE Cross Listed Index remained firm and closed the month at **499.06 points**.

Overall, the market activity for June resulted from trading in sixty-nine (**69**) stocks of which **35** advanced, **24** declined and **10** traded firm. In total **241,549,854.00 units** of stock were traded during the month, which had a total value of **J\$2,597,688,751.16**. This resulted in market capitalization of **J\$571,136,940,236.00 billion** as at end June 2016.

C2W Music Limited was the volume leader for the month with **55,005,189 units** amounting to **22.76%** of market volume. Second was Lasco Distributors Limited, which traded **20,909,115 units** amounting

to **8.65%** of the market volume. Next in line was Radio Jamaica Limited with a total of **19,408,212 units** amounting to **8.03%** of the market volume.

The top four advancing stocks for the month of June were the Montego Bay Ice Company Limited (**34.23%**), Jamaica Stock Exchange Limited (**20.19%**), Jamaica Producers Group Limited (**19.83%**) and Kingston Wharves Limited (**18.73%**). The top four declining stocks were, Pulse Investments Limited (**18.01%**), Cable Wireless Jamaica Limited (**17.36%**), 1834 Investments Limited (**11.10%**) and Mayberry Investments Limited (**11.25%**).

For the calendar year to date, the top four advancing stocks were Palace Amusement (1921) Company Limited (**90.11%**), Jamaica Producers Group Limited (**54.81%**), GraceKennedy Limited (**50.23%**) and Kingston Properties Limited (**41.84%**). Meanwhile, the top four declining stocks for the calendar year to date were 1834 Investments Limited (**22.31%**), Barita Investments Limited (**19.47%**), Seprod Limited (**18.57%**) and Mayberry Investments Limited (**18.39%**).

## Previous Highlights: May 2016 Summary

June 2016 Issue

- On Thursday, May 12, 2016, the Minister of Finance announced a \$580 billion budget and the new revenue measures to generate \$13.7 billion to help fund the budget. The government fulfilled their promise of increasing the income tax threshold to 1.5 million, however, this is to be done in two phases. On July 1, the threshold moved to \$ \$1,000, 272, and will move to \$1, 500,000 as of April 1, 2017. In the first phase, the estimated revenue loss for the government is 12.5 million. The revenue measures consist of: an increase of \$2 in special consumption tax on cigarettes from \$12 per stick to \$14 per stick, special consumption tax to be introduced on LNG and revision of heavy fuel oil regime, an increase in departure tax from US\$14 to US\$35, an increase in specific consumption tax on petrol by \$7 per litre and an increase from 25% to 30% in personal income tax on salaries over \$6 million per year.
- At the end of May 2016, the value of the Jamaica Dollar depreciated by J\$2.24 or 1.83% relative to the previous month to J\$124.69=US\$1.00. The Canadian dollar appreciated by J\$0.41 or 0.424% to J\$96.20 = CAD\$1.00 relative to April. The Great Britain pound depreciated by J\$5.2 or 2.98% relative to the previous month to end at J\$179.97 = GBP£1.00.
- Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.2% for the period May 2016 over April 2016. This is the first increase in the CPI since the start of the calendar year. The increase in the rate for May brought inflation for the calendar year to date to -1.4%. The increase in the rate for May 2016 over April 2016 brought inflation for Fiscal Year to May to -0.1%. The 12-month point to point rate at the end of May 2016 was 2.1%.
- Data for the month ending May 2016 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$264.26 billion (US\$2,304.72 million). This reflected a decrease of J\$3.574 billion (US\$32.18 million) relative to April 2016.
- The monetary base increased by J\$0.399 billion to J\$120.237 billion for May 2016 relative to April this year.
- On the last trading day in May 2016, for the period May 02, 2016 to May 31, 2016, the main JSE index advanced by 6,522.59 points or 4.35% to close at 156,561.77 points. The JSE Combined Index ad-

## Previous Highlights: May 2016 Summary

June 2016 Issue

- vanced by 6,777.75 points or 4.23% to close at 167,135.71 points. The JSE Junior advanced by 70.91 points or 3.43% to close at 2,135.76 points. In contrast, once again, the JSE Cross Listed Index remained firmed and closed the month at 499.06 points.
- Stopover tourist arrivals for March 2016 were 219,673. This month's total was 34,401 or 15.66% higher than the 185,272 in February this year. A total of 229,111 cruise passengers visited Jamaica in March 2016. This represented a 31,644 or 16.02% increase over the 197,467 recorded in the previous month.
  - There were price reductions observed in 19.05% (4) of the commodities monitored for May 2016. The price of crude oil index Brent increased in April 2016 as well as the WTI. The Brent moved up by 11.55% and the WTI increased by 14.38%. Natural gas increased by 1.05%. The IMF's Fuel Energy index increased by 11%, and the Food and Beverage Index increased by 4%. The all commodity price index increased by 6%.

ACP— Africa Caribbean Pacific States	Loan – Average Loan Rate
BM – Base Money	M – Monthly Percentage Change
BP — Basis Points	M2 – Money Supply
CaPRI— Caribbean Policy and Research Institute	MT – Million tonnes
CARICOM— Caribbean Community & Common Market	N/A – Not Available
CARIFORUM— CARICOM and Dominican Republic	NIR – Net International Reserves
CPI – Consumer Price Index	OMO – Open Market Operation
CSME— Caribbean Single Market & Economy	P – Point-to-Point Percentage Change
EC— European Commission	R – Revised
EPA—Economic Partnership Agreement	S – Stopover
EU—European Union	Save – Average Savings Deposit Rate
FX Dep – Foreign Exchange Deposit	T-bill – 6-month Treasury Bill Yield
JCB – Jamaica Conference Board	Tourism – Total Tourist Arrivals
JCC – Jamaica Chamber of Commerce	WATBY- weighted average Treasury bill yield
KMA — Kingston and Metropolitan Area	WTO—World Trade Organization
KSA—Kingston and St. Andrew	OECD—Organisation for Economic Co-operating and Development (membership of 30 major countries)
WTI — West Texas Intermediate (Spot Oil Price)	

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