



# Monthly Economic Bulletin

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## **The CEO'S Remarks**

The recently released JCC confidence numbers well known 5 in 4 statement. And if there is anyone shows that confidence among businesses and else who can achieve that it is Michael Lee-Chin. consumers remain high, even though there has been some reduction in the business confidence index. The fact is that businesses and consumers are more confident about their future prospects.

This is not surprising, as over the life of the IMF programme, Jamaica has managed to reduce its fiscal deficit, reduce the debt to GDP ratio, and bring some amount of macroeconomic stability. In addition legislative changes institutional and with strengthening combined has macroeconomic and fiscal achievements to provide a much better business environment and when businesses do better consumers benefit through increased employment and improved incomes.

With all of this, however, Jamaica is still recording relatively weak growth rates of just around 1 percent per annum, with the PIOJ projecting growth for the fiscal year at 1.3%.

the government, which has made it a priority and and has appointed the Economic Growth Council (EGC), impediments to capital. headed by the well respected Michael Lee-Chin. Mr. Lee-Chin has targeted growth of 5% in 4 years, the

The problem the EGC faces, however, is that growth of 5% cannot happen, on a sustainable basis, unless we address some of the structural issues with the economy. So just as we were able to reduce crime temporarily with the 2010 Tivoli incursion, the fact is that because of the structural issues, crime again increased and is back with a vengeance. Similarly what is more important than getting to 5% growth is sustaining it at levels around 5% for us to see any long term economic the improvement.

The fact is that no matter how hard a runner trains, if physically and mentally he does not have the capacity to run a 10 second 100 metre, then no amount of training will help until you work on the capacity to do that.

So as we seek to achieve 5% growth, it is important that we address the structural issues that impede growth and prosperity. These include long standing issues such The recognition for growth has not gone unnoticed as bureaucracy, uncompetitive tax environment, crime indiscipline, corruption, regulatory and

## **Economic Highlights July 2016**

 $\Diamond$ On July 26, 2016, the Jamaica Chamber of Commerce released the second quarter 2016 business and consumer confidence indices. The Business Confidence Index came down from its all time high for last quarter from 144.6 to 141.6 in the second quarter 2016 survey. This quarter's index significantly ahead of last year's 128.2. This is as a result of firms remaining more optimistic than in other surveys during the past 15 years with the exception of last quarter. The survey recorded that 64% of the proportion of firms expected an improved economy, the highest percentage recorded over 15 years of the survey. The survey also reflected that 74% of firms anticipate that their profits would improve during the year, the highest proportion recorded since the survey first began in 2001. Consumer Confidence Index was 155.6 in the second quarter survey, up from 147.9 in the prior quarter and above the 114.0 one year ago. In the previously recorded election periods in 2007 and 2012, post-election surges in the consumer confidence quickly faded as election gains were not fulfilled. However, this time, it is expected to be different as consumers' evaluation of the recent progress has pushed the current condition

index to a new all-time peak of 153.0 which is 18% above the first quarter of 2016 and 38% above last year's second quarter. The survey showed that consumers reported the most favorable evaluations of recent economic progress in the history of the survey.

- At the end of July 2016, the value of the Jamaica Dollar depreciated by J\$0.37 or 0.294% to J\$126.38=US\$1.00. In the dollar contrast. decreased in value relative to the Canadian dollar. The dollar depreciated by \$J0.17 or 0.1738% to end at J\$97.65=CAD\$1.00 The Canadian dollar appreciated by J\$0.62 or 0.156%. Like the Canadian dollar, the value of the Jamaica dollar went down by J\$13.61 or 7.60% in relation the Great Britain Pound. At the end of the month, the Jamaican dollar ended at GPB1.00=J\$\$165.52.
- Inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) increased by 0.5% for the period July 2016 over June 2016. The increase in the rate for July brought inflation for the calendar year to date to -0.1%. The increase in the rate for June 2016 over May 2016 brought inflation for the fiscal year to June to 1.2%. The 12 -month point to point rate at the end of July 2016

 $\Diamond$ 

## **Economic Highlights July 2016**

was 2.1%.

- Data for the month ending July 2016 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$273.98 billion (US\$2,389.49 million).
- The monetary base increased by J\$2.934 billion to J\$123.616 billion for July 2016 relative to June this year
- On the last trading day in July 2016, for the period July 01, 2016 to July 29, 2016, the main JSE index advanced by 104.52 points or 0.07% to close at 159,821.96 points. The JSE
   Combined Index advanced by 20.65 points or 0.01% to close at 170,827.67 points. The JSE Junior declined by 7.30 points or 0.33% to close at 2,200.86 points. In contrast, once again, the JSE Cross Listed Index remained firmed and closed the month at 499.06 points.
- For the month of April 2016 relative to the previous month, yields on the Government of Jamaica 30-day and 182-day treasury bills increased by 1bps and 16bps respectively. However, yields on 90-day treasury bills decreased by 2bps.
- ♦ The overall weighted average lending rate on

domestic currency loans decreased for April relative to March this year. The weighted average lending rate on domestic currency loans decreased by 6bps to end the month at 16.61%. The weighted average domestic interest rates on deposits for the month ending was 1.37%. For April this year foreign currency loan rate increased relative to March 2016. In this regard, the foreign currency loan rate increased by 5bps to 7.40%. Meanwhile, the interest rates on foreign currency deposits remained the same.

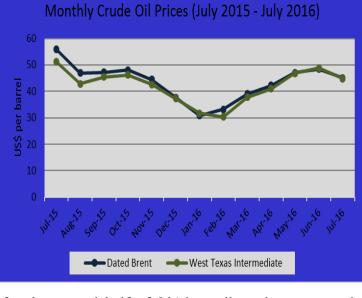
Stopover tourist arrivals for May 2016 were 167,884, and for January to May period, were 940,992. A total of 94,577 cruise passengers visited Jamaica in May 2016, and for January to May 2016 period saw 665,532 arrivals at the 3 major ports.

There were price reductions observed in 53.38% (11) of the commodities monitored for July 2016. The price of crude oil index Brent decreased in July 2016 as well as the WTI. The Brent moved down by 7.03% and the WTI increased by 7.92%. Natural gas increased by 8.56%. The IMF's Fuel Energy index decreased by 5.01%, and the Food and Beverage Index decreased by 2.1%. The all commodity price index increased by 2.43%.

#### **Crude Oil Prices**

For the month ending July 2016, both the average price of the Dated Brent and the West Texas Intermediate (WTI) decreased. The Brent ended the month of July at US\$45.07 per bbl. This represented a US\$3.41 or 7.03% decrease from the US\$48.48 per bbl recorded for the previous month. The West Texas Intermediate (WTI) ended the month at US\$44.89. This represented a US\$3.86 or 7.92% decrease relative to last month. A oneyear comparison of prices revealed that this year's price for the Brent is 19.33% or US\$10.8 per bbl lower. When compared to last year's price, this year's WTI price is 12.26% or US\$6.27 below. When compared to the price level two years ago both the Brent and WTI are 57.87% and 56.41% respectively below. The 5-year average of prices ranging from June 2011 to July 2016 for the Dated Brent and the West Texas Intermediate are US\$89.53 per bbl and US\$79.92 per bbl respectively. This month's price was 40% below the 5-year average of prices for the Brent and 43.83% for the WTI.

In presses release published on July 26, 2016 the World Bank announced that it is raising its 2016 forecast for crude oil prices to \$43 per barrel from \$41 per barrel due to supply outages and robust demand in the second quarter. This came as a result of leap in energy prices to almost 30 percent in the second quarter of 2016. Oil prices averaged \$47.70/ bbl in June, 37 percent above their first quarter average. According to Senior Economist and lead author of the Commodities Markets Outlook at the World Bank, slightly higher oil prices is expected

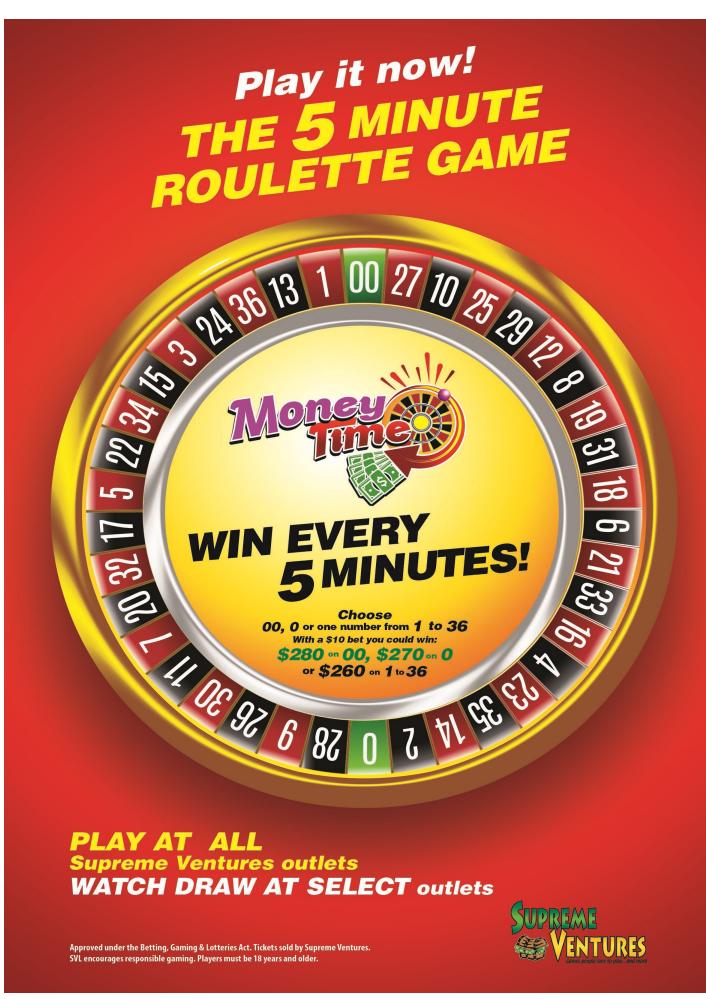


for the second half of 2016 as oil market oversupply diminishes. He continued by stating that inventories remain very large and will take some time to be drawn down."

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 July 2016, natural gas price increased relative June. The price for natural gas ended at US\$2.79 per million metric. This reflected an increase of US\$0.22 or 8.56% from US\$2.57 in June. In July 2015, natural gas per million metric was valued



#### Monthly Natural Gas Prices (July 2015 - July 2016) Monthly Soybean Oil (July 2015 - July 2016) 3 800 US\$ per metric tonne 700 2.5 US\$ per million metric 600 500 400 300 200 100 4-20-16 104.15 Decits Jan-16 Marilo APT-16 Mayilo 1417-26 octins AUBITS Sep.15 Feb-16 soybeans soybean meal soybean oil

price was US\$0.48 or 14.68% below

#### **Soybean Prices**

For the month ending July 2016, soybean price per metric tonne was US\$390.4. This represented a 7.32% or US\$30.83 decrease from June's value of US\$421.23 per metric tonne. In July this year, both average price of the soybean meal and soybean oil decreased. Soybean meal ended the month at US\$403.28 per metric tonne. This represented a decrease of US\$40.13 or 9.05%. At the end of July, the price per metric tonne for soybean oil stood at US\$669.86 representing a 4.80% or US\$33.74 At the end of July 2016, the average price of the Free decrease compared to the previous month. A one-year Market Sugar ended at US\$0.1969 cents per pound.

at US\$2.83 signifying that this year's price is comparison revealed that prices for soybean increased US\$0.04 or 1.413% lower. Similarly, a two-year by 4.84% or US\$18.05. This month soybean price comparison revealed that natural gas prices have was US\$72.83 or 15.72% lower than its price two decreased, this time by US\$1.22 or 30.42% per years ago. When compared to the corresponding million metric. The five-year average monthly price period last year the soybean meal price was US\$8.64 for natural gas ranging from June 2011 to July 2016 is or 2.189% above. However, soybean oil price was US\$3.27 per million metric, hence, this year's July below last year's price by US\$25.93 or 3.72%. A two -year comparison of prices for soybean meal and soybean oil revealed that they decreased by 10.58% and 17.69% respectively. The five-year average monthly price for soybean meal ranging from July 2011 to June 2016 is US\$424.479 per metric tonne, which means that July's price was US\$21.199 or 49.94% lower. The five-year average monthly price for soybean oil ranging from July 2011 to June 2016 is US\$917.12 per metric tonne, which means that July's price was US\$247.26 or 26.96% lower.

#### Sugar Prices

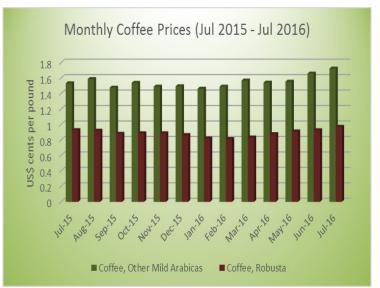
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## **International Commodity Prices**

This represented an increase of US\$0.0025 or 1.29% when compared to June 2016. For the US Sugar imports, the average price increased from US\$0.2739 in June to US\$0.2815 in July. This represented an increase of US\$0.0076 or 2.77% cents per pound. At the end of July 2016, the European Sugar imports ended the month at US\$0.2187 cents per pound. This represented a US\$0.0177 or 7.49% decrease compared to the previous month. For the period July 2016 relative to July 2015, the price of Free Market sugar increased by US\$0.0781 or 65.74% cents per pound. A oneyear comparison revealed that the price of the US Sugar imports has increased by US\$0.0348 or 14.11%, while the European sugar imports price has decreased by US\$0.04 or 15.46%. In July 2014 the price for the Free Market sugar was US\$0.1873 cents per pound, which means that this year's July price is US\$0.0096 or 5.126% higher. The price of the US sugar imports is US\$0.02 or 7.64% higher than the 2014 price while the price of the European Sugar imports is US\$0.0652 or 22.97% lower than the 2014 price. The 5-year average of prices ranging from July 2011 to June 2016 for the US imports and the European imports are US\$0.2646 cents per pound and US\$0.2607 cents per pound respectively. Hence, the price of US imports is above its long-term average by 6.376% while the European imports is below its average by 16.10%.

#### **Coffee Prices**

For the month ending July 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\$1.7235 cents per pound representing an increase of US\$1.7235 or 3.92%. A one-year comparison revealed that this month's price was US\$0.1906 or 12.43% higher than last year's July price. Robusta Coffee ended the month at US\$0.9698 cents per pound. This month's price is above the previous month's price by US\$0.0437 or 4.72%. A one-year comparison revealed that the price of coffee in the Robusta category has increased by US\$0.0427 or 4.606%. A two-year comparison revealed that prices have fallen by 13.21%





for coffee of the 'Other Mild Arabica's category and Cocoa Bean Prices by 9.559% for coffee in the Robusta category. The five-year average monthly prices ranging from July 2011 to June 2016 for Arabica and Robusta are US\$1.7985 and US\$1.0213 respectively. This implies that this year's July price for the Arabica was 4.17% lower than the average price and for the Robusta coffee it was 5.05% lower than its average price.

For the month ending July 2016, cocoa bean prices ended its four months increase. This time prices decreased by US\$72.54 per metric tonne or 2.32% to close at US\$3,049.98 per metric tonne. A one-year comparison revealed that this year's price is lower by US\$275.98 or 8.29%. A two-year price comparison showed that the July 2016 price for cocoa beans is lower by US\$146.06 or 4.57% than its price in July 2014. The five-year average of monthly prices ranging from July 2011 to June 2016 for cocoa bean is US\$2,782.07 per metric tonne, this means that this





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## **International Commodity Prices**

year's July price was US\$267.91 or 9.63% higher.

## **Orange Prices**

For the month ending July 2016, orange price increased for the fourth month in a row. This time prices increased to US\$967.76 per metric tonne. The month's price increased by 10.54% or US\$92.31 per metric tonne, relative to June. When compared to the same period in 2015, this year's price was US\$327.65 or 51.19% higher. A two-year comparison revealed that prices have risen by US\$184.72 or 24%. The five-year average monthly price ranging from July 2011 to June 2016 is US\$825.23, indicating that this month's price was US\$142.53 or 17% lower.

## **Banana Prices**

Banana prices for the month ending July 2016 increased to US\$1,004.67 per metric tonne. This

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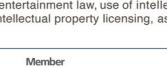
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#### 3,400.00 3,300.00 tonne 3,200.00 metric 3,100.00 3,000.00 per 2,900.00 2,800.00 JS\$ 2,700.00 2,600.00 Jul-15 Aug-15 Sep-15 Oct-15 Vov-15 Dec-15 lan-16 :eb-16 Mar-16 Apr-16

Monthly Cocoa Beans Prices (Jul 2015 - Jul 2016)



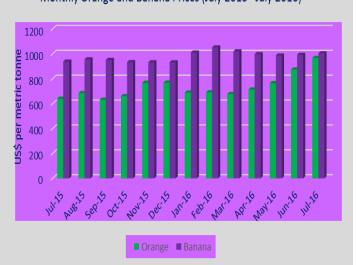
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represented an increase of US\$11.45 or 1.15% relative to the previous month. For July 2016 relative to July 2015, banana prices increased by US\$66.34 or 7.07% per metric tonne. A two-year comparison revealed that this year's price is above the July 2014 price of US\$930.82 per metric tonne by US\$73.85 or 7.93%. The five-year average monthly prices ranging from July 2011 to June 2016 is US\$956.84, this means that this year's price was US\$47.83 or 4.99% above.

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



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#### **Corn Prices**

For the month ending July 2016, corn prices decreased. Prices decreased by US\$18.11 or 10.07% relative to June, to close the month at US\$161.76 per metric tonne. This is the largest percentage decrease since October 2013. Between July 2015 and July 2016 prices decreased by US\$17.84 or 9.93%. A two-year price comparison showed that this year's price was US\$20.47 or 11.23% lower. The five-year monthly average for corn prices ranging from June 2011 to July 2016 is US\$229.14 per metric tonne, this means that this year's price was US\$67.3765 or 29.40% lower.

#### Wheat

In July 2016, wheat prices continued its four months decrease. This time prices decreased by US\$23.03 or 14.70% relative to June 2016 to end at US\$133.62 per metric tonne. This is the largest percentage decrease since February 2014. Relative to July 2015, prices

The Private Sector Organization of Jamaica, Carlton Alexander Building, 39 Hope Road Kingston 10 Jamaica Tel: 927-6238 Fax: 978-2709

have fallen by US\$65.58 or 32.92% per metric tonne. A two-year comparison of wheat prices showed that this year's July price was US\$104.91 or 43.98% below the July 2014's price. The average five-year monthly prices ranging from July 2011 to June 2016 is US\$256.57 per metric tonne, meaning that this year's July price was US\$122.952 or 47.92% below.

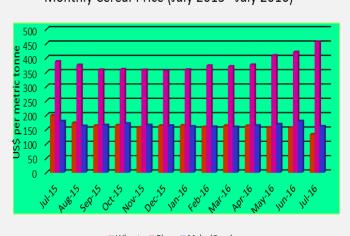
#### Rice

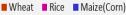
For the month ending July 2016 the price of the 5 percent broken milled white rice ended at US\$456.24 per metric tonne. This value was US\$35.56 or 8.45% above the US\$420.68 in June this year. In addition, this month's price is above the July 2015 price by US\$68.5 or 17.67%. A two-year comparison revealed that the commodity's price was US\$28.24 or 6.598% higher than its price in 2014. The five-year monthly price average for rice prices ranging from July 2011 to June 2016 is US\$478.45 per metric tonne, indicating that July price was US\$22.21 or 4.64% below the long term average.

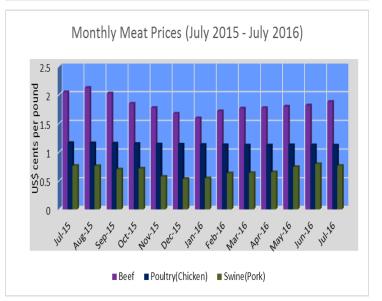
#### **Beef Prices**

In July 2016, the average price for beef increased for the sixth month in a row. Prices increased by US\$0.0629 or 3.47% when compared to June, to close at US\$1.8774 cents per pound. When compared to July 2015, prices have fallen by US\$0.1667 or 8.155% cents per pound. In July





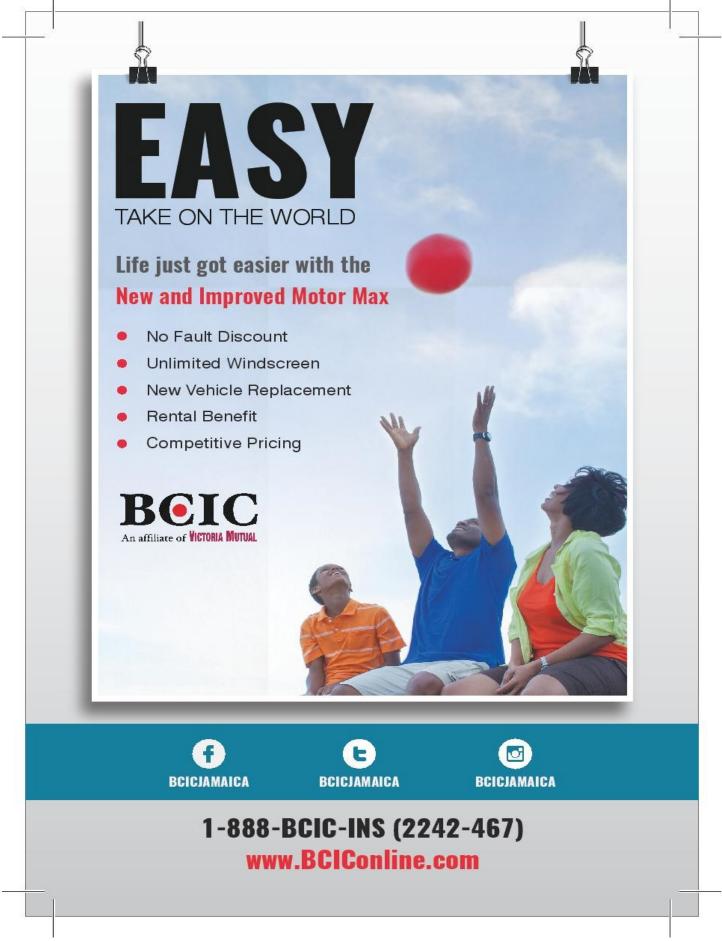




2014 prices were US\$2.275 cents per pound hence this year's price was US\$0.3976 or 17.48% below the 2014 price. The five-year average for prices ranging from July 2011 to June 2016 is US\$1.947 cents per pound indicating that this month's price was US\$0.0698 or 3.583% below.

#### **Swine (Pork) Prices**

For the month ending July 2016 the price of pork ended its six months increase. The price of pork was



US\$0.7601 cents per pound. This represented a US\$0.0304 or 3.85% decrease from June's price of US\$0.7905. When compared with July 2015, prices increased by US\$0.0006 or 0.079%. Prices are below the price level 2-years ago by US\$0.5266 or 40.93%. It is also below the 5-year average of US\$0.8383 for prices ranging from July 2011 to June 2016 by US\$0.0782 or 9.33%.

#### **Poultry Prices**

Chicken prices decrease for the month ending July 2016. At the end of the month chicken was valued at US\$1.1146 cents per pound, representing a decrease of US\$0.0038 or 0.34% from June. The price in July 2016 was approximately US\$0.0444 or 3.83% lower than the July 2015 price. In July 2014, the price for poultry was US\$1.126 cents per pound, indicating that this year's price was US\$0.0114 or 1.012% lower. The average monthly price ranging from July 2011 to June 2016 is US\$1.047 cents per pound, this means that this year's price was US\$0.068 or 6.50% more.

#### **Aluminum Prices**

The price of aluminum increased in July relative to June this year. Prices increased by US\$35.54 or 2.23% to end the month at US\$1,629.05 per metric tonne. For July 2016 relative to July 2015, prices decreased by US\$10.45 or 0.6374% per metric tonne. A two-year comparison revealed that this year's price was US\$319.25 or 16% below the price for the corresponding period in 2014. The five-year average for monthly prices ranging from July 2011 to June 2016 for aluminum is US\$1,859.38 per metric tonne, this means that this year's July price



was US\$230.33 or 12.39% lower.

#### Impact of global prices on Jamaica

There were prices reductions observed in 53.38% (11) of the commodities monitored for July 2016. The price of crude oil index Brent decreased in July 2016 as well as the WTI. The Brent moved down by 7.03% and the WTI increased by 7.92%. Natural gas increased by 8.56%. The IMF's Fuel Energy index decreased by 5.01%, and the Food and Beverage Index decreased by 2.1%. The all commodity price index increased by 2.43%.

The Food and Agriculture Organization of the United Nations (FAO) Food Price Index averaged 161.9 points in July 2016, 1.3 points (0.8%) below June and 1.4 percent below the corresponding month last year. The modest decline in July that followed five consecutive monthly increases was largely caused by drops in international quotations of grains and vegetable oils, more than offsetting firmer dairy, meat and sugar prices. The FAO Cereal Price Index averaged 148.1 points in July, down 8.8 points (5.6%) from June and 11 percent below the July 2015 level. Among the major

cereals, maize values dropped sharply as weather 2.7 points (1.0%) from June. International sugar conditions in the key growing regions of the United prices were largely influenced by movements in the States proved more favourable than was predicted. Brazilian currency, which strengthened against the Wheat prices also fell in July mainly on very large United States dollar. In the World Bank's world supplies. By contrast, rice prices strengthened Commodity Markets Outlook Quarterly Report, it somewhat, as dwindling availabilities underpinned was stated that all main commodity price indexes are Basmati and long-grain quotations. The FAO Meat expected to decline in 2016 due to large supplies Price Index averaged 159.9 points in July, 2.0 points (1.3%) higher than its revised June value. Notable growth prospects in developments include a shortage of pigs for slaughter developing economies. and lighter slaughter weights in the EU. The FAO Sugar Price Index averaged 278.7 points in July, up

and, in the case of industrial commodities, weak emerging market and

Commodity	Unit	June Price	July Price	Monthly Change %
Aluminum	Metric tonne	593.5	1629.05	2.23
Bananas	Metric tonne	<b>99</b> 3.22	1004.67	1.15
Beef	Pound	1.8145	1.8774	3.47
Cocoa Beans	Metric tonne	3122.52	3049.98	-2.32
Coffee-Arabicas	Pound	1.6585	1.7235	3.92
Coffee-Robusta	Pound	0.9261	0.9696	4.72
Com-Maize	Metric tonne	179.87	161.76	-10.07
Natural gas	MMBTU	2.57	2.79	8.56
Crude Brent	Barrel	48.48	45.07	-7.03
Crude West Texas Intermediate	Barrel	48.75	44.89	-7.92
Oranges	Metric tonne	875.45	967.76	10.57
Pork (Swine)	Pound	0.7895	0.7601	- 3.85
Poultry	Pound	1.1184	1.1146	-0.34
Rice	Metric tonne	417.59	456.24	8.45
Soybean	Metric tonne	421.23	390.4	-7.32
Soybean meal	Metric tonne	443.41	403.28	- 9.05
Soybean oil	Metric tonne	703.6	669.86	-4.8
Sugar (free market)	Pound	0.1944	0. 1969	l.29
Sugar US ( Import)	Pound	0.2739	0.2815	2.77
Sugar European (Import)	Pound	0.2364	0.2187	-7.49
Wheat	Metric tonne	156.65	133.62	- 14.7

#### July 2016 Issue

20-Jan-2016	TADE	. Near Tern (In V	U.S. Dollars)		LID C												
	_	Actual							P	rojections							
Comm odities	Units	2014O1	2014O2	2014O3	201404	201501	2015/02	201503	201504	2016O1	2016O2	201603	201604	201701	2017O2	2017/03	201704
lood																	
Cereals Wheat	\$MI	248.8	2743	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	\$MI \$MI	210.1	213.9	173.9	173.5	174.2	168.4	169.4	162.5	156.6	1/4.8	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	1389	122.8
Vegetable oils and protein meals		400.0		621.0	270.0	202.0	2010	242.4	222.2	201.4	222.4	202.4	224.0	204.4	222.0	222.0	202.0
Soybeans Soybean me al	\$MI \$MI	498.3 493.3	540.4 531.9	421.7 436.0	370.9 406.7	363.9 372.7	354.6 348.0	347.6 369.3	323.3 320.8	321.6 297.1	321.4 300.2	323.6 304.9	324.2 307.3	326.5 310.1	328.0 311.5	3289 312.7	325.7 312.3
Soybean oil	\$MI \$MI	877.9	899.7	757.1	716.1	696.4	715.4	638.3	638.6	656.3	661.8	668.3	669.9	677.6	683.2	687.2	682.4
Pah 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	1085.6
Surflower 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
Olive oil Groundruts	\$/MT \$/MT	3599.0 2377.3	3663.5 222.8.8	4122.1 2045.8	4262.5 1940.1	4568.3 2016.8	4865.3 2023.4	5616.4 2012.9	4658.4 1731.8	4190.4 1656.9	4200.0 161.6.7	4248.3 1576.3	4290.2 1535.9	4342.4 1634.4	4352.4 1594.7	4402.4 1554.8	4445.8
Rape seed oil	\$MI \$MI	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
Meat	cts/fb																
Beef	cts/ĭb	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	719	73.8	60.5	53.1	522	520	49.5	48.2	47.4	47.1	44.9
Poultry Seafood	cts/îb	104.7	109.0	113.0	113.9	114.0	115.6	115.5	113.6	113.1	117.5	120.1	1184	120.6	125.3	128.1	126.3
Salmon	Skg	7.8	6.9	5.9	5.8	5.6	5.1	53	5.3	5.8	5.4	5.4	5.0	51	4.7	47	45
Shrimp	\$1b	17.1	17.8	17.0	143	15.7	15.7	15.0	10.0	10.1	9.4	9.3	9.8	9.5	8.8	87	9.2
Sugar																	
Free market	cts/fb	16.8	182	17.7	15.8	14.1	126	11.6	14.7	14.3	13.9	13.7	13.8	14.2	13.9	13.7	13.6
United States EU	cts/lb cts/lb	22.4 27.5	25.3 28.0	26.5 27.8	25.3 263	24.8 25.2	24.6 25.5	24.5 25.8	25.5 25.3	25.8 25.0	25.9 25.0	26.0 25.0	26.0 25.0	25.5 25.2	25.6 25.2	25.6 25.2	25.5 25.2
Bananas	SMI	947.1	929.2	939.3	911.9	974.8	978.4	948.9	932.7	932.3	9213	900.7	891.1	897.7	887.1	867.3	858.0
Oranges	\$MI	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
Beverages																	
Coffee																	
Other milds	cts/b cts/b	175.8 102.0	213.7 107.9	208.4	213.5 106.6	177.0 101.4	161.0 96.7	153.2 90.9	150.8 87.9	132.2 61.5	113.9 63.5	117.0 65.6	120.6 67.3	123.1 68.8	124.6 70.2	126.6 71.4	128.6 72.4
Robusta Cocoa Beans	S/MT	2951.3	3085.0	3229.2	2985.6	2918.5	3068.1	3252.8	3301.5	2931.0	2863.5	2863.8	2833.2	2813.8	2813.6	28110	2802.3
Tea	cts/kg	247.9	222.2	233.7	247.6	291.2	320.1	387.2	368.0	343.5	343.5	355.1	364.8	345.9	345.9	357.6	367.4
Agricultural rawmaterials																	
Timber																	
Hardwood								-									254.6
Logs Sawnwood	\$M3 \$M3	289.8 901.9	291.5 917.3	286.5 910.0	260.4 862.6	249.9 826.2	245.4 834.8	243.6 844.9	245.2 827.1	244.6 816.8	244.6 809.3	244.6 817.6	244.6 853.1	254.6 824.6	254.6 817.0	254.6 825.4	254.6 861.2
Softwood	41410	501.5	517.5	510.0	002.0	620.2	604.6	0115	027.1	010.0	005.5	011.0	000.1	0240	017.0	92.5.4	0011
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/îb	94.0	92.6	77.1	68.7	68.8	723	71.0	69.5	62.0	623	62.6	62.0	63.0	63.3	63.5	63.6
Wool Fine	ete den	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 cts/kg	1083.6	1058.0	1008.1	954.3	947.8 887.7	962.7	999.7	990.8 898.9	909.9	888.9	859.0	809.5	760.3	742.7	717.7	676.4
Rubber	cts/fb	102.1	96.1	83.4	73.5	78.6	81.2	66.1	57.0	57.2	589	59.7	60.4	61.0	62.0	62.2	62.0
Hides	cts/ĭb	107.6	109.8	110.8	112.7	105.8	96.8	76.1	71.7	70.0	715	72.2	74.5	77.7	79.3	80.1	82.7
Vietals																	
Copper	\$MI SAIT	7030.2	6795.3	6995.8	6632.3	5833.2	6056.6	5267.1 1500.4	4884.9	4384.1	4357.5	4354.5	4352.0	4351.0	4351.0	4351.0	4351.0
Ataminan Iron Ore	\$MI \$MI	1709.3 120.4	1800.2 102.6	1989.7 90.3	1970.4 74.0	1802.1 62.3	1770.3 57.9	1592.4 54.4	1493.9 46.2	1468.9 39.9	1471.3 36.3	1479.5 34.3	1487.9 33.0	1496.9 32.2	1507.8 32.1	1518.5 32.1	1529.1 32.1
Tin	\$MI	22636.3	23146.2	21915.2	19897.9	18370.0	15589.8	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	18584.2	15860.5	14392.8	13055.8	10578.9	9423.0	8520.8	8562.0	8598.0	8631.7	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	16127	1615.8	1619.8	1624.5	1629.8	1635.1	1641.0
Uranism	\$/fb	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	315	36.1
Energy Spot Crude 1/	Sibbi	103.7	1063	100.4	74.5	51.7	60.4	48.8	42.2	27.0	289	31.0	32.7	34.1	35.4	364	37.4
Natural Gas		100.7	1005	100.7		51.7	00.4	-10.0	12.2	21.0	205	510	32.7		20.4	504	
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	161	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	29	27	27	21	2.2	23	24	26	2.8	2.6	27	28
Coal Australian, export markets	\$/MI	82.6	77.9	72.7	67.4	65.6	63.2	61.6	56.1	56.0	525	45.7	48.9	56.8	53.2	47,4	49.6
Auditatati, expert tildthef8	9/1/11	82.0	11.9	121	07.4	0.0	05.2	010	20.1	30.0	525	40.7	40.9	20.0	20.2	47.4	45(0

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

The Private Sector Organization of Jamaica, Carlton Alexander Building, 39 Hope Road Kingston 10 Jamaica Tel: 927-6238 Fax: 978-2709

Actual prices through 20-Jan-2016	Т	able 2. Med	lium Term C (In U.S. Dol	-	rice Baselin	2								
Commodities	Units	2009A1	2010A1	2011A1	2012A1	2013A1	2014A1	2015A1	2016A1	2017A1	2018A1	2019A1	2020A1	2021A1
					Actual					1	Projections			
Food Cereals														
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	589.4	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
Vegetable oils and protein meals														
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 mea1 Soybean oil	\$/MT \$/MT	359.3 787.0	331.3 924.8	378.9 1215.8	473.3 1151.8	477.3 1011.1	467.0 812.7	352.7 672.2	302.4 664.1	311.6 682.6	314.9 681.0	316.9 681.0	316.9 681.0	316.9 681.0
Paim 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
Meat		110.6	152.5	183.2	107.0	183.6	224.1	200.5	160.0	152.2	152.0	160.0	152.2	162.0
Beef Lamb	cts/bi cts/bi	119.6 146.9	152.5 145.7	183.2 149.2	187.9 100.9	183.6 106.7	224.1 130.6	200.5	158.3 96.3	152.2	152.2 98.4	152.2 97.7	152.2 97.1	152.2 96.2
Swine Meat	cts/b	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/fb	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
Seafood														
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	\$/1b	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
Sugar														
Free market	cts/b	18.2	20.9	26.2	21.4	17.7	17.1 24.9	13.2 24.9	13.9	13.9 25.6	13.6 25.5	14.5	14.5	14.5
United States EU	cts/1b cts/1b	24.3 26.0	31.1 25.7	37.6 26.7	28.9 26.4	21.2 26.0	24.9	24.9	25.9 25.0	25.0	25.2	24.8 25.2	24.7 25.2	23.8 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
Beverages														
Caffee														
Other milds	cts/1b	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/1b	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 Tea	\$/MT	2895.0	3130.6	2978.5 346.2	2377.1 348.9	2439.1	3062.8	3135.2	2872.9	2810.2	2760.0 354.2	2660.7	2557.4 354.2	2458.1
Agricultural raw materials	cts/kg	314.0	316.7	340.2	348.9	266.0	237.9	340.4	351.7	354.2	304.2	354.2	304.2	354.2
Timber														
Hardwood														
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
Softwood														
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 Cotton	\$/M3 cts/b	291.0 62.8	281.8 103.5	280.9 154.6	284.7 89.2	301.4 90.4	307.3 83.1	311.0 70.4	317.3 62.2	311.0 63.3	309.0 62.9	304.6 62.6	301.3 54.2	298.3 46.3
Wool	CB/ID	02.8	105.5	134.0	69.2	90.4	63.1	/0.4	02.2	05.5	02.9	02.0	34.2	+0.5
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/b	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/1b	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
Metals														
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
Atuminum Iron Ore	\$/MT \$/MT	1669.2 80.0	2173.0 146.7	2400.6 167.8	2022.8 128.5	1846.7 135.4	1867.4 96.8	1664.7 55.2	1476.9 35.9	1513.1 32.1	1562.9 31.6	1625.4 35.9	1694.3 35.9	1751.7 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	15030.0	16893.4	11862.6	8578.1	8705.2	8810.8	8900.8	8970.8	9017.0
Zinc	\$/MT	1658.4	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	1632.6	1659.3	1697.2	1735.0	1754.5
Uranium	\$/1b	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
Energy														
Spot Crude 1/	\$/bb1	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
Natural Gas Russian in Germany	\$/MMBTU	8.9	8.2	10.6	12.0	11.2	10.5	73	5.8	5.8	5.8	5.8	5.8	5.8
Indonesian in Japan (LNG)	\$/MMBTU	7.5	9.4	10.0	12.0	11.2	10.5	10.9	5.8 9.5	9.5	9.5	2.8 9.5	9.5	5.8 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
Coal														
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.

The Private Sector Organization of Jamaica, Carlton Alexander Building, 39 Hope Road Kingston 10 Jamaica Tel: 927-6238 Fax: 978-2709

## **Monthly Inflation Rate and Treasury Bill Rates**

#### **Monthly Inflation Rate**

Inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) increased by **0.5%** for the period July 2016 over June 2016. The increase in the rate for July brought inflation for the calendar year to date to **-0.1%**. The increase in the rate for June 2016 over May 2016 brought inflation for fiscal year to June to **1.2%**. The 12-month point to point rate at the end of July 2016 was **2.1%**.

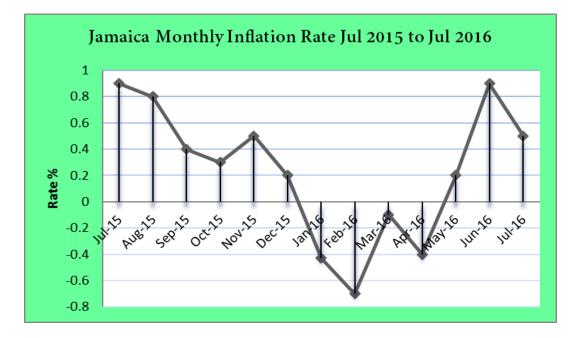
According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by an increase of 2.7% in the division Housing, Water, Electricity, Gas and Other Fuels. Electricity, Gas and Other Fuels increased by 4.6%, Water Supply and Miscellaneous Services Related to Dwelling increased by 2.8% and 'Food and Non-Alcoholic Beverages increased by 0.3%. Minor increases were seem in the division of Alcoholic Beverages and Tobacco of 0.3%, Clothing and Footwear of 0.1%, Health of 0.2%, Transport of 0.1%, Recreation and

Culture of 0.2% and Miscellaneous Goods and Services of 0.2%.

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 (GKMA), Other Urban Centers (OUC) and Rural Areas all increased by 0.5%.

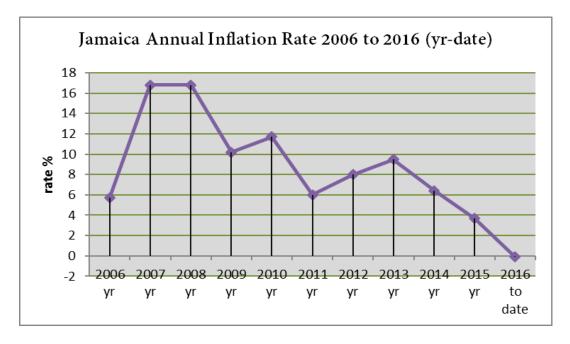
#### **Treasury Bill Rate**

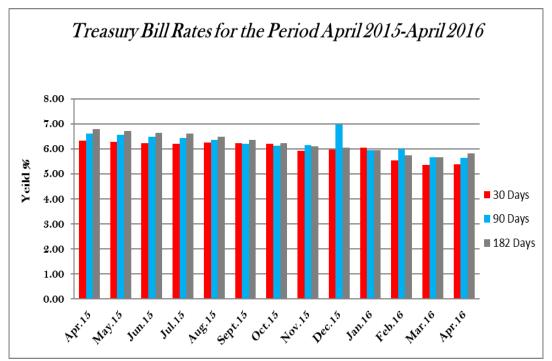
For the month of April 2016 relative to the previous month, yields on the Government of Jamaica 30-day and 182-day treasury bills increased by **1bps** and **16bps** respectively. However, yields on 90-day treasury bills decreased by **2bps**. For the period April 2016 in comparison to April 2015, yields on GOJ treasury bills recorded a decreases of **97bps**, **96bps** and **97bps** for the 30-day, 90-day and 182-day treasury bills respectively. Similarly, a two-year comparison showed decreases in the rate of **289bps**, **338bps**, and



## **Monthly Inflation Rate and Treasury Bill Rates**

**239bps** on the yields of the 30-day, 90-day, and 182 -day.



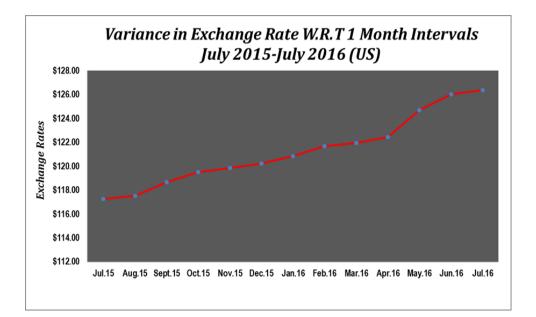


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## **Monthly Exchange Rates Update**

#### JMD:USD

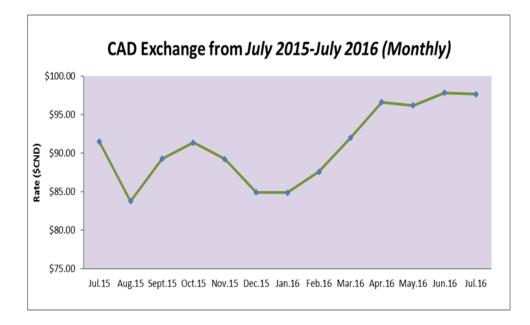
In an analysis of the exchange rates over the period June 2016 to July 2016, the monthly average value of the Jamaican dollar depreciated by **\$0.37 or 0.294%** relative to the US dollar. As a result, the exchange rate progressed to settle at **US\$1.00=J\$126.38**. A one-year comparison revealed depreciation in the currency ratio of **J\$9.1**, resulting in an overall increase in the value of the \$US by **7.759%**. 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 **\$J13.72** (percentage increase of **12.17**).



#### JMD:CAD

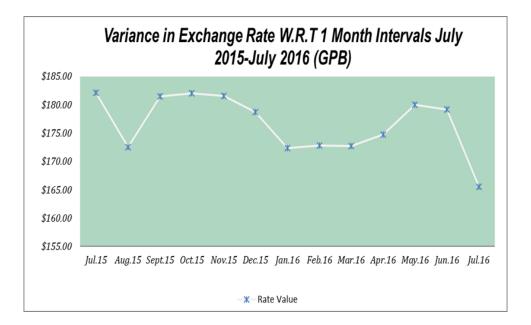
In relation to the exchange rate recorded for the month of July 2016, calculations accentuated the fact that the Jamaican dollar appreciated by **0.1738%** (**\$J0.17**) relative to the previous month, June to end at J\$97.65=CAD\$1.00 . The exchange rate of July 2016 was further set side by side with the rate 1 year earlier (July 2015) which revealed that the value of the Jamaican dollar slid by **\$J6.17** or **6.744%**. Furthermore, calculations comparing the exchange rate values for July 2016 and July 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 **\$J7.9** (depreciation of **7.485%**).

## **Monthly Exchange Rates Update**



#### JMD:GBP

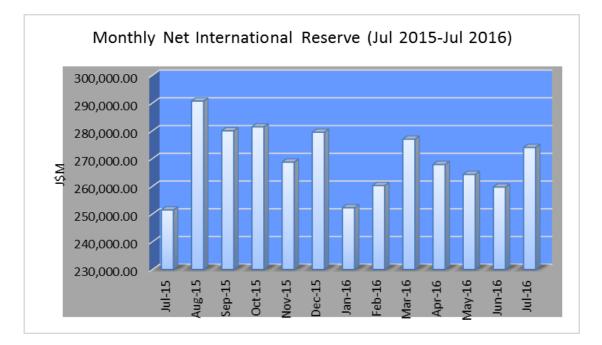
The exchange rate's monthly variance of **J\$13.61** was seen to exist within the boundaries of June 2016 and July 2016, this indicates that the Jamaican dollar appreciated by some **7.60%**. The exchange rate was then GPB1.00=J\$\$165.52 in comparison to the previous GPB1.00=J\$\$179.13. The annual comparison of the exchange rates for the months July 2015 and July 2016 revealed that the Jamaican dollar depreciated in such a way that there was a decrease in the price of the \$GPB equal to **J\$16.56** (**9.095%**). Further investigation of the exchange rate extending to July 2014 showed that the cost of the Pound decreased by \$**J26.88** or **13.97%**.



## **Net International Reserves & Money Base**

#### **Net International Reserves**

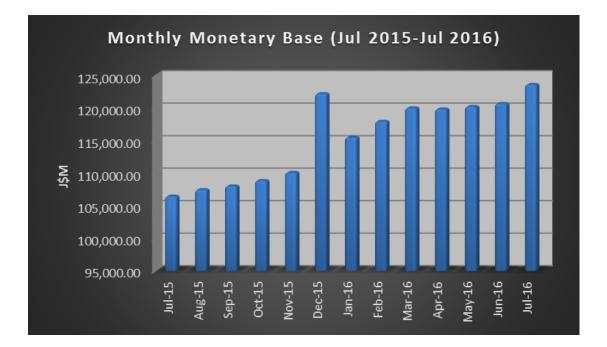
Data for the month ending July 2016 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J\$273.98** billion (**U\$\$2,389.49** million). This reflected an increase of **J\$14.259** billion (**U\$\$124.37** million) relative to June 2016. The change in the NIR for the month was due to an increase in foreign assets, aided by a decrease in foreign liabilities. Under the category of foreign asset, all three sources increased. Currency and Deposits increased by **U\$\$106.35** million, Securities increased **U\$\$6.16** million and SDR & IMF Reserve Position increased by US\$9.78 million, to end the month with a total foreign asset of US2,942.19 million. This represented a total increase of US\$122.29 million. Under foreign liabilities, IMF expenditures decreased while Other expenses remained unchanged; Payments to IMF decreased by US\$2.08 million which was the total decrease in foreign liabilities. Foreign liabilities at the end of July 2016 was US\$552.70 million At the end of July, the gross reserves were sufficient to finance 34.07 weeks of goods imports which represented 22.07 weeks over the international benchmark of 12 weeks of goods imports.



## **Net International Reserves & Money Base**

#### **Monetary Base**

The monetary base increased by **J\$2.934** billion to **J\$123.616** billion for July 2016 relative to June this year. The change in the base reflected increases in the Commercial Banks' Statutory Reserves, the Commercial Banks' Current Account, and the Net Currency Issue. Commercial Banks' Statutory Reserves increased by **J\$0.248** billion to end at **J\$40.614** billion and the Commercial Banks' Current Account increased by **J\$0.609** billion to a total of **J\$1.188** billion. The largest increase was seen in the Net Currency Issue with an increase of **J\$2.076** billion to a total of **J\$1.813** billion.



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## **Remittance Inflow Update**

At the end of March 2016, gross remittance inflows were US\$196.9 million. This represented an increase of 9.33% or US\$16.8 million relative to the US\$180.1 million recorded February. When compared to the corresponding month of the previous year gross remittance increased by US\$2.8 million or 1.5%. For March 2016, net remittances were US\$177.0 million reflecting an increase of US\$15.9 million or 9.87% relative to February this year. When compared to the corresponding period of 2015, net remittances increased by US\$2.6 million or 1.5%. Total net remittances for January to March this year were US\$476.1 million, which represented a growth of US\$5.2 million or 1.1% relative to the corresponding period of 2015. Total remittance inflows for the first quarter of 2016 was US\$537.3 million, representing an increase of

US9.2 million or 1.7% relative to the previous year. These inflows were above the average of US\$504.1 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\$10.0 million or 2.2% inflows through remittance companies and a decrease of US\$0.9 million or 1.1% in Other Remittances.

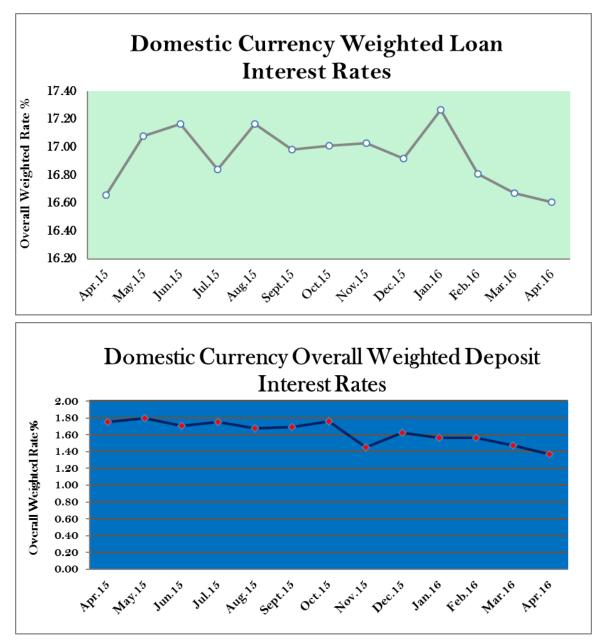
For the fiscal year 2015/16 to March, total remittance inflows increased by **\$64.9 million** or **3.0%** to **US\$2 235.2 million** relative to the corresponding period of last year. Net remittances inflows also increased for the fiscal year 2015/16 to March relative to last year. Net remittance inflow rose by **US\$60.4 million** or **3.1%** to **US\$1 998.4 million** relative to the corresponding period of the last fiscal year.

	J	AMAICA'S REMITTANC	ES	
		(US\$MN)		
	2015 March	2016 March	Change	% Change
Total Remittance Inflows	194	196.9	2.8	1.5
Remittance Companies	166.4	171.9	5.6	3.3
Other Remittances	27.7	25	-2.7	-9.8
Total Remittance Outflows	19.6	19.8	0.2	1.1
	17.0	17.0	0,2	1.1
Net Remittances	174.4	177	2.6	1.5

## **Interest Rates**

The overall weighted average lending rate on domestic currency loans decreased for April relative to March this year. The lending rate has been decreasing since the start of 2016. The weighted average lending rate on domestic currency loans decreased by **6bps** to end the month at **16.61%** 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 Central Government of **544bps**, in Instalment Credit of **16bps**, in Mortgage Credit of **4bps** and in Personal Credit of **1bps**. The impact of these decreases was partially offset by increases in Local Government & Other Public Entities and Commercial Credit of **16bps** and **7bps** respectively.

Meanwhile, the weighted average domestic interest rates on deposits for the month ending was **1.37%**. This represented a decrease of **10bps** relative to March.



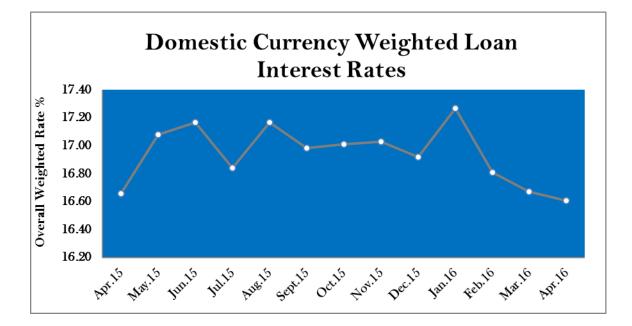
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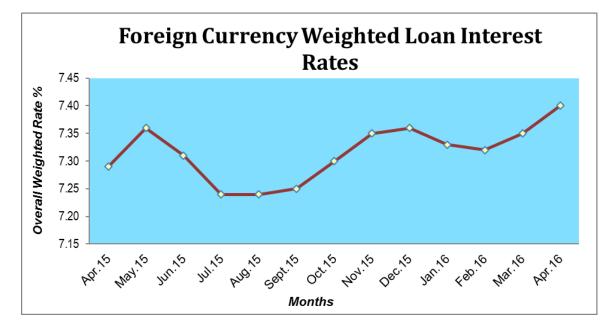
## **Interest Rates**

#### July 2016 Issue

For April this year foreign currency loans rate increased relative to March 2016. In this regard, the foreign currency loan rate increased by **5bps** to **7.40%**. Of the loan types; two increased, two decreased while one remain the same. Increases occurred in Personal Credit of **10bps** and Local Government & Other Public Entities of **15bps**. Decreases were recorded in Instalment Credit and Mortgage Credit by **2bps** and **1bps** respectively. While Commercial Credit remained the same .

Meanwhile the interest rates on foreign currency deposits remained the same for April relative to March this year at **1.66%**.





## Tourism

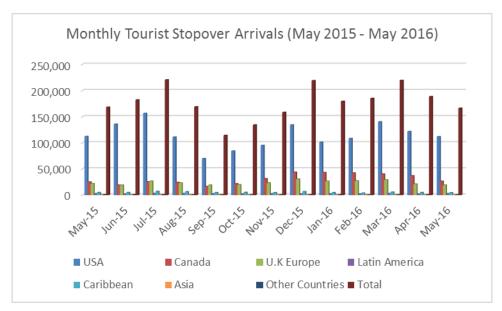
Stopover tourist arrivals for May 2016 were 167,884. This month's total was 20,720 or 10.99% lower than the 188,604 in April this year. May's total represents a decline of 0.3% compared to the 168,347 recorded in May last year. In 2014 total stopovers for the corresponding period was 166,249, hence this year's May total was 1,635 or 0.97% less. For the January to May period, arrivals increased by 1.7%, with 940,992 stopovers compared to 924,810 in 2015.

For May 2016, the changes reflected in the total stopovers observed for the seven categories of destination varied. Out of the seven categories, four recorded increase in numbers while three recorded decreases when compared to May 2015. The largest percentage increases were reflected in the stopovers from Other Countries, the United States, and Canada with **1.4%**, **1.0%**, and **1.0%** respectively. Of the Other Countries, once again Australia provided the most stopover arrivals to Jamaica, with 1,196 visitors in 2016 compared to 1,084 in 2015. The other category which reflected

Stopover tourist arrivals for May 2016 were an increase in stopovers was the Caribbean with 0.4%.

These increases were significantly offset by decreases in arrivals from Latin America, Asia, and the Europe. Stopover arrivals decreased by 23.5%, 21.1% and 4.2% for the Latin America, Asia, and the Europe respectively. The market share for stopover visitors for the January to May 2016 was as follows: The USA 62.2%; Canada 20.0%; the UK 8.8%; Continental Europe 4.6%, the Caribbean 2.6%; and the others, including Latin America and Asia 1.9%.

A total of **94,577** cruise passengers visited Jamaica in May 2016. This represented a **37,321** or **28.29%** overall decrease compared to the **131,898** recorded in the previous month. For the corresponding period in 2015 total cruise passengers was **87,707** hence this year's total was **7.8%** more. In April 2014, the total arrivals stood at **76,865**, this means that this year's total was **23.04%** less. The January to May 2016 period saw **665,532** cruise passenger arrivals at the three major ports, an increase of **4.4%** compared to the corresponding period last year.



The Private Sector Organization of Jamaica, Carlton Alexander Building, 39 Hope Road Kingston 10 Jamaica Tel: 927-6238 Fax: 978-2709

## **Stock Market Update**

On the last trading day in July 2016, for the period July 01, 2016 to July 29, 2016, the main JSE index advanced by **104.52 points** or **0.07%** to close at **159,821.96 points**. The JSE Combined Index advanced by **20.65 points** or **0.01%** to close at **170,827.67 points**. The JSE Junior decline by **7.30 points** or **0.33%** to close at **2,200.86 points**. In contrast, once again, the JSE Cross Listed Index remained firmed and closed the month at **499.06** points.

Overall, the market activity for July resulted from trading in thirty-four (34) stocks of which 16 advanced, 13 declined and 5 traded firm. In total 61,147,647.00 units of stock were traded during the month, which had a total value of J\$912,503,719.17. This resulted in market capitalization of J\$574,905,223,802.00 billion as at end July 2016.

Jamaica Broilers Group was the volume leader for the month with **18,583,823 units** amounting to **22.76%** of market volume. Second was Cable & Wireless Jamaica Limited, which traded **5,492,890 units** amounting to **8.98%** of the market volume.

Next in line was Jamaica Money Market Brokers Ltd with a total of **5,471,229 units** amounting to **8.95%** of the market volume.

The top four advancing stocks for the month of July were the Pulse Investments Limited (50.98%), 1834 Investments Limited (37.62%), Kingston Wharves Limited (10.64%) and Caribbean Cement Company Limited (5.79%). The top four declining stocks were, Barita Investments Limited (16.99%), Radio Jamaica Limited (15.34%), Mayberry Investments Limited (13.52%) and Jamaica Stock Exchange Limited (10.00%).

For the calendar year to date, the top four advancing stocks were Palace Amusement (1921) Company Limited (90.11%), Jamaica Producers Group Limited (55.42%), GraceKennedy Limited (53.85%) and Berger Paints (Jamaica) Limited (41.84%). Meanwhile, the top four declining stocks for the calendar year to date were Barita Investments Limited (33.16%), Mayberry Investments Limited (29.43%),Seprod Limited (17.14%) and Cable Wireless Jamaica Limited (16.67%).

July 2016 Issue

## **Previous Highlights: June 2016 Summary**

- On the 12th of July the PSOJ and JMMB held the tenth annual PSOJ Economic Forum under 2. the theme Developing Beyond the IMF. There were five presenters, for the forum, which included Professor Densil Williams (Mona 3. School of Business & Management), followed by a panel, which included : Jermaine Burrell (JMMB), Sandra Samuels-Reid (WBO), and 4. Dennis Chung (PSOJ). This was followed by the keynote speaker, German Galvan from McCinsey. Each made suggestions of what is 5. 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 survev 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.

 Increasing access to finance by increasing banking sector competition and reforming • financial sector taxation.

- Downsizing the public sector through by improve ing efficiency and reallocating some public func tions to the private sector.
- Cutting bureaucracy at all levels of government to aid the business climate and to strengthen produc tivity and competitiveness.
- Implementing labor market reforms that strengthen the link between pay and performance and increase labor market dynamism.
- 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 GPB1.00=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 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%.
- Data for the month ending June 2016 revealed that

## **Previous Highlights: June 2016 Summary**

July 2016 Issue

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%.

#### July 2016 Issue

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 Develo
WTI — West Texas Intermediate (Spot Oil Price)	ment (membership of 30 major countries)

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#### The Private Sector Organization of Jamaica, 39 Hope Road, Kingston 10

Tel: 927-6238/6958 Fax: 978-2709 Email: Web site: http://www.psoj.org

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