THE PRIVATE SECTOR
PSOJ
ORGANISATION OF JAMAICA

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Inside This Issue

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The CEO'S Remarks

2015 has already started with some amount of optimism, following on the heels of the improved ranking in the Doing Business Report and the rating by Forbes Magazine of Jamaica being the best place in the Caribbean to dos business, we have seen higher levels of consumer and business confidence, as measured by the JCC commissioned confidence survey.

The improved expectations for 2015, is as a result of a number of factors, which include:

- Continued performance under the economic programme, and 6th IMF test passed with an expectation that we will pass the next one in March 2015
- Major projects are expected to take place this year, including KWL expansion, highway construction, energy investments among others
- Improved confidence results
- Crime trending down last year, even though there has been an upsurge at the start of this year
- Inflation has been reducing, which also implies a slowing of the rate of depreciation of the currency
- Lower oil prices, which are expected to last for at least six months. This will result in greater spending power for consumers, as a result of lower electricity and fuel prices, which is good for local businesses
- High NIR reserves, which gives the Central Bank greater control over the exchange rate movement
- Improved remittances as a result of improving US economy

All these developments should lead to improved economic performance in 2015.

Even though we expect an improvement however, this is of course dependent to a significant degree on policy action. The government has shown its commitment to listening to stakeholders, and in our various consultations we have been able to get a better collaboration between the PSOJ and government action. Of course the government is also committed to fiscal discipline.

But fiscal discipline and policy action alone will not cause a resurgence of the economy in 2015, as what will be needed is deliberate action to spur growth. With this in kind the PSOJ understands that there are some areas that we must focus on, and President Mahfood has already stated that his intention is to continue the advocacy with the policy makers to improve the business environment and to advocate for greater spending in the economy, where possible. One of such initiatives is a call for Petrojam to pass on the oil price decreases to the gasoline retailers but also to the JPS. As a result we have seen lower prices for consumers and businesses.

As we move forward, however, the PSOJ recognizes that there are certain areas that we must advocate with the government to improve, and these include:

- Public sector bureaucracy, which despite policy improvements, still remain a challenge, as a result of the rules and culture that must change. One example is the difficulty encountered in exporting and could be one of the reasons for the fall in exports, as it is easier to go after the local market, especially for SMEs
- Law and order, and general discipline in the society must improve if we are to have an ordered environment. The National Security committee under Commander Overton continues its work on this
- Improved corporate governance structures within the public and private sector, and the PSOJ will soon complete our revision of the CG code, and will also be introducing a CG code for MSMEs. Thanks to Ms. Greta Bogues and the CG Committee for the outstanding work they have been doing on this.
- We will also continue our work on the energy sector, through the ESET, which President Mahfood and Past president Matalon represent the PSOJ.

In 2015 the PSOJ wants to reach out to all our members and understand the challenges being faced, and see how we can help, especially with the public sector bureaucracy.

Economic Highlights: December 2014

Economic conditions strengthened in 2014 and this has placed the country on a trajectory that should augur well for continued success in 2015. The country continues to perform relatively well under the current IMF Extended Fund Facility and is expected to pass the next test that is due at the end of March 2015. On the down side there continues to be failure on the revenue targets as the economy has not been able to grow at the desired rate over the year even in the face of two good quarters of growth in real GDP in 2014. Major economic indicators continue to move on the right trajectory which is reflected in business and consumer confidence which continues to move in the right direction.

⇒ In light of this positive environment, investors seem to be more prepared to invest in the stock market. In this regard, the main JSE index increased by **2014.9 points (2.64%)** to **76,356.39 points** at end-December 2014. Consequently, at end-December 2014, market capitalization was **$296.84B** relative to the capitalization value of **$278.09B** at end-November 2014. This reflects a monthly increase of **$9.75B (3.39%).** These positive developments on the JSE signal the slow but progressive recovery of economic conditions. This gradual recovery in the stock markets is expected to strengthen throughout the remainder of 2015 when greater economic growth is expected.

⇒ While investor expectations of economic growth are high, the rapid slide in crude oil price may be the precursor to this growth. In this regard, there were price reductions in **70%** of the commodities monitored for December 2014. The price of both crude oil indices fell for the sixth consecutive month. The Brent and the WTI fell by **20.7%** and **21.9%,** respectively. Natural gas also fell **16.3%**. The IMF's Fuel Energy Index fell by **18%**, the Food and Beverage Index fell by **0.4%.** These reductions will bring mixed fortune for Jamaica, first of which is on the country's Balance of Payments, and the second being price stability.

⇒ BOP performance is reflected in the current account deficit, which improved by **US$1.9** million for the September 2014 quarter relative to the corresponding period of 2013. The improvement in the deficit brought the current account balance to **US$324.3 million**. This outturn reflected expansions of **US$36.8 million** and **US$25.9 million** on the Current Transfers and Services sub-accounts, respectively. However, the impact of these improvements was partially offset by increases in the deficits on the Income and Goods sub-accounts.

⇒ Data from Statin shows that expenditure on merchandise imports for the period January to September 2014 was valued **at US$4,393.3** million; Imports fell by **US$80.6 million** or **1.8%** when compared to the same period in 2013. The data shows that earnings from total exports for the review period were valued at **US$1,109** million; this represents a decline of **8.8%** or **US$107.6** million for the same period in 2013.

⇒ In respect to price stability, domestic inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) declined by **0.3%** for December 2014, following the **0.5%** decline observed in November 2014. The monthly change in inflation brought the inflation for CY 2014 to **6.4%** relative to **9.5%** for CY 2013. Inflation for FY-to-December was **4.6%**. Inflation for the month contributed to a quarterly rate of **-0.8%** for the December quarter. The downward trajectory in prices should have positive impact on both the exchange rate and domestic interest rates.

⇒ While inflation moved downward, the exchange rate relative to the US has depreciated which appears counterintuitive to some analysts. In this regard the Jamaica Dollar depreciated by **$1.07 (0.95%)** vis-à-vis the US Dollar at end-December 2014 relative to November 2014. At end-December the Dollar traded at

J$114.66=US$1.00. The Dollar appreciated by **J$0.51 (0.29%)** and J$**1.97 (2.0%)** against the Canadian dollar and Great British pound, respectively. At end-November the Jamaica Dollar traded at **J$177.68=GBP£1.00** and **J$99.69=CAD1.00**, respectively. The depreciation for the month contributed to a depreciation of **J$5.09 (4.64%)** for the FY-December 2014 relative to a depreciation of **J$7.49 (7.58%)** for FY-December 2013.

⇒ The stock of Net International Reserves (NIR) at the Bank of Jamaica was **J$213.97 billion** (**US$2,001.04 million**), reflecting a decline of **J$326.59 million** (**US3.07 million**) relative to the previous month. The change in the NIR for the month was largely due to an increase of **US$44.99 million** in external liabilities which was partially offset by an increase of **US$41.92 million** in the external holdings of foreign assets. At end-December, the gross reserves at the Central Bank were sufficient to finance **25.32** weeks of goods imports which represents **13.32** weeks over the international benchmark of **12** weeks of goods imports.

⇒ For December 2014, there was an expansion of **J$10.17 billion (10.3%)** in the monetary base relative to the previous month. This expansion resulted in an end-month stock of **J$108.88 billion**. The movement in the base mainly reflected net currency issue of **J$10.56 billion**, which was offset by a decline of **J$391.69 million** in commercial banks' current account balances. The expansion in the base resulted from a decline of **J$10.5 billion** in the Net Domestic Assets (NDA), which was partially offset by a decline of **J$326.59 million** in the Net International Reserves (NIR).

⇒ In line with the downward movement in prices is the cost of funds for the government. Yields on all tenors of GOJ Treasury Bills declined for December 2014, Specifically, the yields on GOJ 30-day, 90-day and 180-day T-Bills fell by **33 bps, 10 bps and 25 bps,** respectively, relative to the outturn at the end-of the previous month. On an annual basis, yields on the 30-day T-Bills have increased by **13 bps** while yields on the 90-day and 182-day fell by **57 bps** and **111 bps**, respectively.

⇒ Year-to-date, alumina exports have decreased by **300 tonnes (4.12%)** while the Year-to-date production fell by **3,950 tonnes (0.21%).** Year-to-date crude bauxite production and exports increased, by **129,736 (2.77%)** and **105,166 tonnes (2.3%)** respectively. Year-to-date total bauxite production and exports increased, by **241,736 (2.6%)** and **24,000 tonnes (0.25%)** respectively

⇒ For September 2014, gross remittance inflows were **US$182.0 million**, reflecting an increase of **US$18.7 million (11.4%)** The uptick in remittance for the month contributed to the total net remittance of **US$1,431.2 million** for the calendar year to September 2014. This reflected an increase of US$82.4 million **(6.1%).**

ECONOMIC OUTLOOK FOR 2015

Conditional on the relatively stable economic platform created in 2014, the expected growth in the US economy and a number of new investment in Jamaica coupled with robust growth in tourism, remittances and agriculture.

The forecast for growth in 2015 lies in the vicinity of **1.2%** to **2.2%**. In line with this growth are the following additional forecasts:

⇒ Global commodity prices should decline up to the first half of the year then increase moderately to the last half.

⇒ Inflation for 2015 should be in the range of **2%** to **6%**. The probability of **2%** is about **70%** and a **30%**probality that seasonal effects may pull it closer to **6%**.

⇒ Interest rates should continue to decline on loans, while deposit rates should continue to increase.

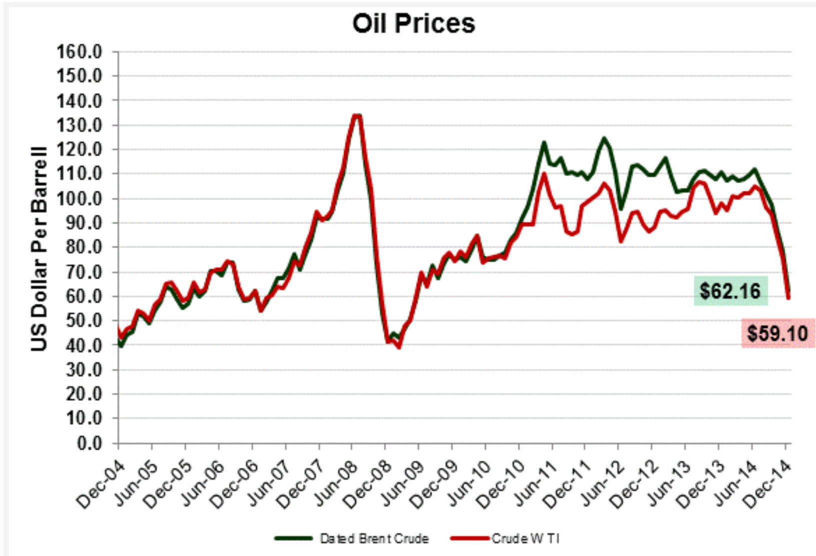
International Commodity Prices

Crude Oil Prices

Both benchmark crude oil indices decreased significantly in December 2014 in comparison to the previous month. The European Brent started the month at **US$78.44** per barrel and ended at **US$62.16** per barrel. This reflected a reduction of **US$16.30 (20.7%)** for the month. In December 2013 the sale price for the European Brent was **US$110.63**, reflecting a price reduction of **US$48.47 (43.81%)** when compared to December of 2014. Notably, over the last two years the price for this commodity has decreased by **US$47.48 (43.3%)**.

The price per barrel of West Texas Intermediate (WTI) fell from **US$75.70** at end November 2014 to **US59.10** at end of December 2014, a reduction of **US$16.60 (21.9%)**. In comparison to December 2013, the price per barrel of the WTI has fallen by **US$38.80 (39.63%)**. For December 2014 relative to December 2012, prices fell by **US$29.09 (33%) per barrel**. The five year average monthly price for both crude oil indices are **US96.44** and **US86.41** per barrel. The Brent is currently **US$34.28 (36%)** below while the WTI is **US$27.51 (32%)** below the five year average price**.**

Market experts posit that the dramatic decline in crude oil prices over the last few months have resulted from excess supply in the market coupled with weak demand as global growth weakens. This has led to the continuous downward adjustments in short-term forecasts of crude oil prices, which, by extension, influences the long term outlook. Experts also indicate that although the economic outturn was strong, economic performance in the rest of the world remains generally below expectations. With most of the projected increases for future global consumption emanating from outside the United States, disappointing international economic news was sufficiently significant to offset the impact of the positive U.S. data. This weakening in the global economy has led to skepticism



regarding increased demand for this cheaper oil. Preliminary data shows that the surplus of oil inventories in developed economies in December 2014 was the highest relative to corresponding periods between 2010-2013.

The Organization of the Petroleum Exporting Countries (OPEC) issued a report on 15 January 2015 in which it downgraded the demand for its crude oil product for 2015, while also predicting slower oil growth in oil production in the U.S. Experts said that the demand for OPEC's crude would be **28.8 million barrels** per day for 2015. This was **100,000 bbl.** per day less than forecasted in its previous monthly market report issued in December. The report also stated that demand for OPEC's crude would average less than **28 million bbl**. per day for the first half of this year.

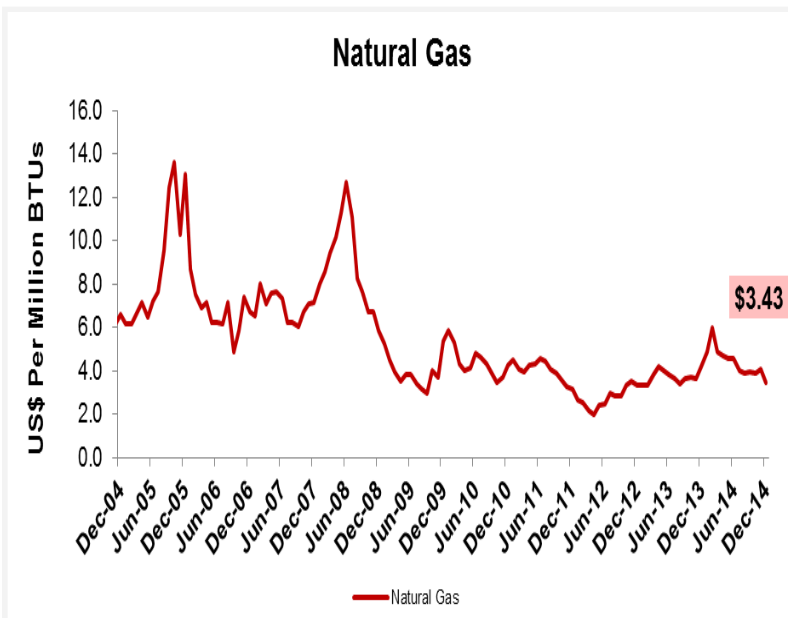
Natural Gas

At end-December 2014, the price for natural gas moved from **US$4.10** to **US$3.43** relative to November 2014, a reduction of **US$0.67 (16.30%)** per thousand cubic meters. For the period December 2014 relative to December 2013, natural gas prices fell by **US$0.76** (**18.20%)**. Similarly, natural gas prices have increased by **US$0.09 (2.69%)** per thousand cubic meters when prices of December 2014 are compared to December 2012. The five year average monthly price for natural gas was **US$3.67** indicating that current prices are **US$0.24 (6.6%)** lower than the long term average.

Douglas Westwood, energy business advisor posited that the liquefied natural gas market is on a rebound after the global meltdown. He also stated that global capital investment in this area will increase by approximately **US$228.0 billion** (**109%)** between 2013 and 2017. According to Westwood, the LNG market is evolving and is being impacted by a number of macroeconomic fundamentals and technological developments.

Natural gas working inventories on January 2, 2015 totaled **3.09 trillion cubic feet (Tcf)**, **0.25 Tcf (9%)** above the level at the same time in 2014 and **0.07 Tcf (2%)** below the previous five-year average (2010-14). Energy Information Administration expects the Henry Hub natural gas spot price to average **$3.52/ million British thermal units (MMBtu)** this winter compared with **$4.51/MMBtu** last winter, reflecting both lower-than-expected space heating demand and higher natural gas production this winter. Turning to annual measures, EIA expects the Henry Hub natural gas spot price to average **$3.44/MMBtu** in 2015 and **$3.86/MMBtu** in 2016, compared with **$4.39/MMBtu** in 2014. Industrial production is expected to expand over the next 10 to 15 years as the competitive advantage of low natural gas prices provides a boost to the industrial sector with increasing natural gas use. Experts believe that there is greater upside than downside risks in oil and natural gas production. The EIA report also stated improvement in light-duty vehicle (LDV) efficiency more than offsets modest growth in vehicle miles traveled (VMT) that reflects changing driving patterns, leading to a sharp decline in LDV energy use. Evolving natural gas markets spur increased use of natural gas for electricity generation and transportation, as well as expanded export opportunities.

The IMF reported that the storage level of natural gas in the U.S. has been relatively low, while Europe benefited from a relatively



warm winter leaving ample inventories at the end of the season. However, if Ukraine and Russia cannot reach a gas deal quickly, natural gas prices in Europe can rise quickly (IMF, 2015). Experts posit that Russia supplies **25%** to **30%** of natural gas requirements in Europe, roughly half of which are transported through pipeline via Ukraine. They suggest that there is a potential risk of a supply disruption emanating from Ukraine's non-payment for its gas arrears, which could result in pipeline flows ceasing for Ukraine and possibly to Europe. Another risk, although much less probable, is a broader embargo of Russian natural gas from either sanctions or countervailing measures.

Sugar

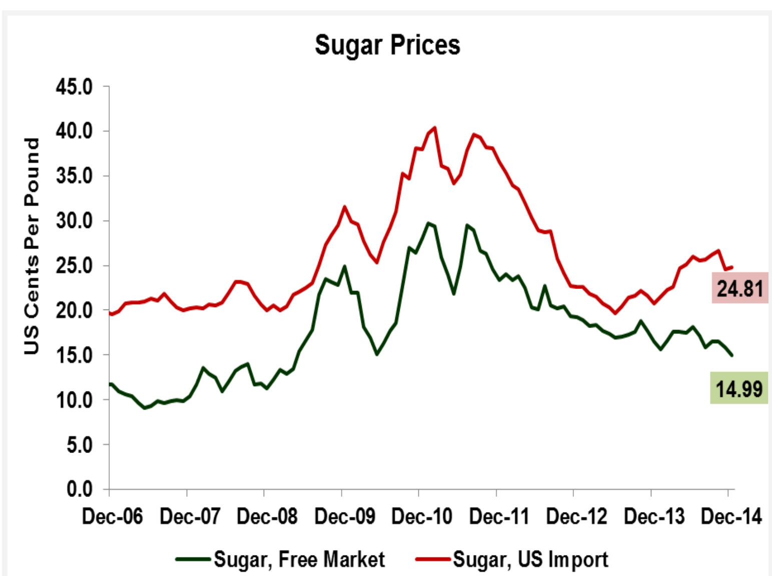
Both the Free Market and the US Import indices had similar price changes for December 2014. The Free market Index fell by **US$0.01 (5.6%).** On the other hand, the US Import Index fell by **US$0.01 cent (1%).** Prices closed in December 2014 at approximately **US$0.15** and **US$0.25** per pound, respectively. For the period December 2014 relative to December 2013, the price of Free Market sugar decreased by **9.4%**, while US import prices increased by **19.6%**. The five year average monthly price for both sugar indices are **US$0.20** and **US$0.29,** respectively. This suggests that prices for both the Free Market and the US Import are **27%** and **13%** below their respective averages. The IMF projects that the price for the Free market and the US Import will increase by **8%** and **1%,** respectively in 2015.

India's, one of the world's largest producers after Brazil, is forecasted to have the highest harvest levels since 2012. According to one survey, farmers planted **7.6%** more acres in addition to the crop being harvested in 2014-2015. As a result, yields may increase by **4.2%**. A bigger harvest will boost India's **7.5 million ton** stockpiles and hurt prices that capped a fourth year of losses in 2014. Indian stockbroker Sharekhan on 19 January 2015 reported that Sugar Production has gone up by **19%** and would put pressure on sugar prices. On the other hand Government has fixed Fair and Remunerative Prices (FRP) at higher levels for sugar season 2014-15 and for 2015-16. FRP is the existing arrangement for the price to be paid to sugarcane farmers by the Sugar Mills.

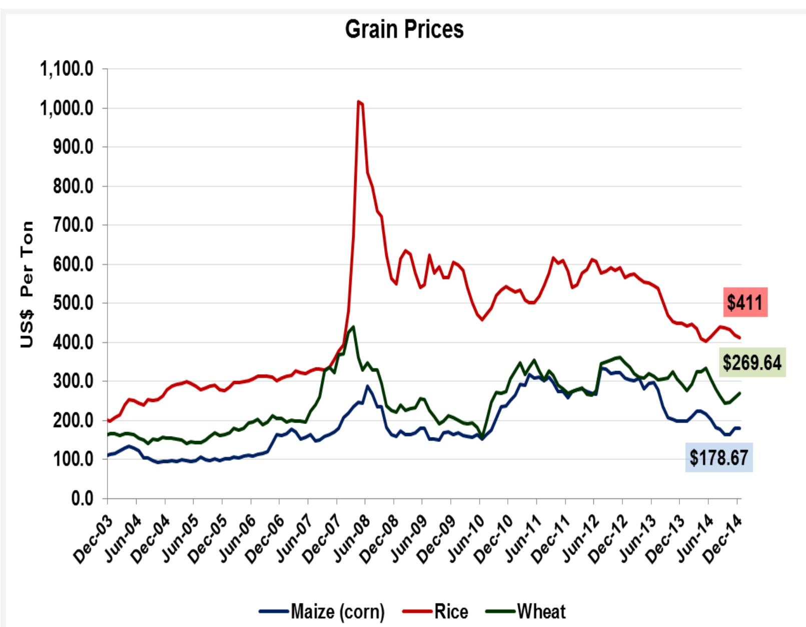
Notwithstanding unfavorable weather that might impact production from Brazil to Australia during 2014-15 (October-September). The global surplus, according to International Sugar Organization (ISO), will still be 473,000 tonnes. London-based sugar advisory group Czarnikow, however, believes that for 2015, world production will be ahead of demand by 600,000 tonnes, placing downward pressure on prices. On the other hand, the US Department of Agriculture (USDA) says this season will be the first since 2009-10 to see a reduction in sugar inventories, which may have a negative impact on

Rice

Relative to November 2014, rice prices for December 2014 fell by **US$8.00 (2%)** per metric tonne. Similarly, prices fell from **US$447.55** to **US$411.00,** a reduction of **US$36.55 (8%)** per tonne between December 2013 and December 2014. The five year monthly price average for rice is **US$508.35**, indicating that current prices are **US$97.35 (19.2%)** below the long term average.



International Commodity Prices



There are a number of supply side and political factors that continue to influence prices. Higher than normal inventory levels, import duties in many of the major importing countries and over production in 2013 are just some of these factors. The Food and Agricultural Organization (FAO) forecasted that rice utilization, rice stock and rice production will continue to increase into 2015. As such, prices will continue to decline.

Due to increased demand in China and stronger exports for Thailand, Burma, and Paraguay, global trade is higher. Thailand rice exports were forecasted to reach a new high in the 2014/15 season. According to a FAO report, Thailand is expected to dominate the market. Also, it is expected that Burma, India and Paraguay will have increased exports on the world market. The increased supply may see market prices continuing the downward trend in the first quarter of 2015. According to Johnny Saichuk, rice specialist, LSU AgCenter, "Much of the world market is controlled, or at least strongly influenced, by Thailand and Vietnam." Analysts argue that as long as there is a surplus of rice from those countries, prices will remain depressed. The forecast from the IMF shows that prices might increase marginally in the first quarter of 2015, and are expected to fall during the rest of 2015 by approximately **3%**.

Wheat

In December 2014, wheat prices increased by **US$10.98 (4.2%)** when compared to November 2014 to close at **US$269.64 per tonne**. Relative to December 2013, prices have fallen by **US$22 (7.5%)** per tonne. A two year comparison of wheat prices shows a reduction in prices of **US$78.25 (22.5%)**. The average five year monthly price for December is **US$297,** this represents a reduction of **US$27.29 (9.2%)** when compared to current prices.

Analysts expect that global inventories of wheat will remain at extremely high levels during much of 2015. For Ukraine, it is very likely that the grain production in 2015 will not exceed **40 million tons**, with the corresponding decrease in its export, primarily to Spain, Italy, North Africa, the Middle East and East Asia. Production in 2014 was **63 million tons**.

The FAO in November last year had reported that Russia and Ukraine may fail to harvest a record wheat crop in 2015 due to the poor condition of their winter plantings. Additionally, traders and forecasters project that the level of moisture in the soil is worse than the long-time average. Even though this will adversely affect supply, the trend of wheat prices may remain on the decline for the first quarter of 2014 due to expected improvements in soil moisture in the South Western Plains areas in the U.S. in coming months due to melting ice. The price of wheat will also be impacted by the reduction in international crude oil prices. The IMF is projecting that prices could fall to **US$213.6** by the end of the first quarter of 2015. By December 2015, prices are expected to increase by approximately **4%**.

Corn

Corn prices was unchanged for December 2014 relative to November of 2014. In this regard**,** corn prices closed the month at **US$168.67** per tonne. Between December 2013 and December 2014 prices fell by **US$18.83 (10%)**. A two year price comparison from December 2012 to December 2014 shows a total price decline of **US$130.05 (42.13%)**. The five year monthly average for corn is **US$238.79**, this means that current prices are **US$60.12 (25.2%)** lower. The stability of corn prices in coming months will be conditional on good weather conditions, oil price movements and the political environment in Ukraine that accounts for **16%** of the global export market.

According to the International grains council (IGC), world total grains output was expected to decline slightly in 2014/15, from the record level forecast for the current season. Prices are then expected to rise by an average of **1.6% p.a.** over the remainder of the five-year period, exceeding **2 billion tons** by 2016/17. Maize harvest in the US is adjusted downward.

World maize export prices lowered amid stiff global competition and ample availabilities, with the International Grains Council's grains and oilseed sub-Index down by **3%** from the last GMR. At times, markets were underpinned by hopes for an upturn in buying by China and by occasionally slow producer selling.

The Agricultural Economist reported that the world corn market has many participants, but a few larger corn producers and exporters have a dominating influence on global corn supply-demand balances. Major exporting countries such as the United States, Argentina, Brazil, and the Ukraine, and leading importers such as Japan, Mexico, South Korea, Egypt, Taiwan, Columbia and Iran impact world corn market prices through their leading roles in world corn trade. Other countries are heavily involved in corn production and use, but have not consistently been critical participants in world corn trade. These include China, the European Union, India and South Africa.

Analysts reported that across the maize producing regions of Asia, Sub-Saharan Africa and Latin America the effects of climate change will be felt unevenly, in some cases causing catastrophic loss of yields due to heat stress or novel challenges such as disease. This will stretch the ability of local and regional agricultural systems to cope, and produce great hardships for those farmers that are not given the support they need to adapt.

Yield penalties are predicted to be especially strong in tropical and sub-tropical areas, affecting well over **90%** of resource-poor maize farmers and consumers. The ongoing reduction in crude oil prices is also expected to have a significant impact on corn prices in 2015. In this regard , the IMF projections show that corn prices will fall to approximately **US$155.2** at the end of the first quarter of 2015. By the end of the second quarter prices are however expected to rise by **2.2%** and by

6% by the end of 2015.

Soybean Prices

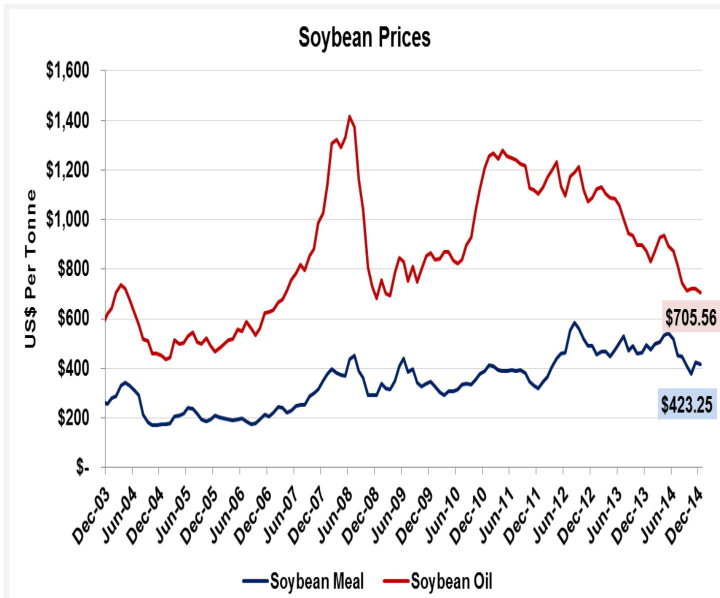
The prices of both soybean meal and soybean oil showed similar results for December 2014. At the end of December 2014 the price per metric tonne for soybean oil material stood at **U$705.56.** The price for Soybean oil material increased for December 2014 in comparison to November 2014 by **US$15.84 (2.2%)** per metric tonne. The price per metric tonne of soybean oil materials decreased by **US$166.91 (19.13%)** for the period December 2013 to December 2014. The five year average monthly price for Soybean oil is **US$995.64**, which is **US$290.08 (29.1%)** higher than current prices.

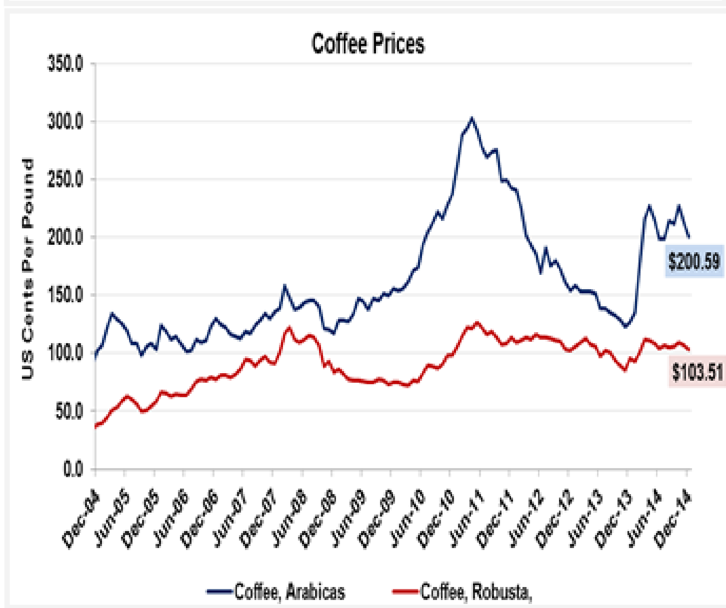
On the other hand, the price of soybean meal fell by **US$5.17 (1.2%)** per metric tonne when December 2014 is compared to November 2014. For the period December 2014 relative to December 2013, the price of Soybean meal decreased by **US$76.91 (15.54%).** A two year comparison for December 2012 to December 2014, shows that the price of Soybean meal fell by **US$71.60 (15%)** per metric tonne. The five year average monthly price for Soybean Material is **US$422.19 US$4.11 (1%)** higher than current prices.

In September it was predicted that Soybean production worldwide may rise to 310 million tons, up from 282 million tons in the previous year. This increased level of forecasted production is one factor that had resulted in Soybean futures being at their lowest since 2009, weighed by a "heavily oversupplied" market for the oilseed (Agrimoney.com).

Grain prices tend to fluctuate the most during the growing seasons, as supply expectations can shift significantly due to planted acreage, weather and growing conditions (Kowalski, About.com). For the U.S. the largest soybean producer last year, the planting period is usually late April. From 2014 IMF data we see that declines in prices began in May and ended in October, following the start of U.S. harvesting in September . Lower oil prices should help corn and soybean growers have a somewhat better year in 2015, say University of Wisconsin experts**.**

In the US, because soybeans are still being attractively priced against corn, soybean planting is expected to expand by another 5% over the next season. Additionally, given that the USDA projections on the premise that Chinese soybean imports will continue to be strong and South American soybean production to be harvested in early-mid 2015 will again be record high, there is no indication yet that any change is expected in these projected trends



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in production, exports or imports in the broader World soybean market (agmanager.com). The IMF projects that the price of soy-bean meal will decline by 1.8% by the end of the second quarter of 2015 and by 5% by the end of 2015.

Coffee

The price of the Arabica and the Robusta coffee had similar results in November 2014. The Arabica fell by **US$0.12 (5.8%)** while the Robusta fell by **US$0.03 (3.1%)**. In April 2011, coffee prices reached record levels of **US$3.30** and **US$1.21 per pound**, respectively. Since then, prices have fallen by **34%** and **15%** to **US$2.00** and **US$1.04** per pound respectively. The five year average monthly price for both types of coffee are **US$1.92** and **US$1.03,** respectively. This implies that the current prices of the Arabica and the Robusta are **4% and 1%** higher than the five year average prices.

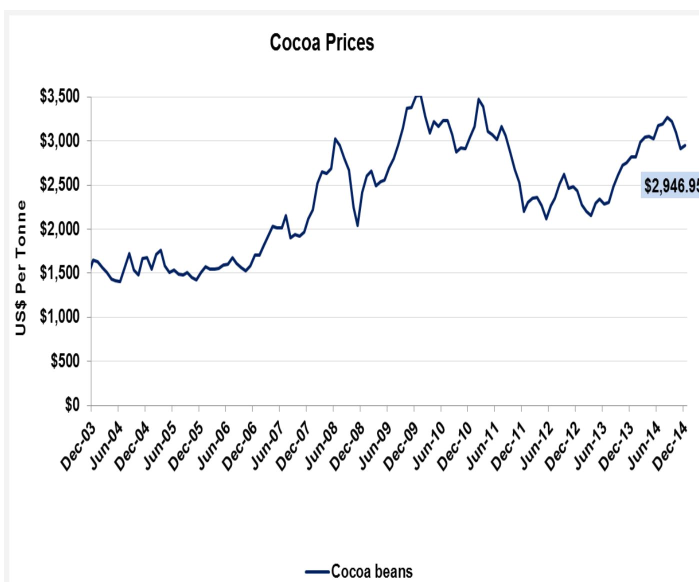
The foreign agricultural service reported that The United States is the second largest importer of coffee beans and is forecast to increase slightly to **24.5 million bags** as consumption continues to rise. The United States Department of Agriculture has released its latest estimates for annual global coffee production, predicting a **1.5 million** total drop to **147.8 million bags** in 2014/15, despite rising demand. The USDA's semiannual announcement is a major speculative force, and the downward estimate is likely to increase uncertainty what has already been a highly volatile market based on unclear data. That said, the global production total has only been revised downward by **400,000 bags** since the USDA's previous estimates in December. The decline is attributed to weather factors in Brazil, where the harvest is currently underway, although slight rebounds in Colombia, Central America and Mexico due to leaf rust (la roya) response are helping improve global inventory to meet record -high exports and demand.

International coffee organization posits that coffee prices continued to slide downwards in December 2014, with the monthly average of the ICO composite indicator at its lowest level since February. Recent estimates from external sources, including the private sector and the USDA, have suggested that production in Brazil in crop year 2015/16 might recover relatively quickly. It reports that coffee prices slipped back in November 2014, as widespread rains in Brazil curtailed any further price rises.

According to Conab, production of Arabica in Brazil will be six million bags lower in 2014/15 compared to 2013/14; some of this deficit may be covered by the continued recovery in Colombia and improved management of coffee leaf rust in Central America, but the gap will not be totally offset. In terms of Robusta production, there have been mixed reports for Vietnam in 2014/15, but a decrease is expected in Indonesia based on recent export volumes. Forecast from the IMF shows that coffee prices are expected to increase by the end of the second quarter by approximately **1.6%** and by about **5%** by the end of 2015.

Cocoa

For December 2014, Cocoa prices increased by **US$37.85**



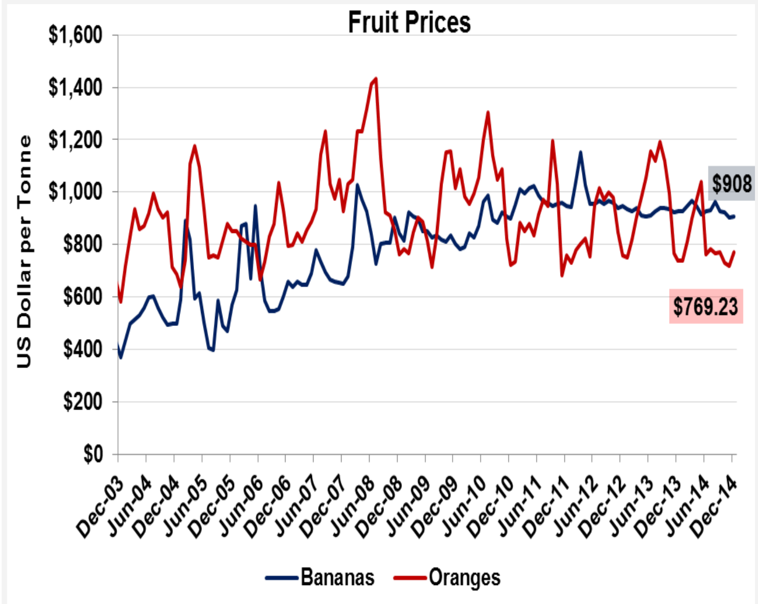
International Commodity Prices

per tonne **(1.3%)** to close at **US$2946.95** per tonne. Relative to December 2013, prices increased by **US$122.41 (4.33%)**. The two year price comparison shows that prices are higher by **US$515.12 (21%)** when December 2014 is compared with December 2012. The five year average monthly price for cocoa is **US$2,690.19**, this means that current prices are **US$256.75 (9.5%)** higher. Experts at Rabobank projected that a third consecutive cocoa deficit will send prices skyrocketing in 2015. The analysts estimate a deficit of over **100,000 tonnes** which will send prices rising by over **12%** relative to 2013 prices.

The General consensus of the International Cocoa Organization is that prices should remain stable or have marginal prices increases at least to the first half of 2015. The increase in the price forecast is conditioned on the outbreak of the Ebola virus in the west coast of Africa which may thwart production and the intense Harmattan weather condition. In this regard, the ICCO has documented production cuts in both Ghana and the Ivory Coast. The forecast from the IMF shows that prices will increase to approximately **US$2989.4** by the end of the first quarter in 2015. By the end of 2015 prices are expected to decline by **3%**.

Orange

Orange prices increased by **US$51.36 (7.2%) in December 2014** to **US$769.23 per metric tonne**, relative to November 2014. Relative to December 2013, prices increased by **US$25.25 (4%)**. The five year average monthly price is **US$750**, which indicates that current prices are **US$19.45 (2.6%)** higher. Experts predicted that prices would have increased throughout much of 2014. These forecasts were mainly due to drought conditions in the world's largest producer, Brazil. Additionally, the impact of citrus greening disease in the state of Florida, which produces approximately **70%** of the Oranges in the United States, is also expected to boost prices.



The United States Department of Agriculture reports that Global orange production for 2014/15 is forecast to decline **4 percent** from the previous year to **48.8 million metric tons** as lower yields are forecast for Brazil, China, and the EU. As a result of the reduced availability, fruit for processing is expected to drop over **7 percent** with exports down **3 percent**. The following shows an analysis for the main producers:

United States- Production remains at a reduced level at 6**.1 million tons** as the crop in Florida continues to decline as citrus greening constrains output and area remains at reduced levels. Exports forecast slightly lower production while consumption rises.

Brazil's production– Forecast down **3 percent** to **16.3 million tons** based on lower yields resulting from the effects of dry weather. As a result, fruit for processing is expected to drop **5 percent** to **10.8 million ton**, while fresh consumption is expected to be nearly unchanged. Two thirds of production is used for processing with nearly all the rest for fresh consumption.

EU's production– Forecasted to drop **500,000 tons** to **6.2**

million as hot weather negatively affected the bloom and fruit set. Imports are flat with South Africa and Egypt the largest suppliers. Fresh consumption is due to reduced availability.

South Africa's production- is virtually unchanged at **1.6 million tons**. Accounting for over 25 percent of global trade, exports forecasts' are down **6 percent** to **1.1 million** tons with the EU and Russia the largest markets. In September 2014, South Africa voluntarily suspended exports to the EU during the last part of the year to avoid possible restrictions due to findings of Citrus Black Spot.

Morocco's production- is forecasted to fall **25 percent** to **750,000 tons** as hot weather negatively affected the bloom and fruit set. Consumption and exports are forecasted to drop **25 percent** following reduced production and a government decision to implement strict control measures on exports in order to avoid quality problems.

Analysts posit that **18%** reduction in orange production is pushing fresh orange prices to heights not seen since the early 1990s. Orange prices rose **7%** on concerns that adverse weather in Brazil and U.S. will curb global supplies. With fall harvest beginning, California navel-orange crop is forecasted to sustain further decline in 2014/15, potentially limiting fresh orange supplies that would keep fresh-orange prices strong this fall and winter. The IMF is projecting that orange prices will fall to **US$763.90 or by 1.7%** by the end of the first quarter in 2015. Prices are also expected to fall by roughly **2%** by end -2015.

Banana

Banana prices moved in December 2014 to **US$908.15** per tonne. In this regard, prices increased by **US$3.45 (0.4%).** For December 2013 relative December 2014, banana prices fell by **US$17.77 (1.9%)** per metric tonne. A two year price comparison for December 2012 and December 2014 revealed that banana prices decreased by **US$38 (4%)** per metric tonne. The five year average monthly price is **US$924.78,** indicating that current prices are **US$16.63 (1.8%)** lower than the long term average.

The Food and Agricultural Organization of the United Nations (FAO) reported in the April issue that the global market for banana and its byproducts has undergone significant changes and will continue to evolve from an industry dominated by large players to one controlled by many players. The FAO reported that this will create many opportunities for further growth and development of the industry, but it will also create many new challenges for both old and new players. Most importantly, these new developments will impact the quality of the competition. The FAO reported that the banana industry is moving away from the traditional plantation ownership and production to the new post-production logistics.

The FAO reports stated that banana constitutes a fundamental component of global food consumption, the organization is changing consumption pattern globally where many developing counties and transitioning economies are becoming net importers of the staple. These two types now account for approximately **26%** of banana imports, up from just **9%** ten years ago. These trends are expected to continue into 2030 where these economies are expected to import up to **33%** of banana exports. The IMF data shows that banana prices are likely to fall by

1.2% by the end of the second quarter of 2015 and by **4%** by the end of the year.

Beef

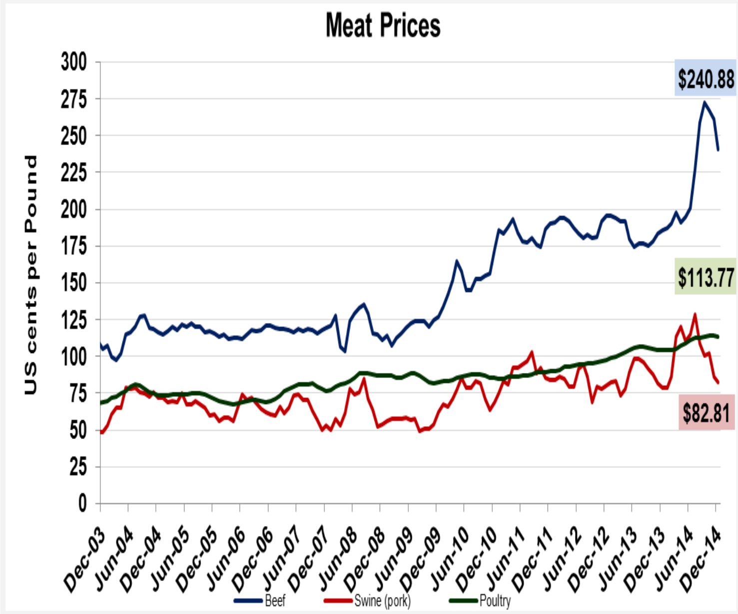
In December 2014, beef prices fell to **US$2.41** per pound , a reduction of **US$0.21 (8%)** relative to November 2014. Relative to December of 2013, current prices are **US$0.55** or **30%** higher than they were. The five year average monthly price is **US$1.97** which tells us that current prices are **US$0.**44 **(22%)** higher than the long term average.

Experts at ABSA Agricultural trends believe that an end in the current drought situation in 2014 will leave a supply gap in the beef market which will result in an increase in prices. In the long term, it is expected that international prices will move in line with those of New Zealand and Australia. Analyst in Europe believes that beef prices will be supported by tight supplies in 2015. The analyst posits that Brazil is the only major beef producing nation which will see positive growth in 2015, he noted that the United States and Australia beef market will show supply cuts of **2%** and **6%** respectively.

The FAO cautions against this outlook on beef prices given what it sees as a reduction in complementary food groups such as cereals which have fallen by **6%** in 2014. The FAO believes that these will put down ward pressure on beef prices. The projections out of the IMF shows that beef prices will fall to **US$2.36** per pound by the end of the first quarter in 2015, prices will decline by **1%** by the end of the second quarter in 2015. By the end of 2015, prices are expected to fall by **3%**.

Swine (Pork)

In December 2014 the prices for pork decreased by **US$0.3 (%)** to close at **US$.83** per pound. The price of pork was **US$0.79 per pound** in December of 2013,



which reflects a **US$0.04 (5%)** price increase relative to December 2014. A two year analysis of pork prices shows that current prices are**US$0.03 (3%)** higher than they were in 2012. The five year monthly average price per pound for pork is **US$0.79**, this means that current prices are **US$0.04 (5%)** higher than the long run average.

USDA Hogs and Pigs report indicated that farrowing increased **3%** between September and November 2014 and that producers intend to expand farrowing by **4%** between December to May 2015. The report also showed that pigs per litter were record high for the September to November period. Continued growth in pigs per litter is expected during 2015, resulting in greater availability of hogs for slaughter. However the increase in the number of slaughter hogs may be partly offset by lower weights as hogs are marketed more rapidly.

American analysts have confirmed that recovery in US pork production will be sustained, with the pig meat industry recovering strongly from the porcine epidemic diarrhea virus (PEDv) outbreak. The comments came after the US department of Agriculture forecasted that American commercial pork production was set to reach **23.9 billion** pounds for the year ending September 2015, exceeding the countries beef output for the first time in 62 years.

International Commodity Prices

December 2014 Issue

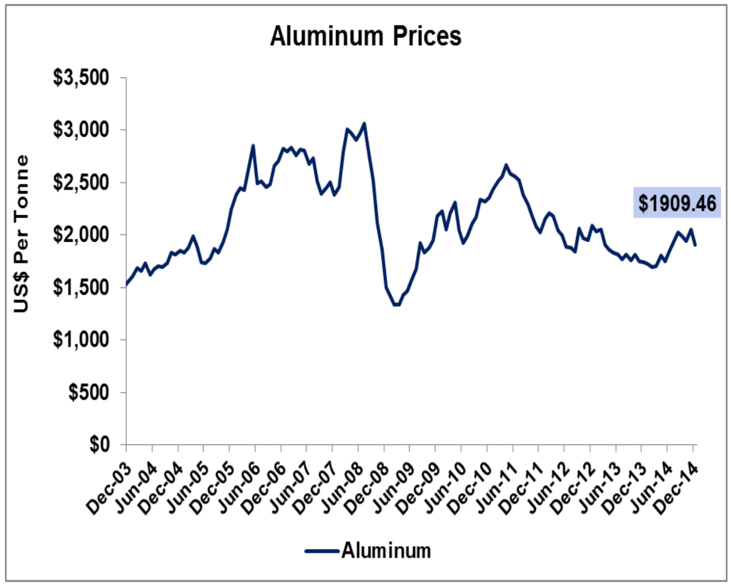
The record corn and soybean harvest in the U.S during fall 2014 have led to dramatic reductions in rations for poultry and swine producers, and these lower feeds cost will likely continue for several months. Dr. Thomas Elam, Economist, FarmEcon L.L.C. said the stage is set for expansion in the animal protein sector in 2015. Producers' financial results have improved, interest rates are still near historical lows, demand is strong and feed costs should remain at or near current levels.

In addition, the analyst posits that export demand for animal protein has been very strong. Volume have been increasing even as prices have increased significantly throughout the past few years. Elam's forecast for pork production shows that it will remain virtually unchanged from this year. The forecast out of the IMF shows that pork prices will fall by **1.2%** by the second quarter of 2015 and by **1%** by the December 2015.

Poultry

The price of chicken remained relatively unchanged in December 2014, moving by a marginal **(0.1%)** and ended at **US$1.14per lbs**. Prices in December 2014 were approximately **US$0.10 (9.3%)** higher than they were in December 2013. In December 2012, the price for poultry was **US$0.98**, indicating that prices are **US$0.16 (16.5%)** higher than they were two years ago. The five year average monthly price per pound is **US$0.98**, this means that current prices are **US$0.16 cents (16%)** higher. This long term movement in poultry prices even in the presence of crude oil reduction reflects relatively higher demand.

Having been on an upward trend for most of the year, U.S. poultry production is expected to increase in the first quarter of 2015, according to the USDA World Supply and Demand Estimates (WASDE). The USDA called for an increase in the production of both broilers and turkeys, citing lower forecast feed prices and record wholesale broiler prices in 2014 as incentives to increase production in 2015.



During the first 11 months of 2014, Russian poultry meat production increased more than **7%**, while total egg output remained unchanged, according to a recent report of the Russian State Statistics Service (Rosstat 2015). Russia was the fifth largest exporter in 2013. The Telegraph, a Georgia newspaper, reports that increases in poultry production are expected in 2015, Georgia is the largest poultry producing state in the U.S. The IMF's projections show that poultry prices will increase by **3%** by the end of the second quarter of 2015 and by **5%** by the end of December 2015.

Aluminum

Aluminum prices increased by **US$146.10 (7.1%)** per tonne to close December 2014 at **US$1909.46** per tonne. Relative to December 2013 prices increased by **US$170 (10%)** per tonne. When December 2014 is compared to December 2012, prices fell by **US$177.3 (8.5%).** The five year average monthly price for aluminum is **US$2,023.42** per tonne, this means that current prices are **US$114 (6%)** lower.

Aluminum has diverse applications in industry thus demand for aluminum is broadly correlated with industrial growth. The European debt crisis and slowing Chinese growth have contributed to the weakness in aluminum demand, and consequently prices over the last few quarters. Persistently high aluminum inventory levels relative to demand have kept aluminum prices depressed. This inventory was built up partially as a result of aluminum being tied up in financing deals, which were made possible due to low interest rates. Despite inventories being at a record high, market forces failed to rationalize supply through the shutdown of smelting capacity. China accounted for around **45%** of the world's aluminum production in 2013, and the expansion in production by Chinese producers more than made up for capacity cuts by global majors.

In view of the global smelting capacity cuts, as per a poll conducted by Reuters in July 2014, the market for aluminum is expected to move from an oversupply of **235,500 tons** in 2014 to a deficit of **4,444 tons** in 2015. LME aluminum prices averaged roughly **$1,800 per ton** over the course of the third quarter in 2013. However, global smelting capacity restarts in response to higher aluminum prices are expected to lower or eliminate the extent of the deficit in 2015. In addition, the trajectory of Chinese economic growth will influence aluminum prices to a large extent. With slowing Chinese growth, there is unlikely to be any significant upside to aluminum prices.

Metal Bulletin Analysis (November 2014) reports that the all-in aluminum price will rise by **$400-500** per tonne over the next two years according to Deutsche Bank's global metal analyst Grant Sporre. Also the all-in aluminum price is about **$2,500** per tonne, split between a London Metal Exchange aluminum price of about **$2,000** per tonne and an aluminum premium of **$500** per tonne. An all-in price of **$2,500** is a very sustainable price. The Forecast out of the IMF shows that prices will decline to **US$1823** at the end of March 2015, second quarter and last quarter price increase in 2015 of **1%** and **3%**, respectively are expected.

International Commodity Prices

December 2014 Issue

Impact of global prices on Jamaica

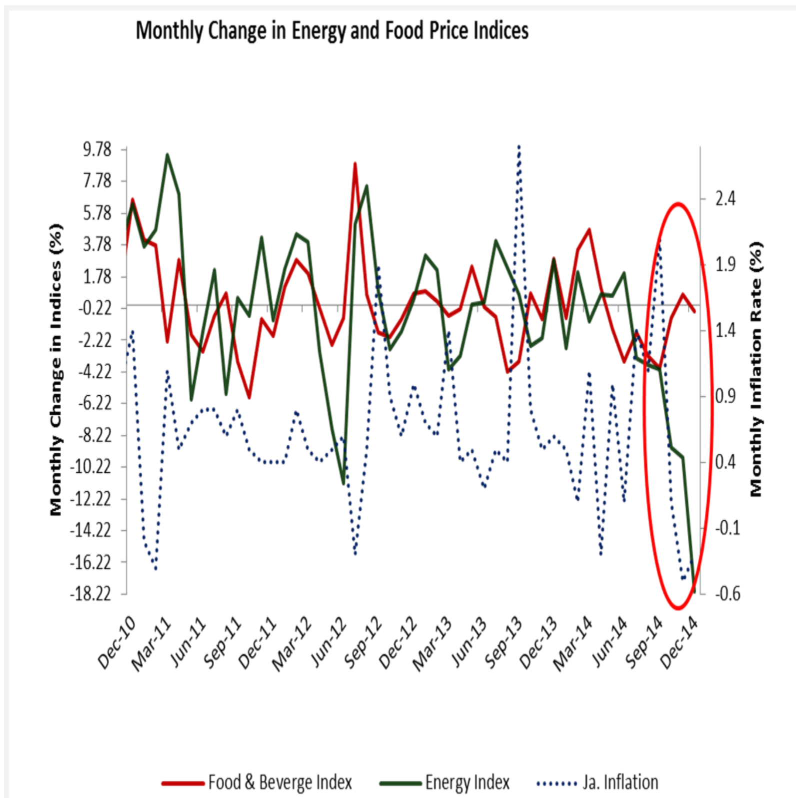
There were prices reductions in **70%** of the commodities monitored for December 2014. The price of both crude oil indices fell for the sixth consecutive month. The Brent and the WTI fell by **20.7%** and **21.9%,** respectively. Natural gas also fell **16.3%**. The IMF's Fuel Energy Index fell by **18%**, the Food and Beverage Index fell by **0.4%**. The materialised decline in both fuel and food prices in 2014 is expected to continue into 2015. With the expected low crude oil prices, inflation for Jamaica is expected to remain relatively low throughout 2015 and into 2016.

The graph below shows the relationship between movements in commodity prices and movements in domestic inflation. The downward movements in the international price indices for December should be observed in Jamaica around end-February 2015. In addition, inflation of **-0.3%** for December would have been influenced by movements in commodity prices between September and October of 2014.

Projections show that the price of most energy sources will remain low in 2015. Given the ripple effect of these price reductions on the price of other commodities, food prices should remain depressed in 2015. If these expected price reductions materialise in 2015, inflation in Jamaica for 2015 should be lower that that of the **6.4%** observed in 2014.

The forecast by the Bank of Jamaica is for inflation to fall in the range of **3%** to **5**% in 2015, the PSOJ is cautious even in the face of the reduction in commodity prices. Significant risks comes through exchange rate movements, domestic agricultural production and wage increases. In this regard, the forecast is for inflation to between **2%** and **6%**.

Commodities	Unit	Price	Price	Monthly Change
		Dec-14	Nov-14	Per cent
Aluminum	Metric ton	1909.46	2055.56	-7.1%
Bananas	Metric ton	908.15	904.70	0.4%
Beef	Pound	240.88	261.50	-7.9%
Cocoa beans	Metric ton	2946.95	2909.09	1.3%
Coffee- Arabicas	Pound	200.59	212.93	-5.8%
Coffee- Robusta	Pound	103.51	106.81	-3.1%
Maize (corn)	Metric ton	178.67	178.67	0.0%
Natural Gas	MMBTU	3.43	4.10	-16.3%
Dated Brent Crude	Barrel	62.16	78.44	-20.7%
Crude W TI	Barrel	59.10	75.70	-21.9%
Oranges	Metric ton	769.23	717.87	7.2%
Swine (pork)	Pound	82.81	86.16	-3.9%
Poultry	Pound	113.77	113.93	-0.1%
Rice	Metric ton	411.00	419.00	-1.9%
Soybean Meal	Metric ton	418.09	423.25	-1.2%
Soybean Oil	Metric ton	705.56	721.40	-2.2%
Sugar	Pound	26.02	26.25	-0.9%
Sugar- Free Market	Pound	14.99	15.88	-5.6%
Sugar- US Import	Pound	24.81	24.60	0.9%
Wheat	Metric ton	269.64	258.66	4.2%



Near Term Commodity Price Baseline (In U.S. Dollars)													
		Actual		Projections							Annual Change	Quarterly Change	FY-to Dec. 2015
Commodities	Units	2013Q1	2014Q1	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q3	2016Q4	Q1-15/Q1-14	Q2 -15/Q1-15	Q4 -15/Q1-15
Food													
Cereals													
Wheat	$/MT	321.4	297.1	213.6	215.6	217.8	222.9	224.4	219.9	224.5	-28.1%	0.9%	4%
Maize	$/MT	305.1	210.1	155.8	159.2	162.3	165.2	168.4	170.1	164.8	-25.9%	2.2%	6%
Rice	$/MT	570.7	440.7	383.9	385.6	375.0	372.9	333.1	325.4	323.6	-12.9%	0.4%	-3%
Barley	$/MT	239.4	162.7	143.8	146.6	148.2	131.1	159.2	164.1	145.2	-11.6%	1.9%	-9%
Vegetable oils and protein meals													
Soybeans	$/MT	532.8	498.3	370.2	372.9	372.9	365.0	367.5	368.4	362.1	-25.7%	0.7%	-1%
Soybean meal	$/MT	464.6	493.3	375.2	368.3	366.4	358.2	358.2	360.8	356.7	-23.9%	-1.8%	-5%
Soybean oil	$/MT	1119.2	877.9	707.5	711.4	715.2	708.3	711.8	719.2	713.4	-19.4%	0.6%	0%
Palm oil	$/MT	780.3	813.7	650.7	641.3	636.3	631.3	635.3	643.6	643.8	-20.0%	-1.4%	-3%
Fish meal	$/MT	1918.4	1657.9	2032.4	1912.0	1675.6	1625.9	1619.5	1335.2	1295.7	22.6%	-5.9%	-20%
Sunflower Oil	$/MT	1493.8	1133.1	1066.4	1056.9	1047.5	1039.0	1058.2	1039.4	1031.0	-5.9%	-0.9%	-3%
Olive oil	$/MT	4004.9	3599.0	4137.1	4146.5	4194.4	4235.7	4287.3	4346.6	4389.4	15.0%	0.2%	2%
Groundnuts	$/MT	2091.8	2377.3	1969.7	1921.9	1873.8	1825.8	1942.8	1848.3	1800.9	-17.1%	-2.4%	-7%
Meat	cts/lb												
Beef	cts/lb	193.8	191.8	236.3	233.6	230.9	228.3	233.2	212.1	219.6	23.2%	-1.1%	-3%
Lamb	cts/lb	97.1	124.1	131.0	131.0	132.3	133.9	134.7	136.1	137.7	5.6%	0.0%	2%
Swine Meat	cts/lb	79.7	92.8	116.5	115.1	115.1	115.1	112.0	109.6	104.4	25.5%	-1.2%	-1%
Poultry	cts/lb	100.2	104.7	116.0	120.5	123.2	121.4	123.6	131.3	129.4	10.8%	3.9%	5%
Seafood													
Salmon	$/kg	6.5	7.8	5.6	5.3	5.3	5.0	5.1	4.8	4.5	-27.9%	-5.4%	-11%
Shrimp	$/lb	11.3	17.1	16.6	15.5	15.4	16.3	15.8	14.5	15.3	-3.1%	-6.6%	-2%
Sugar													
Free market	cts/lb	18.5	16.8	14.2	14.6	14.9	15.3	16.1	16.2	16.4	-15.6%	2.8%	8%
United States	cts/lb	22.0	22.4	25.1	25.4	25.3	25.3	25.1	25.4	25.1	12.1%	1.2%	1%
EU	cts/lb	25.8	27.5	27.7	27.7	27.7	27.7	27.9	27.9	27.9	0.7%	0.0%	0%
Bananas	$/MT	932.6	947.1	926.6	915.8	895.2	885.8	892.4	862.1	853.0	-2.2%	-1.2%	-4%
Oranges	$/MT	825.9	777.4	763.9	759.1	754.7	752.0	763.7	754.5	751.8	-1.7%	-0.6%	-2%
Beverages													
Coffee													
Other milds	cts/lb	154.8	175.8	161.1	163.8	167.5	172.0	174.3	176.0	177.7	-8.4%	1.7%	7%
Robusta	cts/lb	109.4	102.0	84.5	85.7	87.1	88.2	88.9	89.9	90.0	-17.2%	1.4%	4%
Cocoa Beans	$/MT	2208.8	2951.3	2989.4	2959.9	2937.0	2901.6	2885.6	2866.5	2860.6	1.3%	-1.0%	-3%
Tea 3/	cts/kg	319.1	247.9	240.7	240.7	248.9	255.7	242.4	250.6	257.5	-2.9%	0.0%	6%
Agricultural raw materials													
Rubber	cts/lb	143.1	102.1	89.6	90.1	89.6	89.3	94.6	94.6	94.3	-12.2%	0.6%	0%
Metals													
Copper	$/MT	7922.3	7030.2	6272.0	6243.2	6227.3	6213.5	6202.1	6183.1	6174.8	-10.8%	-0.5%	-1%
Aluminum	$/MT	2000.8	1709.3	1823.3	1840.8	1857.8	1871.2	1878.5	1898.0	1905.5	6.7%	1.0%	3%
Zinc	$/MT	2029.7	2026.5	2200.8	2211.0	2222.3	2229.8	2231.8	2229.0	2227.5	8.6%	0.5%	1%
Energy													
US, domestic market gas	$/MMBTU	3.5	5.2	3.0	3.0	3.1	3.2	3.6	3.4	3.5	-42.8%	0.0%	8%
Crude Oil	$/bbl	105.1	103.7	53.1	55.7	58.1	60.0	61.8	64.6	65.8	-48.8%	4.9%	13%
Coal													
Australian, export markets	$/MT	99.5	82.6	79.3	74.2	66.1	69.3	80.5	67.1	70.3	-4.0%	-6.4%	-13%
South African, export markets	$/MT	84.7	78.4	75.6	71.6	64.7	73.6	72.6	62.5	71.2	-3.5%	-5.3%	-3%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Balance of Payments: September 2014 Quarter

The current account deficit improved by US$1.9 million for the September 2014 quarter relative to the corresponding period of 2013. The improvement in the deficit brought the current account balance to **US$324.3 million**. This outturn reflected expansions of **US$36.8 million** and **US$25.9 million** on the Current Transfers and Services sub-accounts, respectively. However, these the impact of these improvements was partially offset by increases in the deficits on the Income and Goods sub-accounts.

The deficit on the Goods account increased by **US$9.5 million** resulting mainly from an expansion of **US$20.0 million** in imports, which was partly offset by an increase of **US$10.6 million** in exports. Increase payments for imports mainly reflected higher expenditure for fuel from the mining sector as well as growth in raw materials and capital goods imports. The impact of these was partially offset by lower expenditure for consumer goods. The rise in exports, reflected higher earnings from alumina and sugar.

Merchandise Trade

Data from Statin shows that expenditure on merchandise imports for the period January to September 2014 was valued at US$4,393.3 million, Imports fell by US$80.6 million or 1.8% when compared to the same period in 2013. The data shows that earnings from total exports for the review period were valued at US$1,109 million, this represents a decline of 8.8% or US$107.6 million for the same period in 2013.

On the imports side, consumer goods increased by **3.2%**, the import of raw materials declined by **3.6%** while the imports of capital goods increased by **6.5%**. The import of passenger motor car declined by 24.8% for the period in review. On the exports side, total non-traditional exports fell by **18.4%** while traditional domestic exports increased by **2.5%**

The surplus on the Services sub-account primarily resulted from an expansion in travel inflows, emanating from growth in stop-over visitor arrivals, the impact of which was partially offset by payments related to insurance, construction and other business services. The increased deficit on the income sub-account account mainly reflected higher estimates for profit repatriation by direct investment companies.

Net private and official capital inflows were more than sufficient to finance the deficits on the current and capital accounts. This primarily reflected the Government of Jamaica's successful issue of the **US$800.0 million Eurobond** in July 2014. In this context, the NIR of the Bank of Jamaica increased by **US$824.4 million** for the quarter.

BALANCE OF PAYMENTS SUMMARY

US$MN

	1/ Jul-Sep 2013	2/ Jul-Sep 2014	Change
1. CURRENT ACCOUNT	**-326.2**	**-324.3**	**1.9**
a. GOODS BALANCE	**-922.0**	**-931.5**	**-9.5**
Exports (f.o.b.)	362.8	373.4	10.6
Imports (f.o.b.)	1284.8	1304.9	20.0
b. SERVICES BALANCE	**95.9**	**121.7**	**25.9**
Transportation	-167.7	-167.3	0.3
Travel	419.2	464.3	45.1
Other Services	-155.7	-175.3	-19.6
c. INCOME	**-43.4**	**-94.7**	**-51.3**
Compensation of employees	15.3	9.5	-5.8
Investment Income	-58.8	-104.3	-45.5
d. CURRENT TRANSFERS	**543.3**	**580.1**	**36.8**
Official	57.9	59.4	1.5
Private	485.4	520.7	35.3
2. CAPITAL & FINANCIAL ACCOUNT	**326.2**	**324.3**	**-1.9**
A. CAPITAL ACCOUNT	**-7.2**	**-6.1**	**1.1**
a. Capital Transfers	**-7.2**	**-6.1**	**1.1**
Official	0.5	1.5	1.1
Private	-7.6	-7.6	0.0
b. Acq./disposal of non-prod. non-fin'l assets	**0.0**	**0.0**	**0.0**
B. FINANCIAL ACCOUNT	**333.4**	**330.4**	**-3.0**
Other Official Investment	77.4	841.6	764.1
Other Private Investment (incl. Errors & Omissions)	162.9	313.3	150.4
Reserves	93.1	-824.4	

1/ Revised
2/ Provisional
BANK OF JAMAICA

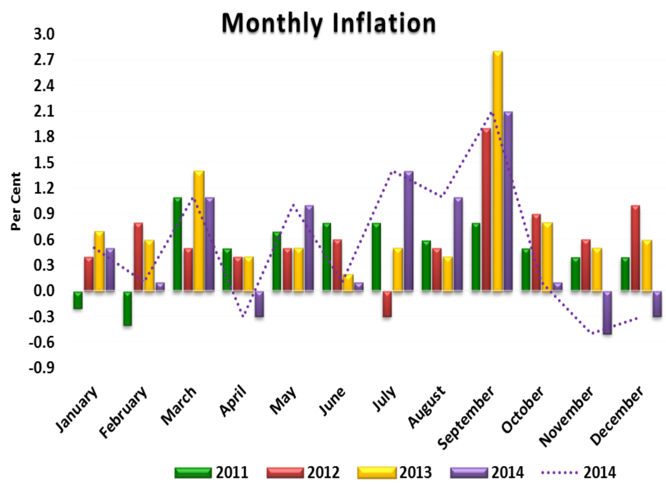
Source: Bank of Jamaica Balance of Payments Media release 19 January 2015

Monthly Inflation and Treasury Bill Rates

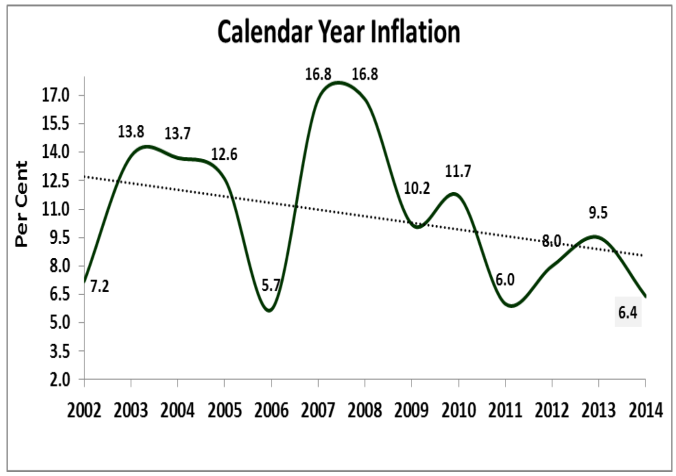
December 2014 Issue

Domestic Inflation Rate

Domestic inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) declined by **0.3%** for December 2014, following the **0.5%** decline observed in November 2014. Similar to November, the outturn for the month was largely influenced by downward movements in *Food and Non-Alcoholic Beverages, Housing, Electricity, Gas, and other Fuels* and *Transport* divisions. These reductions were due to lower prices for vegetables, reduction in the cost of electricity and lower rates for sewage as well lower oil prices on the international markets, respectively. These reductions were partially offset by increases in all other divisions.



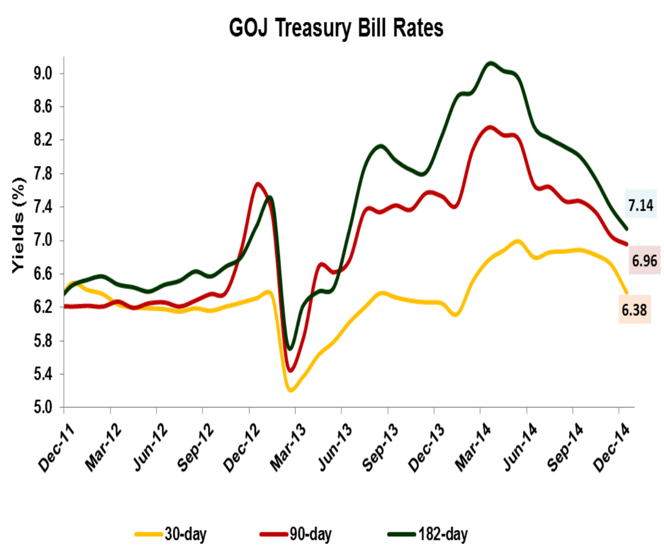
Consequently, inflation for all the three regional areas declined for December 2014. Inflation for the Greater Kingston Metropolitan area (GKMA), Other Urban Centers (OUC) and Rural Areas declined by 0.3%, 0.4% and 0.4%, respectively. The monthly change in inflation brought the inflation for CY 2014 to 6.4% relative to 9.5% for CY 2013. Inflation for FY-to-December was 4.6%. Inflation for the month contributed to a quarterly rate of -0.8% for the December quarter.



In a media release on 21 January, the Bank of Jamaica stated that the inflation for the FY2014/15 is expected to fall below the **7%-9%** target range. The Bank said this outlook was derived from the changed inflation environment.

GOJ Treasury Bill Rates

Yields on all tenors of GOJ Treasury Bills declined for December 2014, continuing the pace of decline observed since September 2014. Specifically, the yields on GOJ 30-day, 90-day and 180-day T-Bills fell by **33 bps, 10 bps and 25 bps,** respectively, relative to the outturn at the end-of the previous month. On an annual basis, yields on the 30-day T-Bills have increased by **13 bps** while yields on the 90-day and 182-day fell by **57 bps** and **111 bps,** respectively. The continued decline in the yields may be an indication of improved investor confidence and the outlook for economic performance over the medium to long term. Additionally, lower yields on the instruments may have also the improved inflation environment as well as the perception that interest rates will decline in coming months.



Monthly Exchange Rates Update

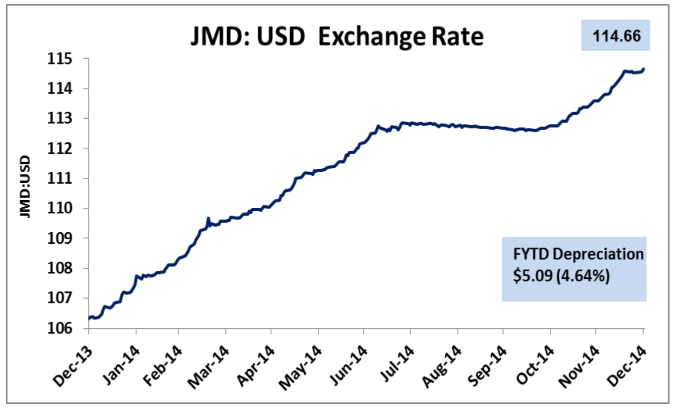
December 2014 Issue

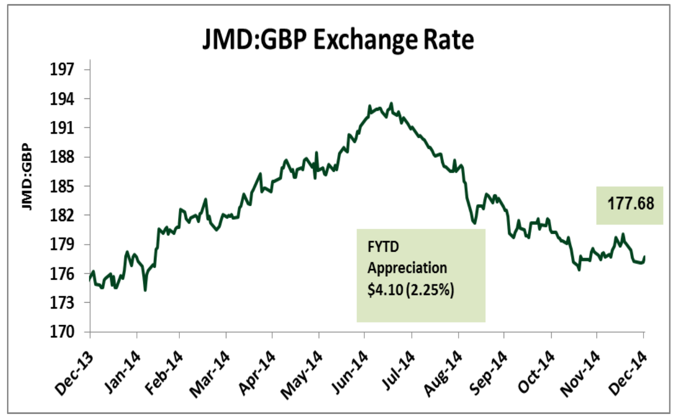
Relative to November 2014, the Jamaica Dollar depreciated vis-à-vis the US Dollar while the Dollar appreciated relative to the Great British Pound and the Canadian dollar at end-December 2014. The appreciation in the Jamaica Dollar vis-à-vis the Great British Pound and Canadian Dollar reflected a continuation of the appreciation observed since end-July 2014.

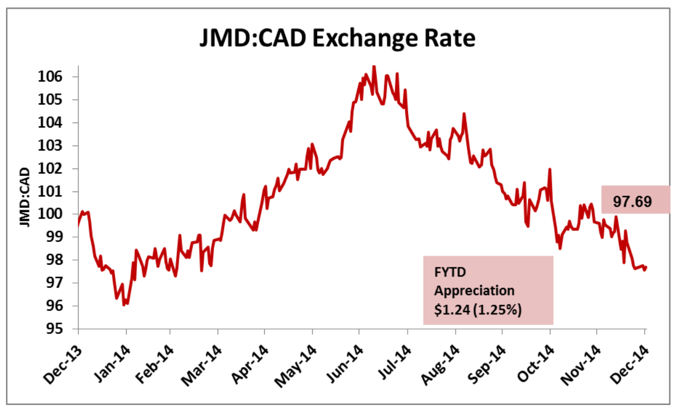
The Jamaica Dollar depreciated by **$1.07 (0.95%)** vis-à-vis the US Dollar at end-December 2014 relative to November 2014. This depreciation reflects the third consecutive month of depreciation following the continued appreciation recorded since end-July 2014. Depreciation for the month may reflect an increase in user demand for US dollar in the context of increased spending for the Christmas Season. At end-December the Dollar traded at **J$114.66=US$1.00.**

On the other hand, the Dollar appreciated by **J$0.51 (0.29%)** and **J$1.97 (2.0%)** against the Canadian dollar and Great British pound, respectively. The appreciation of the rate relative to the Great British Pound and the Canadian dollar continues to reflect the impact of the progressively successful performance of Jamaica under the EFF, particularly in light of the most recent successful performance for the September 2014 quarter. In addition, the movement in the rate has been largely responsive to the stock of Net International Reserves (NIR) at the Central Bank which continues to be boosted by disbursements from the International Monetary Fund (IMF) following each successful quarterly review. At end-November the Jamaica Dollar traded at **J$177.68=GBP£1.00** and **J$99.69=CAD1.00**, respectively.

The depreciation for the month contributed to a depreciation of **J$5.09 (4.64%)** for the FY-December 2014 relative to a depreciation of **J$7.49 (7.58%)** for FY-December 2013. In a media release on 21 January 2014, the Bank of Jamaica explained that the slowdown in the pace of depreciation relative to last year was expected and further slowdown in the rate is expected because of changes in two fundamentals that drive exchange rate. The net demand on the current account of the balance of payments and the difference between inflation in Jamaica and inflation in the United States. The Governor, Brian Wynter said the current account deficit had narrowed dramatically and therefore, net demand from that source was much lower. In addition, the fall in inflation in recent months has significantly narrowed the inflation differential. As a result, the Bank expect that exchange rate depreciation will now slow down.







FX-Trends CY Changes

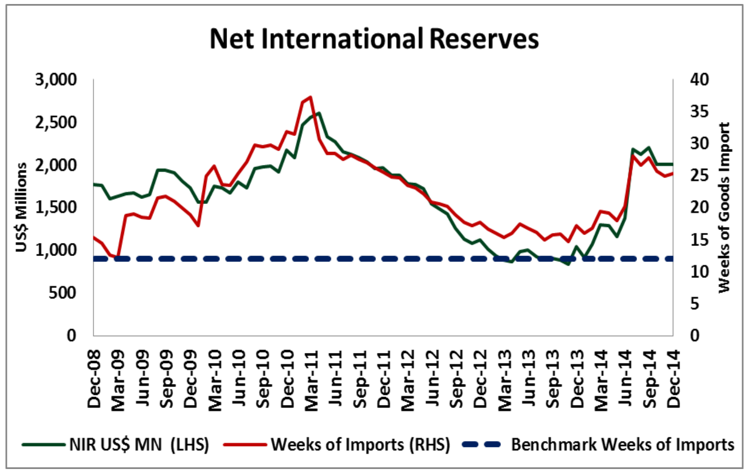
	J$/USD	%	J$/GBP	%	J$/CAD	%
CY-2014	8.28	7.8%	1.98	1.1%	-2.03	-2.0%
CY-2013	13.40	14.4%	27.03	18.0%	2.71	2.9%

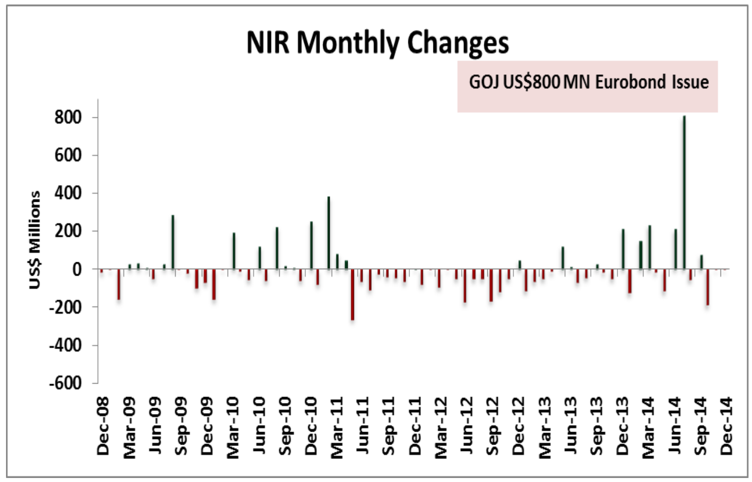
Net International Reserves & Money Supply

December 2014 Issue

Net International Reserves

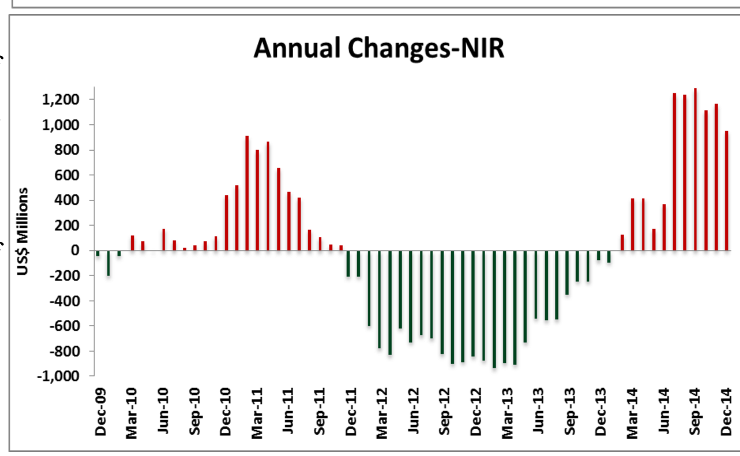
The stock of Net International Reserves (NIR) at the Bank of Jamaica was **J$213.97 billion (US$2,001.04 million)**, reflecting a decline of **J$326.59 million** (**US3.07 million**) relative to the previous month. The change in the NIR for the month was largely due to an increase of **US$44.99 million** in external liabilities which was partially offset by an increase of **US$41.92 million** in the external holdings of foreign assets. At end-December, the gross reserves at the Central Bank were sufficient to finance **25.32** weeks of goods imports which represents **13.32** weeks over the international benchmark of **12** weeks of goods imports.



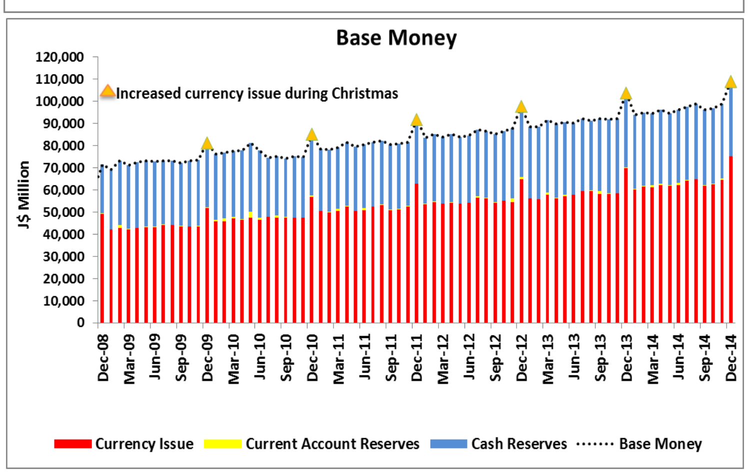


Base Money

For December 2014, there was an expansion of **J$10.17 billion (10.3%)** in the monetary base relative to the previous month. This expansion resulted in an end-month stock of **J$108.88 billion**. The movement in the base mainly reflected net currency issue of **J$10.56 billion**, the impact of which was partially offset by a decline of **J$391.69 million** in commercial banks' current account balances. The expansion in the base resulted from a decline of **J$10.5 billion** in the Net Domestic Assets (NDA), which was partially offset by a decline of **J$326.59 million** in the Net International Reserves (NIR).



The sharp increase in the currency issue during December was largely associated with increased demand for liquidity during the Christmas season. However, this increased liquidity in the system is not likely to be sustained and therefore is not likely to have an impact on inflation for the month of January 2015. In a media release on 23 December 2014, the Bank of Jamaica, stated that the increase in currency observed for December is largely in line with currency issues in previous years, which is also shown in the chart to the left.



Tourist Arrivals

Tourist stopover arrivals rose to **153,737** for November 2014, reflecting an increase of **6.2%** relative to the corresponding period of 2013. The uptick in the monthly arrivals resulted from an increase of **22,147** in stopover by foreign nationals.

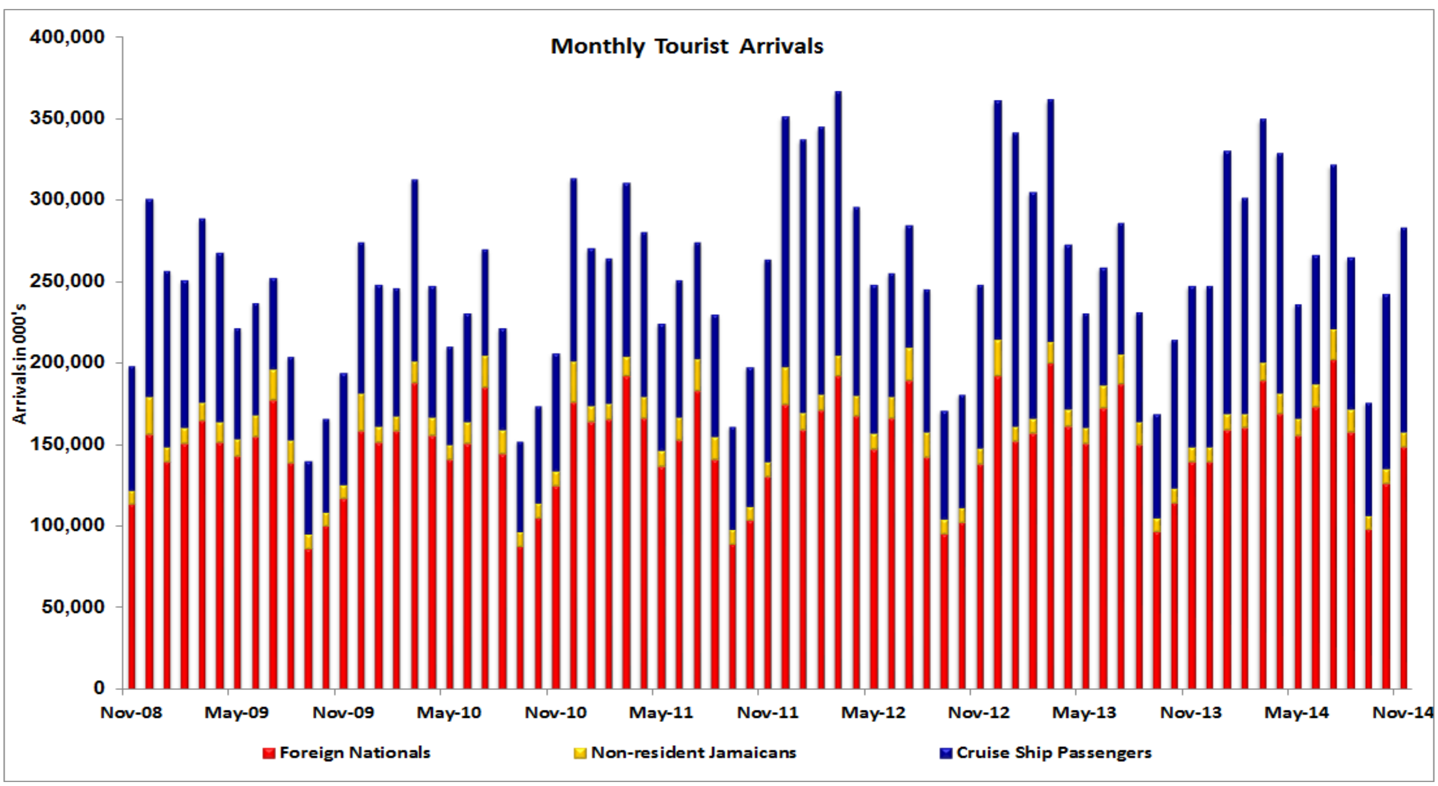
Similarly, on a year-to-date basis, stopover arrivals increased to **1,867,052** , reflecting growth of **3.3%** or **59,990** relative to the corresponding period of 2013. The YTD increase in stopover arrivals largely resulted from greater number of foreign nationals visiting the island.

Data from the Jamaica Tourist Board indicates that approximately **39%** of all stopover arrivals originate from the USA market region, approximately **44%** of which originated in the north western region. The remaining **61%** of the arrivals originated from Canada, UK and other regions including the Latin America, the Caribbean and Asia among others.

Approximately **73.1%** of all visitor arrivals in November 2014 was for the purpose of vacation while the remaining **26.9%** was mainly distributed among business visits, weddings/honeymoons and visiting friends and relatives.

Cruise passenger arrivals increased by **26.8%** to **125,509** for November 2014 when compared to 2013. For the Calendar year to November 2014, total arrivals increased by **3.3%** to **1,867,072** relative to **1,807,062** for the period January to November 2014.

The PSOJ is forecasting a relatively healthy 2014/15 tourist season for Jamaica. This forecast is due in part to the relatively strong growth in the major determinants of tourist arrivals to Jamaica. These include the overall growth in the US economy and improvement in rates of employment. The US economy is expected to grow by **3%** in 2015 and this should have a very positive impact on the arrivals from the States. With the Stronger US economy, disposable incomes of Americans should increase, hence expenditure per visitor should also increase.



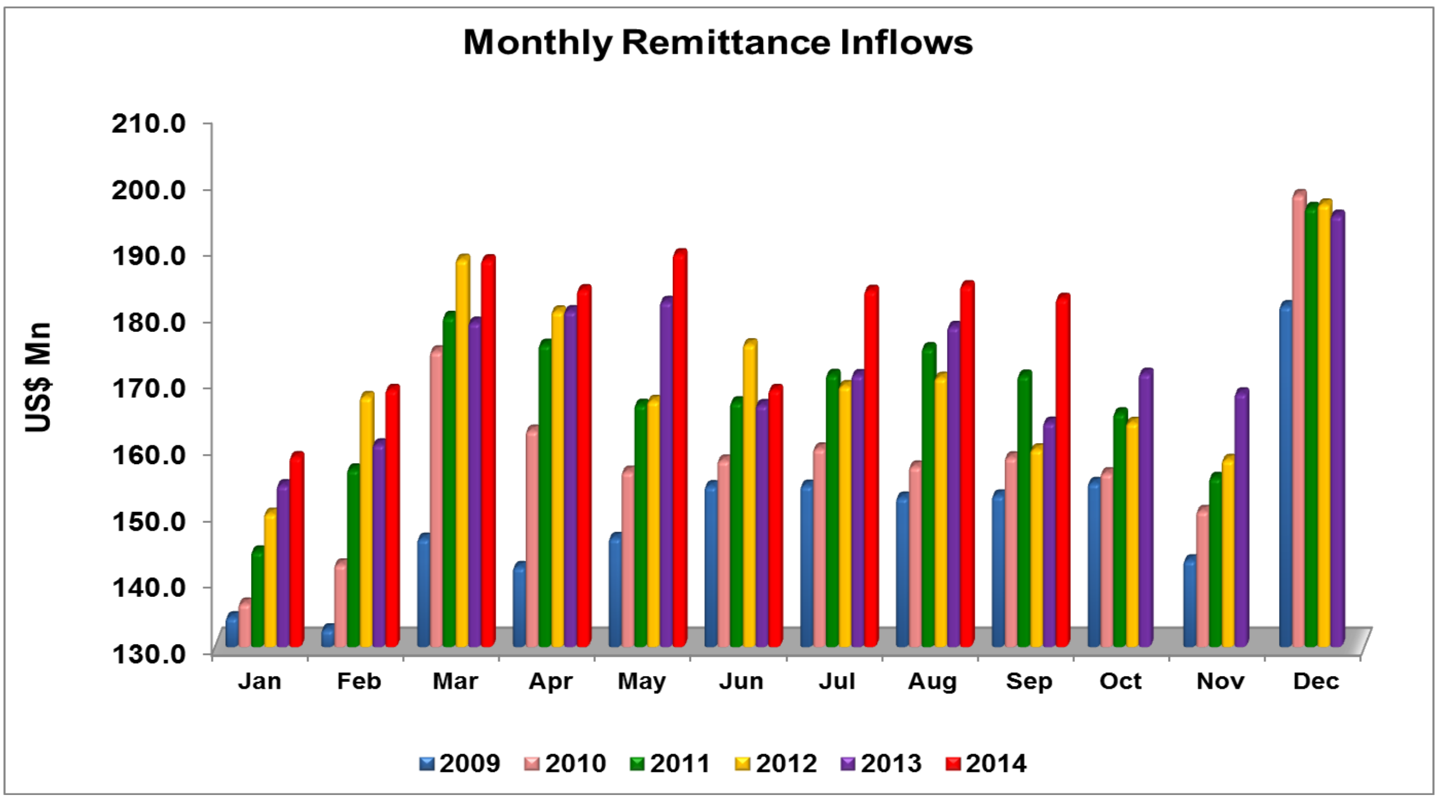
Remittance Inflows Update

For September 2014, gross remittance inflows were **US$182.0 million**, reflecting an increase of **US$18.7 million (11.4%)** relative to the corresponding month of the previous year. The outturn for monthly remittance inflows for September was above the average inflows of **US160.58 million** for the previous five corresponding periods. The growth in total remittance inflows largely reflected increases of **US$15.0 million** in flows through remittance companies and an additional **US$3.7 million** in inflows via other remittances. The increases in gross remittance inflows was moderated by the contraction in outflows resulting in net inflows of **US$159.5 million**, an increase of **US$14.7 (10.1%)** relative to the corresponding period of 2013.

The uptick in remittance for the month contributed to the total net remittance of **US$1,431.2 million** for the calendar year to September 2014. This reflected an increase of **US$82.4 million (6.1%)** relative to the corresponding period of 2013. Congruently, gross inflows increased by **US$72.4 (4.7%)** to **US$1, 604.30** for the same period.

For the FY-to-September, net remittance inflows rose by **US$52.2 million (5.7%)** to **US$969.7 million** relative to the corresponding period of 2013. The growth in net remittances reflected an increase in gross remittance inflows which was supported by a contraction in outflows.

According to the BOJ Monthly remittance report, remittance inflows to Jamaica show some congruence with trends in key sectors in which Jamaican workers are employed. The report stated that the trend in the growth of earnings in the Leisure and Hospitality sector typically moves in line with the pattern of growth in gross remittance inflows from US to Jamaica prior to 2013. However, for the third quarter of 2014, the downward trend in average weekly earnings in the Leisure and Hospitality sector shows a reversal of the strong co-movements with gross remittance inflows from US observed in previous quarters. This was attributable to an increase in employment of the Jamaican diaspora in other sectors of the US economy.



The Private Sector Organization of Jamaica, Carlton Alexander Building, 39 Hope Road Kingston 10 Jamaica Tel (927-6238) Fax (927 5137)

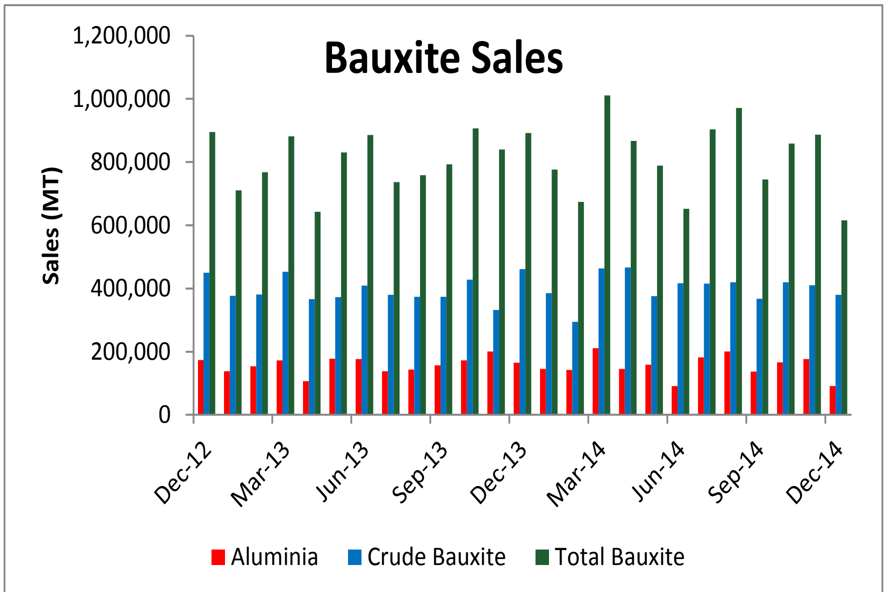
Domestic Bauxite and Alumina Production

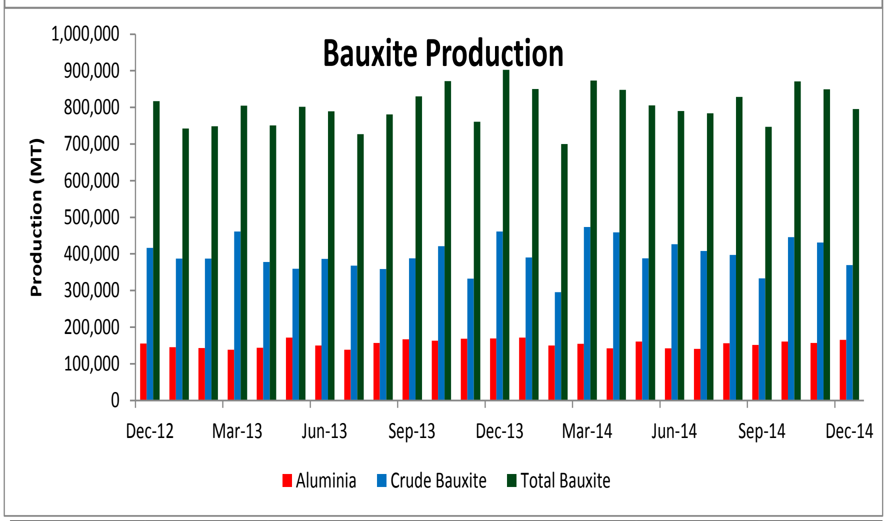
Market Analysts at Reuters projects that the market for aluminum is expected to move from an oversupply of **235,500 tons** in 2014 to a deficit of **4,444 tons.** If this materializes, there should be greater demand for local alumina, given the fall in crude oil prices this state of the market, subject to existing contracts, should be good news for Jamaica

For December 2014, the production of alumina was **165,401 tonnes**, representing an increase of **8,744** (5.6%) tonnes, relative to November 2014. This brought an annual reduction of **4,069 tonnes (2.4%)** for the month of December. The sale of alumina fell by **85,597 tonnes** (48.4%) relative to November 2014. Similarly, alumina sales fell by **73,715 tonnes (14%)** in comparison to December 2013. Year-to-date, alumina exports have decreased by **300 tonnes (4.12%)** while the Year-to-date production fell by **3,950 tonnes (0.21%).**

The production of crude bauxite fell in December 2014 relative to November 2014 by **61,204 tonnes (14.2%).** Similarly, the figures for crude bauxite for the period December 2014 relative to December 2013 show a reduction by **91,221** tonnes **(19.8%).** Year-to-date crude bauxite production and exports increased, by **129,736 (2.77%)** and **105,166 tonnes (2.3%)** respectively.

The production of total bauxite fell in December 2014 relative to November 2014 by **53,336 tonnes (6.3%).** Similarly, the figures for total bauxite for the period December 2014 relative to December 2013 show a reduction by **107,000** tonnes **(12%).** Year-to-date total bauxite production and exports increased, by **241,736 (2.6%)** and **24,000 tonnes (0.25%)** respectively





BAUXITE & ALUMINA DECEMBER 2014

PERIOD	PRODUCTION			SALES		
	ALUMINA	CRUDE BAUXITE	TOTAL BAUXITE	ALUMINA	CRUDE BAUXITE	TOTAL BAUXITE
MONTH						
2014	165,401	369,736	795,838	91,381	379,792	615,363
2013	169,470	460,957	902,844	165,096	461,506	892,299
% Chg 2014/13	-2.40	-19.79	-11.85	-44.65	-17.71	-31.04
2012	155,347	416,240	817,623	173,522	449,628	895,069
% Chg 2013/12	9.09	10.74	10.42	-4.86	2.64	-0.31
Y-T-D						
2014	1,850,960	4,818,064	9,676,697	1,823,485	4,812,541	9,597,408
2013	1,854,910	4,688,328	9,435,214	1,901,753	4,707,375	9,573,399
% Chg 2014/13	-0.21	2.77	2.56	-4.12	2.23	0.25
2012	1,757,693	4,770,576	9,339,291	1,753,505	4,759,647	9,314,270
% Chg 2013/12	5.53	-1.72	1.03	8.45	-1.10	2.78

Source: Jamaica Bauxite Institute (JBI)

December 2014 Issue

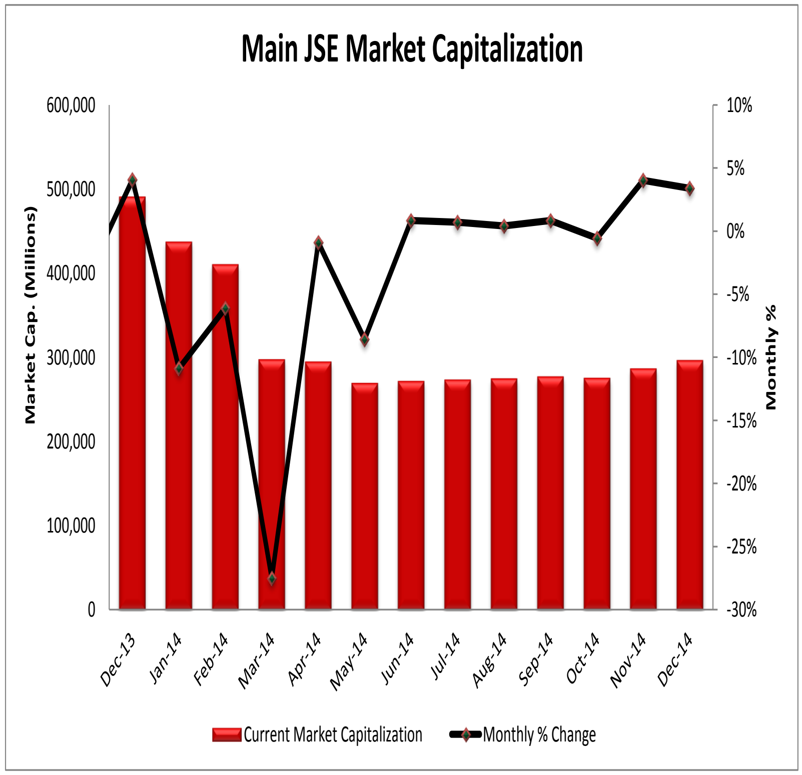
Stock Market Update

The main JSE index increased by **2014.9 points** (2.64%) to **76,356.39 points** at end-December 2014 while the JSE Equities Index advanced by **6.19** points **(4.57%)** relative to end November 2014. Similarly, the JSE combined Index advanced by **1903.5** points **(2.43%)**. The JSE Cross Listed Index remained unchanged at **5.85** points for the month.

The overall market activity for December 2014 resulted from the trading of thirty four **(34)** stocks, of which **20** advanced, **8** declined and **6** traded firm. Resulting from these trades, a total of **49,356,732** units of stock were traded at a total value of **$500,763,496.90**. Consequently, at end-December 2014, market capitalization was **$296.84** billion relative to the capitalization value of **$278.09** billion at end-November 2014. This reflects a monthly increase of **$9.75** billion **(3.39%).**

The volume leaders on the last trading day of December were LIME **(25.12%),** Jamaica Broilers **(9.64%)** and Scotia Group with **(6.84%).** The companies with the highest growth in stock price for the month were Kingston Properties Limited **(87.5%)**, Hardware and Lumber **(22.5%),** Pan Jamaican Investment Trust **(16.28%)** and Salada Foods Jamaica **(16%).** The top four companies with the biggest prices loss for the month were the Gleaner Company **(15%),** Radio Jamaica **(4.24%),** Caribbean Cement Company **(2.43%)** and Grace Kennedy Limited **(1.37%).**

On a calendar-year-to-date and annual basis, the top three advancing stocks were LIME **(200%),** Kingston Properties Limited **(67%),** Ciboney Group **(40.00%)** and **Seprod (30.48%).** Meanwhile, Pulse Investments **(59.77%),** Caribbean Cement Company **(31.14%)**, Palace Amusement **(30.53%)** and Supreme Ventures **(28.06%)** incurred the most significant price losses for the period under review**.**



Following two relatively good months of trading with market capitalization growth of 4% and 3.4% respectively, it is quite safe to say that the economy is undergoing significant positive developments. The data still suggest that investors remain somewhat cautious. However, these movements may have also been boosted by the successful performance under the IMF-EFF program for the September 2014 quarter and the many good pieces of new about the economy over the last three months. There seems to be some momentum in the real estate market evidenced by the positive Y-T-D price movements in Sagicor Real Estate X Fund **(17.13%)** and Hardware and Lumber **(30.16%).**

These positive developments the JSE continue to signal the slow but progressive recovery of economic conditions. This gradual recovery in the stock markets is expected to strengthen throughout the remainder of 2015 in which greater economic growth is expected these improvements also suggest a return of confidence to the markets generally in line with the expectation that economy is moving in the right direction.

Previous Highlights: November 2014 Summary

- ⇒ On 19 December 2014, the IMF completed the sixth review of Jamaica's economic performance under the IMF-Extended Fund Facility (EFF). The successful review enabled the immediate purchase of **SDR 45.95 (US$67.0)million**. Following the review, the Fund concluded that Jamaica's fiscal performance remains on track and all quantitative targets for the September quarter were met. The Fund also noted that Jamaica's macroeconomic performance continues to show signs of improvement, although actions to boost employment and growth remains critical for the success of the program.
- ⇒ The successful performance for the September 2014 quarter has had a positive influence on ensuing months. In particular, for November 2014, the Jamaica Dollar appreciated relative the British Pound and the Canadian Dollar, continuing the pace of the appreciation observed since end-July 2014 following the successful issue of the **US$800 million** global bond. However, the Jamaica Dollar depreciated vis-a-vis the United States Dollar seemingly ending the pace of appreciation that was observed between July 2014 and September 2014. Consequently, these currencies ended trading at **J$113.59=US$1.00**, **J$177.84=GBP£1.00** and **J$99.62=CAD1.00**.
- ⇒ Also on a positive note, Inflation measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) declined by **0.5%** for November 2014, reflecting the lowest rate of inflation since 2011. This monthly change in inflation brought the calendar-year-to-date change to **6.7%** and the FY-to-November 2014 inflation rate to **5.0%**. The 12-month point to point at the end-November was **7.3%.**
- ⇒ Yields on all tenors of GOJ Treasury Bills yields declined for November 2014. Specifically, the yields on GOJ 30-day, 90-day and 180-day T-Bills fell by **12 bps, 29 bps** and **34 bps to 6.71%, 7.05%** and **7.39%**, respectively relative to the outturn at the end-of the previous month.
- ⇒ In a similar fashion, the overall weighted average lending rate on local currency loans declined by **29 bps** to **16.62%** at end-October 2014 relative to end-September 2014. This decline resulted in narrowing of the spread to **14.69%** relative to **14.86%** at end October 2014.
- ⇒ Interest rates on foreign currency loans for October 2014 declined to **7.21%** from **7.43%** for September 2014. This decline, which was partially offset by a reduction in deposit rates resulted in a narrowing of the spread by **6 bps** to **4.90%** at end-October relative to the previous month.
- ⇒ The stock of Net International Reserves (NIR) at the Bank of Jamaica was **J$213.30 billion (US$2,005.04 million)**, reflecting a marginal decline of **J$230.80 million** (**US2.17 million**) relative to the previous month. This stock of NIR should be sufficient to bolster confidence in the ability of the BOJ to provide foreign currency liquidity support for the market if the need arises, especially in the context of increased user demand for the Christmas Season. At end-November, the gross reserves at the Central Bank were sufficient to finance **24.89** weeks of goods imports, which represents **12.89** weeks over the international benchmark of **12** weeks of goods imports.
- ⇒ Despite the minor reduction in the NIR, the monetary base expanded by **J$1.87 billion (1.9%)** for November relative to the previous month resulting end-month stock of **J$98.71 billion**. The expansion in the base occurred in the context of a significant net currency issue of **J$1.98 billion** which may have reflected increased currency demand at the onset of the Christmas Season. However, the expansion in the base resulted

Previous Highlights: November 2014 Summary

from an increase of **J$2.1 billion** in the Net Domestic Assets (NDA), which was partially offset by a decline of **J$230.80 million** in the Net International Reserves (NIR).

⇒ Revenues from tourist arrivals increased for November 2014 as stopover arrivals rose to **153, 737** for the November 2014, reflecting a **6.2%** uptick relative to November 2013. Increased arrivals for the month contributed to the year-to-date stopover arrivals of **1,867,052**, an increase of **3.3%** relative to the corresponding period of 2013.

⇒ The general improvements were also reflected in the stock market performance for November 2014. The main JSE indices increased by **2632.20 points (3.67%)** to **74,338.49 points** at end-November 2014 while the JSE Equities Index declined marginally to **129.16 points** relative to **130.42** points at end October. For the month, a total of **155,437,441 units** of stock were traded at a total value of **$1,475,671,081.60.** Consequently, at end-November 2014, market capitalization was **$287.09 billion** relative to the capitalization value of **$275.84 billion** at end-October 2014. This reflects a monthly increase of **$11.25 billion** (4.08%).

⇒ The improvements in the domestic economy for November 2014 may have also been influenced by improvements in global economic conditions in particular the reductions in fuel and agriculture commodities in previous months would have contributed to the lower domestic inflation for November 2014 as well as the reduction in the pace of depreciation observed in recent months.

⇒ Notably, there were prices reductions in **13 (65%)** of the commodities monitored for November 2014. The price of both crude oil indices fell for the fifth consecutive month. The Brent and the WTI fell by **10.1%** and **10.3%** respectively while natural gas had a price increase of **5.8%**.

⇒ The IMF's Fuel Energy Index fell by **9.32%**, while the Food and Beverage Index increased by **0.7%**. The materialising decline in both fuel and food prices for latter part of 2014 into 2015 implies a moderation in import costs and hence pressure on the Jamaica Dollar should continue to lessen through this channel in December of 2014.

⇒ The Statistical Institute of Jamaica reported that total expenditure on merchandise imports for the period January to August 2014 was valued at **US$2,898.1 million**, which represents a decrease of **3%** or **US$119.7 million** when compared to the **US$3,017.5 million** recorded in 2013.

⇒ On the other hand earning from total exports for the same period were valued at **US$987.7 million**, a reduction of **10%** or **US109.7 million** relative to the **US$10,097.4 million** in 2013. The merchandise trade deficit for the first eight months of 2014 was **US$2,910.4** million compared to the **US$2,920.4 million** in 2013. This results in a worsening in the trade deficit of **0.3%** over 2013.

Statistical Index: Major Macro-Economic Indicators

	Monthly Inflation	Saving Rate	Lending Rate	Exchange Rate	NIR	Gross Remittance Inflows	Tourist Arrivals	Oil Price-Brent	Oil Price-WTI
Month	%	%	%	J$/US$	US$B	US$M	000s	US$ Per barrel	US$ Per barrel
Jan-12	0.40	2.45	18.13	86.78	1.88	149.70	337,100	119.70	102.26
Feb-12	0.80	2.25	17.13	86.91	1.87	167.24	345,007	124.93	106.15
Mar-12	0.50	2.19	19.03	87.25	1.78	187.87	366,518	120.59	103.28
Apr-12	0.40	2.19	19.04	87.33	1.77	180.11	295,858	120.59	103.28
May-12	0.50	2.24	18.76	87.75	1.72	166.65	247,937	110.52	94.51
Jun-12	0.60	2.14	18.65	88.48	1.54	175.16	255,121	95.59	82.36
Jul-12	-0.30	2.02	18.92	89.24	1.48	168.89	284,514	103.14	87.89
Aug-12	0.50	2.00	18.84	89.73	1.43	170.13	245,204	113.34	94.11
Sep-12	1.90	2.02	18.70	89.90	1.26	159.37	171,229	113.38	94.61
Oct-12	0.90	2.14	18.53	90.64	1.13	163.37	180,835	111.97	89.52
Nov-12	0.60	2.05	18.42	91.46	1.08	157.79	248,141	109.71	86.69
Dec-12	1.00	2.10	18.44	92.65	1.13	196.18	360,494	109.64	88.19
Jan-13	0.70	1.98	18.23	93.45	1.01	153.98	341,365	112.93	94.65
Feb-13	0.60	1.82	18.09	95.66	0.94	160.11	304,889	116.46	95.30
Mar-13	1.40	1.80	17.97	97.76	0.88	178.42	361,131	109.24	93.12
Apr-13	0.40	1.67	17.92	99.55	0.87	180.15	272,891	102.88	92.02
May-13	0.50	1.74	17.77	99.12	0.99	181.54	230,392	103.03	94.72
Jun-13	0.20	1.61	17.66	100.82	1.00	166.03	258,535	103.11	95.79
Jul-13	0.50	1.71	17.58	101.76	0.93	170.54	285,601	107.72	104.55
Aug-13	0.40	1.81	17.53	101.94	0.88	177.77	231,205	110.96	106.55
Sep-13	2.80	1.97	17.45	102.64	0.91	163.37	168,650	111.62	106.31
Oct-13	0.80	1.97	17.48	104.65	0.89	170.75	214,430	109.48	100.50
Nov-13	0.50	2.03	17.44	105.60	0.84	167.79	247,512	108.08	93.81
Dec-13	0.60	2.04	17.49	106.15	1.05	194.50	247,512	110.63	97.90
Jan-14	0.50	1.77	17.33	106.90	0.92	158.20	330,201	107.57	95.00
Feb-14	0.10	1.85	16.45	107.93	1.07	168.30	301,276	108.81	100.70
Mar-14	1.10	1.98	17.57	109.21	1.30	187.80	349,890	107.41	100.57
Apr-14	-0.30	2.26	17.66	110.16	1.29	183.30	328,304	107.88	102.18
May-14	1.00	2.12	17.35	111.26	1.17	188.70	243,114	109.68	102.00
Jun-14	0.10	2.29	17.50	112.20	1.38	168.30	266,550	111.87	105.24
Jul-14	1.4	2.41	17.38	112.85	2.18	183.2	221,006	106.98	102.99
Aug-14	1.1	2.21	17.42	112.74	2.12	183.9	171,486	101.92	96.38
Sep-14	2.10	2.05	16.91	112.67	2.20	na	106,757	97.34	93.35
Oct-14	0.10	1.93	16.62	112.76	2.00	na	135,780	87.27	84.40
Nov-14	-0.5	na	na	113.59	2.00	na	153,737	78.44	75.70

KEY

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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