Monthly Economic Bulletin

Inside This Issue

July 2015

The CEO'S Remarks

As discussed in earlier editions of the PSOJ Economic Bulletin, the economy continues to chug along positively. The macroeconomic indicators remain favourable and we see increased investment interest in Tourism, Manufacturing, BPO, and Agriculture in particular. In fact in the last employment survey, Manufacturing added the most jobs of all sectors.

At the PSOJ, we have spent many hours working with the authorities to ensure that the policy changes required by our members are put in place, and have found the authorities to be very accommodating in this regard. There is no doubt that the increased confidence we are seeing in business and consumers, are as a result of the legislative and fiscal changes under the economic programme.

As a country, however, we continue to grapple with anaemic GDP growth, which is illustrated by the small growth of 0.5% in the last calendar year, despite stable macroeconomic indicators and increased confidence in the economy.

This still elusive growth is due first of all, in my estimation, to time, as it will take some time for new investments to work their way through the system. But secondly is that our own policies that we continue to practice (although there is some change) themselves work against the growth we desire.

My own belief is that if we were to improve the efficiencies of the public sector bureaucracy, and make capital seem more welcome, that we would see greater levels of economic activity. If also we were to ensure that all public sector bodies have competent leadership, then this would be a catalyst for the transformation needed in the public sector.

Without these transformations, then the productivity levels will remain relatively low and the public sector workers themselves could see an erosion in any salary increases given.

So while we speak of the need for growth and to encourage private sector investments, our attitude to capital is to tax it , without understanding that the more money that is left in private hands is the greater economic activity will become. So every year we continue to pull productive money out of the economy, which causes a downward spiral and we end up where we are at today.

The following are some examples of the way in which poor management of our public resources produces negative results:

1) Management of the National Water Commission knew from last year (2014) that a drought would be upon us this year (2015) but nothing of significance was done to mitigate against it. The result is we could lose one percent of GDP this year.

2) Policies continue to be aimed, in many respects, at increasing the fiscal revenues rather than creating an environment that will facilitate private business.

This lack of facilitation and accountability has resulted in anaemic growth rates. I must agree that things are changing positively and real effort is being made to bring greater customer service in many areas. However, relative to other countries we are still lagging far behind.

We only have to look at the transformation that has taken place in government in places like Canada (e-Gov) and New Zealand (in terms of starting a business) and it reminds us that as a country, Jamaica still has a lot to do.

If we are to really see the growth and development needed to move Jamaica forward, we have to see a change in attitude towards capital, performance targets and pay, and a more efficient bureaucracy.

There are some who have said that now that the government has made legislative changes, that the private sector must now step up to the plate and start investing, not understanding that in a global market capital goes where it is most welcome. So we must always remember that irrespective of how many changes we carry out, if we carry out N changes and the competitor carries out 10 + 1, then even before we finish that we will be behind the eight ball again.

So Jamaica should continue to grow but in order to see acceptable growth levels we must first and foremaost change our attitude to capital in formulating policy.

Economic Highlights: June 2015

Economic growth for the second quarter of 2015 is currently one of the most topical issues. Economic growth is the most significant challenge that is currently facing the government. While the data is not out and will not be ready for another month or two, there are a number of indicators which may tell what is happening. One of these is the flow of credit to the private sector.

For the first five months of 2015, growth in nominal credit flows have been weak or negative. When compared with the corresponding period of 2014, the nominal growth is 3.9%. Inflation for the period using the CPI was 4%, hence real growth for both current and past periods are indeed weak. Not withstanding these credit statistics, there are positive developments happening in the real economy which should create growth in 2015, albeit lower than expected.

⇒ Investors seems to share a similar sentiment as the main JSE declined marginally in June 2015. Consequently, at end-June 2015, market capitalization was $387.2 billion relative to the capitalization value of $393.4 billion at end-May 2015. This reflects a monthly reduction of $6.22 billion (1.6%).

⇒ The cost of energy has been a significant factor impacting competitiveness and growth. In this regard, there were price increases in 60% of the commodities on the international markets monitored for June 2015. The price of both crude oil indices had mixed results in June 2015. The Brent fell by 3.4% while the WTI increased by 0.9%. Natural gas also fell by 2.4%. The IMF's Fuel Energy index fell by 2.5%, while the Food and Beverage Index increased by 0.4%. Low price environment should persist for the remainder of 2015, thus a stimulus for domestic growth.

⇒ The low price environment is also expected to impact the tourism industry positively. Tourist stopover arrivals rose to 168,347 for May 2015, reflecting an increase of 1.3% relative to the May 2014. The uptick in the monthly arrivals largely resulted from an increase of 2,800 in stopover by foreign nationals. For January to May 2015, stopover arrivals increased to 924,810 reflecting growth of 4.2% or 37,276 relative to the corresponding period of 2014.

⇒ The bauxite industry should also be positively impacted by the low price for crude oil even as the price for aluminum falls. The production of total bauxite fell in May 2015 relative to May 2014 by 35,646 tonnes (4.5%). On the other hand, YTD total bauxite production fell by 67,276 (1.4%). Annually, sales of total bauxite has increased by 116,000 (17.8%). YTD sales of total bauxite increased by 134,574 tonnes (2.81%),

⇒ Remittance flows are expected to continue its robust growth for 2015, this should therefore assist in bolstering aggregate demand in the economy. For March 2015, gross remittance inflows were US$194 million, reflecting an increase of US$5.7 million (3.1%) relative to March 2014. Similarly, for March 2015, net remittance inflows were US$174.4 million, an increase of US$2.5 million or (1.5%) relative to the March 2014.

⇒ With regards to the price environment facing the real economy, domestic inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) increased by 0.5% for June 2015. For the calendar year to June 2015, inflation rate is 0.5% compared to 2.5% for the calendar year to June 2014. Inflation for the last half of 2015 is expected to be moderated by two opposing forces, these are the falling oil prices and the impact of the current drought. This low price environment is expected to impact interest rates and help to stabilize the local currency.

⇒ The low inflation environment is impacting government treasuries positively. Yields on all tenors of GOJ Treasury Bills declined in the June 2015 auction. In this context, there were reductions of 4 bps, 8 bps and 8 bps in the yields on the 30-day, 90-day and 180-day tenors of GOJ Treasury Bills.

⇒ In contrast to other prices, at end-May 2015, the overall weighted average lending rate on local currency loans increased by 0.42% to 17.08% from 16.66% for April 2015. This increase in loan rates are not expected to continue given the low price environment and the expected stabilization in the local currency.

⇒ At end-June 2015, the Jamaica Dollar depreciated against all three major currencies. The movement in the currency brought the Fiscal year to June depreciation relative to the US dollar to 1.69% (J$1.94), 7.22% (J$12.28) relative to the Great British Pound and 3.55% (J$3.22) relative to the Canadian dollar.

⇒ At end June 2015, the stock of Net International Reserves (NIR) at the Bank of Jamaica was J$255.14 billion (US$2,116.51 million) reflecting a decline of J$30.29 billion (US$284.73 million) relative to the previous month.

⇒ For June 2015, there was a contraction of J$309.63 million (0.04%) in the monetary base relative to the previous month. This expansion resulted in an end-month stock of J$104.48 billion.

⇒ Revised data indicates that the dollarization ratio declined marginally from 43.9% at May 2014 to 43.8% at May 2015. This indicates a marginally stronger accumulation of foreign currency deposits in the commercial banking system relative to local currency deposits.

Crude Oil: Busted for Some, Boom for Jamaica

Randell Berry

Research Analyst & Consultant

International oil prices closed Friday July 24th with the Brent at US$55.39 and the WTI at US$48.80 per barrel. This significant decline in prices is seen by many independent analysts and organizations such as the Energy Information Administration (EIA) and the World Bank as the second major round of the precipitous price decline that started in June 2014. During 2014 prices for the Brent and the WTI were US$112 and US$105, respectively. Unlike the first round of oil price collapse which evaded most analysts, this second round has been debated by many since early January 2015.

In addition, analyst sees this price decline to be more lasting and some forecast that prices could fall as low as US$30 per barrel. The global impact of this ongoing price collapse is yet to be fully measured. However the impact on small oil importing countries like Jamaica is tremendous. More importantly, with the right policy mix and strategy Jamaica could enjoy much greater benefits than are currently been derived.

Following the first round of collapse in 2014 Jamaica was impacted positively in a number of ways. This include a significant reduction in expenditure of approximately US$221 million for the first quarter of 2015 over the corresponding period of 2014. Projecting these savings for all of 2015 implies a saving between US$700 to US$800 million on Jamaica's annual oil bill which averaged US$2 billion over the last five years. Data reveals that the saving in 2014 over 2013 amounted to approximately US$305 million. This measured reduction comes given that the price decline started during the middle of 2014. The decline in oil prices also impacted food imports which fell by US$21 million and it also caused the price of electricity to fall by approximately 30%. Inflation in Jamaica was also significantly impacted by the oil price collapse. Inflation measured by the consumer price index was cut by a half to 4% in 2014. Unfortunately, the impact on growth was not meaningful as the drought curtailed growth in the first quarter amounted to 0.4%.

Debates continue around the likely price trajectory since the quality and strength of economic stability and growth depends crucially on the price of oil. Some analyst including Mr. Gary Ross, the founder of the PIRA Energy Group who also predicted the 2014 oil collapse, believe that while prices are low and will remain low for some time, prices will trend up to US$100 per bbl. Over the next five years. The World Bank and the Energy Information Administration also forecast a deep and protracted reduction for oil prices. The World Bank projects that prices could remain low for as long as three years. The question then is what are the determinants of oil and are these assessments on correct. If they are correct what are the implications for Jamaica.

Determinants of Crude Oil Prices

In general, there are many variables that impact the price of oil. There are five key price determinants that will be discussed. These include:

⇒ Anticipated levels of supply from places such as the United States and Canada which have supplied the market with shale oil and oil sands and the increase in biofuels from places such as Brazil . These sources of crude oil have deep reserves and will continue to pose a significant threat to world oil prices. In spite of OPEC engaging in a production war, the war will be fought for a many years. In addition, oil from these sources, Iranian oil and new sources out of Africa and Mexico will put long lasting downward pressure on prices. It is also true that while prices are low, and will on average remain low, there will be periods of extreme volatility, Mr. Ross sees ISIS as one such factor that could cause these large swings in prices.

⇒ Despite growth in real output from the United States, world economic growth has been moderated by a slowdown in aggregate demand. One very important market is China, China has been slowly building its reserves of cheaper oil. This translates into lower demand for oil in the international market in the future. There are other factors that continue to have a long-term downward pressure on demand including the reduction in long term demand for oil in the US and other developed economies due to more energy efficient uses of power. With this expected lower demand, both current and future prices are trending down. As these market dynamics increase, future prices are compressed further, and speculators will continue to add further fuel to the fire by hedging against price volatility.

⇒ The rise in alternative fuels which including solar, wind, biofuels and gas will further compete with the market in the near to long term. Solar energy is and will continue to pose the biggest threat to the demand for oil prices. The world is demanding greater amount of vehicles powered by solar . In the US these vehicles represent approximately two per cent of the market and continue to grow exponentially. In China, where heavy air pollution is a big problem, more cities are going for electrically powered vehicles. The market for solar power creates even a bigger treat for oil given the exponential decline in the cost of generating a unit of electricity form solar.

⇒ With a stronger US economy, and invariably a stronger US dollar, oil prices will continue to fall in the financial markets as investors switch their investment portfolios for the dollar. In addition, a stronger dollar raises the cost of oil in some countries and thus lowers the demand for the now more expensive oil. Further, the US has gained oil independence and hence oil from OPEC does not impact US economy as it once did. This cushions the US

Crude Oil: Busted for Some, Boom for Jamaica

dollar from depreciations due to low US economic performance.

The total impact of these factors means two things, oil prices are likely to become more volatile in the future and oil price will move with greater magnitude. However prices are expected to remain low for the next two to four years. Given the forecast for oil prices, the questions then is how will Jamaica secure the greatest benefit from this window of opportunity. The following are some suggestions for the way forward:

⇒ Government policy must be put in place so that prices are reduced not just in terms of the lower electricity cost but consumers must derive more benefits. Prices at the pumps must be reduced much further. This will lead to greater savings and greater demand for other goods which could stimulate greater economic activity and thus growth. This must be an area of focus since growing the economy is the biggest problem facing the government.

⇒ Special incentives through lower energy price for farmers could further stimulate growth in the agricultural sector. Again lower prices for domestic food prices would significantly benefit consumers especially the poor who are financially stressed in this economic environment. In addition, manufacturers would also benefit and this would pass on to the tourism industry, thus greater price competitiveness and economic growth for Jamaica.

⇒ Lower prices would also lead to lower inflation rates. This lower price environment could produce sustained low inflation rates below 5%. Already Jamaica may see inflation in this range if domestic food prices check and oil prices continue to remain low in 2015.

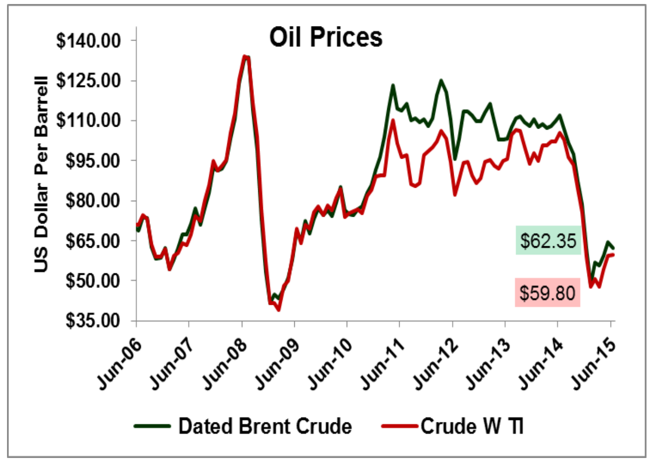
During this low price environment, low interest rates will also be facilitated. This then means that the financial stability will be further bolstered and the price of capital will be lowered. This also will lead to lower internal debt cost as T-bill will fall.

The current crude oil hedge contract will become more effective if the government is more aware of the expected price volatility and purchase windows that will become available overtime. That is buying at the optimal window could save millions from the purchases of these hedges.

This lower price environment for crude oil should therefore continue to lead to greater levels of economic growth for Jamaica over the next two to four years. Inflation should be relatively low, expenditure on crude oil should remain relatively low, the demand for the currency should be reduced through this channel and Jamaica should derive greater economic stability. This therefore represents an opportunity that other countries are using to grow, retool and to become more price competitive. Let us not sit by and allow this wonderful opportunity to slip by.

International Commodity Prices

Oil Prices



The West Texas Intermediate (WTI) crude oil index increased for the month of June. However, there was a decline in the Brent index. The Brent, which ended May at **US$64.56** decreased by **3.43% ($2.22)** to **US$62.35** by the end of June. On the contrary, the price per barrel of West Texas Intermediate (WTI) increased from **US$59.26** in May to **US$59.80** in June, a marginal increase of **0.91% ($0.54)**. An analysis of annual variance reveals that the Brent is **43.17%** lower than the price for in 2014 whereas the WTI is **44.27%** below its level last year. The Brent and WTI are **40%** and **38%** below their prices two years ago, respectively. This month's price is also **35.9%** below the 5-year average for the Brent and **32%** for the WTI.

According to one analyst, for June, Crude was mostly pressured by the negative sentiment created by economic conditions in Greece and China's Stock market decline. China having lowered its rates and traders believe it is to protect the stock market. The Greek impasse with default looming was another factor. In addition to these factors the June 30 deadline on the nuclear deal with Iran.

West Texas Intermediate oil futures eased slightly in late June, ahead of the deal between Iran and the West. This resulted in the addition of more oil to the global market. Iran and six world powers have concluded an agreement that will lift sanctions on Iran but place strict limits on its nuclear programme for more than a decade, in a historic compromise designed to stop the spread of atomic weapons and avert a major new conflict in the Middle East. It is expected that this deal binds Iran, the US, UK, France, Germany, Russia and China to a series of undertakings over many years.

An Iranian-American energy executive with extensive experience in the region, struck a cautious note: *"Iran has between 40m and 50m barrels of crude at sea. Expect this crude to come to the market in short order. They will start competing fiercely to regain market share now that they have lost to their Persian Gulf neighbors. Unfortunately for Iran, the timing could not be worse. Oil prices are depressed and already there is a glut of oil on the market. Adding Iran's crude will put further downward pressure on oil prices."*

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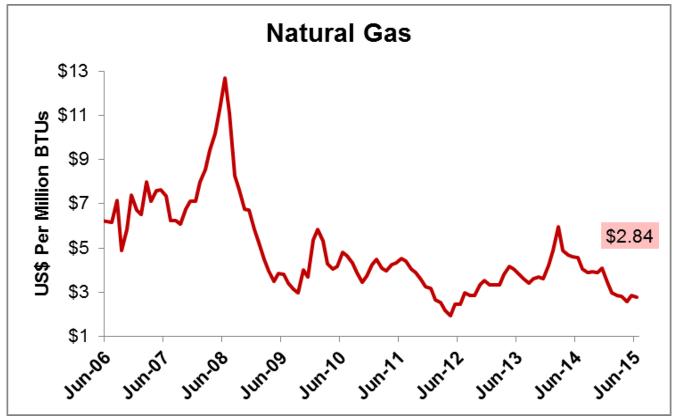
International Commodity Prices

Russia has overtaken Saudi Arabia as the largest supplier of oil to China for the first time. This was made possible as western sanctions over the Ukraine crisis started to take effect; Moscow has had to seek alternative markets and partners, which includes strengthening ties with Beijing. These ties are good for both countries since Russia accepts the Yuan for oil payments which also helped it top the oil supplier ranking. It was reported in May that China has become the world's biggest crude oil importer.

Natural Gas



Following a break in the five month decline in prices last month, June saw a reduction in the energy price.. There was a **2.43%** decrease in the fuel for June. A decline of **0.07 cents**, from **US$2.84** in May to **US$2.77** at the end of June. The decrease places prices **39.39%** lower than the prices in June 2014 and **28%** lower than prices two years ago in 2013. The moving 5-year average is **US$3.63**, which means that June prices are **23.7% (US$0.86)** below the long term average.

According to the (U.S.) Energy Information Administration, natural gas working inventories were on June 26, 35% higher than a year earlier and 1% higher than the previous five-year average (2010-14). A process in the production of the commodity is the "injection" phase. Gas reinjection is the supply of natural gas into an underground reservoir. Typically gas reinjection occurs in reservoirs containing both natural gas and crude oil, in order to increase the pressure within the reservoir and induce the flow of crude oil. After the crude has been pumped out, the natural gas is recovered.

Although injections into inventory have been strong most weeks, hot temperatures and high demand from the electric power sector contributed to lower-than-average injections during late June (since more of the commodity was used to satisfy demand rather than the reinjection process). Nevertheless, working inventories are on pace to end the injection season above the previous five-year average. EIA projects end-of-October stocks will be 3.2% more than the five-year average. Although the summer heat is usually a driving force for natural gas prices, fluctuations can occur due to the use of its alternatives.

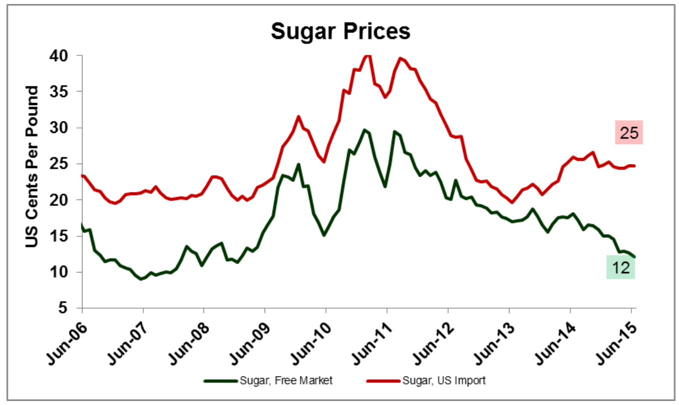
Sugar

June prices for the Free Market sugar commodity ended at approximately **US$0.12 cents per pound**, down **4.64%** from its May price of **US$0.13 cents per pound**. For the US Sugar imports, the commodity ended June at **US$0.25 cents** up **0.16%** from **US$0.24 per pound** in May. The annual comparison to 2014 prices for June reveals that the price of Free Market sugar is **33.18%** lower, while US import prices is **4.57%** lower than last year. The two year comparison reveals that the Free Market sugar is **29%** lower than prices in 2013 and **26%** higher for the U.S Imports. Our calculations put both commodities below their respective 5-year averages: **34.3%** for the Free Market sugar and **7.8%** for U.S. Imports.

According to analysts at DATAGRO, the largest consultancy of ethanol and sugar in the world, around 60% of Brazil's cane output in 2015/16 will be diverted to ethanol production. Currently, many Brazilian mills are cash-poor. Ethanol is easier to sell on their local market when compared to sugar exporting process, hence the production of the fuel is favored. The president of DATAGRO Plinio Nastari said that with "*ethanol paying better than sugar*", the ethanol: sugar ratio during the 15/16 campaign is likely to be 59.5:40.5. Ethanol output for the production year is expected to rise, whereas the sugar exports for the year is expected to fall. This may not be set in stone however as at least one Brazilian company, the Sao Martinho sugar and ethanol group is planning to increase its sugar production by more than 5%.

In other reports, the Mexican government sold four state sugar mills at an auction on June 12. Mexico is the fifth largest sugar exporting country. Whereas in Brazil, one local press reports that competitiveness of the Brazilian sugar industry was hit hard by production costs that are above the global sugar price due to oversupply in the market for over four years. This has resulted in plant closures, redundancies and requests for judicial recovery (or bankruptcy).

In the latest Rabobank Sugar Quarterly report, the food and agro-financing leader reported that the global sugar market



has been trending downwards on the back of the persistent abundance of stocks, and a strong seasonal mismatch between export availability and import demand. It was further stated that there was indication of how low sugar prices can go. The sugar pipeline is full for the major importers after a prolonged period of low prices, suggesting that further price falls will do little for immediate sugar demand. The bank forecasted that while recent weaker prices would typically shut off production, "*government intervention has prevented the transmission of world market price signals to producers*".

Maize/Corn

Continuing the fluctuating trend since the start of 2015, the change in the monthly price of corn particularly the U.S. No.2 Yellow, is a small increase of **US$0.42 per metric tonne (0.25%)**. The price of **US$166.72** is a reduction of **US$35.84 (17.69%)** from June 2014 to June 2015. The two year comparison reveals that the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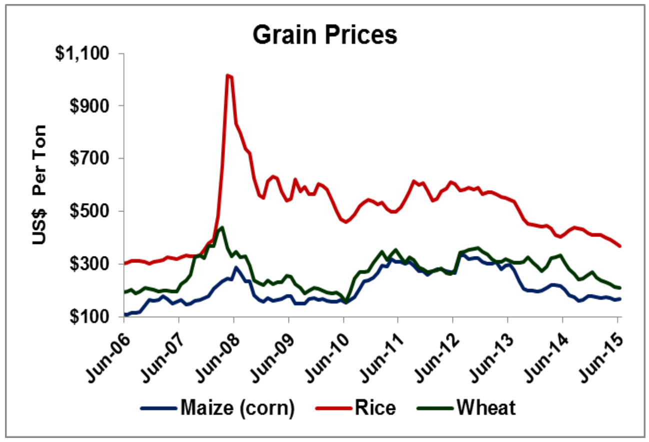
commodity price is 44% lower than prices in 2013. The five year monthly price average for corn is now **US$248.81**, indicating that the June price is **33% (US$82.09)** below the long term average.

In June, Commerzbank expressed forecasts that Chicago corn futures will return to $4.00 a bushel by the end of 2015. Crop estimates suggest that "*global production in 2015-16 will be outpaced by demand*", a factor which "*should give the corn price a lift*", the bank said, highlighting the threat to output in some countries from the El Nino weather pattern. That is, the adverse effect of the weather phenomenon will hurt global supplies if the commodity relative to demand, resulting in more price increases than falls by year end.

"*The El Niño weather phenomenon does create some uncertainly on the corn market*," the bank said, noting some "cautious" outlooks for the harvest in China, the second-ranked producing country. "*Weather services are forecasting an El Niño phenomenon for China which means a higher likelihood of a hot and dry summer*". Drought is a key constraint for corn cultivation. Conversely, with continued wet weather across the central and eastern Corn Belt, concerns are mounting that the saturated conditions could adversely impact the corn crops. In late June, US corn futures hit their highest level in two months on concerns about excessive rains in the Midwest curbing yield prospects, traders said.

Rice

Continuing the declining trend since last year August, the change in the monthly price of rice, (the 5 percent broken milled white rice) is a decline of **US$11.88 (3.11%)** per metric tonne. Similarly, the price of **US$370.55** is a reduction of **US$44.12**



(10.64%) from June 2014 to June 2015. The two year comparison reveals that the commodity price is 32% lower than prices in 2013. The five year monthly price average for rice is now **US$491.14**, indicating that the June price of **US$370.55** is 24.6% below the long term average.

Top rice producer Thailand, is being tested by a period of drought and speculation is growing about its ability to maintain supply. The drought situation that is affecting 42 of 76 provinces has worsened according to a report from the local Department of Disaster Prevention. Some speculators have started expressing views that "*rice prices are poised to climb as drought deepens*". Heat waves and drought have gripped nations across South and Southeast Asia as El Nino has taken hold for the first time since 2009. It has brought heavier rainfall to the Americas and a hotter and drier summer to Asia. That is bleak news for rice production and exports as the three nations suffering the effects of the drought -- India, Vietnam and Thailand -- are also the world's leading exporters.

In Thailand, water shortages are so severe in 22 of the 76 provinces that the government has asked farmers to delay planting this year's main crop due to low dam levels, affecting 3.41 million of the 4.16 million hectares of rice fields under cultivation. The meteorological department said at the end of June that the volume of water in central Thailand's biggest reservoir was at its lowest in 20 years.

Despite the fall in output, the price of rice has been weaker this year compared with 2014, partly due to Thailand offloading stockpiles accumulated under a now-discontinued government subsidy scheme. According to the Oryza White Rice Index, the price has fallen from $490 per ton in June 2014 to $405 per ton in June 2015. The price is seen to rebound over the next few months as demand outstrips supply. Farmers who have guaranteed irrigation or who live in regions less affected by this year's weather could stand to benefit from any higher export prices. "Since the cause of the drought is possibly from the El Nino effect, the price would rise along with the demand for rice," a senior official at the Thai Rice Exporters Association said.

Thailand's Commerce Minister said earlier in June that he expected rice production to fall to 25 million tons this year, down from 30 million tons last year. However, he said Thailand would be able to draw from its stockpiles and export 10 million tons, up slightly from last year's 9 million tons. That will make Thailand the world's No. 1 rice exporter this year, regaining the position from India, which had occupied the top spot since 2012. The grain is the world's third-biggest crop after sugar cane and corn, according to the United Nations.

Wheat

In June, global wheat prices fell again for the sixth straight month, this time by **US$5.28 (2.46%)** when compared to May, to close at **US$209.87 per tonne**. When compared to June 2014, prices have fallen by **US$96.67 per tonne (31.54%)**. Prices are also below the prices 2-years ago by **$104 (33%)** and below the 5-year average of **$286.51.57** by 29.8%.

Commerzbank, Germany's second largest listed bank, held with expectations that Chicago wheat futures will average $5.50 a bushel in the October-to-December quarter. This was above the $5.33 a bushel at which December futures were trading at one point in June. The bank flagged financing due to weather setbacks in June to crops for a number of producers, including the European Union and some producers in the US.

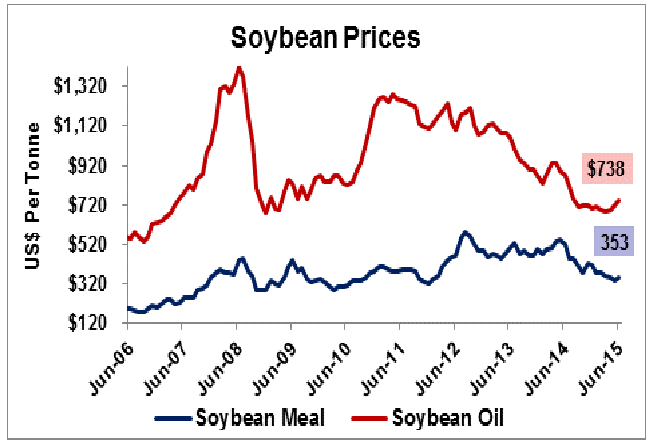
Global wheat prices are set to rally due to wet conditions in the United States in the last two weeks of June however. Large areas of the US's cropping regions have received more than six times their annual rainfall in the last fortnight in June, with more forecast in the coming weeks. According to the USDA Wheat Market Outlook in June 2015, prospects for large world wheat supplies and stocks will cause lower World wheat market prices. In addition, the International Grains Council amid heightened concerns about the weather for 2015/16 crops, posited that average wheat export prices will mostly increase towards the end of 2015 into 2016.

According to USDA predictions, U.S. wheat supplies for 2015/16 will move higher in the month of July. Overall yields for spring wheat are forecast above average. All wheat exports for 2015/16 are raised 25 million bushels to 950 million on increased U.S. supplies and reduced wheat production in Canada. Despite higher stocks, the season-average price is raised 35 cents to $4.75 to $5.75 per bushel on recently higher cash and futures prices and the rising outlook for corn prices, particularly in the summer months when a majority of this year's wheat crop will be marketed.

Soybean

At the end of June, the price per metric tonne for soybean oil stood increased to **US$738.04**. This was **3.01%** more than the May price of **US$716.49**. This month's price is also **15.32%** lower than last year. It is moreover 30% and 26.4% below its price 2 years ago and the 5-year average. The 5-year moving average of soybean oil is US$1003.21. The Soybean Meal on the other hand has ended its six months of declines with an increase to **US$353.90 (3.94%)** in June. Between November 2014 and May 2015 prices have declined by 20%. The June price is still **US$165.3 (31.85%)** lower than the price level last year. It is also 30% lower than prices two years ago and **24.6% (US$120.59)** below the 5-year average.

Grain and oil seed prices "soared", with soybean futures back above $10 a bushel for the first time since March. This is in the context of heavy Midwest rains and the prospect of more,



prompted a flood of "get me out" orders from investors, according to Agri-Money reports. According to IMF data, the increase in June, ended six months of decline for Soybean Meal particularly the Chicago Soybean Meal Futures. The blame of the price increase is a large part attributed to further heavy rains in parts of the Midwest where inundations have already slowed the last soybean seeding, and hampered winter wheat harvesting, besides flooding out some of what has been planted.

Price gains were also underpinned by weather worries in some other major crop producing countries too. In Australia, which has actually been receiving some rains recently in dry areas, a downbeat wheat crop forecast from National Australia Bank revived worries of what the El Nino weather pattern might bring. In France, Europe's top wheat-producing country, weather forecasters warned of heat waves that could take temperatures to record highs, at a time when dryness is already proving an issue for crops.

Coffee

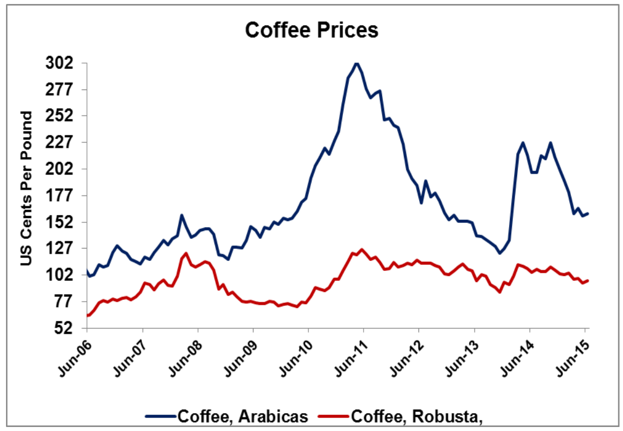
At the end of June, the price per pound for coffee of

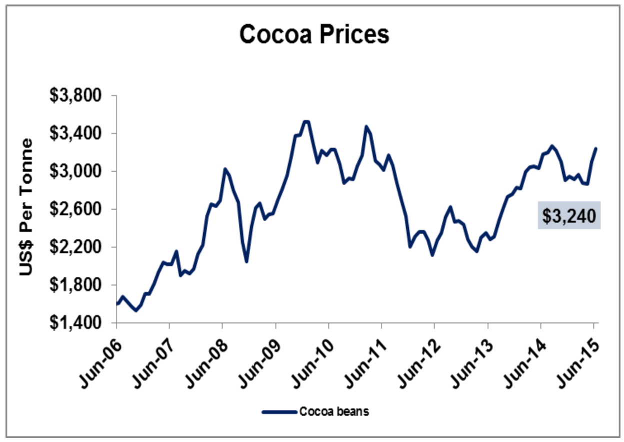
the 'Other Mild Arabica's' category stood at an increased US$1.60 per pound. This is 1.01% more than the May price of **US$1.58**. This month's price is also **$0.39 (19.68%)** lower than last year. It is moreover 15% and 15.5% below its price 2 years ago and the 5-year average. The 5-year moving average of the 'Other Mild Arabica's category is US$1.89 per pound. The Robusta coffee variety also increased in June to US$0.96 (by 2.69%). The June price is US$0.08 (7.40%) lower than the price level last year. It is also 9.3% (US$0.1) below the 5-year average.

Coffee prices fell at a rate of between 20-25 percent in global markets throughout the past year. Brazil's crop each year might be huge and will produce large quantities, so prices start to fall in preparation for this. Reports out of Brazil say that the crop this year is similar to last year's crop or is perhaps even less, and therefore global stock prices have stalled for two weeks.

Other analysts have cited improved prospects for Brazil's coffee harvest and warn of more cuts in the prices of the Arabica variation of the commodity. The downbeat forecasts are a reflection of upgraded expectations for Brazilian output, after the return of rains this year to the key Arabica-producing state of Minas Gerais eased concerns of damage from last year's worst-in-a-generation drought. Many trading houses have revised up their Brazilian harvest forecast for the 2015-16 seasons. The US Department of Agriculture also issued an upbeat harvest estimate.

Analysts at banking group ABN Amro also expressed concerns of a weakening of the Brazilian currency and a falling off of demand since roasters have already purchased a substantial amount of coffee already. These will further result in downward global pressure on coffee prices if the banks assessments are true.





Cocoa

For the past 12 months, cocoa prices have fluctuated significantly. Continuing the trend, June saw prices increasing by **US$143.89 per metric tonne (4.65%)** to end the month at **US$3239.88 per metric tonne**. The price represents a 2.07% increase over the price in June 2014 of **US$3174.31**. The two year comparison reveals that the commodity's price is 42% higher than prices in 2013. The five year monthly price average for cocoa is now **US$2975.85**, indicating that the June price is **15.9% (US$444.03)** above the long term average.

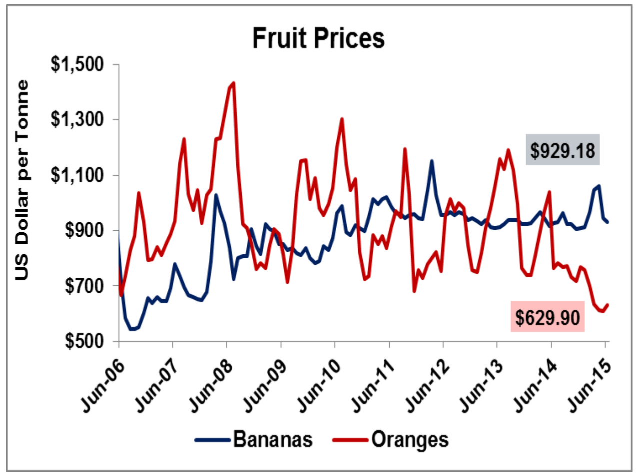
Analysts at banking group ABN Amro flagged a sharp decline in expected output from Ghana, the second-ranked producing country, with forecasts for a 20% drop in volumes this season. Another factor has been the unseasonable weather in West Africa, due mostly to too little rainfall in Ivory Coast, as well as Ghana. On the other hand, slowing demand for cocoa from the food processing industry has put a ceiling on the price increases. In June, September futures had traded at $3,326 a tonne, and the December contract at $3,317 a tonne.

European cocoa demand rose in the second quarter of 2015, against analysts' expectations, while Commerzbank sees cocoa prices discovering new highs in the fourth quarter of the year. The volume of cocoa beans being processed in Europe, which is a proxy for cocoa demand, rose by 0.6% compared with the same quarter last year, according to the European Cocoa Association. Commerzbank said "*the high cocoa price level is weighing on processor's margins and leading to price increases for chocolate products, which is reducing demand.”*

Banana

Since the start 2015, banana prices have ended each quarter in contrast to how it started. The start of the second quarter had prices at **US$1059.14 per metric tonne** but subsequently fell to **US$929.18** by the end of June, a 12.27% decline. The March and April of **US$1045.96** and **US$1059.14** have been the highest prices have ever been since February 2012. The current price is 0.34% higher than June 2014 prices. The two year comparison reveals that the commodity’s price is 2% higher than prices in 2013. The five year monthly price average for banana is now US$941.90, indicating that the June price is 1.4% below the long term average.

Despite being a fruit that is very rich in carbohydrates and potassium, which makes it one of the best ways to nourish the body, currently up to 100 tons of bananas are being wasted because there



is no market for it at the local or national level in Mexico, the tenth largest producer of the commodity. Banana producers agree that the sector is in crisis, that they urgently need prices to increase, and that there's a great need for opening marketing channels because they currently have no resources to send the fruit to supply centers and to distribute it. The Pilipino Banana Growers and Exporters Association (PBGEA) is urging the government to review the concessions in the Philippine-Japan Economic Partnership Agreement (PJEPA) to secure the country’s position in the Japanese market and ensure that the Philippine banana industry continues to be in the top three banana exporting countries. The appeal came as more and more Japanese importers began striking deals with suppliers in Mozambique, Vietnam, Costa Rica, and lately in Indonesia, consequently reducing Japan’s dependence on the Philippines.

Oranges

Orange prices in June have risen to **US$629.90 per metric tonne** from **US$608.64**. This 3.49% increase has ended 5 months of declines. The price however represents a 17.51% decrease over last year's June price of US$763.57. The two year comparison reveals that the commodity's price is 46% lower than prices in 2013. The five year monthly price average for orange is now US$884.06, indicating that the June price is 28.7% (US$254.16) below the long term average.

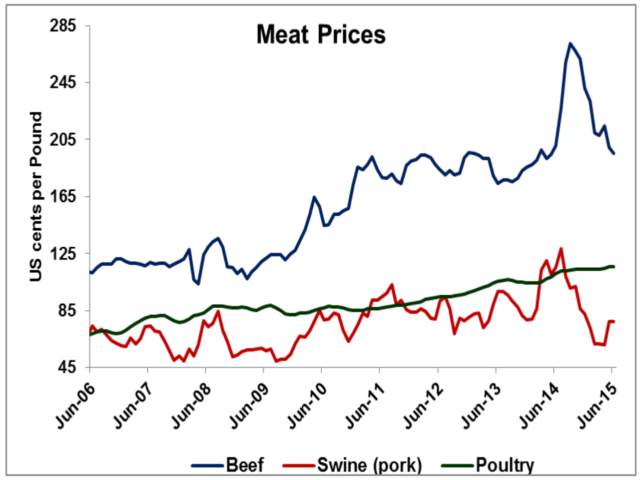
A Wall Street analysts explain that usually, when demand for a product slumps, prices usually fall. This has not been the case for the orange juice market however. Americans are drinking the least amount of orange juice in 13 years and forking over more for it than ever before as orange juice makers compete for a limited amount of fruit. Citrus greening, a bacterial disease that curtails the size of the oranges and makes the fruit drop from the trees before fully ripe, has shrunk production in Florida, the source of most of the oranges used in U.S. juice. Florida's orange crop is likely to be the smallest in nearly 50 years.

USDA and Brazilian forecasts put total Brazilian FCOJ production for 2015/16 (Brazil starts the 2015/16 year in July) at 935,000 tonnes, a 23% reduction from the previous season, due to lower expected fruit availability for crushing and below average industrial yields. More than 50% of the world's production of orange takes place in Brazil.

Beef

In June, beef prices fell again for a second month, this time by a smaller US$4.17 (2.09%) when compared to May, to close at US$1.95 per pound. When compared to June 2014, prices have fallen by US$0.06 (2.86%). Prices are however above the price level 2-years ago by $0.21 (12%) and below the 5-year average which is $1.86 by 4.6%.

What is displayed above pertains to the Australian and New Zealand 85% lean fore's, CIF U.S. import price. Where U.S. beef is concerned, according to the USDA, historically small U.S. cattle inventory continues to support high beef prices in 2015, but at least in the short term, increasing imports of processing beef from Australia and heavy carcass weights have helped moderate some of the price pressures. Fed cattle live and dressed weights have remained significantly heavier than last year due in part to improvements in pasture conditions and extra time on feed as a result of reduced steer and heifer slaughter.



In the first four months of 2015 on average global beef prices weakened, according to the Agriculture and Horticulture Development Board (AHDB). This, follows a period of record high prices. The board also noted that Australia and the USA are in the strongest position as beef exporting nations, with Australia in particular experiencing growth in volume and demand for its beef overseas, despite the overall decline in global beef prices.

Brazilian beef has had a difficult start to 2015, facing more intense competition in low value markets such as the Middle East. Brazil, ranked second behind the

U.S. in production according to analysts, has not seen an increase in trade with Russia also, and to date has been unable to get access to the US market, where prices continue to be under upwards pressure. The USDA says that this is forecasted to result in an increase in Brazilian beef available for the export markets, but since the start of 2015, both prices and volumes of Brazilian beef exports are down on year earlier levels. In more positive news, the AHDB says the announcement of Brazil gaining access to the Chinese market and talks with US officials on regaining access for fresh beef could result in a change in fortunes for the sector.

One uncertainty is the extent to which feeding cattle to heavier weights will offset the decrease in slaughter numbers in 2015, and the ultimate effect this will have on total commercial beef production. Despite heavier cattle, U.S. commercial beef production is currently expected to fall to a multi-decade low in 2015. U.S. beef production is also expected to increase in 2016 due to a rising cattle inventory and continued heavier carcass weights.

Poultry

The IMF commodity tracker reveals, there was a small increase in the price of poultry for June 2015 relative to May prices, increasing to **US$1.16 per lb.**, a **0.03%** increase. The June price is **4.61%** higher than last year and 10% higher than two years ago. It is also 12.9% above the 5-year average which is US$1.03.

According to the USDA's Livestock, Dairy, and Poultry Outlook; June 2015, since the beginning of this year, the U.S. poultry industry has been confronted with multiple outbreaks of Highly-Pathogenic Avian Influenza, a virus lethal to poultry. To date, the heaviest incidence of the virus has fallen on table egg layers and on turkeys in Midwestern States. The virus has affected production, trade, and prices. The USDA also reports that the current outbreak of Avian Influenza (AI) has not significantly impacted the production of broiler meat. The primary impact of AI for the broiler industry has been in its export sector.

Higher production and lower exports are expected to increase broiler supplies, raising cold storage holdings and placing downward pressure on prices. The turkey industry has seen AI impact both its production and exports. Both turkey production and export estimates have been revised reflecting the number of turkeys that have been rejected and the number of full and partial trade restrictions than have been put in place. The outbreak in the Midwest has boosted prices for eggs and roasting turkeys, the USDA reported this month, but has pushed chicken prices down, because other countries are restricting poultry imports from the United States. Fewer exports mean plenty of chicken available in the US market. Officials say the rate of new avian flu cases has slowed, but concerns remain. More than 30 countries still have restrictions on US imports.

Swine (Pork)

A small increase in the price of pork for June 2015 relative to the May prices was revealed by the IMF commodity tracker. Having ended a six month decline streak in April, pork prices increased for a second month from US$0.77 to US$0.78 per lb., a 0.04% increase. The June price is however 32.92% lower than last year and 21% lower than two years ago. It is also 18.9% lower the 5-year average which is US$0.9543.

The U.S. pork industry continues to recover from Porcine Epidemic Diarrhea (PEDv). U.S. pork held in freezers marked a record high in the month of June, bolstered by increased hog production following industry efforts to control the deadly pig virus, experts said after the government's monthly cold storage report. The U.S. Department of Agriculture (USDA) cold storage report for June showed total pork inventories at 632.2 million lbs., a record for the month that topped the 2012 June high of 592.9 million. Lower feed costs along with the less-severe Porcine Epidemic Diarrhea virus (PEDv) fueled hog herd growth, resulting in a 7.2 percent rise in hog slaughter and 6.8 percent bump in pork production from January to the week ending July 18.

According to University of Missouri analysts, the August lean hog futures contract settled last week at $75.67/cwt, up $2.40 for the week. October hog futures ended the week at $63.45/

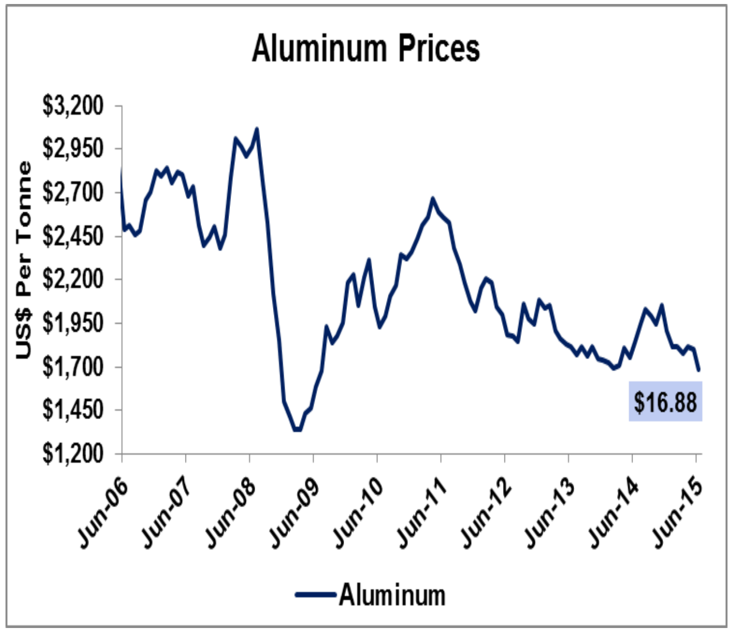
cwt, up $1.00 from the week before. December hogs gained 70 cents this week to close at $60.67/cwt. The February contract settled at $66.12/cwt.

According to the RaboBank pork quarterly report, Chinese imports are set to expand in the second half of 2015 into 2016, due to a large culling of China's stock over the past 18 months. This has put pressure on production and pushing up prices. The pork market suffered at the end of quarter 1 and into quarter 2. The market started to recover by the end of quarter 2 with rising prices in almost all main import and exporting countries. The group further expressed that the recovery will continue into period 3, driven by an expected growth in exports to China.

Aluminum

Since the start 2015, Aluminum prices have ended each quarter lower it started. June prices ended at **US$1,687.73**, a **7.23%** decline. Prices have never been this low since July 2009. The current price is 8.22% below than June 2014 prices. The two year comparison reveals that the commodity's price is 7% lower than prices in 2013. The five year monthly price average for banana is now US$1,956.90, indicating that the June price is 13.8% below the long term average.

Despite a strong start during the early part of May, as the US dollar entered a small correction, aluminum prices have continued their downward price movement with the other industrial metals. If the dollar continues its moves to the upside — and we have no reason to believe that trend has changed — aluminum will likely remain in a bear market. Several indicators tell us the state of aluminum supply. China is the leading producer of the material and traders have reported Chinese bar products have now entered European markets cost-competitively, the first time in five years, as a result of the Chinese export tax change.



The large quantity of Chinese supply in the market has also urged the fifth highest producer India, into action. A delegate of the Aluminium Association of India met the government recently to flag the issue of rising aluminium metal imports to the country and suggested a hike in import duty on these materials. The increase in aluminium exports from China has been one of the key themes in the aluminium market over the past year. As a means to check the growing imports, the industry body has asked the government lift the import duty on aluminium metal.

International Commodity Prices

June 2015 Issue

Impact of global prices on Jamaica

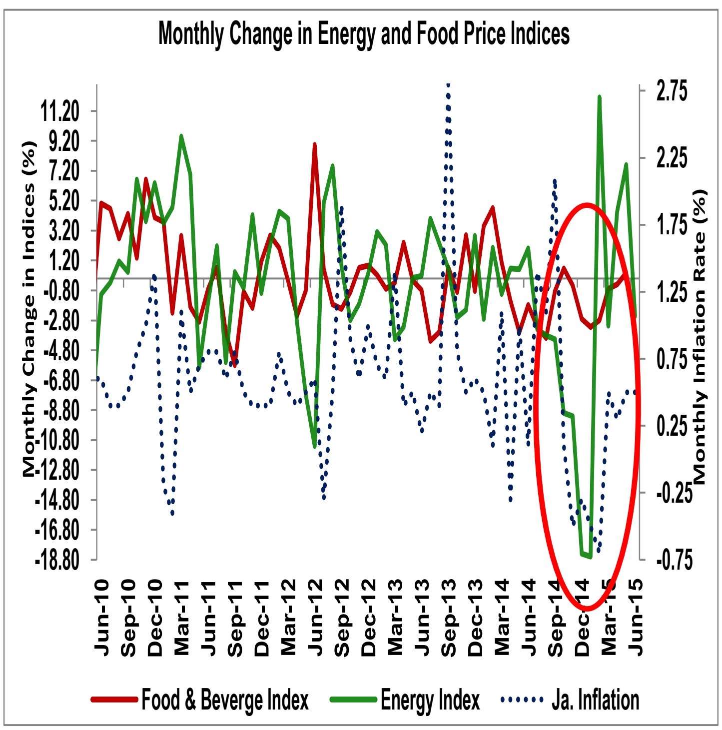
There were prices increases in **60%** of the commodities monitored for June 2015. The price of both crude oil indices had mixed results in June 2015. The Brent fell by **3.4%** while the WTI increased by **0.9%**. Natural gas also fell by **2.4%.** The IMF's Fuel Energy index fell by **2.5%,** while the Food and Beverage Index increased by **0.4%.** The unsettled market for fuel energy, will show periods of small spikes in prices, the price of the WTI is expected to hover around the projected **US$50.00 - US$60.00** per bbl. over the next two to three months.

Given all the changes in the fundamentals, fuel prices are expected to remain very low in 2015, some analyst even expect that prices could average less than US$50.00 per bbl. through out the rest of the year. The projections on food prices show that they should decline towards the end of 2015 (**see table page 20**). To this end, the domestic inflation should continue to be moderated by both local food production and international food prices. BOP and exchange rates should continue to be positively impacted.

The graph to the right shows the relationship between movements in commodity prices and movements in domestic inflation. The downward movements in the international price indices for June 2015 should be observed in Jamaica around end-August 2015. In addition, inflation of **0.5%** for June 2015 would have been influenced by the price movements in Apr-May. 2015.

The adjusted forecast by the BOJ is for inflation to fall in the range of **5.5%** to **7.5%** in the 2015 fiscal year. The PSOJ sees significant risks from exchange rate movements, domestic agricultural production and wage increases, higher taxes and money growth. In this regard, the PSOJ's forecast is for inflation to fall between **3%** and **6%** will remain until end of October 2015. The lower projection level of **3%** is still a real possibility and is looking more likely as oil falls.

Commodities	Unit	Price	Price	Monthly Change
		Jun-15	May-14	Per cent
Aluminum	Metric ton	1687.73	1804.04	-6.45%
Bananas	Metric ton	929.18	946.79	-1.86%
Beef	Pound	195.05	199.21	-2.09%
Cocoa beans	Metric ton	3239.88	3096.00	4.65%
Coffee- Arabicas	Pound	159.77	158.17	1.01%
Coffee- Robusta	Pound	96.89	94.35	2.69%
Maize (corn)	Metric ton	166.72	166.30	0.25%
Natural Gas	MMBTU	2.77	2.84	-2.43%
Dated Brent Crude	Barrel	62.35	64.56	-3.43%
Crude WTI	Barrel	59.80	59.26	0.91%
Oranges	Metric ton	629.90	608.64	3.49%
Swine (pork)	Pound	77.35	77.32	0.04%
Poultry	Pound	116.00	115.96	0.03%
Rice	Metric ton	370.55	382.43	-3.11%
Soybean Meal	Metric ton	353.90	340.47	3.94%
Soybean Oil	Metric ton	738.04	716.49	3.01%
Sugar- Free Market	Pound	12.11	12.70	-4.64%
Sugar- US Import	Pound	24.76	24.72	0.16%
Wheat	Metric ton	209.87	215.15	-2.46%



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INTERNATIONAL COMMODITY PRICES (IMF)

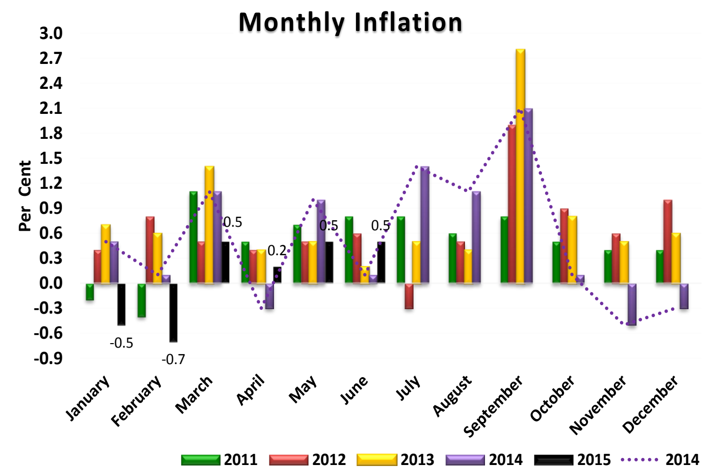
Commodities	Units	Actual Prices 2014Q2	2014Q4	2015Q1	2015Q2	Projections 2015Q3	2015Q4	2016Q1	Percentage Changes Q2-14/Q2-15			
Food												
Cereals												
Wheat	$/MT	322.1	257.9	238.8	216.1	214.6	215.3	218.3	-33%	10%	-10%	-10%
Maize	$/MT	213.9	173.5	174.2	168.4	177.8	172.8	176.8	-21%	3%	2%	-1%
Rice	$/MT	409.4	420.8	406.6	381.8	371.3	369.3	329.8	-7%	6%	-9%	-9%
Barley	$/MT	166.9	122.0	132.2	128.1	129.5	114.5	139.1	-23%	3%	-2%	-13%
Vegetable oils and protein meals												
Soybeans	$/MT	540.4	370.9	363.9	354.6	377.1	373.2	374.5	-34%	3%	4%	3%
Soybean meal	$/MT	531.9	406.7	372.7	348.0	392.3	382.8	378.9	-35%	7%	5%	3%
Soybean oil	$/MT	899.7	716.1	696.4	715.4	714.0	720.1	727.4	-20%	-3%	3%	3%
Palm oil	$/MT	794.7	653.3	627.9	599.9	579.0	582.8	597.3	-25%	4%	-8%	-7%
Olive oil	$/MT	3663.5	4262.5	4568.3	4865.3	4921.5	4970.0	5030.5	33%	-7%	8%	9%
Groundnuts	$/MT	2228.8	1940.1	2016.8	2023.4	1972.8	1922.1	2045.4	-9%	0%	-2%	-5%
Meat	cts/lb											
Beef	cts/lb	195.5	256.0	216.6	202.9	200.6	198.4	202.6	4%	6%	-7%	-8%
Lamb	cts/lb	135.4	130.2	122.5	112.4	113.5	115.0	115.7	-17%	8%	-7%	-6%
Swine Meat	cts/lb	115.4	90.3	65.5	71.9	71.9	71.9	69.9	-38%	-10%	10%	10%
Poultry	cts/lb	109.0	113.9	114.0	115.6	118.3	116.5	118.6	6%	-1%	4%	2%
Seafood												
Salmon	$/kg	6.9	5.8	5.6	5.1	5.1	4.9	4.9	-26%	8%	-8%	-13%
Shrimp	$/lb	17.8	14.3	15.7	15.7	15.6	16.6	16.1	-12%	0%	0%	6%
Sugar												
Free market	cts/lb	18.2	15.8	14.1	12.6	12.2	11.9	13.2	-31%	11%	-14%	-16%
United States	cts/lb	25.3	25.3	24.8	24.6	24.8	24.8	24.9	-3%	1%	0%	0%
Bananas	$/MT	929.2	911.9	974.8	978.4	956.3	946.3	953.4	5%	0%	-2%	-3%
Oranges	$/MT	838.8	739.8	698.5	616.9	613.3	611.1	620.6	-26%	12%	-12%	-13%
Beverages												
Coffee												
Other milds	cts/lb	213.7	213.5	177.0	161.0	139.1	128.8	132.3	-25%	9%	-21%	-27%
Robusta	cts/lb	107.9	106.6	101.4	96.7	81.2	79.0	80.2	-10%	5%	-20%	-22%
Cocoa Beans	$/MT	3085.0	2985.6	2918.5	3068.1	3348.7	3319.3	3298.9	-1%	-5%	15%	14%
Tea	cts/kg	222.2	247.6	291.2	320.1	331.0	340.1	322.4	44%	-10%	14%	17%
Agricultural raw materials												
Timber												
Hardwood												
Sawnwood	$/M3	917.3	862.6	826.2	834.8	843.1	874.8	845.6	-9%	-1%	2%	6%
Softwood												
Sawnwood	$/M3	312.6	302.1	306.8	305.2	296.2	291.1	306.0	-2%	1%	-3%	-5%
Cotton	cts/lb	92.6	68.7	68.8	72.3	66.4	65.8	65.8	-22%	-5%	-4%	-4%
Rubber	cts/lb	96.1	73.5	78.6	81.2	87.5	85.5	95.0	-15%	-3%	11%	9%
Hides	cts/lb	109.8	112.7	105.8	96.8	92.1	91.2	95.1	-12%	9%	-13%	-14%
Metals												
Copper	$/MT	6795.3	6632.3	5833.2	6056.6	5624.1	5636.3	5649.8	-11%	-4%	-4%	-3%
Aluminum	$/MT	1800.2	1970.4	1802.1	1770.3	1676.5	1709.8	1722.0	-2%	2%	-7%	-5%
Zinc	$/MT	2071.4	2235.3	2079.8	2192.2	2005.7	2012.1	2020.8	6%	-5%	-4%	-3%
Energy												
Spot Crude 1/	$/bbl	106.3	74.5	51.7	60.4	56.0	56.8	58.0	-43%	-17%	8%	10%
natural Gas US, domestic market	$/MMBTU	4.6	3.8	2.9	2.7	2.7	2.9	3.2	-41%	5%	-5%	2%
Coal Australian, export markets	$/MT	77.9	67.4	65.6	63.2	56.2	59.0	68.6	-19%	4%	-14%	-10%

Monthly Inflation and Treasury Bill Rates

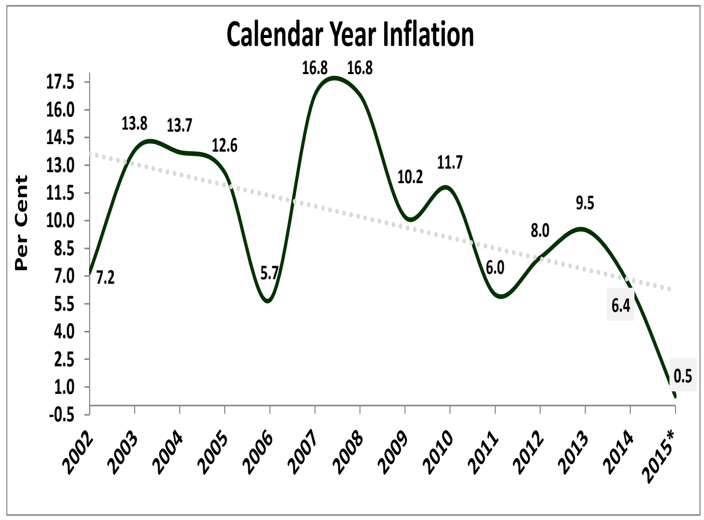
June 2015 Issue

Domestic Inflation Rate

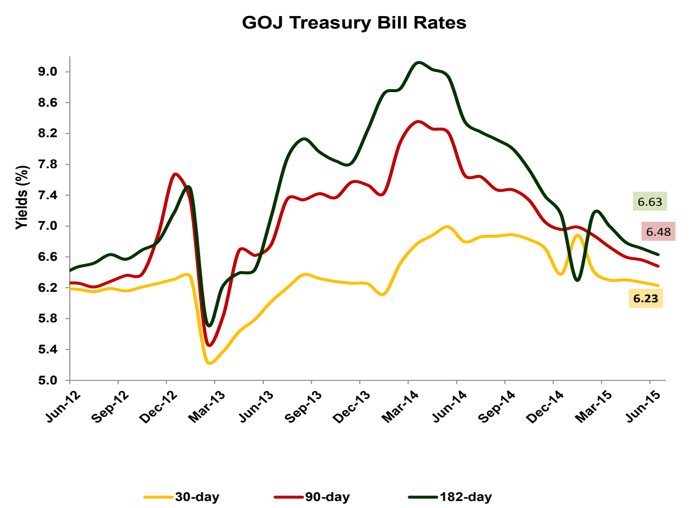
Domestic inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **0.5%** for June 2015. According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by a sharp increase in *Food & Non-Alcoholic Beverages, Housing, Electricity, Gas, and other Fuels* and *Transport*. The movement in *Food & Non-Alcoholic Beverages was primarily due to an increase in the prices of vegetable & a reduction in starchy foods. The increase in the other two divisions resulted from increases in Electricity & Gas and Transport.*



For CY-June 2015, inflation rate is **0.5%** compared to **2.5%** for CY-June 2014. The PSOJ’s inflation projections for July and August are approximately **0.4%** and **0.6%,** respectively**.** This then means that inflation for the third quarter, with expected increases in school related expenses and possible bad weather is the period of highest risk. Nonetheless, with a **forty** to **fifty** percent probability that fuel prices could fall in the latter part of the year. The possibility of a **2-3%** inflation for the year is very much on the table. The main risks to the inflation expectation are bad weather conditions, higher than expected currency depreciation and fuel prices move adversely. If these risks materialize, inflation should be at the higher end of the PSOJ projections of **3%** to **6%**. The downward movement in fuel prices may continue to December and food prices could moderate domestic inflation towards **6%**.



GOJ Treasury Bill Rates



Yields on all tenors of GOJ Treasury Bills declined in the June 2015 auction. In this context, there were reductions of **4 bps, 8 bps and 8 bps** in the yields on the 30-day, 90-day and 180-day tenors of GOJ Treasury Bills. Compared to the same period in2014, yields on the 30-day, 90-day and 182-day tenors fell by **3 bps, 118 bps** and **173 bps,** respectively. Overall, the decline in the yields for June is an indication of improved confidence in the outlook for general macroeconomic economic performance over the medium to long term. Additionally, lower yields on the instruments may also reflect the improved outlook for the inflation environment, primarily in light of recent announcements by the Bank of Jamaica of a **4.0%** inflation rate for FY2014/2015 and that inflation for the FY2015/16 will fall below the range of **5.5% -7.5%**, for the year.

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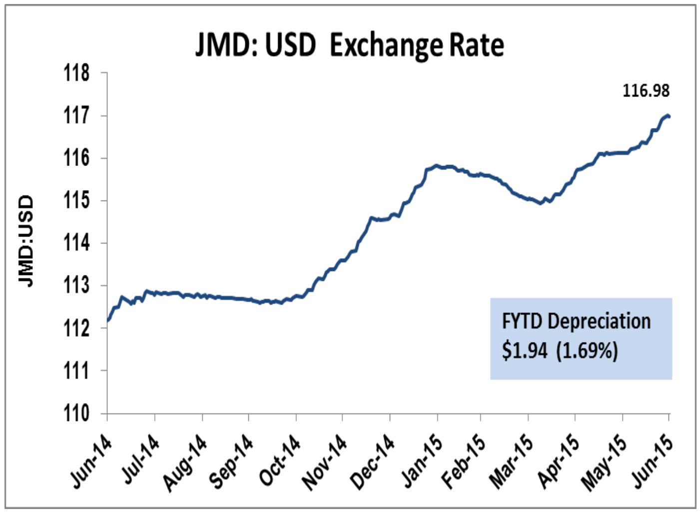
Monthly Exchange Rates Update

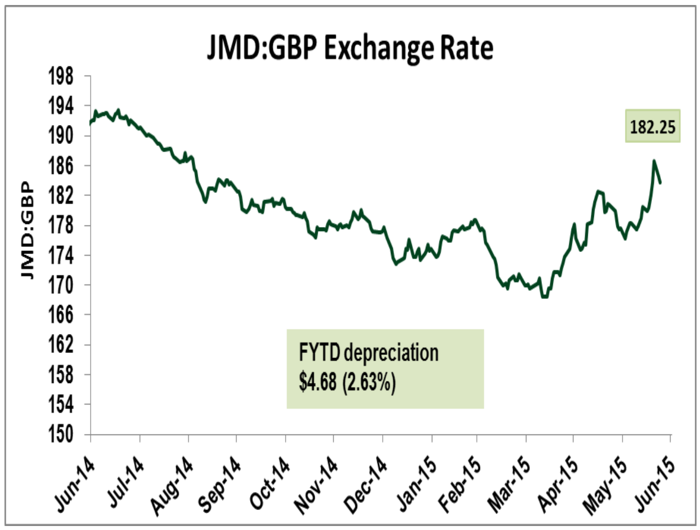
June 2015 Issue

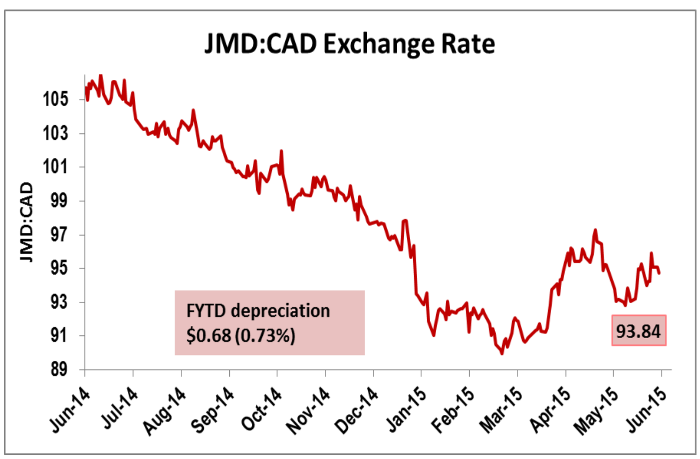
At end-June 2015, the Jamaica Dollar depreciated against all three major currencies. The movement in the currency brought the Fiscal year to June depreciation relative to the US dollar to 1.69% (J$1.94), 7.22% (J$12.28) relative to the Great British Pound and 3.55% (J$3.22) relative to the Canadian dollar.

The Jamaica Dollar depreciated by **$0.86 (0.74%)** vis-à-vis the US Dollar for June 2015 relative to May 2015. Similarly, the Dollar depreciated by **J$4.68 (2.63%)** and **J$0.68 (0.73%)** against the Great British pound and Canadian dollar, respectively. At end-June 2015, the Dollar traded at **J$116.98=US$1.00.** Meanwhile the Jamaica Dollar traded at **J$182.25=GBP£1.00** and **J$93.84=CAD1.00**.

On an annual basis, the Jamaica Dollar depreciated by **J$4.78 (4.26%)** reflecting a significant slowdown relative to annual pace of depreciation of **J$10.83 (10.68%)** at June 2014. The slowdown in the exchange rate depreciation for the period reflects the positive impact of the falling oil prices on the current account balance. These positive improvements in the current account balance has reduced the demand for foreign exchange. In addition, the reduction in the oil prices resulted in a significant decline in inflation, the pass-through effect of the lower oil prices has resulted in a slower pace of depreciation relative to the previous year. The impact of these positive impulses may have been partially offset by increased demand for US dollar for summer travel and early back-to-school expenses.







FX-Trends CY Changes

	J$/USD	%	J$/GBP	%	J$/CAD	%
CYT-June 2015	2.32	2.0%	4.57	2.6%	-3.85	-4.6%
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%

FX-Trends CY Changes

	J$/USD	%	J$/GBP	%	J$/CAD	%
FY-June 2015	1.94	1.7%	12.28	7.2%	3.22	3.6%
FY2014/2015	5.47	5.0%	-11.80	-6.5%	-8.31	-8.4%
FY2013/14	10.69	10.8%	32.72	21.9%	1.95	2.0%

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Net International Reserves & Money Supply

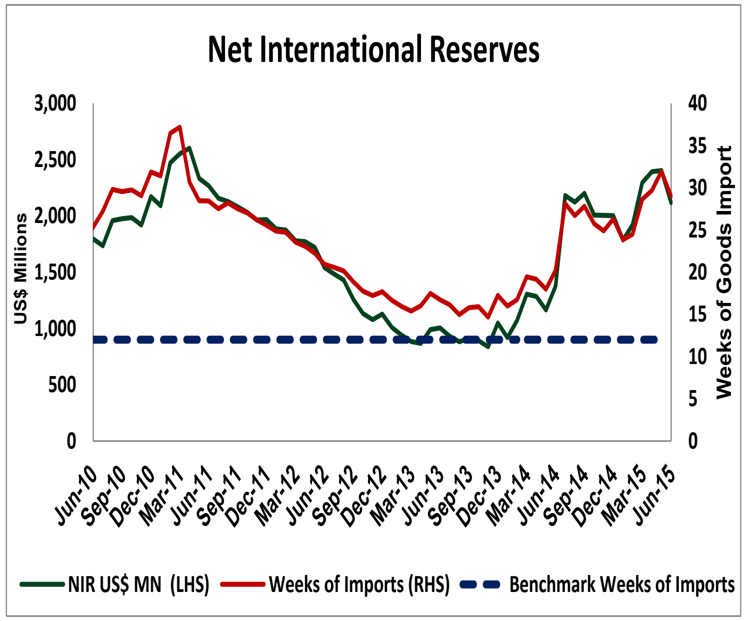
Net International Reserves

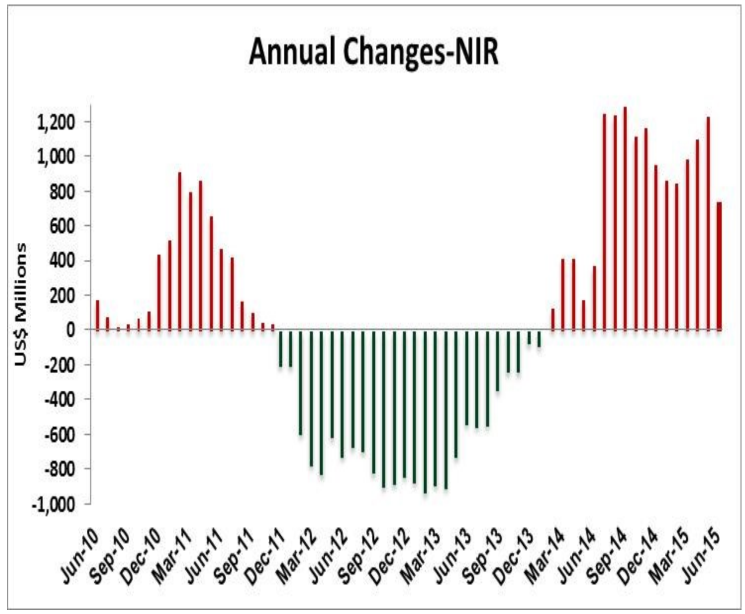
At end June 2015, the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J$255.14 billion** (**US$2,116.51 million)** reflecting an decline of **J$30.29 billion** (**US$284.73 million**) relative to the previous month. For the month, the change in the NIR was largely due to a decline of **US$257.5 million** in the external holdings of foreign assets which was supported by a decline of **US$27.47 million** in liabilities to the IMF. At end-June 2015, the gross reserves at the Central Bank were sufficient to finance **29.00** weeks of goods imports which represents **17.00** weeks over the international benchmark of **12** weeks of goods imports.

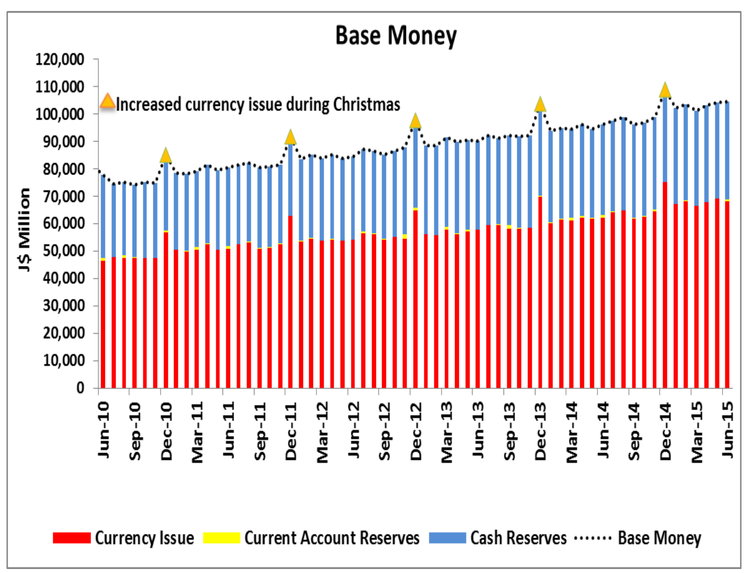
Base Money

For June 2015, there was a contraction of **J$309.63 million (0.04%)** in the monetary base relative to the previous month. This expansion resulted in an end-month stock of **J$104.48 billion**. The movement in the base mainly reflected net currency redemption of **J$1.9 billion** which was fully offset by increases of **J$$859.67 million** in commercial banks' statutory cash reserves and **J$640.1 million** in commercial bank current account balances. The contraction in the base resulted from a decline of **J$30.29 billion** in the Net international Reserves (NIR) which was partially offset by an increase of **J$30..60 million** in the Net Domestic Assets (NDA).

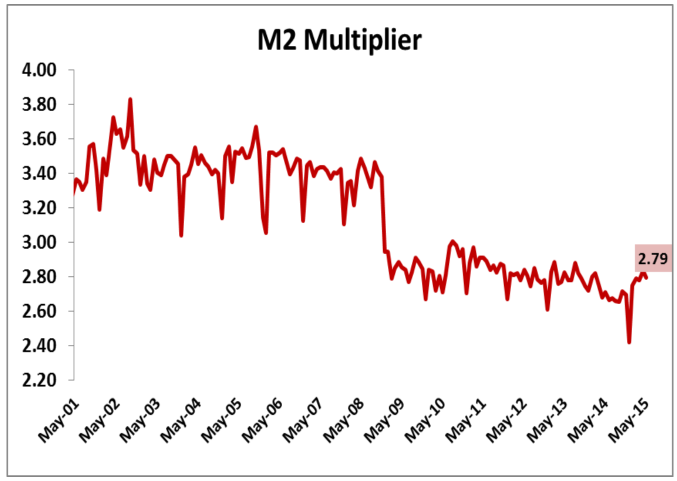
On an annual basis, the multiplier increased from **2.71** at May 2014 to **2.79** at May 2015. For the same period, the monetary base increased by **J$9.89 billion (10.5%).** Consistent with the movements in the base and the multiplier, money supply increased by **J$35.48 billion (13.87%)** for May 2015 relative to 2014. The increase in the supply of





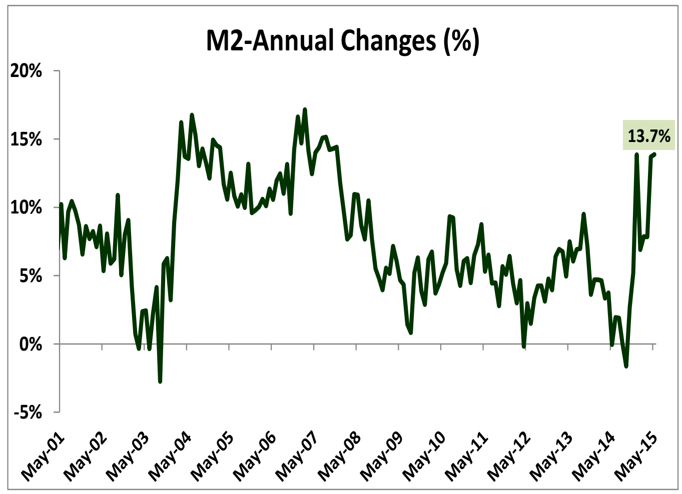


broad money would have contributed to the observed increase in private sector credit for the period.

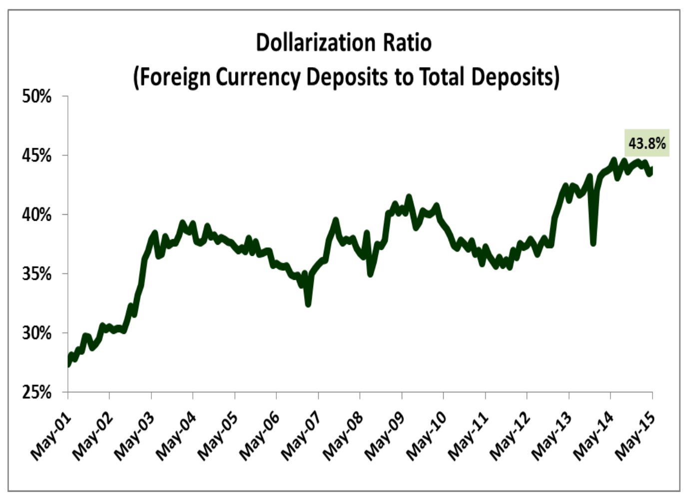


Dollarization Ratio

Revised data indicates that the dollarization ratio declined marginally from **43.9%** at May 2014 to **43.8%** at May 2015. This reflects a marginal increase in foreign currency deposits in the commercial banking system relative to local currency deposits.



The dollarization ratio is the proportion of foreign currency deposits relative to total deposits in domestic financial institutions, in this case, the domestic financial institutions include only commercial banks. The dollarization ratio measures the extent to which citizens of Jamaica officially or unofficially use foreign currency as a legal tender for transacting businesses. Dollarization is an important indicator of currency substitution. Its presence is generally an indication that there is greater stability in the value of the foreign currency relative to the domestic currency. While dollarization is not unique to Jamaica as a developing country, the adverse effect is that it may increase the volatility of money demand and impinge on the capacity of the Central Bank to conduct monetary policy. In addition, it contributes to the depreciation of the local currency. Finally, dollarization, is regarded as an obstacle to the conduct of monetary policy, given that in the presence of dollarization, domestic monetary policy is also impacted by foreign economic variables, therefore the Central Bank's autonomy is limited.



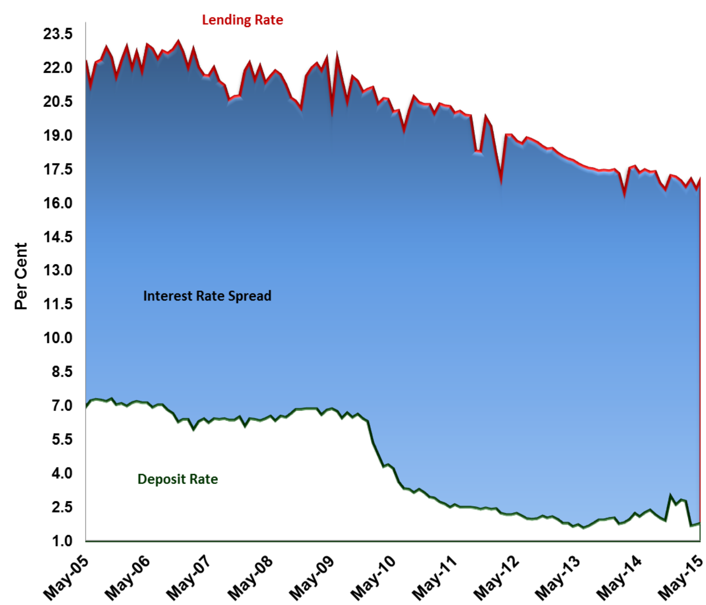
Commercial Banks Interest Rates

Commercial Bank Interest Rates

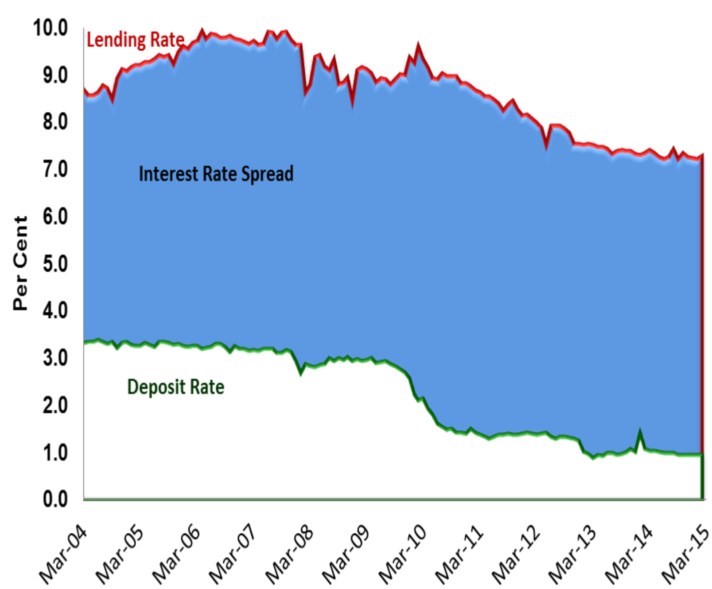
At end-May 2015, the overall weighted average lending rate on local currency loans increased by **0.42 percentage points** to **17.08%** from **16.66%** for April 2015. The increase largely occurred in the context of an increase of **0.31 percentage points** in Central Government loan rates, **0.21 percentage points** in the rates charged on local currency loans and **0.61** percentage points in the rates charged for personal credit. The impact of these increases was partially offset by a decline in the rates charged on installment credit. For the same period, the local currency domestic deposit rate increased from **1.75%** to **1.8%**. The impact of these transactions caused the spread to increase from **14.91%** to **15.28%.**

Similarly, interest rates on foreign currency loans for March 2015 increased by **0.08 percentage points** to **7.29%** relative to February 2015. This change largely resulted from an increase of **0.12%** from the change in Local Government loans and **0.05%** in the rate for commercial credit. This was partially offset by reductions in rates charged on personal credit and installment credit. The interest rate spread on foreign currency loans in commercial banks was **6.35%** for March 2015 from **6.27%** for February 2015.

Local Currency Interest Rates



Foreign Currency Interest Rates



Domestic Currency Weighted Loan Interest Rates (%) May 2015							
	Instalment Credit	Mortgage Credit	Personal Credit	Commercial Credit	LGOPE	Central Govt.	Overall A/W Rate
Monthly Change	-0.04	0.00	0.16	0.05	0.21	0.31	0.42
Annual Change	-0.48	-0.11	0.45	-0.11	-1.07	-0.91	-0.27
End of Month	15.86	9.71	25.68	12.86	10.76	9.94	17.08
Foreign Currency Weighted Loan Interest Rates (%) March 2015							
Monthly Change	-0.01	0.00	-0.08	0.05	0.12	n.a	0.08
Annual Change	-0.04	-0.03	1.34	-0.05	-0.12	n.a	-0.06
End of Month	8.55	6.72	17.07	6.85	6.34	n.a	7.29

Tourist Arrivals

Tourist stopover arrivals rose to **168,347** for May 2015, reflecting an increase of **1.3%** relative to the May 2014. The uptick in the monthly arrivals largely resulted from an increase of **2,800** in stopover by foreign nationals.

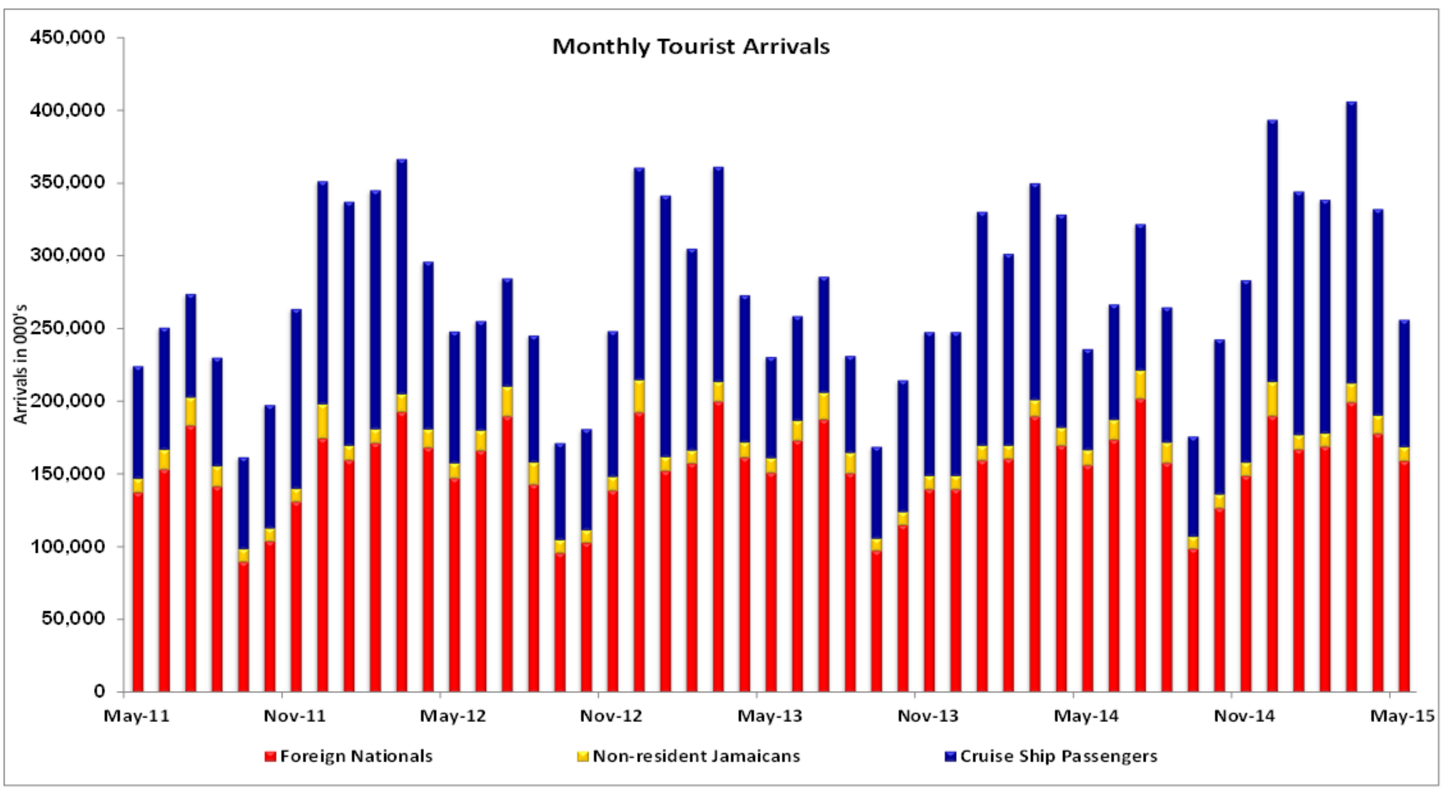
For January to May 2015, stopover arrivals increased to **924,810** reflecting growth of **4.2%** or **37,276** relative to the corresponding period of 2014.

Data from the Jamaica Tourist Board indicates that approximately **60.3%** of all stopover arrivals originate from the USA market region. The remaining **39.7%** of the arrivals originated from Canada, UK and other regions including the Latin America, the Caribbean and Asia.

For the period January to May 2015, approximately **76%** of all visitor arrivals was leisure for the purpose of vacation while the remaining **34%** was mainly for the purposes of business and other purposes.

Cruise passenger arrivals declined by **14.1%** to **76,865** for May 2015 when compared to 2014. For January to May 2014, cruise ship arrivals increased by **12.1%** to **655,556** for the current period.

The PSOJ is forecasting a relatively healthy 2015/16 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 **2.8%** in 2015, while real consumer spending is expected to grow by **3.3%** over the **2.8%** recorded in 2014, These determinants should have a very positive impact on the arrivals from the US. With the Stronger US economy, disposable incomes of Americans should increase, hence expenditure per visitor should also increase.



Remittance Inflows Update

June 2015 Issue

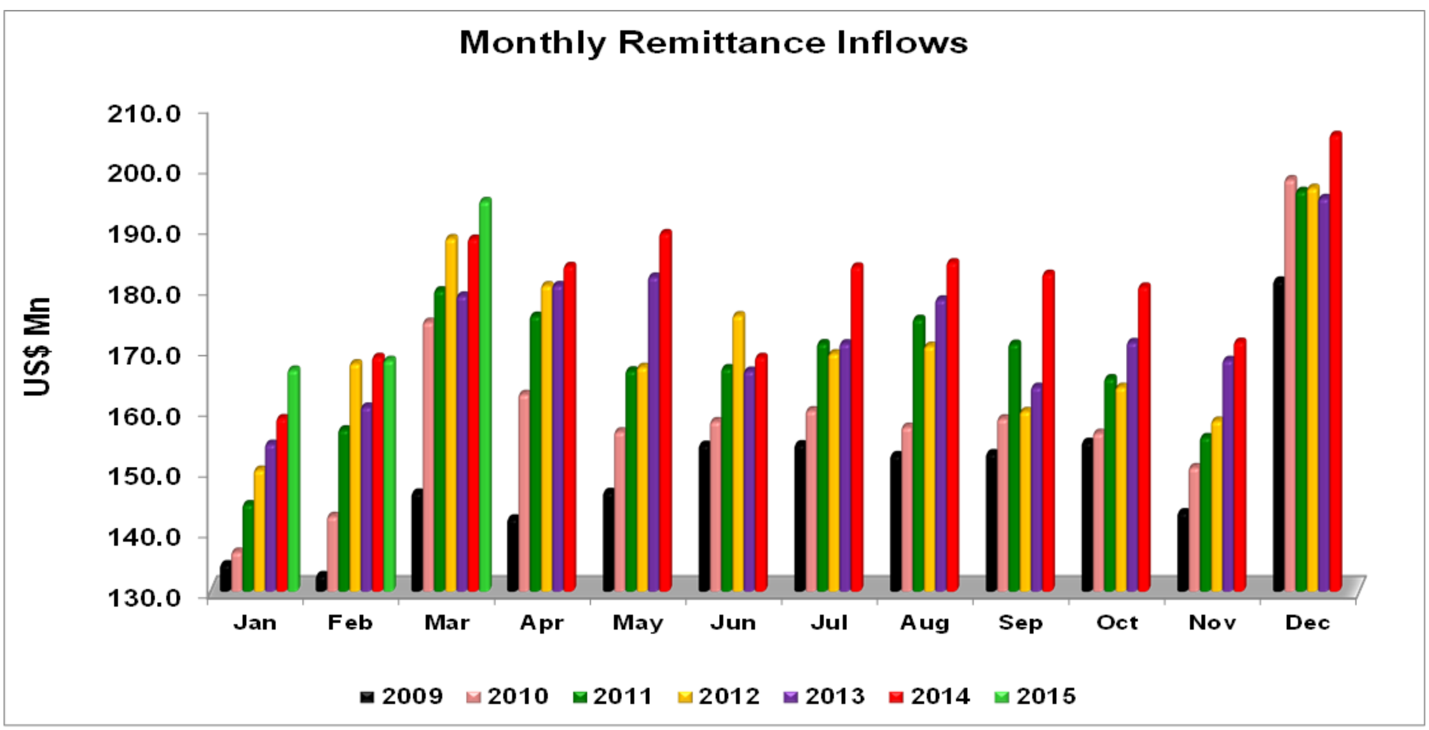
The PSOJ is projecting robust growth in remittance flows to Jamaica for the 2015 calendar year, this position is supported by the projected robust growth in real GDP, employment and real consumer spending in the United States. Major indicators and trends suggest that remittance flows could grow as much as **6 %** over 2014.

For March 2015, gross remittance inflows were **US$194 million**, reflecting an increase of **US$5.7 million (3.1%)** relative to March of 2014. The outturn for monthly remittance inflows for March 2015 was above the average inflows of **US$181.6** for the previous five corresponding periods. The marginal increase in total remittance inflows largely reflected an increase of **US$5.4 million** in flows through remittance companies and **US$0.3 million** in inflows via other remittances. Data from the BOJ shows that gross remittance inflows for 2014 reached a record **US$2,159.7**, an increase of **US$94.7 (4.2%)** over the flows for 2013**.**

Similarly, for March 2015, net remittance inflows were **US$174.4** million, an increase of **US$2.5** million or **(1.5%)** relative to the Marsh of 2014. Data from the BOJ shows that net remittance amounted to **US$1,926.5 million** for the calendar year 2014. This reflected an increase of **US$102.1 million (5.6%)** relative to remittance inflows for of 2013.

For the FY-to-December 2014, net remittance inflows rose by **US$72. million (5.2%)** to **US$1, 465.9 million** relative to the corresponding period of FY2012/2013. 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.



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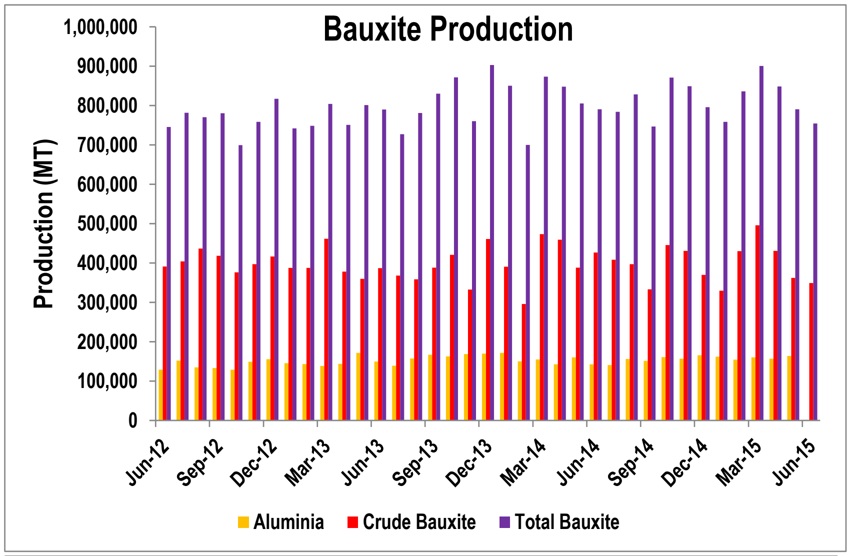
Domestic Bauxite and Alumina Production

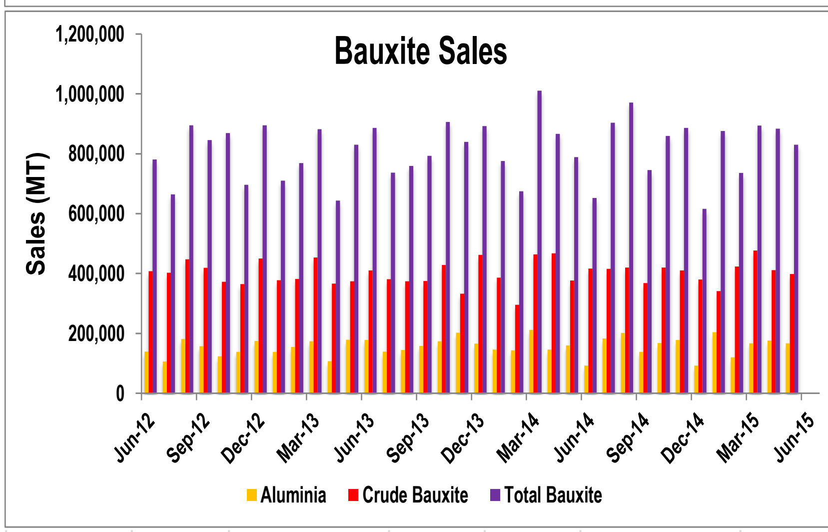
Market Analysts at Reuters projects that the market for aluminum is expected to move from an oversupply of **235,500 tons** in 2014 to a deficit of **4,444 tons** in 2015. If this materializes, there should be greater demand for local alumina given the fall in crude oil prices this state of the market, subject to existing contracts, should be good news for Jamaica. IMF price projections show an increase in price by **6%** in first quarter relative to 2014 and a downgrade to **1%** by the end of 2015.

For June 2015, the production of alumina was **1563,126 tonnes**, representing an increase of **13,917 (9.8%) tonnes**, relative to June 2014. This brought YTD production level to **953,489 tonnes (3.6%)** increase over the corresponding period last year. The sale of alumina increased by **58,766 tonnes (64.1%)** relative to June of 2014. On the other hand, YTD alumina sales increased by **85,589 tonnes (9.6%)** in comparison to June 2014.

The production of crude bauxite fell in June 2015 relative to June 2014 by **77,117 tonnes (18.09%).** The YTD production of crude bauxite fell by **36,301** tonnes **(1.5%).** The sale of crude also fell in June by **9.5%** relative to June 2014**.** Year-to-date crude bauxite exports increased by **22,324 tonnes (1%)** over the corresponding period of 2014.

The production of total bauxite fell in May 2015 relative to May 2014 by **35,646 tonnes (4.5%).** On the other hand, YTD total bauxite production fell by **67,276 (1.4%)**. Annually, sales of total bauxite has increased by **116,000 (17.8%).** YTD sales of total bauxite increased by **134,574 tonnes (2.81%),**





PERIOD	PRODUCTION			SALES		
	ALUMINA	CRUDE BAUXITE	BAUXITE	ALUMINA	CRUDE BAUXITE	BAUXITE
MONTH						
2015	156,126	349,103	754,653	150,395	376,640	767,589
2014	142,209	426,220	790,299	91,629	415,945	651,742
% Chg 2015/14	9.79	-18.09	-4.51	64.13	-9.45	17.78
2013	149,733	386,611	789,656	176,715	409,468	885,968
% Chg 2014/13	-5.02	10.25	0.08	-48.15	1.58	-26.44
Y-T-D						
2015	953,489	2,396,953	4,835,428	979,685	2,423,961	4,929,124
2014	920,610	2,433,254	4,902,703	894,096	2,401,637	4,794,550
% Chg 2015/14	3.57	-1.49	-1.37	9.57	0.93	2.81
2013	891,261	2,359,869	4,646,011	924,892	2,358,518	4,731,887
% Chg 2014/13	3.29	3.11	5.52	-3.33	1.83	1.32

Stock Market Update

On the last trading day in June 2015, the main JSE index advanced by **1,182** points **(1.22%)** to **97,271** points. The JSE Select Index fell by 17.5 points **(0.6%)** and closed at 2,909 points. JSE Cross Listed Index fell by 88.84 points and closed at 499 points.

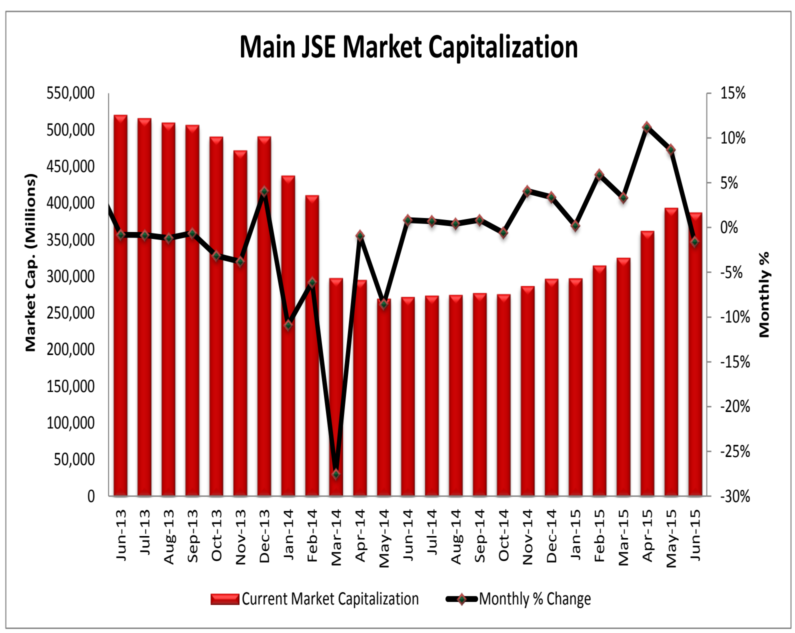
The overall market activity for the last trading day of June 2015 resulted from the trading of thirty one **(37)** stocks, of which **20** advanced, **14** declined and **3** traded firm. Resulting from these trades, a total of **118,474,478** units of stock were traded at a total value of **$2,149.440**. Consequently, at end-June 2015, market capitalization was **$387.2** billion relative to the capitalization value of **$393.4** billion at end-May 2015. This reflects a monthly reduction of **$6.22** billion (**1.6%).**

The volume leaders on the last trading day of June 2015 were JMMB Group Limited **12,937,127.** 138 Student Living Jamaica Limited with **12,223,200** and 138 Student Living Jamaica Limited Variable preference with 12,000,000. The companies with the highest growth in stock price for the month of June 2015 were Pulse Investments **(60.2%),** The Jamaica Stock Exchange **(58%).** Radio Jamaica Limited **(33.72%)** Caribbean Cement company Limited **(29.35).** The top four companies with the biggest prices loss for the month were Berger paints **(20.0%),** Mayberry Investment Limited **(17.7%)** JMMB Group Limited **(16.7%** and Mobay Ice **(16.4%).**

On an annual basis, the top four advancing stocks were the Jamaica Stock Exchange **(234.4%)**, Radio Jamaica Limited **(170.5%),** Kingston Properties Limited (**100%)** and Pulse investment **(100%).** Meanwhile, Palace Amusement (**36.84%)** ,Mobay Ice **(16,43%)** and Trinidad Cement (**14.82%)** incurred the most significant price losses for the period under review**.**

The Main JSE declined for the first time following seven relatively good months of trading with market capitalization growth averaging **5.3%** per month. The decline in market capitalization in May could be due to the news of the meager 0.4% growth in real output for the first quarter 0f 2015. Economic growth will continue to improve through out the rest of the year so the stock prices should continue to see improvements. Apart from the normal cyclical movements and movements due to fundamentals, the markets will be impacted by low fuel prices as oil prices dip once more.

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 albeit slowly.



Previous Highlights: May 2015 Summary

The decline in private sector credit for the first three months of 2015 is in line with the growth *of **0.4%** in real GDP for the first quarter of 2015. The growth for the first quarter follows the two previous quarters of negative growth in real GDP. Analysts cautiously expect this positive growth trajectory to continue throughout much of 2015. The PSOJ expects the growth in the remaining three quarters of 2015 to continue, the outturn for the calendar year may be lower than expected.*

Many of the important macro variables are trending in the right direction. The PSOJ expects these positive signs should augur well for growth in real GDP for 2015. This projection is conditional on good weather, low and stable commodity prices and positive domestic environment.

*The forecast from the IMF depicts a reduction in global prices, with the exception of fuel to the end of 2015. Oil is expected to increase by approximately **22%** in the calendar year, the local currency is expected to show the normal cyclical movements. The reduction or moderation in the prices of non-fuel commodities should create positive impact on Jamaica's exchange rate and BOP*

In this vein, barring abnormal wage hikes and bad weather, lower than expected inflation becomes a real possibility. This means that the continued stabilization or reduction of interest rates for 2015 is expected.

In addition to these fundamentals, The country continues to perform relatively well under the current IMF Extended fund Facility, even after falling short on the dollar target for the primary balance in the eight review. 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. This continued improvement in business and economic conditions is further manifested in the positive movement in the Stock markets which had market capitalization growth of **8.7%** in May 2015. On the last trading day in April 2015, the main JSE index advanced by **451** points **(0.5%)** to close at **98,766.37** points.

⇒ Fuel energy showed price increases in May 2015, the likelihood of this forming a trend through much of 2015 is a real possibility. Another real scenario is for oil prices to either stabilize around **US$60** to **US$65 per bbl**. While a third could see prices fall below **US$55** to the end of the year as those producers who went out on the lower **US$45** per barrel comes back into the market and increase world out put.

⇒ There were price reductions in **55%** of the global commodities monitored in April 2015. The Brent and the WTI increased by **8.3%** and **9.7%,** respectively. Natural gas also increased by **10%.** The IMF's Fuel Energy Index increased by **7.9%**, the Food and Beverage Index fell by **0.4%.**

⇒ Domestic inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) increased by **0.5%** for May 2015. According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by a sharp increase in *Food & Non-Alcoholic Beverages,*

⇒ Yields on all tenors of GOJ Treasury Bills declined for the May 2015 auction. In this context, there were reductions of **3 bps, 3 bps and 8 bps** in the yields on the 30-day, 90-day and 180-day tenors of GOJ Treasury Bills, respectively. For the fiscal year to May 2015, yields on the 30-day, 90-day and 182-day tenors fell by **3 bps, 16 bps** and **29 bps,** respectively.

The Jamaica Dollar depreciated by **$0.47 (0.41%)** vis-à-vis the US Dollar for May 2015 relative to April 2015. At end-May 2015, the Dollar traded at **J$116.12=US$1.00.** Contrastingly, the Dollar appreciated by **J$0.53 (0.3%)** and **J$2.93 (3.05%)** against the Great British pound and Canadian dollar, respectively. At end-May 2015, the Jamaica Dollar

Previous Highlights: May 2015 Summary

- ⇒ traded at **J$177.57=GBP£1.00** and **J$93.16=CAD1.00**, respectively.
- ⇒ At end May 2015, the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J$255.44 billion** (**US$2,401.24 million)** reflecting an increase of **J$923.25 million** (**US$8.68 million**) relative to the previous month.
- ⇒ For May 2015, there was an expansion of **J$1.04 billion (1.01%)** in the monetary base relative to the previous month. This expansion resulted in an end-month stock of **J$104.17 billion**. The movement in the base mainly reflected net currency issue of **J$1.4 billion** which was partially offset by declines of **J$265.00 million** in commercial banks' statutory cash reserves and a decline of **$86 million** in commercial bank current account balances.
- ⇒ Private sector credit , an indicator of aggregate demand and economic activity fell in the first three months of 2015. At the end of March 2015 the Stock of credit stood at $**478.8** billion. This stock reflects a decline of **0.5%** over February. In the previous month there was also a decline of **0.5%** over January of 2015. The data shows an nominal increase of approximately 4.8% for the first quarter of 2014 over 2014. In real terms the increase is approximately 1% .
- ⇒ Revised data indicates that the dollarization ratio increased marginally from **43.6%** at March 2015 to **44.4%** at March 2014. This increase reflected the marginally stronger accumulation of foreign currency deposits in the commercial banking system relative to local currency deposits.
- ⇒ The overall weighted average lending rate on local currency loans increased by **0.36 bps** to **17.10%** for March 2015 relative February 2015. The increase largely occurred in the context of an increase of **4.43 pps** on Central Government loan rates which was partially offset by declines in all other categories of loans.
- ⇒ Tourist stopover arrivals rose to **189,903** for April 2015, reflecting an increase of **4.5%** relative to April 2014. The uptick in the monthly arrivals largely resulted from an increase of **8,233** in stopover by foreign nationals.
- ⇒ For January to April 2015, stopover arrivals increased to **756,463**, reflecting growth of **4.9%** or **35,459** relative to the corresponding period of 2014. This amount for the period was **21,278** greater than the previous record in 2012.
- ⇒ For February 2015, gross remittance inflows were **US$167.8 million**, reflecting a decrease of **US$0.5 million (0.3%)** relative to February of 2014. The outturn for monthly remittance inflows for February 2015 was above the average inflows of **US$158.8** for the previous five corresponding periods. Similarly, for February 2015, net remittance inflows were **US$146.7** million, a reduction of **US$5.1** million or **(3.4%**) relative to February of 2014.

For May 2015, the production of alumina was **163,981 tonnes**, representing an increase of **3,602 (2.3%) tonnes**, relative to May 2014. This brought YTD production level to **797,363 tonnes (2.4%)** increase over the corresponding period last year. On the other hand, the YTD production of crude bauxite increased by **40,816** tonnes **(2%).** Year-to-date crude bauxite exports increased by **61,629 tonnes (3%)** over the corresponding period of 2014. Similarly, YTD total bauxite production increased by **38,000**

	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	Total (000s)	US$ Per barrel	US$ Per barrel
Jan-12	0.40	2.45	18.13	86.78	1.8826	149.70	337,100	119.70	102.26
Feb-12	0.80	2.25	17.13	86.91	1.8747	167.24	345,007	124.93	106.15
Mar-12	0.50	2.19	19.03	87.25	1.7771	187.87	366,518	120.59	103.28
Apr-12	0.40	2.19	19.04	87.33	1.7718	180.11	295,858	120.59	103.28
May-12	0.50	2.24	18.76	87.75	1.7188	166.65	247,937	110.52	94.51
Jun-12	0.60	2.14	18.65	88.48	1.5404	175.16	255,121	95.59	82.36
Jul-12	-0.30	2.02	18.92	89.24	1.4838	168.89	284,514	103.14	87.89
Aug-12	0.50	2.00	18.84	89.73	1.4286	170.13	245,204	113.34	94.11
Sep-12	1.90	2.02	18.70	89.90	1.2578	159.37	171,229	113.38	94.61
Oct-12	0.90	2.14	18.53	90.64	1.1328	163.37	180,835	111.97	89.52
Nov-12	0.60	2.05	18.42	91.46	1.0782	157.79	248,141	109.71	86.69
Dec-12	1.00	2.10	18.44	92.65	1.1257	196.18	360,493	109.64	88.19
Jan-13	0.70	1.98	18.23	93.45	1.0091	153.98	341,365	112.93	94.65
Feb-13	0.60	1.82	18.09	95.66	0.9395	160.11	304,889	116.46	95.30
Mar-13	1.40	1.80	17.97	97.76	0.8843	178.42	361,131	109.24	93.12
Apr-13	0.40	1.67	17.92	99.55	0.8662	180.15	272,891	102.88	92.02
May-13	0.50	1.74	17.77	99.12	0.9889	181.54	230,392	103.03	94.72
Jun-13	0.20	1.61	17.66	100.82	1.0032	166.03	258,535	103.11	95.79
Jul-13	0.50	1.71	17.58	101.76	0.9297	170.54	285,601	107.72	104.55
Aug-13	0.40	1.81	17.53	101.94	0.8817	177.77	231,205	110.96	106.55
Sep-13	2.80	1.97	17.45	102.64	0.9102	163.37	168,650	111.62	106.31
Oct-13	0.80	1.97	17.48	104.65	0.8904	170.75	214,430	109.48	100.50
Nov-13	0.50	2.03	17.44	105.60	0.8357	167.79	247,512	108.08	93.81
Dec-13	0.60	2.04	17.49	106.15	1.0478	194.50	247,512	110.63	97.90
Jan-14	0.50	1.77	17.33	106.90	0.9178	158.20	330,201	107.57	95.00
Feb-14	0.10	1.85	16.45	107.93	1.0694	168.30	301,276	108.81	100.70
Mar-14	1.10	1.98	17.57	109.21	1.3036	187.80	349,890	107.41	100.57
Apr-14	-0.30	2.26	17.66	110.16	1.2851	183.30	328,304	107.88	102.18
May-14	1.00	2.12	17.35	111.26	1.1650	188.70	235,856	109.68	102.00
Jun-14	0.10	2.29	17.50	112.20	1.3761	168.30	266,550	111.87	105.24
Jul-14	1.4	2.41	17.38	112.85	2.1800	183.2	321,765	106.98	102.99
Aug-14	1.1	2.21	17.42	112.74	2.1200	183.9	264,592	101.92	96.38
Sep-14	2.10	2.05	16.91	112.67	2.2000	182	175,758	97.34	93.35
Oct-14	0.10	1.93	16.62	112.76	2.0000	179.7	242,543	87.27	84.40
Nov-14	-0.5	3.01	na	113.59	2.0000	170.8	283,246	78.44	75.70
Dec-14	-0.3	2.64	17.24	114.66	2.0000	182.0	393371	62.16	59.10
Jan-15	-0.5	2.84	17.01	115.81	1.7800	179.9	344,212	48.42	47.60
Feb-15	-0.7	2.8	16.74	115.64	2.3020	167.8	338,451	56.93	50.72
Mar-15	0.5	1.69	17.1	115.04	2.4401	194.0	406,165	55.79	47.78
Apr-15	0.2	1.75	16.66	115.65	2.3920	na	384,000	59.5	54.2
May-15	0.5	1.8	17.08	116.12	2.401	na	256,029	64.56	59.26
Jun-15	0.5	na	na	116.98	2.12	na	na	62.35	59.8

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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