



MONTHLY ECONOMIC BULLETIN

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The CEO'S Remarks

2016 has been a positive inflection point for the Jamaican economy, as the year ended on a positive note.

Business and Consumer confidence continued to rise, consistently since 2013; inflation for 2016 came in at a very low 1.7%; the NIR stabilized and in December 2016 increased in a month when the J\$ appreciated against the US\$; monetary base expanded; and tourist arrivals continued its upward trend.

These numbers illustrate that the economic programme embarked on in 2013, implemented by the previous PNP administration, and continued by the current JLP Government, is bearing fruit. My concern has always been that a significant risk remains with the labour force not being able to fully participate in the growth, primarily because of the large set of unskilled workers. So even though jobs will be created, the fact is that unless persons are properly equipped with the skillset they will not be able to participate fully.

This is even more pronounced when once considers that growth and development comes primarily through innovation and higher value added, which in many respect Jamaican firms seem prepared to take on. The problem is that higher value produce required greater skill sets, and today we are still employing a significant part of our labour force in menial construction and agricultural task, and others like street sweeping.

Because of this lack of a highly skilled labour force, many times the politicians try to compensate by

creating welfare programmes and seeking mass scale employment opportunities, at the expense of more efficient means. The jobs in the sugar industry, or street sweeping, are two examples, when what we should be doing is training these persons to be able to earn more from doing more high value jobs.

One of the casualties of this need to provide “welfare” opportunities is that in many instances capital deployment is restricted, because the economics of welfare cannot in most cases support unbridled capital, which will always seek the greatest return but short term could unstable to a policy of welfare.

The fact, however, is that the only way for us to truly capitalize on the gains of the past three years, and look towards significant social and economic expansion, is to create a deepening of the capital markets, so that more capital is available at lower costs. This will in turn create a much more efficient capital market leading to lower cost of capital, and more widely available capital.

The example of the regulation surrounding the Minimum Capital Test ratio for General insurance companies, is one such example, that restricts billions of dollars in capital getting to the market, which currently earn nothing effectively.

Deregulating the capital market, and hence releasing cheaper and more efficient capital into the market, for MSMEs is the only way that we will achieve sustainable economic development.

The paradox we face is that this logic contradicts the political objectives many times, and it will take continued extraordinary leadership.

Economic Highlights November 2016

- On January 17, 2017, the Jamaica Chamber of Commerce released the fourth quarter 2016 business and consumer confidence indices. The Business Confidence Index for the last quarter of 2016 was 142.0, up from last quarter's 139.2 and the peak of 144.6 in the first quarter of 2016. After the 2016 quarterly surveys, it was revealed that 'Economic confidence was more favorable among Jamaican firms in every quarter during 2016 than at any time during the prior fifteen years'. Business Confidence Index averaged 141.9 in 2016. This represented the third annual increase since 2013's average of 94.7. Consumer Confidence index for the last quarter of 2016 remained at 151.6 as in the third quarter and was same as the 2016 average of 151.7. 2016's average was significantly higher by 33% compared to the 2015 average of 114.2. Like Business Confidence, Consumer Confidence remained relatively high throughout 2016. This was higher than any other period since 2001.
- At the end of December 2016, the Monthly average value of the Jamaican Dollar appreciated against the US dollar while depreciation was seen against the Canadian dollar and the Great Britain Pound. The Dollar appreciated against the US\$ by J\$0.43 or 0.333% to end at J\$128.64=US\$1.00. The value of the dollar depreciated by J\$0.40 or 0.4159% against the Canadian Dollar to end at CAD\$1.00=J\$96.58. The value of the Great Britain Pound depreciated by J\$0.68 or 0.4258% to end at GBP1.00=J\$160.36.
- Inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) increased by 0.3% for the period December 2016 over November 2016. The increase in the rate for December brought inflation for the calendar year to 1.7%. Compared to the 3.7% recorded in December last year, this year's calendar year figure was 2.0% points below. The increase in the rate for December 2016 over November 2016 brought inflation for the fiscal year to December to 3.1%.
- Data for the month ending December 2016 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$311.80 billion (US\$2,719.37 million). This reflected an increase of J\$18.682 billion (US\$162.93 million) relative to November 2016.
- The monetary base increased by J\$14.25 billion to J\$140.69 billion for December 2016 relative to November this year.
- On the last trading day in December 2016, for the period December 01, 2016 to December 30, 2016, the main JSE index advanced by 13,614.91 points or 7.62% to close at 192,276.64 points. The JSE Combined Index advanced by 14,317.07 points or 7.51% to close at 204,960.10 points. The JSE Junior advanced by 164.58 points or 6.78% to close at 2,593.71 points. The JSE Cross Listed Index advanced by 149.71 points or 7.69% to close at 2,096.06 points.
- Stopover tourist arrivals for November 2016 were 163,152. For the months, May to November, arrivals were up 3.0%, with 1,178,123 stopovers

Economic Highlights November 2016

compared to 1,147,483 in 2015. For the January to November period, arrivals increased by 2.7%, with 1,951,231 stopovers compared to 1,903,946 in 2015. A total of 159,383 cruise passengers visited Jamaica in November, 2016. The January to November 2016 period saw 1,473,224 cruise passenger arrivals at the three major ports.

- For the month of October 2016 relative to the previous month, yields on the Government of Jamaica 30-day, 90-day and 182-day treasury bills decreased by 19bps, 24bps and 15bps.
- There were price reductions observed in 28.57% (6) of the commodities monitored for December 2016. Both the price of Brent and the WTI increased for the period December relative to November. The Brent increased by 16.43% and the WTI increased by 8.56%. Natural gas price also increased by 43.20% for the period December over November.

Going forward for 2017

2016 was a relatively good year in the Jamaican economy. International survey such as the Global Competitiveness report as well as local survey such the Business and Consumer Confidence Indices reflected that businesses and consumers were optimistic about the current state of the economic conditions.

The government for this year must make key economic decisions influenced by local and international factors. At end March 2017 the country will conclude the current International Monetary Fund Program and businesses are anxiously awaiting the government's decision on the next step in economic reform. The country also looks forward to the upcoming tax reform to finance the next stage of the government's 1.5 mil threshold increase, scheduled to start next fiscal year. The government's decision on these matters will impact business confidence in the economy.

After the IMF

At last year's JMMB and PSOJ Economic Forum recommendations were made for growing the Jamaican economy and maintaining a sustainable path of development after the IMF programme concludes at end March 2017. Recommendations include;

- Continued IMF surveillance. This should be in the form of a program which mimics closely what currently exists: quarterly reviews and tests and the utilization of Fund/IMF expertise.
- Continued private/public partnership most importantly the Economic Policy Oversight Committee (EPOC) and Electricity Sector Enterprise Team (ESET). The re-establishment of

Economic Highlights November 2016

the Partnership for Jamaica (PFJ) and the Rule of Law Committee. The continuous monitoring by the civil society of fiscal rules and the IMF reviews (inviting ministers to speak on reviews).

- A credible debt management strategy is vital and should embrace a fiscal surplus. Overtime, this facilitates the lowering of the debt and borrowing costs as well as creating the required fiscal space to spend responsibly on vital social services. The development of a comprehensive tax reform and a commitment to implement same.
- Strategies to mitigate the impact of economic shocks especially with the new paradigm of increased risk in the international markets.
- Continued focus on improving government bureaucracy and practical long term crime fighting measures. Addressing the structural impediments to growth that exist. This means also improving the environment for capital to invest and guaranteeing predictability. For example, the current practice of introducing new taxes each year, or even retroactive taxes, does not encourage long term capital investments.

Tax Reform

The effects of the threshold increase will cause a major gap in the revenue which the government must close. The Private Sector Working Group Report 2012 for tax reform recommended that the government focuses on indirect taxation. The same

can be used today by the government to assist in increasing revenues. Some of the recommendations from this report include:

- Stimulating the Jamaican economy and creating jobs
- Implementing a competitive general tax regime
- Implementing performance-based incentives
- Enhancing linkages with local agriculture and manufacturing
- Promoting environmentally sustainable initiatives
- Strengthening tax collection at our ports

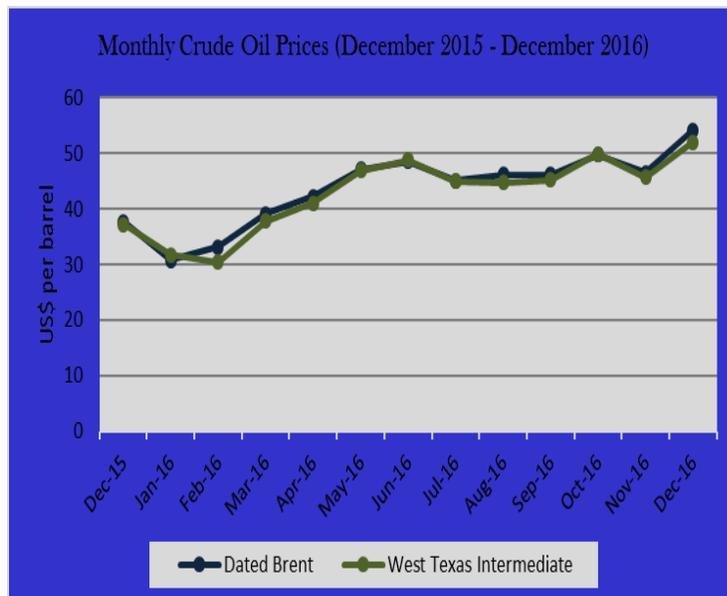
International Commodity Prices

December 2016

Crude Oil Prices

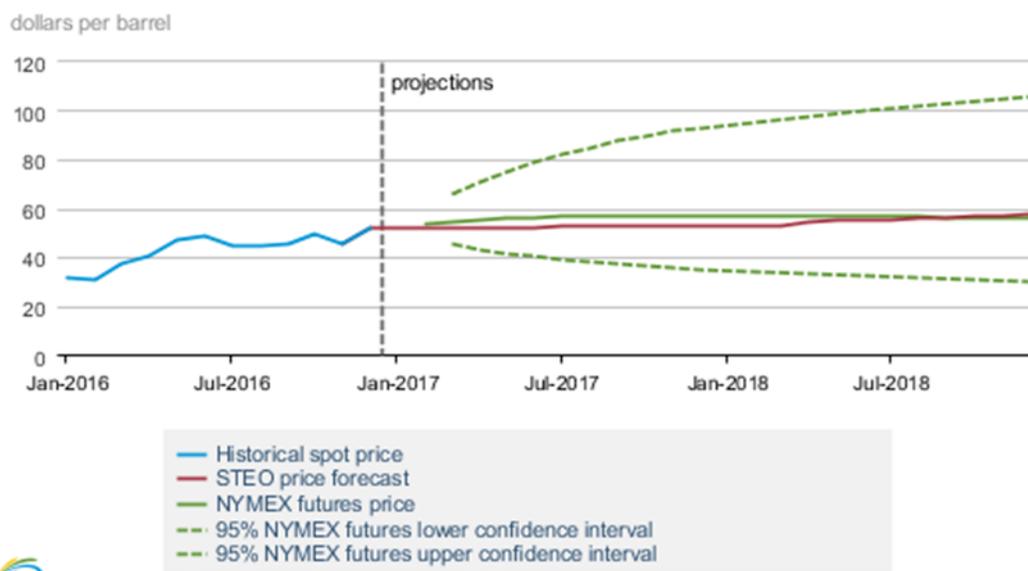
For the month ending December 2016, the average price of both the Dated Brent and the West Texas Intermediate (WTI) increased. The Brent ended the month of December at **US\$54.07 per bbl**. This represented a **US\$7.63** or **16.43%** increase from the **US\$46.44 per bbl** recorded for the previous month. The West Texas Intermediate (WTI) ended the month at **US\$52.01**. This represented a **US\$6.39** or **14.01%** increase relative to last month. A one-year comparison of prices revealed that this year's price for the Brent is **43.34%** or **US\$16.35 per bbl** higher. When compared to last year's price, this year's WTI price is **39.66%** or **US\$14.77** higher. When compared to the price level two years ago both the Brent and WTI are **13.01%** and **11.997%** respectively below. The 5-year average of prices ranging from December 2011 to November 2016 for the Dated Brent and the West Texas Intermediate are **US\$84.14 per bbl** and **US\$76.21 per bbl** respectively. This month's price was **36%** below the 5-year average of prices for the Brent and **431.76%** for the WTI.

In the January 2017 Short-Term Energy Outlook the US Energy Information Administration (EIA) forecasted that Brent crude oil spot prices are



expected to remain fairly flat in the coming months. The EIA expects global oil inventory builds to continue, but at a generally slower rate in 2017 and 2018 than the 2016 average build of 0.9 million b/d.

West Texas intermediate (WTI) crude oil price



Note: Confidence interval derived from options market information for the 5 trading days ending Jan. 5 2017. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Inventory builds forecasted to average 0.4 million b/d in the first half of 2017 before falling to an average of

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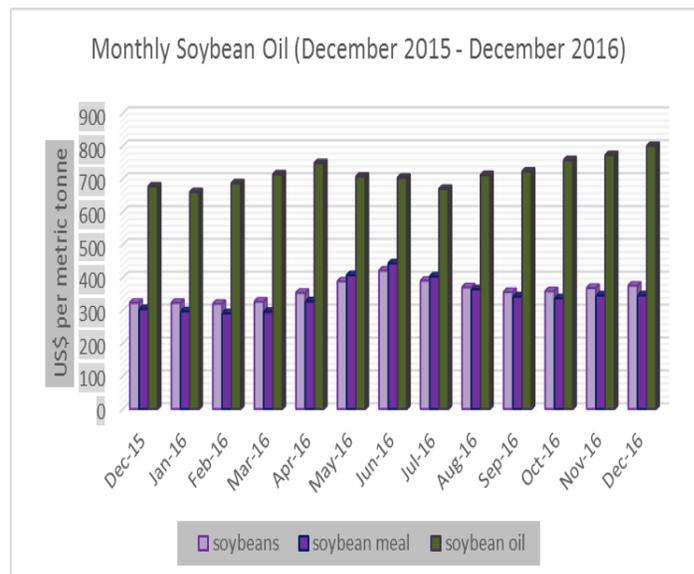
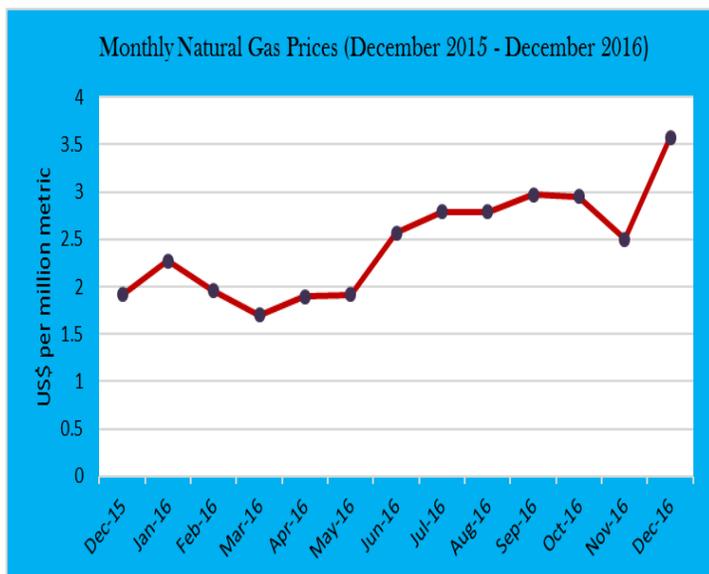
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International Commodity Prices

December 2016



0.2 million b/d in the second half of 2017, with a draw expected during the third quarter. Average West Texas Intermediate (WTI) crude oil prices are forecast to be \$1/b lower than Brent prices in 2017 and 2018. The slight price discount of WTI to Brent in the forecast is based on the assumption of competition between the two crude oils in the U.S. Gulf Coast refinery market.

Natural Gas

For the month ending December 2016, natural gas price increased. The price for natural gas ended at **US\$3.58** per million metric which represented an increase of **US\$1.08** or **43.20%**. This month's increase is the largest percentage increase for over five years. In December 2015, natural gas per million metric was valued at **US\$1.92** signifying that this year's price is **US\$1.66** or **86.46%** higher. A two-year comparison revealed that natural gas prices have increased by **US\$0.15** or **4.373%** per million metric. The five-year average monthly price for natural gas

ranging from December 2011 to November 2016 is **US\$3.18** per million metric, hence, this year's December price was **US\$0.3961** or **12.44%** below.

According to the US Energy Information Administration (EIA) 2016 fourth quarter outlook the total U.S. natural gas consumption averaged 75.1 billion cubic feet per day (Bcf/d) in 2016. EIA expects natural gas consumption to increase by 0.3 Bcf/d (0.4%) in 2017 and by 1.5 Bcf/d (2.0%) in 2018. In 2017, increases in total natural gas consumption are mainly because of higher residential and commercial consumption based on a forecast of colder winter temperatures. In 2018, the electric power and industrial sectors are the main drivers of consumption growth.

Soybean Prices

For the month ending December 2016, soybean price per metric tonne was **US\$375.29**. This denoted a **US\$6.92** or **1.88%** increase from November's value of **US\$368.37** per metric tonne. In December, this

International Commodity Prices

December 2016

year, both the average price of soybean meal and soybean oil increased. Soybean meal prices ended the month at **US\$345.84** per metric tonne. This represented an increase of **US\$0.14** or **0.04%**. At the end of December, the price per metric tonne for soybean oil stood at **US\$800.26** representing a **US\$27.85** or **3.61%** increase compared to the previous month. A one-year comparison revealed that prices for soybean increased by **16.07%** or **US\$51.97**. This month soybean price was **US\$3.49** or **0.9214%** lower than its price two years ago. When compared to the corresponding period last year the soybean meal price was **US\$41.98** or **13.82%** above. Soybean oil price was above last year's price by **US\$123.06** or **18.17%**. A two-year comparison of prices for soybean meal revealed that this year's price is below the two year price by **US\$72.25** or **17.28%**. When the December 2016 soybean oil price was compared to corresponding period in 2014 this year's price is **US\$94.7** or **13.42%** above. The five-year average monthly price for soybean meal ranging from December 2011 to November 2016 is **US\$423.67** per metric tonne, which means that November's price was **US\$77.83** or **18.37%** lower. The five-year average monthly price for soybean oil ranging from December 2011 to November 2016 is **US\$878.83** per metric tonne, which means that December's price was **US\$78.57** or **8.939%** lower.



Sugar Prices

At the end of December 2016, the average price of the Free Market Sugar ended the month at **US\$0.1883** cents per pound. This represented a decrease of **US\$0.0204** or **9.77%** when compared to November 2016. For the US Sugar imports, the average price increased from **US\$0.2876** in October to **US\$0.2929** in November. This represented an increase of **US\$0.0053** or **1.84%** cents per pound. At the end of December 2016, the European Sugar imports ended the month at **US\$0.2079** cents per pound. This represented a **US\$0.0012** or **0.58%** increase compared to the previous month. For the period December 2016 relative to December 2015, the price of Free Market sugar increased by **US\$0.0383** or **25.53%** cents per pound. A one-year comparison revealed that the price of the US Sugar imports has increased by **US\$0.0346** or **13.395%**, while the European sugar imports price has decreased by **US\$0.0414** or **16.61%**. In December 2014 the price for the Free Market sugar was **US\$0.1499** cents per pound, which means that this year's December price is **US\$0.0384** or **25.62%** higher. The price of the US sugar imports is **US\$0.0448** or **18.06%** higher than the

International Commodity Prices

December 2016

2014 price while the price of the European Sugar imports is **US\$0.0523** or **20.10%** lower than the 2014 price. The 5-year average of prices ranging from December 2011 to November 2016 for the US imports and the European imports are **US\$0.25605** cents per pound and **US\$0.2563** cents per pound respectively. Hence, the price of US imports is above its long-term average by **14.39%** while the European imports is below its average by **18.89%**.

Coffee Prices

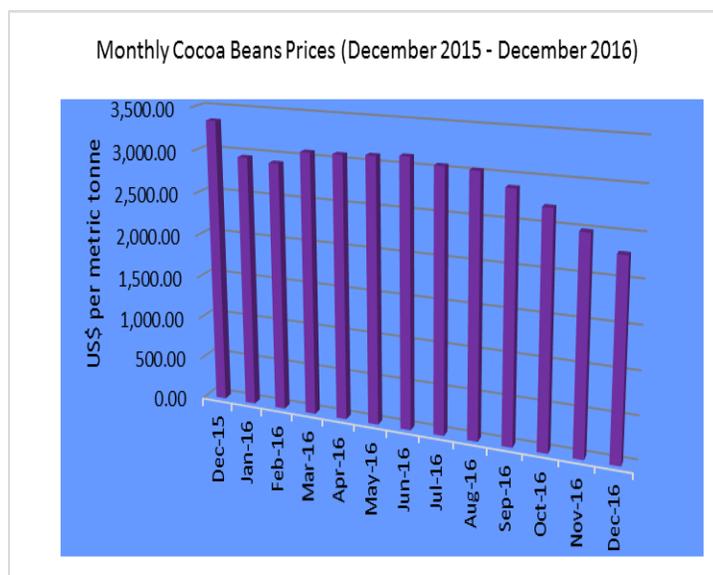
For the month ending December 2016 both the average prices of the Coffee of the Other Mild Arabicas and Robusta coffee decreased. The price per pound for coffee of the Other Mild Arabicas category was **US\$1.6216** cents per pound representing a decrease of **US\$0.2297** or **12.41%**. A one-year comparison revealed that this month's price was **US\$0.1264** or **8.453%** higher than last year's December price. Robusta Coffee ended the month at **US\$1.0371** cents per pound. This month's price is below the previous month's price by **US\$0.0323** or **3.02%**. A one-year comparison revealed that the price of coffee in the Robusta category has increased by **US\$0.1739** or **20.14%**. A two-year comparison revealed that prices have fallen by **19.16%** for coffee of the 'Other Mild Arabica's category while prices rose by **0.1932%** for coffee in the Robusta category. The five-year average monthly prices ranging from December 2011 to November 2016 for Arabica and Robusta are **US\$1.726** and **US\$1.01** respectively. This implies that this year's December price for the Arabica was **6.078%** lower than the average price



while the Robusta coffee was **2.461%** higher than its average price.

Cocoa Bean Prices

For the month ending December 2016, cocoa bean prices continued to decrease for the sixth month in a row. Prices decreased by **US\$196.69** per metric tonne or **7.89%** to close at **US\$2,295.31** per metric tonne. A one-year comparison revealed that this year's price is lower by **US\$1,050.35** or **31.39%**. A two-year price



International Commodity Prices

December 2016

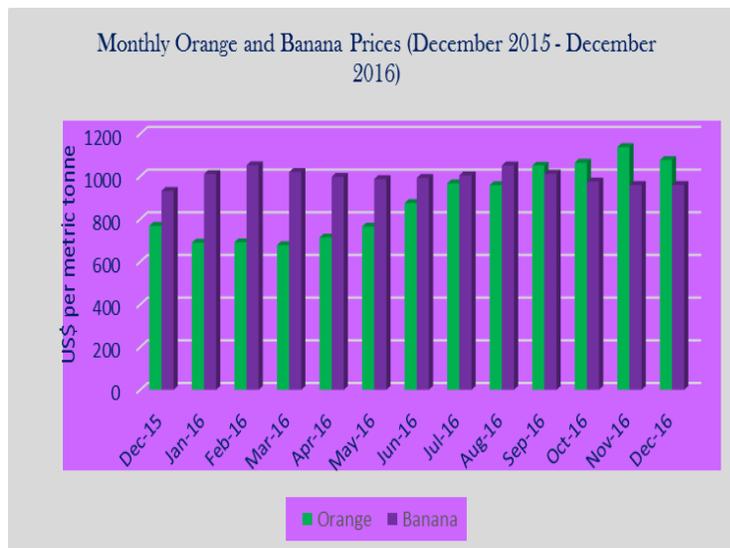
comparison showed that the December 2016 price for cocoa beans is lower by **US\$651.64** or **22.11%** than its price in December 2014. The five-year average of monthly prices ranging from December 2011 to November 2016 for cocoa bean is **US\$2,779.64** per metric tonne, this means that this year's December price was **US\$484.33** or **17.42%** lower.

Orange Prices

For the month ending December 2016, orange prices increased. Prices decreased by **5.34%** or **US\$60.78** per metric tonne to end at **US\$1,076.99** per metric tonne relative to November. When compared to the same period in 2015, this year's price was **US\$308.29** or **40.10%** higher. A two-year comparison revealed that prices have risen by **US\$307.76** or **40%**. The five-year average monthly price ranging from December 2011 to November 2016 is **US\$831.07**, indicating that this month's price was **US\$245.92** or **30%** higher.

Banana Prices

Banana prices for the month ending December 2016 remained that same at **US\$959.94** per metric tonne. For December 2016, relative to December 2015, banana prices increased by **US\$27.62** or **2.962%** per metric tonne. A two-year comparison revealed that this year's price is above the December 2014 price of **US\$908.6** per metric tonne by **US\$51.34** or **5.65%**. The five-year average monthly prices ranging from December 2011 to November 2016 is



US\$960.50, this means that this year's price was **US\$** or **0.0582%** below.

Corn Prices

For the month ending December 2016, corn prices increased. Prices increased by **US\$6.97** or **3.48%** relative to November, to close the month at **US\$207.44** per metric tonne. Between December 2015 and December 2016 prices decreased by **US\$18.76** or **8.293%**. A two-year price comparison showed that this year's price was **US\$9.02** or **4.167%** lower. The five-year monthly average for corn prices ranging from December 2011 to November 2016 is **US\$242.37** per metric tonne, this means that this month's price was **US\$34.93** or **14.41%** lower.

Wheat

For the month ending December 2016 wheat prices increased. Prices increased by **US\$4.53** or **2.79%** relative to November 2016 to end at **US\$166.85** per metric tonne. Relative to December 2015, prices have

International Commodity Prices

December 2016

fallen by **US\$59.13** or **26.17%** per metric tonne. A two-year comparison of wheat prices showed that this year's December price was **US\$115.4** or **40.88%** below the December 2014's price. The average five-year monthly prices ranging from December 2011 to November 2016 is **US\$268.15** per metric tonne, meaning that this year's December price was **US\$101.30** or **37.78%** below.

Rice

For the month ending December 2016 the price of the 5 percent broken milled white rice ended at **US\$499.4** per metric tonne. This value was **US\$21.33** or **4.46%** above the **US\$478.07** in November this year. This month's price is above the December 2015 price by **US\$10.5** or **2.148%**. A two-year comparison revealed that the commodity's price was **US\$1.79** or **0.3597%** higher than its price in 2014. The five-year monthly price average for rice prices ranging from December 2011 to November 2016 is **US\$520.32** per metric tonne, indicating that December's price was **US\$20.92** or **4.021%** below the long term average.

Beef Prices

In December 2016, the beef prices decreased. Prices decreased by **US\$0.0916** or **5.00%** when compared to , to close at **US\$1.7398** cents per pound. When compared to December 2015, prices have risen by **US\$0.0687** or **4.111%** cents per pound. In December 2014 prices were **US\$2.3959** cents per

Monthly Cereal Price (December 2015 - December 2016)



pound hence this year's price was **US\$0.6561** or **27.38%** below the 2014 price. The five-year average for prices ranging from December 2011 to November 2016 is **US\$1.951** cents per pound indicating that this month's price was **US\$0.2115** or **10.84%** below.

Swine (Pork) Prices

For the month ending December 2016 the price of pork increased relative to the previous month. The price of pork was **US\$0.5345** cents per pound. This represented a **US\$0.0684** or **14.67%** decrease from November's price of **US\$0.4661**. When compared with December 2015, prices decreased by **US\$0.2936** or **35.45%**. Prices are below the price level 2-years ago by **US\$0.3955** or **45.90%**. It is also below the 5-year average of **US\$0.810** for prices ranging from December 2011 to November 2016 by **US\$0.2754** or **34.01%**.

Poultry Prices

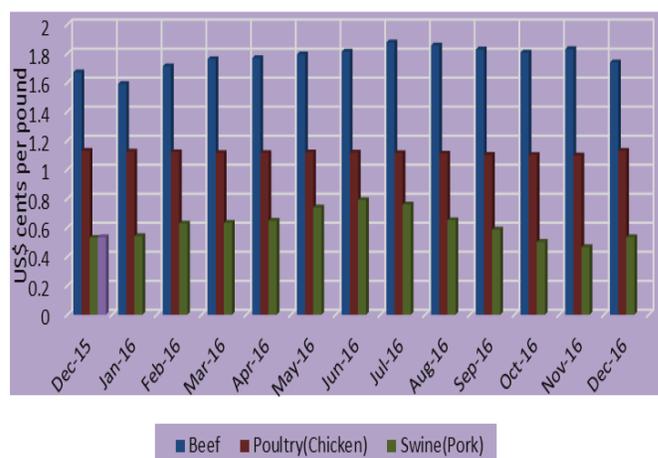
For the month ending December 2016 chicken prices ended its six-month decrease. At the end of the month

International Commodity Prices

December 2016

chicken was valued at **US\$1.1301** cents per pound, representing an increase of **US\$0.0317** or **2.89%** from November. The price in December 2016 was approximately **US\$0.0005** or **0.0442%** lower than the December 2015 price. In December 2014, the price for poultry was **US\$1.1377** cents per pound, indicating that this year's price was **US\$0.0076** or **0.668%** lower. The average monthly price ranging from December 2011 to November 2016 is **US\$1.065** cents per pound, this means that this year's price was **US\$0.065** or **6.12%** more.

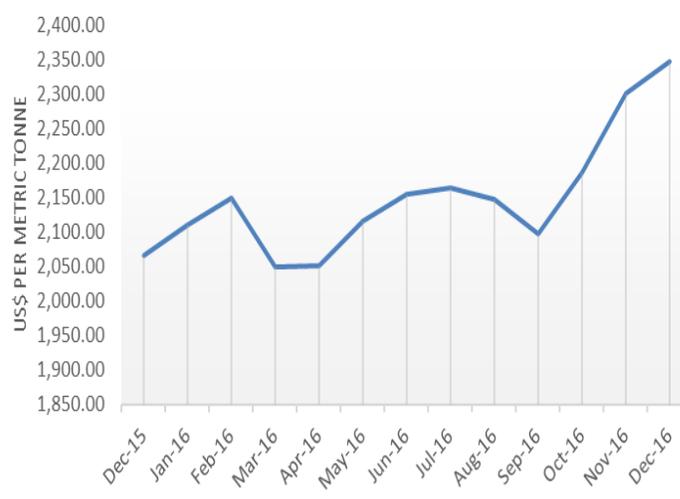
Monthly Meat Prices (December 2015 - December 2016)



Aluminum Prices

The price of aluminum increased in December relative to November this year. Prices increased by **US\$45.93** or **2.00%** to end the month at **US\$2,347.54** per metric tonne. For December 2016 relative to December 2015, prices increased by **US\$281.84** or **13.64%** per metric tonne. A two-year comparison revealed that this year's price was **US\$34.21** or **10%** above the price for the corresponding period in 2014. The five-year average for monthly prices ranging from December 2011 to November 2016 for aluminum is **US\$2,053.32** per metric tonne, this means that this year's December price was **US\$294.22** or **14.33%** higher.

Monthly Aluminum Prices (December 2015 - December 2016)



Impact of global prices on Jamaica

There were price reductions observed in **28.57%** (6) of the commodities monitored for December 2016. Both the price of Brent and the WTI increased for the period December relative to November. The Brent increased by **16.43%** and the WTI increased by **8.56%**. Natural gas price increased by **43.20%**

for the period December over November. The IMF's Fuel Energy index increased by **13.00%**, and the Food and Beverage Index increased by **0.6122%**. The all commodity price index decreased by **7.50%**.

The Food and Agriculture Organization of the United Nations (FAO) Food Price Index (FFPI) averaged 172 points in December 2016, unchanged from November with strong gains in the prices of vegetable oils and dairy largely offsetting a fall in sugar and meat quotations. For 2016 the index averaged 161.6 points, down 1.5% from 2015, representing the fifth

consecutive annual decline. The FAO Cereal Price Index averaged 142.1 points in December, up just 0.5% from November and broadly stable since September. Overall, the Cereal Price Index averaged around 147 points in 2016, down 9.6% from 2015 and as much as 39 percent from its peak in 2011. The FAO Meat Price Index averaged 161.5 points in December, 1.8 points (1.1%) down from its revised value for November. The average value of the Index in 2016 was 7% below that of 2015, with the largest falls recorded for bovine and poultry meats. The FAO sugar price index averaged 262.6 points in December, down 24.6 points (8.6%) from November. The sharp fall in international sugar prices in December was mainly driven by a

continuous weakening of the Brazilian currency (Real) against the US Dollar, boosting sugar exports from Brazil, the world's largest sugar producer and exporter. The FAO Sugar Price Index averaged 255.9 points in 2016, that is 34.2% higher than in 2015, the first yearly rise since reaching a peak of 369 points in 2011.



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Commodity	Unit	November Price	December Price	Monthly Change %
Aluminum	Metric tonne	2301.61	2347.54	2
Bananas	Metric tonne	959.94	959.94	0
Beef	Pound	1.8314	1.7398	-5
Cocoa Beans	Metric tonne	2492	2295.31	-7.89
Coffee-Arabicas	Pound	1.8513	1.6216	-12.41
Coffee-Robusta	Pound	1.0694	1.0371	-3.02
Com-Maize	Metric tonne	200.47	207.44	3.48
Natural gas	MMBTU	2.5	3.58	43.2
Crude Brent	Barrel	46.44	54.07	16.43
Crude West Texas Intermediate	Barrel	45.62	52.01	14.01
Oranges	Metric tonne	1137.77	1076.99	-5.34
Pork (Swine)	Pound	0.4661	0.5345	14.67
Poultry	Pound	1.0984	1.1301	2.89
Rice	Metric tonne	478.07	499.4	4.46
Soybean	Metric tonne	368.37	375.29	1.88
Soybean meal	Metric tonne	345.7	345.84	0.04
Soybean oil	Metric tonne	772.41	800.26	3.61
Sugar (free market)	Pound	0.2087	0.1883	-9.77
Sugar US (Import)	Pound	0.2876	0.2929	1.84
Sugar European (Import)	Pound	0.2067	0.2079	0.58
Wheat	Metric tonne	162.32	166.85	2.79

International Commodity Prices

December 2016

Actual prices through

20-Jan-2016

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

Commodities	Units	Projections															
		2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Food																	
Cereals																	
Wheat	\$/MT	248.8	274.3	226.3	220.6	205.0	196.3	178.8	162.3	186.3	174.8	178.4	185.0	188.8	190.7	193.4	198.2
Maize	\$/MT	210.1	213.9	173.9	173.5	174.2	168.4	169.4	167.1	156.6	146.9	149.9	153.7	157.3	159.5	159.9	158.1
Rice	\$/MT	440.7	409.4	435.0	420.8	406.6	381.8	374.0	358.3	356.0	357.6	347.8	345.9	308.9	310.3	301.8	300.2
Barley	\$/MT	162.7	166.9	132.8	122.0	132.2	128.1	127.9	123.2	121.6	124.0	125.4	110.9	134.7	137.4	138.9	122.8
Vegetable oils and protein meals																	
Soybeans	\$/MT	498.3	540.4	421.7	370.9	369.9	354.6	347.6	323.3	321.6	321.4	323.6	324.2	326.5	328.0	328.9	325.7
Soybean meal	\$/MT	493.3	531.9	436.0	406.7	372.7	348.0	369.3	320.8	297.1	300.2	304.9	307.3	310.1	311.5	312.7	312.3
Soybean oil	\$/MT	877.9	899.7	757.1	716.1	696.4	715.4	688.3	638.6	656.3	661.8	668.3	669.9	677.6	683.2	687.2	682.4
Palm oil	\$/MT	813.7	794.7	695.9	653.3	627.9	599.9	514.6	518.0	536.3	559.7	557.2	552.5	556.6	557.3	557.0	556.6
Fish meal	\$/MT	1657.9	1861.6	1973.6	2192.7	2031.9	1744.2	1558.9	1701.9	1704.5	1603.5	1405.2	1363.6	1358.2	1277.8	1119.8	1086.6
Sunflower Oil	\$/MT	1133.1	1121.5	1012.5	1054.2	974.0	1062.3	1010.4	1042.1	1022.1	1013.1	1004.0	995.9	1014.3	1005.3	996.3	988.2
Oilse oil	\$/MT	3599.0	3663.5	4122.1	4262.5	4568.3	4855.3	5616.4	4638.4	4190.4	4200.0	4248.3	4290.2	4342.4	4352.4	4402.4	4445.8
Groundnuts	\$/MT	2377.3	2228.8	2046.8	1940.1	2016.8	2023.4	2012.9	1731.8	1656.9	1616.7	1576.3	1535.9	1634.4	1694.7	1554.8	1514.9
Rapeseed oil	\$/MT	980.3	963.1	849.6	824.4	755.1	772.6	772.7	798.2	811.0	784.4	779.0	773.6	799.9	715.7	710.8	705.8
Meat																	
Beef	cts/lb	191.8	195.5	252.9	256.0	216.6	202.9	206.3	176.2	167.1	156.8	152.0	157.3	160.7	150.7	146.1	151.3
Lamb	cts/lb	124.1	135.4	132.8	130.2	122.5	112.4	101.3	95.3	95.5	95.5	96.4	97.6	98.2	98.2	99.1	100.3
Swine Meat	cts/lb	92.8	115.4	112.8	90.3	65.5	71.9	73.8	60.5	53.1	52.2	52.0	49.5	48.2	47.4	47.1	44.9
Poultry	cts/lb	104.7	109.0	113.0	113.9	114.0	115.6	115.5	113.6	113.1	117.5	120.1	118.4	120.6	125.3	128.1	126.3
Seafood																	
Salmon	\$/kg	7.8	6.9	5.9	5.8	5.6	5.1	5.3	5.3	5.8	5.4	5.4	5.0	5.1	4.7	4.7	4.5
Shrimp	\$/lb	17.1	17.8	17.0	14.3	15.7	15.7	15.0	10.0	10.1	9.4	9.3	9.8	9.5	8.8	8.7	9.2
Sugar																	
Free market	cts/lb	16.8	18.2	17.7	15.8	14.1	12.6	11.6	14.7	14.3	13.9	13.7	13.8	14.2	13.9	13.7	13.6
United States	cts/lb	22.4	25.3	26.5	25.3	24.8	24.6	24.5	25.5	25.8	25.9	26.0	26.0	25.5	25.6	25.6	25.5
EU	cts/lb	27.5	28.0	27.8	26.3	25.2	25.5	25.8	25.3	25.0	25.0	25.0	25.0	25.2	25.2	25.2	25.2
Bananas	\$/MT	947.1	929.2	939.3	911.9	974.8	978.4	948.9	932.7	932.3	921.3	900.7	891.1	897.7	887.1	867.3	858.0
Oranges	\$/MT	777.4	838.8	774.1	739.8	698.5	616.9	652.1	733.1	770.0	765.3	760.8	758.1	769.9	765.2	760.7	758.0
Beverages																	
Coffee																	
Other milds	cts/lb	175.8	213.7	208.4	213.5	177.0	161.0	153.2	150.8	132.2	113.9	117.0	120.6	123.1	124.6	126.6	128.6
Robusta	cts/lb	102.0	107.9	106.0	106.6	101.4	96.7	90.9	87.9	61.5	63.5	65.6	67.3	68.8	70.2	71.4	72.4
Cocoa Beans	\$/MT	2951.3	3085.0	3229.2	2985.6	2918.5	3068.1	3252.8	3301.5	2991.0	2863.5	2863.8	2833.2	2813.8	2813.6	2811.0	2802.3
Tea	cts/kg	247.9	222.2	233.7	247.6	291.2	320.1	387.2	369.0	343.5	343.5	355.1	364.8	345.9	345.9	357.6	367.4
Agricultural raw materials																	
Timber																	
Hardwood																	
Logs	\$/M3	289.8	291.5	286.5	260.4	249.9	245.4	243.6	245.2	244.6	244.6	244.6	244.6	254.6	254.6	254.6	254.6
Sawnwood	\$/M3	901.9	917.3	910.0	862.6	826.2	834.8	844.9	827.1	816.8	809.3	817.6	853.1	824.6	817.0	825.4	861.2
Softwood																	
Logs	\$/M3	178.4	169.7	167.4	181.5	169.8	159.1	159.8	159.4	159.4	169.1	159.4	160.5	164.0	174.0	164.0	165.2
Sawnwood	\$/M3	306.1	312.6	308.3	302.1	306.8	298.0	310.4	329.0	329.0	321.5	312.1	306.8	322.4	315.1	305.8	300.7
Cotton	cts/lb	94.0	92.6	77.1	68.7	68.8	72.3	71.0	69.5	62.0	62.3	62.6	62.0	63.0	63.3	63.5	63.6
Wool																	
Fine	cts/kg	1114.0	1086.0	1068.1	1029.4	947.8	1079.7	999.7	995.8	1028.3	1028.3	1028.3	1028.3	1028.3	1028.3	1028.3	1028.3
Coarse	cts/kg	1083.6	1058.7	1025.0	954.3	887.7	962.7	942.0	898.9	909.9	883.9	859.0	809.5	760.3	742.7	717.7	678.4
Rubber	cts/lb	102.1	96.1	83.4	73.5	78.6	81.2	66.1	57.0	57.2	58.9	58.7	60.4	61.0	62.0	62.2	62.0
Hides	cts/lb	107.6	109.8	110.8	112.7	105.8	96.8	76.1	71.7	70.0	71.5	72.2	74.5	77.7	79.3	80.1	82.7
Metals																	
Copper	\$/MT	7080.2	6795.3	6995.8	6692.3	5833.2	6056.6	5267.1	4894.9	4384.1	4357.5	4354.5	4352.0	4351.0	4351.0	4351.0	4351.0
Aluminum	\$/MT	1709.3	1800.2	1989.7	1970.4	1802.1	1770.3	1592.4	1489.9	1468.9	1471.3	1479.5	1487.9	1496.9	1507.8	1518.5	1529.1
Iron Ore	\$/MT	120.4	102.6	90.3	74.0	62.3	57.9	54.4	46.2	39.9	36.3	34.3	33.0	32.2	32.1	32.1	32.1
Tin	\$/MT	22636.3	23146.2	21915.2	19897.9	18370.0	15389.8	15229.5	15077.2	13553.8	13461.7	13430.0	13400.0	13380.0	13370.0	13316.9	13290.3
Nickel	\$/MT	14661.0	18467.8	18394.2	15860.5	14392.8	13055.8	10578.9	9423.0	8520.8	8562.0	8398.0	8691.7	8662.0	8692.0	8721.7	8745.0
Zinc	\$/MT	2026.5	2071.4	2310.7	2235.3	2079.8	2192.2	1842.8	1611.8	1484.4	1486.8	1497.5	1506.3	1514.2	1521.6	1527.8	1533.8
Lead	\$/MT	2101.4	2097.1	2182.4	2000.9	1810.4	1942.2	1717.0	1681.7	1619.9	1612.7	1615.8	1619.8	1624.5	1629.8	1635.1	1641.0
Uranium	\$/lb	35.2	29.8	31.2	37.8	37.9	36.8	36.4	36.0	35.1	30.0	30.9	35.4	35.8	30.5	31.5	36.1
Energy																	
Spot Crude 1/	\$/bbl	103.7	106.3	100.4	74.5	51.7	60.4	48.8	42.2	27.0	28.9	31.0	32.7	34.1	35.4	36.4	37.4
Natural Gas																	
Russian in Germany	\$/MMBTU	10.8	10.7	10.1	10.3	9.4	7.4	6.6	5.9	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Indonesian in Japan (LNG)	\$/MMBTU	17.8	17.6	16.5	16.1	14.4	9.6	9.8	9.8	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
US, domestic market	\$/MMBTU	5.2	4.6	3.9	3.8	2.9	2.7	2.7	2.1	2.2	2.3	2.4	2.6	2.8	2.6	2.7	2.8
Coal																	
Australian, export markets	\$/MT	82.6	77.9	72.7	67.4	65.6	63.2	61.6	56.1	56.0	52.5	46.7	48.9	56.8	53.2	47.4	49.6

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

International Commodity Prices

December 2016

Actual prices through
20-Jan-2016

Table 2. Medium Term Commodity Price Baseline
(In U.S. Dollars)

Commodities	Units	2009A1	2010A1	2011A1	2012A1	2013A1	2014A1	2015A1	2016A1	2017A1	2018A1	2019A1	2020A1	2021A1
					Actual					Projections				
Food														
Cereals														
Wheat	\$/MT	190.1	194.5	280.0	276.1	265.8	242.5	185.6	181.1	192.8	199.7	202.7	201.0	199.3
Maize	\$/MT	165.5	186.0	291.8	298.4	259.0	192.9	169.8	151.8	158.7	163.0	166.4	166.4	166.4
Rice	\$/MT	389.4	520.6	551.7	580.2	518.8	426.5	380.2	351.8	305.3	305.3	305.3	305.3	305.3
Barley	\$/MT	128.4	158.4	207.2	238.2	206.4	146.1	127.9	120.5	133.4	128.9	128.4	127.7	127.0
Vegetable oils and protein meals														
Soybeans	\$/MT	378.5	384.9	484.2	537.8	517.2	457.8	347.4	322.7	327.3	328.2	328.2	328.2	328.2
Soybean meal	\$/MT	359.3	331.3	378.9	473.3	477.3	467.0	352.7	302.4	311.6	314.9	316.9	316.9	316.9
Soybean oil	\$/MT	787.0	924.8	1215.8	1151.8	1011.1	812.7	672.2	664.1	682.6	681.0	681.0	681.0	681.0
Palm oil	\$/MT	644.1	859.9	1076.5	939.8	764.2	739.4	565.1	551.4	556.9	569.6	529.3	486.8	447.2
Fish meal	\$/MT	1255.9	1739.2	1519.3	1624.3	1710.5	1921.5	1759.2	1519.2	1210.6	1210.6	1210.6	1210.6	1210.6
Sunflower Oil	\$/MT	1041.7	1186.0	1621.8	1489.5	1341.1	1080.3	1022.2	1008.8	1001.0	1001.0	1001.0	1001.0	1001.0
Olive oil	\$/MT	3509.3	3171.3	3070.3	3135.7	3816.7	3911.8	4927.1	4232.2	4385.8	4385.8	4385.8	4385.8	4385.8
Groundnuts	\$/MT	994.6	1239.4	1724.0	1688.2	2314.5	2148.3	1946.2	1596.5	1574.7	1574.7	1574.7	1574.7	1574.7
Rapeseed oil	\$/MT	856.2	1011.7	1366.6	1239.1	1081.2	904.4	774.6	787.0	718.1	719.0	719.0	719.5	719.0
Meat														
Beef	cts/lb	119.6	152.5	183.2	187.9	183.6	224.1	200.5	158.3	152.2	152.2	152.2	152.2	152.2
Lamb	cts/lb	146.9	145.7	149.2	100.9	106.7	130.6	107.9	96.3	99.0	98.4	97.7	97.1	96.2
Swine Meat	cts/lb	55.8	74.4	89.1	82.8	86.5	102.8	67.9	51.7	46.9	47.4	46.9	46.1	45.5
Poultry	cts/lb	85.6	85.8	87.4	94.3	103.8	110.1	114.7	117.3	125.1	125.1	125.1	125.1	125.1
Seafood														
Salmon	\$/kg	4.9	6.1	5.9	4.8	6.8	6.6	5.3	5.4	4.8	4.8	4.8	4.8	4.8
Shrimp	\$/lb	9.5	10.1	11.9	10.1	14.0	16.6	14.1	9.7	9.0	9.0	9.0	9.0	9.0
Sugar														
Free market	cts/lb	18.2	20.9	26.2	21.4	17.7	17.1	13.2	13.9	13.9	13.6	14.5	14.5	14.5
United States	cts/lb	24.3	31.1	37.6	28.9	21.2	24.9	24.9	25.9	25.6	25.5	24.8	24.7	23.8
EU	cts/lb	26.0	25.7	26.7	26.4	26.0	27.4	25.4	25.0	25.2	25.2	25.2	25.2	25.2
Bananas	\$/MT	848.0	881.4	975.9	984.3	926.4	931.9	958.7	911.3	877.5	861.2	853.4	845.5	837.2
Oranges	\$/MT	909.0	1033.2	891.1	868.0	967.3	782.5	675.1	763.5	763.4	763.4	763.4	763.4	763.4
Beverages														
Coffee														
Other milds	cts/lb	141.6	194.4	273.2	187.6	141.1	202.8	160.5	120.9	125.7	132.2	137.3	137.3	137.3
Robusta	cts/lb	77.1	84.1	116.0	110.6	100.5	105.6	94.2	64.5	70.7	70.7	70.7	70.7	70.7
Cocoa Beans	\$/MT	2895.0	3130.6	2978.5	2377.1	2439.1	3062.8	3135.2	2872.9	2810.2	2760.0	2660.7	2557.4	2458.1
Tea	cts/kg	314.0	316.7	346.2	348.9	266.0	237.9	340.4	351.7	354.2	354.2	354.2	354.2	354.2
Agricultural raw materials														
Timber														
Hardwood														
Logs	\$/M3	287.2	278.2	390.5	360.5	305.4	282.0	246.0	244.6	254.6	254.6	254.6	254.6	254.6
Sawnwood	\$/M3	805.5	848.3	939.4	876.3	852.8	897.9	833.2	824.2	832.0	830.1	826.3	824.2	821.1
Softwood														
Logs	\$/M3	136.7	141.5	150.0	148.0	164.5	174.3	162.0	162.1	166.8	163.9	161.9	157.8	156.9
Sawnwood	\$/M3	291.0	281.8	280.9	284.7	301.4	307.3	311.0	317.3	311.0	309.0	304.6	301.3	298.3
Cotton	cts/lb	62.8	103.5	154.6	89.2	90.4	83.1	70.4	62.2	63.3	62.9	62.6	54.2	46.3
Wool														
Fine	cts/kg	778.5	1023.2	1638.2	1345.3	1197.7	1074.4	1005.8	1028.3	1028.3	1006.2	877.2	773.7	652.3
Coarse	cts/kg	611.4	820.1	1209.2	1212.6	1128.1	1030.4	922.8	866.8	724.3	608.7	601.8	540.2	485.4
Rubber	cts/lb	87.2	165.7	218.5	153.2	126.8	88.8	70.7	59.1	61.8	54.2	49.4	44.0	39.2
Hides	cts/lb	44.9	72.0	82.0	83.2	94.7	110.2	87.6	72.1	79.9	79.0	78.2	78.6	78.2
Metals														
Copper	\$/MT	5165.3	7538.4	8823.5	7958.9	7331.5	6865.4	5510.5	4362.0	4351.0	4360.8	4377.1	4394.7	4401.0
Aluminum	\$/MT	1689.2	2173.0	2400.6	2022.8	1846.7	1867.4	1664.7	1476.9	1513.1	1562.9	1625.4	1694.3	1751.7
Iron Ore	\$/MT	80.0	146.7	167.8	128.5	135.4	96.8	55.2	35.9	32.1	31.6	35.9	35.9	35.9
Tin	\$/MT	13602.7	20367.2	26051.4	21109.4	22281.6	21898.9	16066.6	13461.4	13339.3	13339.3	13339.3	13339.3	13339.3
Nickel	\$/MT	14672.4	21810.0	22909.1	17541.7	15030.0	16893.4	11862.6	8578.1	8705.2	8810.8	8900.8	8970.8	9017.0
Zinc	\$/MT	1638.4	2160.4	2195.5	1950.0	1910.2	2161.0	1931.7	1493.7	1524.3	1544.6	1553.8	1555.8	1555.8
Lead	\$/MT	1719.4	2148.2	2400.7	2063.6	2139.7	2095.5	1787.8	1617.0	1652.6	1659.3	1697.2	1735.0	1754.5
Uranium	\$/lb	46.7	46.0	56.2	48.9	38.6	33.5	36.8	32.9	33.5	33.5	33.5	33.4	33.5
Energy														
Spot Crude 1/	\$/bbl	61.8	79.0	104.0	105.0	104.1	96.2	50.8	29.9	35.8	39.7	43.1	45.3	46.5
Natural Gas														
Russian in Germany	\$/MMBTU	8.9	8.2	10.6	12.0	11.2	10.5	7.3	5.8	5.8	5.8	5.8	5.8	5.8
Indonesian in Japan (LNG)	\$/MMBTU	7.5	9.4	15.6	18.1	17.3	17.0	10.9	9.5	9.5	9.5	9.5	9.5	9.5
US, domestic market	\$/MMBTU	3.9	4.4	4.0	2.8	3.7	4.4	2.6	2.3	2.7	2.9	3.0	3.1	3.2
Coal														
Australian, export markets	\$/MT	77.0	106.0	130.1	103.2	90.6	75.1	61.6	51.0	51.7	51.7	51.7	51.7	51.7

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

Monthly Inflation Rate and Treasury Bill Rates

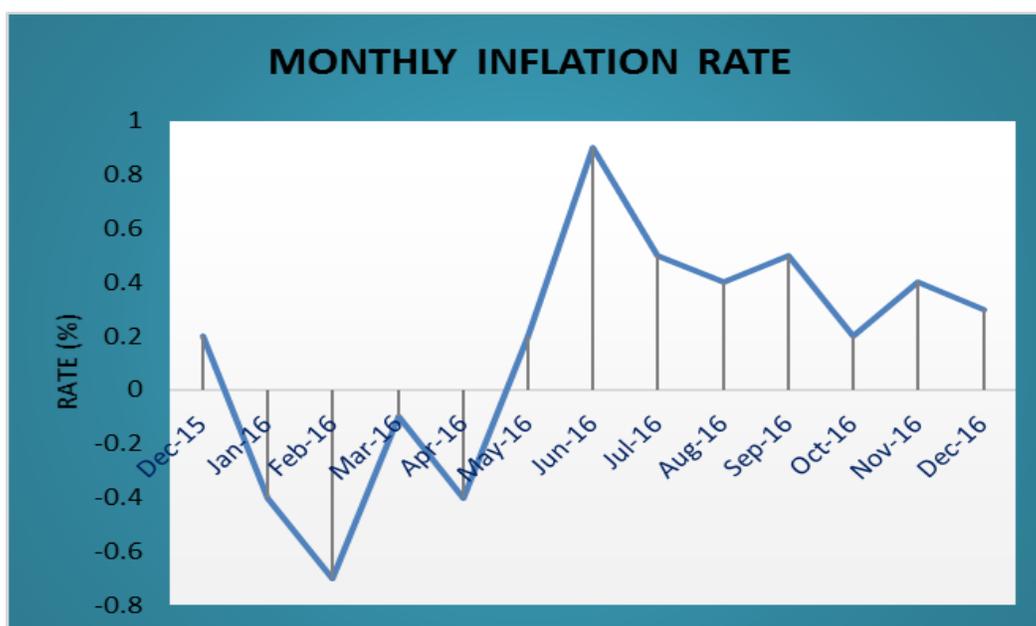
Monthly Inflation Rate

Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **0.3%** for the period December 2016 over November 2016. The increase in the rate for December brought inflation for the calendar year to **1.7%**. Compared to the 3.7% recorded in December last year, this year’s calendar year figure was 2.0% points below. The increase in the rate for December 2016 over November 2016 brought inflation for the fiscal year to December to **3.1%**.

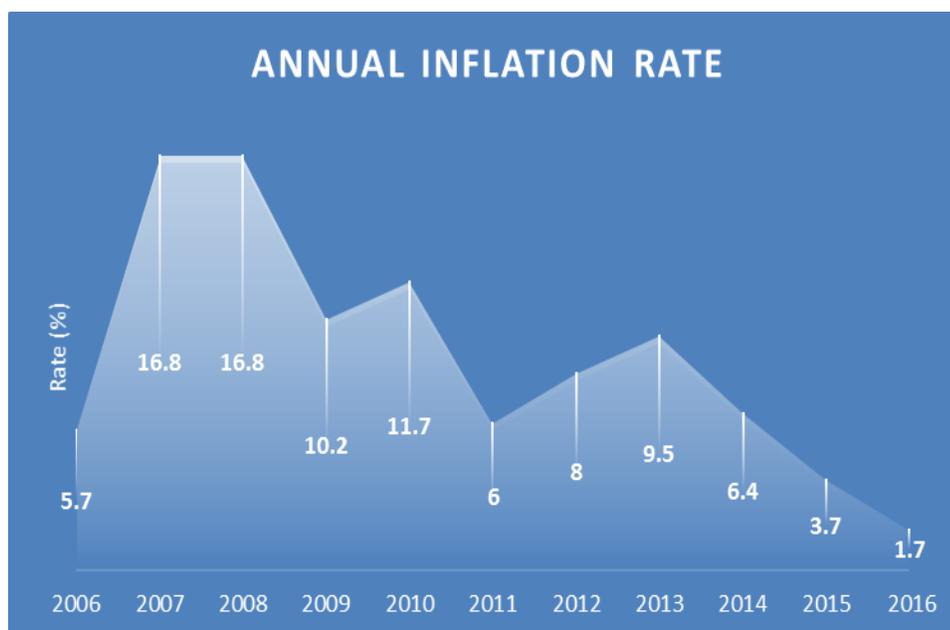
According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by an increase of 0.8% in the division ‘Housing, Water, Electricity, Gas and Other Fuels’. The increase in this division was primarily due to increased

electricity, water and sewage rates for the month. Another influential increase was seen in the division of ‘Food and Non-Alcoholic Beverages’ of 0.4%. The movement of this division was largely affected by the movement in the sub-division ‘Vegetables and Starchy Foods’ increasing by 0.8%. The movement in the CPI was offset by a decline in the division ‘Transport’ by 0.5%. This was the only division to register a decline.

Inflation in all the three regional areas increased for the month of December 2016 relative to November 2016. Inflation in the Greater Kingston Metropolitan area (GKMA), Other Urban Centers (OUC) and Rural Areas increased by 0.4%, 0.3% and 0.2%, respectively.

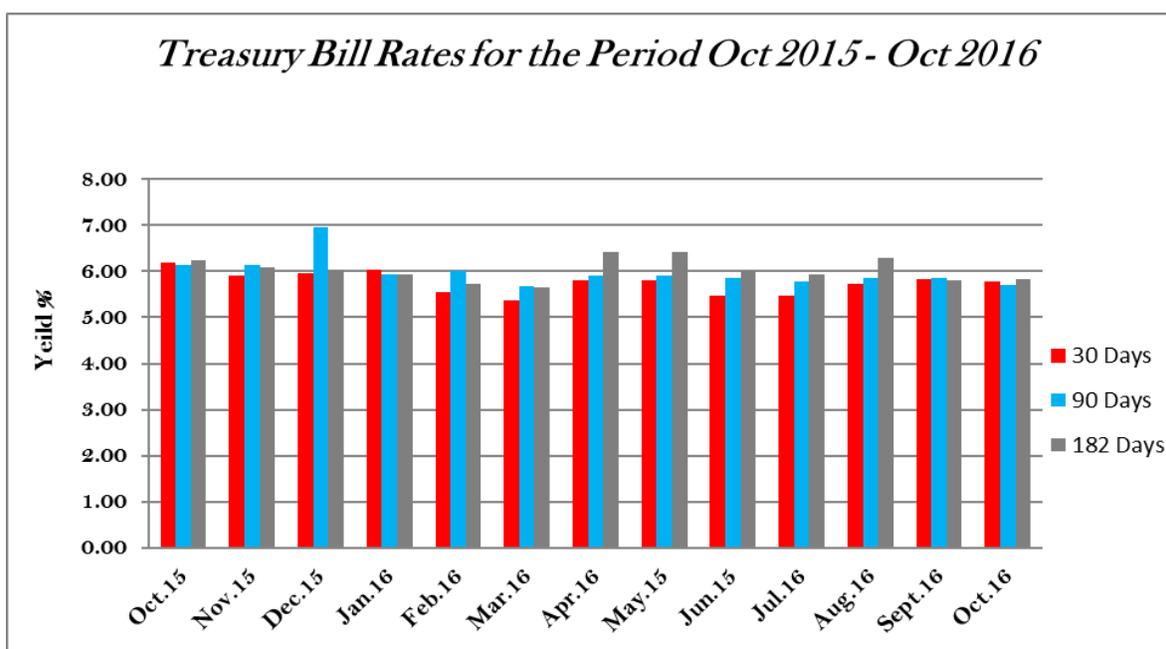


Monthly Inflation Rate and Treasury Bill Rates



Government Treasury Bills

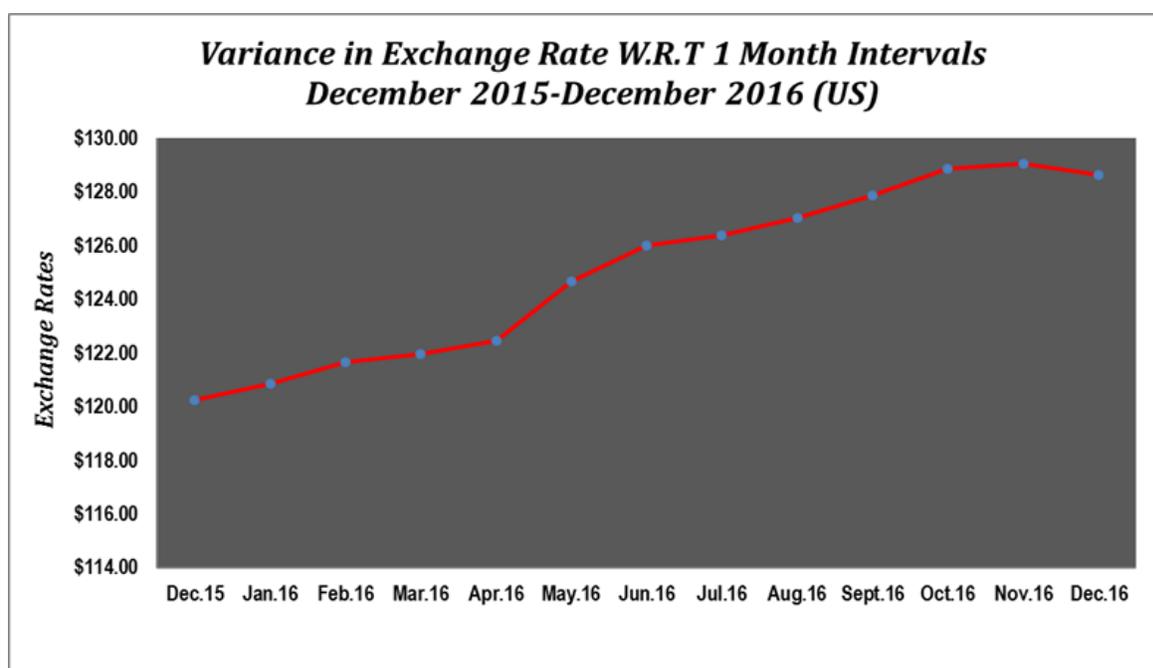
For the month of October 2016 relative to the previous month, yields on the Government of Jamaica 30-day, 90-day and 182-day treasury bills decreased by **19bps**, **24bps** and **15bps**. For the period October 2016 in comparison to October 2015, yields on GOJ treasury bills recorded decreases of **45bps**, **51bps** and **57bps** for the 30-day, 90-day and 182-day treasury bills respectively. Similarly, a two-year comparison showed decreases in the rate of **108bps**, **172bps**, and **207bps** on the yields of the 30-day, 90-day, and 182-day.



Monthly Exchange Rates Update

JMD:USD

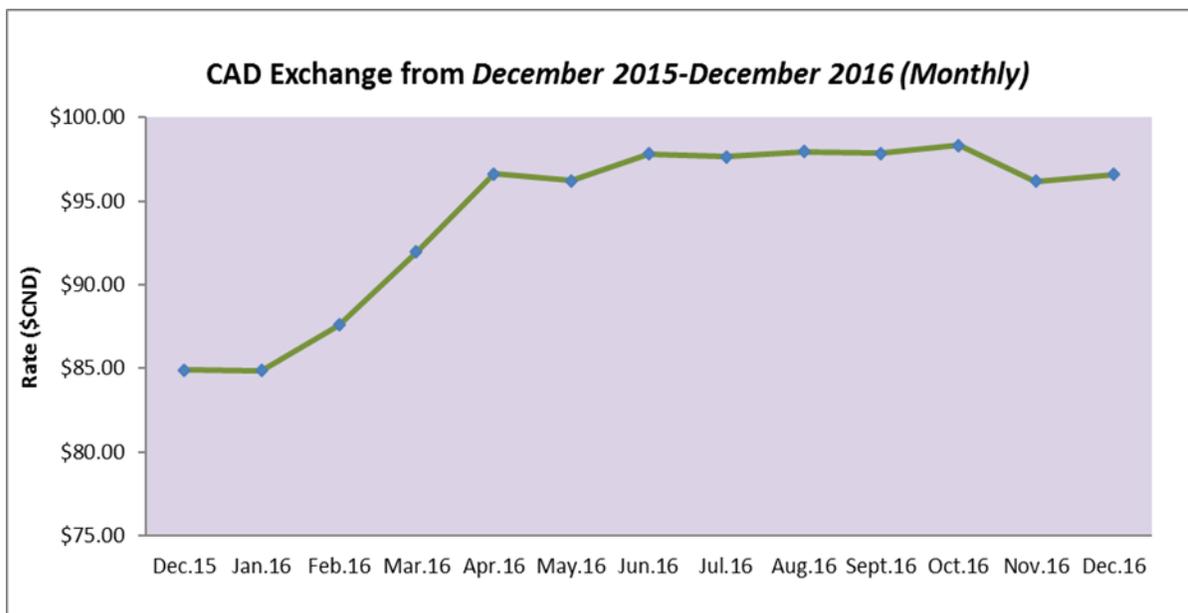
In analysis of the exchange rates over the period November 2016 to December 2016, the monthly average value of the Jamaican dollar appreciated by **\$0.43** or **0.333%** relative to the US dollar. As a result, the exchange rate progressed to settle at **US\$1.00=J\$128.64**. A one-year comparison revealed depreciation in the currency ratio of J\$8.40, resulting in an overall increase in the value of the \$US by 6.986%. The month's exchange rate was further compared with the rate of the same month recorded previously in 2014, the comparison showed that there was an increase in the value of the \$US by J\$14.38 (percentage increase of 12.76).



JMD:CAD

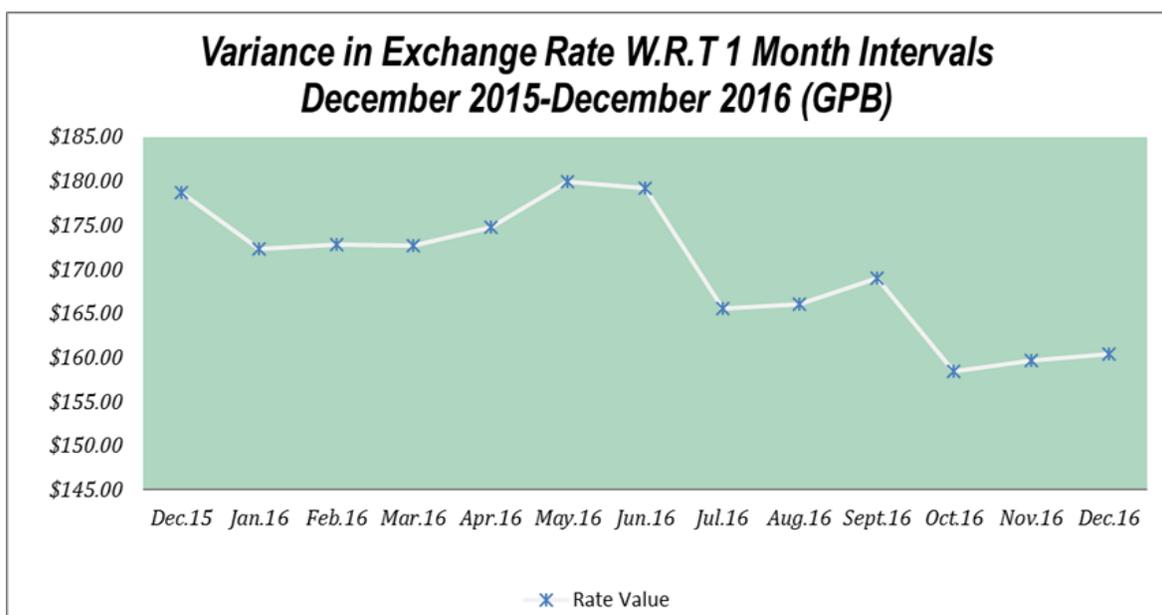
In relation to the exchange rate recorded for the month of December 2016, calculations accentuated the fact that the Jamaican dollar depreciated by **0.4159%** (**\$J0.40**) relative to the previous month, November. In this regard the value of the Jamaican dollar to the US dollar at the end of December was **CAD\$1.00=J\$96.58**. The exchange rate of December 2016 was further set side by side with the rate 1 year earlier (December 2015) which revealed that the value of the Jamaican dollar slid by J\$11.67 or 13.74%. Furthermore, calculations comparing the exchange rate values for December 2016 and December 2014 made clear the overall appreciation of the dollar over the 2-year period. This conclusion was made because of the difference in the value of the dollar of \$J2.36 (appreciation of 2.385%).

Monthly Exchange Rates Update



JMD:GBP

The exchange rate's monthly variance of **J\$0.68** was seen to exist within the boundaries of November 2016 and December 2016, this indicates that the Jamaican dollar depreciated by some **0.4258%**. The exchange rate at end December was **GBP1.00=J\$160.36** in comparison to the previous month **GBP1.00=J\$159.68**. The annual comparison of the exchange rates for the months December 2015 and December 2016 revealed that the Jamaican dollar appreciated in such a way that there was a decrease in the price of the \$GBP equal to **J\$16.76 (9.462%)**. Further investigation of the exchange rate extending to December 2014 showed that the cost of the Pound decreased by **J\$18.32 or 10.25%**.



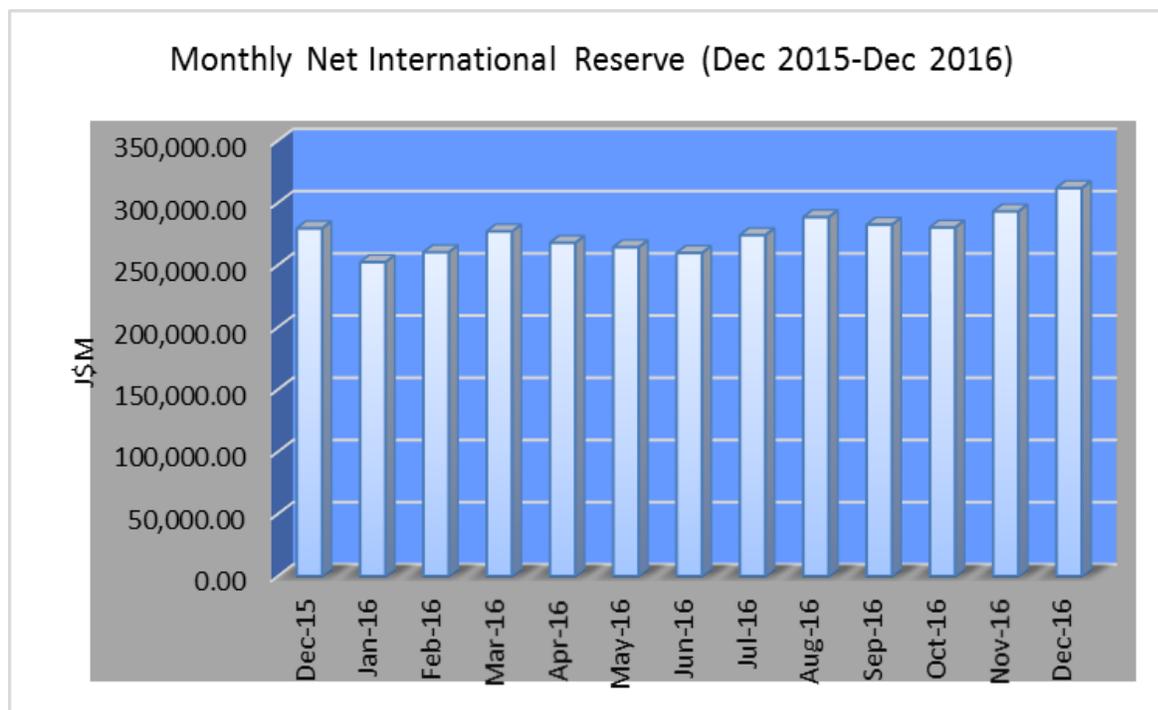
Net International Reserves & Money Base

December 2016

Net International Reserves

Data for the month ending December 2016 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J\$311.80** billion (US\$2,719.37 million). This reflected an increase of **J\$18.682** billion (US\$162.93 million) relative to November 2016. The change in the NIR for the month was due to an increase in foreign assets and a decrease in foreign liabilities. Under the category of foreign asset, one source increased, another decreased while third remained unchanged. Currency and Deposit increased by **US\$160.98** million, SDR & IMF Reserve Position decreased by

US\$1.90 million while Securities remained unchanged to end the month with total foreign asset **US\$3,291.47** million. This represented a total increase of **US\$ 159.08** million. Under foreign liabilities, IMF expenditures decreased while Other expenses remained unchanged; Payments to IMF decreased by **US\$3.86** million which was the total increase in foreign liabilities. Foreign liabilities for the month ending was **US\$572.10**. At the end of December, the gross reserves were sufficient to finance **38.40** weeks of goods imports which represented **26.40** weeks over the international benchmark of **12** weeks of goods imports.

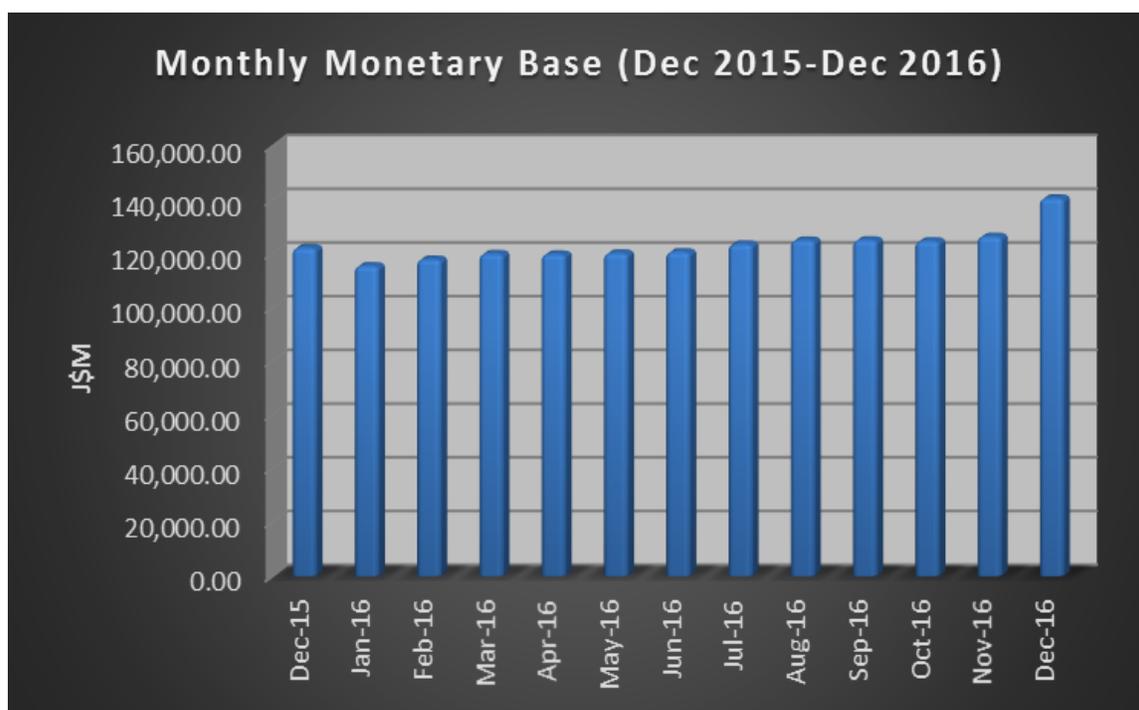


Net International Reserves & Money Base

December 2016

Monetary Base

The monetary base increased by **J\$14.25** billion to **J\$140.69** billion for December 2016 relative to November this year. The change in the base reflected increases in Net Currency Issue and the Commercial Banks' Statutory Reserve while a decrease was seen in the Commercial Banks' Current Account. Net Currency Issue increased by **J\$14.317** billion to end at **J\$98.272** billion and the Commercial Banks' Statutory Reserves increased by **J\$0.329** billion to a total of **J\$42.081** billion. The Commercial Banks' Current Account decreased by **J\$0.395** billion to a total of **J\$0.344** billion.



Remittance Inflow Update

December 2016

At the end of July 2016 gross remittance inflows were **US\$195.3 million**. This represented an increase of **0.1538%** or **US\$0.3 million** relative to the **US\$195 million** recorded June. When compared to the corresponding month of the previous year gross remittance increased by **US\$5.3 million** or **2.8%**. For July 2016, net remittances were **US\$174.0 million** reflecting a decrease of **US\$0.5 million** or **0.2865%** relative to June this year. When compared to the corresponding period of 2015, net remittances increased by **US\$6.0 million** or **3.6%**. Total net remittances for January to July were **US\$1 186.0 million**, which represented a growth of **US\$32.5 million** or **2.8%** relative to the corresponding period of 2015. Total remittance inflows for the first quarter of 2016 was **US\$1 320.3 million**, representing an increase of **US\$37.1**

million or **2.9%** relative to the previous year. These inflows were above the average of **US\$1212.6 million** for the previous five corresponding periods. The increase in total remittance inflows reflected an increase of **US\$20 million** or **1.8%** inflows through remittance companies and an increase of **US\$17.1 million** or **10.1%** in Other Remittances.

For the fiscal year 2015/16 to July, total remittance inflows increased by **\$28.0 million** or **3.7%** to **US\$783.0 million** relative to the corresponding period of last year. Net remittances inflows also increased for the fiscal year 2015/16 to June relative to last year. Net remittance inflow rose by **US\$27.4 million** or **4.0%** to **US\$709.9 million** relative to the corresponding period of the last fiscal year.

JAMAICA'S REMITTANCES				
(US\$MN)				
	2015 July	2016 July	Change	% Change
Total Remittance Inflows	190	195.3	5.3	2.8
Remittance Companies	167.1	167.6	0.5	0.3
Other Remittances	23	27.8	4.8	20.9
Total Remittance Outflows	22.1	21.3	-0.7	-3.4
Net Remittances	167.9	174	6	3.6

Tourism

December 2016

Stopover tourist arrivals for November 2016 were **163,152**. This month's total was **27,685** or **20.44%** higher than the **135,467** in October this year. November's total represented an increase of **3.0%** compared to the **158,450** recorded in the same month last year. For the months May to November, arrivals were up 3.0%, with 1,178,123 stopovers compared to 1,147,483 in 2015. For the January to November period, arrivals increased by **2.7%**, with **1,951,231** stopovers compared to **1,903,946** in 2015.

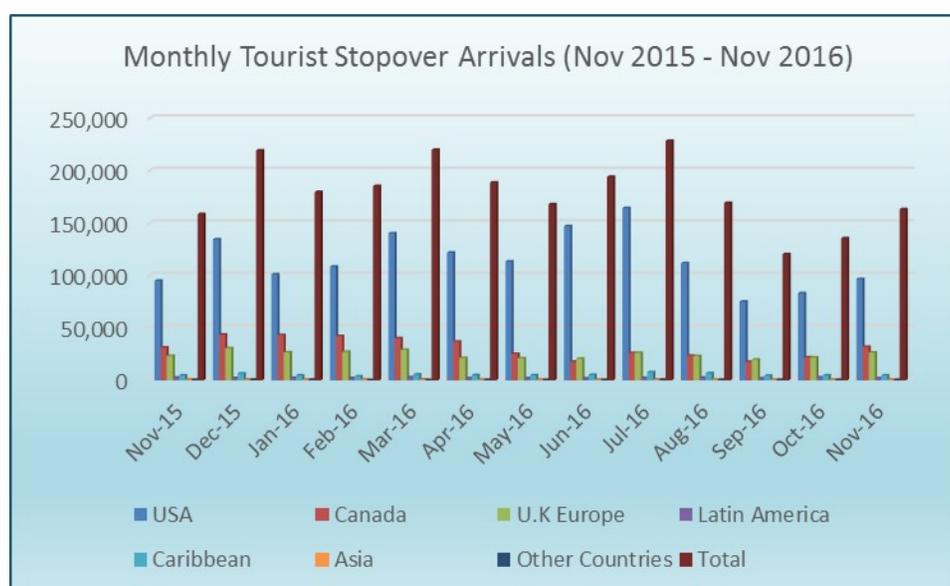
For November 2016, the changes reflected in the total stopovers observed in the seven categories of destination varied. Out of the seven categories three recorded increase in numbers while four recorded decreases when compared to November 2015. Increases in arrivals were reflected in stopovers from the United States, Canada, and Europe with **1.7%**, **2.2%** and **13.8%** respectively.

The overall impact of increases was offset by decreases in arrivals from Latin America, the Caribbean, Asia and Other Countries. Stopover

arrivals decreased by **23.2%**, **2.1%**, **9.2%** and **7.5%** for the Latin America, the Caribbean, Asia and Other Countries respectively. Of the Other Countries, once again Australia provided the most stopover arrivals to Jamaica, with 2,323 visitors in 2016 compared to 2,662 in 2015. The market share for stopover visitors for the January to October 2016 was as follows: USA **64.7%**; Canada **16.8%**; UK **9.6%**; Continental Europe **4.0%**, the Caribbean **3.0%**; and the others, including Latin America and Asia **2.0%**.

A total of **159,383** cruise passengers visited Jamaica in November, 2016. This represented a **60,150** or **76.63%** overall increase compared to the **90,233** recorded in the previous month. For the corresponding period in 2015 total cruise passengers was **135,450** hence this year's total was **17.7%** more.

The January to November 2016 period saw **1,473,224** cruise passenger arrivals at the three major ports, an increase of **133,542** or **10.0%** compared to the corresponding period last year.



Stock Market Update

December 2016

On the last trading day in December 2016, for the period December 01, 2016 to December 30, 2016, the main JSE index advanced by **13,614.91 points** or **7.62%** to close at **192,276.64 points**. The JSE Combined Index advanced by **14,317.07 points** or **7.51%** to close at **204,960.10 points**. The JSE Junior advanced by **164.58 points** or **6.78%** to close at **2,593.71 points**. The JSE Cross Listed Index advanced by **149.71 points** or **7.69%** to close at **2,096.06 points**.

Overall, the market activity in December resulted from trading in thirty-four (**34**) stocks of which **22** advanced, **8** declined and **4** traded firm. In total **132,934,971.00 units** of stock were traded during the month, which had a total value of **J\$2,877,864,603.63**. This resulted in market capitalization of **J\$691,665,798,437.00 billion** as at end December 2016.

National Commercial Bank Jamaica Ltd. was the volume leader for the month with **19,135,181 units** amounting to **14.39%** of the market volume. Second was Jmmb Group Limited, which traded **14,637,915 units** amounting to **11.01%** of the

market volume. Next in line was Cable & Wireless Jamaica Limited with a total of **13,760,673 units** amounting to **10.35%** of the market volume.

The top four advancing stocks for the month of December were the Mayberry Investments Limited (**46.99%**), Caribbean Cement Company Limited (**23.36%**), Sagicor Real Estate X Fund Limited (**19.51%**) and Pan Jamaican Investment Trust (**16.54%**). The top four declining stocks were, Pulse Investments Limited (**8.72%**), 138 Student Living Jamaica Limited (**4.00%**), Cable Wireless Jamaica Limited (**4.00%**) and GraceKennedy Limited (**3.15%**).

For the calendar year of 2016, the top four advancing stocks were Trinidad Cement Limited (**320.00%**), Palace Amusement (1921) Company Limited (**124.68%**), Caribbean Cement Company Limited (**82.87%**) and Jamaica Producers Group Limited (**78.65%**). Meanwhile, the top four declining stocks for the calendar year to date were Cable Wireless Jamaica Limited (**47.83%**), Ciboney Group Limited (**14.29%**), 1834 Investments Limited (**7.69%**) and Salada Foods Jamaica Limited (**0.23%**).

Previous Highlights: November 2016 Summary

December 2016

- At the end of November 2016, the Monthly average value of the Jamaican Dollar depreciated against the US dollar and the Great Britain Pound. The Dollar depreciated against the US\$ by J\$0.22 or 0.1707% to end at J\$129.07=US\$1.00. The value dollar depreciated by J\$1.31 or 0.8272% against the Great Britain Pound to end at GBP\$1.00=J\$159.68. The value of the Canadian dollar appreciated by J\$2.14 or 2.176% to end at CAD1.00=J\$96.18.
- Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.4% for the period November 2016 over October 2016. The increase in the rate for November brought inflation for the calendar year to date to 1.4%. The increase in the rate for November 2016 over October 2016 brought inflation for the fiscal year to November to 2.8%. The 12-month point to point rate at the end of November 2016 was 1.7%.
- Data for the month ending November 2016 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$293.12 billion (US\$ 2,556.43 million). This reflected an increase of J\$12.979 billion (US\$113.21 million) relative to October 2016.
- The monetary base increased by J\$1.682 billion to J\$126.447 billion for November 2016 relative to October this year.
- On the last trading day in November 2016, for the period November 01, 2016 to November 30, 2016, the main JSE index advanced by 11,902.46 points or 7.14% to close at 178,661.73 points. The JSE Combined Index advanced by 10,963.28 points or 6.10% to close at 190,643.03 points. The JSE Junior declined by 7.27 points or 0.30% to close at 2,429.13 points. The JSE Cross Listed Index advanced by 1,447.29 points or 290.00% to close at 1,946.35 points.
- Stopover tourist arrivals for October 2016 were 135,467. This month’s total was 15,127 or 12.57% higher than the 120,340 in September this year. For the months May to October, arrivals were up 2.6%, with 1,014,971 stopovers compared to 989,033 in 2015. For the January to October period, arrivals increased by 2.4%, with 1,788,079 stopovers compared to 1,745,496 in 2015. A total of 90,233 cruise passengers visited Jamaica in October 2016. The January to October 2016 period saw 1,313,841 cruise passenger arrivals at the three major ports.
- There were price reductions observed in 57.14% (12) of the commodities monitored for November 2016. Both the price of Brent and the WTI decreased for the period November relative to October. The Brent declined by 6.62% and the WTI increased by 8.56%. Natural gas price decreased by 15.25% for the period November over October. The IMF’s Fuel Energy index decreased by 5.44%, and the Food and Beverage Index decreased by 0.0140%. The all commodity price index decreased by 1.22%.

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

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

December 2016

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