



MONTHLY ECONOMIC BULLETIN

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The CEO'S Remarks

There is some similarity between Trump's failure to repeal and replace Obamacare and our own budget process in Jamaica. That is in both cases there is a lack of consensus.

Trump failed to get the consensus needed to pass the replacement for the Affordable Care Act (ACA), and as a result the replacement did not take place. Here in Jamaica there was a lot of opposition to the tax revenue measures as follows:

1. Transport operators protested the fuel tax and motor vehicle licence increase, and is now demanding a well needed fare increase.
2. JHTA, supported by the JMA, is against the transfer of the TEF funds to the consolidated fund.
3. Insurance sector, and small businesses, is against the irrecoverable GCT being placed on Group Health Insurance.
4. Opposition is against the tax package, and walked out of the house before the vote to pass the budget.

Even with this opposition the budget was passed, and would have even if the PNP was there, because the Government would have the majority needed of 1.

This of course is nothing new, as it seems as if almost every year the Government can be certain of opposition to the budget, primarily because they always fail to have appropriate consultation, which is a hallmark of good leadership. It is this same

problem that resulted in the failure by the Republicans to have the ACA replaced.

This need for consultation is an important lesson for our Government to understand, because even though they are always able pass the budget in the face of opposition, and the US Government is unable to do so without adequate consensus, the fact is that the way the US operates will always come out as superior to the way we do. This is evident in their history of development as compared to ours.

The fact is that democracy and development cannot happen without consensus.

We have seen consensus in the Economic Reform Programme for example. And any other area we have seen consensus we have been able to success in Jamaica. The problem is that there are not many areas of consensus. For example, we don't see consensus in the areas of crime and education.

This is certainly a very important role for bodies such as the Economic Growth Council, as we try to achieve 5 in 4. This certainly the only way also we will be able to achieve Vision 2030, which we have never really had consensus around, and so we don't even all agree how we are going to get there.

The lesson for us to learn from the US attempt and failure to repeal and replacement the ACA, is that consensus is very important if we want to move forward for the benefit of the people an country. But more importantly it is also very important to understand that if we are truly to move forward then our system of governance must ensure that consensus is required for us to develop.

Economic Highlights February 2017

2017/2018 Budget

For fiscal year 2017/2018 the Government delivered a tax package of \$13.5 billion, primarily to compensate with the final installation of the increase in the income tax threshold to \$1.5 million. Which is expected to add approximately \$15 billion to disposable income.

This is consistent with the move by the government for more indirect taxation over direct taxation. The PSOJ had recommended this move in the 2012 PSWG Tax report, as it was felt that in our current informal economy, direct taxes are a much more efficient way to gain compliance.

The PSOJ therefore supports the general direction of moving towards indirect from direct taxation.

As a result of the tax measures, the country will see tax changes in Special Consumption Taxes (SCT), General Consumption Tax and Other taxes. Special Consumption Taxes include an increase in the SCT payable in respect to fuel ranging from \$0.43 to \$7.36, an increase in SCT by approximately 10% in respect to alcoholic beverages and increase of 21% in SCT in respect to tobacco and tobacco products. GCT (16.5%) will be imposed on Group Health insurance and there will be a reduction of the

threshold to 150kWh for the application of GCT, in respect to the consumption of electricity. Other taxes include an increase in Motor Vehicle Licence and Fees of 20% and a re-imposition of withholding tax on general insurance premiums paid by Jamaican residents to non-residents at a rate of 15%. \$0.13 billion is expected to be collected in bauxite levy.

Economic Highlights

- At the end of February 2017, the Monthly average value of the Jamaican Dollar appreciated against the US dollar and the Canadian dollar while it depreciated against the Great Britain Pound. The Dollar appreciated against the US\$ by \$0.51 or 0.3966% to end at J\$128.07=US\$1.00. The value dollar appreciated by J\$0.21 or 0.2141% against the Canadian Dollar to end at CAD\$1.00=J\$97.88. The value of the Great Britain Pound depreciated by J\$2.39 or 1.518% to end at GBP1.00=J\$159.84.
- Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.2% for the period February 2017 over January 2017. The increase in the rate for February 2017 over January 2017 brought inflation calendar year-to-date to 0.6% and inflation for the fiscal year to February 2017 was 3.7%. The 12-

Economic Highlights February 2017

month point to point rate at the end February was 3.6%.

- Data for the month ending February 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$333.629 billion (US\$2,615.26 million). This reflected an increase of J\$18.604 billion (US\$ 145.84 million) relative to January.
- The monetary base increased by J\$2.431 billion to J\$133.74 billion for February 2017 relative to January this year.
- On the last trading day in February 2017, February 28, 2017, the main JSE index declined by 1,373.78 points or 0.59% to close at 230,967.92 points. The JSE Combined Index declined by 1,563.37 points or 0.60% to close at 253,409.78 points. The JSE Junior advanced by 33.91 points or 1.11% to close at 3,089.02 points. The JSE Cross Listed Index closed the month at 2,096.06 points.
- Stopover tourist arrivals for January 2017 were 185,873. This month's total was 44,580 or 19.34% higher than the 230,453 in December 2016. This year's January total is an increase of

3.5% over the 179,559 recorded in January 2016. A total of 205,812 cruise passengers visited Jamaica in January 2017.

- There were price reductions observed in 42.86% (9) of the commodities monitored for February 2017. Both the price of Brent and the WTI increased for the period February relative to January. The Brent increased by 1.09% and the WTI increased by 1.06%. Natural gas price however decreased by 13.50% for the period February over January.

International Commodity Prices

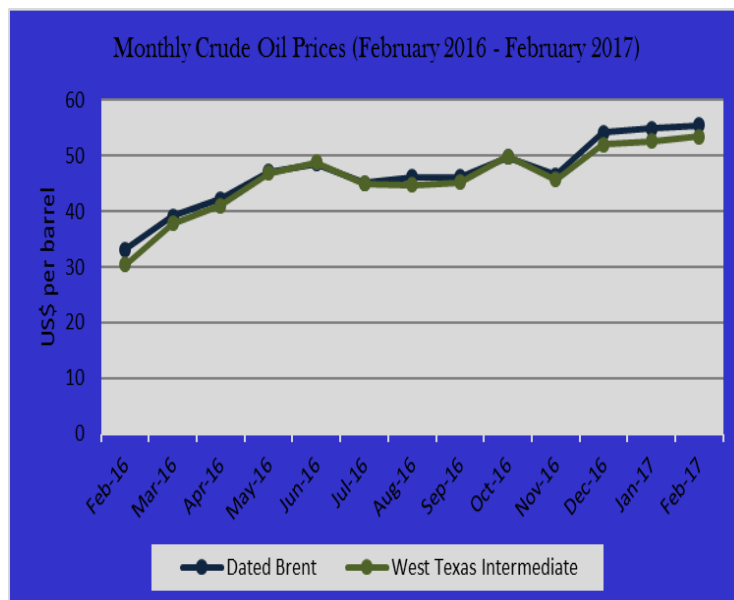
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Crude Oil Prices

For the month ending February 2017, the average price of both the Dated Brent and the West Texas Intermediate (WTI) increased. The Brent ended the month of February at **US\$55.49 per bbl**. This represented a **US\$-06** or **1.09%** increase from the **US\$54.89 per bbl** recorded for the previous month. The West Texas Intermediate (WTI) ended the month at **US\$53.4**. This represented a **US\$0.84** or **1.60%** increase relative to last month. A one-year comparison of prices revealed that this year's price for the Brent is **67.13%** or **US\$22.29 per bbl** higher. When compared to last year's price, this year's WTI price is **75.95%** or **US\$23.05** higher. When compared to the price level two years ago, the Brent is **4.211%** below while the WTI is **5.2839%** above. The 5-year average of prices ranging from February 2012 to January 2017 for the Dated Brent and the West Texas Intermediate are **US\$82.30 per bbl** and **US\$74.64 per bbl** respectively. This month's price was **33%** below the 5-year average of prices for the Brent and **28.46%** for the WTI.

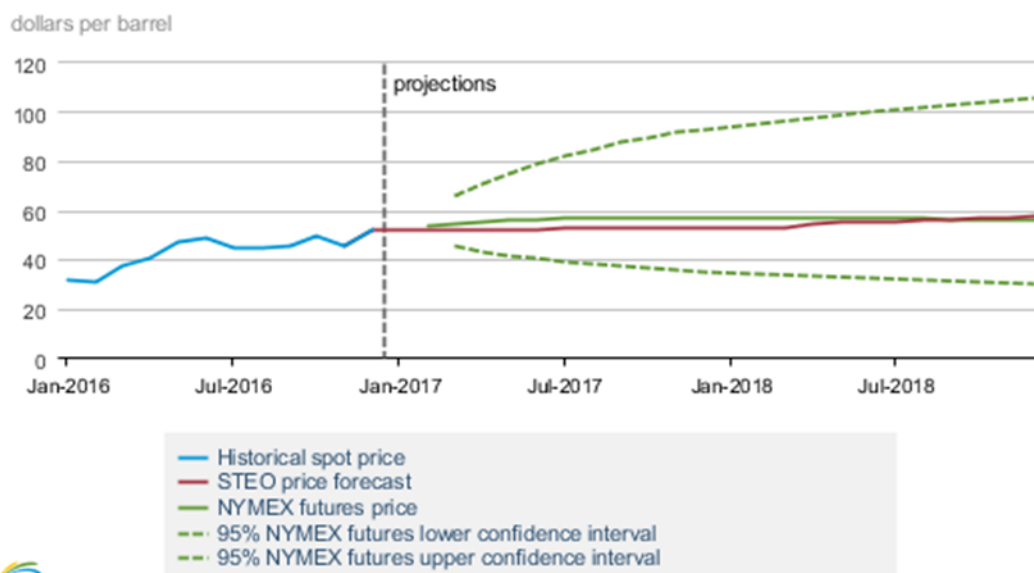
The US Energy Information Administration (EIA)

forecasts Brent crude oil prices to average \$55/b in 2017 and \$57/b in 2018. West Texas Intermediate



(WTI) crude oil prices are expected to average about \$1/b less than Brent prices in the forecast. The New York Mercantile Exchange (NYMEX) contract values for May 2017 delivery traded during the five-day period

West Texas intermediate (WTI) crude oil price

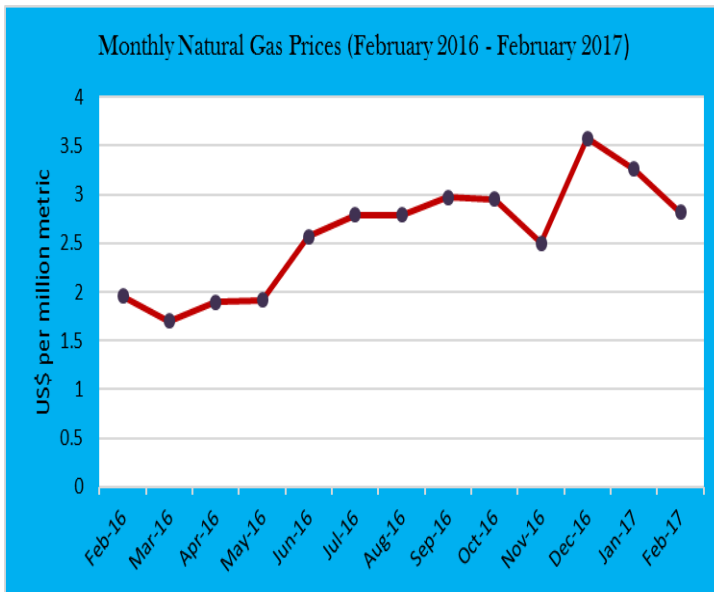


Note: Confidence interval derived from options market information for the 5 trading days ending Jan. 5 2017. Intervals not calculated for months with sparse trading in near-the-money options contracts.

ending March 2 suggest that a range of \$46/b to \$63/b encompasses the market expectation for WTI prices in

International Commodity Prices

February 2017 Issue



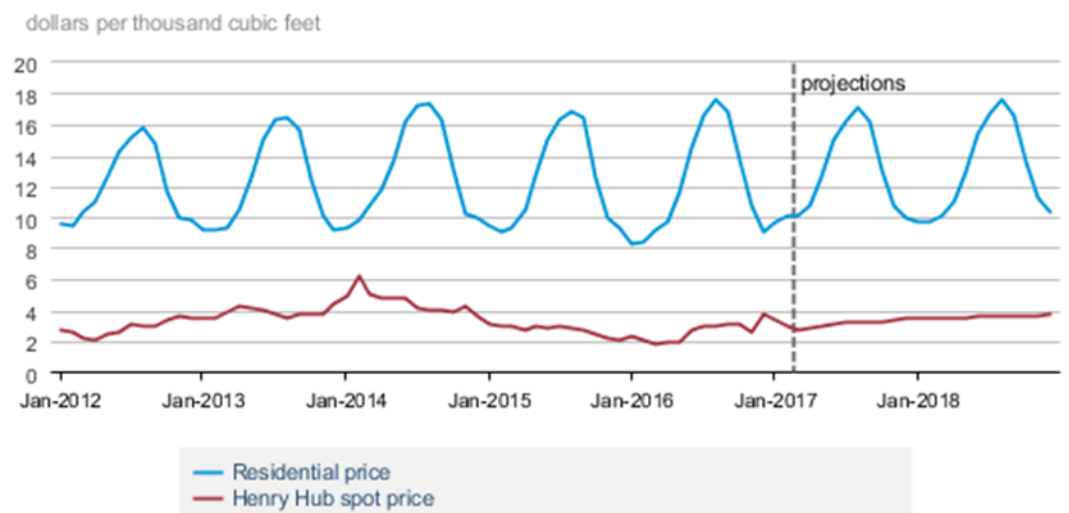
two-year comparison revealed that natural gas prices have decreased by **US\$0.03** or **1.053%** per million metric. The five-year average monthly price for natural gas ranging from February 2012 to January 2017 is **US\$3.20** per million metric, hence, this year's February price was **US\$0.3808** or **11.90%** above.

New natural gas export capabilities and growing domestic natural gas consumption contribute to the forecast Henry Hub natural gas spot price rising from an average of \$3.03/MMBtu in 2017 to \$3.45/MMBtu in 2018. The New York Mercantile Exchange

May 2017 at the 95% confidence level. In February, the average Henry Hub natural gas spot price fell by 45 cents per million British thermal units (MMBtu) from the January levels to \$2.85/MMBtu.

Unseasonably warm temperatures in the Lower 48 states contributed to lower prices.

U.S. natural gas prices



eia Source: Short-Term Energy Outlook, March 2017

Natural Gas

For the month ending February 2017, natural gas price decreased. The price for natural gas ended at **US\$3.26** per million metric which represented a decrease of **US\$0.44** or **13.50%**. In February 2017, natural gas per million metric was valued at **US\$1.96** signifying that this year's price is **US\$0.99** or **43.61%** higher. A

(NYMEX) contract values for May 2017 delivery traded during the five-day period ending March 2 suggest that a range of \$2.15/MMBtu to \$3.82/MMBtu encompasses the market expectation for Henry Hub natural gas prices in May 2017 at the 95% confidence level.

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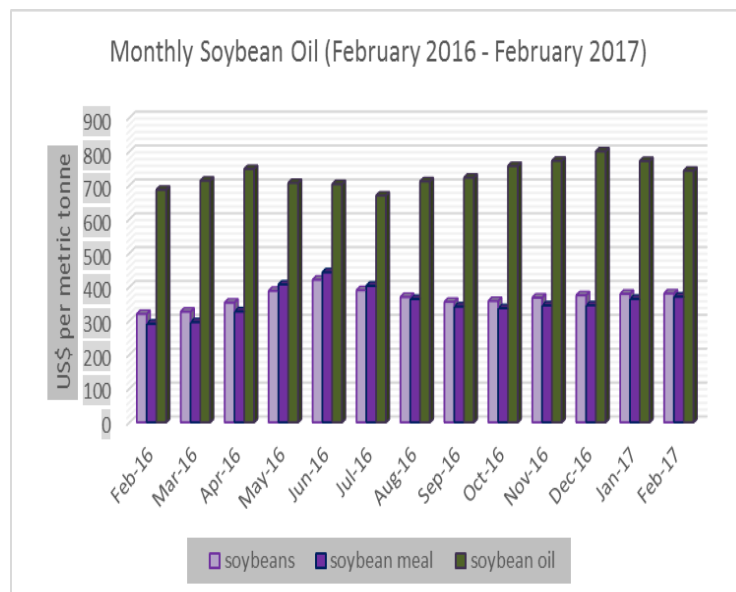
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Soybean Prices

For the month ending February 2017, soybean price per metric tonne was **US\$380.87**. This denoted a **US\$1.28** or **0.34%** increase from January's value of **US\$379.59** per metric tonne. In February, this year, the average price of soybean meal increased while the average price of the soybean oil decreased. Soybean meal prices ended the month at **US\$371.37** per metric tonne. This represented an increase of **US\$6.66** or **1.83%**. At the end of February, the price per metric tonne for soybean oil stood at **US\$742.92** representing a **US\$28.96** or **3.75%** decrease compared to the previous month. A one-year comparison revealed that prices for soybean increased by **18.97%** or **US\$60.74**. This month soybean price was **US\$16.13** or **4.422%** higher than its price two years ago. When compared to the corresponding period last year the soybean meal price was **US\$80.00** or **27.46%** above. Soybean oil price was above last year's price by **US\$56.02** or **8.155%**. A two-year comparison of prices for soybean meal revealed that this year's price is below the two year price by **US\$2.88** or **0.7695%**. When the February 2017 soybean oil price was compared to corresponding period in 2015 this year's price is **US\$44.98** or **6.445%** above. The five-year average monthly price for soybean ranging from February 2012 to January 2017 is **US\$443.53** per metric tonne, which means that February's price was **US\$62.66** or **14.13%** lower. The five-year average monthly price for soybean meal ranging from February 2012 to January 2017 is **US\$424.37** per metric tonne, which means that February's price was **US\$53.00** or



12.49% lower. The five-year average monthly price for soybean oil ranging from February 2012 to January 2017 is **US\$867.78** per metric tonne, which means that February's price was **US\$124.86** or **14.39%** lower.

Sugar Prices

At the end of February 2017, the average price of the Free Market Sugar ended the month at **US\$0.2035** cents per pound. This represented a decrease of **US\$0.0019** or **0.93%** when compared to the previous month. For the US Sugar imports, the average price increased from **US\$0.2929** in January to **US\$0.304** in February this year. This represented an increase of **US\$0.0139** or **4.79%** cents per pound. At the end of February 2017, the European Sugar imports ended the month at **US\$0.2076** cents per pound. This represented a **US\$0.0023** or **1.12%** increase compared to the previous month. For the period February 2017 relative to February 2016, the price of Free Market sugar increased by **US\$0.0634** or **45.25%** cents per pound. A one-year comparison revealed that the price of the US Sugar



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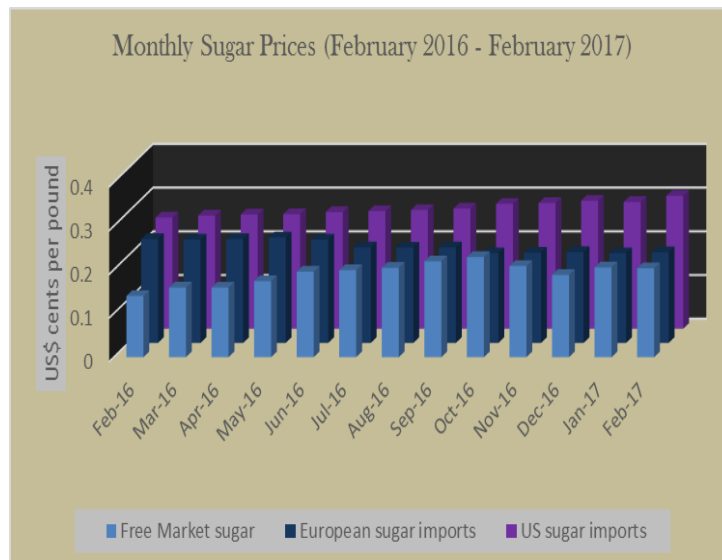
International Commodity Prices

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imports has increased by **US\$0.0494** or **19.40%**, while the European sugar imports price has decreased by **US\$0.0301** or **12.66%**. In February 2015 the price for the Free Market sugar was **US\$0.0584** cents per pound, which means that this year's February price is **US\$0.0548** or **40.25%** higher. The price of the US sugar imports is **US\$0.0578** or **23.48%** higher than the 2015 price while the price of the European Sugar imports is **US\$0.0473** or **18.56%** lower than the 2015 price. The 5-year average of prices ranging from February 2012 to January 2017 for the US imports and the European imports are **US\$0.25257** cents per pound and **US\$0.2546** cents per pound respectively. Hence, the price of US imports is above its long-term average by **20.36%** while the European imports is below its average by **18.45%**.

Coffee Prices

For the month ending February 2017 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\$1.6556** cents per pound representing a decrease of **US\$0.0227** or **1.35%**. A one-year comparison revealed that this month's price was **US\$0.1662** or **11.16%** higher than last year's January price. Robusta Coffee ended the month at **US\$1.1013** cents per pound. This month's price is below the previous month's price by **US\$0.0113** or **1.02%**. A one-year comparison revealed that the price of coffee in the Robusta category has increased by **US\$0.2897** or **35.69%**. A two-year comparison



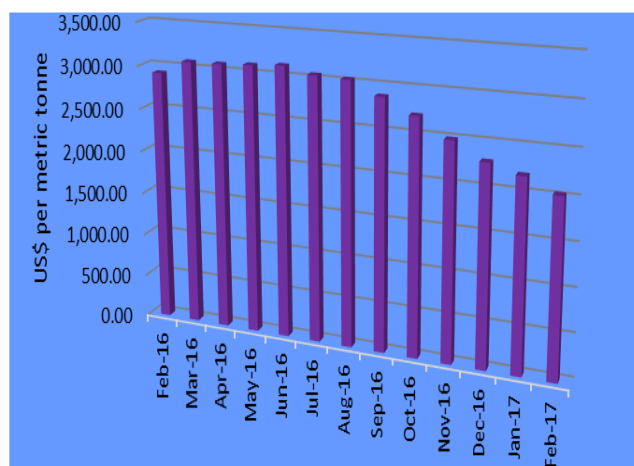
revealed that prices have fallen by **7.99%** for coffee of the 'Other Mild Arabica's category while prices rose by **6.16%** for coffee in the Robusta category. The five-year average monthly prices ranging from February 2012 to January 2017 for Arabica and Robusta are **US\$1.70** and **US\$1.01** respectively. This implies that this year's February price for the Arabica was **2.662%** lower than the average price while the Robusta coffee was **8.956%** higher than its average price.



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Monthly Cocoa Beans Prices (February 2016 - February 2017)



Cocoa Bean Prices

For the month ending February 2017, cocoa bean prices continued to decrease for the eighth month in a row. Prices decreased by **US\$160.98** per metric tonne or **7.33%** to close at **US\$2,034.08** per metric tonne. A one-year comparison revealed that this year's price is lower by **US\$882.29** or **30.25%**. A two-year price comparison showed that the February 2017 price for cocoa beans is lower by **US\$927.86** or **31.33%** than its price in February 2015. The five-year average of monthly prices ranging from February 2012 to January 2017 for cocoa bean is **US\$2,779.34** per metric tonne, this means that this year's February price was **US\$745.26** or **26.81%** lower.

Orange Prices

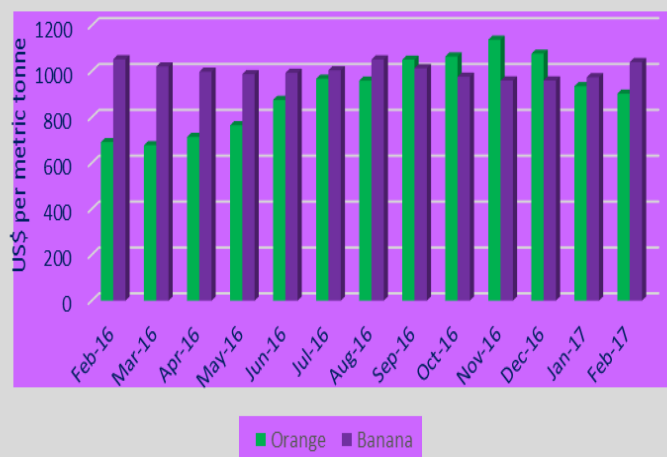
For the month ending February 2017, orange prices decreased. Prices decreased by **3.47%** or **US\$32.42** per metric tonne to end at **US\$902.59** per metric tonne relative to January last year. When compared

to the same period in 2016, this year's price was **US\$211.22** or **30.55%** higher. A two-year comparison revealed that prices have risen by **US\$198.42** or **28%**. The five-year average monthly price ranging from February 2012 to January 2017 is **US\$839.80**, indicating that this month's price was **US\$62.79** or **7%** higher.

Banana Prices

Banana prices for the month ending February 2017 increased relative to January. In this regard prices increased by **6.78%** or **US\$66.07** to end at **US\$1,040.10** per metric tonne. For February 2017, relative to February 2016, banana prices decreased by **US\$12.25** or **1.164%** per metric tonne. A two-year comparison revealed that this year's price is above the February 2015 price of **US\$966.85** per metric tonne by **US\$73.25** or **7.576%**. The five-year average monthly prices ranging from February 2012 to January 2017 is **US\$961.25**, this means that this year's price was **US\$78.85** or **8.203%** above.

Monthly Orange and Banana Prices (February 2016 - February 2017)



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Corn Prices

For the month ending February 2017, corn prices increased. Prices increased by **US\$2.89** or **1.81%** relative to January, to close the month at **US\$162.88** per metric tonne. Between February 2017 and February 2016 prices increased by **US\$3.2** or **2.00%**. A two-year price comparison showed that this year's price was **US\$10.82** or **6.229%** lower. The five-year monthly average for corn prices ranging from February 2012 to January 2017 is **US\$213.96** per metric tonne, this means that this month's price was **US\$51.08** or **23.87%** lower.

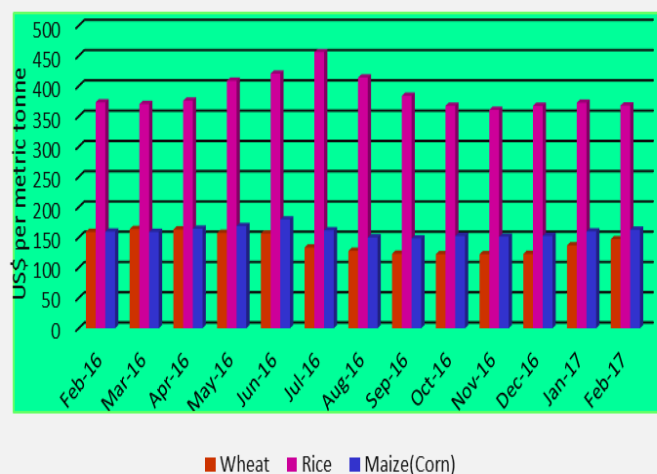
Wheat

For the month ending February 2017 wheat prices increased. Prices increased by **US\$14.29** or **7.45%** relative to February 2016 to end at **US\$147.31** per metric tonne. Relative to February 2016, prices have fallen by **US\$11.94** or **7.50%** per metric tonne. A two-year comparison of wheat prices showed that this year's February price was **US\$54.4** or **26.97%** below the February 2015's price. The average five-year monthly prices ranging from February 2012 to January 2017 is **US\$220.89** per metric tonne, meaning that this year's February price was **US\$73.58** or **33.31%** below.

Rice

For the month ending February 2017 the price of the 5 percent broken milled white rice ended at **US\$368.1** per metric tonne. This value was **US\$4.45** or **1.19%** below the **US\$372.55** in January. This

Monthly Cereal Price (February 2015 - February 2016)



month's price is below the February 2016 price by **US\$5.09** or **1.364%**. A two-year comparison revealed that the commodity's price was **US\$41.4** or **10.11%** lower than its price in 2015. The five-year monthly price average for rice prices ranging from February 2012 to January 2017 is **US\$455.96** per metric tonne, indicating that February's price was **US\$87.86** or **19.27%** below the long term average .

Beef Prices

In February 2017, beef prices increased. Prices increased by **US\$0.0783** or **4.43%** when compared to the previous month, to close at **US\$1.846** cents per pound. When compared to February 2016, prices have risen by **US\$0.1329** or **7.758%** cents per pound. In February 2015 prices were **US\$2.0988** cents per pound hence this year's price was **US\$0.2528** or **12.04%** below the 2015 price. The five-year average for prices ranging from February 2012 to January 2017 is **US\$1.946** cents per pound indicating that this month's price was **US\$0.10023** or **5.15%** below.

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Swine (Pork) Prices

For the month ending February 2017 the price of pork increased relative to the previous month. The price of pork was **US\$0.7177** cents per pound. This represented a **US\$0.104** or **16.95%** increase from January's price of **US\$0.6137**. This was the largest percentage increase since June 2015. When compared with February 2016, prices increased by **US\$0.0883** or **14.03%**. Prices are above the price level 2-years ago by **US\$0.0993** or **16.06%**. It is below the 5-year average of **US\$0.8012** for prices ranging from February 2012 to January 2017 by **US\$0.0835** or **10.42%**.

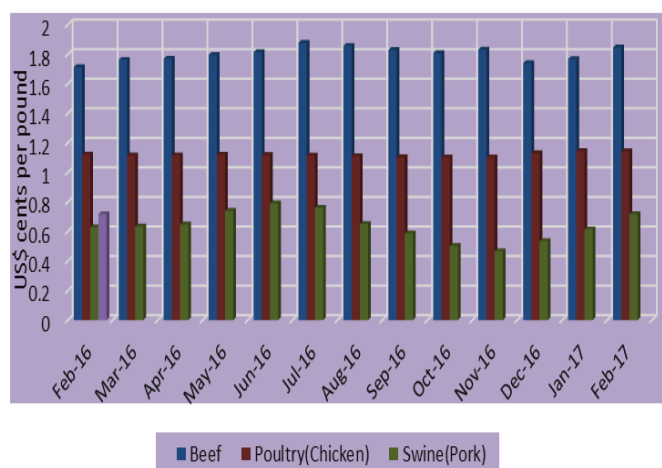
Poultry Prices

For the month ending February 2017 chicken prices decrease relative to January 2017. At the end of the month chicken was valued at **US\$1.1436** cents per pound, representing a decrease of **US\$0.0012** or **0.10%** from January. The price in February 2017 was approximately **US\$0.0226** or **2.016%** higher than the February 2016 price. In February 2015, the price for poultry was **US\$1.1377** cents per pound, indicating that this year's price was **US\$0.0059** or **0.0518%** higher. The average monthly price ranging from February 2012 to January 2017 is **US\$1.073** cents per pound, this means that this year's price was **US\$0.0707** or **6.593%** more.

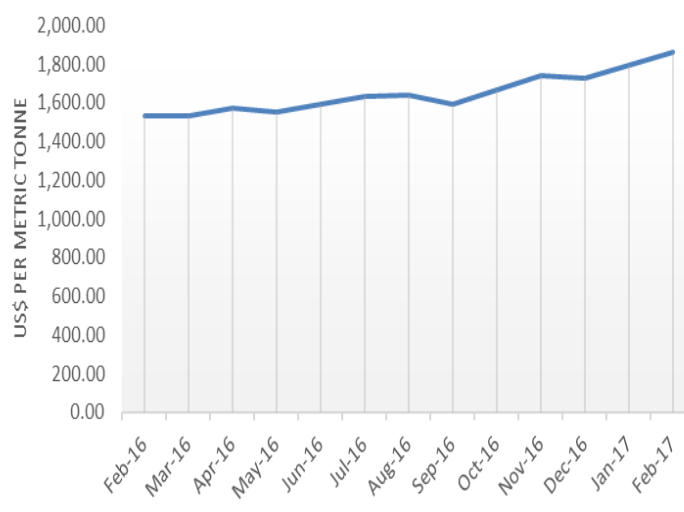
Aluminum Prices

The price of aluminum increased in February 2017 relative to the previous month. Prices increased by **US\$69.51** or **3.88%** to end the month at

Monthly Meat Prices (February 2016 - February 2017)



Monthly Aluminum Prices (February 2015 - February 2016)



US\$1,860.75 per metric tonne. For February 2017 relative to February 2016, prices increased by **US\$329.49** or **21.52%** per metric tonne. A two-year comparison revealed that this year's price was **US\$42.93** or **2.00%** above the price for the corresponding period in 2015. The five-year average for monthly prices ranging from February 2012 to January 2017 for aluminum is **US\$1,795.15** per metric tonne, this means that this year's February price was **US\$65.60** or **3.654%** higher.

Impact of global prices on Jamaica

There were price reductions observed in **42.86% (9)** of the commodities monitored for February 2017. Both the price of Brent and the WTI increased for the period February relative to January. The Brent increased by **1.09%** and the WTI increased by **1.06%**. Natural gas price decreased by **13.50%** for the period February over January. The IMF's Fuel Energy index increased by **1.37%**, and the Food and Beverage Index decreased by **0.5152%**. The all commodity price index increased by **1.477%**.

The Food and Agriculture Organization of the United Nations (FAO) Food Price Index (FFPI) averaged 175.5 points in February 2017, up 0.9 points (0.5%) from a slightly revised January value. At this level, the FFPI is as much as 26 points, or 17.2 percent, higher than its level in the

corresponding month last year and at its highest value since February 2015. The FAO Cereal Price Index averaged 150.6 points in February, up 3.7 points (2.5%) from January. At this level, the index stands at its highest level since June 2016, but only slightly above its value a year ago. The FAO Meat Price Index averaged 160.6 points in February, up 1.7 points (1.1%) from January, with prices of bovine and ovine meat receiving a boost while those of poultry and pig meat were little changed. The FAO sugar price index averaged 290.3 points in February, up 1.8 points (0.6%) from January. International prices remained sensitive to changing prospects for sugar output in the main producing countries, notably in Brazil, the world's largest sugar producer and exporter, where protracted supply tightness continued to prevail.

Commodity	Unit	January Price	February Price	Monthly Change %
Aluminum	Metric tonne	1791.24	1860.75	3.88
Bananas	Metric tonne	974.03	1040.1	6.78
Beef	Pound	1.7677	1.846	4.43
Cocoa Beans	Metric tonne	2195.06	2034.08	-7.33
Coffee-Arabicas	Pound	1.6783	1.6556	-1.35
Coffee-Robusta	Pound	1.1126	1.1013	-1.02
Com-Maize	Metric tonne	159.99	162.88	1.81
Natural gas	MMBTU	3.26	2.82	-13.05
Crude Brent	Barrel	54.89	55.49	1.09
Crude West Texas Intermediate	Barrel	52.56	53.4	1.06
Oranges	Metric tonne	935.01	902.59	-3.47
Pork (Swine)	Pound	0.6137	0.7177	19.95
Poultry	Pound	1.1448	1.1436	-0.1
Rice	Metric tonne	372.55	368.1	-1.19
Soybean	Metric tonne	379.59	380.87	0.34
Soybean meal	Metric tonne	364.71	371.37	1.83
Soybean oil	Metric tonne	771.88	742.92	-3.75
Sugar (free market)	Pound	0.2054	0.2035	-0.93
Sugar US (Import)	Pound	0.2901	0.304	4.79
Sugar European (Import)	Pound	0.2053	0.2076	1.12
Wheat	Metric tonne	137.09	147.31	7.45

International Commodity Prices

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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	15090.0	16893.4	11862.6	8578.1	8705.2	8810.8	8900.8	8970.8	9017.0
Zinc	\$/MT	1638.4	2160.4	2195.5	1950.0	1910.2	2161.0	1931.7	1493.7	1524.3	1544.6	1553.8	1555.8	1555.8
Lead	\$/MT	1719.4	2148.2	2400.7	2063.6	2139.7	2095.5	1787.8	1617.0	1652.6	1659.3	1697.2	1735.0	1754.5
Uranium	\$/lb	46.7	46.0	56.2	48.9	38.6	33.5	36.8	32.9	33.5	33.5	33.5	33.4	33.5
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

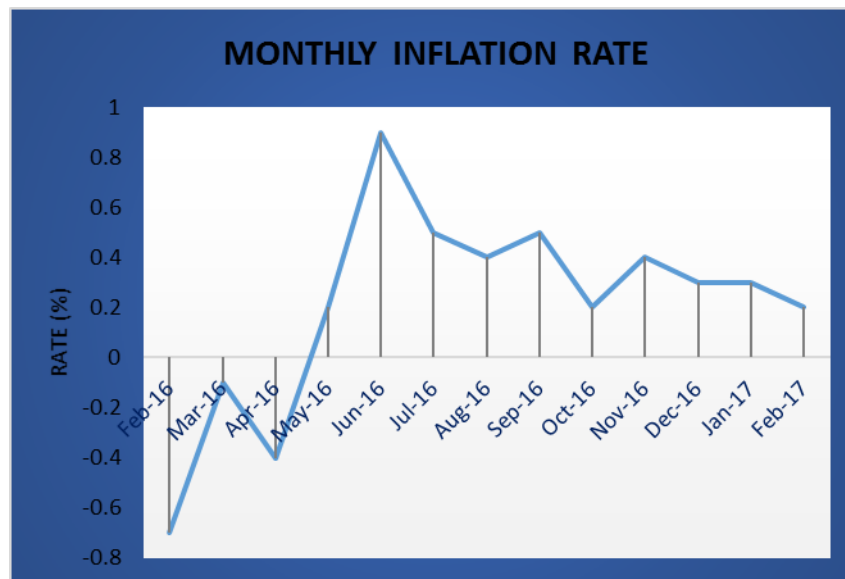
Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **0.2%** for the period February 2017 over January 2017. The increase in the rate for February 2017 over January 2017 brought inflation calendar year-to-date to 0.6% and inflation for the fiscal year to February 2017 was **3.7%**. The 12-month point to point rate at the end February was 3.6%.

According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by increases in two divisions. These were in the Food and Non-Alcoholic Beverages an increase of 0.3% and Housing, Water, Electricity, Gas and Other Fuels’ an increase of 0.6%. The increase in the division Food and Non-Alcoholic Beverages was

primarily due to higher prices for starchy foods and vegetables during the month. The division Housing, Water, Electricity, Gas and Other Fuels was largely influenced by Higher rates for water and sewage and increases in wages for carpenters, masons, painter, plumbers and electricians.

Inflation in all the three regional areas increased for the month of February 2017 relative to January 2017.

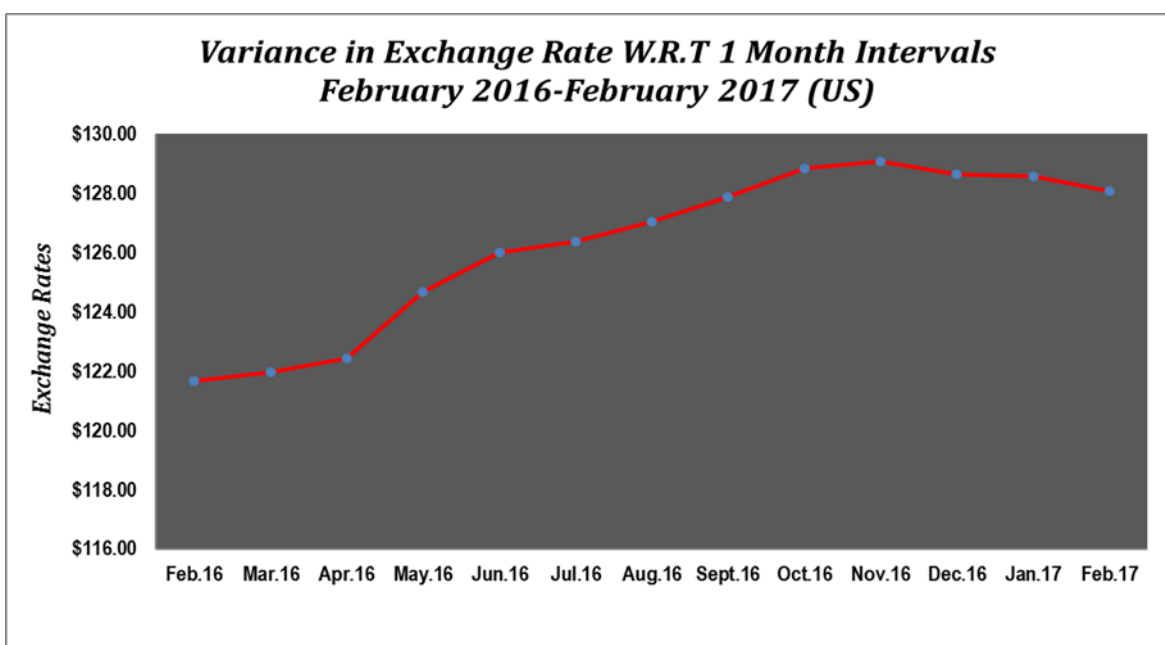
Inflation in the Greater Kingston Metropolitan area (GKMA), Other Urban Centers (OUC) and Rural Areas increased by 0.3%, 0.3% and 0.1%, respectively.



Monthly Exchange Rates Update

JMD:USD

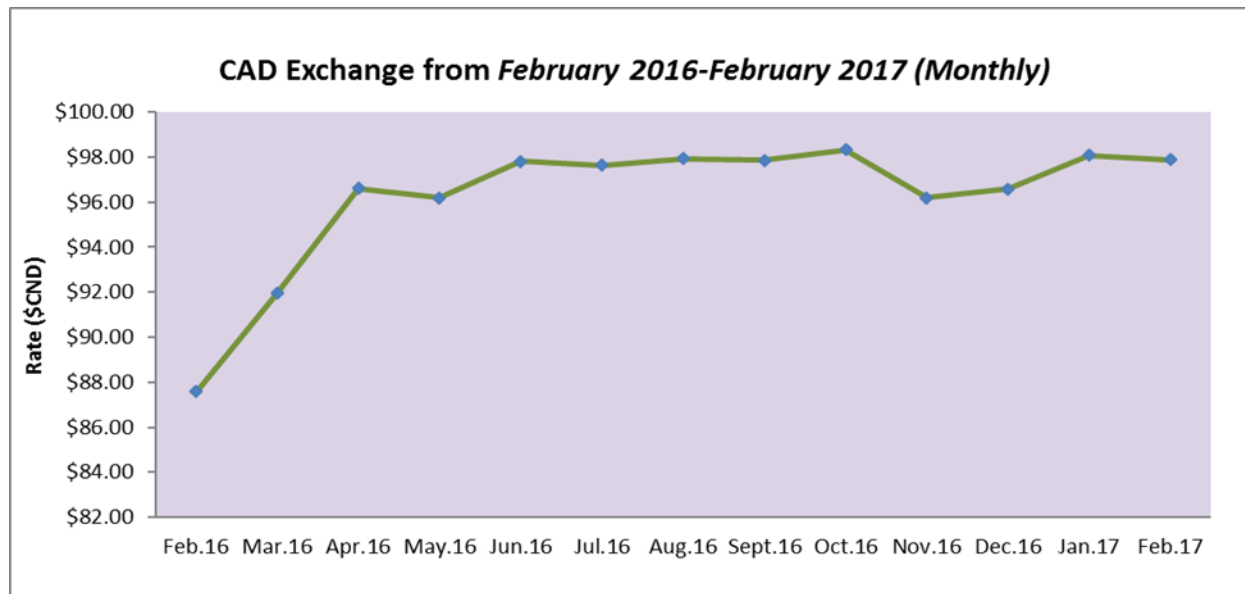
In analysis of the exchange rates over the period February 2017 to January 2017, the monthly average value of the Jamaican dollar appreciated by **\$0.51** or **0.3966%** relative to the US dollar. As a result, the exchange rate progressed to settle at **US\$1.00=J\$128.07**. A one-year comparison revealed depreciation in the currency ratio of J\$6.39, resulting in an overall increase in the value of the \$US by 5.251%. The month's exchange rate was further compared with the rate of the same month recorded previously in 2015, the comparison showed that there was an increase in the value of the \$US by J\$12.37 (percentage increase of 10.69).



JMD:CAD

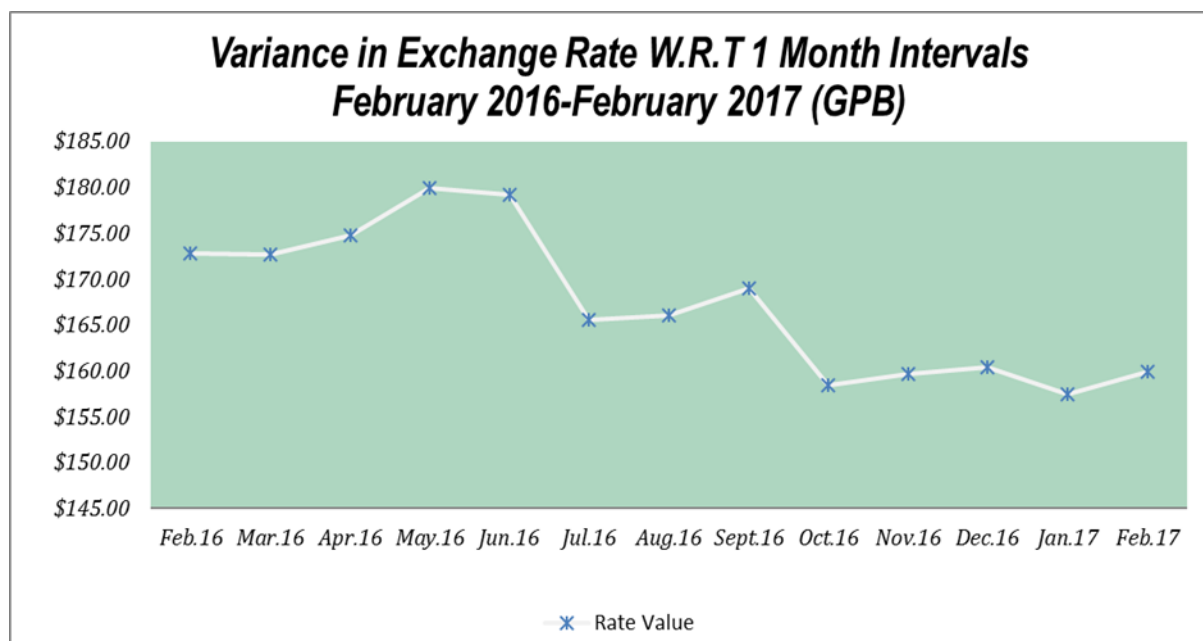
In relation to the exchange rate recorded for the month of February 2017, calculations accentuated the fact that the Jamaican dollar appreciated by **0.2141%** (**\$J0.21**) relative to the previous month. In this regard the value of the Jamaican dollar to the US dollar at the end of December was **CAD\$1.00=J\$97.88**. The exchange rate of February 2017 was further set side by side with the rate 1 year earlier (February 2016) which revealed that the value of the Jamaican dollar slid by J\$10.29 or 11.75%. Furthermore, calculations comparing the exchange rate values for February 2017 and February 2015 made clear the overall depreciation of the dollar over the 2-year period. This conclusion was made because of the difference in the value of the dollar of J\$5.48 (depreciation of 5.930%).

Monthly Exchange Rates Update



JMD:GBP

The exchange rate's monthly variance of **J\$2.39** was seen to exist within the boundaries of February 2017 and January 2017, this indicates that the Jamaican dollar depreciated by some **1.518%**. The exchange rate at end February was **GBP1.00=J\$159.84** in comparison to the previous month GBP1.00=J\$157.45. The annual comparison of the exchange rates for the months February 2017 and February 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\$12.95 (7.495%). Further investigation of the exchange rate extending to February 2015 showed that the cost of the Pound decreased by J\$16.98 or 9.603%.



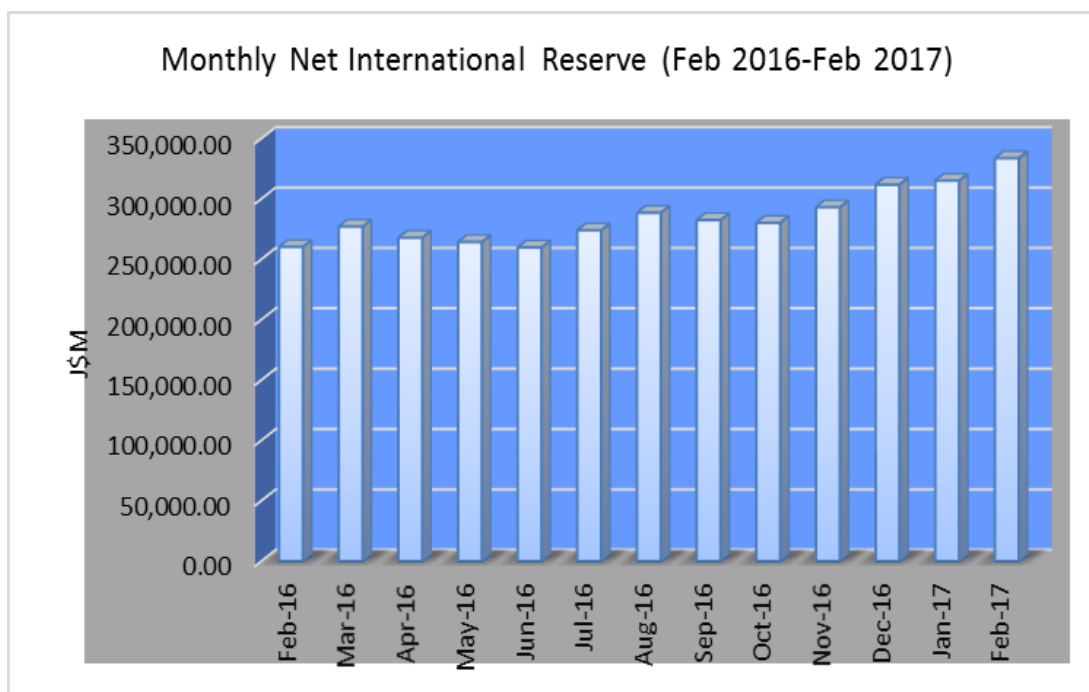
Net International Reserves & Money Base

February 2017 Issue

Net International Reserves

Data for the month ending February 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J\$333.629 billion** (US\$2,615.26 million). This reflected an increase of **J\$ 18.604 billion** (US\$ 145.84 million) relative to January. 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 while two sources decreased. Currency and Deposit increased by **US\$147.27 million** while Securities decreased by **US\$0.02 million** and SDR & IMF Reserve Position

decreased by **US\$3.43 million** to end the month with total foreign asset **US\$3,191.28 million**. This represented a total increase of **US\$143.8 million**. Under foreign liabilities, IMF expenditures decreased while Other expenses remained unchanged; Payments to IMF decreased by **US\$2.02 million** which was the total increase in foreign liabilities. Foreign liabilities for the month ending was **US\$576.01**. At the end of February, the gross reserves were sufficient to finance **37.23 weeks** of goods imports which represented **23.23 weeks** over the international benchmark of **12 weeks** of goods imports.

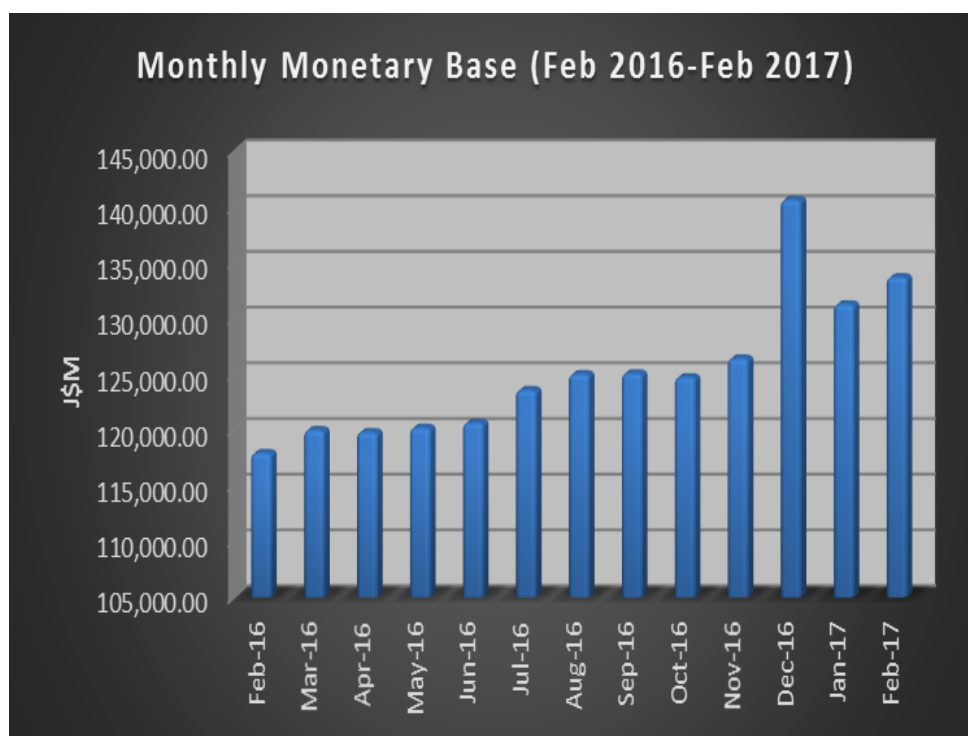


Net International Reserves & Money Base

February 2017 Issue

Monetary Base

The monetary base increased by **J\$2.431** billion to **J\$133.74** billion for February 2017 relative to January this year. The change in the base reflected increases in Net Currency, Commercial Banks' Statutory Reserves and the Commercial Banks' Current Account. Net Currency increased by **J\$1.392** billion to end at **J\$88.934** billion, the Commercial Banks' Statutory Reserves increased by **J\$0.545** billion to a total of **J\$43.746** billion. The Commercial Banks' Current Account increased by **J\$0.493** billion to a total of **J\$1.057** billion.



Tourism

February 2017 Issue

Stopover tourist arrivals for January 2017 were **185,873**. This month's total was **44,580** or **19.34%** higher than the **230,453** in December 2016. This year's January total is an increase of **3.5%** over the **179,559** recorded in January 2016.

For January 2017, the changes reflected in the total stopovers observed in the seven categories of destination varied. Out of the seven categories four recorded increases in numbers while three recorded decreases when compared to January 2016. Increases in arrivals were reflected in stopovers from Latin America, Europe, Canada and the United States with **16.9%**, **7.8%**, **6.3%**, and **1.9%** respectively.

The overall impact of increases was offset by decreases in arrivals from Other Countries, the Caribbean and Asia. Stopover arrivals decreased by **22.5%**, **13.3%** and **3.9%** for Other Countries, the Caribbean and Asia respectively. Of the Other

Countries, once again Australia provided the most stopover arrivals to Jamaica, with 271 visitors in 2017 compared to 340 in 2016. This represents a decrease of 20.3%. The market share for stopover visitors for the January 2017 was as follows: USA **55.4%**; Canada **24.7%**; UK **9.4%**; Continental Europe **6.0%**, the Caribbean **2.2%**; and the others, including Latin America and Asia **2.2%**.

A total of **205,812** cruise passengers visited Jamaica in January 2017. This represented a **23,471** or **12.87%** overall increase compared to the **182,341** recorded in December 2016. For the corresponding period in 2016 total cruise passengers was **186,741** hence this year's total was **10.2%** more.

For January 2017, Cruise passengers visiting the Falmouth port increased by 12.4%. Cruise passengers visiting the port of Montego Bay increased by 35.1% and those visiting Ocho Rios declined by 9.5%.



Stock Market Update

February 2017 Issue

On the last trading day in February 2017, February 28, 2017, the main JSE index declined by **1,373.78 points** or **0.59%** to close at **230,967.92 points**. The JSE Combined Index declined by **1,563.37 points** or **0.60%** to close at **253,409.78 points**. The JSE Junior advanced by **33.91 points** or **1.11%** to close at **3,089.02 points**. The JSE Cross Listed Index closed the month at **2,096.06 points**.

Overall, the market activity for February resulted from trading in twenty four (**24**) stocks of which **9** advanced, **10** declined and **5** traded firm. In total **4,208,705.00 units** of stock were traded during the month, which had a total value of **J\$25,855,772.93**. This resulted in market capitalization of **J\$830,715,825,326.42 billion** as at end February 2017.

Cable & Wireless Jamaica Limited was the volume leader for the month with **2,392,482 units** amounting to **56.85%** of market volume. Following was Jamaica Stock Exchange Ordinary Shares, which traded **411,165 units** amounting to

9.77% of the market volume. Next in line was JMMB Cumulative Redeemable 7.5% Preference Shares with a total of **368,000 units** amounting to **8.74%** of the market volume.

The top four advancing stocks at end February 2017 were the Jamaica Stock Exchange Limited (**70.71%**), Cable Wireless Jamaica Limited (**42.02%**), Seprod Limited (**37.50%**) and Radio Jamaica Limited (**31.06%**). The declining stocks were, Kingston Wharves Limited (**3.40%**) and National Commercial Bank Jamaica (**0.18%**).

For the calendar year to date, the top four advancing stocks were Cable Wireless Jamaica Limited (**134.72%**), Berger Paints (Jamaica) Limited (**109.64%**), Pulse Investments Limited (**97.47%**) and Jamaica Producers Group Limited (**75.19%**). Meanwhile, the top four declining stocks for the calendar year to date were Sagicor Real Estate X Fund Limited (**10.78%**), Ciboney Group Limited (**5.56%**), 1834 Investments Limited (**4.17%**) and Portland JSX Limited (**2.93%**).

Previous Highlights: January 2017 Summary

February 2017 Issue

- Minister of Finance and the Public Service, Hon. Audley Shaw presented the budget estimates for 2017/2018 fiscal year on February 19, 2017. The government's total budget expenditure is estimated to be approximately \$710 billion for the fiscal year 2017-2018. Total recurrent expenses were \$484.908 billion and total capital was \$225 billion. This year's estimates reflected an increase in total direct taxation as a percentage of total tax revenue over the 2016-2017 estimates.
- At the end of January 2017, the monthly average value of the Jamaican Dollar appreciated against the US dollar and the Great Britain Pound while depreciation was seen against the Canadian dollar. The Dollar appreciated against the US\$ by J\$0.06 or 0.0466% to end at J\$128.28=US\$1.00. The value of the dollar depreciated by J\$1.51 or 1.563% against the Canadian Dollar to end at CAD\$1.00=J\$98.09. The value of the Great Britain Pound appreciated by J\$2.91 or 1.815% to end at GBP1.00=J\$157.45.
- Inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) increased by 0.4% for the period January 2017 over December 2016. The increase in the rate for January 2017 over December 2016 brought inflation for the fiscal year to December to 3.5%. The 12-month point to point rate at the end January was 2.6%.
- Data for the month ending January 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$315.024 billion (US\$2,469.43 billion). This reflected an increase of J\$3.222 billion (US\$249.94 million) relative to December 2016.
- The monetary base decreased by J\$9.39 billion to J\$131.307 billion for January 2017 relative to December last year.
- On the last trading day in January 2017, for the period January 01, 2017 to January 31, 2017, the main JSE index advanced by 19,570.06 points or 10.18% to close at 211,846.70 points. The JSE Combined Index advanced by 20,680.23 points or 10.09% to close at 225,640.33 points. The JSE Junior advanced by 246.41 points or 9.50% to close at 2,840.12 points. The JSE Cross Listed Index closed the month at 2,096.06 points.
- Stopover tourist arrivals for December 2016 were 230,453. This month's total was 72,003 or 45.44%

Previous Highlights: January 2017 Summary

February 2017 Issue

- higher than the 158,450 in November 2016. Last year's December total was an increase of 5.2% over the 219,096 recorded in December 2015. For the months May to December, arrivals were up 3.1%, with 1,408,576 stopovers compared to 1,366,579 in 2015. For the calendar year 2016, arrivals increased by 2.8%, with 2,181,684 stopovers compared to 2,123,042 in 2015. A total of 182,341 cruise passengers visited Jamaica in November, 2016.
- For the month of January 2017 relative to December 2016, yields on the Government of Jamaica 30-day increased by 56bps while yields on the 90-day and 182-day treasury bills decreased by 6bps and 29bps.
 - The overall weighted average lending rate on domestic currency loans remained the same in November relative to October this year. The weighted average lending rate on domestic currency loans ended the month at 16.22%. Likewise, the weighted average domestic interest rates on deposits for the month ending remained the same for the period December relative to November. For November, this year foreign currency loans rate increased relative to October 2016. The foreign currency loan rate increased by 2bps. In this regard the rate moved from 7.18% in October 7.20% in November. The interest rates on foreign currency deposits decreased by 7bps moving from 1.64% in October to 1.58% in November.
 - Like December, there were price reductions observed in 28.57% (6) of the commodities monitored for January 2017. Both the price of Brent and the WTI increased for the period December relative to November. This time the Brent increased by 1.52% and the WTI increased by 1.06%. Natural gas price decreased by 8.94% for the period January 2017 over December 2016. The IMF's Fuel Energy index increased by 1.530%, and the Food and Beverage Index increased by 4.773%. The all commodity price index decreased by 2.298%.

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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