



# MONTHLY ECONOMIC BULLETIN

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March 2017 Issue

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## The CEO'S Remarks

The Government has stated that one of the primary goals we must all be involved in is to achieve sustainable high levels of economic growth, and the target is 5 percent in now three years.

If this were to happen then we would see significant opportunities open up for Jamaicans and provide us with the opportunity to increase our GDP per capita, and put real “prosperity” in the hands of Jamaicans. Achieving this level of growth is the most fundamental thing that must happen if we are to see true prosperity for all.

But what we must understand is that this growth, and ultimate improvement in the standard of living, can only come about with careful planning. In other words (as is outlined in a later article), Jamaica is not exempt from traditional economic theory and should consider focusing on our areas of comparative advantage to maximize growth.

For example, we have a comparative advantage in tourism, which currently earns us around US\$2.2 Billion per annum. On the contrary, our non-traditional exports may earn around US\$500 Million. Therefore a 10 percent increase in tourism earnings (\$220 Million) is almost equivalent to a 50 percent increase in the non-traditional .

This simply means that with less effort on tourism, (main area of comparative advantage), we may be able to maximize our FX earnings.

It is important to understand this concept, as in previous years we have not had the success we should have had.

This is going to require a mindset shift.

The point to note is that as a country we don't have the time to not have a very strategic plan for growth. For example, in the area of tourism, we need to do what is necessary to increase both the numbers of tourist and average spend coming to Jamaica.

What we must do is target the areas of improvement that has the biggest impact, and put some strategy around each of these so that we can maximize our earning potential.

For this maximization of earnings to happen, it is as important to know what must be done, and also what must not be done.

In other words, if we do not control the things that are preventing growth, then focussing on the expansion of growth alone will become redundant.

So as we go forward we must recognize what inhibits growth, and also what promotes growth. In other words, we must understand what actions we need to take place to encourage greater growth.

If we do this we may find that the commitment of 5 percent in 4 years is very possible, but what we must do is approach it with sniper like accuracy.

In summary, while we focus on the larger issue of macroeconomic stability etc., for true growth to take place it is very important to be attentive to the value added from each project.

## Economic Highlights March 2017

- At the end of March 2017, the Monthly average value of the Jamaican Dollar depreciated against the US dollar while it appreciated against the Canadian dollar and Great Britain Pound. The Dollar depreciated against the US\$ by \$0.33 or 0.2576% to end at J\$128.40=US\$1.00. The value of the dollar appreciated by J\$1.90 or 1.941% against the Canadian Dollar to end at CAD\$1.00=J\$95.98. The value of the Great Britain Pound appreciated by J\$0.92 or 0.5756% to end at GBP1.00=J\$158.92.
- Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.4% for the period March 2017 over February 2017. The increase in the rate for March 2017 over February 2017 brought inflation calendar year-to-date to 1.0% and inflation for the fiscal year to March 2017 was 4.1%.
- Data for the month ending March 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$353.263 billion (US\$2,769.17 million). This reflected an increase of J\$19,633.94 billion (US\$153.90 million) relative to February.
- The monetary base decreased by J\$1.889 billion to J\$131.849 billion for March 2017 relative to February.
- On the last trading week in March 2017, March 27, 2017, to March 31, 2017 the main JSE index advance by 1,134.83 points or 0.51% to close at 245,670.39 points. The JSE Combined Index advanced by 371.77 points or 0.16% to close at 238,359.76 points. The JSE Junior declined by 64.54 points or 2.11% to close at 2,997.03 points.
- There were price reductions observed in 66.66% (14) of the commodities monitored for February 2017. Both the price of Brent and the WTI decreased for the period March relative to February. The Brent decreased by 6.34% and the WTI increased by 7.15%. Natural gas price increased by 1.77% for the period March over February. The IMF’s Fuel Energy index decreased by 5.56 %, and the Food and Beverage Index decreased by 2.67%. The all commodity price index decreased by 3.83%

## Article

### *Growing Jamaica*

The country is very open to the international environment. With increasing globalization, Jamaica like many other developing countries, is open to access international markets and benefit from international trade. While the country is open to the benefits of increasing integration we are also heavily impacted by the international shocks. In 2015 data from the Bank of Jamaica reflected that Jamaica's Goods & Services balance improved. This was as a result of a fall in imports, associated with significant declines in the prices of international commodities, resulting in a favourable outcome, with respect to oil prices. With the proper policies in place, Jamaica can use the benefits of the international environment to drive growth and development in the economy.

Integration makes it impossible for Jamaica to be unaffected by changes in the international environments be it positive or negative. However, we can alleviate the magnitude of negative effects by maximizing on the opportunities present in international markets. A combination of factors has contributed to the poor performance of the economy over the last three years, chief among them being the global financial crisis. At present, one of the primary objectives of the authorities is to restore growth to the Jamaican economy, in the short, medium and long-term.

The problem of economic growth and development has been long affecting Jamaica and the increasing debt over the years has not made the process any easier. Economic indicators have improved in some areas which signify some level of economic growth however economic development is lagging. One of the contributing factors to this lag is the absence of sustainable development strategies or policies. Many strategies never make it past the incubation stage as strategies are oftentimes disregarded by the new incoming government resulting in the change of strategies.

One of the key components for achieving growth in the country is to utilize the country's comparative advantage. Since international trade has opened up so many doors of opportunity, the country should maximize on this. This will give the country an opportunity to focus on the strong areas and the resources which we have in abundance.

Jamaica evidently has a comparative advantage in tourism. No doubt the country's beauty and culture attract persons' from around the world. With proper marketing, tourism can garner much sustainable growth leading to development. However, one major problem which prevents the country from maximizing the benefits of tourism is the rate of crime and violence. If the proper strategies are not implemented and continued the country will be continuously plagued with high crime and violence.

Another area of comparative advantage is in the sector of agriculture. The agricultural industry has much potential for growth through export. Although we are challenged with limited resources in some areas with the right practices agriculture can help the country. Businesses should try as much as possible to maximize from the resources available for the domestic and local markets. The problem, however, is not only limited to, resource availability, but also resource management. The government should ensure that resources are managed properly. Farmers are to be educated on efficient agricultural techniques and practices as well as good entrepreneurship skills. In this way more can be done with less.

Jamaica has a lot to gain from international trade. With focused being placed on key areas such as tourism enhancement, crime and violence reduction and agricultural improvement the country can reap many benefits from the international market.

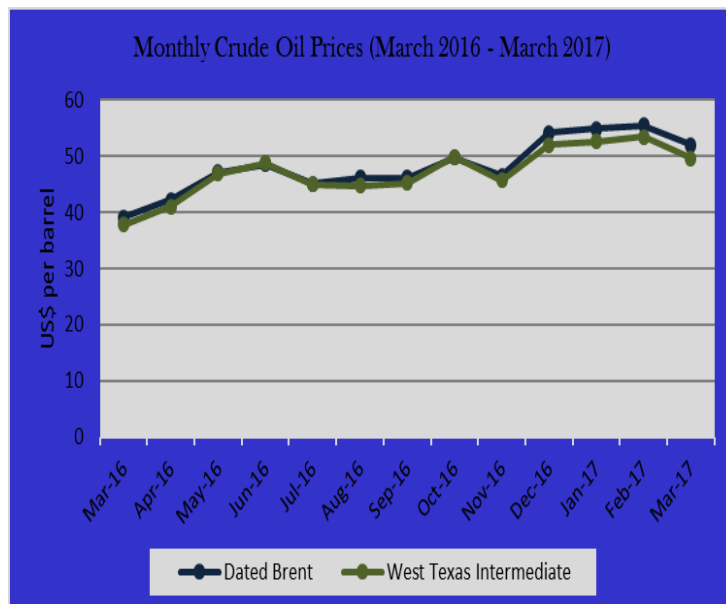
*Janell Atkinson*

## International Commodity Prices

March 2017 Issue

### Crude Oil Prices

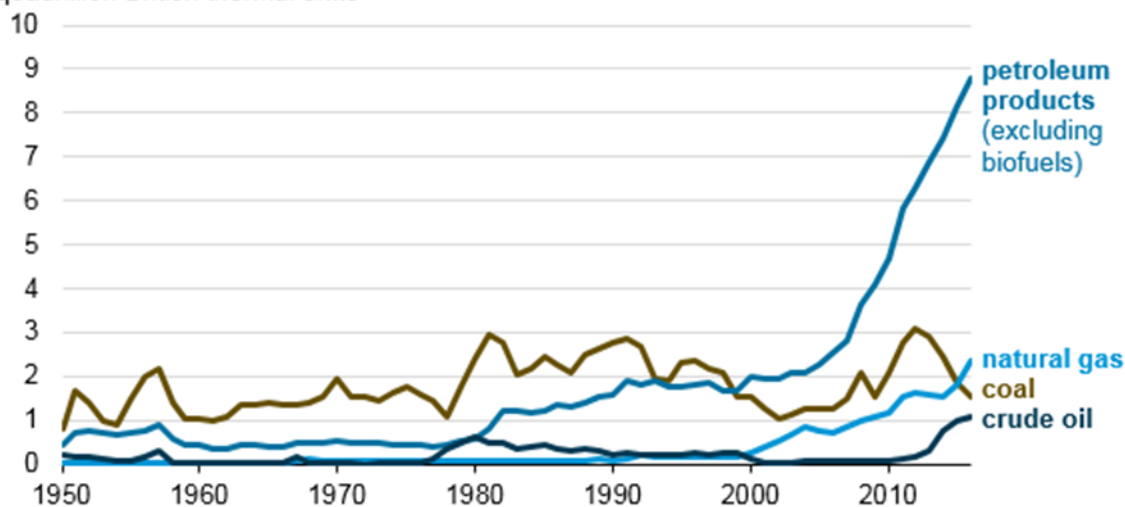
For the month ending March 2017, the average price of both the Dated Brent and the West Texas Intermediate (WTI) increased. The Brent ended the month of March at **US\$51.97 per bbl**. This represented a **US\$3.52** or **6.34%** decrease from the **US\$55.49 per bbl** recorded for the previous month. The West Texas Intermediate (WTI) ended the month at **US\$49.58**. This represented a **US\$3.82** or **7.15%** decrease relative to last month. A one-year comparison of prices revealed that this year's price for the Brent is **33.02%** or **US\$12.9 per bbl** higher. When compared to last year's price, this year's WTI price is **31.27%** or **US\$11.81** higher. When compared to the price level two years ago, the Brent is **6.847%** below



2015 level, the first annual decline in U.S. energy production since 2009. The decline in production coincided with an increase in both total energy imports

while the WTI is **3.767%** above. The 5-year average of prices ranging from March 2012 to February 2017 for the Dated Brent and the West Texas Intermediate are **US\$81.23 per bbl** and **US\$73.83 per**

**U.S. gross energy exports of selected fuels (1950-2016)**  
quadrillion British thermal units



**bbl** respectively. This month's price was **36%** below the 5-year average of prices for the Brent and **32.84%** for the WTI.

In March 2017, the US Energy Information Administration (EIA) reported that the U.S. primary energy production totaled 84.1 quadrillion British thermal units (Btu) in 2016, falling 4% from the

and exports. For the first time on record, gross exports of natural gas from the United States exceeded those of coal in energy-equivalent terms. The EIA projects that the United States will become a net exporter of natural gas on an annual basis by 2018, as domestic production continues to grow and additional natural gas export capacity.

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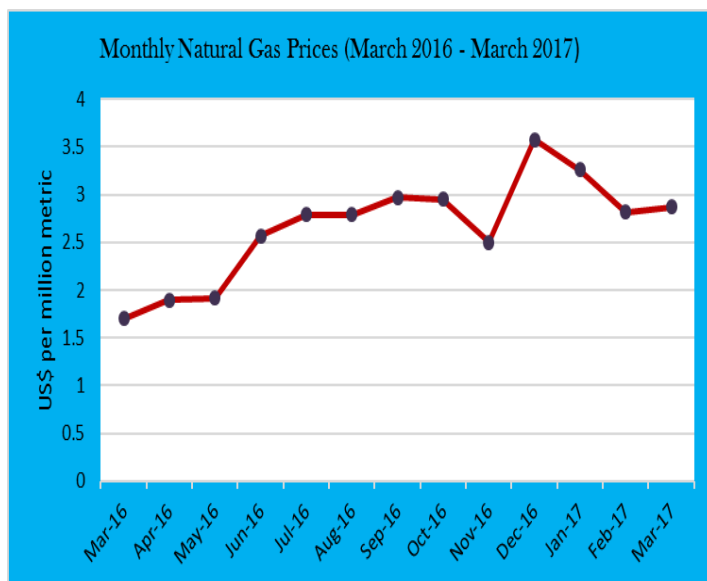
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## International Commodity Prices

March 2017 Issue

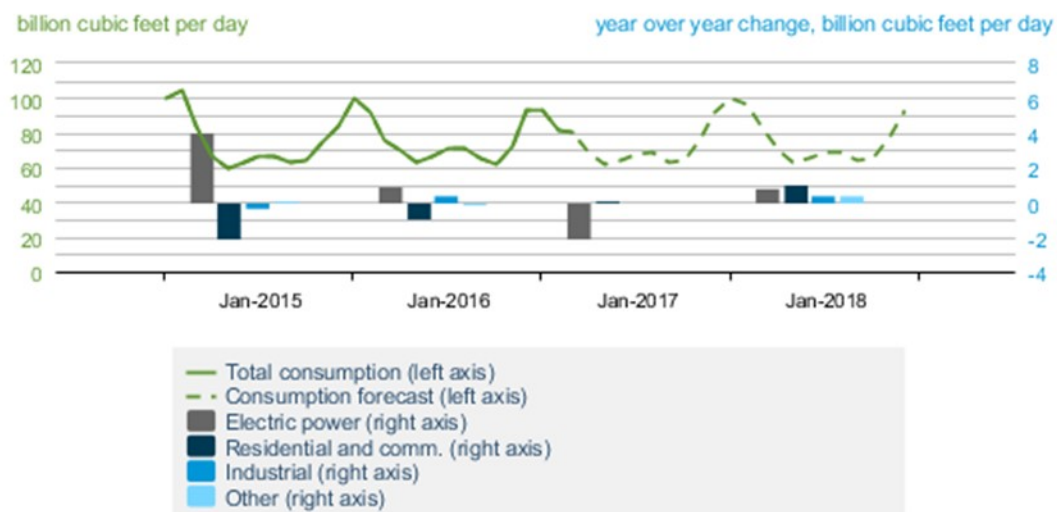


domestic natural gas consumption contribute to the forecast Henry Hub natural gas spot price rising from an average of \$3.10/MMBtu in 2017 to \$3.45/MMBtu in 2018. NYMEX contract values for July 2017 delivery traded during the five-day period ending April 6 suggest that a range of \$2.49/MMBtu to \$4.59/MMBtu encompasses the market expectation for Henry Hub natural gas prices in July 2017 at the 95% confidence level.

### Natural Gas

For the month ending March 2017, natural gas price increased. The price for natural gas ended at **US\$2.87** per million metric which represented an increase of **US\$0.05** or **1.77%**. In March 2016, natural gas per million metric was valued at **US\$1.7** signifying that this year's price is **US\$1.17** or **68.82%**

### U.S. natural gas consumption



Source: Short-Term Energy Outlook, April 2017

higher. A two-year comparison revealed that natural gas prices have increased by **US\$0.07** or **2.5%** per million metric. The five-year average monthly price for natural gas ranging from March 2012 to February 2017 is **US\$3.21** per million metric, hence, this year's March price was **US\$0.3357** or **10.47%** above.

New natural gas export capabilities and growing

### Soybean Prices

For the month ending March 2017, soybean price per metric tonne was **US\$366.1**. This denoted a **US\$14.77** or **3.88%** decrease from February's value of **US\$380.87** per metric tonne. In March, this year, the average price of soybean meal decreased and the average price of the soybean oil also decreased.

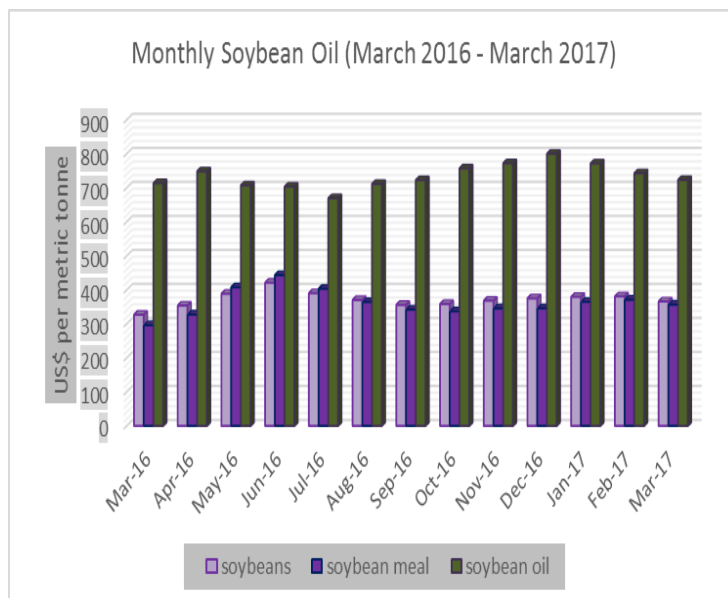


## International Commodity Prices

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Soybean meal prices ended the month at **US\$356.89** per metric tonne. This represented a decrease of **US\$14.48** or **3.90%**. At the end of March, the price per metric tonne for soybean oil stood at **US\$723.4** representing a **US\$19.52** or **2.63%** decrease compared to the previous month. A one-year comparison revealed that prices for soybean increased by **11.98%** or **US\$39.16**. This month soybean price was **US\$6.5** or **1.81%** higher than its price two years ago. When compared to the corresponding period last year the soybean meal price was **US\$60.71** or **20.50%** above. Soybean oil price was above last year's price by **US\$9.54** or **1.336%**. A two-year comparison of prices for soybean meal revealed that this year's price is below the two year price by **US\$7.97** or **2.184%**. When the March 2017 soybean oil price was compared to corresponding period in 2015 this year's price is **US\$39.97** or **5.848%** above. The five-year average monthly price for soybean ranging from March 2012 to February 2017 is **US\$442.17** per metric tonne, which means that March's price was **US\$76.09** or **17.21%** lower. The five-year average monthly price for soybean meal ranging from March 2012 to February 2017 is **US\$424.49** per metric tonne, which means that March's price was **US\$67.60** or **15.92%** lower. The five-year average monthly price for soybean oil ranging from March 2012 to February 2017 is **US\$860.66** per metric tonne, which means that March's price was **US\$137.26** or **15.95%** lower.

### Sugar Prices



At the end of March 2017, the average price of the Free Market Sugar ended the month at **US\$0.1806** cents per pound. This represented a decrease of **US\$0.0229** or **11.25%** when compared to the previous month. For the US Sugar imports, the average price decreased from **US\$0.304** in February to **US\$0.2983** in March this year. This represented a decrease of **US\$0.0057** or **1.87%** cents per pound. At the end of March 2017, the European Sugar imports ended the month at **US\$0.2051** cents per pound. This represented a **US\$0.0025** or **1.20%** decrease compared to the previous month. For the period March 2017 relative to March 2016, the price of Free Market sugar increased by **US\$0.0211** or **13.23%** cents per pound. A one-year comparison revealed that the price of the US Sugar imports has increased by **US\$0.0394** or **15.22%**, while the European sugar imports price has decreased by **US\$0.0315** or **13.31%** for the same period. In March 2015, the price for the Free Market sugar was **US\$0.1284** cents per pound, which means that this year's March price is **US\$0.0522** or **40.65%** higher. The price of the US sugar imports is **US\$0.0543** or



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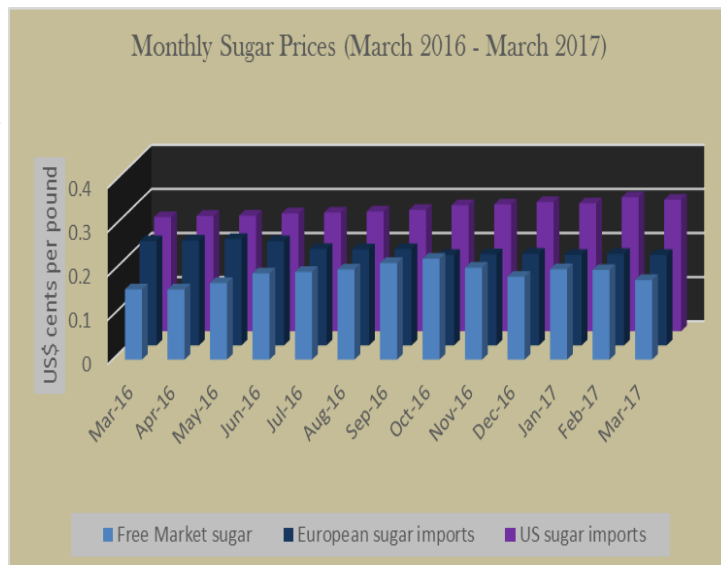
## International Commodity Prices

March 2017 Issue

22.25% higher than the 2015 price while the price of the European Sugar imports is **US\$0.044** or **17.66%** lower than the 2015 price. The 5-year average of prices ranging from March 2012 to February 2017 for the US imports and the European imports are **US\$0.2520** cents per pound and **US\$0.253665** cents per pound respectively. Hence, the price of US imports is above its long-term average by **18.39%** while the European imports is below its average by **19.14%**.

### Coffee Prices

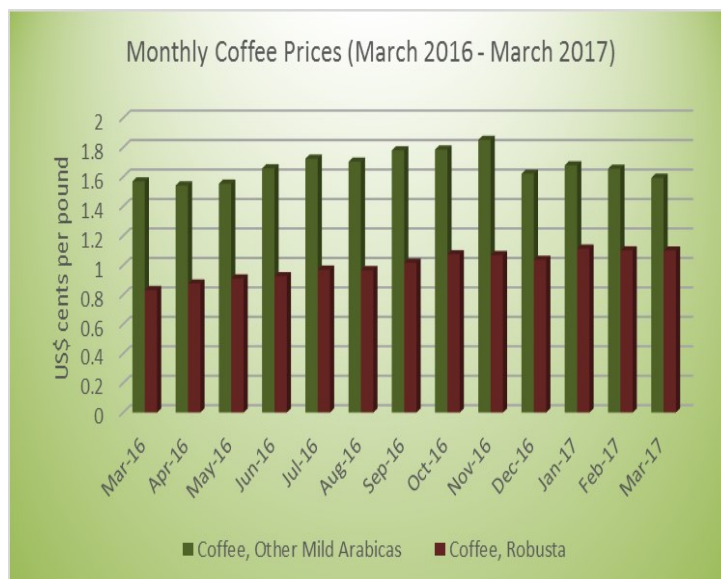
For the month ending March 2017 both the average prices of the Coffee of the Other Mild Arabicas and Robusta coffee decreased. The price per pound for coffee of the Other Mild Arabicas category was **US\$1.5939** cents per pound representing a decrease of **US\$0.0617** or **3.73%**. A one-year comparison revealed that this month's price was **US\$0.0245** or **1.561%** higher than last year's March price. Robusta Coffee ended the month at **US\$1.1002** cents per pound. This month's price is below the previous month's price by **US\$0.0011** or **0.10%**. A one-year comparison revealed that the price of coffee in the Robusta category has increased by **US\$0.2683** or **32.25%**. A two-year comparison revealed that prices have fallen by **0.3937%** for coffee of the 'Other Mild Arabica's category while prices rose by **12.18%** for coffee in the Robusta category. The five-year average monthly prices ranging from March 2012 to February 2017 for Arabica and Robusta are **US\$1.69** and **US\$1.01** respectively. This implies that this year's March price for the Arabica was **5.736%**



lower than the average price while the Robusta coffee was **8.868%** higher than its average price.

### Cocoa Bean Prices

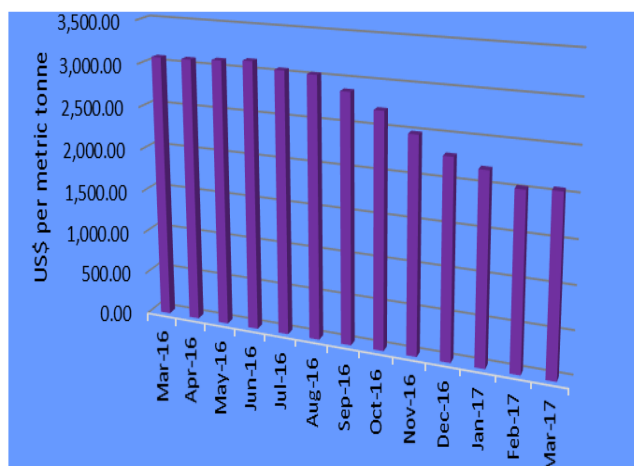
For the month ending March 2017, cocoa bean prices ended its eight months decrease. Prices increased by **US\$29.01** per metric tonne or **1.43%** to close at **US\$2,063.09** per metric tonne. A one-year comparison revealed that this year's price is lower by **US\$1,010.43**



## International Commodity Prices

March 2017 Issue

Monthly Cocoa Beans Prices (March 2016 - March 2017)



or **32.87%**. A two-year price comparison showed that the March 2017 price for cocoa beans is lower by **US\$814.94** or **28.31%** than its price in March 2015. The five-year average of monthly prices ranging from March 2012 to February 2017 for cocoa bean is **US\$2,773.97** per metric tonne, this means that this year's March price was **US\$710.88** or **25.63%** lower.

### Orange Prices

For the month ending March 2017, orange prices increased. Prices increased by **2.07%** or **US\$18.67** per metric tonne to end at **US\$921.26** per metric tonne relative to the previous month. When compared to the same period in 2016, this year's price was **US\$243.43** or **35.91%** higher. A two-year comparison revealed that prices have risen by **US\$287.97** or **28%**. The five-year average monthly price ranging from March 2012 to February 2017 is **US\$841.86**, indicating that this month's price was **US\$79.40** or **9.0%** higher.

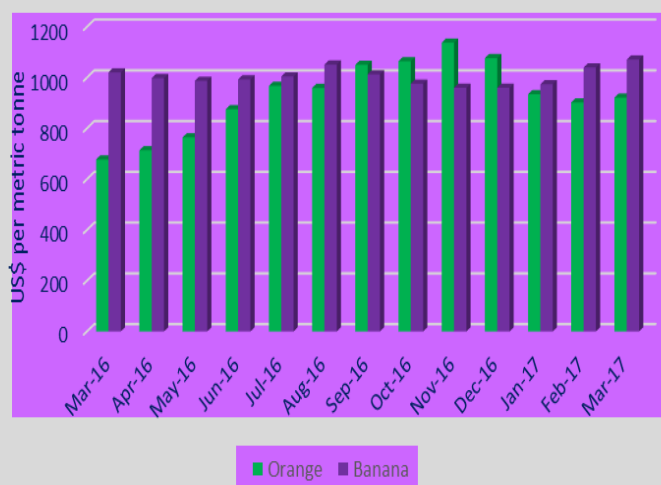
### Banana Prices

Banana prices for the month ending March 2017 increased relative to February. In this regard prices increased by **3.03%** or **US\$31.54** to end at **US\$1,071.64** per metric tonne. For March 2017, relative to March 2016, banana prices decreased by **US\$50.74** or **4.97%** per metric tonne. A two-year comparison revealed that this year's price is above the March 2015 price of **US\$1,045.96** per metric tonne by **US\$25.68** or **2.45%**. The five-year average monthly prices ranging from March 2012 to February 2017 is **US\$961.16**, this means that this year's price was **US\$110.477** or **11.49%** above.

### Corn Prices

For the month ending March 2017, corn prices decreased. Prices decreased by **US\$3.91** or **2.40%** relative to February, to close the month at **US\$158.97** per metric tonne. Between March 2017 and March 2016 prices decreased by **US\$0.17** or **0.1068%**. A two-

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



## International Commodity Prices

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year price comparison showed that this year's price was **US\$15.26** or **8.758%** lower. The five-year monthly average for corn prices ranging from March 2012 to February 2017 is **US\$212.01** per metric tonne, this means that this month's price was **US\$53.04** or **25.02%** lower.

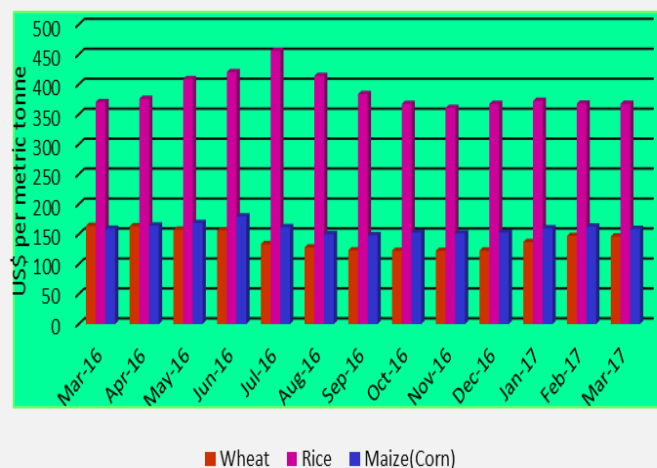
### Wheat

For the month ending March 2017 wheat prices decreased. Prices decreased by **US\$0.92** or **0.62%** relative to March 2016 to end at **US\$146.39** per metric tonne. Relative to March 2016, prices have fallen by **US\$17.64** or **10.75%** per metric tonne. A two-year comparison of wheat prices showed that this year's March price was **US\$56.29** or **27.77%** below the March 2015's price. The average five-year monthly prices ranging from March 2012 to February 2017 is **US\$219.27** per metric tonne, meaning that this year's March price was **US\$72.88** or **33.24%** below.

### Rice

For the month ending March 2017 the price of the 5 percent broken milled white rice ended at **US\$367.78** per metric tonne. This value was **US\$0.72** or **0.20%** below the **US\$368.5** in February. This month's price is below the March 2016 price by **US\$2.7** or **0.7288%**. A two-year comparison revealed that the commodity's price was **US\$32.95** or **8.222%** lower than its price in 2015. The five-year monthly price average for rice prices ranging from March 2012 to February 2017 is **US\$452.97**

Monthly Cereal Price (March 2015 - March 2016)



per metric tonne, indicating that March's price was **US\$85.19** or **18.81%** below the long term average.

### Beef Prices

In March 2017, beef prices increased. Prices increased by **US\$0.0557** or **3.02%** when compared to the previous month, to close at **US\$1.9017** cents per pound. When compared to March 2016, prices have risen by **US\$0.1397** or **7.928%** cents per pound. In March 2015 prices were **US\$2.078** cents per pound hence this year's price was **US\$0.1763** or **8.484%** below the 2015 price. The five-year average for prices ranging from March 2012 to February 2017 is **US\$1.94623** cents per pound indicating that this month's price was **US\$0.04453** or **2.288%** below.

### Swine (Pork) Prices

For the month ending March 2017 the price of pork decreased relative to the previous month. The price of pork was **US\$0.6839** cents per pound. This represented a **US\$0.0338** or **4.71%** decrease from February's price

## International Commodity Prices

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of **US\$0.7177**. When compared with March 2016, prices increased by **US\$0.0496** or **7.82%**. Prices are above the price level 2-years ago by **US\$0.0668** or **10.82%**. It is below the 5-year average of **US\$0.8012** for prices ranging from March 2012 to February 2017 by **US\$0.1173** or **14.64%**.

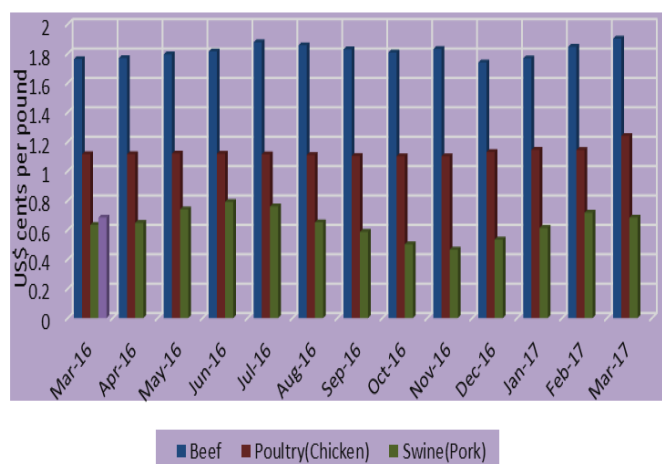
### Poultry Prices

For the month ending March 2017 chicken prices increase relative to February 2017. At the end of the month chicken was valued at **US\$1.2395** cents per pound, representing an increase of **US\$0.0959** or **8.39%** from February. The price in March 2017 was approximately **US\$0.1239** or **11.11%** higher than the March 2016 price. In March 2015, the price for poultry was **US\$1.1427** cents per pound, indicating that this year's price was **US\$0.0968** or **8.471%** higher. The average monthly price ranging from March 2012 to February 2017 is **US\$1.073** cents per pound, this means that this year's price was **US\$0.1666** or **15.53%** more.

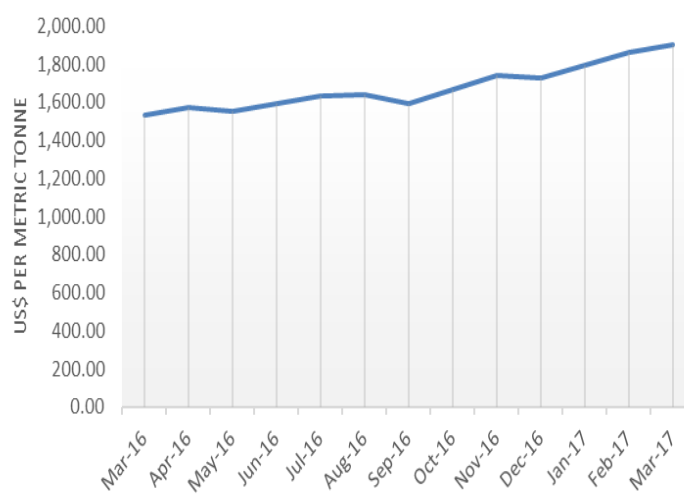
### Aluminum Prices

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 **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

Monthly Meat Prices (March 2016 - March 2017)



Monthly Aluminum Prices (March 2016 - March 2017)



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 **66.66% (14)** of the commodities monitored for February 2017. Both the price of Brent and the WTI decreased for the period March relative to February. The Brent decreased by **6.34%** and the WTI increased by **7.15%**. Natural gas

price increased by **1.77%** for the period March over February. The IMF's Fuel Energy index decreased by **5.56 %**, and the Food and Beverage Index decreased by **2.67%**. The all commodity price index decreased by **3.83%**.

The Food and Agriculture Organization of the United Nations (FAO) Food Price Index (FFPI) averaged nearly 171 points in March 2017, down almost 5 points (2.8%) from February, but still 20 points (13.4%) above its level a year earlier. With the exception of meat, the indices of all other commodities used in the calculation of the FFPI dropped in March, especially those of sugar and vegetable oils. The FAO Cereal Price Index averaged 147.8 points in March, down 2.7 points

(1.8%) from the previous month and essentially at a par with its value in March 2016. Ample available supplies, combined with good production prospects in the new season, weighed on export quotations. The FAO Meat Price Index averaged 163.2 points in March, up 1.2 points (0.7%) from February and 17 points (12%) higher than in March 2016. Quotations for the individual categories of meat were little changed. The FAO sugar price index averaged 256.6 points in March, down as much as 31.3 points (10.9%) from February and reaching its lowest level since May 2016. The decline reflected generally weak import demand combined with expectation of higher Brazilian supplies entering world markets.

Commodity	Unit	February Price	March Price	Monthly Change %
<b>Aluminum</b>	Metric tonne	1860.75	1901.47	2.19
<b>Bananas</b>	Metric tonne	1040.1	1071.64	3.03
<b>Beef</b>	Pound	1.846	1.9017	3.02
<b>Cocoa Beans</b>	Metric tonne	2034.08	2063.09	1.43
<b>Coffee-Arabicas</b>	Pound	1.6556	1.5939	-3.73
<b>Coffee-Robusta</b>	Pound	1.1013	1.1002	-0.1
<b>Com-Maize</b>	Metric tonne	162.88	158.97	-2.4
<b>Natural gas</b>	MMBTU	2.82	2.87	1.77
<b>Crude Brent</b>	Barrel	55.49	51.97	-6.34
<b>Crude West Texas Intermediate</b>	Barrel	53.4	49.58	-7.15
<b>Oranges</b>	Metric tonne	902.59	921.26	2.07
<b>Pork (Swine)</b>	Pound	0.7177	0.6839	-4.71
<b>Poultry</b>	Pound	1.1436	1.2395	8.39
<b>Rice</b>	Metric tonne	368.1	367.78	-0.2
<b>Soybean</b>	Metric tonne	380.87	366.1	-3.88
<b>Soybean meal</b>	Metric tonne	371.37	356.89	-3.9
<b>Soybean oil</b>	Metric tonne	742.92	723.4	-2.63
<b>Sugar (free market)</b>	Pound	0.2035	0.1806	-11.25
<b>Sugar US ( Import)</b>	Pound	0.304	0.2983	-1.87
<b>Sugar European (Import)</b>	Pound	0.2076	0.2051	-1.2
<b>Wheat</b>	Metric tonne	147.31	146.39	-0.62

# International Commodity Prices

March 2017 Issue

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
<b>Food</b>																	
<b>Cereals</b>																	
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
<b>Vegetable oils and protein meals</b>																	
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	739.9	715.7	710.8	705.8
<b>Meat</b>																	
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
<b>Seafood</b>																	
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
<b>Sugar</b>																	
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
<b>Beverages</b>																	
<b>Coffee</b>																	
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
<b>Agricultural raw materials</b>																	
<b>Timber</b>																	
<b>Hardwood</b>																	
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
<b>Softwood</b>																	
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
<b>Wool</b>																	
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
<b>Metals</b>																	
Copper	\$/MT	7080.2	6795.3	6995.8	6692.3	5833.2	6056.6	5267.1	4884.9	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
<b>Energy</b>																	
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
<b>Natural Gas</b>																	
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
<b>Coal</b>																	
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

March 2017 Issue

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				
<b>Food</b>														
<b>Cereals</b>														
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
<b>Vegetable oils and protein meals</b>														
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
<b>Meat</b>														
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
<b>Seafood</b>														
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
<b>Sugar</b>														
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
<b>Beverages</b>														
<b>Coffee</b>														
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
<b>Agricultural raw materials</b>														
<b>Timber</b>														
<b>Hardwood</b>														
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
<b>Softwood</b>														
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
<b>Wool</b>														
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
<b>Metals</b>														
Copper	\$/MT	5165.3	7538.4	8823.5	7958.9	7331.5	6863.4	5510.5	4362.0	4351.0	4360.8	4377.1	4394.7	4401.0
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
<b>Energy</b>														
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
<b>Natural Gas</b>														
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
<b>Coal</b>														
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

### Monthly Inflation Rate

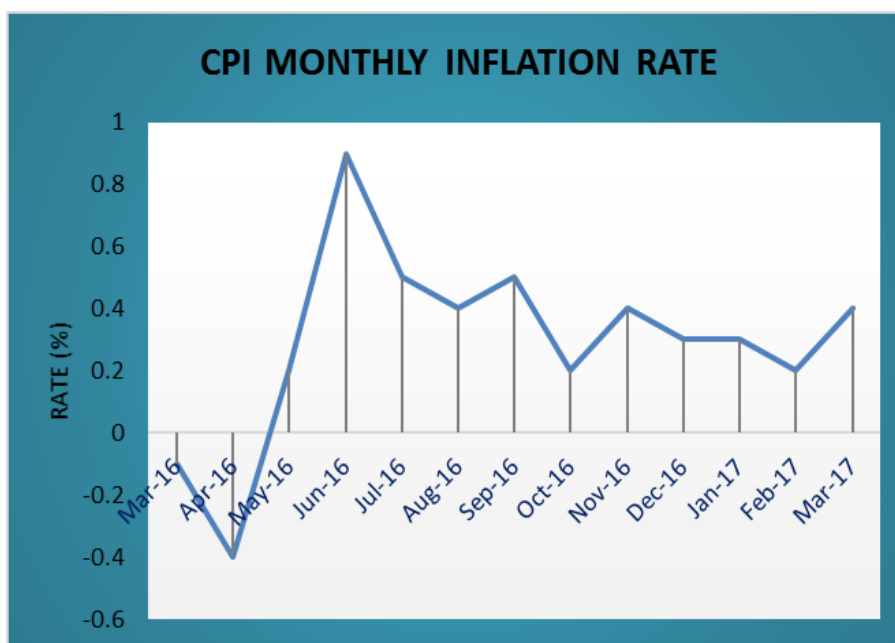
Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **0.4%** for the period March 2017 over February 2017. The increase in the rate for March 2017 over February 2017 brought inflation calendar year-to-date to 1.0% and inflation for the fiscal year to March 2017 was **4.1%**.

According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by movements in the index for the division Housing, Water, Electricity, Gas and Other Fuels. The index for the division Housing, Water, Electricity, Gas and Other Fuels increased by 1.5%. The increase in this division was primarily due to higher rates for electricity as well as water and sewage which

resulted in the index for the group ‘Electricity, Gas and Other Fuels’ increasing by 2.6 per cent and the group Water supply and Miscellaneous Services Related to the Dwelling moving up by 1.1 per cent.

The Food and Non-Alcoholic Beverages index also increased relative to last month. The index went up by 0.3%. This was primarily due to the class index ‘Vegetables and Starchy Foods’ increasing by 0.4%.

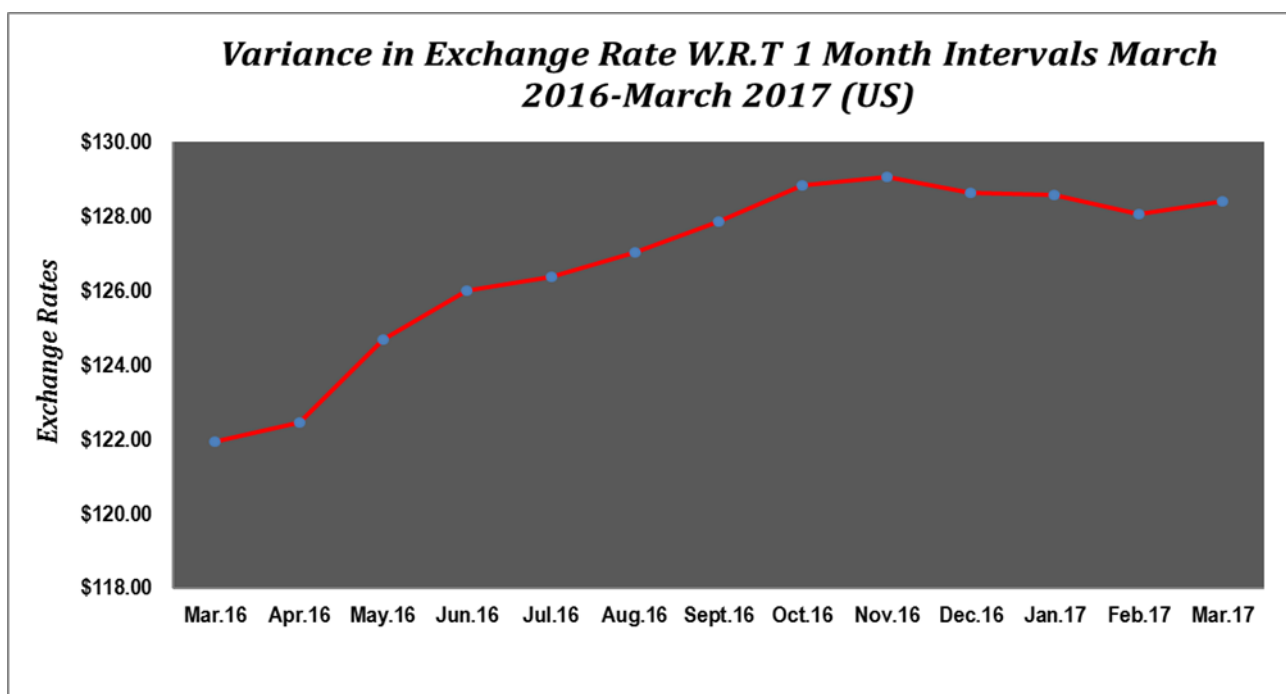
Inflation in all the three regional areas increased for the month of March 2017 relative to February 2017. Inflation in the Greater Kingston Metropolitan area (GKMA), Other Urban Centers (OUC) and Rural Areas increased by 0.4%, 0.4% and 0.3%, respectively.



## Monthly Exchange Rates Update

### JMD:USD

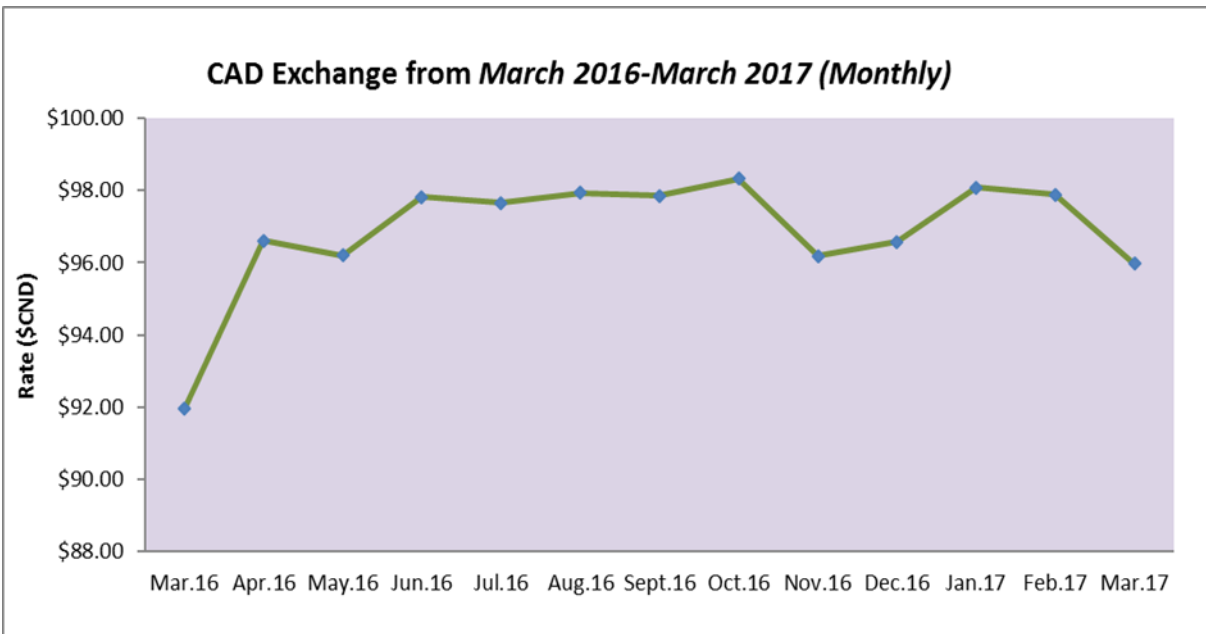
In analysis of the exchange rates over the period March 2017 to February 2017, the monthly average value of the Jamaican dollar depreciated by **\$0.33** or **0.2576%** relative to the US dollar. As a result, the exchange rate progressed to settle at **US\$1.00=J\$128.40**. A one-year comparison revealed depreciation in the currency ratio of J\$6.44, resulting in an overall increase in the value of the \$US by 5.280%. 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\$13.08 (percentage increase of 11.34).



### JMD:CAD

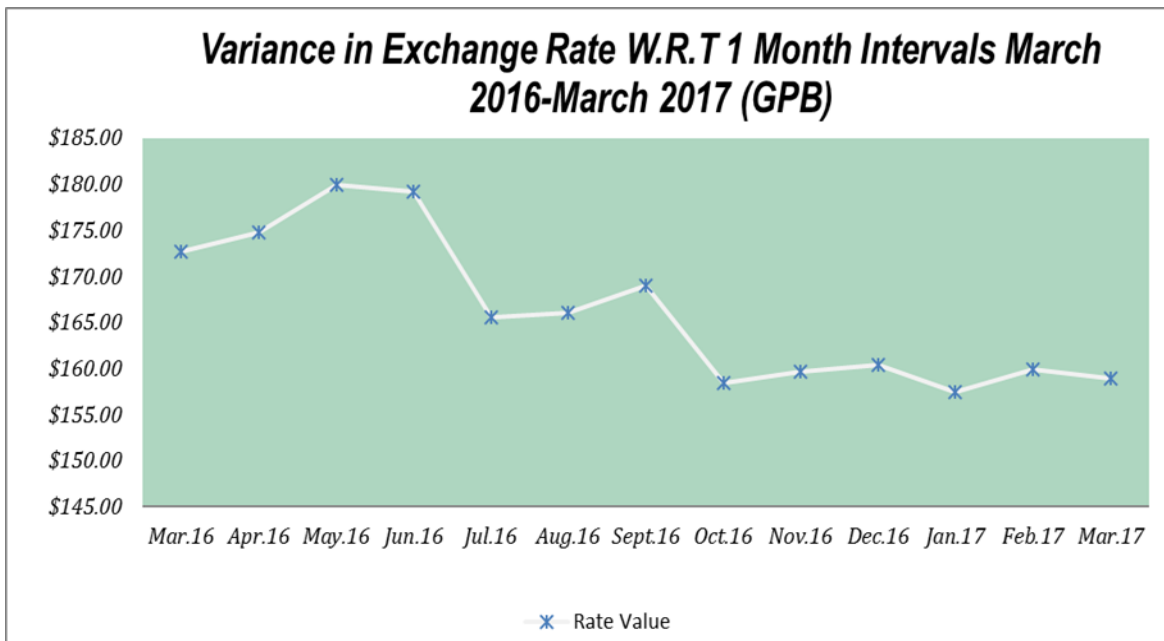
In relation to the exchange rate recorded for the month of March 2017, calculations accentuated the fact that the Jamaican dollar appreciated by **1.941%** (**J\$1.90**) relative to the previous month. In this regard, the value of the Jamaican dollar to the US dollar at the end of March was **CAD\$1.00=J\$95.98**. The exchange rate of March 2017 was further set side by side with the rate 1 year earlier (March 2016) which revealed that the value of the Jamaican dollar slid by J\$4.02 or 4.371%. Furthermore, calculations comparing the exchange rate values for March 2017 and March 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\$4.56 (depreciation of 4.988%).

## Monthly Exchange Rates Update



### JMD:GBP

The exchange rate's monthly variance of **J\$0.92** was seen to exist within the boundaries of March 2017 and February 2017, this indicates that the Jamaican dollar appreciated by some **0.5756%**. The exchange rate at end March was **GBP1.00=J\$158.92** in comparison to the previous month GBP1.00=J\$159.84. The annual comparison of the exchange rates for the months March 2017 and March 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\$13.78 (7.979%). Further investigation of the exchange rate extending to March 2015 showed that the cost of the Pound decreased by J\$13.79 or 7.984%.



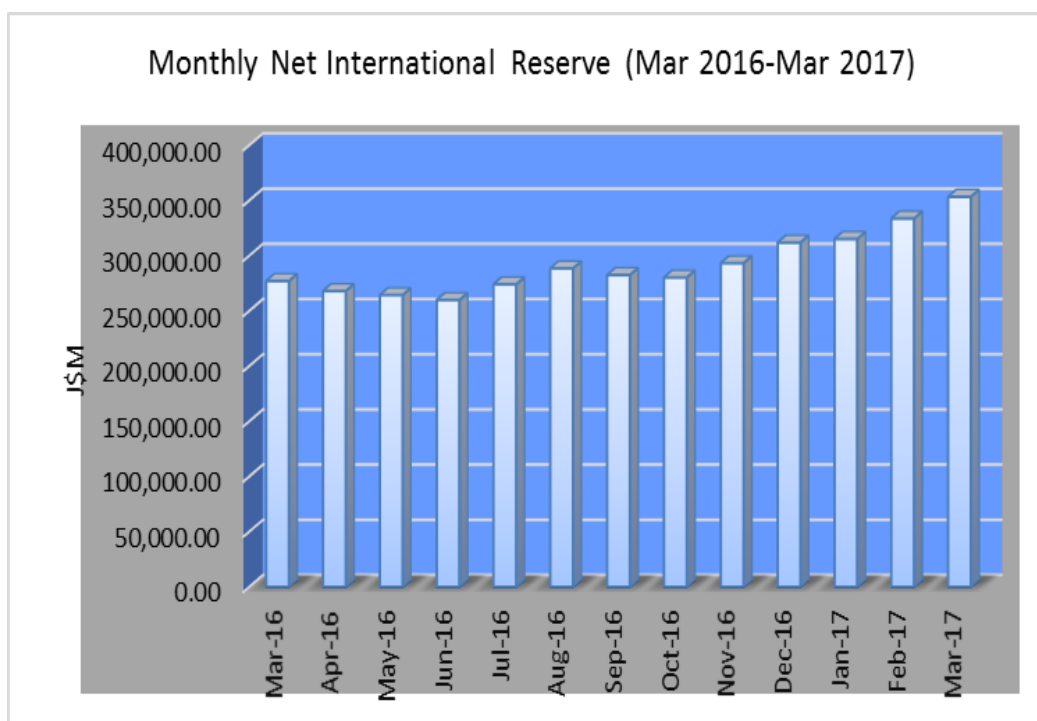
## Net International Reserves & Money Base

March 2017 Issue

### Net International Reserves

Data for the month ending March 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J\$353.263 billion (US\$2,769.17 million)**. This reflected an increase of **J\$19,633.94 billion (US\$153.90 million)** relative to February. 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 decreased while two sources increased. Securities decreased by **US\$3.19 million** while Currency and Deposit increased by **US\$135.21 million** and SDR & IMF Reserve

Position increased by **US\$0.59 million** to end the month with total foreign asset **US\$3,323.89 million**. This represented a total increase of **US\$132.62 million**. Under foreign liabilities, IMF expenditures increased while Other expenses decreased. Payments to IMF increased by **US\$1.21 million** while Other expenses decreased by **US\$22.50** to end the month with total foreign liabilities **US\$554.72**. This represented a decrease of **US\$21.29**. At the end of March, the gross reserves were sufficient to finance **38.78** weeks of goods imports which represented **26.78** weeks over the international benchmark of **12** weeks of goods imports.

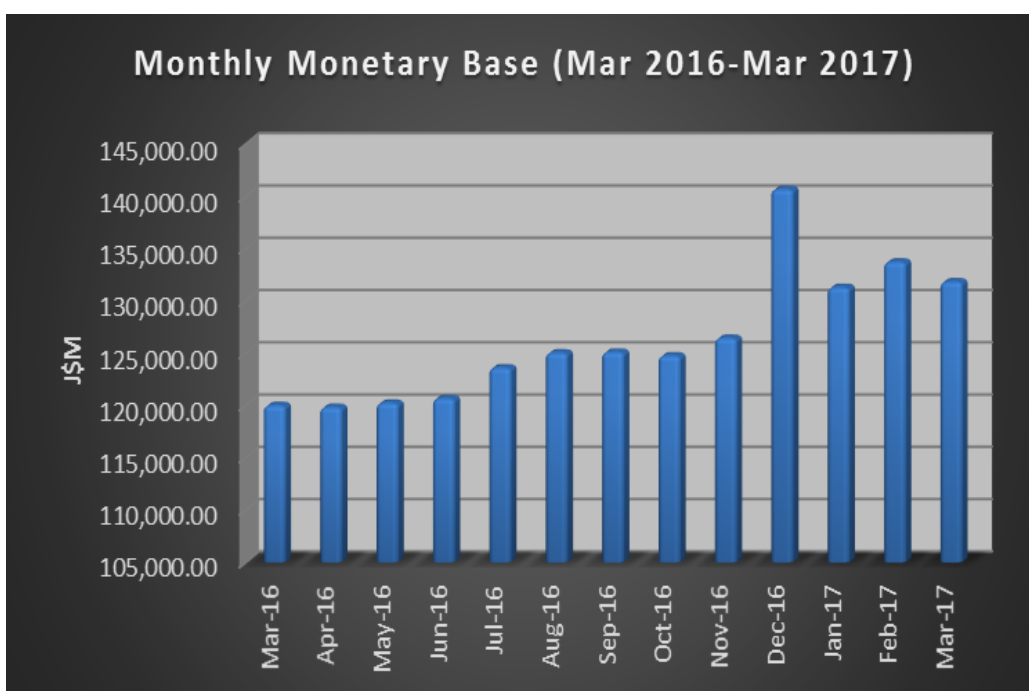


## Net International Reserves & Money Base

March 2017 Issue

### Monetary Base

The monetary base decreased by **J\$1.889 billion** to **J\$131.849 billion** for March 2017 relative to February. The change in the base reflected decreases in all three sources; Net Currency, Commercial Banks' Statutory Reserves and the Commercial Banks' Current Account. Net Currency decreased by **J\$0.863 billion** to end at **J\$88.071 billion**, the Commercial Banks' Statutory Reserves decreased by **J\$0.172 billion** to a total of **J\$43.574 billion**. The Commercial Banks' Current Account decreased by **J\$0.853 billion** to a total of **J\$0.203 billion**.



## Stock Market Update

March 2017 Issue

On the last trading week in March 2017, March 27, 2017, to March 31, 2017 the main JSE index advanced by **1,134.83 points** or **0.51%** to close at **245,670.39 points**. The JSE Combined Index advanced by **371.77 points** or **0.16%** to close at **238,359.76 points**. The JSE Junior declined by **64.54 points** or **2.11%** to close at **2,997.03 points**.

Overall, the market activity for last week in March resulted from trading in sixty one (**61**) stocks of which **25** advanced, **27** declined and **9** traded firm. In total **59,666,384.00 units** of stock were traded

during the month, which had a total value of **J\$508,426,871.46**. This resulted in market capitalization of **J\$790,090,293,964.16 billion** as at end March 2017.

Jamaica Stock Exchange Ordinary Shares was the volume leader for the last week with **37,166,649 units** amounting to **62.29%** of market volume. Following was JMMB Group 7.50% VR JMD Preference Shares , which traded **5,865,693 units** amounting to **9.83%** of the market volume. Next in line was Lasco Distributors Limited with a total of **2,722,894 units** amounting to **4.56%** of the market volume.

## Previous Highlights: February 2017 Summary

March 2017 Issue

### 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 to 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-month point to point rate at



## Previous Highlights: February 2017 Summary

March 2017 Issue

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.

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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