



MONTHLY ECONOMIC BULLETIN

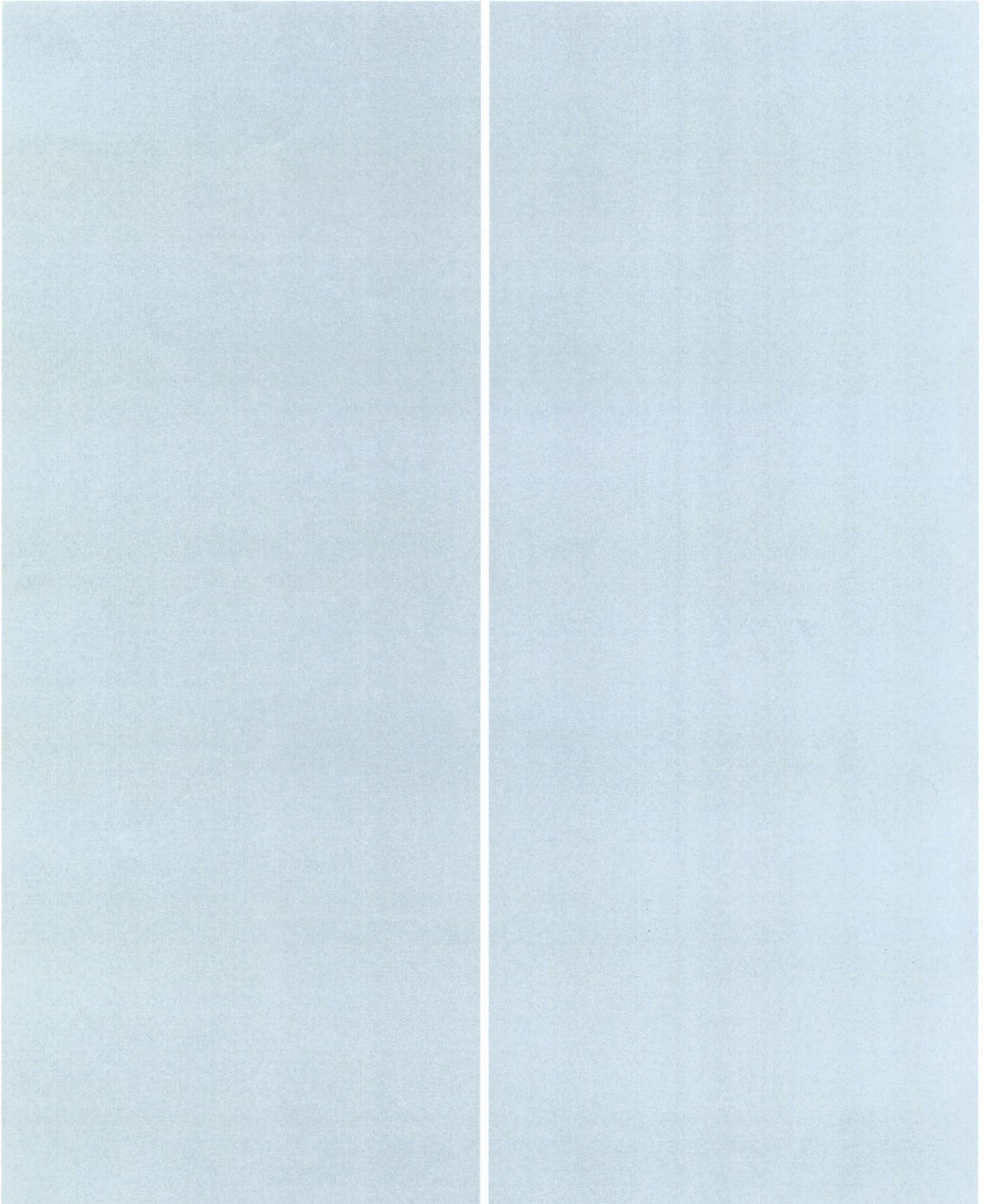
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August 25, 2014

July 2014 Issue

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The CEO'S Remarks



Economic Highlights July 2014

- ◆ During 13-22 August 2014, an IMF mission team visited Jamaica to assess the progress of the country under the 4-year EFF. At the end of the mission, the fund's mission chief concluded that the program is on track and that overall policy implementation under the program remains strong. All quantitative performance targets, indicative targets, and structural benchmarks for end-June were met. The mission chief highlighted that the preliminary assessments are subject to approval by the IMF's Management and Executive Board. In this regard, consideration of the fifth review of Jamaica's IMF-supported program under the EFF could take place by the IMF's Executive Board in September. Upon approval, SDR 45.95 million (about US\$71 million) will be made available to Jamaica.
- ◆ On July 1, Jamaica offered a 10-year Eurobond on the international capital markets. Total placements on the bond amounted to US\$800-million at a coupon rate of 7.625%. The bond is expected to mature in 2025, however, the principal will be repaid in three tranches, beginning 2023.
- ◆ In the context of the successful bond issue, the NIR increased by US\$805.40 million (J\$85.68 billion) to US\$2,181.53 (J\$232.07 billion). This increase in the NIR coupled with a reduction in the NDA of J\$82.48 billion resulted in an expansion of J\$1.51 billion in the monetary base.
- ◆ The increase in the NIR stimulated investor confidence in the ability of the BOJ to intervene in the FX market. In this context, there was a slowdown in the pace of depreciation of the Jamaica Dollar relative to the US Dollar and an appreciation of the Jamaica dollar relative to the Canadian Dollar and Great Britain Pound.
- ◆ Interest rates on GOJ Treasury bills broadly declined for the July 2014 auction relative to the June auction. However, the rate on the 30-day tenor increased.
- ◆ The weighted average lending rate on domestic currency loans increased by 15 bps to 17.50% in June relative to July 2014. However, given the 17 bps increase in the deposit rates, the spread narrowed to 15.23%. On the other, rates on commercial banks' foreign currency loans declined by 9bps for June relative to May 2014. This decline along with the increase in the deposit rates resulted in a decline in the spread to 4.88%.
- ◆ Domestic inflation increased by 1.4% at end July 2014 relative to 0.1% at end June. The increase in the inflation rate for the month largely reflected the pass-through impact of drought which resulted in increased prices.
- ◆ The increase in domestic prices is expected to be tempered in upcoming by the impact of the reduction's in international commodity prices. Specifically, both indices of crude oil showed significant declines for July. There were also declines in the price of all grains monitored with the exception of rice. However, the impact of these reductions is expected to be partially offset by the general increases in the price of meat, cocoa and coffee recorded for the month.

International Commodity Prices

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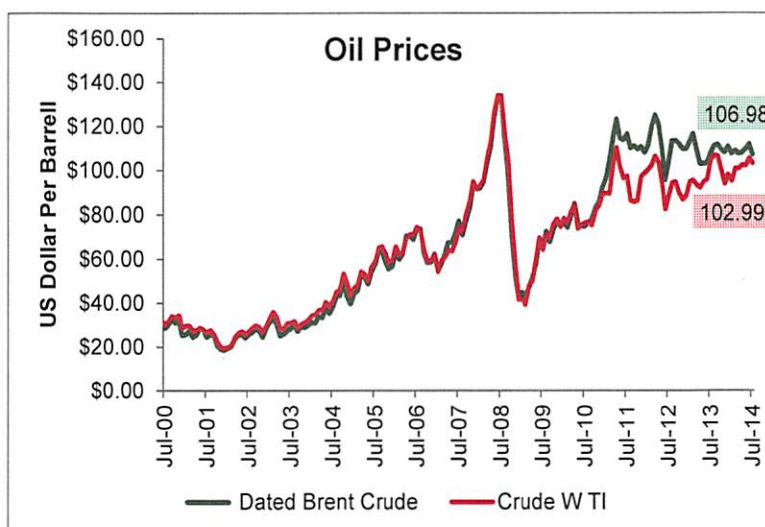
Crude Oil Prices

Selected benchmark crude oil indices both decreased significantly in July 2014 in comparison to the previous month. The European Brent started the month at **US\$111.87 per barrel** and ended at **US\$106.98 per barrel**. This reflected a price reduction of **US\$4.89 (4.4%)** for the month. In July 2013 the sale price for the European Brent was **US\$107.72**, reflecting a price reduction of **US\$0.73 (0.68%)** when compared to July of 2014. Notably, over the last two years price for this commodity has increased by **US\$3.84 (3.72%)**.

The price per barrel of West Texas Intermediate (WTI) fell from **US\$105.14** at end June 2014 to **US\$102.99** at end of July 2014, a reduction of **US\$2.26 (2.1%)**. In comparison to July 2013, the price per barrel of the WTI has fallen by **US\$1.56 (1.49%)**. For July 2014 relative to July 2012, prices increased by **US\$15.10 (17.18%) per barrel**. The five year average monthly price for both crude oil indices are **US\$101.81** and **US\$93.75** per barrel, an increase of **US\$5.18 (5.1%)** and **US\$9.23 (9.8%)**.

In the oil price highlights for April 2014, Organization of Petroleum Exporting Countries (OPEC) stated that the global demand for oil in 2014 will average **91.2 million barrels per day (mb/d)**, which is an increase of **1.14 mb/d (1.3%)** relative to 2013. The Non-OPEC oil supply forecast for 2014 is approximately **1.37 mb/d**. OPEC declared that the growth in supply for 2014 will emanate from the United States, Canada and Brazil.

On the other hand, reductions in supply are expected from Norway, United Kingdom and Mexico. OPEC



Data Source: IMF Monthly Commodity Prices

stated that global oil prices are being impacted by slower economic growth in China, lower demand for refined oil products and ample supply which the organization believed has outweighed the supply disruptions and geopolitical tensions.

The price movements for July 2014 continued to be driven by geo-political developments in Ukraine and the Middle East, a reduction in supply along the Gulf Coast, a reversal of global economic growth. Analysts believe that the impact of the political unrest in the East will be moderated by the fact that the US is more energy reliant.

The forecast for 2014 is for prices to decline in the last two quarters of the year and to continue falling into 2015. The United States Energy Information Administration's forecast was for prices to remain below **US\$120 per barrel** and average **US\$100** for 2014. For this forecast to obtain, oil price would have to fall below the **US\$100.00 per barrel** mark in some months of 2014. The latest numbers coming from the EIA projects the price of the WTI to be **US\$100.45** per barrel for 2014 and **US\$108.6** for the Brent. In 2015 the prices are expected to be **US\$96.05** and **US\$105.00** per barrel, respectively. This reduction in prices will have a positive impact on the price of other derived commodities and local inflation.

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Natural Gas

At end-July 2014, the price for natural gas fell from **US\$4.57** to **US\$4.04**, a reduction of **US\$0.53 (11.6%) per thousand cubic meters**. This decline marks the fifth monthly decline since the beginning of 2014. For July 2013 relative to July 2014, Natural gas prices increased by **US\$0.42 (11.46%)**. Similarly, natural gas prices have increased by **US\$1.07 (36.21%) per thousand cubic meters** when prices of July 2014 are compared to July 2012. The five year average monthly price for natural gas is **US\$3.94**, which indicates that current prices are **US\$0.10 (2.6%)** higher. These price movements are indicative of a higher demand for general fuels and alternative fuels including natural gas.

The United States Energy Administration (EIA) reports

that natural gas stock builds continue to outpace historical norms. Natural gas working inventories on August 1 reached **2.39** trillion cubic feet (Tcf), that is **0.54 or 18%** below the level at the same time in 2013. Gas prices are currently **20%** below the previous five year average of 2009-2013 levels. The EIA expects that the Henry Hub natural gas spot price which averaged **US\$3.73** per MMB-TU in 2013, will average **US\$4.46** in 2014 and **US\$4.00** in 2015.

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

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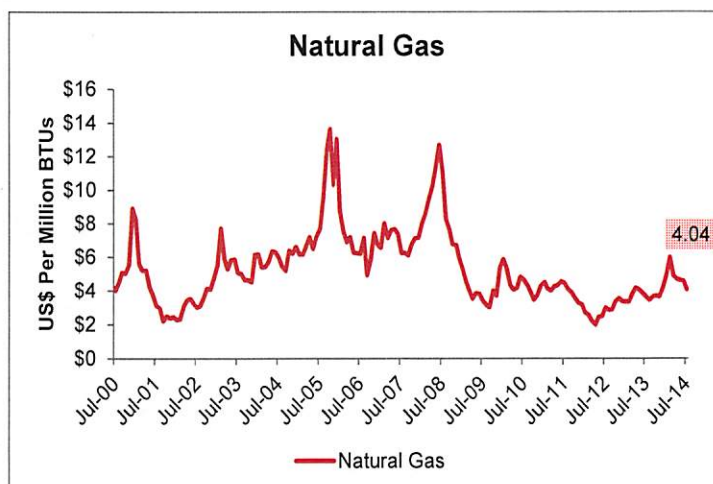
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impacted by a number of macroeconomic fundamentals and technological developments. The forecasts for higher LNG demand were supported by large financial commitments which will result in greater supply from both North America and Australia. If this forecast obtains, more industries would have to use power fuelled by LNG, which would then result in decline in global demand for crude oil. This would likely cause a fall in global crude oil prices and production indices would be positively impacted. Nevertheless, this pronouncement is conditional on other factors such as the pace of global economic growth.

The positive development of the global economic recovery is good news for Jamaica and other Caribbean countries that are heavily dependent on developed economies such as the US, UK, China and Brazil for export opportunities, remittances and capital. However, there are also disadvantages, the most perilous of which is the impact of global demand for fuels on international energy prices. Even with the new sources of alternative energy, if the global demand continues to increase both LNG and crude oil prices could rise to record levels in the next two to four years. The EIA's projection is for LNG prices to rise by **20%** in 2014 but will fall by **10%** in 2015. The developments in these fuel sources should be of considerable importance to businesses in Jamaica and the Caribbean.

Wheat

In July 2014, wheat prices fell by **US\$26.17 (8.5%)** when compared to June 2014 to close at **US\$280.36 per tonne**. Relative to July 2013, prices have fallen by **US\$24.32 (8%) per tonne**. A two year comparison of wheat prices shows that an reduction in prices of **US\$65.33 (18.90%)**. The average five year monthly price for July is



Data Source: IMF Monthly Commodity Prices

US\$286.10, this represents a reduction of **US\$5.73 (2.0%)** when compared to current prices.

Oil price movements and weather conditions will continue to play a significant role in wheat prices over the next 12 months. The expected tighter supply of wheat for 2014 will not materialize as output in 2014 has soared much more than analysts had anticipated. This significant spike in yields should continue to impact prices negatively through the remainder of 2014 into 2015. The IMF projects that wheat prices will decline by approximately **18%** in 2014.

However, developments in Ukraine and Russia are expected to continue to temper prices for the US market. In addition, rainfall experienced in March may have significantly improved yields of other competing commodities which continues to impact current wheat futures in the United States (AgWeb: 2014).

Rice

Relative to June 2014, rice prices for July 2014 increased by **US\$13.33 (3.2%) per metric tonne**. Similarly, prices

International Commodity Prices

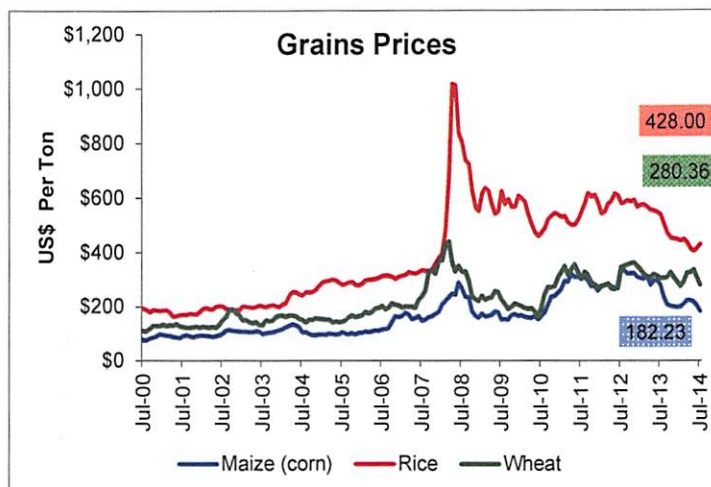
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fell from **US\$538.26** to **US\$428.00 (20.5%)** per tonne between July 2013 and July 2014. Experts believe that international rice prices will continue to remain low this year. There are a number of supply side and political factors that continue to influence prices. Higher than normal inventory levels, import duties in many of the major importing countries and over production in 2013 are just some of these factors. The Food and Agricultural Organization (FAO) forecasted that rice utilization, rice stock and rice production will increase for 2014 into 2015. As such, prices are expected to decline over the same period. The IMF projects that rice prices will decline by **15%** in 2014.

Corn Prices

Corn prices fell in July 2014 when compared to June of 2014 by **US\$20.33 (10%)** and closed the month at **US\$182.23 per tonne**. Between July 2013 and July 2014 prices fell by **US\$96.70 (34.67%)**. A two year price comparison from July 2012 to July 2014 shows a total price decline of **US\$150.72 (45.27%)**. The five year monthly average for corn is **US\$251.76**, this means that current prices are **US\$69.54 (27.6%)** lower. The stability of corn prices in coming months will be conditional on good weather conditions, oil price movements and the political environment in Ukraine that accounts for **16%** of the global export market.

Already, cold weather conditions have been impacting planting acres in the US and hence corn futures have been increasing. Fertilizer prices are expected to decline, which should temper prices over the course of the year. The most significant driver of corn prices is the price of crude oil which is expected to increase for the first half of 2014, then decline for the latter half. Experts predict that supplies will continue to increase given inventory levels and the size of acres under cultivation. The IMF projects that



Data Source: IMF Monthly Commodity Prices

prices will fall by **14%** in 2014 relative to 2013.

Soybean Prices

The prices of both soybean meal and soybean oil showed similar results for July 2014. At the end of July 2014 the price per metric tonne for soybean oil material stood at **US\$813.36**. The price for Soybean oil material fell for July 2014 in comparison to June 2014 by **US\$57.71 (6.6%) per metric tonne**. The price per metric tonne of soybean oil materials decreased by **US\$186.98 (18.7%)** for the period July 2013 to July 2014. The five year average monthly price for Soybean oil is **US\$1013.76**, **US\$199.91 (19.71%)** higher than current prices.

On the other hand, the price of soybean meal fell by **US\$68.25 (13.1%) per metric tonne** when July 2014 is compared to June 2014. For the period July 2014 relative to July 2013, the price of Soybean meal decreased by **US\$77.32 (14.6%)**.

A two year comparison for July 2012 to July 2014, shows that the price of Soybean meal fell by **US\$101.52 (18.4%) per metric tonne**. The five year average monthly price for Soybean Material is **US\$451.25**, **US\$0.23 (0.1%)** lower

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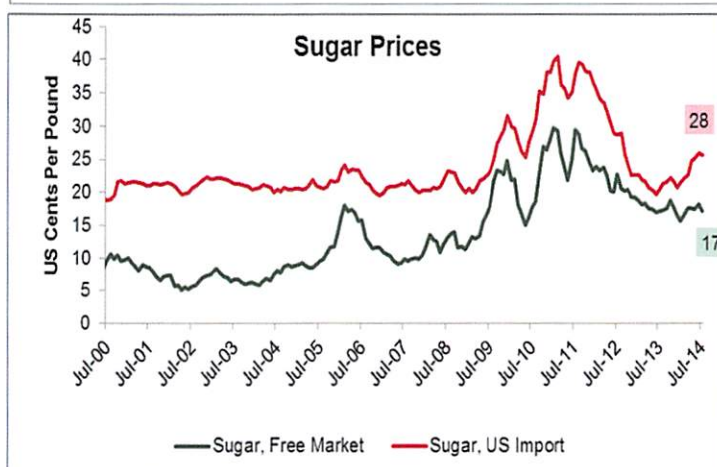
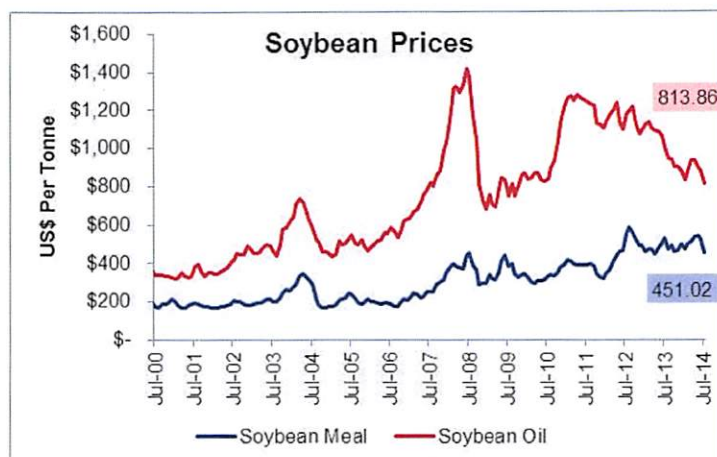
than current prices. Crude oil price movements are expected to impact both soybean meal and soybean oil prices in the medium term. The IMF projects that by the end of 2014 the price of both Soybean meal and oil will decline by 9% and 3% respectively.

Sugar Prices

Both the Free Market Index and the US Import index had mixed price changes for July 2014. The Free market Index fell by **one US cent (5.2%)**. On the other hand, the US Import increased by **less than one US cent (1%)**. Prices closed in July 2014 at approximately **US\$0.17** and **US\$0.28 per pound**, respectively. For the period July 2013 relative to July 2014, the price of Free Market sugar increased by **0.51%**, while US import prices increased by **12.4%**. The five year average monthly price for both sugar indices are **US\$0.21** and **US\$0.26**, respectively. This suggests that price for the Free Market is **18%** below while the US Import is **8%** above their respective averages. The IMF projects that the price for the Free market and the US Import will increase by **8%** and **15%** respectively in 2014.

Coffee Prices

The price of the Arabica and the Robusta coffee had mixed results in July 2014. The Arabica declined by **(0.2%)** while the Robusta increased by **US\$0.03 (2.5%)**. In April 2011, coffee prices reached record levels of **US\$3.30** and **US\$1.21 per pound**, respectively. Since then, prices have fallen by **34%** and **12%** to **US\$1.98** and **US\$1.07** respectively. The five year average monthly price for both types of coffee are **US\$2.00** and **US\$1.06** respectively. This implies that the current price



Data Source: IMF Monthly Commodity Prices

of the Arabica is **1%** lower while the current price of the Robusta is **1.2%** higher.

Experts believe that lower production in Brazil, Africa and Central America has been fuelling the upward price movements. This surge could be negated by production increases in Asia and other eastern countries. The IMF projects that the Arabica will increase by **4%** while the Robusta will decline by **12%** in 2014.

Cocoa Prices

In July 2014, Cocoa prices increased by **US\$21.73 per tonne (0.7%)** to close at **US\$3,196.04 per tonne**. Relative

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to July 2013, prices increased by **US\$887.51 (38.44%)**. The two year price comparison shows that prices are higher by **US\$846.22 (36%)** when June 2014 is compared with June 2012. The five year average monthly price for cocoa is **US\$2,850.22**, this means that current prices are **US\$345.82 (12.1%)** higher.

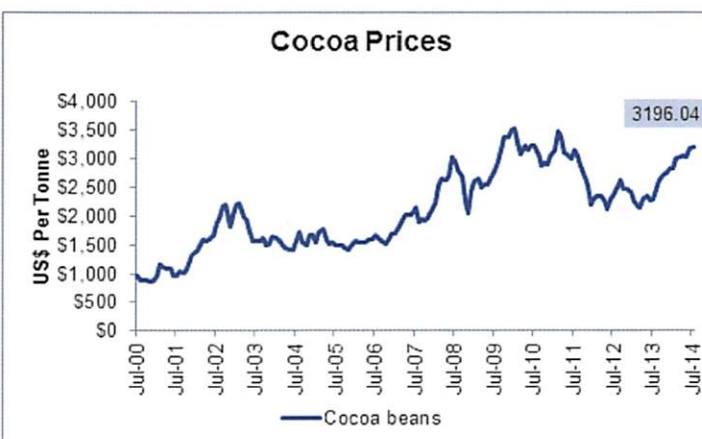
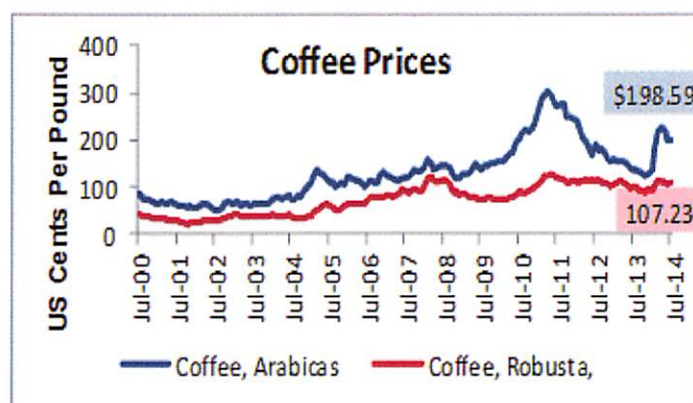
Experts at Rabobank believe that a third consecutive cocoa deficit will send prices skyrocketing. The analysts estimate a deficit of over **100,000 tonnes** which will send prices rising by over **12%** relative to 2013 prices. The IMF projects that prices will increase by 9% in 2014 relative to 2013.

Orange Prices

Orange prices fell marginally in July 2014 by **US\$0.54 (0.1%)** to **US\$763.03** per metric tonne, relative to June 2014. Relative to July 2013, prices fell by **US\$358.2 (32%)**. However, there was an increase of **20%** in prices for July 2013 relative to July 2012. The five year average monthly price is **US\$1,034.68**, which indicates that current prices are **US\$271.65 (26.3%)** lower. Experts predicted that prices could continue to increase throughout much of 2014. These forecasts were mainly due to drought conditions in the world's largest producer, Brazil. Additionally, the impact of citrus greening disease in the state of Florida, which produces approximately **70%** of the Oranges in the United States, is also expected to boost prices. Prices are expected to decline by **2%** in 2014.

Banana Prices

Banana prices moved in July 2014 to **US\$930.82** per tonne. In this regard, prices increased by **US\$4.75 (0.5%)**. For July 2013 relative July 2014, banana prices increased by **US\$5.40 (0.58%) per metric tonne**. A two



year price comparison for June 2012 and June 2014 revealed that banana prices fell by **US\$36.00 (3.73%) per metric tonne**. The five year average monthly price is **US\$954.9**, this means that current prices are **US\$24 (2.5%)** lower.

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

An analysis of the global banana industry shows that the combined market share of the world's three largest players Chiquita, Dole and Del Monte has fallen from **65%** in the

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1980's to approximately **37%** in 2013. The FAO report showed that the combined market share of the top five players in the banana industry has fallen from approximately **70%** in 2002 to **44.4%** in 2013. The FAO also reported on the merger of Chiquita, the largest banana trading company in the world and Fyffes one of the main suppliers to the European market. The combined market share of the two companies is **18%**. However, the FAO stated that this should not be sufficient for the company ChiquitaFyffes to be able to influence the market price of bananas.

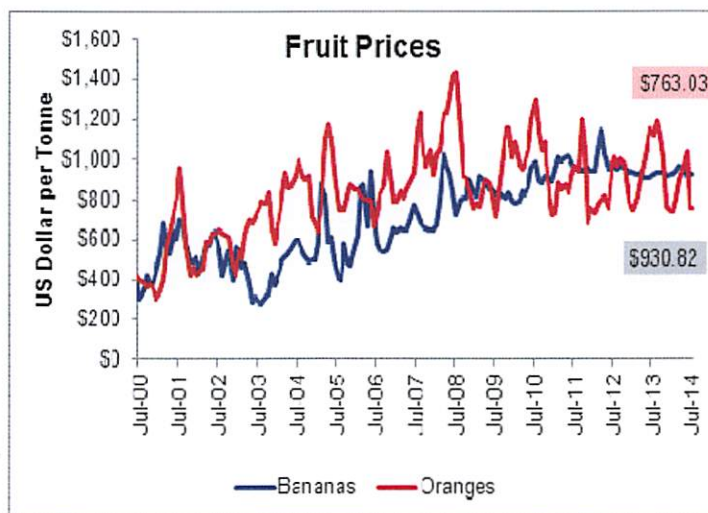
The FAO reported that the banana industry sees a movement away from the traditional plantation ownership and production to the new post-production logistics. The IMF is projecting prices to fall by **4%** in 2014.

Beef Prices

In July 2014, beef prices increased to **US\$2.28** per pound, an increase of **US\$0.28 (13.3%)** relative to July 2014. Relative to July of 2013, current prices are **US\$0.59** or **29%** higher than they were. The five year average monthly price is **US\$1.82** which is **US\$0.46 (25.3%)** higher.

Reports for March 2014, suggest that in the United States, inventories were down by **21%** when compared to last year. The decline in inventory levels was responsible for the higher than expected price increases. Two important developments that should be monitored in the next six months are the drought in Australia and greater demand in China and Asia. Experts at ABSA Agricultural Trends believe that an end in the current drought situation will leave a supply gap in the beef market which will result in an increase in prices.

In the long term, it is expected that international prices



will move in line with those of New Zealand and Australia. The second set of developments are those in Asia where the markets in both China and Indonesia are heating up for Beef and By-products. The IMF is projecting that beef price will fall by **2%** in 2014 relative to 2013.

Swine (Pork) Prices

In July 2014 the prices for pork increased by **US\$0.13 (11.6%)** to close at **US\$1.27 per pound**. The price of pork was **US\$0.99 per pound** in July 2013, which reflects a **US\$0.30 (31%)** price increase relative to July 2014. A two year analysis of pork prices shows that current prices are **US\$0.34 (36%)** higher than they were in 2012.

The five year monthly average price per pound for pork is **US\$0.99**, this means that current prices are **US\$0.29 (29.4%)** higher. In March, experts reported that pork inventories in the US were down by **11%** and was responsible for the increase in 2014 prices. Experts at the United States Department of Agriculture (USDA) reported that global pork production has increased by **1.8 million tonnes to 110.7 million tonnes for 2014** over the forecast given in November of 2013. This development was as a result of growth in china and Russia offsetting the reductions in the United States and the European Union.

Projections by the IMF shows that pork prices will in-

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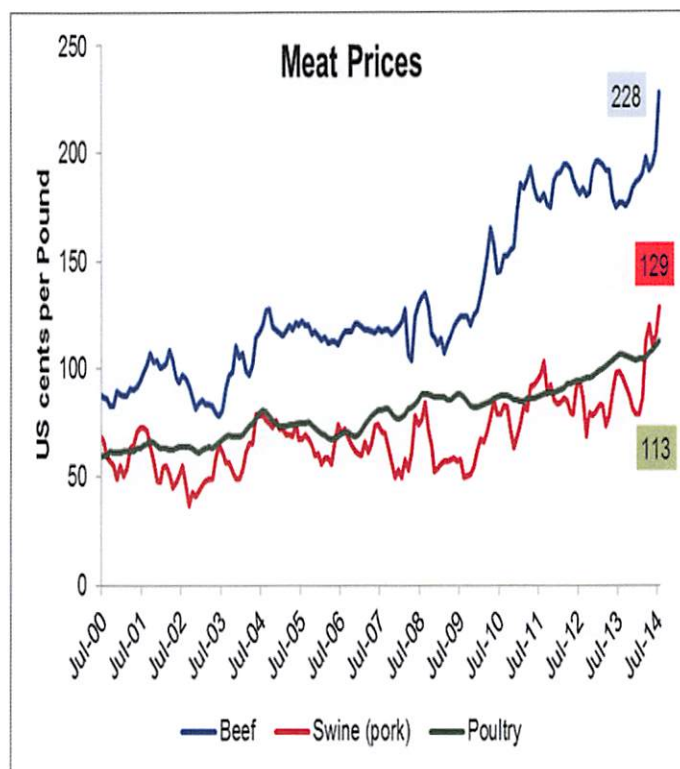
crease by 11% in 2014 relative to 2013.

Poultry Prices

The price of chicken increased in July by US\$0.02 (1.6%) and ended at US\$1.13 per lbs. Prices in July 2014 were approximately US\$0.06 (5.8%) higher than they were in July 2013. In July 2012, the price for poultry was US\$0.95, indicating that prices are US\$0.18 (18.9%) higher than they were two years ago. The five year average monthly price per pound is US\$0.98, this means that current prices are US\$0.15 cents (15.2%) higher. The IMF projects that prices will rise by 3% in 2014.

Aluminum Prices

Aluminum prices increased by US\$109.35 (5.9%) per tonne to close July 2014 at US\$1,948.30 per tonne. Relative to July 2013 prices increased by US\$178.7 (10.1%) per



Data Source: IMF Monthly Commodity Prices



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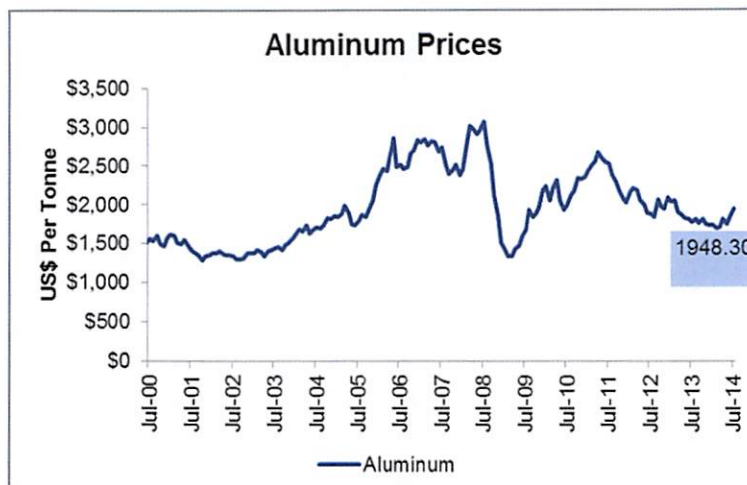
tonne. The five year average monthly price for aluminum is **US\$2,021.73** per tonne, this means that current prices are **US\$73.42 (3.6%)** lower.

Impact of global prices on Jamaica

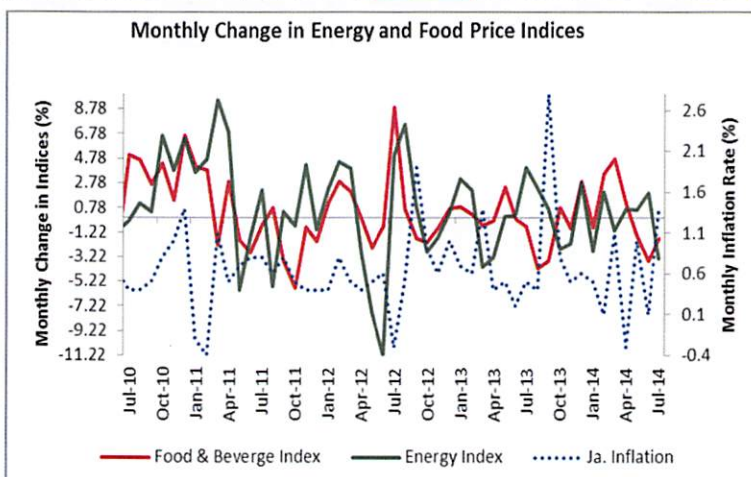
There were price reductions in **11 (55%)** of the commodities monitored for July 2014. The price of both crude oil indices fell. The Brent and the WTI fell by **4.4%** and **2.1%** respectively; natural gas had price reduction of **11.6%**. The IMF's Fuel Energy Index fell by **3.4%**, while the Food and Beverage Index fell by **1.8%**. Given the expected decline in both fuel and food prices for latter part of 2014 into 2015, import costs should be tempered and hence pressure on the Jamaica Dollar should be reduced.

The graph shows the relationship between movements in commodity prices and movements in domestic inflation. An examination suggests that domestic inflation lags commodity prices by approximately two months. This means that downward movements in the international price indices in July will be observed in Jamaica around the end of September. In addition, inflation of **1.4%** for July would have been influenced by increased in commodity prices between May and June of 2014.

Experts forecasted a reduction in the price of fuels for the latter part of 2014. If this obtains, inflation in Jamaica for 2014 could be lower than 2013. With the current low inflation of 2.5% for the first six months of the 2014 calendar year, the expected low inflation for 2014 should be realized. However the current drought being experienced will continue to put pressure on the prices of local agricultural produce. This will therefore continue to push the domestic price level upward.



Commodities	Unit	Price	Price	Monthly Change
		Jul-14	Jun-14	%
Aluminum	Metric ton	1948.30	1838.95	5.9%
Bananas	Metric ton	930.82	926.07	0.5%
Beef	Pound	227.50	200.79	13.3%
Cocoa beans	Metric ton	3196.04	3174.31	0.7%
Coffee- Arabicas	Pound	198.59	198.91	-0.2%
Coffee- Robusta	Pound	107.23	104.63	2.5%
Maize (corn)	Metric ton	182.23	202.56	-10.0%
Natural Gas	MMBTU	4.04	4.57	-11.6%
Dated Brent Crude	Barrel	106.98	111.87	-4.4%
Crude W TI	Barrel	102.99	105.24	-2.1%
Oranges	Metric ton	763.03	763.57	-0.1%
Swine (pork)	Pound	128.67	115.27	11.6%
Poultry	Pound	112.60	110.88	1.6%
Rice	Metric ton	428.00	414.67	3.2%
Soybean Meal	Metric ton	451.02	519.27	-13.1%
Soybean Oil	Metric ton	813.86	871.57	-6.6%
Sugar	Pound	28.39	28.11	1.0%
Sugar- Free Market	Pound	17.18	18.13	-5.2%
Sugar- US Import	Pound	25.58	25.95	-1.4%
Wheat	Metric ton	280.36	306.53	-8.5%



Data source: IMF Monthly Commodity Prices

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Global Commodity Prices and Projections 2013-2015												
		Actual				Projections						
Commodities	Units	2013Q1	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q4	Q3/Q2	Q4/Q2	Annual Change
Food												
Cereals												
Wheat	S/MT	321.4	307.8	297.1	296.2	232.8	242.7	248.9	259.7	-21%	-18%	-18%
Maize	S/MT	305.1	199.5	210.1	207.2	181.8	180.1	183.7	182.4	-12%	-13%	-14%
Rice	S/MT	570.7	449.9	440.7	350.8	374.8	376.3	323.0	337.0	7%	7%	-15%
Barley	S/MT	239.4	157.3	162.7	226.8	239.5	241.5	226.2	240.9	6%	6%	48%
Vegetable oils and protein meals												
Soybeans	S/MT	532.8	479.4	498.3	547.7	514.8	453.3	456.1	440.3	-6%	-17%	-9%
Soybean meal	S/MT	464.6	472.5	493.3	543.2	518.2	446.8	443.2	421.2	-5%	-18%	-9%
Soybean oil	S/MT	1119.2	889.2	877.9	891.4	850.9	855.5	863.6	875.6	-5%	-4%	-3%
Palm oil	S/MT	780.3	789.4	813.7	761.9	748.0	748.6	760.7	770.7	-2%	-2%	-8%
Fish meal	S/MT	1918.4	1542.2	1657.9	1763.8	1707.3	1680.4	1671.3	1337.1	-3%	-5%	1%
Olive oil	S/MT	4004.9	3656.6	3599.0	3602.3	3643.9	3679.6	3679.1	3766.7	1%	2%	2%
Groundnuts	S/MT	2091.8	2312.7	2380.6	2386.6	2327.0	2268.0	2198.0	2038.0	-2%	-5%	-5%
Rapeseed oil	S/MT	1196.0	1012.8	980.3	1008.3	1000.8	994.6	927.0	885.0	-1%	-1%	1%
Meat												
Beef	cts/lb	193.8	182.4	191.8	191.4	189.3	187.3	184.2	178.0	-1%	-2%	-2%
Lamb	cts/lb	97.1	116.4	124.1	132.3	133.6	135.1	131.8	134.6	1%	2%	9%
Swine Meat	cts/lb	79.7	82.6	92.8	103.2	103.2	103.2	105.8	104.5	0%	0%	11%
Poultry	cts/lb	100.2	104.7	104.7	107.3	109.7	108.2	112.2	117.4	2%	1%	3%
Seafood												
Salmon	S/kg	6.5	6.9	7.8	7.6	7.6	7.2	6.7	6.0	0%	-5%	-7%
Shrimp	S/lb	11.3	16.6	17.1	18.1	18.0	19.0	18.3	17.8	-1%	5%	11%
Sugar												
Free market	cts/lb	18.5	17.7	16.8	17.3	17.4	18.2	19.1	19.1	1%	5%	8%
United States	cts/lb	22.0	21.5	22.4	24.9	25.6	25.8	26.2	26.5	3%	4%	15%
EU	cts/lb	25.8	26.9	27.5	27.8	27.8	27.8	27.8	27.8	0%	0%	1%
Bananas	S/MT	932.6	928.1	947.1	945.5	915.1	905.4	911.1	871.0	-3%	-4%	-4%
Oranges	S/MT	825.9	834.4	816.7	885.9	807.2	804.2	817.8	805.1	-9%	-9%	-2%
Beverages												
Coffee												
Other milds	cts/lb	154.8	126.1	175.8	206.5	178.7	183.2	185.9	185.8	-13%	-11%	4%
Robusta	cts/lb	109.4	90.4	102.0	92.4	88.3	89.3	90.0	91.5	-4%	-3%	-12%
Cocoa Beans	S/MT	2208.8	2770.1	2951.3	3164.7	3254.9	3211.3	3196.2	3144.2	3%	1%	9%
Tea 3/	cts/kg	319.1	234.2	247.9	223.4	209.0	206.0	212.0	225.0	-6%	-8%	-17%
Agri. raw materials												
Timber												
Hardwood												
Logs	S/M3	157.6	174.0	182.0	190.0	191.9	188.1	190.0	191.9	1%	-1%	3%
Sawnwood	S/M3	278.4	304.3	297.0	295.6	287.0	283.0	297.0	277.0	-3%	-4%	-5%
Softwood												
Logs	S/M3	157.6	174.0	182.0	190.0	191.9	188.1	190.0	191.9	1%	-1%	3%
Sawnwood	S/M3	278.4	304.3	297.0	295.6	287.0	283.0	297.0	277.0	-3%	-4%	-5%
Cotton	cts/lb	89.9	87.2	94.0	89.1	86.3	77.3	77.8	77.9	-3%	-13%	-18%
Rubber	cts/lb	143.1	114.6	102.1	102.2	101.9	103.1	113.5	112.0	0%	1%	1%
Hides	cts/lb	86.0	103.1	107.6	112.3	106.9	105.9	113.4	105.9	-5%	-6%	-2%
Metals												
Aluminum	S/MT	2000.8	1767.5	1709.3	1798.3	1836.9	1866.4	1886.8	1947.7	2%	4%	9%
Energy												
Spot Crude 1/	S/bbl	105.1	104.5	103.7	103.5	105.8	103.6	101.8	97.7	2%	0%	0%
Natural Gas												
US, domestic market	S/MMBTU	3.5	3.8	5.2	4.6	4.6	4.6	4.7	4.2	0%	0%	-12%

Monthly Inflation and Treasury Bill Rates

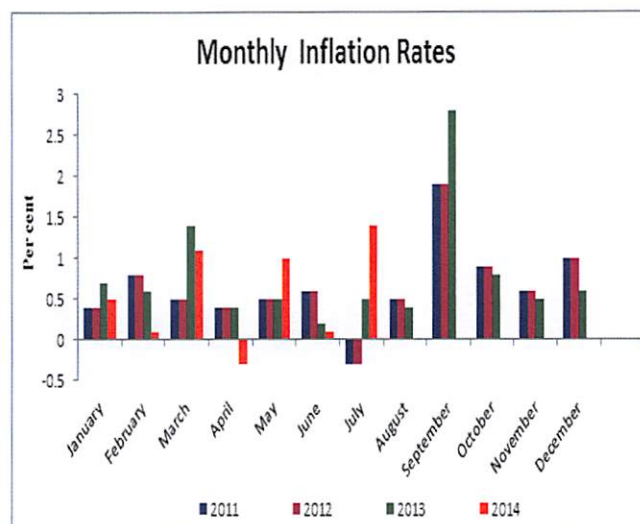
July 2014 Issue

Domestic Inflation Rate

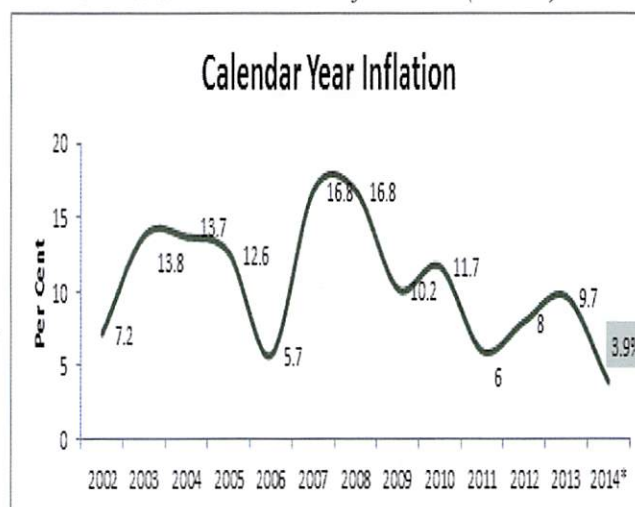
Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **1.4%** for July 2014, representing a monthly rise of **1.3%** over June 2014. The increase in the rate for June brought inflation for the calendar-year-to-date to **3.9%** and inflation for FY-to-July to **2.2%**. The 12-month point to point rate at the end of July 2014 was **9.0%**.

The relatively high inflation for July was due to a **2%** increase in the highest weighted division Food and Non-Alcoholic Beverages, in this class, Vegetables and Starchy Foods increased by **6.3%** and Fruit by **5.8%**. The division Housing, Water, Electricity, Gas and Other Fuels division also increased by **2.3%**. This was mainly attributed to a significant rise in the Electricity, Gas and other fuels subcomponent by **4%**. However, this was partially offset by a reduction in the Water Supply and Miscellaneous services subcategory by **1.2%**.

Inflation in all the three regional areas increased for the Month of July 2014 relative to June 2014. Inflation for the Greater Kingston Metropolitan area (GKMA), Other Urban Centers (OUC) and Rural Areas rose by **1.6%**, **1.4%** and **1.3%**, respectively.



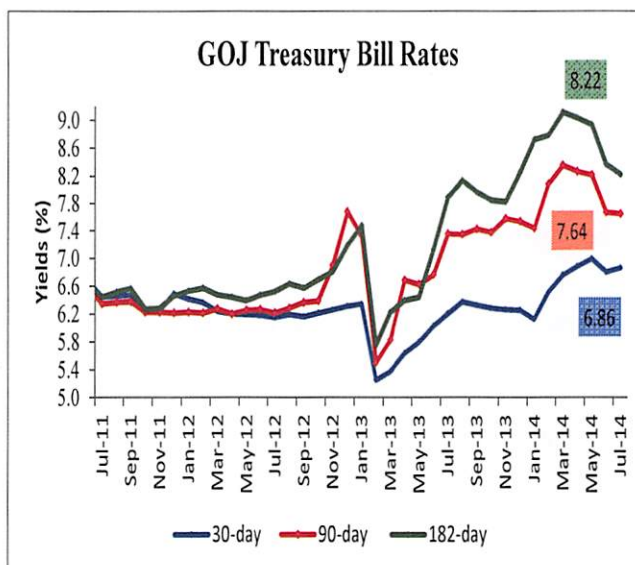
Data Source: Statistical Institute of Jamaica (STATIN)



*-inflation for the Calendar year to June 2014 /

GOJ Treasury Bill Rates

For July 2014 relative to June 2014, yields on GOJ 30-Day Treasury Bill increased by **6bps**, On the other hand, yields on 90-day and 182-day Treasury Bills fell by **2 bps** and **14 bps** respectively. Yields on GOJ Treasury Bills have increased by **66 bps**, **29 bps** and **34 bps** for the **30-day**, **90-day** and **182-day** tranches respectively for the period July 2014 relative to July 2013. The declining rates on these treasuries for 2014 is an indication of improved in investor confidence as well as an improvement in the outlook for economic performance over the medium to long term. Lower yields indicates that investors expect lower risk and lower inflation in the short to medium term.



Data source: Bank of Jamaica

Monthly Interest Rates Update

July 2014 Issue

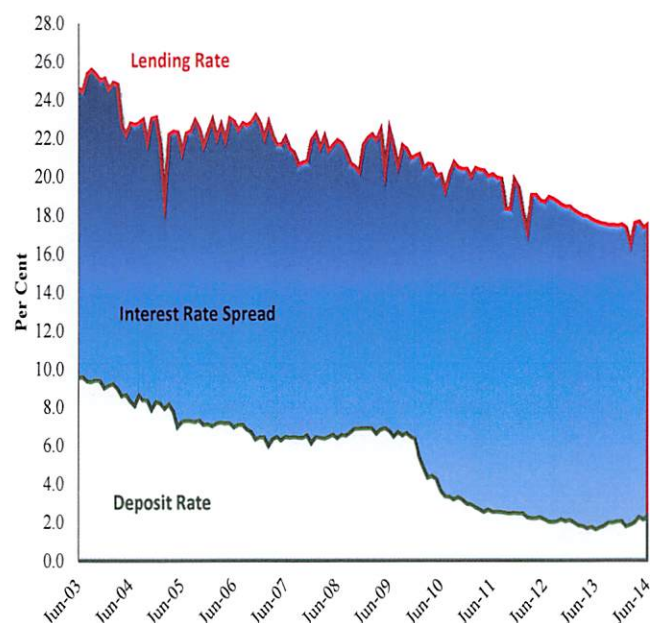
The overall weighted average lending rate on domestic currency loans increased by **15bps** to **17.50%** at end June 2014 relative to May 2014. This occurred in the context of reductions in the rates in three of the six loan types. Installment Credit, Mortgages and Local Government and Other Public Entities recorded declines of **5bps** and **3bps**, and **35bps** respectively.

Meanwhile, the weighted average domestic interest rates on deposits increased by **17bps** to **2.29%** at end-June 2014 relative to end-May 2014. Consequently, the spread on domestic currency loans fell to **15.21%** at end June 2014 relative to **15.23%** at end May 2014.

Foreign currency loans rate for June 2014 fell by **9bps** relative to May 2014. In this regard, the foreign currency loan rate fell by from **7.34%** in May 2014 to **7.26%** at the end of June 2014. This resulted from a decline of **9bps** in the interest rates on loans on the Commercial Credit and **5bps** on rates on Local Government and Other Public Entities. These reductions were partially offset by an increase of **2bps** on interest rates on Personal Credit.

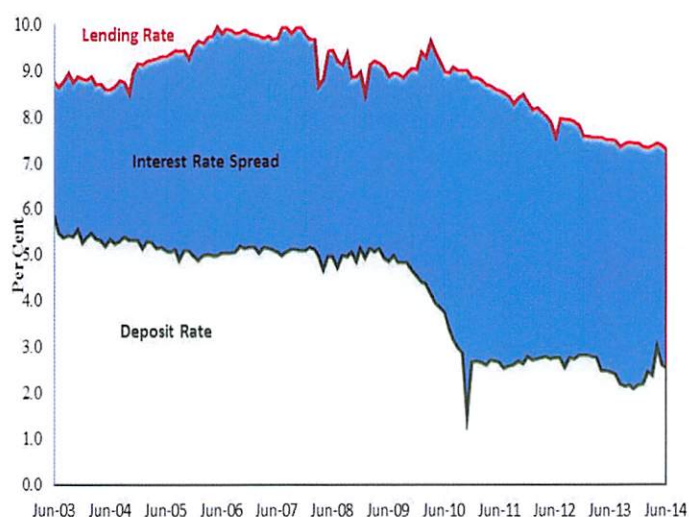
Interest rates on foreign currency deposits declined by **3bps** to **2.43%** in June 2014. As a result, the interest rate spread on foreign currency loans in commercial banks at the end of June 2014 was **4.83%**, a decline of **5bps** relative to the spread of **4.88%** at the end of May 2014.

Local Currency Interest Rates



Data Source: Bank of Jamaica (BOJ)

Foreign Currency Interest Rates



Domestic Currency Weighted Loan Interest Rates (%) June 2014

	Instalment Credit	Mortgage Credit	Personal Credit	Commercial Credit	LGOPE	Central Govt.	Overall A/W Rate
Monthly Change	-0.05	-0.03	0.30	0.01	-0.35	5.76	0.15
Annual Change	-1.06	0.03	1.57	0.59	0.99	7.04	-0.16
End of Month	16.29	9.79	25.53	12.98	11.47	16.61	17.50

Foreign Currency Weighted Loan Interest Rates (%) June 2014

	Instalment Credit	Mortgage Credit	Personal Credit	Commercial Credit	LGOPE	Central Govt.	Overall A/W Rate
Monthly Change	-0.14	0.00	0.02	-0.09	-0.05	NA	-0.09
Annual Change	-0.16	-2.28	1.43	-0.19	-0.37	NA	-0.21
End of Month	8.45	6.74	17.00	6.86	6.21	NA	7.26

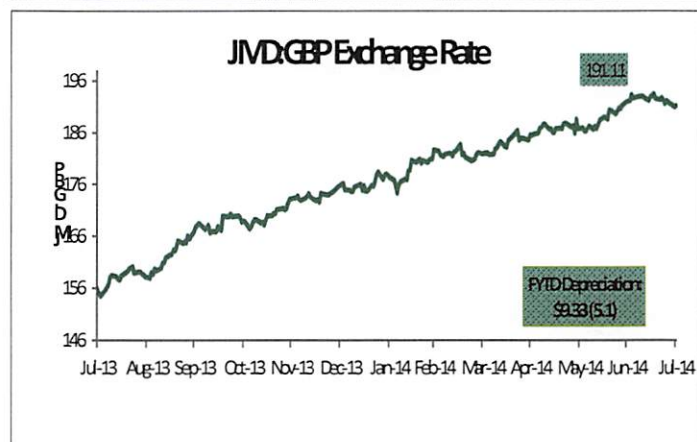
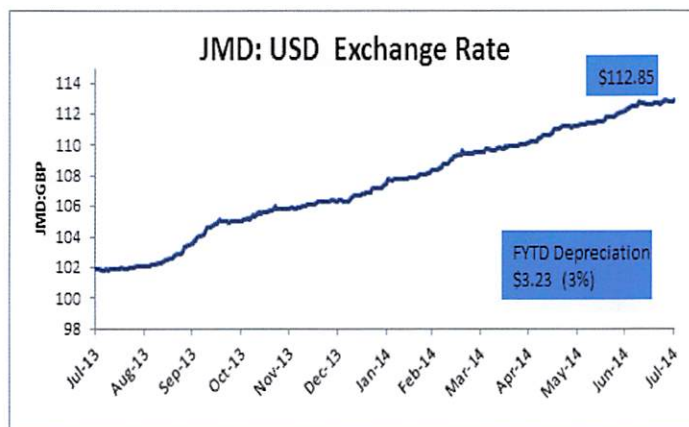
Monthly Exchange Rates Update

JMD:USD

At the end of July 2014, the value of the Jamaica Dollar depreciated by **JS0.65 (0.6%)** to **JS112.85=US\$1.00**. The relatively slower pace of depreciation occurred in the context of improved investor confidence primarily resulting from the successful issue of the US\$800 million bond by the GOJ as well as the successful completion fifth quarter of assessment under the EFF with the IMF.

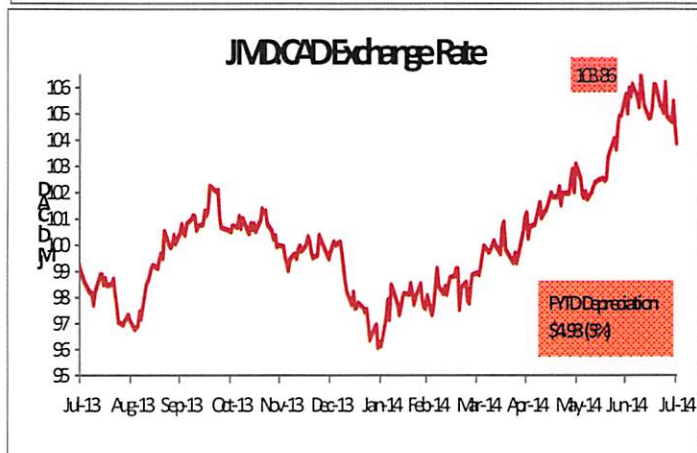
These among other factors contributed to a strong build up the net international reserves, which further stimulated investor confidence in the ability of the Bank of Jamaica to intervene in the market in the event of disorderly exchange rate movements.

For the FY-to-July 2014, the dollar depreciated by **JS3.23 (3%)**.



JMD:CAD

For July 2014, the Jamaica Dollar appreciated by **JS1.86 (1.8%)** relative to the Canadian dollar to end at **JS105.73=CAD1.00**. The increase in US dollar liquidity will shift demand for the CAD and hence cause the appreciation of the Jamaica Dollar relative to the CAD. For the fiscal year to July 2014, the Jamaica dollar depreciated by **JS4.93 (5%)**.



Data source: Bank of Jamaica

JMD:GBP

The Jamaica Dollar appreciated by **JS0.79 (0.4%)** relative to the Great Britain Pound during July 2014 to **JS191.11=GBP£1.00**. Given the improvements in the NIR, the pace of the depreciation in the three major trading currencies should temper in the short to medium term.

FX-Trends CYTD Changes						
	J\$/US\$	%	J\$/GBP	%	J\$/CAD	%
2014	6.47	6.1%	15.41	8.8%	4.14	4.2%
2013	8.88	9.5%	5.18	3.4%	5.56	6.0%
FX-Trends CY Changes						
2013	13.40	14.4%	27.03	18.0%	2.71	2.9%

Net International Reserves & Money Supply

July 2014 Issue

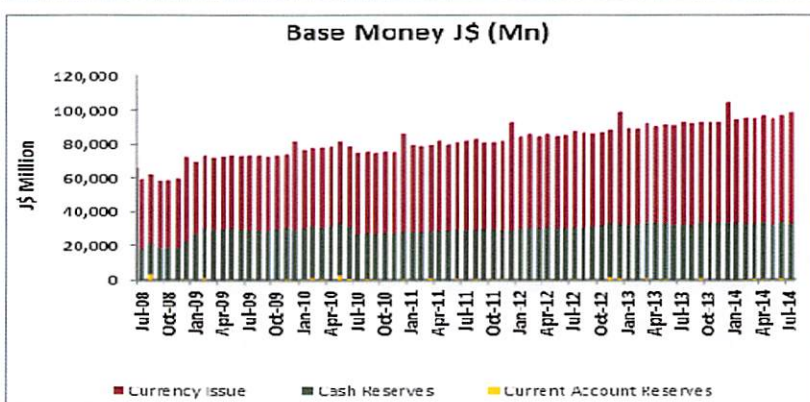
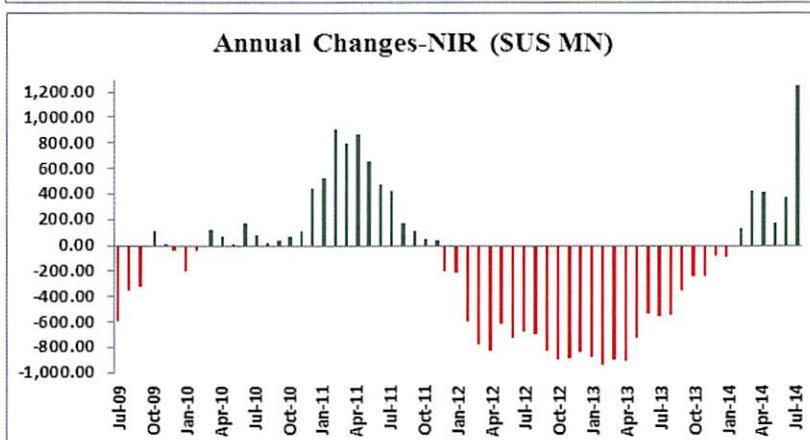
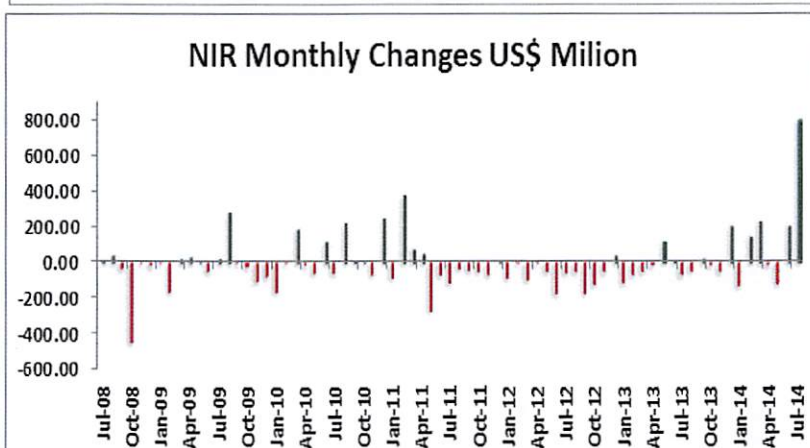
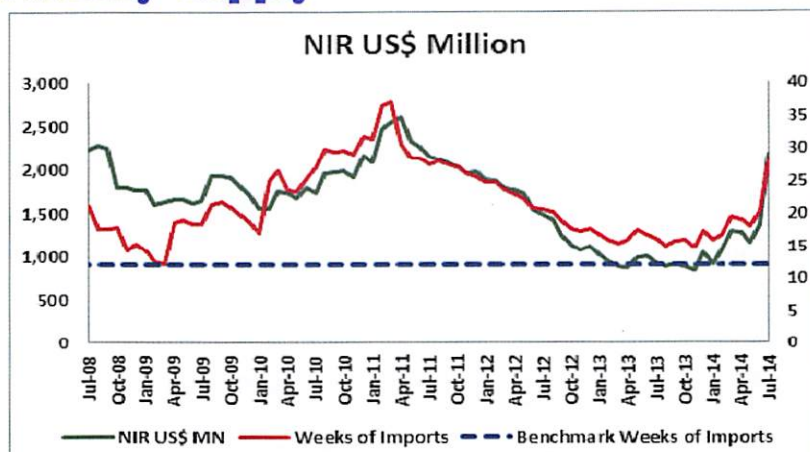
Net International Reserves

Data for end-July 2014 indicates that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **JS232.07 billion (US\$2,181.53 million)**. This reflects an increase of **JS85.68 billion (US\$805.40 million)** relative to June 2014. The change in the NIR for the month was due to an increase in foreign assets of **JS84.41 billion (US\$806.73 million)**, which largely reflects the successfully US\$800 million dollar bond issue by the GOJ earlier in the month. Additionally, the change in the NIR resulted from a decline in foreign liabilities of **JS1.3 billion (US\$11.94 million)**, primarily due to IMF payments.

At the end of July, the gross reserves were sufficient to finance **20.30** weeks of goods imports which represents **8.30** weeks over the international benchmark of **12** weeks of goods imports.

Monetary Base

The monetary base expanded by **JS1.51 billion (1.6%)** to **JS97.50 billion** for July 2014 relative to the previous month. The expansion in the base reflected net currency issue of **JS2.1 billion** and an increase of **\$143.1 million** in commercial bank's statutory reserves at the BOJ. The impact of these transactions was partially offset by a decline of **JS727.4 million** in commercial banks' current account balances. The expansion in the base resulted from the increase of **JS85.68 billion** in the Net International Reserves (NIR) which was partially offset by a decline of **JS82.48 billion** in the Net Domestic Assets (NDA).



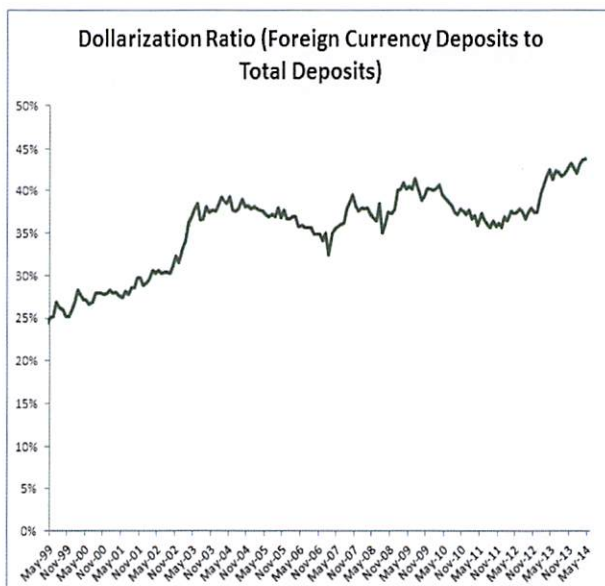
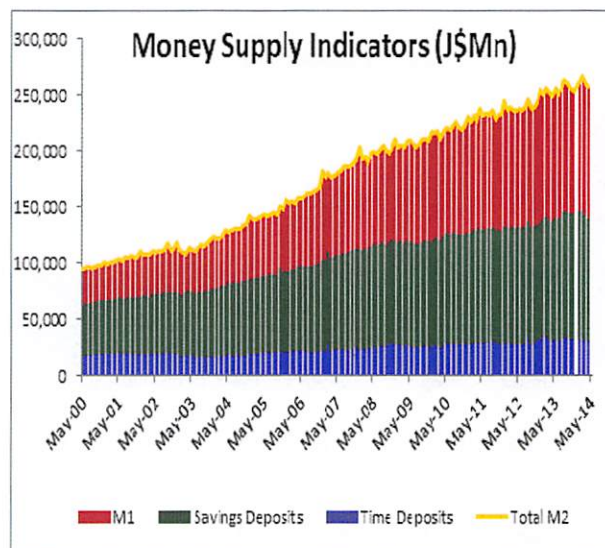
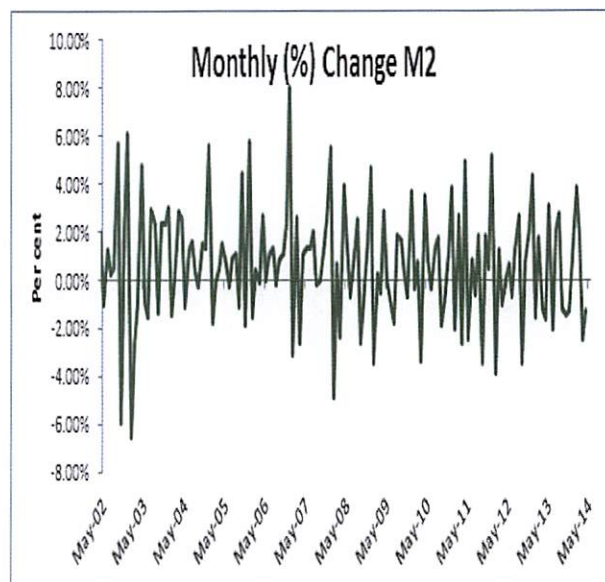
Net International Reserves & Money Supply

July 2014 Issue

Dollarization Ratio

The dollarization ratio increased marginally from **43.8%** to **43.9%** in May relative to April of 2014. The relatively stable ratio resulted from a slowdown in foreign currency deposits accumulation in commercial banking system for the first two months of FY2014/15 relative to total deposits. For the corresponding period of 2013, the dollarization ratio was **41%**, a decline of 1 pp from the previous month.

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



Money Supply

For the month of May 2014, money supply measured by the sum of Jamaica Dollar deposits and currency in circulation declined by **0.66%** (J\$1.7 billion) relative to April 2014. This movement brought the decline in money supply for the FY-to-April to **1.89%** (J\$4.9 billion) relative to **1.44%** (J\$3.6 billion) for the corresponding period of FY2013/2014.

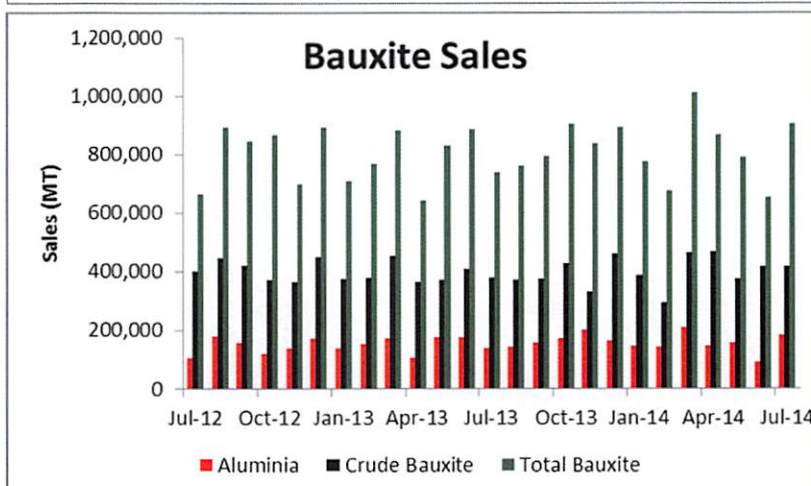
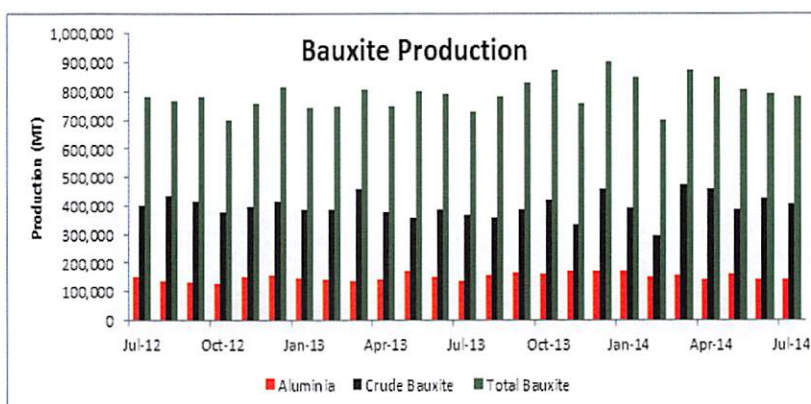
Domestic Bauxite And Alumina Production

July 2014 Issue

For July 2014, the production of Alumina was **140,359 tonnes**, representing a decrease of **1,850 tonnes**, relative to June 2014. This out-turn brought an annual change in Alumina production to a reduction of **1,685 tonnes (1.22%)**. For the month, the sale of alumina increased by **66,910 tonnes (98.5%)** relative to June 2014. Similarly, alumina sales increased by **44,139 tonnes (32%)** in comparison to June 2013. For the year-to-date, alumina exports decreased by **30,796 tonnes (5.24%)**.

The production of crude bauxite, which is bauxite mined for exports as well as total bauxite, the sum of bauxite mined for exports and bauxite converted to alumina fell in July 2014 relative to June 2014 by **17,893 tonnes (4.9%)**. Similarly, total bauxite for July fell by **6,589 0.8%**. Meanwhile, the sale of crude bauxite also fell by **993 tonnes (0.2%)**. In addition, the sale of total bauxite increased by **234,226 tonnes (22.65%)** for the month of July 2014 relative to July 2013.

For the calendar year to date, the production of crude bauxite increased by **113,859 tonnes (4.2%)**. Crude bauxite sales increased by **77,963 tonnes (2.9%)**. Similarly, the production of total bauxite increased by **5,280 tonnes (0.1%)**, while total bauxite sales for the calendar year to date increased by **145,565 tonnes (2.7 %)**. Gross bauxite revenues have fell fallen by **US\$711.5 million (52%)** since the recession of 2008 when compared to revenues of **US\$6573 M** in 2013.



PERIOD	PRODUCTION			SALES		
	ALUMINA	CRUDE BAUXITE	TOTAL BAUXITE	ALUMINA	CRUDE BAUXITE	TOTAL BAUXITE
MONTH						
2014	140,359	408,327	783,710	181,859	414,952	903,802
2013	138,674	367,853	727,180	137,720	380,108	736,867
% Chg 2014/13	1.22	11.00	7.77	32.05	9.17	22.65
2012	152,103	404,300	781,838	105,686	401,642	664,302
% Chg 2013/12	-8.83	-9.01	-6.99	30.31	-5.36	10.92
Y-T-D						
2014	976,000	2,841,581	5,389,241	1,075,955	2,816,589	5,625,562
2013	1,029,935	2,727,722	5,383,961	1,062,612	2,738,626	5,479,997
% Chg 2014/13	-5.24	4.17	0.10	1.26	2.85	2.66
2012	1,056,170	2,734,900	5,465,744	1,005,702	2,708,993	5,307,716
% Chg 2013/12	-2.48	-0.26	-1.50	5.66	1.09	3.25

Source: Jamaica Bauxite Institute (JBI)

Tourism

July 2014 Issue

Stopover tourist arrivals climbed to **1,074,336** for the period January 2014 to June 2014, representing a **1.4%** or **41,321** increase relative to the **1,033,015** recorded for the same period in 2013. However, when compared to the same period in 2012 in which the total number of stopover visitors amounted to **1,072,192**. For the current period January 2014 to June 2014, both categories foreign nationals and non-resident Jamaicans grew by **(1.4%)** and **(1.2%)** respectively.

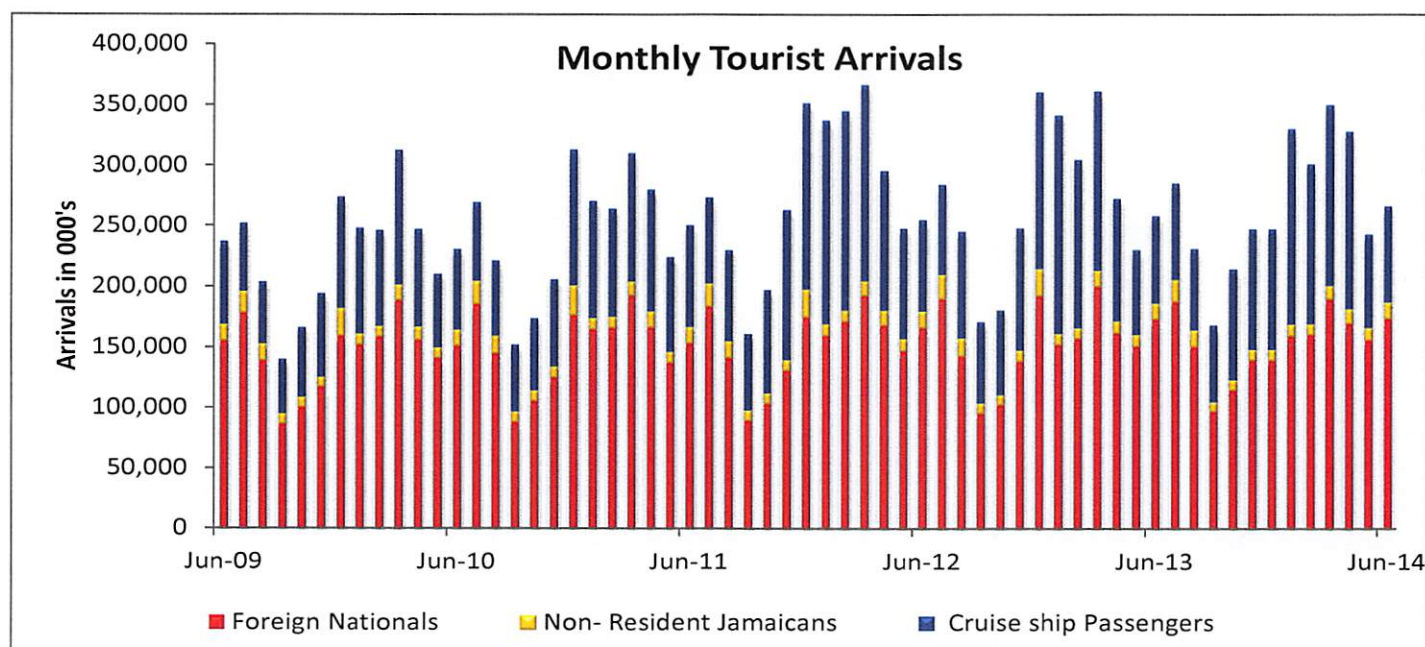
Total stopover arrivals in June 2014 were **187,083**. This represents an increase of **0.3%** over the **186,481** which was recorded in June of 2013. When compared to the same period in 2012, which recorded **179,814** visitors, current arrivals were higher by **7,269** or **3.9%**.

In May 2014 the total stop over arrivals stood at **166,249** which represents an increase of **3.4%** over stop over arrivals for May of 2013. When May 2014 is compared with May of 2012, arrival have increased by **5.7%**. The category foreign national increased by **3.5%** while Non-Resident Jamaicans increased by **6%**.

The increased in stopover arrivals to Jamaica for June 2014 is also reflected in the marked increased from most destinations. With the exception of the United States and the class "Others" which fell by **0.9%** and **0.6%**, all other market increased. Visitor arrivals from the Canada, Europe, the UK, and the Caribbean increased by **4.2%**, **4.6%**, **12.2%** and **0.6%**, respectively.

Cruise passenger arrivals increased significantly in June 2014 when compared to both arrivals for 2013 and 2012. Total arrivals in June 2014 stood at **79,447**. This represents an increase of **2,582** or **10.3%** when compared to 2013. In 2012, the total arrivals stood at **75,307**, this means that arrivals for June 2014 were greater by **4,140** or **5.5%**. Total arrivals for both stop over visitors and

Cruise passenger arrivals for January 2014 to June 2014 stood at **744,979**, at the same time in 2013 the figure was **709,733**, this means that total arrival for 2014 was **35,246** or **5%** greater than last year.



Stock Market Update

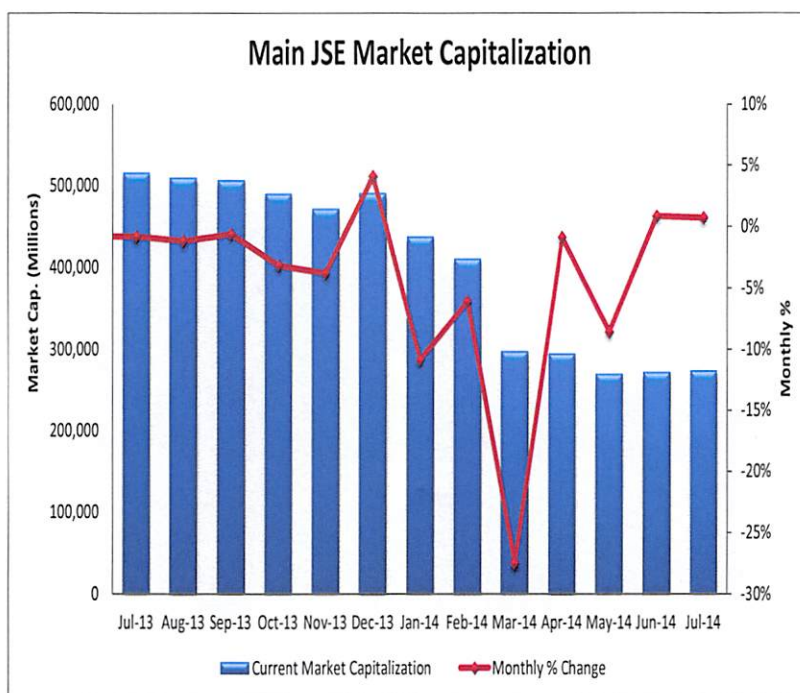
July 2014 Issue

The main JSE indices advanced in July 2014. In this regard, the main JSE market index advanced by **569.45 points (0.8%)** and closed at **71,308** while the JSE Combined Index declined by **491 points (0.68%)** and closed at and **72,755.38**. In contrast, the JSE Cross Listed Index and the JSE Equities Index remained firm and closed the month at **585.90** and **130.42** points respectively. Index declined by **0.72 points (0.55%)**.

Overall, the market activity for July resulted from trading in thirty one (31) stocks of which **12** advanced, **16** declined and **3** traded firm. In total, **64,908,301 units** of stock were traded during the month, which had a total value of **\$639,077,642.61**. This resulted in market capitalization of **\$273.97 billion** as at end July 2014, an increase of **JS\$1.89 billion 0.69%**, relative to the market capitalization value of **JS\$272.08 billion** as at end June 2014.

Sagicor Group Jamaica Limited was the volume leader for the month with **12,181,119 units (18.77%)** traded. Sagicor was followed by The Jamaica Money market Brokers Limited, which traded **11,970,720 units (18.44%)**. Next in line was the scotia Group Jamaica a total of **9,406,933 units (14.49%)** for the month.

The top three advancing stocks for the month of July were Sagicor Real X Fund (**10.83%**), Jamaica's Producers Group (**6.32%**), and Mayberry Investment Limited (**6.2%**) The stocks with the largest decline in prices were Desnoes and Geddes (**10.86%**), LIME (**9.09%**), Radio Jamaica (**5.43%**) and hardware and Lumber (**5.26%**)



Data Source: Jamaica Stock Exchange

For the calendar-year-to-date, the top four advancing stocks were, LIME (**88%**), Ciboney Group (**60%**), Hardware & Lumber (**47.54%**), and National Commercial Bank Jamaica (**15.93%**). Meanwhile, Pulse Investments (**65.52%**), Supreme Ventures (**29.86%**), Caribbean Cement Company (**27.43%**), and Mayberry Investment Limited (**22.5%**) were the top declining stocks for the calendar year to July 2014.

On the Junior Stock Market, a total of **50,143,195 units** of stock were traded during the month of July. This had a total value of **\$72,416,036.72 million** and resulted in market capitalization of **\$27,001.68 million**.

The continued marginal improvement in the main stock markets for July 2014 is indicative of an economy fighting to recover under trying circumstances. This positive development is a definite sign that the general economic recovery is progressing slowly but positively. It suggest that confidence is finally returning to the markets and this confidence is in line with confidence that the economy is moving in the right direction. See table on next page for winners and losers for June 2014.

Previous Highlights: May 2014 Summary

July 2014 Issue

Stabilization and growth of the Jamaican economy continues to improve during June 2014. This is manifested in the relatively slower pace of depreciation of the local currency against the United States Dollar, the relatively low inflation out turn, declining interest rates, improvement in the Net International Reserves, narrowing of the current account deficit, improvement in the stock markets, continued improvement in tourism and remittance levels. These developments suggest that the growth in real GDP of **1.6%** for the March quarter is influencing macroeconomic indicators and this should continue throughout 2014. For the June quarter, GDP growth is projected to fall within the range of **0.5%** to **1.5%**.

It is expected that in the short term growth in the economy is expected to continue due to improvements in Agriculture, Mining, Construction and Hotels and restaurants. Moving forward, the falling levels of exports will have a negative impact on economic activities. Another downside risks however is the impending drought conditions which will impact local food prices. In addition, an active hurricane season could compromise some of the positive development of the first two quarters of 2014.

There were price increases in **12** or **60%** of the **20** commodities monitored in the international markets for June 2014. Notably, the crude oil indices both increased. For the month, the Brent crude oil index rose by **2%**, the price per barrel for the WTI also increased by **3.2%**. The IMF's Fuel Energy Index increased by **2.02%**, while the Food and Beverage Index fell by **3.58%**. The tempered movement in food prices should impact Jamaica on or before the end of August 2014.

The monthly inflation rate for Jamaica increased by **0.1%**

for the month of June 2014, this represents a reduction of **0.9%** relative to the inflation rate of **1%** recorded for May 2014. Inflation for June 2014 brought inflation for the calendar-year-to-date to **2.5%** and the 12-month point to point rate at the end of April 2014 to **8.0%**. For the fiscal year 2014/15 to date the inflation rate is **0.8%**. This low Inflation out turn is expected to continue throughout 2014, that is, if there are no unforeseen events such as a hurricane or adverse oil price movements. If this forecast holds, the stability of the local currency will be further supported. In addition, with lower inflation, interest rates for 2014 should stabilize or continue on a downward path.

For the month of June 2014, the Jamaica Dollar depreciated by **J\$0.95 (0.9%)**, **J\$2.65 (2.6%)** and **J\$5.24 (2.8%)** relative to the US dollar, the Canadian dollar and the Great Britain Pound. The slower pace of depreciation in the Jamaica Dollar relative to the USD reflected the continuing improvement in the current account deficit that has resulted in reduced pressure on the value of the currency. The depreciation of the Jamaican dollar relative to the Canadian Dollar and the Pound largely reflected higher seasonal demand. The modest inflation out turn will continue to impact positively the pace of the depreciation of the local currency.

The decline of Treasury Bills yields of the 30-day, 90-day and 182-day tenors by **19bps**, **55bps** and **57bps**, respectively for the third consecutive month has significant pieces of good news about the economy. It implies that investors continue to believe that financial risks are declining and that inflation will be curtailed in the medium to longer term. In addition loan rates and deposit rates on both Jamaican and US funds fell marginally during the

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month. These numbers are indicative of an improving financial environment.

The relatively liquid monetary environment and the improving financial environment was also reflected in the stock of Net International Reserves (NIR) at the Bank of Jamaica which increased by US\$211.36 million to close the month at US\$1,376 billion. At the end of June 2014, the reserves were sufficient to finance **19.9** weeks of goods imports which represents **7.9** weeks over the international benchmark of **12** weeks of goods imports. As the current account deficit narrows and outflows of foreign currencies fall, the country's BOP and NIR should continue to show improvements over the next quarter.

Provisional data from the Bank of Jamaica for the March 2014 quarter reveals a current account deficit of **US\$100.6** million, an improvement of **US\$300.60** million relative to the corresponding quarter of 2013. This improvement primarily reflected positive changes in all sub-accounts. For the quarter, net private and official capital inflows amounted to **US\$364.3**, which was more than sufficient to finance the deficit of **US\$108.5** million on the current and capital accounts. As a result, there was an increase of **US\$255.8** million in the NIR for the period. The Bank's gross reserves at end-March 2014 amounted to **US\$2016.5** million. This represented **14.6 weeks** of projected goods and services imports.

There have been positive developments in the remittance inflows, the bauxite industry since the beginning of the year to June 2014. This is reflected in the positive movements for bauxite industry and tourism. The production of alumina and crude bauxite both increased by **3.29%** and **3.11%** respectively for the calendar year to June 2014. However, sales of alumina fell by **3.3%** but sales of crude

bauxite increased by **1.83%** for the same period.

Tourist arrivals climbed to **721,004** for the period January 2014 to April 2014, this represents a **1.2%** or **8,800** stop-over arrivals more than the **712,204** which was recorded for the same period in 2013. However, when compared to the same period in 2012 in which the total number of stopover visitors amounted to **735,182**, which were **14,178** or **2%** lower than current arrivals. For the current period January 2014 to April 2014, both categories foreign nationals and non-resident Jamaicans grew by **464 (1.1%)** and **8,336 (1.2%)** respectively.

Gross remittance inflows for the month of March 2014 stood at **US\$187.8** million. This represents an increase of **US\$9.4** million (**5.3%**) increase relative to March of 2013. Net remittances for March 2014 were **US\$171.5** million, this represent an increase of **US\$10.8** million or **6.7%** when compared to March of 2013.

The main JSE indices advanced in June 2014. In this regard, the main JSE market index and the JSE Combined Index advanced by **480.66 points (0.68%)** and **445.82 points (0.61%)**. In contrast, the JSE Cross Listed Index remained firm and closed the month at **585.90** points while the US Equities Index declined by **0.72 (0.55%)**. The marginal improvement in the main stock markets for June 2014 marks the revival of the stock market following months of decline. This positive development is a definite sign that the general economic recovery is progressing positively.

Statistical Index: Major Macro-Economic Indicators

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	Monthly Inflation	Saving Rate	Lending Rate	Exchange Rate	NIR	Remittance	Tourist Arrival	Oil Price Brent	Oil Price WTI
Month	%	%	%	JS/US\$	US\$B	US\$M	000	US\$ Per barrel	US\$ Per barrel
Jan-12	0.40	2.45	18.13	86.78	1.88	149.70	337099.83	119.70	102.26
Feb-12	0.80	2.25	17.13	86.91	1.87	167.24	345007.10	124.93	106.15
Mar-12	0.50	2.19	19.03	87.25	1.78	187.87	366518.14	120.59	103.28
Apr-12	0.40	2.19	19.04	87.33	1.77	180.11	295857.89	120.59	103.28
May-12	0.50	2.24	18.76	87.75	1.72	166.65	247936.94	110.52	94.51
Jun-12	0.60	2.14	18.65	88.48	1.54	175.16	255121.22	95.59	82.36
Jul-12	-0.30	2.02	18.92	89.24	1.48	168.89	284514.20	103.14	87.89
Aug-12	0.50	2.00	18.84	89.73	1.43	170.13	245203.77	113.34	94.11
Sep-12	1.90	2.02	18.70	89.90	1.26	159.37	171228.72	113.38	94.61
Oct-12	0.90	2.14	18.53	90.64	1.13	163.37	180835.05	111.97	89.52
Nov-12	0.60	2.05	18.42	91.46	1.08	157.79	248141.39	109.71	86.69
Dec-12	1.00	2.10	18.44	92.65	1.13	196.18	360493.53	109.64	88.19
Jan-13	0.70	1.98	18.23	93.45	1.01	153.98	341364.71	112.93	94.65
Feb-13	0.60	1.82	18.09	95.66	0.94	160.11	304888.95	116.46	95.30
Mar-13	1.40	1.80	17.97	97.76	0.88	178.42	361131.32	109.24	93.12
Apr-13	0.40	1.67	17.92	99.55	0.87	180.15	272890.76	102.88	92.02
May-13	0.50	1.74	17.77	99.12	0.99	181.54	230391.96	103.03	94.72
Jun-13	0.20	1.61	17.66	100.82	1.00	166.03	258535.20	103.11	95.79
Jul-13	0.50	1.71	17.58	101.76	0.93	170.54	285601.08	107.72	104.55
Aug-13	0.40	1.81	17.53	101.94	0.88	177.77	231204.84	110.96	106.55
Sep-13	2.80	1.97	17.45	102.64	0.91	163.37	168649.65	111.62	106.31
Oct-13	0.80	1.97	17.48	104.65	0.89	170.75	214430.28	109.48	100.50
Nov-13	0.50	2.03	17.44	105.60	0.84	167.79	247512.21	108.08	93.81
Dec-13	0.60	2.04	17.49	106.15	1.05	194.50	247511.69	110.63	97.90
Jan-14	0.50	1.77	17.33	106.90	0.92	158.20	361423.60	107.57	95.00
Feb-14	0.10	1.85	16.45	107.93	1.07	168.30	330200.86	108.81	100.70
Mar-14	1.10	1.98	17.57	109.21	1.30	187.80	349980.00	107.41	100.57
Apr-14	-0.30	2.26	17.66	110.16	1.29	NA	328304.00	107.88	102.18
May-14	1.00	2.12	17.35	111.26	1.17	NA	NA	109.68	102.00
Jun-14	0.10	NA	NA	112.20	1.38	NA	NA	111.87	105.24

KEY

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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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