



MONTHLY ECONOMIC BULLETIN

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The CEO'S Remarks

Jamaica has achieved much over the years, by reducing debt, inflation as well as increasing business and consumer confidence. But there is still much improvement needed and much to be done. Various strategies have been implemented over the years by the different government each having their various effects on the economy.

The key areas of focus for change are identified in the most problematic areas for doing business listed in the 2016/2017 World Bank Global Competitiveness Report which are crime and theft, inefficient government bureaucracy, tax rates, corruption and poor work ethic in the national labour force. In addition, these areas housing and migration could also be considered.

Crime has a significant impact on the society. Criminal activity allows the consumption of illicit goods or services affecting not only the local market but also puts at risk the health of consumers. Crime imposes great costs to the public and private actors, such as stolen and damaged goods, lost lives, security spending, pain and suffering.

Inefficient Government Bureaucracy continues to be one of the leading problems when doing business in Jamaica. The public sector is skewed towards operate inefficiently due to lack of competition, as seen in the private sector. This can be seen in the public health sector, especially with the concerns that was brought to the forefront at Cornwall Regional Hospital in Montego.

Jamaica's current tax system is stifling the private sector and economic growth at large. It is true also that Jamaica is currently an efficiency driven

economy, which means economic growth is driven by good business conditions. Between 2014 and 2015 the Jamaican Government has introduced a minimum business tax, three percent withholding tax, and increased the rate for property tax, among other tax initiatives. The minimum business tax involves the tax of \$60,000 per annum levied on all registered companies which have revenues greater than \$5 million, while property tax varies. Because the MBT is charged prior to any income being made, it could act as a deterrent to persons wanting to formalize a business operation.

Without any deep thought, it is easy to see how poor work ethics in the labour force do affect businesses. How businesses deal with internal relations will impact its external relationships. In other words, poor business ethics will transpire into poor operations which lead to low productivity.

Illegal settlements can have serious social and economic developmental implications, as it is seen as a significant contributor to crime and other societal problems like waste collection and disposal, and thereby affects the economic development potential of the country. Housing investment, however, has taken place in isolation from the wider economic context for some time now in Jamaica. Governments are urged to provide housing growth plans which present an opportunity to improve the use of housing as an enabler of economic growth.

The advancement of the country weighs heavy on the decisions the government will take to alleviate the concerns listed above. Given the maturity and progress we have shown over the past four years, I am confident we can address these.

Economic Highlights April 2017

PSOJ and JMMB Annual Economic Forum

Integration and globalization have made it impossible for countries to avoid the effects of changes in the international environment. An example of this is the recent and commonly referred to 2007-2008 financial crisis which affected majority and possibly all the world. The breakdown within the global environment within the two years has encouraged countries and particularly businesses to take key note of the economic trend within the uncertain global environment. International markets fluctuate frequently and Jamaica, being a developing economy, is at risk of being greatly affected by any severe negative shock in the global environment. Careful monitoring of global activities can help the country alleviate the impact of negative externalities and reap the benefits from positive externalities. Join the PSOJ and JMMB at the Annual Economic Forum under the theme “Global Expectations: Predicting Economic Trends in an uncertain global environment - Implications for Jamaican Companies” as we look at the global environment in respect an its effects locally. *For more information see flyer on page 6.*

- ⇒ At the end of May 2017, the monthly average value of the Jamaican Dollar depreciated against the US dollar and the Great Britain Pound while the value appreciated against the Canadian dollar. The Dollar depreciated against the US\$ by \$1.26 or 0.978% to end at J\$130.13=US\$1.00. The value of the Great Britain Pound depreciated by J\$5.96 or 3.686% to end at GBP1.00=J\$167.65. The value dollar appreciated by J\$1.10 or 1.134% against the Canadian Dollar to end at CAD\$1.00=J\$95.91.
- ⇒ Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.1% for the period May 2017 over April 2017. The increase in the rate for May 2017 over April 2017 brought inflation calendar year-to-date to 1.4% and inflation for the fiscal year to May 2017 was 0.4% and the point-to-point rate was 4.6%.
- ⇒ Data for the month ending May 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$340.965 billion (US\$2,672.77 million).
- ⇒ The monetary base decreased by J\$0.048 billion to J\$143.919 billion for May 2017 relative to April.
- ⇒ For the month of May 2017 relative to April 2016, yields on the Government of Jamaica 30-day, 90-

Economic Highlights April 2017

day and 182-day treasury bills decreased by 7bps, 29bps and 17bps respectively.

⇒ Stopover tourist arrivals for March 2017 were 212,600. This month's total was 25,930 or 13.89% higher than the 186,670 in February 2017. This year's March total is an increase of 3.2% over the 219,673 recorded in March 2016. A total of 234,251 cruise passengers visited Jamaica in March 2017. This represented a 41,587 or 21.58% overall decrease compared to the 192,664 recorded in January 2017. For the corresponding period in 2016 total cruise passengers was 229,111 hence this year's total was 2.2% less.

⇒ The weighted average lending rate on domestic currency loans moved from 16.12% in January to 14.98% in February. The weighted average domestic interest rates on deposits for the February relative to January increased. The moved from 1.41% in January to 1.42% in February. The weighted average lending rate on

domestic currency loans increased by 7bps to end the month at 7.27% relative to 7.21% from the previous month. The interest rates on foreign currency deposits for the month ending decreased by 18bps for the period February relative to January.

⇒ There were price reductions observed in 42.86% (9) of the commodities monitored for May 2017. Both the price of Brent and the WTI decreased for the period May relative to April. The Brent decreased by 4.13% and the WTI decreased by 5.10%. Natural gas price increased by 1.30% for the period May over April. The IMF's Fuel Energy index decreased by 4.447%, while the Food and Beverage Index increased by 3.45%. The all commodity price index decreased by 2.317%.



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Guest Speaker:

Mr. Sree Ramaswamy

Partner, Lead Researcher

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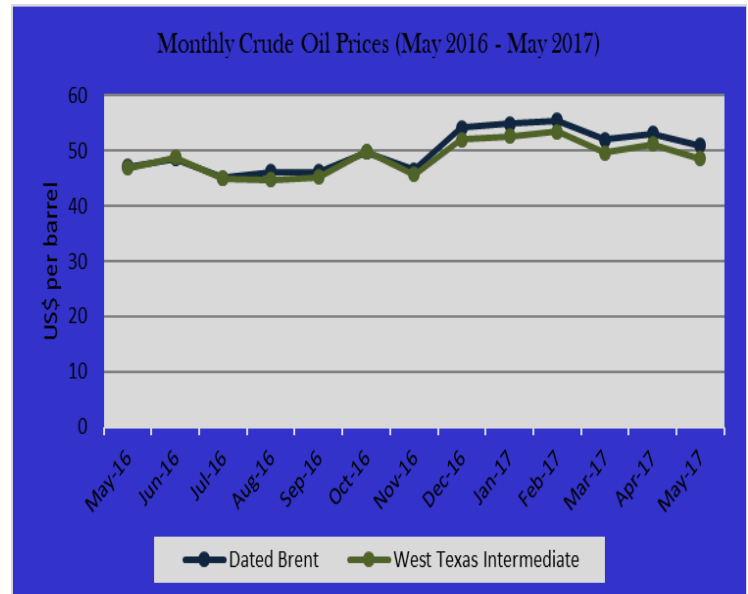
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International Commodity Prices

Crude Oil Prices

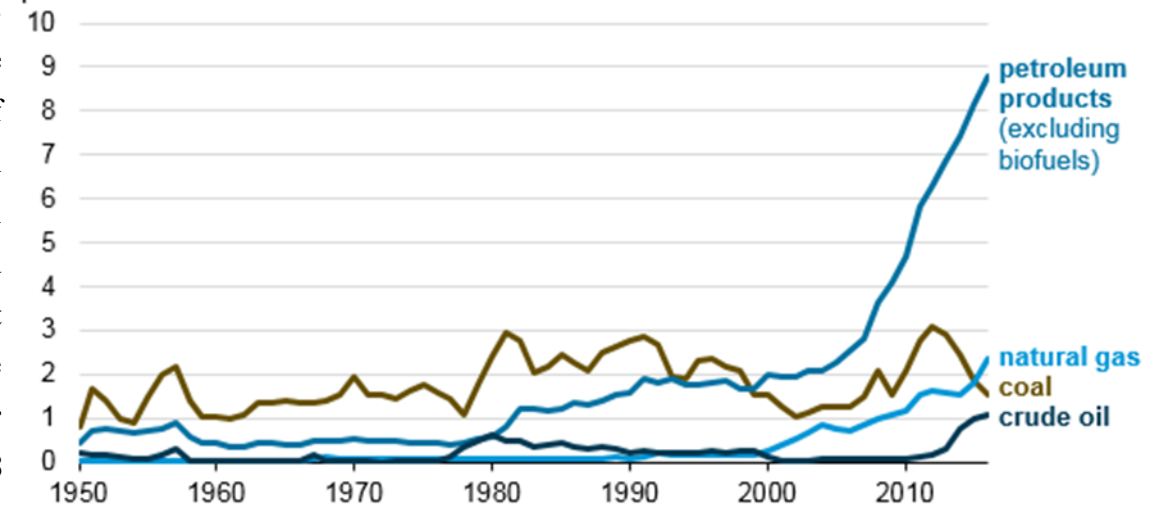
For the month ending May 2017, the average price of both the Dated Brent and the West Texas Intermediate (WTI) decreased. The Brent ended the month of May at **US\$50.87 per bbl**. This represented a **US\$2.19** or **4.13%** decrease from the **US\$53.06 per bbl** recorded for the previous month. The West Texas Intermediate (WTI) ended the month at **US\$48.56**. This represented a **US\$2.61** or **5.10%** decrease relative to last month. A one-year comparison of prices revealed that this year's price for the Brent is **7.935%** or **US\$3.74 per bbl** higher. When compared to last year's price, this year's WTI price is **3.65%** or **US\$1.71** higher. When compared to the price level two years ago, the Brent is **21.20%** below



2017. US Energy Information Administration (EIA) forecasts OPEC crude oil production will average 32.3 million barrels per day (b/d) in 2017 and 32.8 million b/

and the WTI is **18.06%** below. The 5-year average of prices ranging from May 2012 to April 2017 for the Dated Brent and the West Texas Intermediate are **US\$78.89 per bbl** and **US\$72.018 per bbl**

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



respectively. This month's price was **36%** below the 5-year average of prices for the Brent and **32.57%** for the WTI.

The Organization of the Petroleum Exporting Countries (OPEC) met on May 25 and announced an extension to voluntary production cuts through March 2018 that were originally set to end in June

d in 2018. EIA forecasts that implied global petroleum and liquid fuels inventories will decline by about 0.2 million b/d in 2017 and then increase by an average of 0.1 million b/d in 2018. For the 2017 summer driving season (April–September) the EIA forecasted that the U.S. regular gasoline retail prices will average \$2.46/gallon (gal), compared with \$2.23/gal last summer. The

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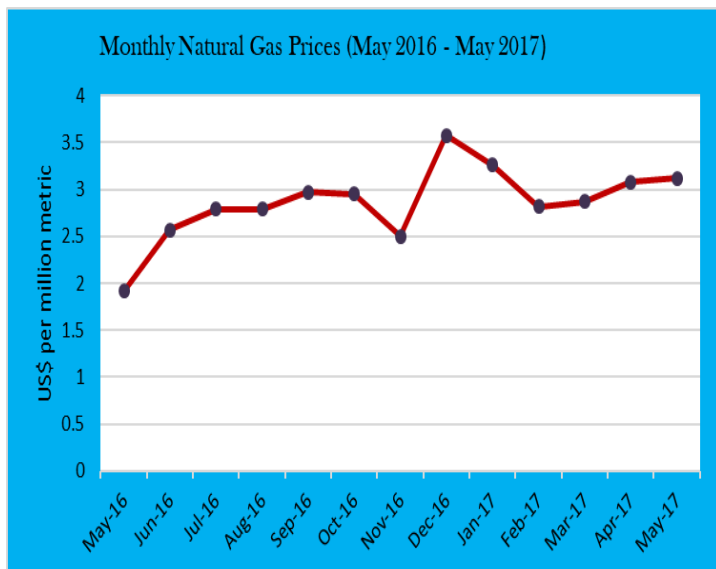
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International Commodity Prices

May 2017 Issue



million metric, hence, this year's May price was **US\$0.1163** or **3.59%** below.

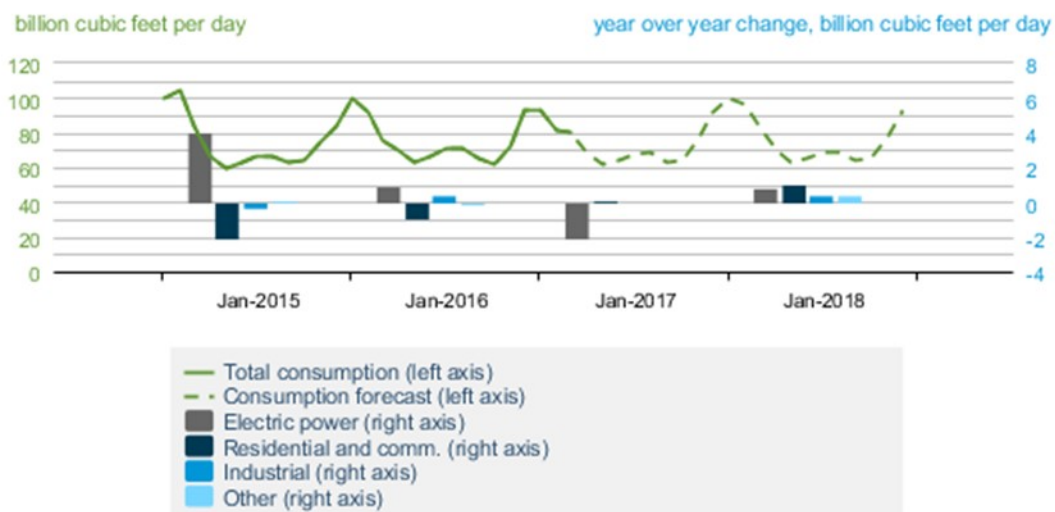
In May, the average Henry Hub natural gas spot price was \$3.15 per million British thermal units (MMBtu), 5 cents/MMBtu higher than in April. New natural gas export capabilities and growing domestic natural gas consumption contribute to the forecast Henry Hub natural gas spot price rising from an average of \$3.16/MMBtu in 2017 to \$3.41/MMBtu in 2018.

higher forecast gasoline price is primarily the result of a higher forecast crude oil price. The forecast annual average price for regular gasoline in 2017 is \$2.38/gal.

Natural Gas

For the month ending May 2017, natural gas price increased. The price for natural gas ended at **US\$3.12** per million

U.S. natural gas consumption



metric which represented an increase of **US\$0.04** or **1.30%**. In May 2016, natural gas per million metric was valued at **US\$1.92** signifying that this year's price is **US\$1.2** or **62.5%** higher. A two-year comparison revealed that natural gas prices have increased by **US\$0.28** or **9.86%** per million metric.

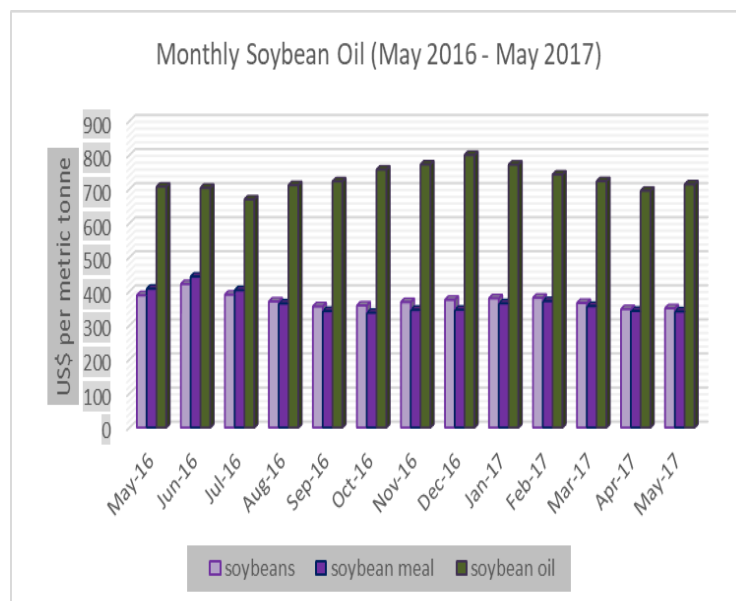
The five-year average monthly price for natural gas ranging from May 2012 to April 2017 is **US\$3.24** per

Soybean Prices
For the month ending May 2017, soybean price per metric tonne was **US\$350.18**. This denoted a **US\$2.32** or **0.67%** increase from April's value of **US\$347.86** per metric tonne. In May, this year, the average price of soybean meal decreased while the average price of the soybean oil increased. Soybean meal prices ended the month at **US\$ 341.04** per metric tonne. This

International Commodity Prices

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represented a decrease of **US\$1.59** or **0.46%**. At the end of May, the price per metric tonne for soybean oil stood at **US\$714.07** representing a **US\$18.77** or **2.70%** increase compared to the previous month. A one-year comparison revealed that prices for soybean decreased by **9.86%** or **US\$38.33**. This month soybean price was **US\$1.77** or **0.5029%** lower than its price two years ago. When compared to the corresponding period last year the soybean meal price was **US\$66.46** or **16.31%** lower. Soybean oil price was above last year's price by **US\$7.04** or **0.9957%**. A two-year comparison of prices for soybean meal revealed that this year's price is above the two year price by **US\$0.57** or **0.1674%**. When the May 2017 soybean oil price was compared to corresponding period in 2015 this year's price is **US\$2.42** or **0.3377%** below. The five-year average monthly price for soybean ranging from May 2012 to April 2017 is **US\$436.99** per metric tonne, which means that May's price was **US\$86.81** or **19.86%** lower. The five-year average monthly price for soybean meal ranging from May 2012 to April 2017 is **US\$422.05** per metric tonne, which means that May's price was **US\$81.01** or **19.19%** lower. The five-year average monthly price for soybean oil ranging from May 2012 to April 2017 is **US\$843.82** per metric tonne, which means that May's price was **US\$129.75** or **15.38%** lower.



Sugar Prices

At the end of May 2017, the average price of the Free Market Sugar ended the month at **US\$0.1569** cents per pound. This represented a decrease of **US\$0.0071** or **4.33%** when compared to the previous month. For the US Sugar imports, the average price decreased from **US\$0.2872** in April to **US\$0.2843** in May this year. This represented a decrease of **US\$0.0029** or **1.01%** cents per pound. At the end of May 2017, the European Sugar imports ended the month at **US\$0.2151** cents per pound. This represented a **US\$0.005** or **2.38%** increase compared to the previous month. For the period May 2017 relative to May 2016, the price of Free Market sugar increased by **US\$0.0171** or **9.827%** cents per pound. A one-year comparison revealed that the price of the US Sugar imports has increased by **US\$0.0222** or **8.470%**, while the European sugar imports price has decreased by **US\$0.0264** or **10.93%** for the same period. In May 2015, the price for the Free Market sugar was **US\$0.127** cents per pound, which means that this year's April price is **US\$0.0299** or **23.543%** higher. The price of the US sugar imports is **US\$0.0371**



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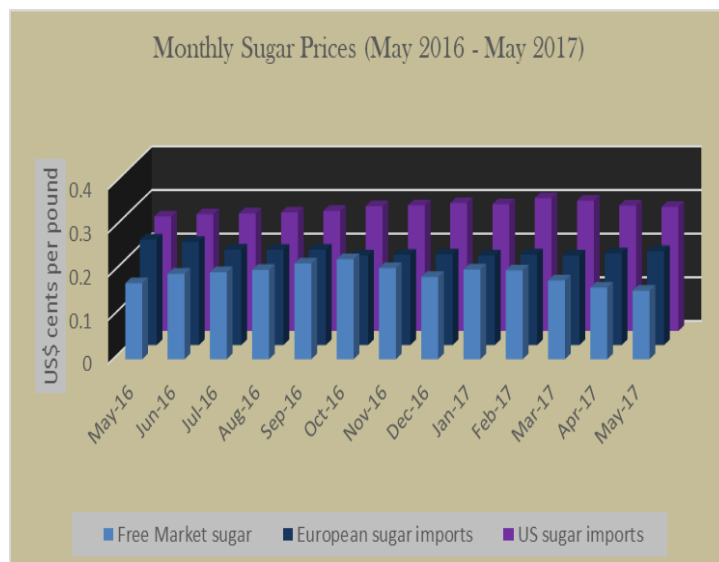
International Commodity Prices

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or **15.01%** higher than the 2015 price while the price of the European Sugar imports is **US\$0.0422** or **16.40%** lower than the 2015 price. The 5-year average of prices ranging from May 2012 to April 2017 for the US imports and the European imports are **US\$0.2508** cents per pound and **US\$0.2518** cents per pound respectively. Hence, the price of US imports is above its long-term average by **13.34%** while the European imports is below its average by **14.56%**.

Coffee Prices

For the month ending May 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\$1.5118** cents per pound representing a decrease of **US\$0.0472** or **3.03%**. A one-year comparison revealed that this month's price was **US\$0.0422** or **2.715%** lower than last year's May price. Robusta Coffee ended the month at **US\$1.0147** cents per pound. This month's price is below the previous month's price by **US\$0.0478** or **4.50%**. A one-year comparison revealed that the price of coffee in the Robusta category has increased by **US\$0.1044** or **11.47%**. A two-year comparison revealed that prices have fallen by **4.419%** for coffee of the 'Other Mild Arabica's category while prices rose by **7.546%** for coffee in the Robusta category. The five-year average monthly prices ranging from May 2012 to April 2017 for Arabica and Robusta are **US\$1.677** and **US\$1.009** respectively. This implies that this year's May price for the Arabica was **9.881%** lower



than the average price while the Robusta coffee was **0.5572%** higher than its average price.

Cocoa Bean Prices

For the month ending May 2017, cocoa bean prices increased relative to the previous month. Prices decreased by **US\$22.07** per metric tonne or **1.13%** to close at **US\$1,983.23** per metric tonne. A one-year comparison revealed that this year's price is lower by





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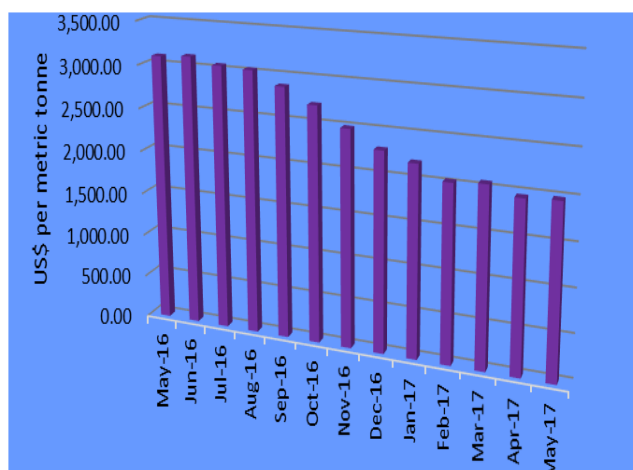
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Monthly Cocoa Beans Prices (May 2016 - May 2017)



US\$1,115.16 or 35.99%. A two-year price comparison showed that the May 2017 price for cocoa beans is lower by **US\$1,112.76 or 35.94%** than its price in May 2015. The five-year average of monthly prices ranging from May 2012 to April 2017 for cocoa bean is **US\$2,763.95** per metric tonne, this means that this year's May price was **US\$780.72 or 28.25%** lower.

Orange Prices

For the month ending May 2017, orange prices decreased. Prices decreased by **10.90%** or **US\$92.57** per metric tonne to end at **US\$756.8** per metric tonne relative to the previous month. When compared to the same period in 2016, this year's price was **US\$7.94 or 1.038%** lower. A two-year comparison revealed that prices have risen by **US\$148.16 or 24%**. The five-year average monthly price ranging from May 2012 to April 2017 is **US\$844.28**, indicating that this month's price was **US\$87.48 or 10.36%** lower.

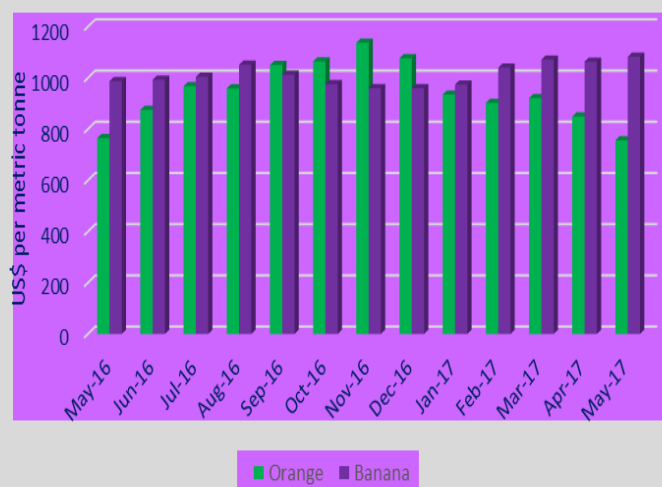
Banana Prices

Banana prices for the month ending May 2017 increased relative to May. In this regard prices increased by **1.83%** or **US\$19.51** to end at **US\$1,083.05** per metric tonne. For May 2017, relative to May 2016, banana prices increased by **US\$95.48 or 9.668%** per metric tonne. A two-year comparison revealed that this year's price is above the May 2015 price of **US\$946.79** per metric tonne by **US\$136.26 or 14.39%**. The five-year average monthly prices ranging from May 2012 to April 2017 is **US\$960.46**, this means that this year's price was **US\$122.59 or 12.76%** above.

Corn Prices

For the month ending May 2017, corn prices increased. Prices increased by **US\$2.15 or 1.37%** relative to April, to close the month at **US\$158.59** per metric tonne. Between May 2017 and May 2016 prices decreased by **US\$10.33 or 6.115%**. A two-year price comparison showed that this year's price was **US\$7.71 or 4.636%** lower. The five-year monthly average for corn prices

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



International Commodity Prices

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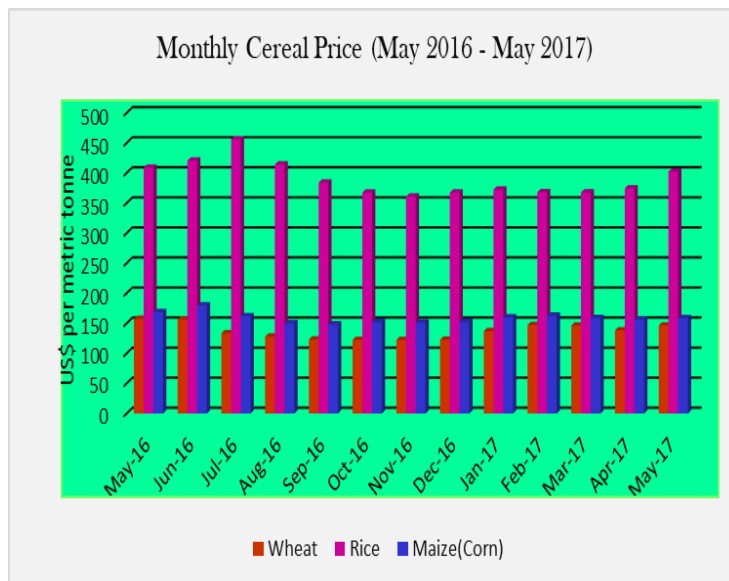
ranging from May 2012 to April 2017 is **US\$208.02** per metric tonne, this means that this month's price was **US\$49.43** or **23.76%** lower.

Wheat

For the month ending May 2017 wheat prices increased. Prices increased by **US\$7.98** or **5.84%** relative to April 2017 to end at **US\$146.49** per metric tonne. Relative to May 2016, prices have fallen by **US\$11.04** or **7.008%** per metric tonne. A two-year comparison of wheat prices showed that this year's May price was **US\$46.66** or **24.16%** below the May 2015's price. The average five-year monthly prices ranging from May 2012 to April 2017 is **US\$216.14** per metric tonne, meaning that this year's May price was **US\$69.65** or **32.23%** below.

Rice

For the month ending May 2017 the price of the 5 percent broken milled white rice ended at **US\$402.26** per metric tonne. This value was **US\$27.76** or **7.41%** above the **US\$374.5** in April. This month's price is below the May 2016 price by **US\$6.56** or **1.605%**. A two-year comparison revealed that the commodity's price was **US\$19.83** or **5.185%** higher than its price in 2015. The five-year monthly price average for rice prices ranging from May 2012 to April 2017 is **US\$445.96** per metric tonne, indicating that May's price was **US\$43.70** or **9.80%** below the long term average.



Beef Prices

In May 2017, beef prices increased. Prices increased by **US\$0.0753** or **3.90%** when compared to the previous month, to close at **US\$2.0041** cents per pound. When compared to May 2016, prices have risen by **US\$0.2096** or **11.68%** cents per pound. In May 2015 prices were **US\$1.9921** cents per pound hence this year's price was **US\$0.012** or **0.6024%** above the 2015 price. The five-year average for prices ranging from May 2012 to April 2017 is **US\$1.944** cents per pound indicating that this month's price was **US\$0.060** or **3.087%** above.

Swine (Pork) Prices

For the month ending May 2017 the price of pork increased relative to the previous month. The price of pork was **US\$0.6825** cents per pound. This represented a **US\$0.0864** or **14.49%** increase from April's price of **US\$0.5961**. When compared with May 2016, prices decreased by **US\$0.0574** or **7.758%**. Prices are below the price level 2-years ago by **US\$0.0907** or **11.73%**. It

International Commodity Prices

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is below the 5-year average of **US\$0.7926** for prices ranging from May 2012 to April 2017 by **US\$0.1101** or **13.89%**.

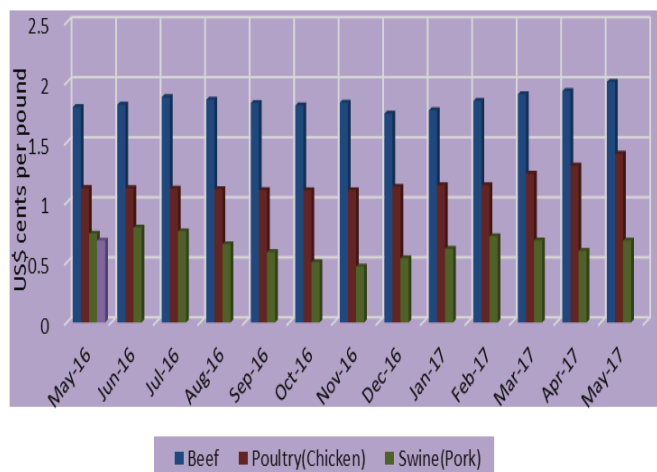
Poultry Prices

For the month ending May 2017 chicken prices increase relative to April 2017. At the end of the month chicken was valued at **US\$1.4063** cents per pound, representing an increase of **US\$0.0993** or **7.60%** from April. The price in May 2017 was approximately **US\$0.2865** or **25.58%** higher than the May 2016 price. In May 2015, the price for poultry was **US\$1.1596** cents per pound, indicating that this year's price was **US\$0.2467** or **21.27%** higher. The average monthly price ranging from May 2012 to April 2017 is **US\$1.088** cents per pound, this means that this year's price was **US\$0.3181** or **29.23%** more.

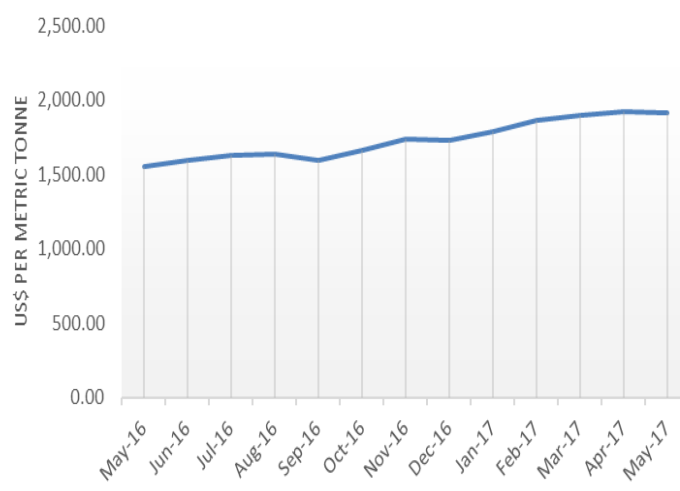
Aluminum Prices

The price of aluminum decreased in May 2017 relative to the previous month. Prices decreased by **US\$8.20** or **0.43%** to end the month at **US\$1,913.02** per metric tonne. For May 2017 relative to May 2016, prices increased by **US\$362.39** or **23.37%** per metric tonne. A two-year comparison revealed that this year's price was **US\$108.98** or **6.04%** above the price for the corresponding period in 2015. The five-year average for monthly prices ranging from May 2012 to April 2017 for aluminum is **US\$1,782.53** per metric tonne, this means that this year's May price was **US\$130.49** or **7.32%** higher.

Monthly Meat Prices (May 2016 - May 2017)



Monthly Aluminum Prices (May 2016 - May 2017)



Impact of global prices on Jamaica

There were price reductions observed in **42.86% (9)** of the commodities monitored for May 2017. Both the price of Brent and the WTI decreased for the period May relative to April. The Brent decreased by **4.13%** and the WTI decreased by **5.10%**. Natural gas price increased by **1.30%** for the period May over April. The IMF's Fuel Energy index decreased by **4.447%**, while the Food and Beverage Index increased by **3.45%**. The all commodity price index decreased by **2.317%**.

The Food and Agriculture Organization of the United Nations (FAO) Food Price Index (FFPI) averaged 172.6 points in May 2017, up 3.7 points (2.2%) from April and nearly 16 points (10%) higher than its May 2016 level. The rebound in the value of the Index followed three months of consecutive declines. The FAO Cereal Price Index averaged 148.1 points in May, up 2 points (1.4%) from April, but still 4.4 points (2.9%) below its value of May 2016. Weather developments and stronger trade activity underpinned wheat export prices. Large global availabilities prevented strong

gains in maize export prices. The FAO Meat Price Index averaged 71.7 points in May, up 2.5 points (1.5%) from April, continuing the trend of modest price increases observed since the beginning of the year. The FAO sugar price index averaged 227.9 points in May, down 5.4 points (2.3%) from April and marking a 13-month low. Sugar prices were heavily affected by higher-than-expected sugar output in Brazil's centre-south region, combined with the sudden slide in the Brazilian Real.

Commodity	Unit	April Price	May Price	Monthly Change %
Aluminum	Metric tonne	1921.22	1913.02	-0.43
Bananas	Metric tonne	1063.54	1083.05	1.83
Beef	Pound	1.9288	2.0041	3.9
Cocoa Beans	Metric tonne	1961.16	1983.23	1.13
Coffee-Arabicas	Pound	1.559	1.5118	-3.03
Coffee-Robusta	Pound	1.0625	1.0147	-4.5
Corn-Maize	Metric tonne	156.44	158.59	1.37
Natural gas	MMBTU	3.08	3.12	1.3
Crude Brent	Barrel	53.06	50.87	-4.13
Crude West Texas Intermediate	Barrel	51.17	48.56	-5.1
Oranges	Metric tonne	849.37	756.8	-10.9
Pork (Swine)	Pound	0.5961	0.6825	14.49
Poultry	Pound	1.307	1.4063	7.6
Rice	Metric tonne	374.5	402.26	7.41
Soybean	Metric tonne	347.86	350.18	0.67
Soybean meal	Metric tonne	342.63	341.04	-0.46
Soybean oil	Metric tonne	695.3	714.07	2.7
Sugar (free market)	Pound	0.164	0.1569	-4.33
Sugar US (Import)	Pound	0.2101	0.2843	-1.01
Sugar European (Import)	Pound	0.2872	0.2151	2.38
Wheat	Metric tonne	138.41	146.49	5.84

International Commodity Prices

May 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				
Food														
Cereals														
Wheat	\$/MT	190.1	194.5	280.0	276.1	265.8	242.5	185.6	181.1	192.8	199.7	202.7	201.0	199.3
Maize	\$/MT	165.5	186.0	291.8	298.4	259.0	192.9	169.8	151.8	158.7	163.0	166.4	166.4	166.4
Rice	\$/MT	389.4	520.6	551.7	580.2	518.8	426.5	380.2	351.8	305.3	305.3	305.3	305.3	305.3
Barley	\$/MT	128.4	158.4	207.2	238.2	206.4	146.1	127.9	120.5	133.4	128.9	128.4	127.7	127.0
Vegetable oils and protein meals														
Soybeans	\$/MT	378.5	384.9	484.2	537.8	517.2	457.8	347.4	322.7	327.3	328.2	328.2	328.2	328.2
Soybean meal	\$/MT	359.3	331.3	378.9	473.3	477.3	467.0	352.7	302.4	311.6	314.9	316.9	316.9	316.9
Soybean oil	\$/MT	787.0	924.8	1215.8	1151.8	1011.1	812.7	672.2	664.1	682.6	681.0	681.0	681.0	681.0
Palm oil	\$/MT	644.1	859.9	1076.5	939.8	764.2	739.4	565.1	551.4	556.9	569.6	529.3	486.8	447.2
Fish meal	\$/MT	1255.9	1739.2	1519.3	1624.3	1710.5	1921.5	1759.2	1519.2	1210.6	1210.6	1210.6	1210.6	1210.6
Sunflower Oil	\$/MT	1041.7	1186.0	1621.8	1489.5	1341.1	1080.3	1022.2	1008.8	1001.0	1001.0	1001.0	1001.0	1001.0
Olive oil	\$/MT	3509.3	3171.3	3070.3	3135.7	3816.7	3911.8	4927.1	4232.2	4385.8	4385.8	4385.8	4385.8	4385.8
Groundnuts	\$/MT	994.6	1239.4	1724.0	1688.2	2314.5	2148.3	1946.2	1596.5	1574.7	1574.7	1574.7	1574.7	1574.7
Rapeseed oil	\$/MT	856.2	1011.7	1366.6	1239.1	1081.2	904.4	774.6	787.0	718.1	719.0	719.0	719.5	719.0
Meat														
Beef	cts/lb	119.6	152.5	183.2	187.9	183.6	224.1	200.5	158.3	152.2	152.2	152.2	152.2	152.2
Lamb	cts/lb	146.9	145.7	149.2	100.9	106.7	130.6	107.9	96.3	99.0	98.4	97.7	97.1	96.2
Swine Meat	cts/lb	55.8	74.4	89.1	82.8	86.5	102.8	67.9	51.7	46.9	47.4	46.9	46.1	45.5
Poultry	cts/lb	85.6	85.8	87.4	94.3	103.8	110.1	114.7	117.3	125.1	125.1	125.1	125.1	125.1
Seafood														
Salmon	\$/kg	4.9	6.1	5.9	4.8	6.8	6.6	5.3	5.4	4.8	4.8	4.8	4.8	4.8
Shrimp	\$/lb	9.5	10.1	11.9	10.1	14.0	16.6	14.1	9.7	9.0	9.0	9.0	9.0	9.0
Sugar														
Free market	cts/lb	18.2	20.9	26.2	21.4	17.7	17.1	13.2	13.9	13.9	13.6	14.5	14.5	14.5
United States	cts/lb	24.3	31.1	37.6	28.9	21.2	24.9	24.9	25.9	25.6	25.5	24.8	24.7	23.8
EU	cts/lb	26.0	25.7	26.7	26.4	26.0	27.4	25.4	25.0	25.2	25.2	25.2	25.2	25.2
Bananas	\$/MT	848.0	881.4	975.9	984.3	926.4	931.9	958.7	911.3	877.5	861.2	853.4	845.5	837.2
Oranges	\$/MT	909.0	1033.2	891.1	868.0	967.3	782.5	675.1	763.5	763.4	763.4	763.4	763.4	763.4
Beverages														
Coffee														
Other milds	cts/lb	141.6	194.4	273.2	187.6	141.1	202.8	160.5	120.9	125.7	132.2	137.3	137.3	137.3
Robusta	cts/lb	77.1	84.1	116.0	110.6	100.5	105.6	94.2	64.5	70.7	70.7	70.7	70.7	70.7
Cocoa Beans	\$/MT	2895.0	3130.6	2978.5	2377.1	2439.1	3062.8	3135.2	2872.9	2810.2	2760.0	2660.7	2557.4	2458.1
Tea	cts/kg	314.0	316.7	346.2	348.9	266.0	237.9	340.4	351.7	354.2	354.2	354.2	354.2	354.2
Agricultural raw materials														
Timber														
Hardwood														
Logs	\$/M3	287.2	278.2	390.5	360.5	305.4	282.0	246.0	244.6	254.6	254.6	254.6	254.6	254.6
Sawnwood	\$/M3	805.5	848.3	939.4	876.3	852.8	897.9	833.2	824.2	832.0	830.1	826.3	824.2	821.1
Softwood														
Logs	\$/M3	136.7	141.5	150.0	148.0	164.5	174.3	162.0	162.1	166.8	163.9	161.9	157.8	156.9
Sawnwood	\$/M3	291.0	281.8	280.9	284.7	301.4	307.3	311.0	317.3	311.0	309.0	304.6	301.3	298.3
Cotton	cts/lb	62.8	103.5	154.6	89.2	90.4	83.1	70.4	62.2	63.3	62.9	62.6	54.2	46.3
Wool														
Fine	cts/kg	778.5	1023.2	1638.2	1345.3	1197.7	1074.4	1005.8	1028.3	1028.3	1006.2	877.2	773.7	652.3
Coarse	cts/kg	611.4	820.1	1209.2	1212.6	1128.1	1030.4	922.8	866.8	724.3	608.7	601.8	540.2	485.4
Rubber	cts/lb	87.2	165.7	218.5	153.2	126.8	88.8	70.7	59.1	61.8	54.2	49.4	44.0	39.2
Hides	cts/lb	44.9	72.0	82.0	83.2	94.7	110.2	87.6	72.1	79.9	79.0	78.2	78.6	78.2
Metals														
Copper	\$/MT	5165.3	7538.4	8823.5	7958.9	7331.5	6865.4	5510.5	4362.0	4351.0	4360.8	4377.1	4394.7	4401.0
Aluminum	\$/MT	1689.2	2173.0	2400.6	2022.8	1846.7	1867.4	1664.7	1476.9	1513.1	1562.9	1625.4	1694.3	1751.7
Iron Ore	\$/MT	80.0	146.7	167.8	128.5	135.4	96.8	55.2	35.9	32.1	31.6	35.9	35.9	35.9
Tin	\$/MT	13602.7	20367.2	26051.4	21109.4	22281.6	21898.9	16066.6	13461.4	13339.3	13339.3	13339.3	13339.3	13339.3
Nickel	\$/MT	14672.4	21810.0	22909.1	17541.7	15090.0	16893.4	11862.6	8578.1	8705.2	8810.8	8900.8	8970.8	9017.0
Zinc	\$/MT	1638.4	2160.4	2195.5	1950.0	1910.2	2161.0	1931.7	1493.7	1524.3	1544.6	1553.8	1555.8	1555.8
Lead	\$/MT	1719.4	2148.2	2400.7	2063.6	2139.7	2095.5	1787.8	1617.0	1652.6	1659.3	1697.2	1735.0	1754.5
Uranium	\$/lb	46.7	46.0	56.2	48.9	38.6	33.5	36.8	32.9	33.5	33.5	33.5	33.4	33.5
Energy														
Spot Crude 1/	\$/bbl	61.8	79.0	104.0	105.0	104.1	96.2	50.8	29.9	35.8	39.7	43.1	45.3	46.5
Natural Gas														
Russian in Germany	\$/MMBTU	8.9	8.2	10.6	12.0	11.2	10.5	7.3	5.8	5.8	5.8	5.8	5.8	5.8
Indonesian in Japan (LNG)	\$/MMBTU	7.5	9.4	15.6	18.1	17.3	17.0	10.9	9.5	9.5	9.5	9.5	9.5	9.5
US, domestic market	\$/MMBTU	3.9	4.4	4.0	2.8	3.7	4.4	2.6	2.3	2.7	2.9	3.0	3.1	3.2
Coal														
Australian, export markets	\$/MT	77.0	106.0	130.1	103.2	90.6	75.1	61.6	51.0	51.7	51.7	51.7	51.7	51.7

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

Monthly Inflation Rate and Treasury Bill Rates

Monthly Inflation Rate

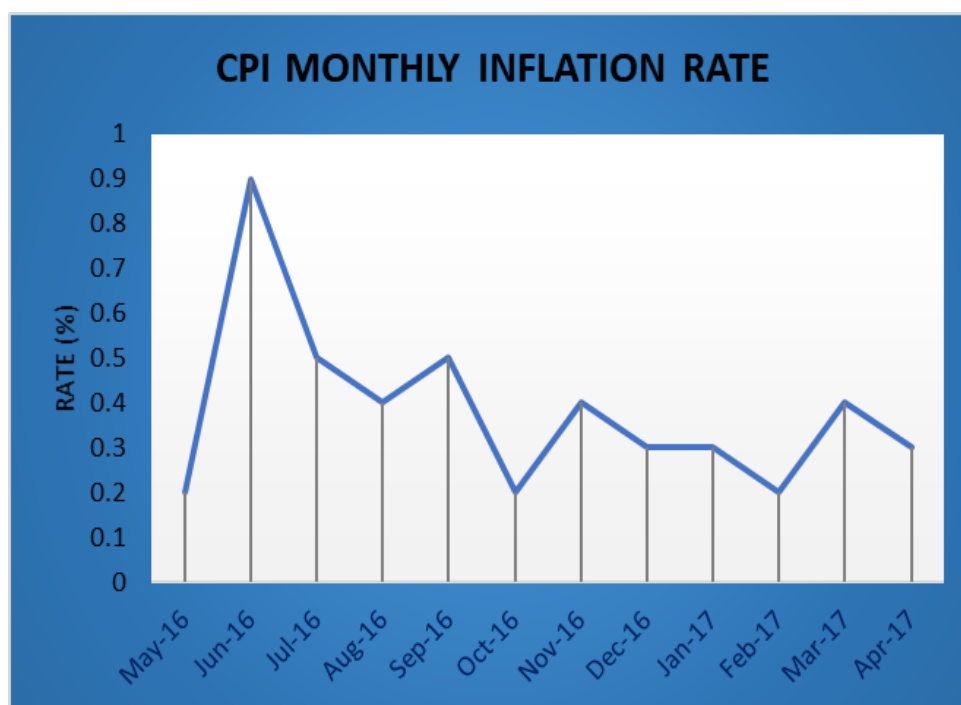
Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **0.1%** for the period May 2017 over April 2017. The increase in the rate for May 2017 over April 2017 brought inflation calendar year-to-date to **1.4%** and inflation for the fiscal year to May 2017 was **0.4%** and the point-to-point rate was **4.6%**.

According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by the increase movement of 0.1% in the index for the division ‘Food, Non-Alcoholic Beverages and Tobacco’ which was also the highest weighted division. The increases of this division are as followed ‘Food’ rose by 0.1% while ‘Non-Alcoholic Beverages went up by 0.2%. Other momentous increases were recorded in the following divisions:

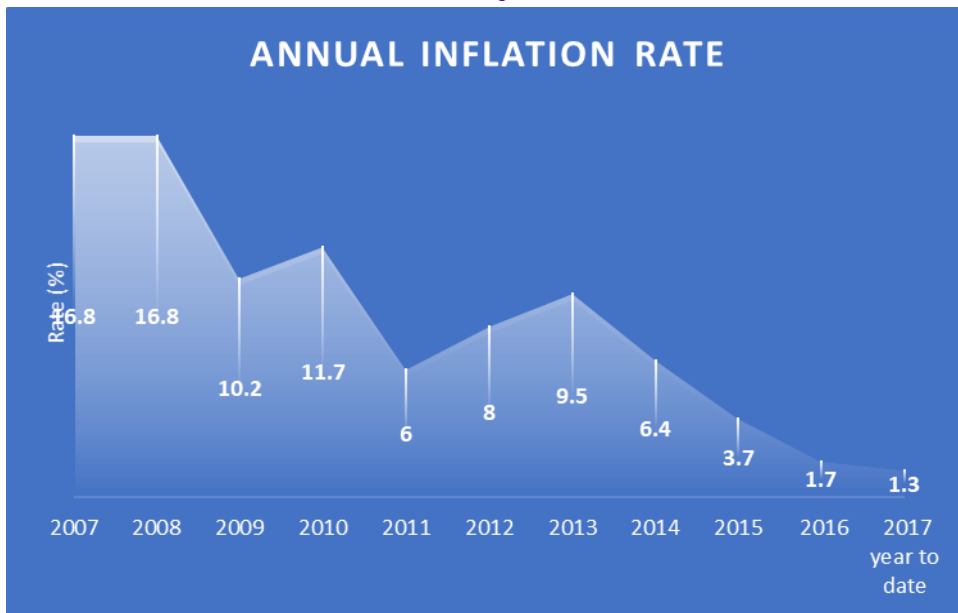
‘Transport’ 0.2%, ‘Alcoholic Beverages and Tobacco’ 1.6% and ‘Restaurants and Accommodation Services’ 0.3%. However, the upward movement in the index was tempered by a 0.2% fall in the division ‘Housing, Water, Electricity, Gas and Other Fuels’ due to lower rates for electricity, water and sewage.

The impact of these increases was impacted by a decrease in the index for the division Housing, Water, Electricity, Gas and Other Fuels. This was due to lower rates for electricity, resulting in a fall of 0.5% for the group Electricity, Gas and Other Fuels.

Inflation in all the three regional areas increased for the month of May 2017 relative to March 2017. Inflation in the Greater Kingston Metropolitan area (GKMA), Other Urban Centers (OUC) and Rural Areas increased by 0.4%, 0.1% and 0.1%, respectively.



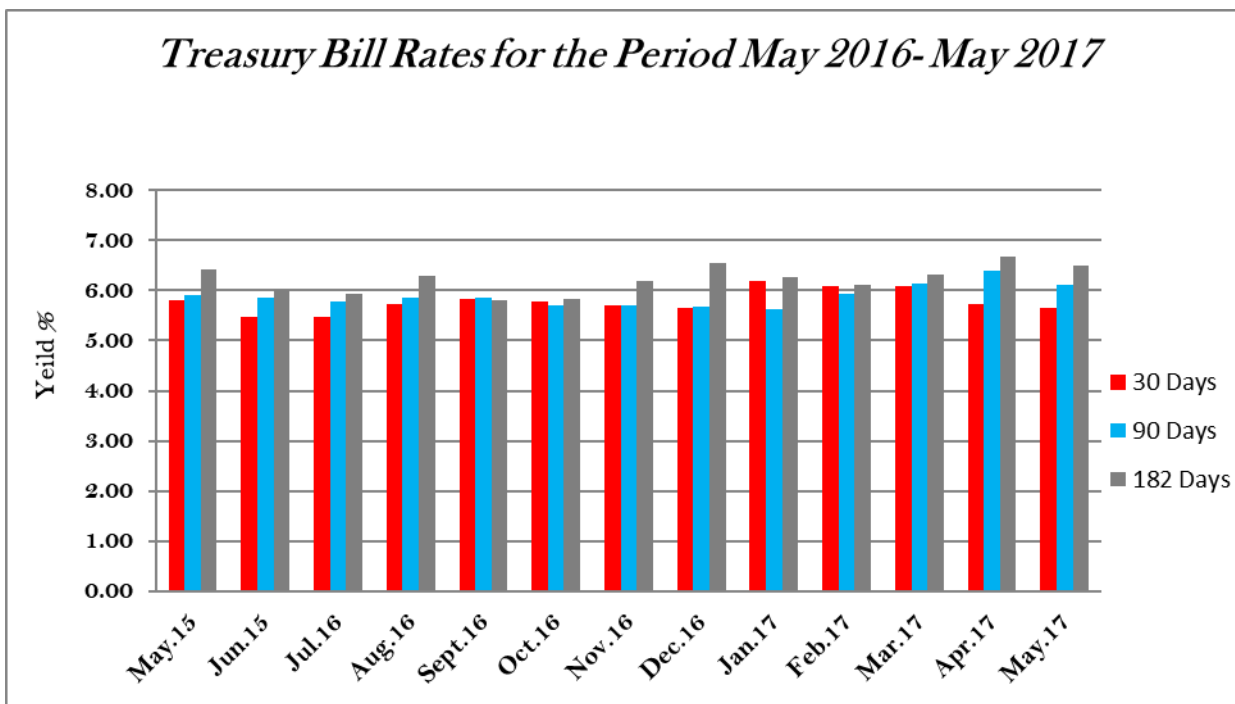
Monthly Inflation Rate and Treasury Bill Rates



Treasury Bill Rates

For the month of May 2017 relative to April 2016, yields on the Government of Jamaica 30-day, 90-day and 182-day treasury bills decreased by **7bps**, **29bps** and **17bps** respectively. For the period May 2017 in comparison to May 2016, yields on GOJ treasury bills recorded increases of **19bps** and **9bps** for the 90-

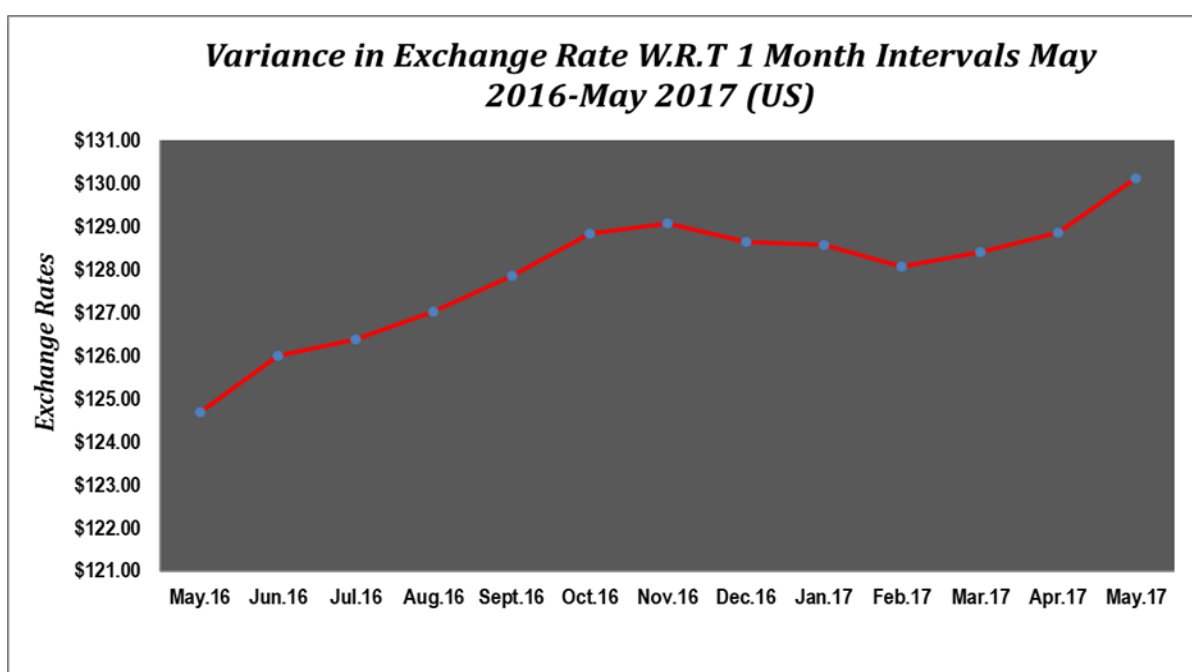
day and 182-day treasury bills respectively while yields on the 30 day for the same period decreased by **15 bps**. A two-year comparison showed decreases in the rate of **62bps**, **47bps**, and **21bps** on the yields of the 30-day, 90-day, and 182-day.



Monthly Exchange Rates Update

JMD:USD

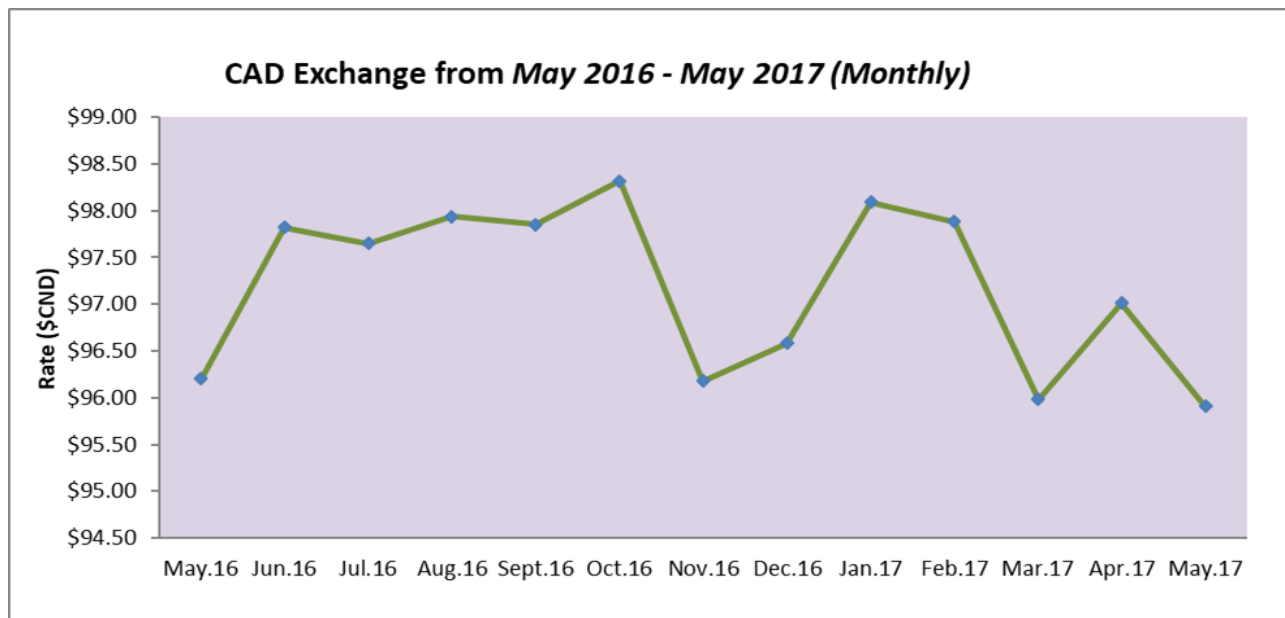
In analysis of the exchange rates over the period May 2017 to April 2017, the monthly average value of the Jamaican dollar depreciated by **\$1.26** or **0.978%** relative to the US dollar. As a result, the exchange rate progressed to settle at **US\$1.00=J\$130.13**. A one-year comparison revealed depreciation in the currency ratio of J\$5.44, resulting in an overall increase in the value of the \$US by 4.363%. 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\$14.14 (percentage increase of 12.19).



JMD:CAD

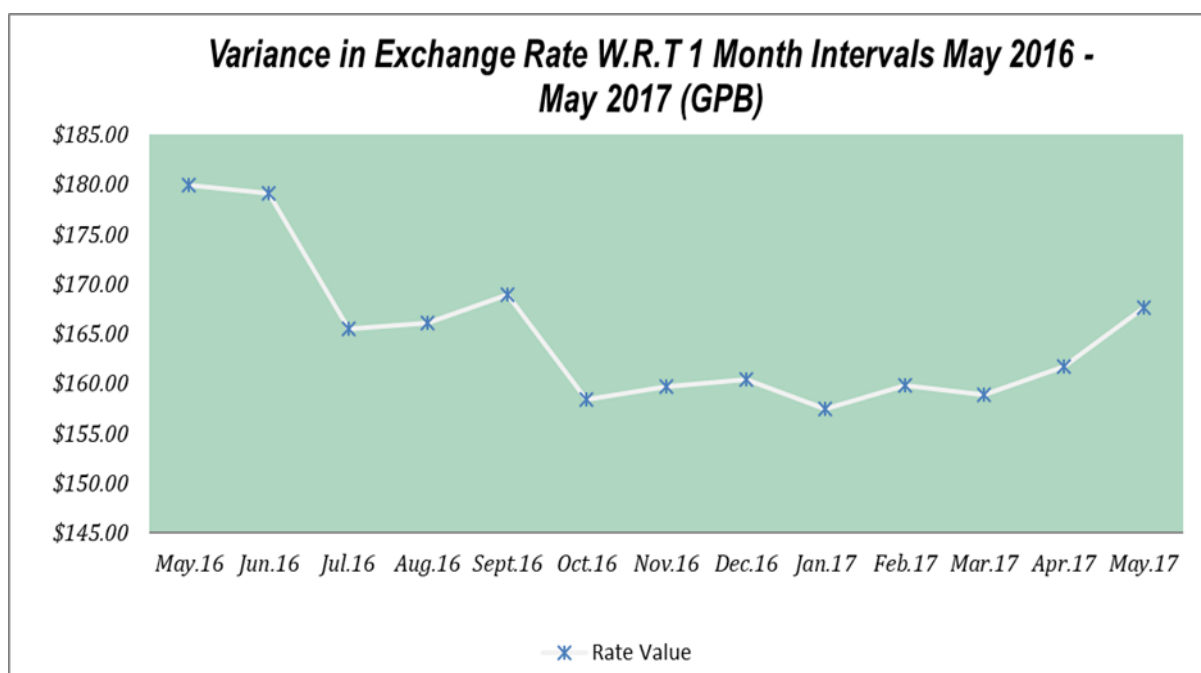
In relation to the exchange rate recorded for the month of May 2017, calculations accentuated the fact that the Jamaican dollar appreciated by **1.134%** (**J\$1.10**) relative to the previous month. In this regard, the value of the Jamaican dollar to the US dollar at the end of May was **CAD\$1.00=J\$95.91**. The exchange rate of May 2017 was further set side by side with the rate 1 year earlier (May 2016) which revealed that the value of the Jamaican dollar appreciated by J\$0.29 or 0.3014%. Furthermore, calculations comparing the exchange rate values for May 2017 and May 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\$0.86 (depreciation of 0.9048%).

Monthly Exchange Rates Update



JMD:GBP

The exchange rate's monthly variance of **J\$5.96** was seen to exist within the boundaries of May 2017 and April 2017, this indicates that the Jamaican dollar depreciated by some **3.686%**. The exchange rate at end May was **GPB1.00=J\$167.65** in comparison to the previous month GPB1.00=J\$161.69. The annual comparison of the exchange rates for the months May 2017 and May 2016 revealed that the Jamaican dollar appreciated in such a way that there was a decrease in the price of the \$GBP equal to J\$12.32 (6.845%). Further investigation of the exchange rate extending to May 2015 showed that the cost of the Pound



Net International Reserves & Money Base

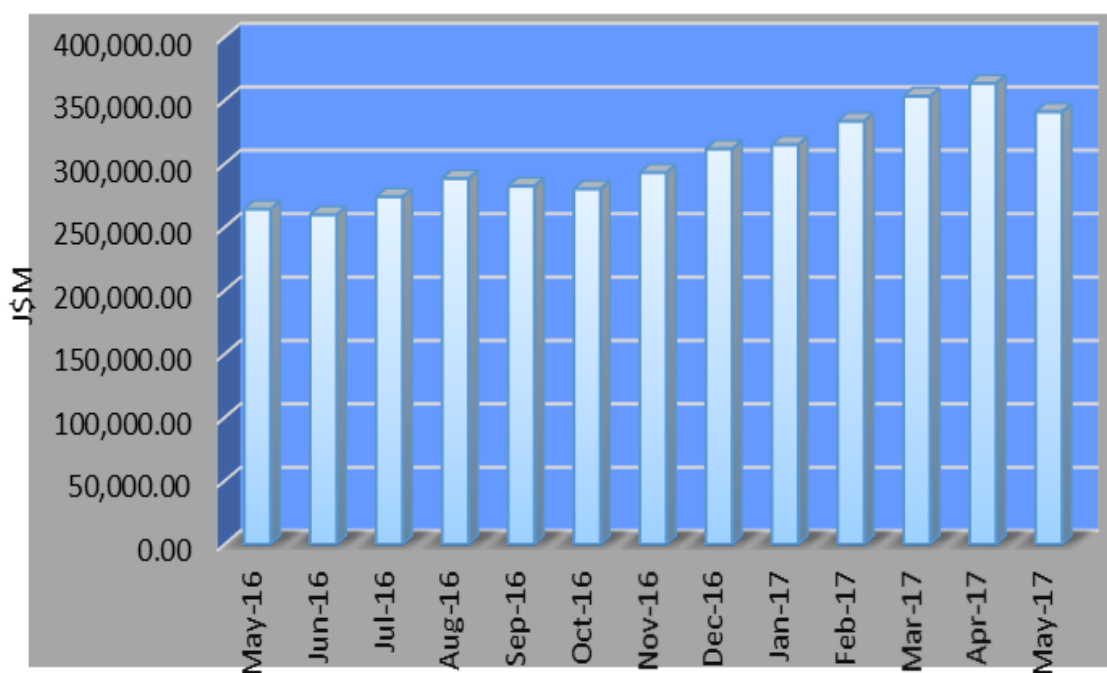
May 2017 Issue

Net International Reserves

Data for the month ending May 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J\$340.965 billion** (US\$2,672.77 million). This reflected a decrease of **J\$22.464 billion** (US\$176.10 million) relative to April. The change in the NIR for the month was due to a decrease in foreign assets and an increase in foreign liabilities. Under the category of foreign asset, Currency & Deposits and SDR & IMF Reserve Position decreased while Securities increased. Currency and Deposit decreased by **US\$170.63 million**, SDR & IMF Reserve Position

decreased by **US\$0.06 million** while Securities increased by **US\$0.06 million** to end the month with total foreign asset **US\$3,238.72 million**. This represented a total decrease of **US\$170.66 million**. Under foreign liabilities, IMF expenditures increased while Other expenses remained the same. Payments to IMF increased by **US\$5.44 million** which was the total increase in foreign liabilities. Foreign liabilities ended the month at **US\$565.95**. At the end of May, the gross reserves were sufficient to finance **36.03 weeks** of goods imports which represented **24.03 weeks** over the international benchmark of **12 weeks** of goods imports.

Monthly Net International Reserve (May 2016-May 2017)

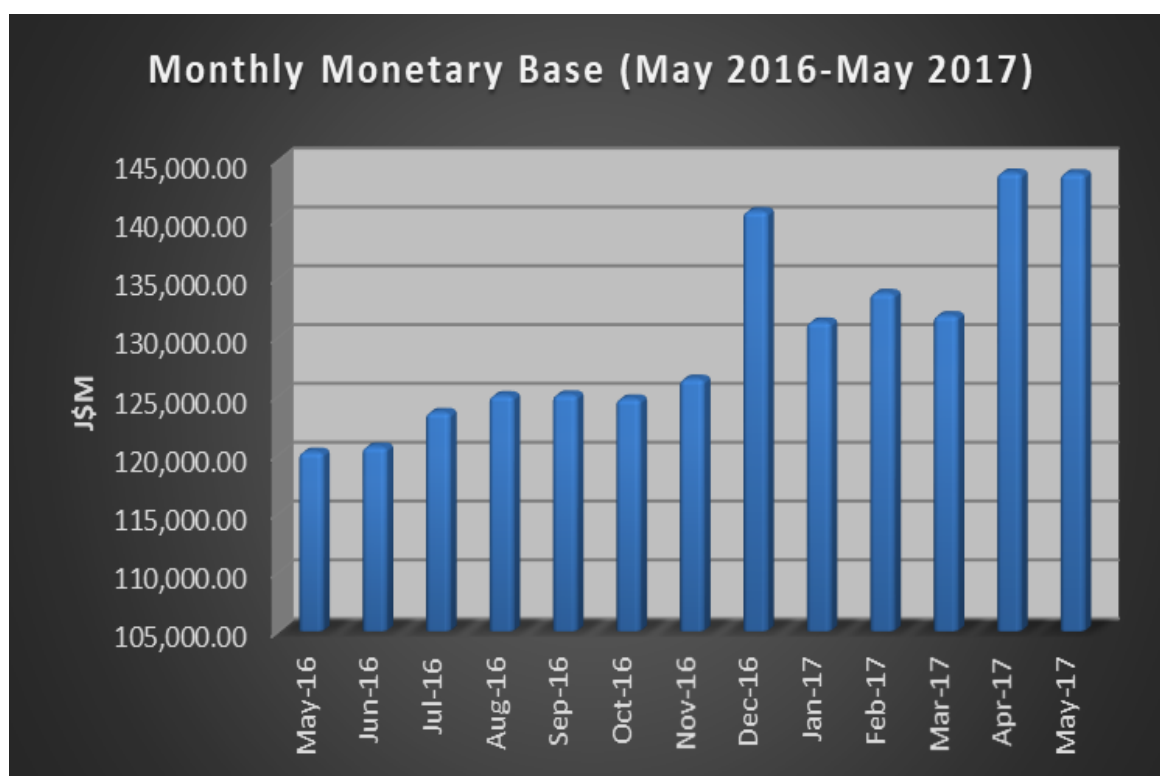


Net International Reserves & Money Base

May 2017 Issue

Monetary Base

The monetary base decreased by **J\$0.048** billion to **J\$143.919** billion for May 2017 relative to April. The change in the base reflected decreases in two sources, Net Currency and Commercial Banks' Statutory Reserves while the Commercial Banks' Current Account increased. Net Currency decreased by **J\$184.06** billion to end at **J\$91.335** billion and the Commercial Banks' Statutory Reserves decreased by **J\$0.100** billion to a total of **J\$51.791** billion. The Commercial Banks' Current Account increased by **J\$0.235** billion to a total of **J\$0.793** billion.

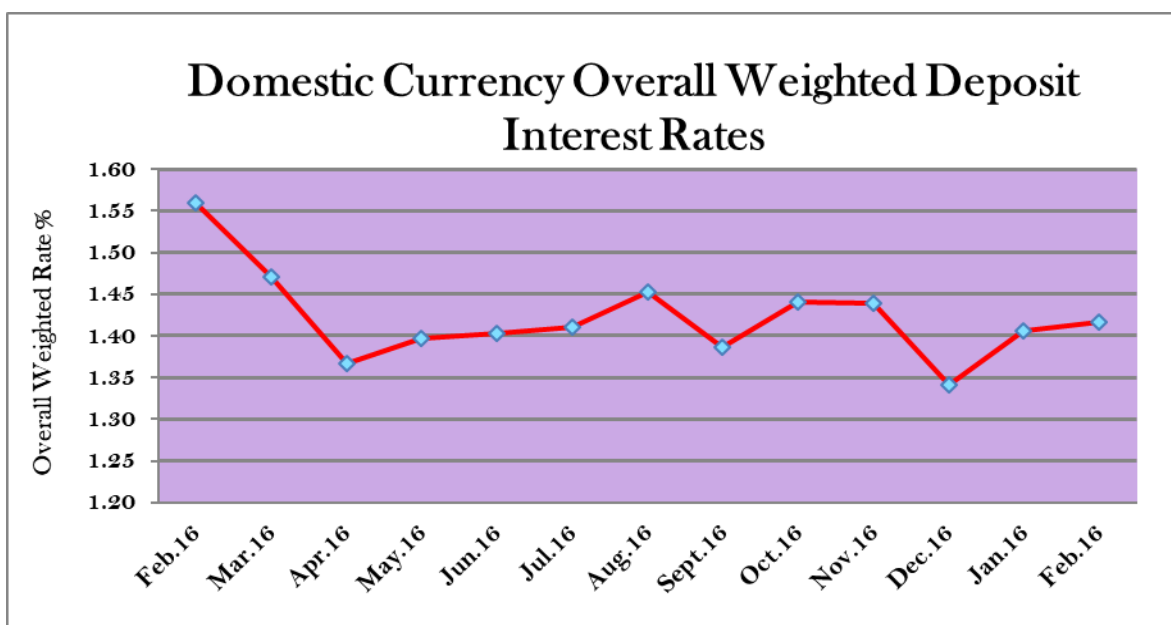
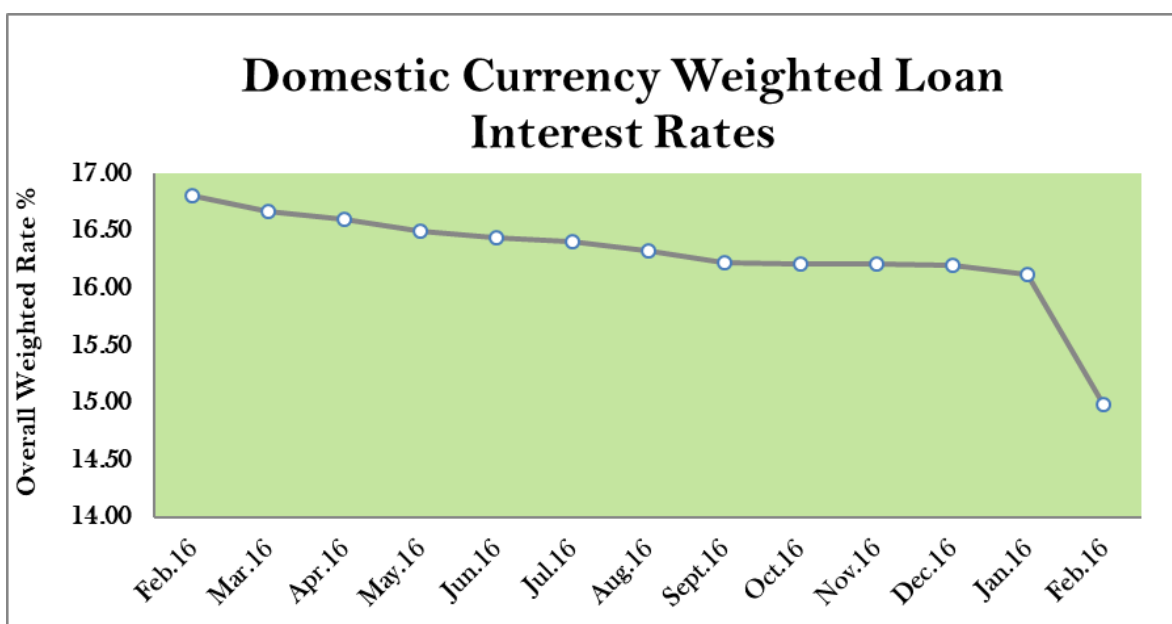


Interest Rates

May 2017 Issue

The overall weighted average lending rate on domestic currency loans decreased significantly for February 2017 relative to January 2017. In this regard, the weighted average lending rate on domestic currency loans moved from 16.12% in January to 14.98% in February. This occurred in the context of decreases in the rates of three of the six loan types. These were, decreases in Local Mortgage Credit of **42bps**, in Installment Credit of **26bps** and in Personal Credit of **4bps**. The impact of these decreases was offset by increases in Central Government of **52bps**, Local Government & Other Public Entities of **17bps** and Commercial Credit of **4bps**.

Meanwhile, the weighted average domestic interest rates on deposits for the February relative to January increased. The moved from 1.41% in January to 1.42% in February.

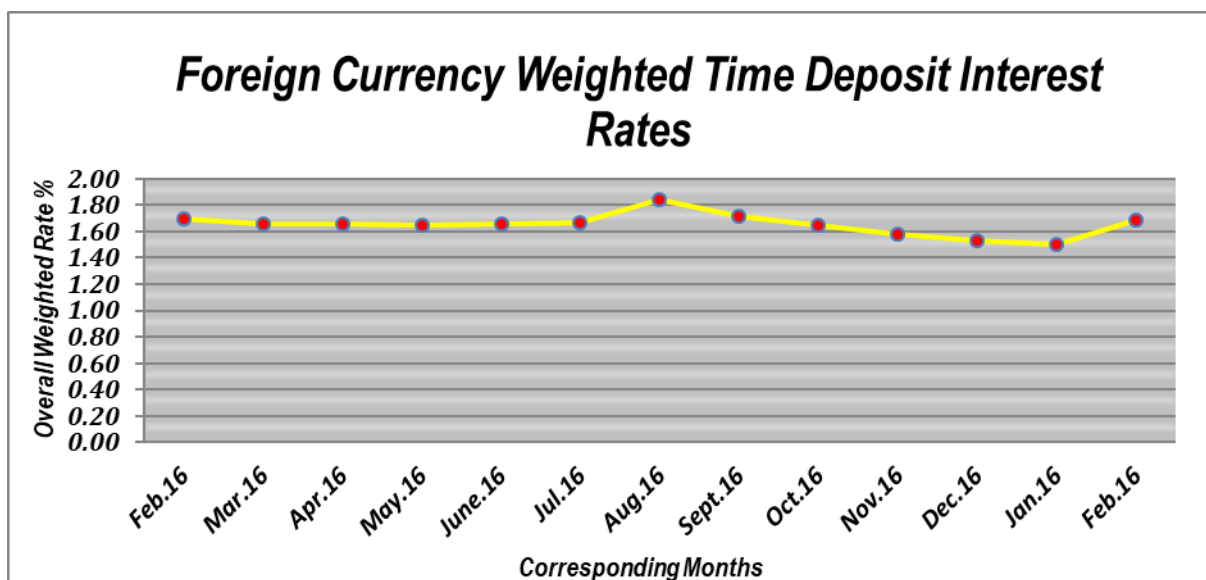
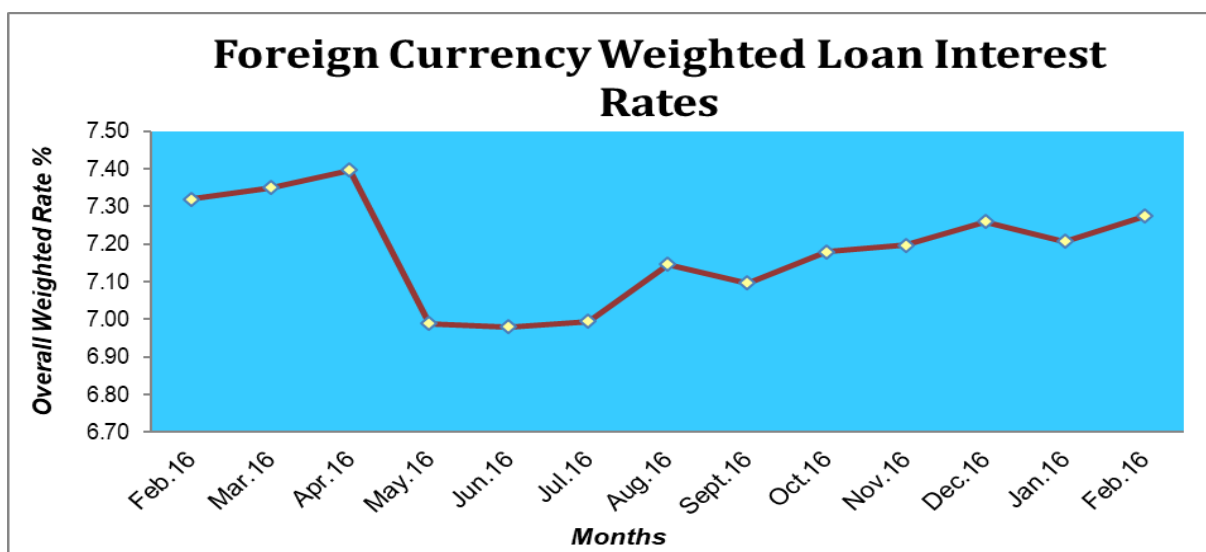


Interest Rates

May 2017 Issue

The overall weighted average lending rate on foreign currency loans rate increased for January relative to February this year. The weighted average lending rate on domestic currency loans increased by **7bps** to end the month at **7.27%** relative to 7.21% from the previous month. This occurred in the context of increases in the rates of three of the six loan types. These were, increases in Personal Credit of **17bps**, in Commercial Credit of **5bps** and in Local Government & Other Public Entities of **2bps**. The impact of these decreases was offset by decreases in Installment Credit of **13bps** and Mortgage Credit of **6bps** and while Central Government remained unchanged.

Meanwhile, the interest rates on foreign currency deposits for the month ending decreased by **18bps** for the period February relative to January. In this regard, foreign currency deposits moved from 1.50% in January to 1.68% in February 2016.



Tourist Arrivals

May 2017 Issue

Stopover tourist arrivals for March 2017 were 212,600. This month's total was 25,930 or 13.89% higher than the 186,670 in February 2017. This year's March total is an increase of 3.2% over the 219,673 recorded in March 2016.

For March 2017, the changes reflected in the total stopovers observed in the seven categories of destination varied. Out of the seven categories five recorded decreases in numbers while two recorded increases when compared to March 2016. Decreases in arrivals were reflected in stopovers from the Caribbean, Latin America, Other Countries, the United States and Europe with 23.2%, 23.1%, 8.2%, 5.9% and 2.7% respectively. Of the Other Countries, Australia provided the most stopover arrivals to Jamaica, with 597 visitors in 2017 compared to 701 in 2016. This represents a decrease of 14.8%

The overall impact of decreases was offset by increases in arrivals from the Canada and Asia.

Stopover arrivals decreased by 10% and 1.6% for Canada and Asia respectively. The market share of stopover visitors for January to March 2017 was as follows: the United States 58.6%, Canada 22.8%, UK 8.9%, Continental Europe 5.4%, the Caribbean 2.2% and the others, including Latin America and Asia 2.0%.

A total of 234,251 cruise passengers visited Jamaica in March 2017. This represented a 41,587 or 21.58% overall decrease compared to the 192,664 recorded in January 2017. For the corresponding period in 2016 the total cruise passengers was 229,111 hence this year's total was 2.2% less.

The January to March 2017 period saw 632,727 cruise passenger arrivals at the three major ports, an increase of 19,408 passengers or 3.2%.



Previous Highlights: April 2017 Summary

May 2017 Issue

- At the end of April 2017, the monthly average value of the Jamaican Dollar depreciated against the US dollar, the Canadian dollar and the Great Britain Pound. The Dollar depreciated against the US\$ by \$0.47 or 0.3660% to end at J\$128.87=US\$1.00. The value of the dollar depreciated by J\$1.03 or 1.0731% against the Canadian Dollar to end at CAD\$1.00=J\$97.01. The value of the Great Britain Pound depreciated by J\$2.77 or 1.743% to end at GBP1.00=J\$161.69.
- Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.3% for the period April 2017 over March 2017. The increase in the rate for April 2017 over March 2017 brought inflation for the calendar year-to-date to 1.3% and inflation for the fiscal year to March 2017 was 4.8%.
- Data for the month ending April 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$363.430 billion (US\$2,848.87 million).
- The monetary base increased by J\$4.507 billion to J\$143.968 billion for April 2017 relative to March .
- On the last trading day in April 2017, for the period April 03, 2017, to April 28, 2017 the main JSE index advanced by 7,585.47 points or 3.39% to close at 231,419.04 points. The JSE Combined Index advanced by 9,733.02 points or 4.08% to close at 248,092.78 points. The JSE Junior advanced by 259.28 points or 8.65% to close at 3,256.31 points.
- Stopover tourist arrivals for February 2017 were 186,670. This month’s total was 797 or 0.4288% higher than the 185,873 in January 2017. A total of 192,664 cruise passengers visited Jamaica in February 2017. This represented a 13,148 or 6.38% overall decrease compared to the 205,812 recorded in January 2017.
- There were price reductions observed in 61.90% (13) of the commodities monitored for April 2017. Both the price of Brent and the WTI increased for the period April relative to March. The Brent increased by 2.10% and the WTI increased by 3.21%. Natural gas price increased by 7.32% for the period April over March. The IMF’s Fuel Energy index increased by 2.647%, while the Food and Beverage Index decreased by 1.741%. The all commodity price index decreased by 0.0512%.

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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