



# MONTHLY ECONOMIC BULLETIN

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August 2017 Issue

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## The CEO'S Remarks

The first two quarters of 2017 calendar year, has seen relatively flat GDP outturn. This was expected due to the weather conditions (first drought and then flooding), which both affected both agricultural production and construction activities.

These two sectors, in addition to Tourism, are the main drivers behind Jamaica's economic performance, and performance in these three sectors will usually determine the performance of the GDP numbers. They are also the main driver of Jamaica's economic performance.

In this third quarter, we have seen heavy rains, which resulted in some amount of flooding and may have put a damper on construction activities also, and the recent events of the slow down on the wharf and the airspace closure, may also have some impact on GDP outturn for the current third quarter ending September 30th.

Other activities like increased bauxite production, could counter that to some extent, but what it means is that the GDP outturn may be no where near the two to three percent, which has been proffered by government representatives. Instead, the fiscal year projections may be in the region of one to two percent, as stated by the IMF, and the 2017 calendar year may be closer to one percent.

What this shows us is that although we have been very successful at fiscal consolidation, and discipline, the job of growing sustainably at three percent and above is going to be more difficult. What this will require is some very strategic and deliberate initiatives on the part of the government and parliament.

The fact is that the economic environment is still one that has significant risks and the necessary steps have not been taken to ensure greater levels of growth. This growth can only come when there is buoyancy in the private sector, so that there is increased private sector activity and profitability, less barriers to private sector entry to markets, and greater incentives for productivity.

The recent conversations about the inefficiency of the government bureaucracy and the high crime numbers, support the argument that our economic framework is not one that supports high sustainable levels of growth. In addition , although the Agro Park concept has brought greater stability to agriculture production, it still remains too vulnerable to climate conditions, which may only worsen with climate change issues.

It therefore means that in order to see higher levels of sustained GDP growth, government must take deliberate steps to achieve this. My view is that we are not in danger of losing our fiscal stability, as long as we are under an IMF monitoring arrangement, and so we have time to make the necessary economic adjustments.

This of course means infrastructure development projects, such as what is to happen with the "Hip Strip" and Downtown Kingston. It also means more housing starts, by using the dormant NHT funds, and also means reduced crime, particularly around the tourist areas, and a quick solution to public sector reform.

Unless these things happen then Jamaica will continue to see growth on the lower end (1 to 2 percent) but attacking these issues could see us skyrocket to three to five percent, which would be very good news for businesses and people as a whole.

## Economic Highlights August 2017

- ◇ At the end of August 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 \$0.25 or 0.1948% to end at J\$128.59=US\$1.00. The value dollar depreciated by J\$0.67 or 0.6577% against the Canadian Dollar to end at CAD\$1.00=J\$102.54. The value of the Great Britain Pound depreciated by J\$0.39 or 0.2343% to end at GBP1.00=J\$166.81.
- ◇ Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.3% for the period August 2017 over July 2017. The increase in the rate for August 2017 over July 2017 brought inflation calendar year-to-date to 3.0% and inflation for the fiscal year to August 2017 was 2.0% and the point-to-point rate was 4.4%.
- ◇ Data for the month ending August 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$468.10 billion (US\$3,671.68 million).
- ◇ The monetary base decreased by J\$1.367 billion to J\$148.21 billion for August 2017 relative to July.
- ◇ For the month of August 2017 relative to July 2017, yields on the Government of Jamaica 91-day and 182-day treasury bills decreased by 13bps and 14bps.
- ◇ Stopover tourist arrivals for July 2017 were 248,626. This month’s total was 37,507 or 17.76% higher than the 211,119 in June 2017. This year’s July total is an increase of 9.0% over the 228,169 recorded in July 2016. A total of 110,034 cruise passengers visited Jamaica in July 2017. This represented a 17,259 or 18.47% overall decrease compared to the 93,453 recorded in June 2017. The January to June 2017 period saw 1,088,718 cruise passenger arrivals at the three major ports, an increase of 50,823 passengers of 4.9% in comparison to the same period last year.
- ◇ There were price reductions observed in 50% (10) of the commodities monitored for August 2017. Both the price of Brent and the WTI increased for the period August relative to July. The Brent increased by 5.57% and the WTI increased by 2.89%. Natural gas price decreased by 2.57% for the period August over July.

## International Commodity Prices

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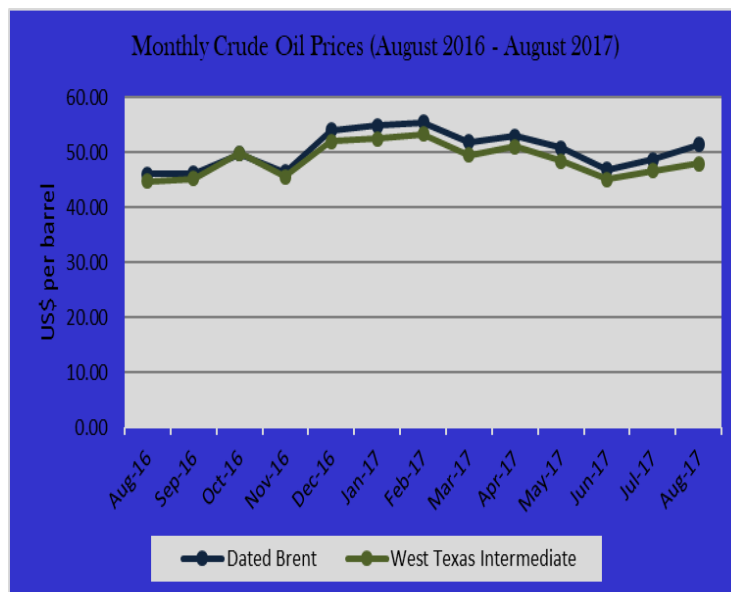
### Crude Oil Prices

For the month ending August 2017, the average price of both the Dated Brent and the West Texas Intermediate (WTI) increased. The Brent ended the month of July at **US\$51.40 per bbl**. This represented a **US\$2.71** or **5.57%** increase from the **US\$48.69 per bbl** recorded for the previous month. The West Texas Intermediate (WTI) ended the month at **US\$48**. This represented a **US\$1.35** or **2.89%** increase relative to last month. A one-year comparison of prices revealed that this year's price for the Brent is **11.40%** or **US\$5.26 per bbl** higher. When compared to last year's price, this year's WTI price is **7.26%** or **US\$3.25** higher. When compared to the price level two years ago, both the

Brent is **9.384%** and the WTI is **11.99%** above. The 5-year average of prices ranging from August 2012 to July 2017 for the Dated Brent and the West Texas Intermediate are **US\$76.17 per bbl** and **US\$69.92 per bbl**

respectively. This month's price was **33%** below the 5-year average of prices for the Brent and **31.35%** for the WTI.

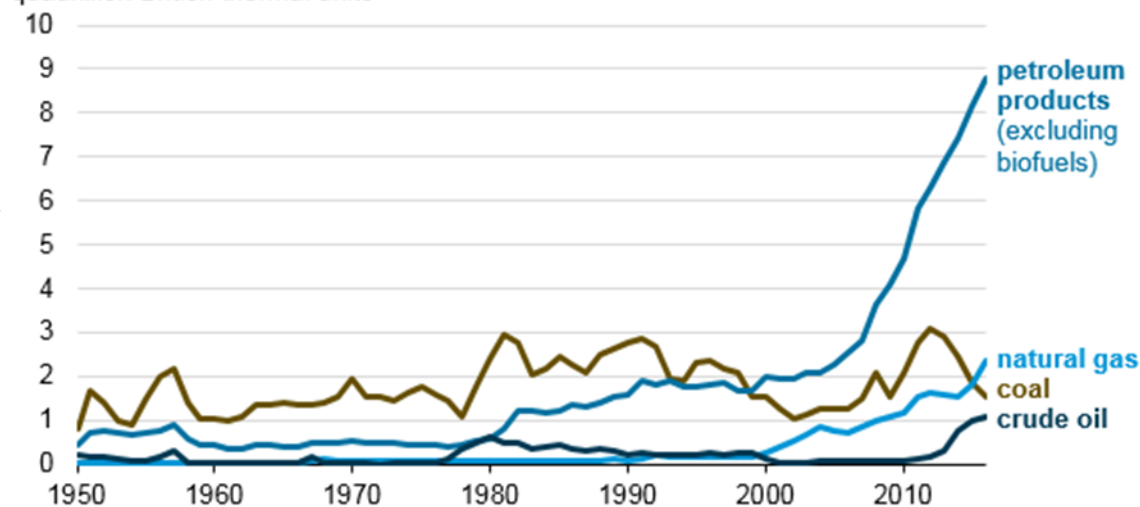
The US Energy Information Administration (EIA) reported that U.S. crude oil production is estimated



to have averaged 9.2 million b/d in August, down about 40,000 b/d from the July average. Crude oil production in the Gulf of Mexico fell to a monthly average of 1.6

### U.S. gross energy exports of selected fuels (1950-2016)

quadrillion British thermal units



million b/d in August, down by 70,000 b/d from the July level. EIA forecasts overall U.S. crude oil production will continue to grow in the coming months. EIA forecasts total U.S. crude oil production to average 9.3 million b/d for all of 2017 and 9.8 million b/d in 2018, which would mark the highest annual average

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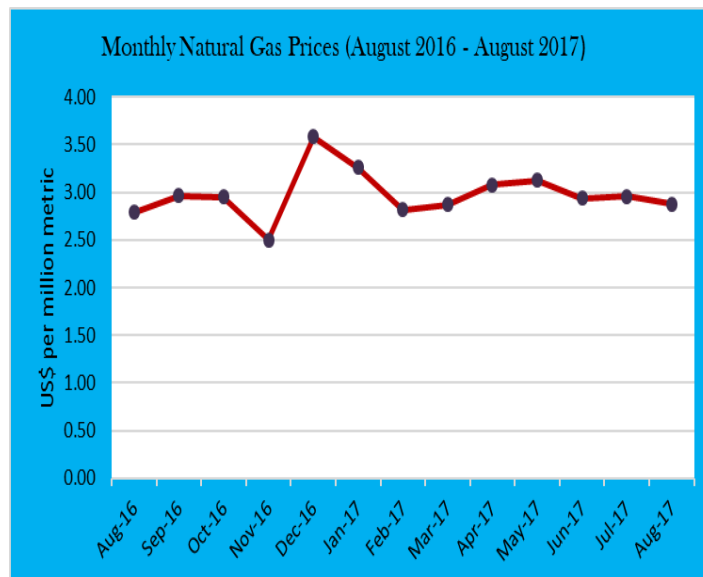
## International Commodity Prices

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production in U.S. history, surpassing the previous record of 9.6 million b/d set in 1970.

### Natural Gas

For the month ending August 2017, natural gas price increased. The price for natural gas ended at **US\$2.88** per million metric which represented a decrease of **US\$0.0814** or **2.75%**. In August 2016, natural gas per million metric was valued at **US\$2.79** signifying that this year's price is **US\$0.0887** or **3.177%** higher. A two-year comparison revealed that natural gas prices have increased by **US\$0.117** or **4.234%** per million metric. The five-year average monthly price for natural gas ranging from August 2012 to July 2017 is **US\$3.26** per million metric, hence, this year's August price was **US\$0.3764** or **11.56%** below.



### U.S. natural gas consumption



eia Source: Short-Term Energy Outlook, April 2017

According to the EIA the U.S. dry natural gas production is forecast to average 73.7 billion cubic feet per day (Bcf/d) in 2017, a 1.4 Bcf/d increase from the 2016 level. Natural gas production in 2018 is forecast to be 4.4 Bcf/d higher than the 2017 level.

In August, the average Henry Hub natural gas spot price was \$2.90 per million British thermal units

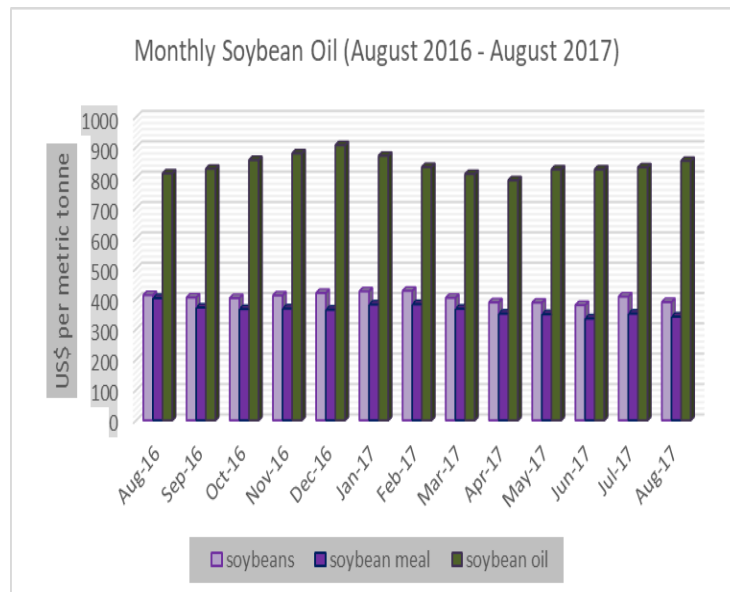
(MMBtu), down 8 cents/MMBtu from the July level. Expected growth in natural gas exports and domestic natural gas consumption in 2018 contribute to the forecast Henry Hub natural gas spot price rising from an annual average of \$3.05/MMBtu in 2017 to \$3.29/MMBtu in 2018.

## International Commodity Prices

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### Soybean Prices

For the month ending August 2017, soybean price per metric tonne was US\$390.00. This denoted a **US\$18.00** or **4.41%** decrease from July's value of **US\$408.00** per metric tonne. In July, this year, the average price of soybean meal decreased while the average price of soybean oil increased. Soybean meal prices ended the month at **US\$342.00** per metric tonne. This represented a decrease of **US\$10.00** or **2.84%**. At the end of August, the price per metric tonne for soybean oil stood at **US\$855** representing a **US\$21** or **2.52%** increase compared to the previous month. A one-year comparison revealed that prices for soybean decreased by **5.569%** or **US\$23**. This month soybean price was **US\$9.00** or **2.362%** higher than its price two years ago. When compared to the corresponding period last year the soybean meal price was **US\$61.00** or **15.14%** lower. Soybean oil price was above last year's price by **US\$41.00** or **5.036%**. A two-year comparison of prices for soybean meal revealed that this year's price is below the two year price by **US\$52.00** or **13.20%**. When the August 2017 soybean oil price was compared to corresponding period in 2015 this year's price is **US\$125** or **17.12%** above. The five-year average monthly price for soybean ranging from August 2012 to July 2017 is **US\$465.06** per metric tonne, which means that August's price was **US\$75.06** or **16.14%** lower. The five-year average monthly price for soybean meal ranging from August 2012 to July 2017 is **US\$462.41** per metric tonne, which means that August's price was **US\$120.41** or **26.04%** lower. The five-year



average monthly price for soybean oil ranging from August 2012 to July 2017 is **US\$903.12** per metric tonne, which means that August's price was **US\$48.12** or **5.328%** lower.

### Sugar Prices

At the end of August 2017, the average price of the Free Market Sugar ended the month at **US\$0.32** per kg which was the same as the previous month. For the US Sugar imports, the average price decreased from **US\$0.59** in July to **US\$0.55** in August this year. This represented a decrease of **US\$0.0393** or **6.67%** per kg. At the end of August 2017, the European Sugar imports ended the month at **US\$0.39** per kg. This represented a **US\$0.0142** or **3.79%** increase compared to the previous month. For the period August 2017 relative to August 2016, the price of Free Market sugar decreased by **US\$0.12** or **27.57%** dollar per kg. A one-year comparison revealed that the price of the US Sugar imports has decreased by **US\$0.08** or **12.58%**, while the European sugar imports price has increased by





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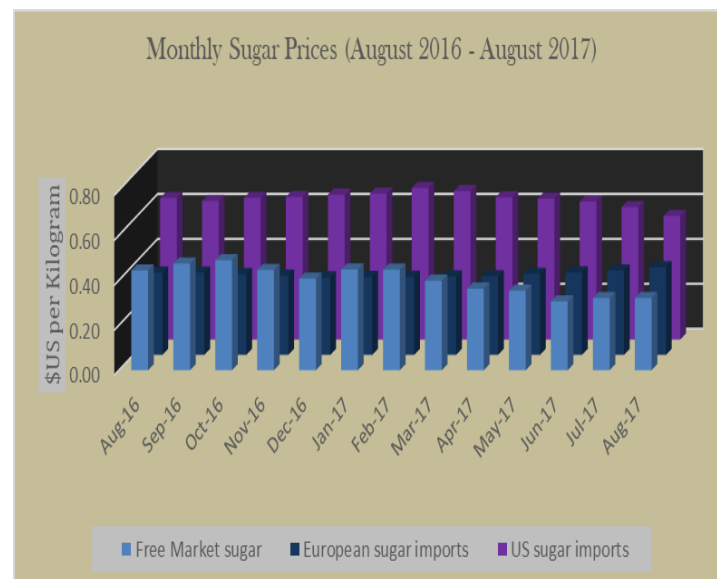
## International Commodity Prices

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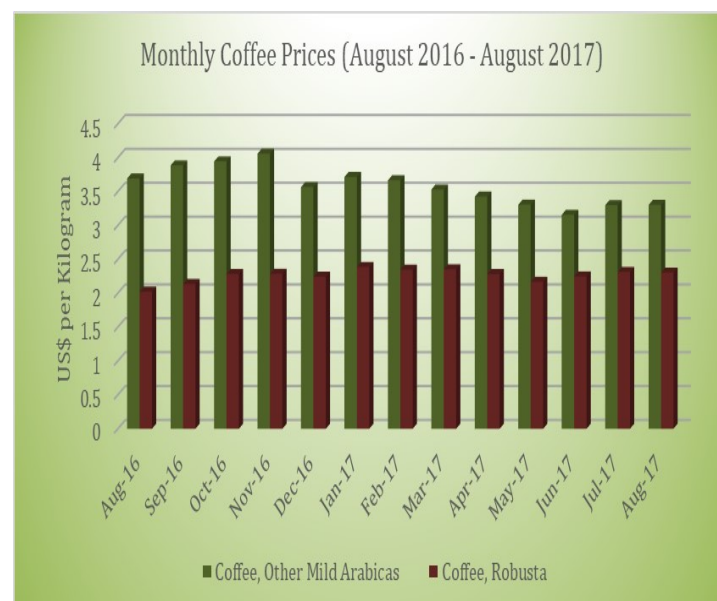
US\$0.0239 or 6.545% for the same period. In August 2015, the price for the Free Market sugar was US\$0.25 per kg, which means that this year's August price is US\$0.0679 or 26.78% higher. The price of the US sugar imports is US\$0.0098681 or 8-1.826% higher than the 2015 price and the price of the European Sugar imports is US\$0.0263 or 7.234% higher than the 2015 price. The 5-year average of prices ranging from August 2012 to July 2017 for the US imports and the European imports are US\$0.5473 per kg and US\$0.3949 per kg respectively. Hence, the price of US imports is above its long-term average by 0.4833% while the European imports is below its average by 1.247%.

### Coffee Prices

For the month ending August 2017 the average prices of the Coffee of the Other Mild Arabicas increased while the average price of the Robusta coffee decreased. The price per kg for coffee of the Other Mild Arabicas category was US\$3.3043 per kg representing an increase of US\$0.0048 or 0.15%. A one-year comparison revealed that this month's price was US\$0.3893 or 10.54% lower than last year's August price. Robusta Coffee ended the month at US\$2.304 per kg. This month's price is below the previous month's price by US\$0.0092 or 0.40%. A one-year comparison revealed that the price of coffee in the Robusta category has increased by US\$0.2806 or 13.87%. A two-year comparison revealed that prices have fallen by 4.486% for coffee of the 'Other Mild Arabica's category while prices rose by 21.85% for coffee in the Robusta category. The five-



year average monthly prices ranging from August 2012 to July 2017 for Arabica and Robusta are US\$3.637 and US\$2.093 respectively. This implies that this year's August price for the Arabica was 9.165% lower than the average price while the Robusta coffee was 10.07% higher than its average price.





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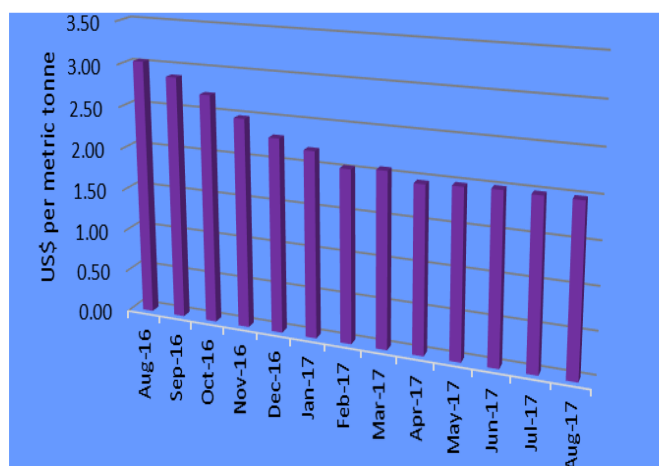
## International Commodity Prices

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### Cocoa Beans

For the month ending August 2017, cocoa bean remained the same relative to the previous month. Prices for the month ending was **US\$1.99** per kg. A one-year comparison revealed that this year's price is lower by **US\$1.04** per kg or **34.42%**. A two-year price comparison showed that the August 2017 price for cocoa beans is lower by **US\$1.17** per kg or **36.95%** than its price in August 2015. The five-year average of monthly prices ranging from August 2012 to July 2017 for cocoa bean is **US\$2.75** per kg, this means that this year's August price was **US\$0.76** or **27.70%** lower.

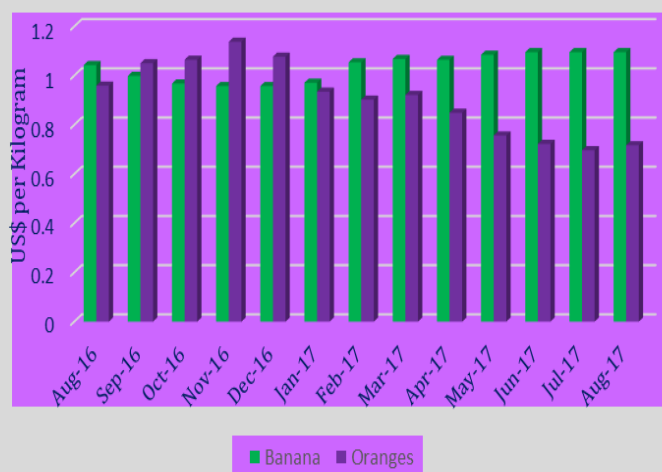
Monthly Cocoa Beans Prices (August 2016 - August 2017)



### Orange Prices

Orange prices for the month ending August 2017 increased relative to July using data from the World Bank Commodity Price Data. In this regard prices increased by **2.88%** or **US\$0.020** to end at **US\$0.7170** per kg. For August 2017, relative to August 2016, oranges prices decreased by **US\$0.2423** or **25.26%** per metric tonne. A two-year comparison revealed that this year's price is above the August 2015 price of **US\$0.6843** per metric tonne by **US\$0.0327** or **4.777%**. The five-year average monthly prices ranging from August 2012 to July 2017 is **US\$0.8356**, this means that this year's price was **US\$0.1186** or **0.1420%** below.

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



### Banana Prices

For the month ending August 2017, banana prices remained the same relative to the previous month using the World Bank Commodity Price Data. In this regard prices remained at **US\$1.10** per kg. When compared to the same period in 2016, this year's price was **US\$0.05** or **5.020%** higher. A two-year comparison revealed that prices have risen by **US\$0.1378** or **14%**. The five-year average monthly price ranging from August 2012 to July 2017 is **US\$0.97**, indicating that this month's price

## International Commodity Prices

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was **US\$0.1304** or **13.51%** lower.

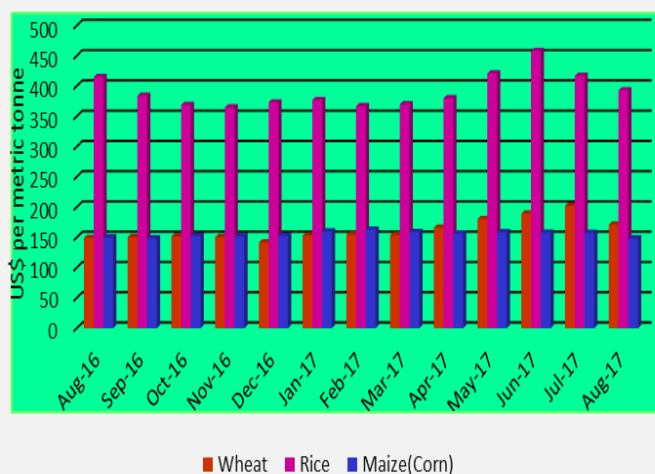
### Corn Prices

For the month ending August 2017, corn prices decreased. Prices decreased by **US\$9.015** or **5.72%** relative to July, to close the month at **US\$148.50** per metric tonne. Between August 2017 and August 2016 prices decreased by **US\$1.657** or **1.104%**. A two-year price comparison showed that this year's price was **US\$14.20** or **8.67%** lower. The five-year monthly average for corn prices ranging from August 2012 to July 2017 is **US\$201.51** per metric tonne, this means that this month's price was **US\$53.02** or **26.31%** lower.

### Wheat

For the month ending August 2017 wheat prices decreased using data from the World Bank Commodity Price Data. Prices decreased by **US\$31.23** or **15.43%** relative to July 2017 to end at **US\$171.22** per metric tonne. Relative to August 2016, prices have increased by **US\$22.05** or **14.78%** per metric tonne. A two-year comparison of wheat prices showed that this year August price was **US\$8.451** or **4.703%** below the August 2015's price. The average five-year monthly prices ranging from August 2012 to July 2017 is **US\$243.16** per metric tonne, meaning that this year's August price was **US\$71.93** or **29.58** below.

Monthly Cereal Price (August 2016 - August 2017)



### Rice

For the month ending June 2017 the price of the 5 percent thai rice ended at **US\$393** per metric tonne. This value was **US\$24.00** or **5.76%** below the **US\$402.91** in May. This month's price is below the August 2016 price by **US\$22.00** or **5.301%**. A two-year comparison revealed that the commodity's price was **US\$20.00** or **5.36%** higher than its price in 2015. The five-year monthly price average for rice prices ranging from August 2012 to July 2017 is **US\$435.45** per metric tonne, indicating that August's price was **US\$42.45** or **9.748%** below the long term average.

### Beef Prices

In August 2017, beef prices decreased using data from the World Bank Commodity Price Data. Prices decreased by **US\$0.3560** per kg or **7.84%** when compared to the previous month, to close at **US\$4.183** per kg. When compared to August 2016, prices have risen by **US\$0.0009** or **2.222%** per kg. In August 2015 prices were **US\$4.092** cents per pound hence this

## International Commodity Prices

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year's price was **US\$0.0909** or **2.223%** above the 2015 price. The five-year average for prices ranging from August 2012 to July 2017 is **US\$4.316** cents per pound indicating that this month's price was **US\$0.1335** or **3.191%** above.

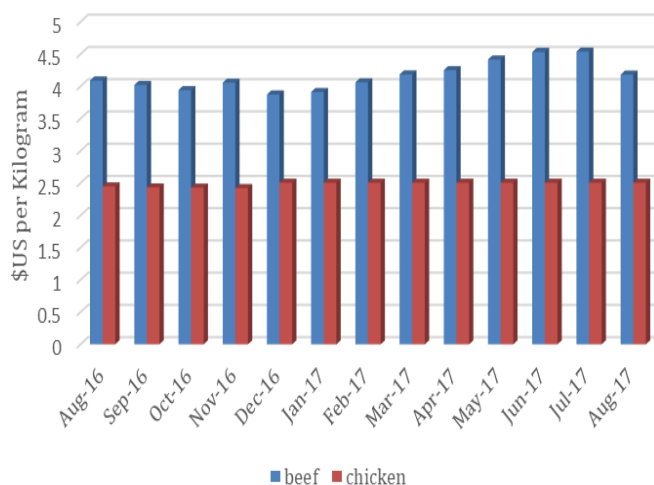
### Poultry

For the month ending August 2017 chicken prices remained the same. At the end of the month chicken was valued at **US\$2.5056** per kg. The price in August 2017 was approximately **US\$0.0576** or **2.354%** higher than the August 2016 price. In August 2015, the price for poultry was **US\$2.545** per kg, indicating that this year's price was **US\$0.0394** or **1.547%** lower. The average monthly price ranging from August 2012 to July 2017 is **US\$2.409** cents per pound, this means that this year's price was **US\$0.096** or **3.985%** more.

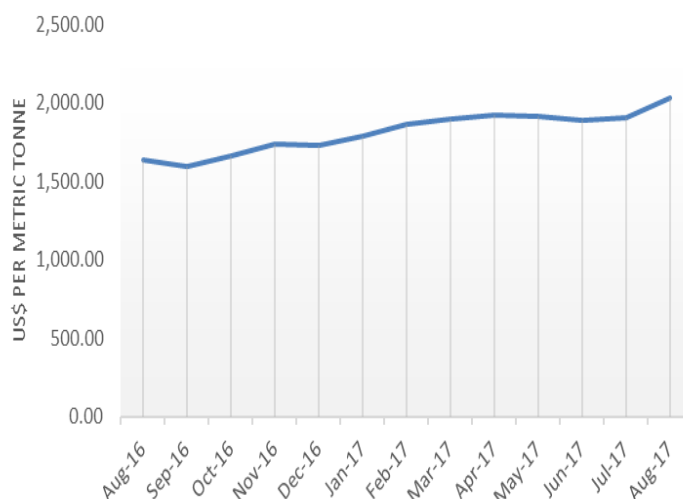
### Aluminum Prices

The price of aluminum increased in July 2017 relative to the previous month. Prices increased by **US\$17.67** or **0.94%** to end the month at **US\$1,781.07** per metric tonne. For July 2017 relative to July 2016, prices increased by **US\$273.91** or **16.81%** per metric tonne. A two-year comparison revealed that this year's price was **US\$263.46** or **16.07%** above the price for the corresponding period in 2015. The five-year average for monthly prices ranging from July 2012 to June 2017 for aluminum is **US\$1,781.07** per metric tonne, this means that this year's July price was **US\$121.89** or **6.844%** higher.

Meat Prices for August 2016 - August 2017



Monthly Aluminum Prices (August 2016 - August 2017)



### Impact of global prices on Jamaica

There were price reductions observed in **50% (10)** of the commodities monitored for August 2017. Both the price of Brent and the WTI increased for the period August relative to July. The Brent increased by **5.57%** and the WTI increased by **2.89%**. Natural gas price decreased by **2.57%** for the period August over July.

The Food and Agriculture Organization of the United Nations (FAO) Food Price Index (FFPI) averaged 176.6 points in August 2017, down 2.3 points (1.3%)

## International Commodity Prices

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from July, but still 10 points (6%) above its value a year earlier. The FAO Cereal Price Index averaged 153.4 points in August, down almost 9 points (5.4%) from July. After rising for three consecutive months, cereal prices in August were pressured by large global supplies. Wheat values dropped by over 8% month-on-month as a result of improved production prospects among exporters, especially in the Black Sea region. The FAO sugar price index averaged 203.9 points in August, down nearly 3.6 points (1.7%) from July. Sugar prices have been under downward pressure since the beginning of the year, with the decline in August largely driven by favourable prospects for cane harvests in major producing countries. The FAO Meat Price Index averaged 172.4 points in August, down 2.1 points (1.2%) from its slightly revised value for July. At this level, the index is 8.5% above the level recorded last January and 18.7% below its peak reached in August 2014.

| Commodity                            | Unit         | July Price | August Price | Monthly Change % |
|--------------------------------------|--------------|------------|--------------|------------------|
| <b>Aluminum</b>                      | Metric tonne | 1902.96    | 2030.01      | 6.68             |
| <b>Bananas</b>                       | Kilogram     | 1.1        | 1.1          | 0                |
| <b>Beef</b>                          | Kilogram     | 4.5387     | 4.1827       | -7.84            |
| <b>Cocoa Beans</b>                   | Metric tonne | 1.99       | 1.99         | 1.99             |
| <b>Coffee-Arabicas</b>               | Kilogram     | 3.299      | 3.304        | 0.15             |
| <b>Coffee-Robusta</b>                | Kilogram     | 2.313      | 3.304        | -0.4             |
| <b>Corn-Maize</b>                    | Metric tonne | 157.51     | 148.5        | -5.72            |
| <b>Natural gas</b>                   | MMBTU        | 2.96       | 2.88         | -2.75            |
| <b>Crude Brent</b>                   | Barrel       | 48.69      | 51.4         | 5.57             |
| <b>Crude West Texas Intermediate</b> | Barrel       | 46.65      | 48           | 2.89             |
| <b>Oranges</b>                       | Kilogram     | 0.6969     | 0.717        | 2.88             |
| <b>Poultry</b>                       | Kilogram     | 2.5056     | 2.5056       | 0                |
| <b>Rice</b>                          | Metric tonne | 417        | 393          | -5.76            |
| <b>Soybean</b>                       | Metric tonne | 408        | 390          | -4.41            |
| <b>Soybean meal</b>                  | Metric tonne | 352        | 342          | -2.84            |
| <b>Soybean oil</b>                   | Metric tonne | 834        | 855          | 2.52             |
| <b>Sugar (free market)</b>           | Kilogram     | 0.32       | 0.32         | 0                |
| <b>Sugar US ( Import)</b>            | Kilogram     | 0.59       | 0.55         | -6.67            |
| <b>Sugar European (Import)</b>       | Kilogram     | 0.38       | 0.39         | 3.79             |
| <b>Wheat</b>                         | Metric tonne | 202.46     | 171.22       | -15.43           |

# International Commodity Prices

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Actual prices through

20-Jan-2016

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

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

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



# International Commodity Prices

August 2017 Issue

Actual prices through  
20-Jan-2016

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

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

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

## Monthly Inflation Rate and Treasury Bill Rates

### Monthly Inflation Rate

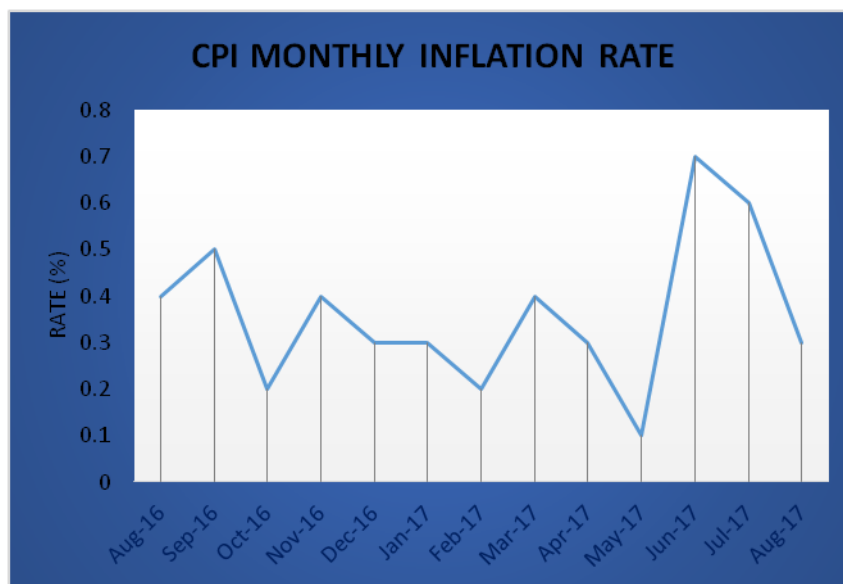
Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **0.3%** for the period August 2017 over July 2017. The increase in the rate for August 2017 over July 2017 brought inflation calendar year-to-date to **3.0%** and inflation for the fiscal year to August 2017 was **2.0%** and the point-to-point rate was **4.4%**.

According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by the increase movement of 1.3% in the index for the division Recreation and Culture. The movement for this division was largely impacted by increased prices for books and other school equipment. The Food and Non Alcoholic Beverages division increased by 0.6%. The movement in this division was significantly affected by a rise of 0.6% for the

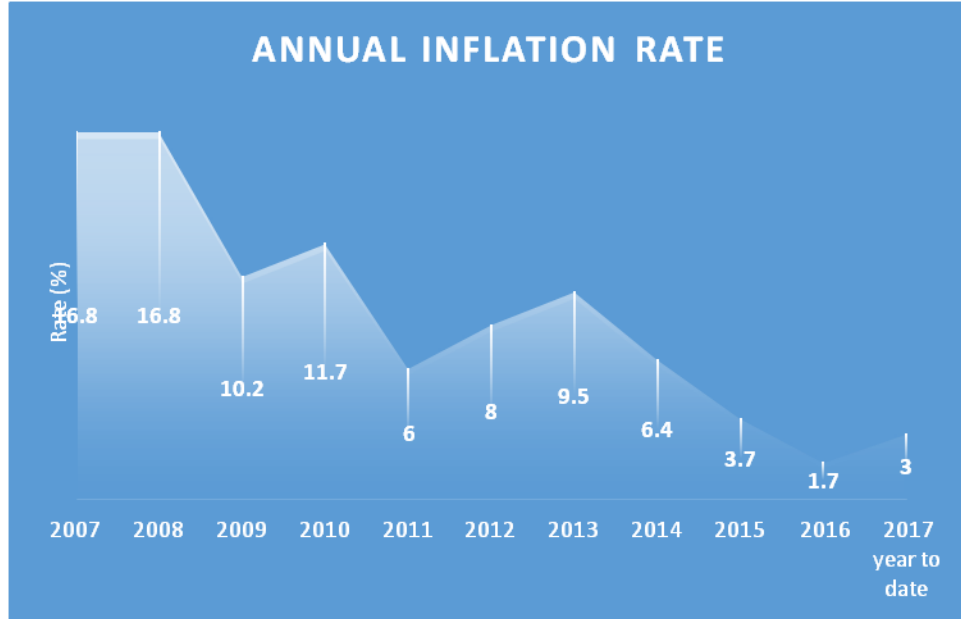
Food group. Other increases were seen in the division Water Supply and Miscellaneous Services Related to the Dwelling. The division increased by 0.1%.

These increases were impacted by a decrease in Housing, Water, Electricity, Gas and Other Fuels by 0.5%. A decrease of 1.1% was seen in the index for the group Electricity, Gas and Other Fuels.

Inflation in all the three regional areas increased for the month of August 2017 relative to July 2017. Inflation in the Greater Kingston Metropolitan area (GKMA), Other Urban Centers (OUC) and Rural Areas increased by 0.4%, 0.3% and 0.2%, respectively.



# Monthly Inflation Rate and Treasury Bill Rates

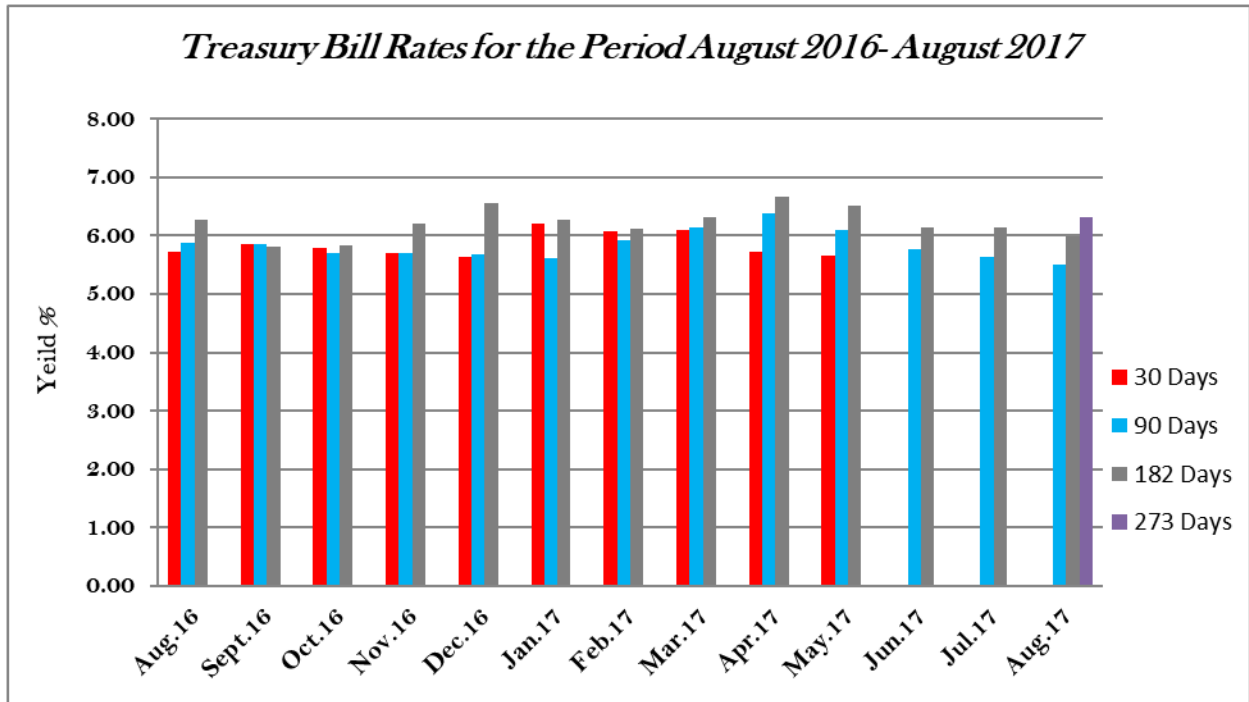


## Treasury Bill Rates

For the month of August 2017 relative to July 2017, yields on the Government of Jamaica 91-day and 182-day treasury bills decreased by **13bps** and **14bps**. Yields on the 273-day treasury bill was 6.32%. For the period August 2017 in comparison to August 2016, yields on GOJ 91-day treasury bill decreased

by 23bps while yields on the 182-day and 273-day recorded increases of 12bps and 4bps respectively. A two-year comparison showed decreases in the rate of 86bps and 50bps on the yields of the 91-day, and 182-day.

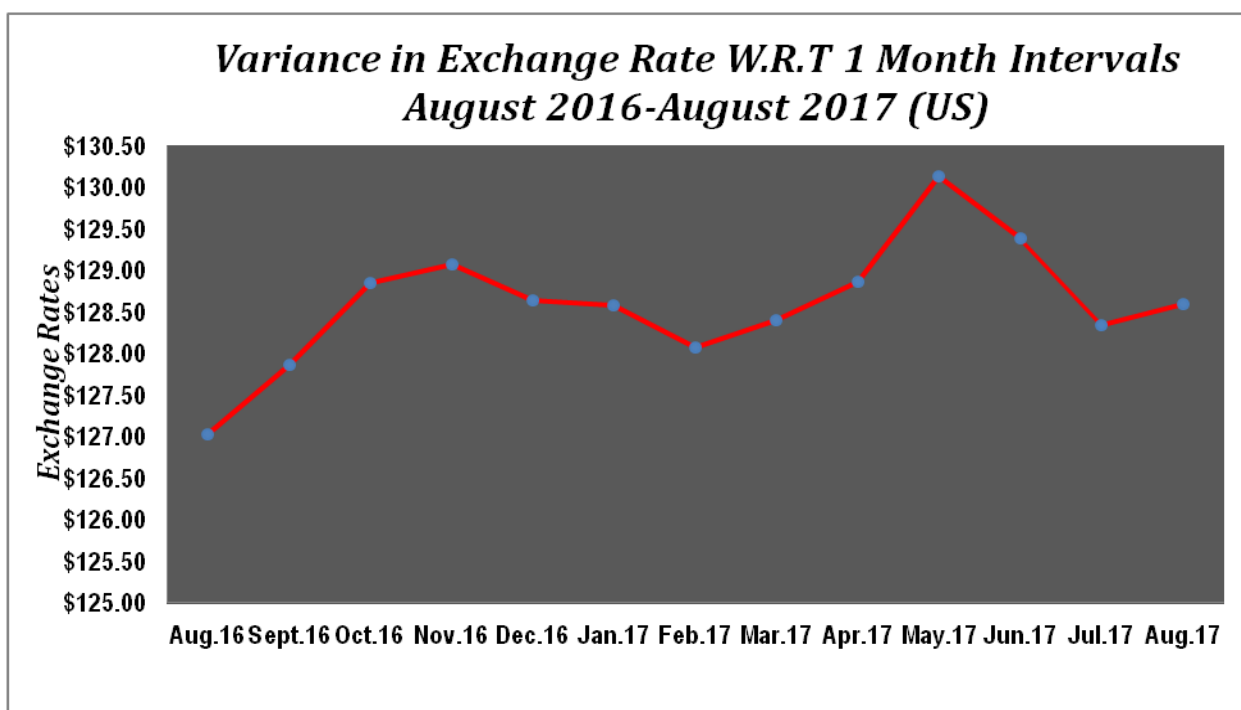
*NB: All 90-day will now and hereafter be referred to as 91-day.*



## Monthly Exchange Rates Update

### JMD:USD

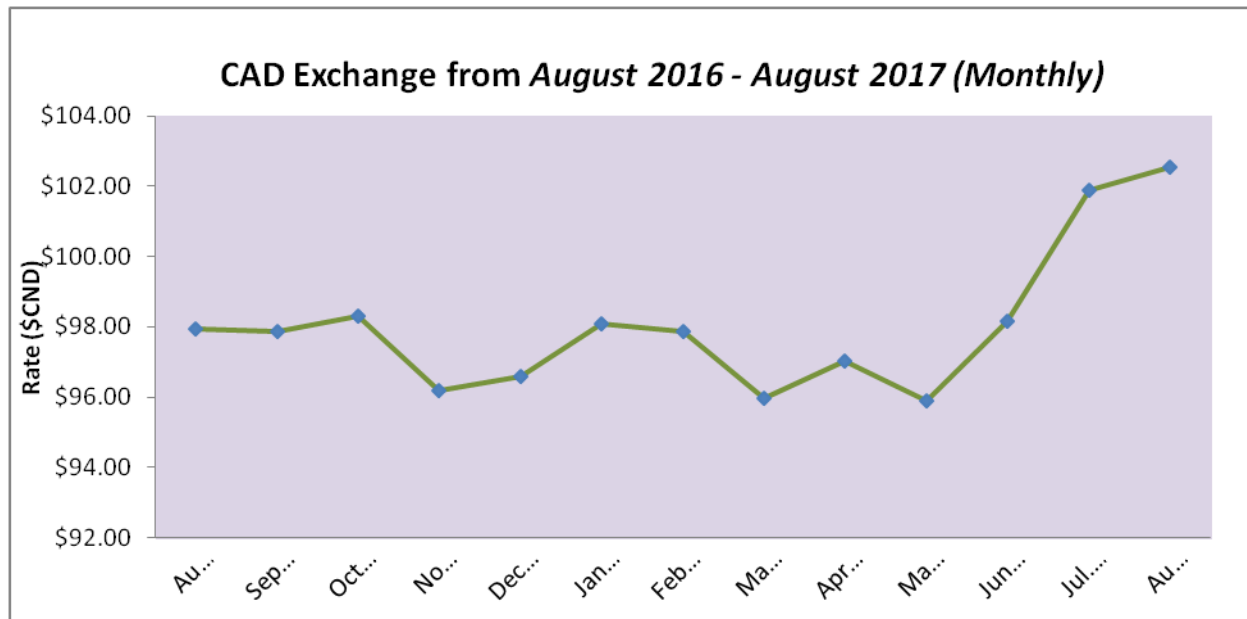
In analysis of the exchange rates over the period August 2017 to July 2017, the monthly average value of the Jamaican dollar depreciated by **\$0.25** or **0.1948%** relative to the US dollar. As a result, the exchange rate progressed to settle at **US\$1.00=J\$128.59**. A one-year comparison revealed depreciation in the currency ratio of J\$1.56, resulting in an overall increase in the value of the \$US by 1.228%. 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\$11.07 (percentage increase of 9.42).



### JMD:CAD

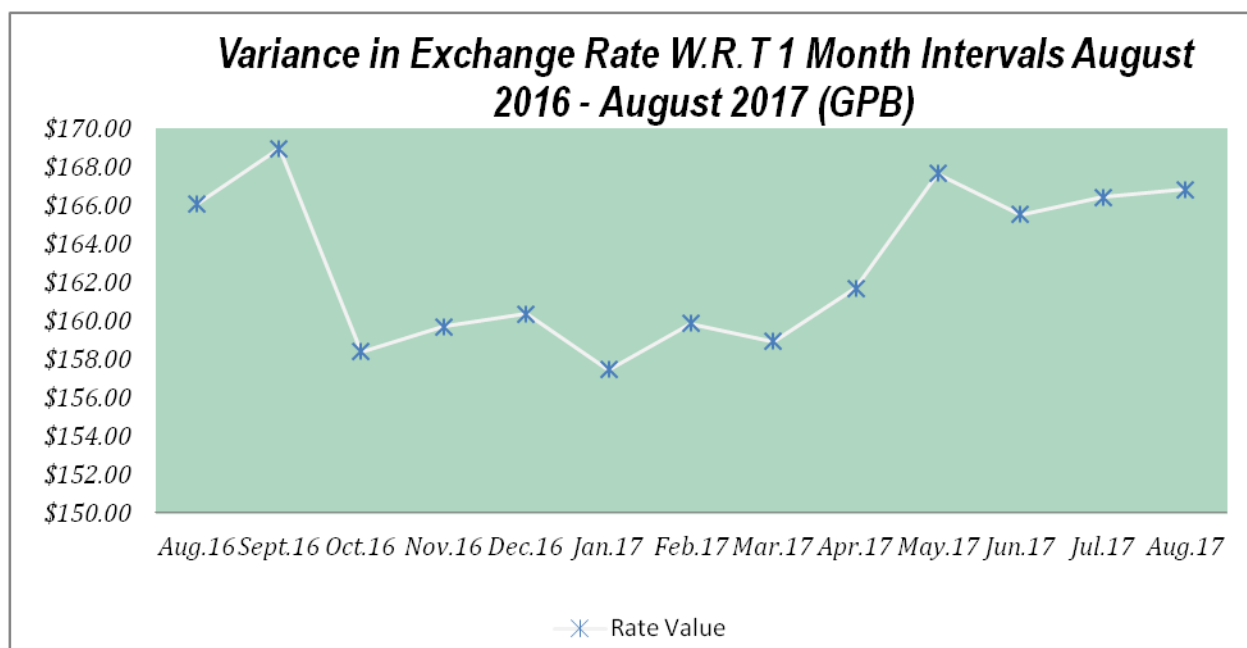
In relation to the exchange rate recorded for the month of August 2017, calculations accentuated the fact that the Jamaican dollar depreciated by **0.6577% (\$J0.67)** relative to the previous month. In this regard, the value of the Jamaican dollar to the Canadian dollar at the end of August was **CAD\$1.00=J\$102.54**. The exchange rate of August 2017 was further set side by side with the rate 1 year earlier (August 2016) which revealed that the value of the Jamaican dollar depreciated by J\$4.60 or 4.70%. Furthermore, calculations comparing the exchange rate values for August 2017 and August 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\$18.78 (depreciation of 22.42%).

## Monthly Exchange Rates Update



### JMD:GBP

The exchange rate's monthly variance of **J\$0.39** was seen to exist within the boundaries of August 2017 and July 2017, this indicates that the Jamaican dollar depreciated by some **0.2343%**. The exchange rate at end August was **GBP1.00=J\$166.81** in comparison to the previous month **GBP1.00=J\$166.42**. The annual comparison of the exchange rates for the months August 2017 and August 2016 revealed that the Jamaican dollar depreciated in such a way that there was an increase in the price of the \$GBP equal to J\$0.77 (0.4637%). Further investigation of the exchange rate extending to August 2015 showed that the cost of the Pound decreased by J\$5.73 or 3.32%.



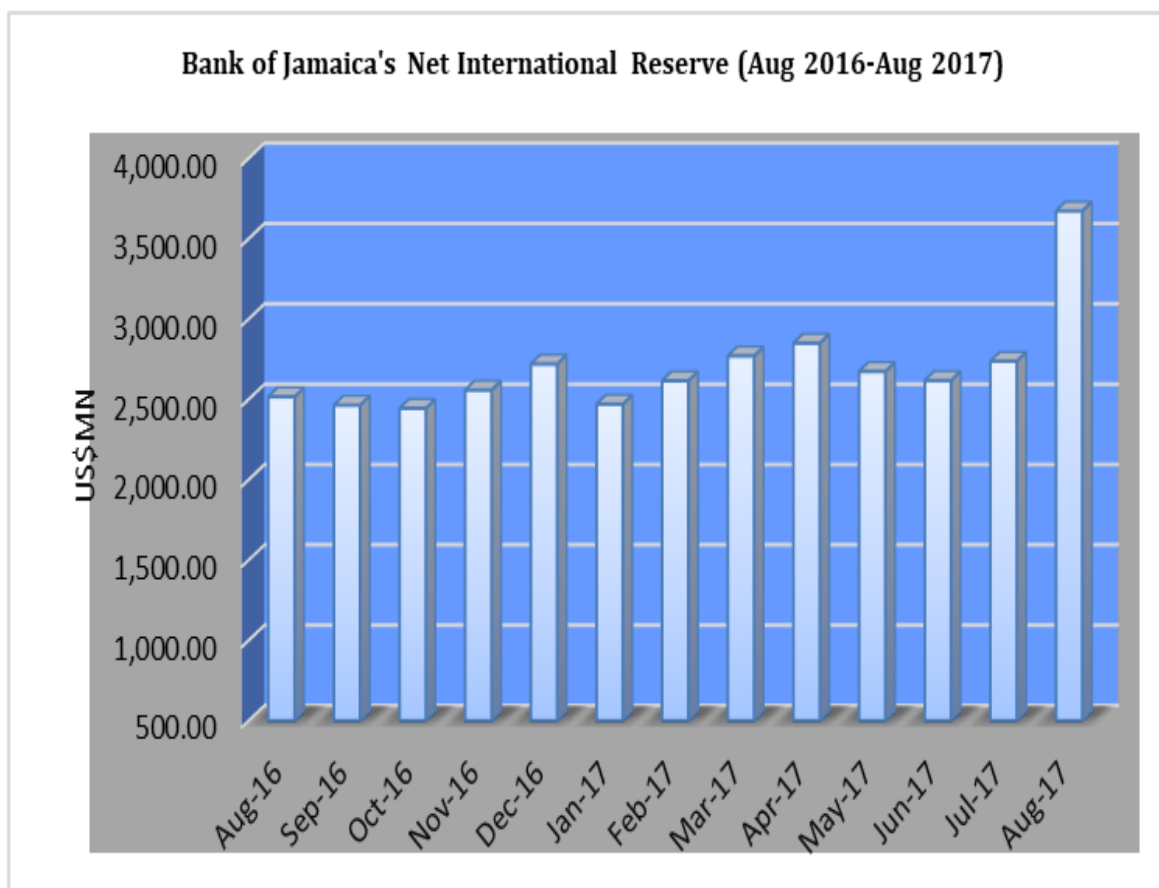
## Net International Reserves & Money Base

August 2017 Issue

### Net International Reserves

Data for the month ending August 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J\$468.10** billion (US\$3,671.68 million). This reflected an increase of **J\$119.02** billion (US\$935.33 million) relative to July. The change in the NIR for the month was due to an increase in foreign assets while foreign liabilities remained the same. Under the category of foreign asset, Currency and Deposit and Securities increased while SDR & IMF Reserve Position

decreased. Currency and Deposit and Securities increased by **US\$936.94** million, Securities increased by **US\$0.44** million while SDR & IMF Reserve Position decreased by **US\$2.05** million to end the month with total foreign asset **US\$4,247.21** million. This represented a total increase of **US\$935.33** million. Foreign liabilities ended the month at **US\$575.53**. At the end of August, the gross reserves were sufficient to finance **45.99** weeks of goods imports which represented **33.99** weeks over the international benchmark of **12** weeks of goods imports.

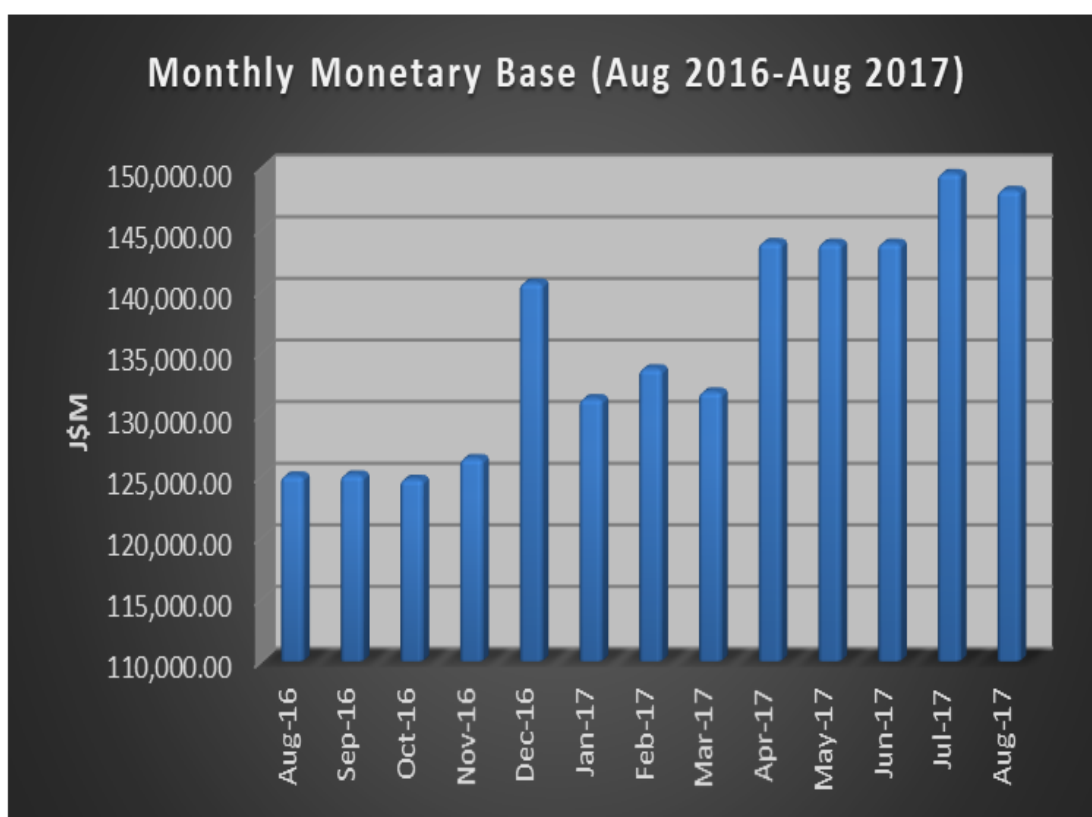


## Net International Reserves & Money Base

August 2017 Issue

### Monetary Base

The monetary base decreased by **J\$1.367 billion** to **J\$148.21 billion** for August 2017 relative to July. The change in the base reflected decreases in two sources while one source decreased. Net Currency decreased by **J\$0.655 billion** to end at **J\$92.70 billion**. Commercial Banks' Current Account Reserves decreased by **J\$0.915 billion** to a total of **J\$0.192 billion**. The Commercial Banks' Statutory Reserves increased by **J\$0.202 billion** to a total of **J\$55.315 billion**.



## Tourist Arrivals

August 2017 Issue

Stopover tourist arrivals for July 2017 were **248,626**. This month's total was **37,507** or **17.76%** higher than the 211,119 in June 2017. This year's July total is an increase of **9.0%** over the **228,169** recorded in July 2016.

For July 2017, the changes reflected in the total stopovers observed in the seven categories of destination were mostly that of increases. Out of the seven categories six recorded increases in numbers while one recorded a decrease when compared to July 2016. Increases in arrivals were reflected in stopovers from the United States, Canada, Europe, Latin America, Asia and Other Countries with **6.5%**, **17.9%**, **12.3%**, **35.2%**, **12.7%** and **2.1%** respectively. Of the Other Countries Australia provided the most stopover arrivals to Jamaica, with 1,550 visitors in 2017 compared to 1,628 in 2016. This represented a decrease of 4.8%.

The overall impact of increases was offset by a decrease in arrivals from the Caribbean. Stopover arrivals decreased by 10.3% in Asia. The market share of stopover visitors for the period, January to July 2017 was as follows: USA 65.1%; Canada 17.3%; UK 8.8%; Continental Europe 4.2%, the Caribbean 2.6%; and the other, including Latin America and Asia 2.0%.

A total of **110,034** cruise passengers visited Jamaica in July 2017. This represented a **17,259** or **18.47%** overall decrease compared to the **93,453** recorded in June 2017. For the corresponding period in 2016 total cruise passengers was **88,015** hence this year's total was **25.0%** less.

The January to June 2017 period saw 1,088,718 cruise passenger arrivals at the three major ports, an increase of 50,823 passengers of 4.9% in comparison to the same period last year.





## Previous Highlights: July 2017 Summary

August 2017 Issue

- ◇ At the end of July 2017, the monthly average value of the Jamaican Dollar appreciated against the US dollar while the value of the Dollar depreciated against the Canadian dollar and the Great Britain Pound. The Dollar appreciated against the US\$ by \$1.04 or 0.8038% to end at J\$128.34=US\$1.00. The value dollar depreciated by J\$3.72 or 3.790% against the Canadian Dollar to end at CAD\$1.00=J\$101.87. The value of the Great Britain Pound depreciated by J\$0.90 or 0.543% to end at GBP1.00=J\$166.42.
- ◇ Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.6% for the period July 2017 over June 2017. The increase in the rate for July 2017 over June 2017 brought inflation calendar year-to-date to 2.7% and inflation for the fiscal year to July 2017 was 1.7% and the point-to-point rate was 4.5%.
- ◇ Data for the month ending July 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$349.076 billion (US\$2,736.35 million). For the month of July 2017 relative to June 2017, yields on the Government of Jamaica 91-day decreased by 14bps while yields on the 182-day remained the same.
- ◇ Stopover tourist arrivals for June 2017 were 211,119. This month’s total was 29,450 or 16.21% higher than the 181,669 in May 2017. This year’s June total is an increase of 8.8% over the 194,088 recorded in May 2016. A total of 93,453 cruise passengers visited Jamaica in June 2017. This represented a 17,259 or 15.59% overall decrease compared to the 110,712 recorded in May 2017.
- ◇ At the end of April 2017 net remittance inflows were US\$179.9 million. When compared to the corresponding month of the previous year net remittance decreased by US\$3.6 million or 3.6%. Net remittances inflows for January to April were US\$674.1 million, which represented a growth of US\$14.5 million or 2.2% relative to the corresponding period of 2016.
- ◇ There were price reductions observed in 22% (4) of the commodities monitored for July 2017. Both the price of Brent and the WTI increased for the period July relative to June. The Brent increased by 3.84% and the WTI increased by 3.28%. Natural gas price increased by 0.77% for the period July over June..

|  |  |
|--|--|
| 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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