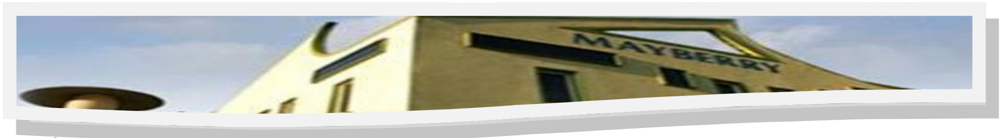


MAYBERRY INVESTMENTS LIMITED

VOLUME 2 NOVEMBER 23, 2017

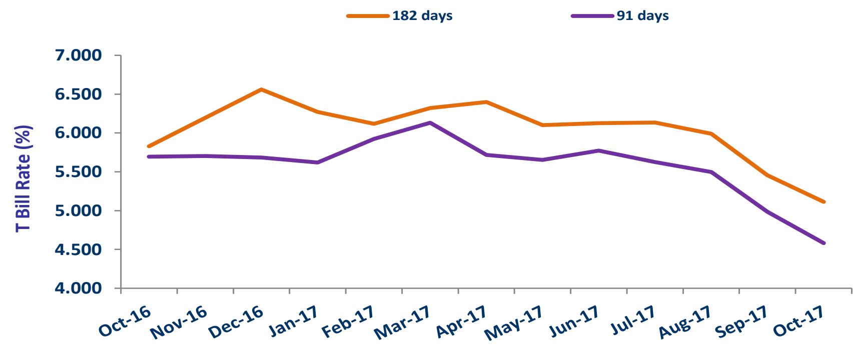
MONTHLY ECONOMIC SUMMARY

LOCAL ECONOMY

TREASURY BILL OUTTURN & PRODUCER PRICE INDEX

Treasury Bills:

The 91-day Treasury bill auction resulted in an average yield of 4.581% for October, down 40 basis points compared to September's auction. Furthermore, the 182-day Treasury bill auction for October yielded an average rate of 5.112%, down 34 basis points relative to the September's outturn. Notably, the average yields on the 91-day decreased by 111 basis points compared to the auctions in 2016 for the comparable period. The 182-day treasury bills declined by 72 basis points relative to the corresponding auctions in 2016 .(Refer to graph on the right).



Producer Price Index:

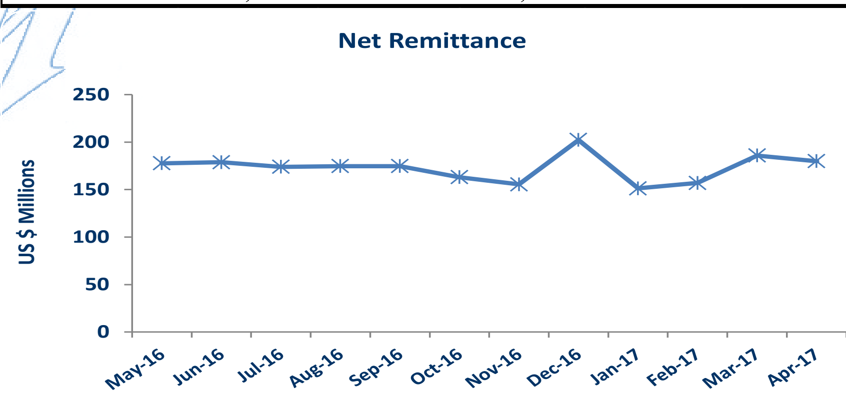
Latest data on the Producer Price Index (PPI) from the Statistical Institute of Jamaica (STATIN) indicated that, "the Producer Price Index (PPI) for the Mining and Quarrying industry recorded an increase of 0.1% for the month of September 2017. The major group 'Other Mining and Quarrying' index moved up 2.0% the highest movement within the industry). This was as a result of the higher cost of production. The Manufacturing industry increased by 1.3% for the same period under review. The following major groups were the main contributors to the increase, 'Refined Petroleum Products' increasing by 5.8%, and 'Food, Beverages & Tobacco' up by 0.4%."

According to STATIN "The point-to-point movement for September 2016 to September 2017 recorded a 22.7% increase in the index for the Mining & Quarrying industry. The Manufacturing industry recorded an increase of 6.5% for the similar period. This was as a result of increases in the index for the major groups, 'Food, Beverages & Tobacco' and 'Refined Petroleum Products', 4.0% and 21.0% respectively."

"For the fiscal year-to-date April 2017 to September 2017, the Mining & Quarrying industry recorded an upward movement of 1.9%. The Manufacturing industry rose by 2.7% in its index for the same period under review."

Stopover Arrivals by Market Region

Country	September 2017	Share %	September 2016	Share %	Change %
U.S.A.	77,566	59.0%	75,193	62.5%	3.2%
Canada	22,269	16.9%	17,732	14.7%	25.6%
Europe	23,919	18.2%	19,856	16.5%	20.5%
Latin America	2,203	1.7%	1,909	1.6%	15.4%
Caribbean	4,443	3.4%	4,498	3.7%	-1.2%
Asia	606	0.5%	688	0.6%	-11.9%
Others	410	0.3%	464	0.4%	-11.6%
Total	131,416	100.0%	120,340	100.0%	9.2%



TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in September 2017 amounted to 131,416 an increase of 9.2% when compared to 120,340 recorded in September 2016.

Stopover arrivals from the U.S. market increased by 3.2% in September 2017 with a total of 77,566 arrivals compared to 75,193 arrivals in September 2016.

The Canadian market recorded an increase in arrivals of 25.6% with arrivals amounting to 22,269 relative to 17,732 in September of last year.

The European market region recorded a increase in arrivals by 20.5% to 23,919 stopover arrivals in September 2017, relative to 19,856 recorded for September 2016.

Arrivals from Latin America recorded a growth of 15.4% with a total of 2,203 stopovers relative to September 2016. (see Tourist Arrivals table above)

REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for April 2017, showed, "net remittances were US$179.9 million, a decrease of US$3.6 million or 2% relative to the corresponding month of 2016."

For the period January 2017 to April 2017, "net remittances totalled US$674.1 million, an increase of US$14.5 million or 2.2% relative to the corresponding period of the last year.

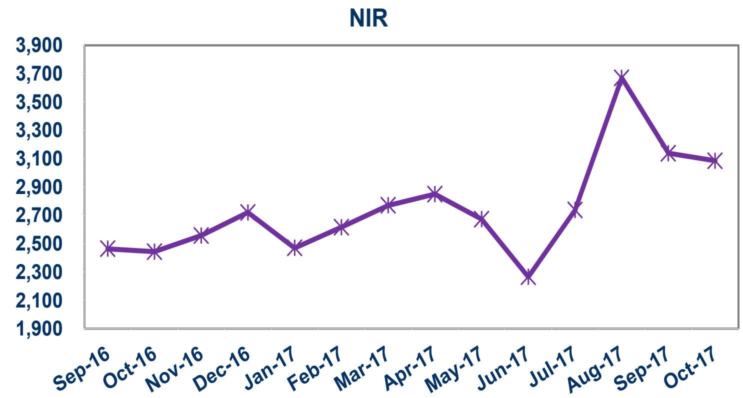
The growth in remittances was driven by a 2.5% increase in 'remittance companies' which closed the period at US$650.1 million compared to the US$634.2 million recorded in 2016. 'Other remittances' closed the period at US$102.2 a 3.3% decrease over the US$105.7 million booked in 2016.

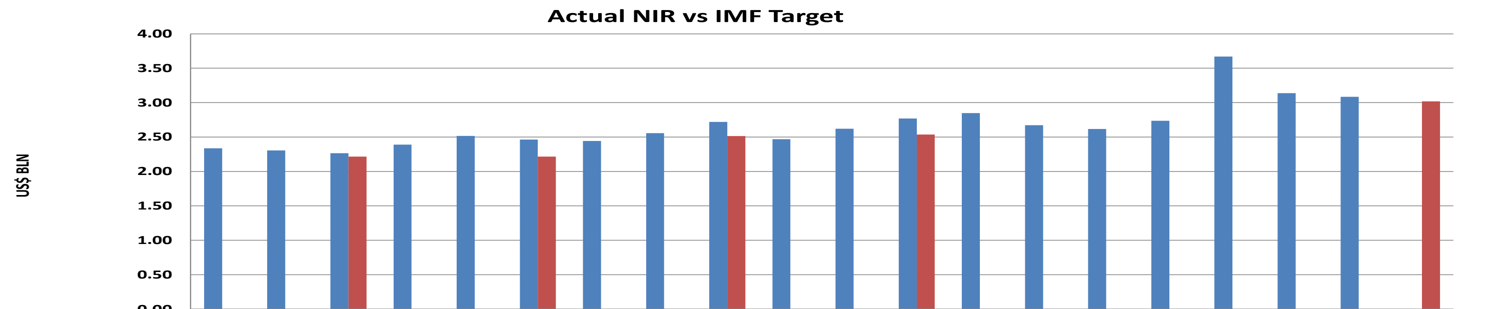
NET INTERNATIONAL RESERVES

Jamaica's Net International Reserves totaled US$3,084.98 million as at October 2017, reflecting a decrease of US$52.16 million relative to the US$3,137.14 million reported as at the end of September 2017.

Changes in the NIR resulted from a 1% or US$55.68 decline in Foreign Assets to total US$3,659.26 million compared to US$3,714.94 million reported for September 2017. The declined in Foreign Assets was linked to a downward movement in 'Currency & Deposits'. As at October 2017, 'Currency & Deposits' totaled US$3,073.61 million reflecting a decrease of US$62.07 million compared to US$3,135.68 million booked as at September 2017. Securities amounted to US$311.44 million, US$8.07 million more than the US$303.37 million reported in September 2017. Foreign Liabilities as at October 2017 amounted to US$574.28 million. Liabilities to the IMF accounted for 100% of total foreign liabilities and reflected a marginal decrease month over month from the US$577.80 million reported for September 2017.

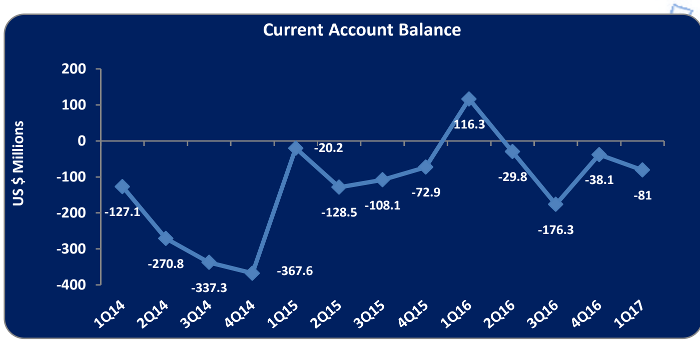
At its current value, the NIR is US$641.75 million more than its total of US$2,443.23 million at the end of October 2016. The current reserve is able to support approximately 38.85 weeks of goods imports or 22.50 weeks of goods and services imports.





	Apr. 2016	May. 2016	Jun. 2016	Jul. 2016	Aug. 2016	Sept. 2016	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017	Apr. 2017	May. 2017	Jun. 2017	Jul. 2017	Aug. 2017	Sep. 2017	Oct. 2017	Mar. 2018
NIR - Actual	2.34	2.30	2.27	2.39	2.52	2.46	2.44	2.56	2.72	2.47	2.62	2.769	2.849	2.673	2.617	2.736	3.669	3.137	3.085	
NIR (floor) - IMF Target	-	-	2.22	-	-	2.22	-	-	2.52			2.54								3.02

CURRENT ACCOUNT BALANCE



The latest data from the Bank of Jamaica shows the Current Account deficit for the period January 2017 to March 2017 amounted to a deficit of US$81.0 million. This compared to the US$139.0 million surplus booked for the first quarter of 2016.

MONEY SUPPLY

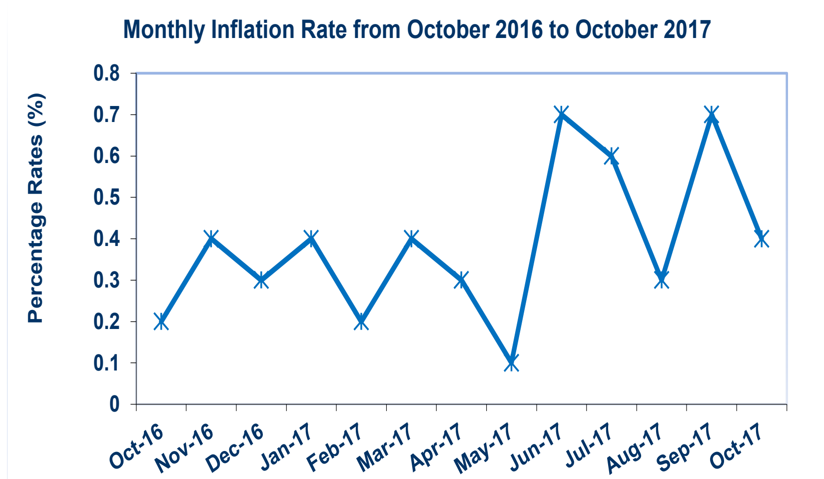
Total Money Supply (M3) as at June 2017 amounted to J$757.64 billion, an decline of 9% compared to the $832.29 billion in March 2017 and a 8.8% increase year over year. M2, comprises M1 plus short-term savings and time deposits, certificates of deposit, foreign currency transferable deposits, repurchase agreements and other deposits.

CONSUMER PRICE INDEX

The inflation rate for the month October 2017 was 0.4%, following an upward movement of 0.7% in September 2017. The movement was attributed mainly to the 'Housing, Water, Electricity, Gas and Other Fuels' division which recorded an increase of 1.7%. According to the Statistical Institute of Jamaica (STATIN), the movement was traced to a 2.2% increase in the group 'Electricity, Gas and Other Fuels'. The group 'Water, Supply and Miscellaneous Services Related to the Dwelling' posted a 2.7% increase as a result of higher water and sewage rates. The division which recorded the second highest movement was 'Alcoholic Beverages and Tobacco' with a 0.7% increase for the month.

The 'Food and Non-Alcoholic Beverages' division rose 0.3% driven mainly by increased prices for 'Vegetables and Starchy Foods'. Notably, October's inflation rate was tempered by lower prices for some petroleum products which resulted in a 0.2% fall in the 'Transport' division. Furthermore,

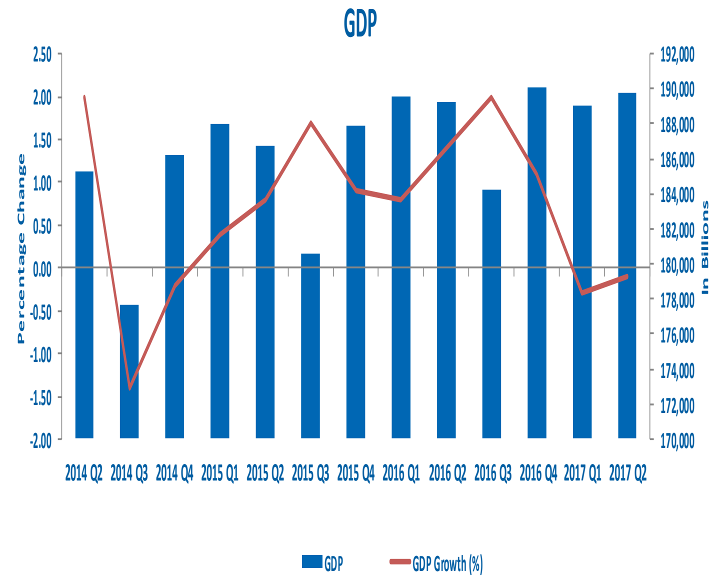
STATIN noted, "all three regions recorded increases for October 2017: The index for Greater Kingston Metropolitan Area rose by 0.4%, Other Urban Areas by 0.4% and Rural Areas up by 0.3%."



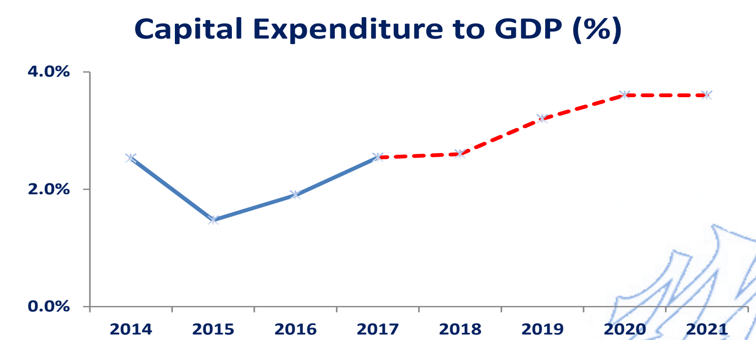
GROSS DOMESTIC PRODUCT

According to the Statistical Institute of Jamaica, "The Jamaican economy declined by 0.1% in the second quarter of 2017 when compared to the similar quarter of 2016. This was due mainly to a 3.3% decline in the Goods Producing Industries, however, the Services Industries grew by 1.0%. The main contributors to the decline in the Goods Producing Industries were Agriculture, Forestry & Fishing (9.5%) and Mining & Quarrying (10.9%). However, higher levels of output were recorded for Manufacturing (1.1%) and Construction (1.2%). All Services Industries recorded growth."

STATIN reports, "Value added for the Agriculture, Forestry & Fishing industry fell by 9.5% in the second quarter of 2017 when compared to the similar period of 2016. Other Agricultural Crops, which includes Animal Farming, Forestry and Fishing, declined by 13.6% and Traditional Export Crops by 3.2%. The weak performance of the industry was due largely to unfavourable weather conditions and the devastation of crops rom the beet armyworm infestation. Value added for the Mining and Quarrying industry fell by 10.9% for the review period. There was a reduction in production for both alumina and crude bauxite. Alumna. The fall in alumina production was due to heavy rainfall which affected mining activities as well as the malfunctioning of equipment at one of the factories. Value added for the Manufacturing industry recorded an increase of 1.1% for the review period. This was due to higher output levels within the Food, Beverages & Tobacco (0.8%) and Other Manufacturing (1.7 %) sub-industries. Real value added for the Construction industry increased by 1.2%.The Electricity & Water Supply industry recorded growth of 0.1% in real value added. This was due to higher electricity consumption which increased by 0.5%, moving to 812,199 MWh in 2017 from 808,447 MWh in 2016.The Hotels & Restaurants industry grew by 5.1%. This growth was as a result of increased activities in hotels & other short-stay accommodation and restaurants, bars & canteens."



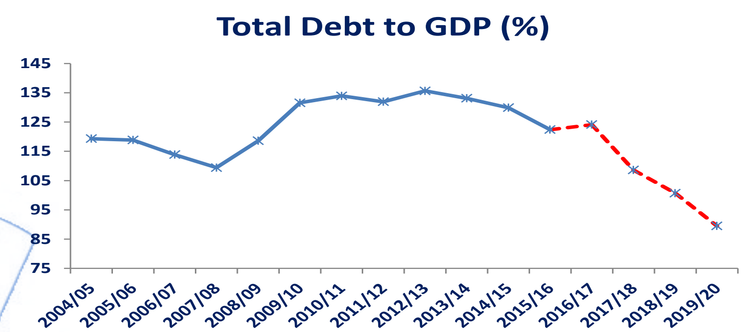
CAPITAL EXPENDITURE TO GDP



Total Expenditure for the period April to September 2017 amounted to $268.57 billion, $3.17 billion or 1.2% less than the budgeted $271.74 billion. Recurrent expenditure which totalled $250.29 billion, accounted for 93% of overall expenditures. Relative to projections, recurrent expenditure was $3.03 billion (1.2%) less than budgeted. Of the recurrent expenditure categories over the review period, 'Compensation of Employees' came in below budget by $1.03 billion, totalling $94.54 billion relative to a budget of $95.57 billion. 'Employee Contribution' which amounted to $7.73 billion, was $814.60 million more than projected, while 'Wages and Salaries' was below the projection by $1.84 billion to total $86.81 billion. 'Interest' closed the period under budget by 3.1%, while 'Programmes' was over budget by 0.2%. 'Capital Expenditure' amounted to $18.29 billion for the period and was under budget by 0.8% relative to the budgeted $18.43 billion.

As a result of the decrease in expenditures for the period April to September 2017, the 'Fiscal Deficit' was $6.46 billion, relative to a projected deficit of $24.32 billion. Additionally, the primary balance for the period amounted to $62.29 billion, 33.7% more than budgeted.

DEBT TO GDP



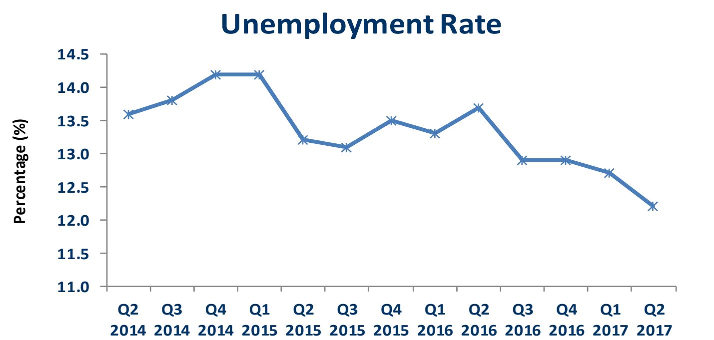
In order to meet the debt to GDP target set for fiscal year (FY) 2016/17, the government has targeted debt levels of $2.187 trillion assuming a real GDP growth of 1.8% or nominal GDP of $1.726 trillion. Jamaica's total public debt as at March 2016 amounted to $2.068 trillion, a marginal increase of 1.3% compared to the $2.041 trillion recorded for March 2015. As part of the Memorandum of Economic and Financial Policies (MEFP), the GOJ estimates that the primary balance, as a performance criterion, should amount to $131.9 billion by the end of the 2017/2018 fiscal year. For the December quarter, a primary balance of $61 billion is estimated. As at September 2017, this amounted to $62.29 billion. Tax Revenue is expected to total an estimated $330 billion by the end of the December quarter, as at September 2017, tax revenue was booked at $237.63 billion.

The Government has proposed a redefinition of Public Debt that will become effective April first. Under the new definition Jamaica's Debt to GDP will 115% of GDP at the end of FY2016/17 compared to 124.1% under the old definition.

LABOUR FORCE

Unemployment Rate (%)	January Q1	April Q2	July Q3	October Q4
2014	13.4	13.6	13.8	14.2
2015	14.2	13.2	13.1	13.5
2016	13.3	13.7	12.9	12.9
2017	12.7	11.3	11.3	

Labour force	January Q1	April Q2	July Q3	October Q4
2014	1,305,500	1,311,100	1,303,700	1,310,200
2015	1,320,800	1,300,400	1,320,500	1,325,200
2016	1,342,000	1,353,500	1,363,300	1,355,500
2017	1,358,300	1,371,600	1,371,200	

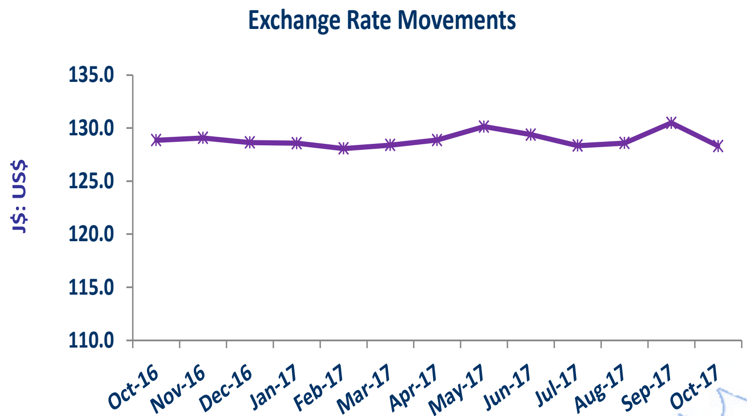


In July 2017, Total Labour Force was 1,371,200 persons, an increase of 17,700 (0.6%) compared with 1,363,300 in July 2016. The male labour force increased by 3,300 (0.5%) to 735,900 in April 2017 and the female labour force increased by 4,700 (0.8%) to 635,300. There were 1,216,200 Employed persons in July 2017 representing an increase of 29,200 (2.5%) when compared with the 1,187,000, recorded in July 2016. For males, employment increased by 14,200 (2.1%) between July 2016 (663,100) and July 2017 (677,300) and for females an increased from 523,900 persons in July 2016 to 538,900 in July 2017. The Unemployment Rate for July 2017 was 11.3%, representing a decrease of 1.6% point when compared to the rate of 12.9% for July 2016. The unemployment rate for males decreased from 9.5% to 8.0% and the unemployment rate for females decreased from 16.9% to 15.2%.

FOREIGN EXCHANGE MARKET

LOCAL FOREX

The Jamaican dollar depreciated against the USD for the month of October. The JMD declined by $2.18 in October, to close the month at an average of $128.31 relative to the $130.49 recorded in September 2017. Year over year, the JMD has depreciated by approximately $0.54 or 0.42% relative to the $128.85 reported as at October 2016.



INTERNATIONAL FOREX

GBP/USD: The pair closed at $1.3283. According to FX Empire, "the GBPUSD pair had a pretty volatile month in October though the range was pretty small. It was also another month of Brexit negotiations where there was little progress and this also weighed on the pound. The lack of progress was of so much concern that the UK PM May had to personally travel to Brussels to lead the latest round of negotiations in an attempt to push it ahead. There were reports of the UK walking out of the negotiations with no deal but this would not be a good option for either the UK or the Eurozone and the leaders from both sides understand that and that is why we have been seeing them try their best to push through some progress in the talks. Looking ahead to the new month of November, the market expects the BOE to hike rates in the first week of the new month. The BOE has been hawkish in its minutes over the last couple of months but the data is still choppy which doesn't necessarily support a rate hike at this point of time."

EUR/USD: The pair closed the month at $1.1646. According to FX Empire, "The EURUSD pair had a generally difficult month with it closing the month near the lows of its range. The early half of the month was marked by the euro making highs of the year as the incoming data from the US turned out to be very weak. It was good that the month passed off peacefully without any major risk from the Korean region, something that had dominated the markets in the previous month. Looking ahead to the month of November, the focus is likely to shift away from the euro and the eurozone and it is likely to lay squarely on the dollar. The market has started to price in a rate hike from the Fed in December, over the last few weeks. Though the incoming data has not been strong enough to confirm such a rate hike and the Fed members have kept their cards close to their chest, the market, as usual, likes to get ahead of itself and this has led to the situation of the dollar getting stronger in anticipation of the rate hike.

Int'l Currency Prices:	October 1-31			
Currency Pair	**Open**	**High**	**Low**	**Close**
GBP/USD	1.3276	1.3285	1.3066	1.3283
USD/CAD	1.2508	1.2888	1.2458	1.2888
EUR/USD	1.1733	1.1859	1.1608	1.1646
USD/JPY	112.77	113.98	111.82	113.64

USD/CAD: The CAD depreciated against the USD during the month of October by 3% to close at $1.2888.

OPEN MARKET OPERATION

Issue Date	Tenor	Initial Coupon %	Reset Margin %	Benchmark	Interest/ Maturity Date Payment
13-Oct-17	14 days	4.80%	N/A	Fixed	31-Oct-17
23-Oct-17	14 days	4.77%	N/A	Fixed	7-Nov-17
31-Oct-17	14 days	4.78%	N/A	Fixed	14-Nov-17
13-Oct-17	28 days	4.00%	N/A	Fixed	10-Oct-17
20-Oct-17	28 days	4.00%	N/A	Fixed	17-Oct-17
27-Oct-17	28 days	4.00%	N/A	Fixed	24-Nov-17

The Bank of Jamaica issued three Repurchase Agreement and three Certificates of Deposit during the month of October 2017.

INTERNATIONAL ECONOMY

United States: According to the *U.S. Bureau of Labour Statistics,* "The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1% in October on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index rose 2.0%. The shelter index increased 0.3% and was the main factor in the seasonally adjusted all items increase. The energy index fell, as a decline in the gasoline index outweighed increases in other energy component indexes. The food index was unchanged over the month. The index for all items less food and energy increased 0.2% in October. In addition to the shelter index, the indexes for medical care, used cars and trucks, tobacco, education, motor vehicle insurance, and personal care were among those that increased. The indexes for new vehicles, recreation, and apparel all declined. The all items index rose 2.0% for the 12 months ending October, a smaller increase than the 2.2% increase for the period ending September. The index for all items less food and energy rose 1.8% over the past year, as lightly larger increase compared to the 1.7% increase for the 12 month sending September. The energy index increased 6.4% over the last 12 months, and the index for food rose 1.3%."

EURO Zone: According to the *European Union's statistics office*, "Euro area annual inflation was 1.4% in October 2017, down from 1.5% in September. In October 2016, the rate was 0.5%. European Union annual inflation was 1.7% in October 2017, down from 1.8% in September. A year earlier the rate was 0.5%. These figures come from Eurostat, the statistical office of the European Union. The lowest annual rates were registered in Cyprus (0.4%), Ireland, Greece and Finland (all 0.5%). The highest annual rates were recorded in Lithuania (4.2%), Estonia (4.0%) and the United Kingdom (3.0%). Compared with September 2017, annual inflation fell in fourteen Member States, remained stable in five and rose in nine."

Commodity: According to the *World Bank,* "Prices of industrial commodities continued to strengthen in the third quarter (q/q), while most agricultural prices remained broadly stable. In the oil market, inventories continue to fall amid strong demand, OPEC production restraint, and stabilizing U.S. shale oil production. Crude oil prices are expected to average $53 per barrel (bbl) in 2017 (up from $43/bbl in 2016) and rise to $56/bbl in 2018, a small downward revision from the April 2017 forecast. Metals prices are expected to surge 22 percent in 2017 due to strong demand and supply constraints, notably Chinese environmentally-driven supply cuts. With the exception of iron ore, metals prices are expected to increase moderately in 2018. Agricultural prices are seen broadly unchanged in 2017 and are anticipated to gain marginally in 2018. Most food markets are well-supplied and the stocks-to-use ratios of some grains are forecast to reach multi-year highs."

CARICOM:

Bahamas - According to the *Central Bank of the Bahamas,* "Preliminary evidence suggests that domestic output trends remained mildly positive during the review period, as the construction sector continued to benefit from foreign investment projects, as well as post hurricane rebuilding activities. However, the passage of Hurricane Irma at the beginning of September, led to disruptions in the tourism sector, from cruise line diversions and flight cancellations. In prices developments, domestic inflation firmed marginally during the 12 months ending in August, due mainly to higher fuel costs. Meanwhile, monetary developments featured growth in both liquidity and external reserves, buoyed by the receipt of proceeds from the Government's external borrowing. Official data from the Ministry of Tourism revealed continued softness in output, with total arrivals decreasing by 2.8% to 4.3 million over the first eight months of the year, a reversal from a 4.0% gain recorded in the same period of 2016. By port of entry, air visitors contracted by 6.3%, vis-à-vis a 3.2% rise in the prior period, while the sea component eased by 1.6%, overturning the year earlier 4.3% expansion."

Barbados - According to the *Central Bank in Barbados*, "The Barbadian economy grew by an estimated 1.4% over the first nine months of 2017, as economic growth moderated in the third quarter of the year. Tourism output, which fuelled the stronger growth performance over the first half of the year, fell during the third quarter, due to a reduction in the average length-of-stay of visitors and hurricane-related disruptions to tourist arrivals in September. The improved tourism performance for the first nine months of the year enabled the external current account to stabilise. However, external debt service, coupled with a lack of major foreign inflows to offset those payments, contributed to a further decline in the level of international reserves, which reached 8.6 weeks of import cover as at the end of the third quarter."