

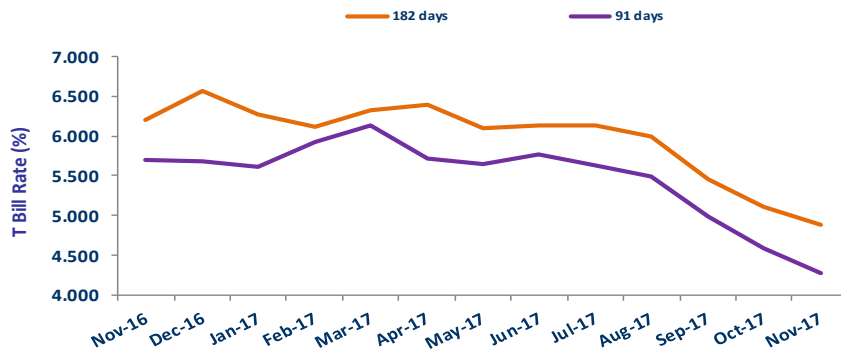


LOCAL ECONOMY

TREASURY BILL OUTTURN & PRODUCER PRICE INDEX

Treasury Bills:

The 91-day Treasury bill auction resulted in an average yield of 4.263% for November, down 32 basis points compared to October's auction. Furthermore, the 182-day Treasury bill auction for November yielded an average rate of 4.886%, down 23 basis points relative to the October's outturn. Notably, the average yields on the 91-day decreased by 44 basis points compared to the auctions in 2016 for the comparable period. The 182-day treasury bills declined by 131 basis points relative to the corresponding auctions in 2016. (Refer to graph on the right).



Producer Price Index:

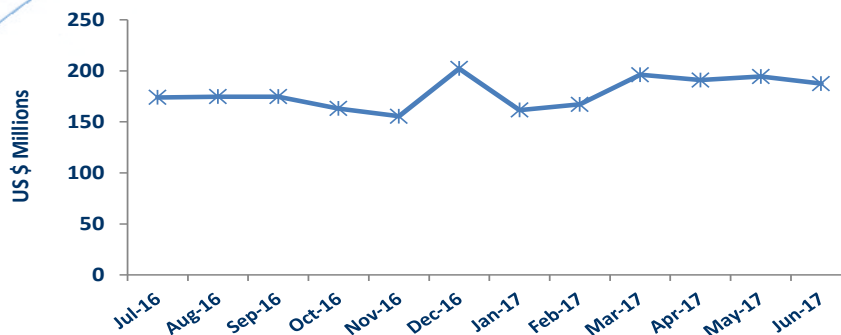
Latest data on the Producer Price Index (PPI) from the Statistical Institute of Jamaica (STATIN) indicated that, "the Producer Price Index (PPI) for the Mining and Quarrying industry recorded an increase of 2.0% for the month of October 2017. The major group 'Bauxite Mining and Alumina Processing' was the main contributor to the movement increasing by a similar 2.0% in its index according to the Statistical Institute of Jamaica (STATIN). This was as a result of the depreciation of the Jamaican dollar against the United States Dollar."

According to STATIN "the point-to-point movement for October 2016 to October 2017 recorded an 18.5% increase in the index for the Mining & Quarrying industry. The Manufacturing industry recorded an increase of 5.1% for the similar period. This movement was due mainly to increases in the major groups, 'Food, Beverages & Tobacco' and 'Refined Petroleum Products', 3.9% and 13.4% respectively."

"For the fiscal year-to-date April 2017 to October 2017, the Mining & Quarrying industry recorded an upward movement of 3.9% in its index. The Manufacturing industry rose by 2.6% in its index for the same period under review."

Stopover Arrivals by Market Region					
Country	October 2017	Share %	October 2016	Share %	Change %
U.S.A.	97,684	62.1%	83,005	61.3%	17.7%
Canada	25,696	16.3%	21,938	16.2%	17.1%
Europe	25,033	15.9%	21,870	16.1%	14.5%
Latin America	2,852	1.8%	2,803	2.1%	1.7%
Caribbean	4,930	3.1%	4,748	3.5%	3.8%
Asia	702	0.4%	622	0.5%	12.9%
Others	483	0.3%	481	0.4%	0.4%
Total	157,380	100.0%	135,467	100.0%	16.2%

Net Remittance



TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in October 2017 amounted to 157,380 an increase of 16.2% when compared to 135,380 recorded in October 2016.

Stopover arrivals from the U.S. market increased by 17.7% in October 2017 with a total of 97,684 arrivals compared to 83,005 arrivals in October 2016.

The Canadian market recorded an increase in arrivals of 17.1% with arrivals amounting to 25,696 relative to 21,938 in October of last year.

The European market region recorded an increase in arrivals by 14.5% to 25,033 stopover arrivals in October 2017, relative to 21,870 recorded for October 2016.

Arrivals from Latin America recorded a growth of 1.7% with a total of 2,852 stopovers relative to October 2016. (see Tourist Arrivals table above)

REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for June 2017, showed, net remittances were US\$187.5 million, an increase of US\$12.7 million relative to the corresponding month of 2016.

For the period January 2017 to June 2017, net transfers totalled US\$1,097.5 million, relative to US\$1,053.5 million for the corresponding period in 2016.

For June 2017, total inflows amounted to US\$208 million, while outflows totalled US\$20.5 million.

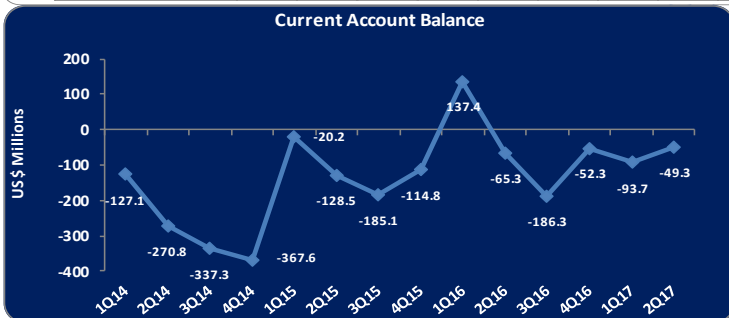
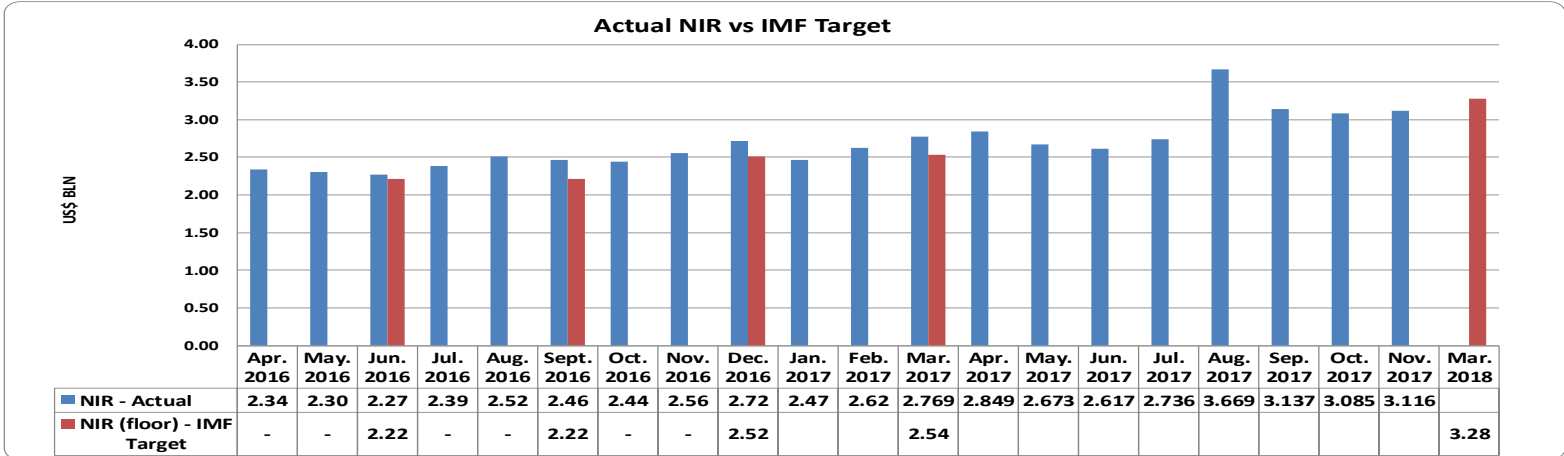
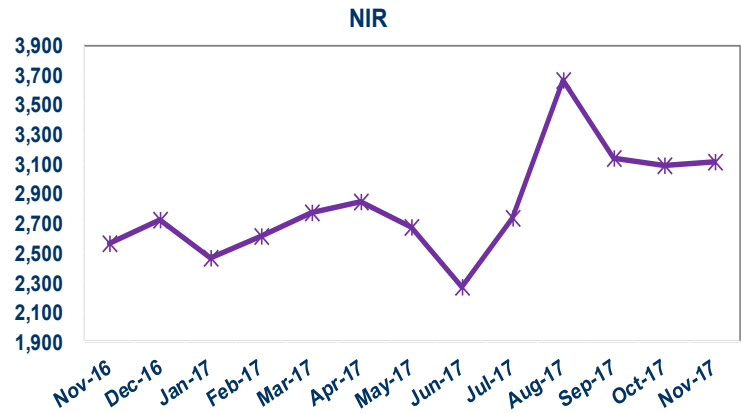


NET INTERNATIONAL RESERVES

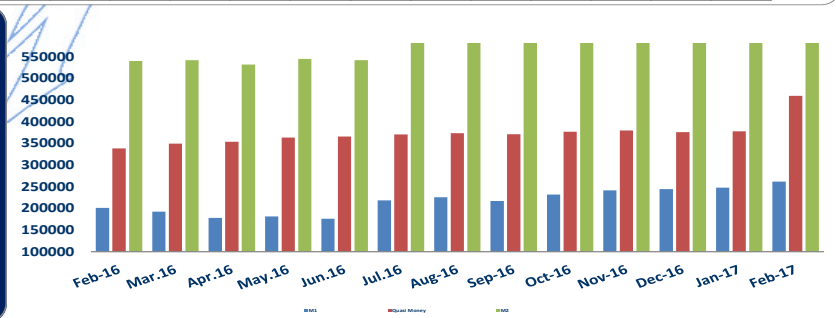
Jamaica's Net International Reserves totaled US\$3,116.22 million as at November 2017, reflecting an increase of US\$31.24 million relative to the US\$3,084.98 million reported as at the end of October 2017.

Changes in the NIR resulted from an increase in Foreign Assets of US\$26.33 million to total US\$3,685.59 million compared to the US\$3,659.26 million reported for October 2017. 'Currency & Deposits' contributed the most to the growth in Foreign Assets. This as 'Currency & Deposits' as at November 2017 totaled US\$3,115.05 million reflecting an increase of US\$41.43 million compared to US\$3,073.61 million booked as at October 2017. Securities amounted to US\$300.31 million; US\$11.13 million less than the US\$311.44 million reported in October 2017. Foreign Liabilities for November 2017 amounted to US\$569.38 million. Liabilities to the IMF accounted for 100% of total foreign liabilities totaling posting a US\$4.90 million decline month over month from October 2017.

At its current value, the NIR is US\$559.79 million more than its total of US\$2,556.43 million as at the end of November 2016. The current reserve is able to support approximately 39.13 weeks of goods imports or 22.66 weeks of goods and services imports.



The latest data from the Bank of Jamaica shows the Current Account deficit for the period April 2017 to June 2017 amounted to a deficit of US\$49.3 million. This compared to the US\$65.3 million deficit booked for the second quarter of 2016.



According to the latest data available from the Bank of Jamaica, total Money Supply (M3) as at June 2017 amounted to J\$757.64 billion, a 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.

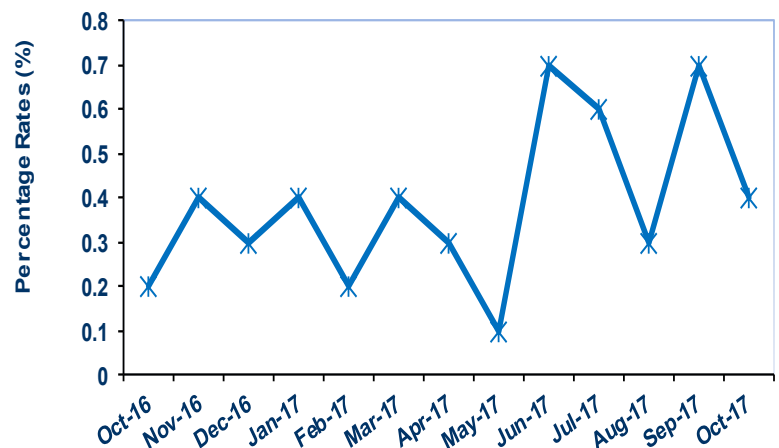
CONSUMER PRICE INDEX

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%."

The Inflation rate year to date is 4.0%, while the point-to-point rate (October 2016 – October 2017) and fiscal year 2016/ 2017 was 4.7% and 3.0% respectively.

Monthly Inflation Rate from October 2016 to October 2017

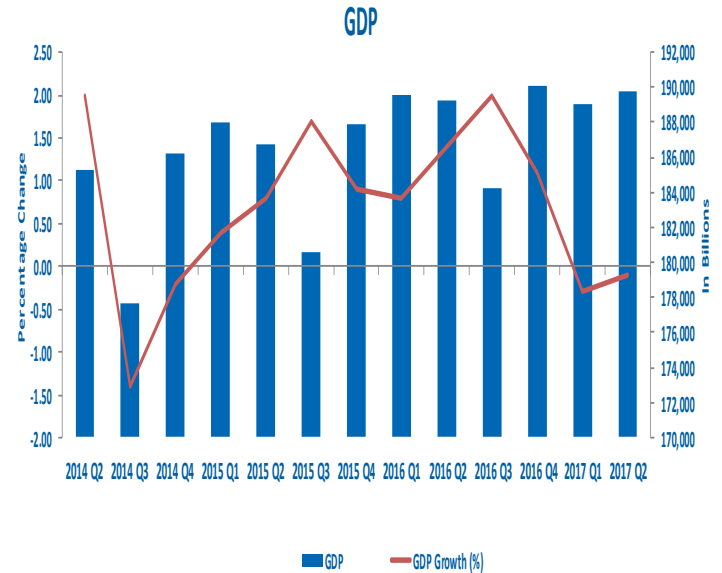




GROSS DOMESTIC PRODUCT

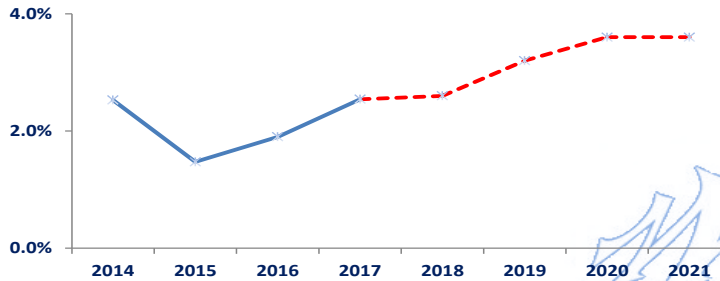
The latest data from the Statistical Institute of Jamaica indicates, "The Jamaican economy declined by 0.1% in the second quarter of 2017 when compared to the similar quarter of 2016. This was due mainly to a 3.3% decline in the Goods Producing Industries, however, the Services Industries grew by 1.0%. 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 from 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. Alumina. 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

Capital Expenditure to GDP (%)

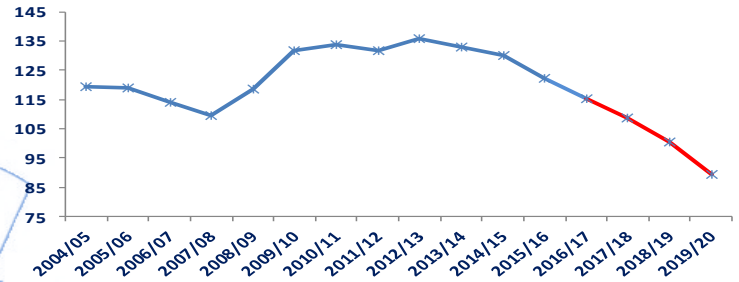


Total Expenditure for the period April to October 2017 amounted to \$315.36 billion, \$7.23 billion or 2.2% less than the budgeted \$322.60 billion. Recurrent expenditure which totalled \$292.27 billion, accounted for 92.7% of overall expenditures. Relative to projections, recurrent expenditure was \$7.06 billion (2.4%) less than budgeted. Of the recurrent expenditure categories over the review period, 'Compensation of Employees' came in below budget, totalling \$110.22 billion relative to a budget of \$114.47 billion. 'Employee Contribution' which amounted to \$8.73 billion, while 'Wages and Salaries' was below the projection to total \$101.49 billion. 'Interest' closed the period under budget by 2.6%, amounting to \$83.25 billion (2016: \$85.49 billion), while 'Programmes' was under budget by 0.6% totalling \$98.80 billion (2016: \$99.33 billion). 'Capital Expenditure' amounted to \$23.10 billion for the period and was under budget by 0.7% relative to the budgeted \$23.27 billion.

As a result of the decrease in expenditures for the period April to October 2017, the 'Fiscal Deficit' was \$17.78 billion, relative to a projected deficit of \$36.80 billion. Additionally, the primary balance for the period amounted to \$65.47 billion, 34.5% more than budgeted.

DEBT TO GDP

Total Debt to GDP (%)



In order to meet the debt to GDP target set for fiscal year (FY) 2017/18, the government has targeted debt levels of \$2.027 trillion or 107.1% of GDP. Jamaica's total public debt as at September 2017 amounted to \$2.004 trillion, a decrease from the \$2.069 trillion as at August 2017. Due to the improved GDP outlook for FY 2017/18, a higher nominal GDP has now been estimated and the nominal primary balance target has therefore moved from \$131,866 million to \$132,294 million which is equivalent to 7.0% of GDP. For the December quarter, a primary balance of \$59 billion is estimated. As at October 2017, this amounted to \$65.47 billion. Tax Revenue was expected to total an estimated \$328.0 billion by the end of the December quarter, as at October 2017, tax revenue was booked at \$271.86 billion.

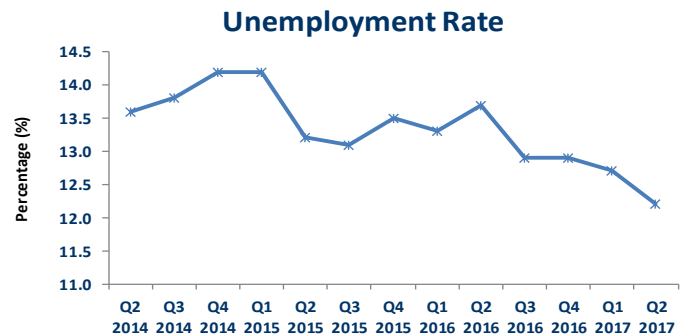
The public debt stock under the Government of Jamaica's new public debt definition is expected to end FY 2017/18 at \$2,027.8156 mn or 107.1% of GDP. Debt to GDP at the end of the fiscal year 2016/17 was 115.2%.

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%.

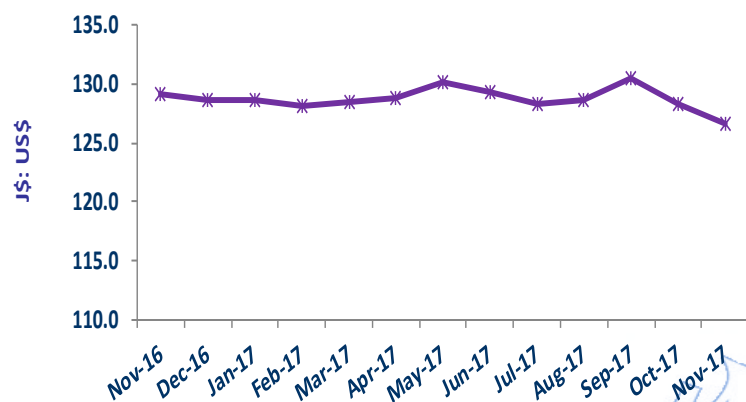




LOCAL FOREX

The Jamaican dollar appreciated against the USD for the month of November 2017. The JMD appreciated by \$1.64 in November, to close the month at an average of \$126.67 relative to the \$128.31 recorded in October 2017. Year over year, the JMD has appreciated by approximately \$2.4 or 1.86% relative to the \$129.07 reported as at November 2016.

Exchange Rate Movements



OPEN MARKET OPERATION

Issue Date	Tenor	Initial Coupon %	Reset Margin %	Benchmark	Interest/ Maturity Date Payment
3-Nov-17	28 days	4.00%	N/A	Fixed	1-Dec-17
10-Nov-17	28 Days	4.00%	N/A	Fixed	8-Dec-17
17-Nov-17	28 Days	4.00%	N/A	Fixed	15-Dec-17
24-Nov-17	28 days	4.00%	N/A	Fixed	22-Dec-17

INTERNATIONAL ECONOMY

United States: According to the *U.S. Bureau of Labour Statistics*, "The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4% in November on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index rose 2.2%. The energy index rose 3.9% and accounted for about three-fourths of the all items increase. The gasoline index increased 7.3%, and the other energy component indexes also rose. The food index was unchanged in November, with the index for food at home declining slightly. The index for all items less food and energy increased 0.1% in November. The shelter index continued to rise, and the indexes for motor vehicle insurance, used cars and trucks, and new vehicles also increased. The indexes for apparel, airline fares, and household furnishings and operations all declined in November. The all items index rose 2.2% for the 12 months ending November. The index for all items less food and energy rose 1.7%, a slight decline from the 1.8% increase for the period ending October. The energy index rose 9.4% over the last 12 months, and the food index rose 1.4%."

EURO Zone: According to the *European Union's statistics office*, "Euro area annual inflation was 1.5% in November 2017, up from 1.4% in October. In November 2016, the rate was 0.6%. European Union annual inflation was 1.8% in November 2017, up from 1.7% in October. A year earlier the rate was 0.6%. These figures come from Eurostat, the statistical office of the European Union. The lowest annual rates were registered in Cyprus (0.2%), Ireland (0.5%) and Finland (0.9%). The highest annual rates were recorded in Estonia (4.5%), Lithuania (4.2%) and the United Kingdom (3.1%). Compared with October 2017, annual inflation fell in four Member States, remained stable in nine and rose in fifteen. The largest upward impacts to the euro area annual inflation came from fuels for transport (+0.21 percentage points), heating oil (+0.07 pp) and milk, cheese & eggs (+0.05 pp), while telecommunication (-0.11 pp), garments (-0.07 pp) and social protection (-0.04 pp) had the biggest downward impacts."

Commodity: According to the *World Bank*, "Energy commodity prices surged 7.7% in November, while non-energy prices rose 0.2%. Food prices rose 0.8%, while beverages fell 1.0%. Metals prices were mixed. Fertilizers registered the biggest decline, falling 3.0%."

INTERNATIONAL FOREX

GBP/USD: The pair closed at \$1.3525. According to FX Empire, "the pound had a generally positive month and it closed the month of November near the highs of its range which should open up even higher prices in the coming month. The fact that the last couple of months have had similar lows should be a positive technical sign for those who trade based on technicals and that adds to our belief that the GBP/USD pair would move higher in the coming month. There were a couple of important events that dominated the prices of the pound during the month of November. Looking ahead to the month of December, we expect this bullishness to continue in the short term as the details of the deal are revealed. The signs are clearly bullish in the short term but the drying up of liquidity as we enter the second half of the month could turn out to be a dampener."

EUR/USD: The pair closed the month at \$1.1904. According to FX Empire, "The EURUSD had a pretty strong month of November and looks set to continue its bullish move higher. A combination of weakness in the dollar and the fact that the euro continued to hold steady during this period has helped the pair to continue its bullish run during the course of the month, setting itself up for a break through the 1.20 region as we enter into the final month of the year, when the liquidity is expected to dry up, on account of the holidays later in the month. Looking ahead to the coming month of December, there is going to be a lot of holidays in the market on account of the New Year and Christmas and so we can expect some decent liquidity only for the first half of the month. This is going to be a challenge for the traders as it is likely that some of the major traders would want to push the pair in either direction, making use of the lack of liquidity in the markets."

Int'l Currency Prices: November 1-30				
Currency Pair	Open	High	Low	Close
GBP/USD	1.3059	1.3525	1.3059	1.3525
USD/CAD	1.2865	1.2897	1.2682	1.2897
EUR/USD	1.1619	1.1933	1.1587	1.1904
USD/JPY	114.18	114.18	111.09	112.54

USD/CAD: The CAD appreciated against the USD during the month of November by 0.2% to close at \$1.2897.

The Bank of Jamaica issued three four Certificates of Deposit during the month of November 2017.

CARICOM:

Trinidad and Tobago - According to the *Central Bank of Trinidad and Tobago*, "Domestically, indicators suggest that there was slow activity in both the energy and non-energy sectors in the first half of 2017. However, statistics for the third quarter show that oil and gas production has increased in the context of higher output from BPTT's Juniper facility. A positive spillover effect to the non-energy sector is anticipated if the higher energy production is maintained. Inflation has remained well contained through 2017 partly due to the subdued economic conditions. Headline inflation measured 1.2% in September 2017 (year-on-year) with core inflation easing to 1.1% and food inflation measuring 1.8%. Other price indicators, such as at the wholesale level and for construction materials, showed similar patterns. New information on the financial institutions reveals that private sector credit growth remains restrained. Overall lending to the private sector increased marginally in September 2017 to 3.7% (year-on-year); this was largely due to growth in real estate mortgage loans (6.7%) and loans to consumers (4.5%) as lending to businesses was muted at 0.4%. Liquidity in the banking sector crept up in last three months, with daily commercial banks' excess reserves at the Central Bank averaging \$2,778 million over the first two weeks in November."

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."