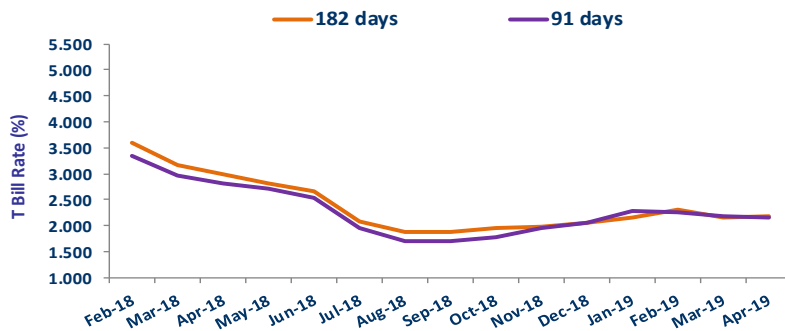


LOCAL ECONOMY

TREASURY BILL OUTFURN & PRODUCER PRICE INDEX

Treasury Bills:

For the month of April applications for treasury bills exceeded demand, as the Bank of Jamaica (BOJ) issued a total of J\$1.4 billion in treasury bills, while applications totaled J\$2.42 billion and J\$1.80 billion for the 90-day and 180 –day treasury bills respectively. The 91-day treasury bill auction resulted in the average yield of 2.16%, down 4 basis points compared to March, whilst the 182-day treasury bill auction resulted in the average yield of 2.18%, up 1 basis points relative to March’s outturn. Notably, the average yields on the 91-day decreased by 66 basis points compared to the auctions in 2018 for the comparable period. The 182-day treasury bills also declined by 80 basis points relative to the corresponding auctions in 2018.(Refer to the graph on the right).

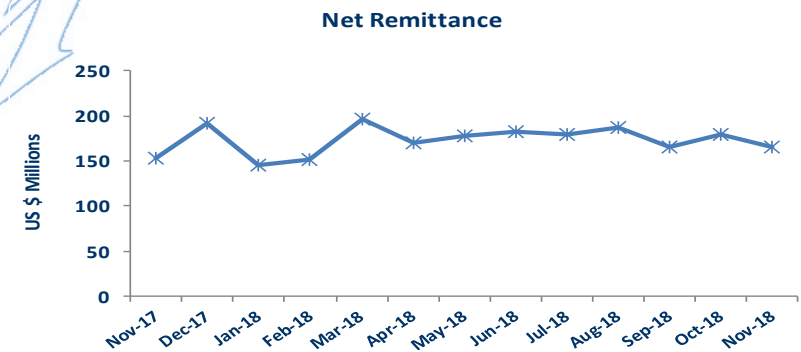


Producer Price Index:

The Producer Price Index (PPI) for the ‘Mining and Quarrying’ industry increased by 2.1 per cent in March 2019 according to the Statistical Institute of Jamaica (STATIN). This upward movement was primarily due increases in the index for the major groups ‘Bauxite Mining & Alumina Processing’ and ‘Other Mining & Quarrying’ by 2.2% and 0.5% respectively. The Manufacturing industry also registered an increase of 6.1% for the month of March. The main contributors to this movement was the upward movement in the index for the major groups ‘Refined Petroleum Products’ by 14.5%. The index for group ‘Food, Beverages & Tobacco’ also rose by 4.1%.

Country	March 2019		March 2018		Change %
	Arrivals	Share %	Arrivals	Share %	
U.S.A.	184,394	67.9%	153,484	64.8%	20.1%
Canada	49,266	18.1%	43,839	18.5%	12.4%
Europe	29,085	10.7%	29,084	12.3%	0.0%
Latin America	2,659	1.0%	2,811	1.2%	-5.4%
Caribbean	5,046	1.9%	6,342	2.7%	-20.4%
Asia	880	0.3%	747	0.3%	17.8%
Others	412	0.2%	511	0.2%	-19.4%
Total	271,742	100.0%	236,818	100.0%	14.7%

According to STATIN, “For the fiscal year, April 2018 to March 2019, the index for the ‘Mining & Quarrying’ industry registered an increase of 6.9 per cent, while the index for the Manufacturing industry rose by 5.2 per cent .” There was an increase of 7.6 % in the point-to-point movement in the index for the Mining & Quarrying industry for March 2018 to March 2019.



TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in March 2019 amounted to 271,742 an increase of 14.7% when compared to 236,818 recorded March 2018.

Stopover arrivals from the U.S. market increased by 20.1% in March 2019 with a total of 184,394 arrivals compared to 153,484 arrivals in March 2018.

The Canadian market recorded an increase in arrivals of 12.4% with arrivals amounting to 49,266 relative to 43,839 in March of last year.

The European market region remained relatively flat totalling 29,085 stopover arrivals in March 2019, relative to 29,084 recorded for March 2018.

Arrivals from Latin America recorded a decrease of 5.4% with a total of 2,659 stopovers relative to 2,811 recorded in March 2018 (see Tourist Arrivals table above).

REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for November 2018, showed net remittances were US\$165.2 million, an increase of US\$12.4 million relative to \$152.8 million reported for the corresponding month of 2017.

For the period January 2018 to November 2018, net remittance inflows totalled US\$2,124.8 million, relative to US\$2,111.4 million for the corresponding period in 2017.

For November 2018, total inflows amounted to US\$186.5 million, while outflows totalled US\$21.3 million.

The largest source market of remittances to the island in November was USA with a share of 63.5%. The remaining remittances during the above mentioned month came from Canada (10.0%) followed by UK (12.7%) and Cayman Islands (7.3%).

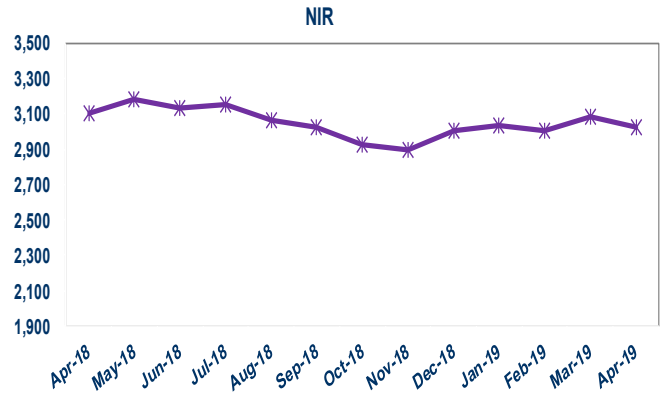


NET INTERNATIONAL RESERVES

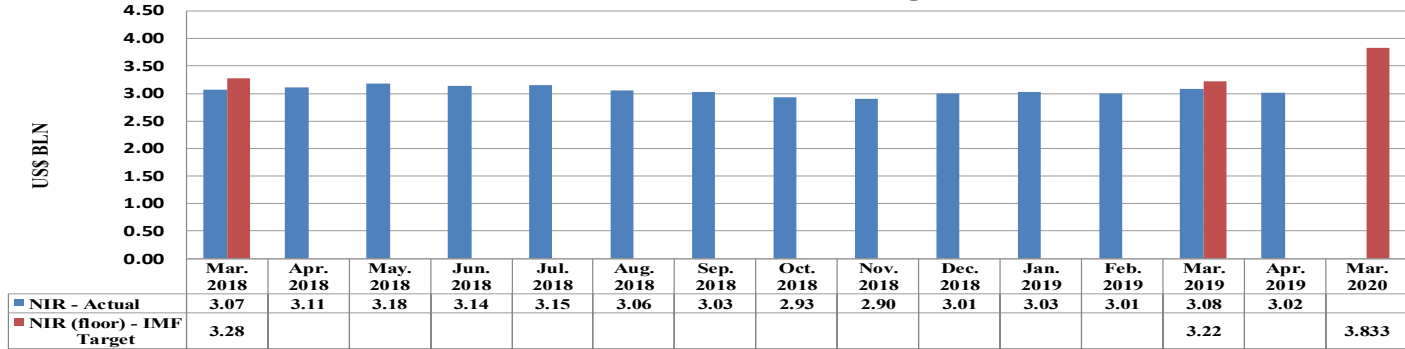
Jamaica's Net International Reserves (NIR) totaled US\$3.02 billion as at April 2019, reflecting a decline of US\$65.74 million relative to the US\$3.08 billion reported as at the end of March 2019 (see figure 1).

Changes in the NIR resulted from a decrease in Foreign Assets of US\$68.98 million to total US\$3.54 billion compared to the US\$3.61 billion reported for March 2019. 'Currency & Deposits' contributed the most to the decline in Foreign Assets. 'Currency & Deposits' as at April 2019 totaled US\$2.93 billion reflecting a decline of US\$100.81 million compared to US\$3.04 billion booked as at March 2019.

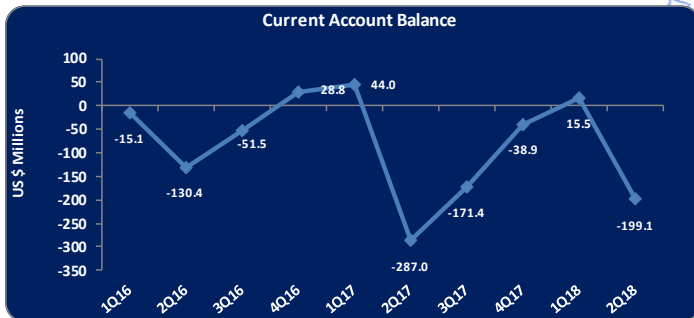
'Securities' amounted to US\$343.26 million; US\$15.09 million more the US\$328.17 million reported in March 2019. Foreign Liabilities for April 2019 amounted to US\$517.11 million compared to the US\$520.35 million reported for April 2019. Liabilities to the IMF accounted for 100% of total foreign liabilities, reflecting a US\$3.24 million decrease month over month from March 2019.



Actual NIR vs IMF Target



CURRENT ACCOUNT BALANCE



The latest data from the Bank of Jamaica shows the Current Account deficit for the September 2018 quarter amounted to US\$199.1 million. This is compared to the US\$15.5 million surplus booked for the June quarter of 2018.

CONSUMER PRICE INDEX

The consumer price index for the month of April 2019 recorded an inflation rate of 0.1%, following a 0.8% increase in its index for March 2019, according to The Statistical Institute of Jamaica (STATIN). The Consumer Price Index for the month of March rose to 256.8, relative to the 256.5 reported for March 2019. This movement was largely attributed to the upward movements in the divisions, 'Food and Non-Alcoholic Beverages' by 0.5% and 'Transport' by 0.4%. This movement was however tempered by the 1.5% decline in the index for 'Housing, Water, Electricity, Gas and Other Fuels'. Inflation within the Greater Kingston Metropolitan Area and Rural Areas increased by 0.2% and 0.1% respectively while Other Urban Centres fell by 0.1%.

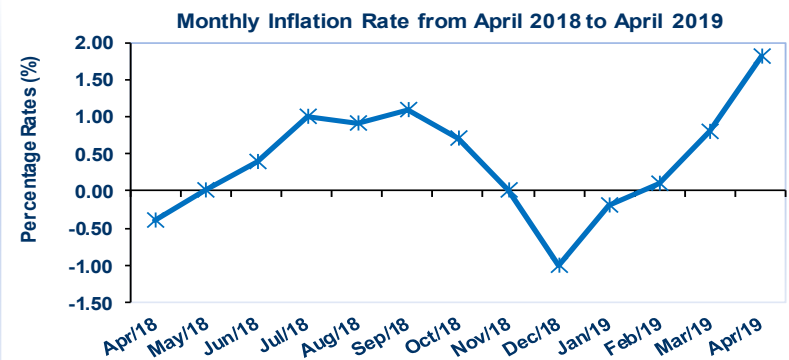
The index for the 'Food and Non-Alcoholic Beverages' division recorded a 0.5% increase in its index for April 2019, following a 0.9% increase for March 2019. This resulted from the upward movements within the groups 'Food' and 'Non-Alcoholic Beverages' by 0.5% and 0.3% respectively. Within the 'Food' group, the class 'Vegetables and Starch Foods' increased 1.1% as a result of "higher prices for vegetables such as carrot, cabbage and sweet pepper but however moderated by a fall in price for some starchy tubers such as yams and potatoes". In addition, the classes 'Fruit' and 'Oils and Fats' and 'Food Products n.e.c.' each also increased by 0.3%. The 'Non-Alcoholic Beverages' group registered a 0.3% growth in its index, as the groups 'Coffee, Tea and Cocoa' and 'Mineral Water, Soft drinks, Fruits and Vegetable Juices' both recorded increases of 0.3%.

The movement in the index for the fiscal year-to-date was 0.1 per cent and the point-to-point movement was 3.9 per cent.

MONEY SUPPLY

Components of Money Supply (M2)			
Percentage Change (%)	Dec-17	Sep-18	Dec-18
Total Money Supply (M2*)	22.9	14.9	13.9
Total Money Supply (m2*) without new entrant			
Money Supply (M2J)	29.1	16.7	14.5
Money Supply (M2J) without new entrant			
Money Supply (M1J)	12.6	25.5	22.1
Currency with the public	9.2	15.2	13.9
Demand Deposits	15.7	33.6	29.0
Quasi Money	46.6	9.9	8.3
Savings Deposits	40.1	8.6	7.8
Time Deposits	75.0	14.8	10.1
Foreign Currency Deposits	13.3	12.2	13.0

According to the latest data available from the Bank of Jamaica's quarterly report, "The measure of broad money supply that includes foreign currency deposits (M2*) recorded annual growth at December 2018 of 13.9 per cent, a moderation relative to 22.9 per cent in the previous year. This deceleration primarily reflected the aforementioned decline in the rate of increase in local currency deposits as foreign currency moderated slightly to 13.0 per cent from 13.3 per cent a year earlier. Resulting from the slower growth in foreign currency deposits, coupled with a faster pace of deceleration in total deposits, the private sector deposit dollarization ratio for com-



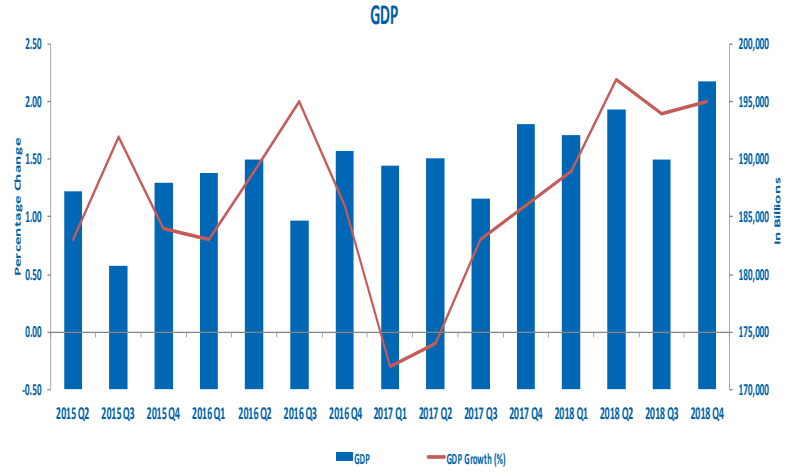


GROSS DOMESTIC PRODUCT

The latest data from the Statistical Institute of Jamaica indicated, “Total value added at constant prices for the Jamaican economy grew by 2.0% in the fourth quarter of 2018 when compared to the similar quarter of 2017.” This resulted from improved performances in both the Goods Producing Industries (4.9%) and the Services Industries (1.0%)”

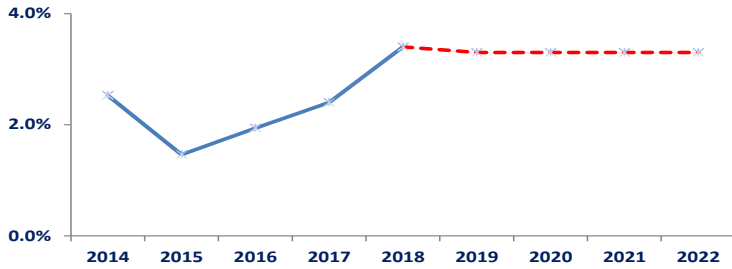
All industries within the Services Industries recorded higher levels of output with the exception of Electricity & Water Supply which declined by 0.3% for the review period. Increases in value added were recorded for: Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (1.6%), Hotels & Restaurants (2.8%), Transport, Storage & Communication (1.9%), Finance & Insurance Services (0.8%), Real Estate, Renting & Business Activities (0.7%) and Other Services (0.8%).

STATIN reports, The positive performance of the Goods Producing Industries was due to increased output in Mining & Quarrying (25.0%), Agriculture, Forestry & Fishing (3.1%), Manufacturing (2.0%) and Construction (3.7%). “The Agriculture, Forestry & Fishing industry was impacted by favourable weather conditions which resulted in higher crop yields. The reopening of Jiuquan Iron and Steel Company (JISCO) Alpart refinery was the main contributor to the growth in the Mining & Quarrying industry.”



CAPITAL EXPENDITURE TO GDP

Capital Expenditure to GDP (%)



Total Expenditure for the period April 2018 to March 2019 amounted to \$604.60 billion, \$13.33 billion or 2.2% less than the budgeted \$617.93 billion. Recurrent expenditure which totalled \$538.39 billion, accounted for 89.05% of overall expenditures. Relative to projections, recurrent expenditure was \$10.73 billion (2%) less than budgeted. ‘Programmes’ which amounted to \$209.08 billion was \$3.72 billion or 1.7% less than projected, while ‘Employee Contribution’ which amounted to \$16.62 billion for the period was under budget by 2.7% relative to the budgeted \$17.08 billion. ‘Compensation of Employees’ amounted to \$200.13 billion, which was in line with the amount projected. While, ‘Wages & Salaries’ amounted to \$183.51 billion, 0.2% more than projected.

As a result of the decrease in Expenditures for the period April 2018-March 2019, the ‘Fiscal Surplus’ was \$24.39 billion, relative to a projected surplus of \$9.62 billion. Additionally, the primary balance for the period amounted to \$153.58 billion, 5.3% more than budgeted.

The FY2018/19 Budget tabled in Parliament included a significant increase in capital expenditure by central government from 2.4% of GDP in FY2017/18 to 3.4% of GDP in FY2018/19. For FY2019/20, the new budget tabulated targets a capital expenditure to GDP of 1%.

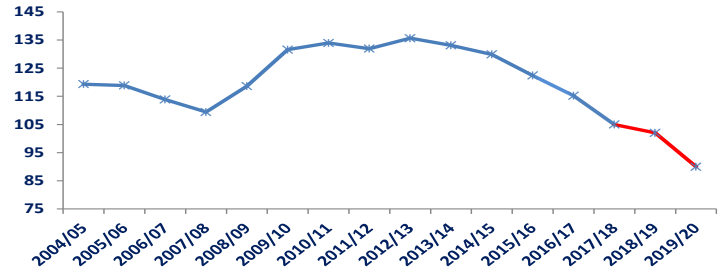
LABOUR FORCE

Unemployment Rate (%)	January Q1	April Q2	July Q3	October Q4
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	10.4
2018	9.6	9.8	8.4	8.7
2019	8.0			

Labour force	January Q1	April Q2	July Q3	October Q4
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	1,346,800
2018	1,331,800	1,345,900	1,334,700	1,334,900
2019	1,340,200			

DEBT TO GDP

Total Debt to GDP (%)

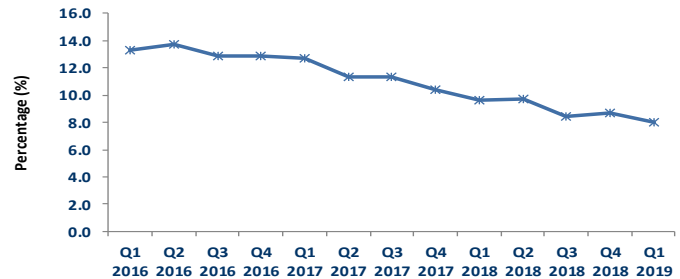


Public Debt to GDP is projected to fall to 96.4% by the end of the 2018/2019 fiscal year. According to the 2019 Fiscal Policy Paper, “this expected outcome is however slightly higher than the initially-projected 94.3% which informed the FY 2018/19 budget”. For the FY2019/20, Debt-to GDP is forecasted at 93%. Notably, the Government aims to bring the public debt to GDP down to 60% by FY 2025/26. As at February 2019, Jamaica’s total debt stands at \$1.96 trillion.

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 \$142.14 billion by the end of the 2018/2019 fiscal year. As at the end of March 2019, this amounted to \$153.58 billion which indicated that the Government surpassed its target. Tax Revenue was expected to total an estimated \$537.47 billion by the end of the March quarter. Alternatively, the reported tax revenue for the end of March 2019 was \$542.92 billion, \$5.4 billion above target.

As Jamaica aims to maintain fiscal discipline and macroeconomic stability, the Government forecasts a real GDP growth of 1.8% for FY2018/19 (above IMF’s target of 1.4%) where the budget is estimated to generate a primary surplus of \$142.14 billion, which is equivalent to 7.0% of GDP. For FY 2019/20, the Government expects that the economy will grow by 6.0% in nominal terms, and 1.5% in real terms. IMF projects a real GDP of 1.7% for FY2019/20.

Unemployment Rate



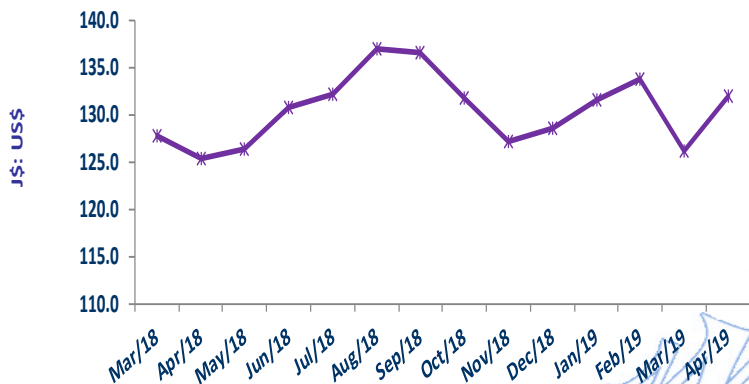
The Labour Force at January 2019, was 1,340,200 persons, an increase of 0.63% compared to January 2018. The male labour force decreased by 1,500 to 717,000 persons in January 2019 while the female labour force increased by 6,800 persons to 623,200 in January 2019. The Employed Labour Force for January 2019 was 1,232,700, which was 28,600 (2.4%) higher than in January 2018. The increase in employment for females was more than twice that of males. The number of employed males increased by 9,500 to 673,500 and employed females by 19,100 to 559,200. The unemployment rate for youth aged 14-24 years, was 21.8 per cent in January 2019 compared to 23.7 per cent in January 2018.



LOCAL FOREX

The Jamaican dollar depreciated against the USD for the month of April 2019. The JMD appreciated by \$5.82 in April, to close the month at an average of \$131.94 relative to the \$126.12 recorded in March 2019. Year over year, the JMD has depreciated by approximately \$6.59 or 5.26% relative to the \$125.35 reported as at April 2018.

Exchange Rate Movements



OPEN MARKET OPERATION

Issue Date	Tenor	Initial Coupon	Reset Margin	Benchmark	Interest/ Maturity Date
05-Apr-19	28 Days	3.00%	N/A	Fixed	03-May-19

INTERNATIONAL ECONOMY

United States: According to the U.S. Bureau of Labour Statistics, “The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent in April on a seasonally adjusted basis after rising 0.4 percent in March, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.0 percent before seasonal adjustment. The index for all items less food and energy increased 0.1 percent for the third consecutive month. The indexes for shelter, medical care, education, and new vehicles all rose in April. The indexes for used cars and trucks, apparel, and household furnishings and operations were among those that declined over the month. The all items index increased 2.0 percent for the 12 months ending April, the largest 12-month increase since the period ending November 2018. The index for all items less food and energy rose 2.1 percent over the last 12 months, and the food index rose 1.8 percent. The energy index increased 1.7 percent over the past year after posting 12-month declines the past 4 months.”

EURO Zone: According to the European Union's statistics office, “The euro area annual inflation rate was 1.7% in April 2019, up from 1.4% in March 2019. A year earlier, the rate was 1.2%. European Union annual inflation was 1.9% in April 2019, up from 1.6% in March 2019. A year earlier, the rate was 1.5%. These figures are published by Eurostat, the statistical office of the European Union. The lowest annual rates were registered in Croatia (0.8%), Denmark and Portugal (both 0.9%). The highest annual rates were recorded in Romania (4.4%) and Hungary (3.9%). Compared with March 2019, annual inflation fell in six Member States, remained stable in two and rose in nineteen. In April 2019, the highest contribution to the annual euro area inflation rate came from services (+0.86 percentage points, pp), followed by energy (+0.51 pp), food, alcohol & tobacco (+0.29 pp) and non-energy industrial goods (+0.06 pp).”

Commodity: According to the World Bank, “Commodity prices rose in April, with energy commodities adding 5.4% and non-energy commodities increased 0.3%. The agriculture index climbed 0.2 percent while metals and minerals rose 0.6%.”

INTERNATIONAL FOREX

GBP/USD: The pair closed at **\$1.3032** for the month of March. According to FX Empire, “After the release of the neutral FOMC meeting minutes, the GBP/USD had dropped 0.46 percent in the last NA session. Anyhow, the Cable managed to hit the opening bell on Thursday morning near 1.3052 levels. During the initial hours, the pair had showcased a range bound performance sustaining within 1.3049 and 1.3061 levels. The critical event that will have a significant impact on the Pound pair is the BoE’s Rate decision. There remains a higher possibility of a steady interest to sustain this time. The BoE seems to keep the rates unchanged until the end of 2019. And, a requirement for a rate hike may arise post-Brexit. However, UK economic reports showed poor unemployment figures and wages, demanding an interest upliftment.”

EUR/USD: The pair closed the month at **\$1.1215**. According to FX Empire, “During the Asian trading session, the EUR/USD pair continued the upward rally that started on April 26. Investors seem to regain confidence in the Fiber. After remaining consolidated for quite a while, in the opening hours, the EUR/USD marked fresh highs near 1.1231 levels. The pair was successful in breaching the robust resistance line near 1.1230 levels. The plunge in the US Dollar Index remains the major reason for the uptrend in the EUR/USD pair. The US Dollar Index that computes the Greenback against the six significant rivals slipped 10 pips today. There are few high volatility events lined up for today which may put further pressure on the US Dollar Index.”

April 1-30				
Currency Pair	Open	High	Low	Close
GBP/USD	1.3103	1.3158	1.2899	1.3032
USD/CAD	1.3307	1.3493	1.3307	1.3388
EUR/USD	1.1213	1.1304	1.1132	1.1215
USD/JPY	111.35	112.19	111.01	111.42

USD/CAD: The CAD depreciated against the USD during the month of March by 0.6% to close at \$1.3388.

The Bank of Jamaica issued one Certificate of Deposits during the month of April 2019.

CARICOM:

Bahamas- According to The Central Bank of the Bahamas, “During the month of March, excess liquid assets—a measure of broad liquidity—contracted by \$32.7 million, to \$1,619.2 million, reversing a \$10.8 million increase in March 2018. This mainly reflected the transfer of dormant account balances to the Government. Similarly, excess cash reserves fell by \$36.1 million to \$676.2 million, vis-a-vis 2018’s gain of \$24.8 million. In addition, in March, Bahamian dollar credit declined further by \$82.4 million, following a \$6.5 million falloff in 2018. Specifically, net claims on the Government contracted by \$70.9 million (3.0%), vis-a-vis a \$17.3 million gain in the prior year, due in part to the increase in deposit balances following the transfer of approximately \$40.5 million in dormant account funds to the Government. As it relates to interest rates, the weighted average deposit rate at banks narrowed by 35 basis points to 0.64%, with the highest rate of 4.50% offered on fixed balances of over 12 months. Similarly, the average loan rate declined by 83 basis points to 10.00%.”

Bermuda- According to the National Economic Report of Bermuda (2018), “The CPI increased at an average annual rate of 1.4 per cent for 2018, which is below the Ministry of Finance’s February 2018 forecast which stated: The CPI is expected to end 2018 in the region of 1.7–2.2 per cent. The headline rate in December stood at 0.9 per cent year over year. With respect to the employment level, the 2018 unemployment rate fell from 7.0 per cent to 6.0 per cent. The unemployment rate for Bermudians declined from 8.0 per cent to 6.0 per cent. Preliminary data from the 2018 Employment Survey indicates that the total number of jobs in Bermuda grew by 144 posts from 33,653 in 2017 to 33,797 in 2018, which equates to a 0.4 per cent increase. In addition, the end of 2018 marks 12 consecutive quarters of growth for the Bermuda tourism industry. Both of the island’s key tourism performance indicators – leisure air arrivals and leisure air visitor spending – have grown solidly since January 2016.”