



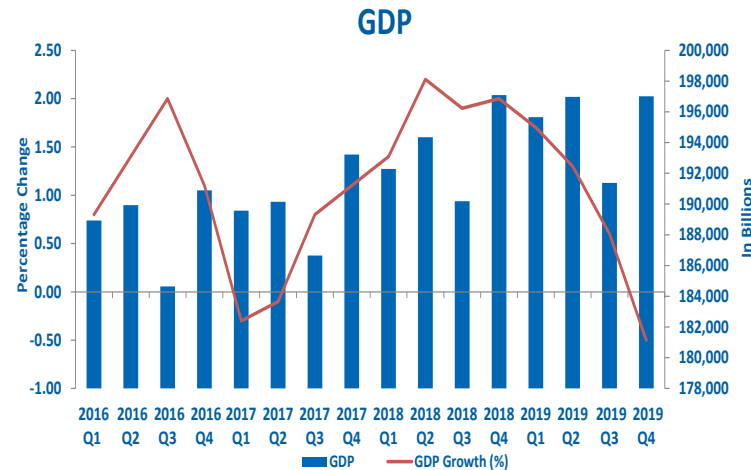
LOCAL ECONOMY

GROSS DOMESTIC PRODUCT

The latest data from the Statistical Institute of Jamaica indicated, "Total value added at constant prices for the Jamaican economy was \$197,013 million for the fourth quarter of 2019. This remained relatively unchanged when compared to 197,086 million for the similar quarter of 2018." This resulted from improved performances in the Services Industries which grew by 1.2%. However, the Goods Producing Industries declined by 3.7%. Furthermore, when compared to the third quarter of 2019 the economy declined by 0.5 percent.

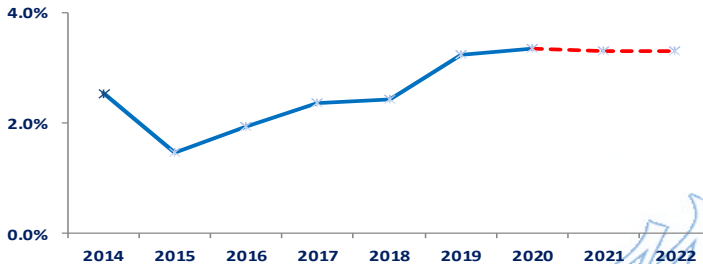
The positive performance of the Services Industries was due to growth achieved in all eight of the Services Industries. "Electricity & Water Supply (2.8%), Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (0.7%), Hotels & Restaurants (3.7%), Transport, Storage & Communication (0.5%), Finance & Insurance Services (3.3 %), Real Estate, Renting & Business Activities (0.7%), Producers of Government Services (0.2%) and Other Services (1.4 %)," STATIN indicated.

STATIN reports, "Within the Goods Producing Industries, the Mining & Quarrying and Construction industries declined by 40.4% and 1.9% respectively. Higher levels of output were however, achieved in Agriculture, Forestry & Fishing (3.9%) and Manufacturing (0.4%)."



CAPITAL EXPENDITURE TO GDP

Capital Expenditure to GDP (%)



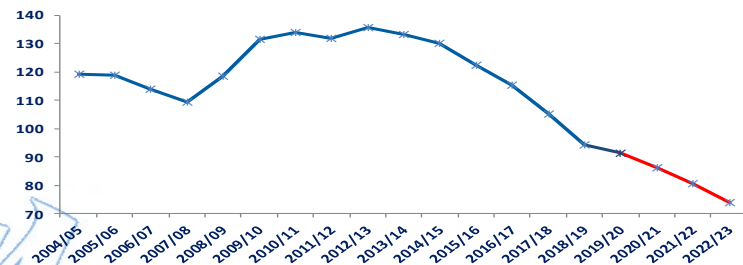
Total Expenditure for the period April 2019 to March 2020 amounted to \$630.35 billion, \$12.26 billion or 1.9% less than the budgeted amount of \$642.61 billion. Recurrent expenditure which totaled \$559.96 billion, accounted for 88.83% of overall expenditures, which is \$11.37 billion less than the budgeted amount. Of the recurrent expenditure categories for the review period, all categories were below the budgeted amount except 'Wages & Salaries' which closed at \$195.94 billion, \$763.80 million more than the budgeted amount. As such, 'Programmes' amounted to \$216.86 billion which was \$3.21 billion or 1.5% less than projected amount. Similarly, 'Compensation of Employees' totaled \$211.62 billion, \$515.70 million below the budgeted amount. In addition, 'Employee Contribution' totaled \$15.68 billion, 7.5% less than the budgeted amount of \$16.96 billion.

As a result of the decrease in Expenditures for the period April 2019 to March 2020, the 'Fiscal Surplus' was \$19.40 billion, relative to a projected surplus of \$2.65 billion. Additionally, the primary balance for the period amounted to \$150.89 billion, 6.4% more than budgeted.

Jamaica's capital expenditure budget has increased significantly over the past few years, from approximately \$30 billion in 2015/16 to \$74 billion in the current financial year 2020/21. FY2020/21, the budget tabulated targets a capital expenditure to GDP of 3.3%.

DEBT TO GDP

Total Debt to GDP (%)



Public Debt to GDP fell to about 94.4% at the end of the 2018/2019 fiscal year. For the FY2019/20, Debt-to GDP is estimated at 91.5%. Notably, a debt-to-GDP ratio of 87.2% is projected for the end FY 2020/21, and is forecasted to decline to 67.8% by end-FY 2023/24. As at February 2020, Jamaica's total debt stands at \$1.94 trillion.

As Jamaica aims to maintain fiscal discipline and macroeconomic stability, the Government forecasts a real GDP growth of 1.9% over the fiscal years 2020/21 to 2023/24. Notably, growth in both the goods and services industries is expected to drive the expansion. Mining & Quarrying is expected to contribute to the expansion in the goods industry, particularly in the latter years, due to the expected increase in production capacity following the resumption of operations at the JISCO (ALPART) refinery. Within the services industry, the largest impact is expected from Hotels & Restaurants, boosted by increasing visitor arrivals.

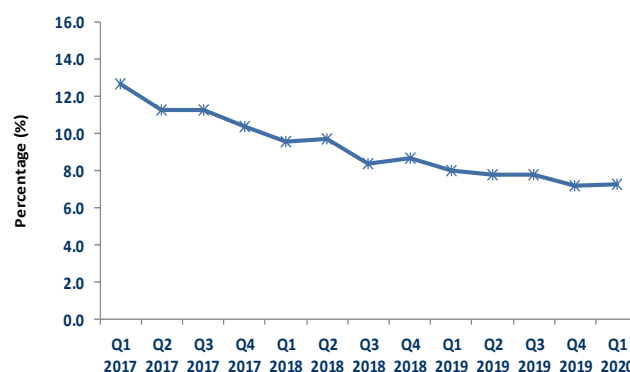


LABOUR FORCE

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	10.4
2018	9.6	9.8	8.4	8.7
2019	8.0	7.8	7.8	7.2
2020	7.3			

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	1,346,800
2018	1,331,800	1,345,900	1,334,700	1,334,900
2019	1,340,200	1,349,900	1,360,800	1,345,100
2020	1,369,500			

Unemployment Rate



The Labour Force at January 2020, was 1,369,500 persons, an increase of 29,300 persons or 2.2% when compared to January 2019. The male labour force increased by 16,700 to 733,700 persons in January 2020 while the female labour force increased by 12,600 persons to 635,800 in January 2020. The Employed Labour Force for January 2020 was 1,269,100 which was 36,400 (3.0%) higher than in January 2019. The increase in employment for females was nearly twice that of males. For males, employment increased by 16,800 (2.5%) to 690,300 in January 2020. The number of employed females increased by 19,600 (3.5%) to 578,800 in January 2020. The unemployment rate for youth aged 14-24 years, was 19.0% in January 2020 compared to 21.8% in January 2019.

PRODUCER PRICE INDEX & CONSUMER PRICE INDEX

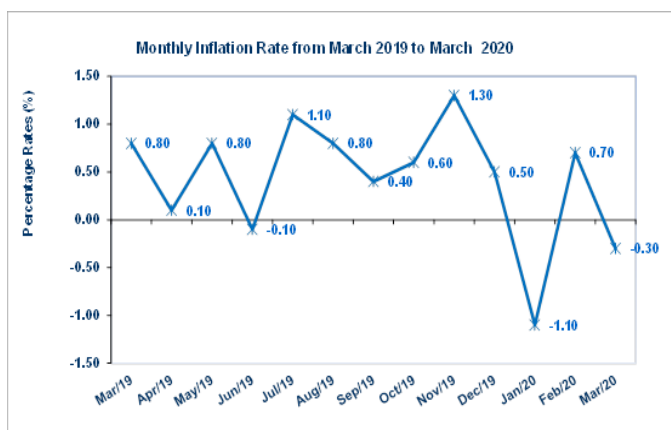
Producer Price Index:

"The Producer Price Index for the 'Mining and Quarrying' industry increased by 2.6%," according to the Statistical Institute of Jamaica (STATIN). This increase in the index resulted from an upward movement of 2.7% in the index for the major group, 'Bauxite Mining & Alumina Processing'.

The index for the Manufacturing industry decreased by 1.0%. This was mainly attributed to the decreases in the index for the major groups 'Refined Petroleum Products,' down by 6.6%.

The 2019/2020 fiscal year-to-date, the index for the Mining & Quarrying industry decreased by 1.2% while, due mainly to a rise in the index for the major group 'Bauxite & Alumina Processing' of 1.1%.

For the point-to-point period March 2019 – March 2020, the index for the 'Mining & Quarrying' industry decreased by 8.3%, while the 'Manufacturing' industry index rose by 1.6%.



Consumer Price Index:

The consumer price index for March 2020 was 268.8 resulting in an inflation rate of 0.3% reduction when compared to previous month's 269.5 price index, according to the Statistical Institute of Jamaica (STATIN). This downward movement was largely attributed to a 1.8% decrease in the division of 'Housing, Water, Electricity, Gas and Other Fuels'. Inflation within the Greater Kingston Metropolitan Area, Rural Areas and Other Urban Centres each decreased by 0.2%, 0.3% and 0.3% respectively for March 2020.

The index for the 'Food and Non-Alcoholic Beverages' division recorded a 0.2% decrease in its index for March 2020. Within the index, the 'Food' group recorded a 0.3% decline in its index due to the -1.3% decrease in the class 'Vegetables and Starchy Foods'. According to STATIN, this was because, "prices continued to fall for vegetables especially lettuce, carrot and sweet pepper." However, the division for 'Alcoholic Beverages' observed an increase of 0.3% in its index for March 2020, attributable to increased prices for 'Spirits' and 'Tobacco'. The division 'Clothing and Footwear' increased 0.2% in its index, as the group 'Clothing' registered growth of 0.3% for March 2020.

The index for the 'Housing, Water, Electricity, Gas and Other Fuels' division recorded a 1.8% increase in its index for March 2020. The lower rates for electricity caused a 3.7% decline in the index for the group 'Electricity, Gas and Other Fuels'.

Notably, the 'Restaurants and Accommodation Services' division registered a 0.1% rise for March 2020 due to increased prices for meals consumed away from home. Lastly, the division for 'Miscellaneous Goods and Services' produced an increase of 0.1% for March 2020 which was a result of the upward movements in the price for some personal care items.

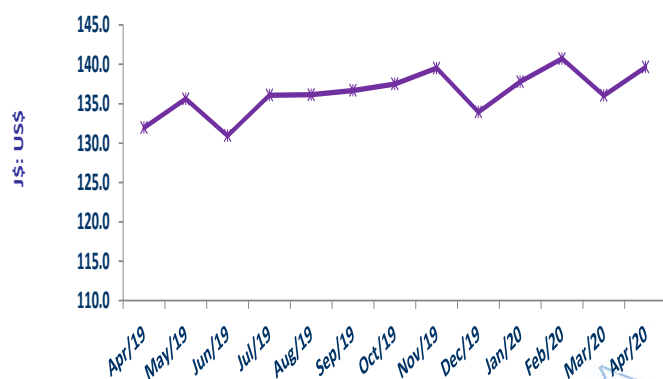
The movement in the index for the calendar year to date inflation was -0.7%, fiscal year-to-date was 4.8% and the point-to-point movement was 4.8%.

FOREIGN EXCHANGE MARKET

LOCAL FOREX

The USD depreciated against the Jamaica dollar for the month of April 2020. The JMD depreciated by \$3.61 in April, to close the month at an average of \$139.66 relative to the \$136.05 recorded in March 2020. Year over year, the JMD has depreciated by approximately \$7.72 or 5.85% relative to the \$131.94 reported as at April 2019.

Exchange Rate Movements



INTERNATIONAL FOREX

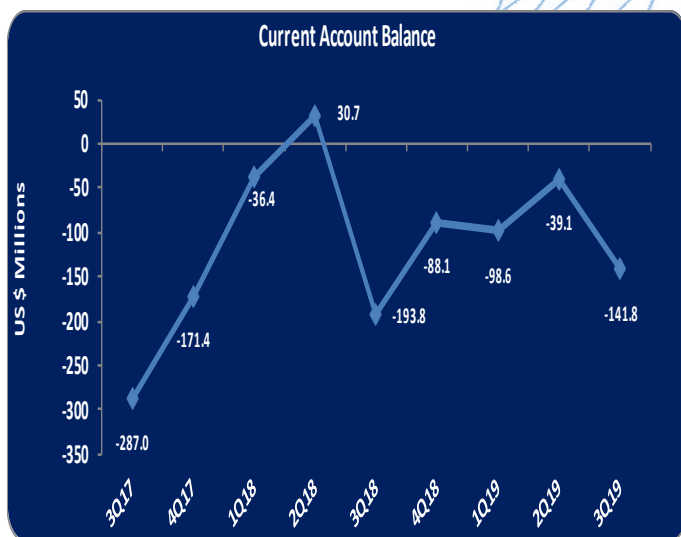
GBP/USD: The pair closed at **\$1.26** for the month of April. According to FX Empire, "The British pound broke down significantly during the trading session on Thursday, as the 1.25 level continues to cause major issues. Ultimately, this is a market that has been very bullish, but it does seem as if this is an area that continues to cause major issues. The 50 day EMA of course is something that people are paying attention to, and it is worth noting that we are running out of momentum when it comes to the British pound in this general vicinity."

EUR/USD: The pair closed the month at **\$1.09**. According to FX Empire, "the Federal Reserve left rates on hold, as expected, and emphasized the need for further fiscal support to help the economy survive the Coronavirus. Fed Chair Powell reaffirmed the Fed will act as necessary and is not in a rush to raise rates after lowering them close to zero last month." However, looking ahead, FX Empire noted that the U.S. retail sales report, "stands to have an impact on the exchange rate" where analysts are forecasting "a 12% drop in sales after an 8.7% decline in March."

April 1-30				
Currency Pair	Open	High	Low	Close
GBP/USD	1.2371	1.2623	1.2231	1.2594
USD/CAD	1.4138	1.4205	1.3881	1.3945
EUR/USD	1.0964	1.0981	1.0793	1.0957
USD/JPY	107.17	109.22	106.71	107.18

USD/CAD: The CAD appreciated against the USD during the month of April by 1.4% to close at \$1.3945.

CURRENT ACCOUNT BALANCE



The latest data from the Bank of Jamaica shows the Current Account deficit for the September 2019 quarter amounted to US\$141.80 million. This is compared to the US\$39.10 million deficit booked for the June quarter of 2019.

MONEY SUPPLY

Components of Money Supply (M2*)			
Percentage Change (%)	Dec-18	Sep-19	Dec-19
Total Money Supply (M2*)	13.9	8.9	15.0
Money Supply (M2J)	14.5	11.5	17.8
Money Supply (M1J)	22.1	12.3	14.9
Currency with the public	13.9	11.9	12.3
Demand Deposits	29.0	12.7	16.8
Quasi Money	8.3	10.8	20.5
Savings Deposits	7.8	13.4	15.4
Time Deposits	10.1	2.0	38.0
Foreign Currency Deposits	13.0	4.5	9.9

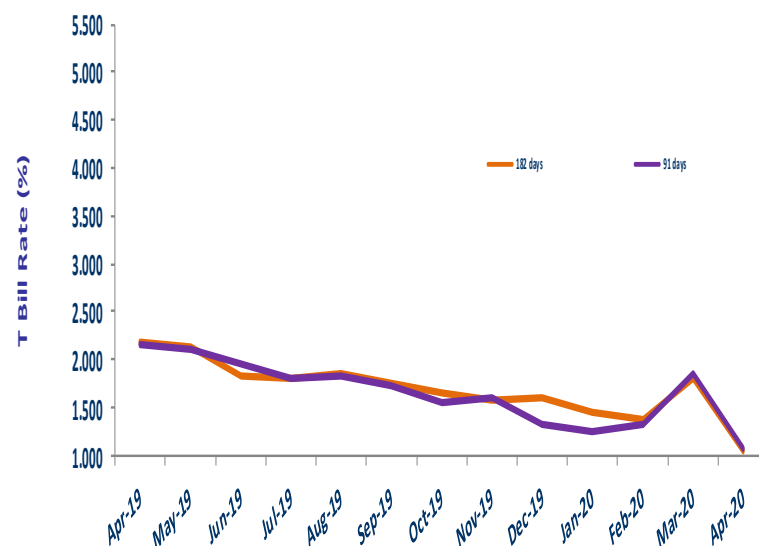
According to the latest data available from the Bank of Jamaica's quarterly report, "Broad money (M2J) grew by 17.8 per cent at December 2019, relative to projection of 13.2 per cent. The weaker growth in the monetary base reflected stronger than expected decline in bank's current account balances as well as lower than anticipated currency issue, the latter suggesting that the demand for currency may have been dampened by weaker than projected growth in GDP."



Treasury Bills:

For the month of March applications for treasury bills exceeded demand, as the Bank of Jamaica (BOJ) issued a total of J\$2.2 billion in treasury bills, while applications totaled J\$2.46 billion and J\$2 billion for the 90-day and 180 –day treasury bills respectively. The 91-day treasury bill auction resulted in the average yield of 1.08%, down 77 basis points compared to March 2020, whilst the 182-day treasury bill auction resulted in the average yield of 1.05%, down 74 basis points relative to March's out-turn. Notably, the average yields on the 91-day decreased by 108 basis points compared to the auctions in 2019 for the comparable period. The 182-day treasury bills declined by 113 basis points relative to the corresponding auctions in 2019.(Refer to the graph on the right).

Treasury Bill Rates



OPEN MARKET OPERATION

Issue Date	Tenor	Initial Coupon %	Reset Margin %	Benchmark	Interest/ Maturity Date Payment
17-Apr-20	30 Days	1.00%	N/A	Fixed	17-May-20
17-Apr-20	273 Days	1.25%	N/A	Fixed	15-Jan-21

The Bank of Jamaica issued one Certificate of Deposit and a 273 Days Treasury Bill during the month of April 2020.

TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in January 2020 amounted to 227,200 an increase of 4.9% when compared to 216,509 recorded January 2019.

Stopover arrivals from the U.S. market increased by 8.3% in January 2020 with a total of 143,460 arrivals compared to 132,508 arrivals in January 2019.

The Canadian market recorded an increase in arrivals by 1.9% with arrivals amounting to 45,922 relative to 45,078 in January of last year.

The European market region recorded a decrease in arrivals by 9.7% to total 26,258 stopover arrivals in January 2020, relative to 29,094 recorded for January 2019.

Arrivals from Latin America recorded an increase of 38.9% with a total of 5,219 stopovers relative to 3,758 recorded in January 2019 (see Tourist Arrivals table to the right).

Stopover Arrivals by Market Region					
Country	January 2020	Share %	January 2019	Share %	Change %
U.S.A.	143,460	63.1%	132,508	61.2%	8.3%
Canada	45,922	20.2%	45,078	20.8%	1.9%
Europe	26,258	11.6%	29,094	13.4%	-9.7%
Latin America	5,219	2.3%	3,758	1.7%	38.9%
Caribbean	5,217	2.3%	4,818	2.2%	8.3%
Asia	606	0.3%	627	0.3%	-3.3%
Others	518	0.2%	626	0.3%	-17.3%
Total	227,200	100.0%	216,509	100.0%	4.9%



REMITTANCE

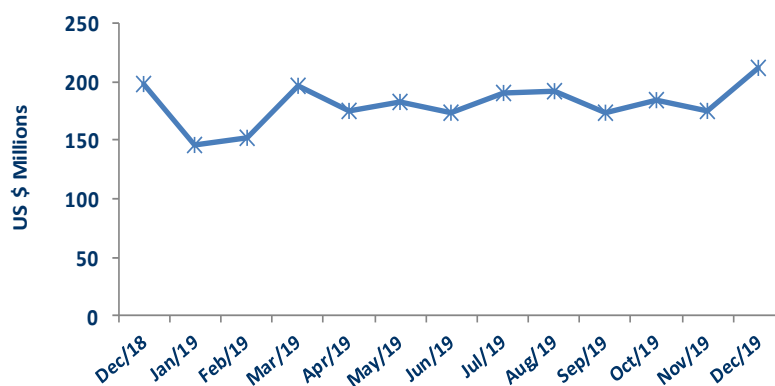
Latest data from the Bank of Jamaica (BOJ), for December 2019, showed net remittances were US\$212 million, an increase of US\$13.50 million relative to US\$198.40 million reported for the corresponding month of 2018.

For the period January 2019 to December 2019, net remittance inflows totalled US\$2.15 billion, relative to US\$2.10 billion for the corresponding period in 2018.

For December 2019, total inflows amounted to US\$232.20 million, while outflows totalled US\$20.20 million.

The largest source market of remittances to the island in December was USA with a share of 63.2%. The remaining remittances during the above mentioned month came from Canada (9.3%) followed by UK (13.5%) and Cayman Islands (8.1%).

Net Remittance



NET INTERNATIONAL RESERVES

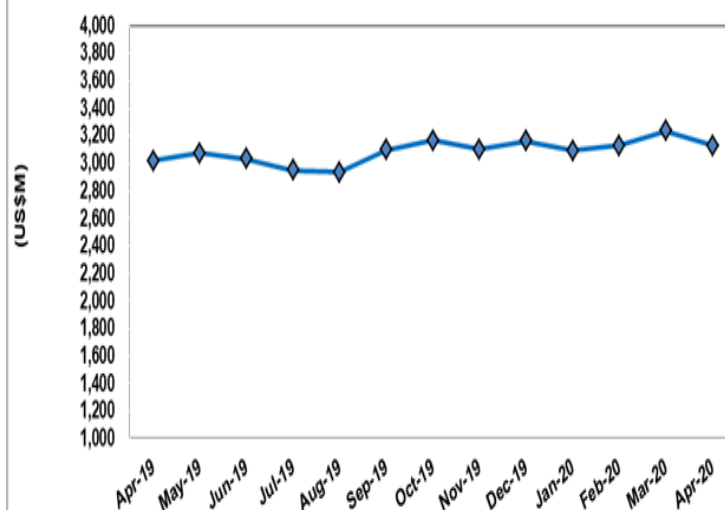
Jamaica's Net International Reserves (NIR) totaled US\$3,132.65 million as at April 2020, reflecting a decrease of US\$105.02 million relative to the US\$3,237.67 million reported as at the end of March 2020 (see figure 1).

Changes in the NIR resulted from a decrease in Foreign Assets of US\$106.77 million to total US\$3,581.68 million compared to the US\$3,688.45 million reported for March 2020. 'Currency & Deposits' contributed the most to the decrease in Foreign Assets. 'Currency & Deposits' as at April 2020 totaled US\$3,034.65 million reflecting an decrease of US\$102.08 million compared to US\$3,136.72 million booked as at March 2020.

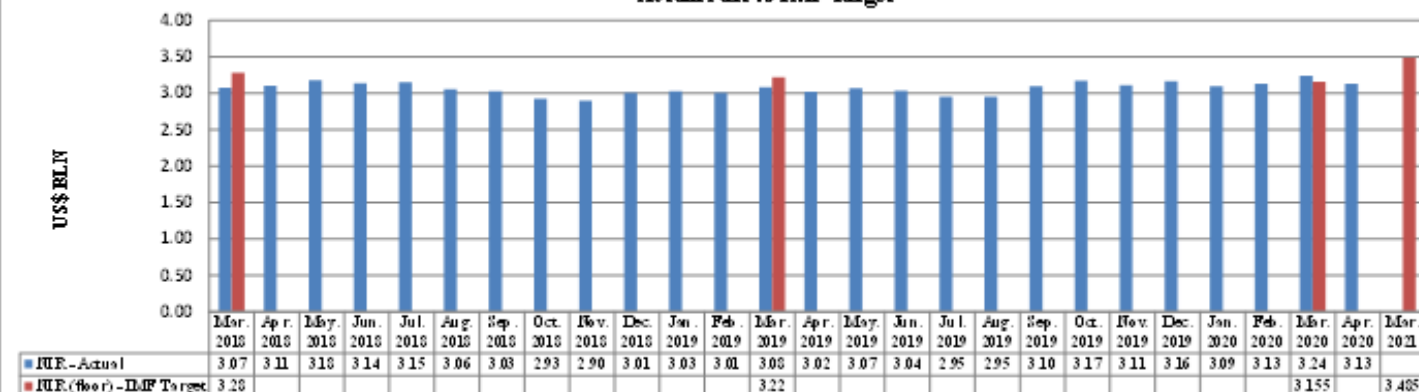
'Securities' amounted to US\$323.42 million; US\$4.96 million less than the US\$328.38 million reported in March 2020. Foreign Liabilities for April 2020 amounted to US\$449.03 million compared to the US\$450.78 million reported for March 2020. Liabilities to the IMF accounted for 100% of total foreign liabilities, reflecting a US\$1.74 million decrease month over month from March 2020.

At its current value, the NIR is US\$113.57 million more than its total of US\$3,019.08 million as at the end of April 2019. The current reserve is able to support approximately 51.67 weeks of goods imports or 34.99 weeks of goods and services imports.

Jamaica Net International Reserves



Actual NIR vs IMF Target



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