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Bank of Jamaica Currency Issue

For the period December 23 to 31, 2005, net currency issue to the banking system, building societies and cambios amounted to \$598.9 million or an increase of 1.7 per cent relative to 22 December 2005. This has resulted in a net currency issue of \$7 531.2 million or an increase of 26.8 per cent for the month of December.

The stock of currency attained its highest level of \$37 136.4 million on 28 December 2005 as net issues for the month to that date amounted to \$9 023.1 million or an increase of 32.1 per cent. The peak on 28 December was consistent with the Bank’s expectation that there would be additional demand for currency following the long holiday weekend as the banking system replenished its holdings with clean notes to restock automated banking machines (ABMs).

Subsequent to the high issues on 28 December, the banks started redeeming currency to the BOJ. Consequently, there was a decline in the stock of currency to \$35 045.6 million at end December. At this level, the stock of currency was 10.0 per cent higher than it was on 31 December 2004. This increase was marginally less than the growth of 10.1 per cent recorded for the stock of currency at end December 2004 relative to end December 2003.

The Bank of Jamaica expects that currency redemptions will continue into January as currency holdings by the banks and the general public decline. This should result in the stock of currency returning to its pre-Christmas levels by the end of January.

