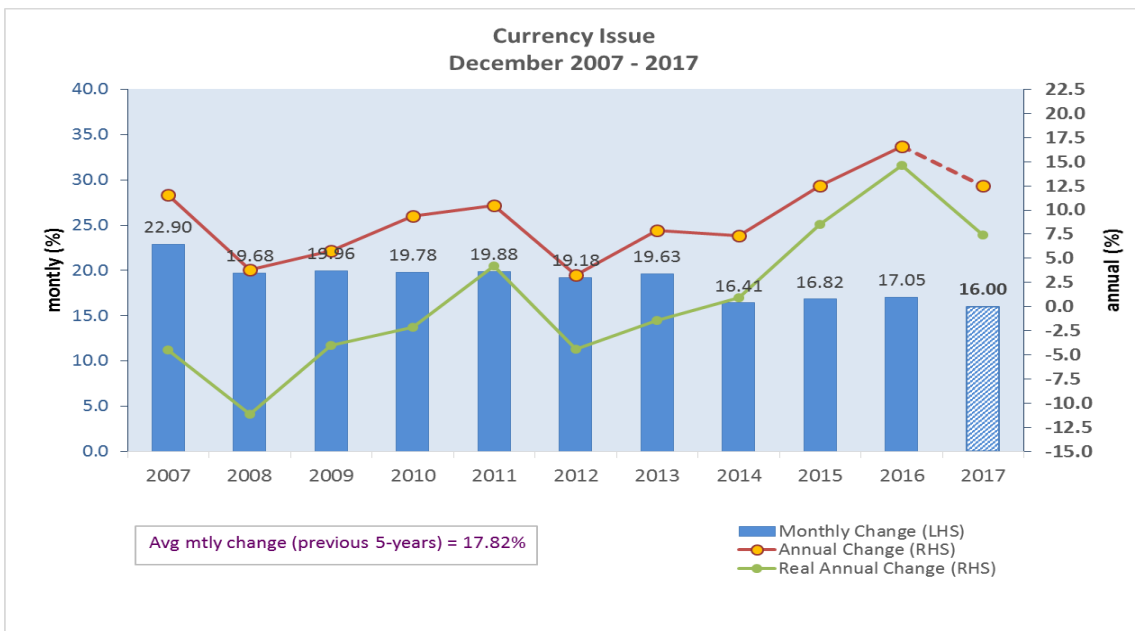


News Release: Currency Issue

18 December 2017

For December 2017, Bank of Jamaica projects that the value of currency issued by the Bank will increase by approximately \$15.2 billion (16.0 per cent), relative to end-November 2017 (see **Figure 1**). The forecast for the month is below the five-year average growth rate of 17.8 per cent for the month of December. The slower currency growth reflects increased use of electronic means of payment.

Figure 1

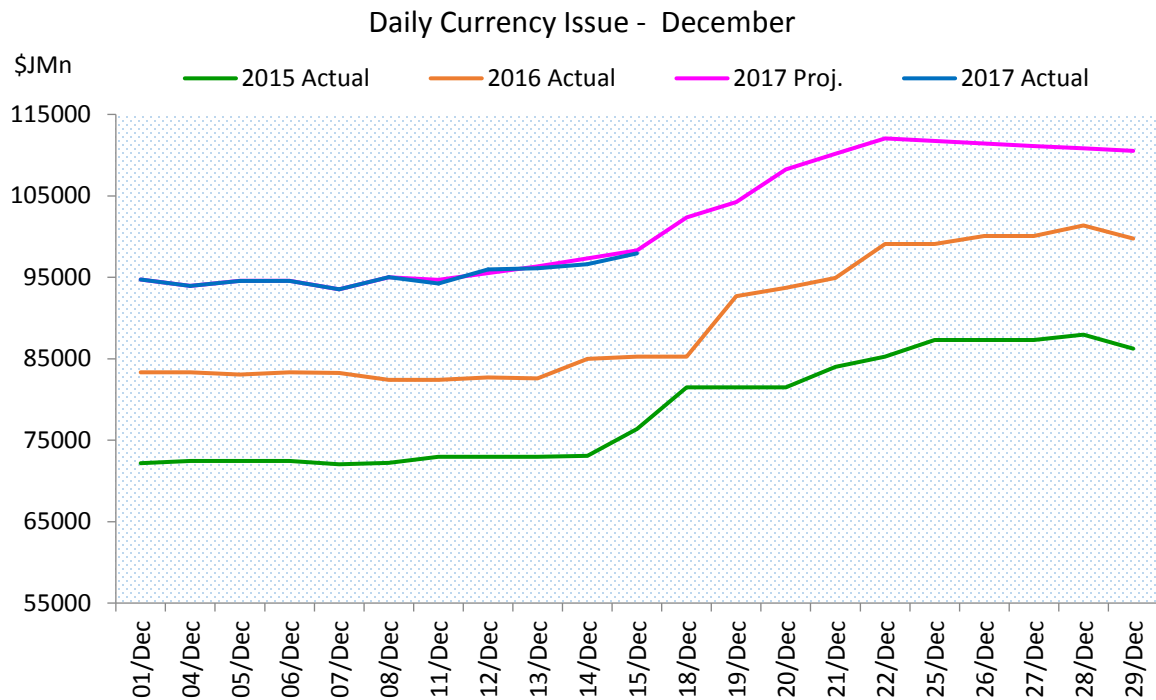


The projected currency stock of \$110.5 billion at end-December 2017 represents an annual nominal growth of 12.4 per cent, relative to 16.4 per cent at the corresponding period in 2016. When the forecasted change in the general level of consumer prices is taken into account, the projected real growth in currency for the year is 7.5 per cent, which is much lower than the real growth of 14.6 per cent for the previous year.

BOJ recorded net currency issue of \$2.7 billion (2.8 per cent) for the period 01 to 15 December 2017. This was higher than the net currency issue of \$1.3 billion recorded over the same period in 2016. Consequently, as at 15 December 2017, the stock of currency

in the hands of the public and in the vaults of financial institutions was \$97.9 billion (see Figure 2).

Figure 2



Background

Bank of Jamaica (BOJ) issues and redeems notes and coins daily in order to meet the demand for cash from individuals and businesses. There is normally a stronger demand for currency during the month of December, associated with increased spending over the holiday period. Financial institutions therefore request more currency from BOJ to satisfy this demand.

Glossary:

- **Currency Issue:** refers to Jamaican notes and coins in the hands of the public (currency in circulation) in addition to notes and coins held by financial institutions in their vaults (vault cash). Bank of Jamaica redeems (buys) or issues (sells) notes and coins to financial institutions when institutions have a demand for cash. The difference between currency issued and that which is redeemed during a period of time is referred to as net currency issue.

- ***Currency Stock or Currency in Circulation:*** (see *Currency Issue*)
- ***Real Currency Growth:*** reflects the percentage change in the real stock of currency which is calculated as the nominal currency stock divided by the consumer price index (CPI) at a given point in time.