



**News Release**  
**22 September 2006**

### **BANK OF JAMAICA INTEREST RATES**

The Bank of Jamaica has reduced the rates on its open market instruments by twenty (20) basis points, effective Friday, 22 September 2006. The revised schedule of rates is as follows:

	30-days	60-days	90-days	120-days	180-days
<b>New Rates</b>	<b>11.95</b>	<b>12.00</b>	<b>12.10</b>	<b>12.15</b>	<b>12.30</b>
Previous Rates	12.15	12.20	12.30	12.35	12.50
Change (basis points)	20	20	20	20	20

This action reflects the stronger than anticipated performance of the Jamaican economy for the first half of the fiscal year. Inflationary pressures have moderated, as reflected in headline inflation of 0.3 per cent for August 2006 and a cumulative change of 4.6 per cent for April to August. The decline in oil prices and very stable outlook for core inflation have reinforced the expectation that the target of single digit inflation will be met

The Bank's Net International Reserves increased to a record US\$2.3 billion as at 21 September and are being buoyed by strong earnings and capital inflows. .

**Bank of Jamaica**