



**News Release**  
**24 July 2009**

**BANK OF JAMAICA INTEREST RATES**

Effective Friday 24 July 2009, the interest rates applicable to Bank of Jamaica's open market instruments have been reduced by 100 basis points. The revised schedule of rates is as follows:

	30-days	60-days	90-days	120-days	180-days
<b>New Rates</b>	<b>16.00</b>	<b>16.50</b>	<b>19.00</b>	<b>19.20</b>	<b>20.50</b>
Previous Rates	17.00	17.50	20.00	20.20	21.50

This action comes against the background of positive trends in key monetary policy indicators. Notably, the twelve month point-to point rate of inflation as at June 2009 fell to 9.0 per cent, from 12.4 per cent at the end of fiscal year 2008/09 and 24.0 per cent as at June 2008. This outturn has been underpinned by continued stability in the foreign exchange market. Additionally, the BOJ's gross foreign reserves have stabilized at US\$1.6 billion.

The prospects for continued stability in money and foreign exchange markets have been strengthened by the Government's decision to secure a Stand-by arrangement with the International Monetary Fund. Finalization of an agreement will pave the way for additional inflows from other multilateral institutions and a reduction in the Government's reliance on domestic financing.