

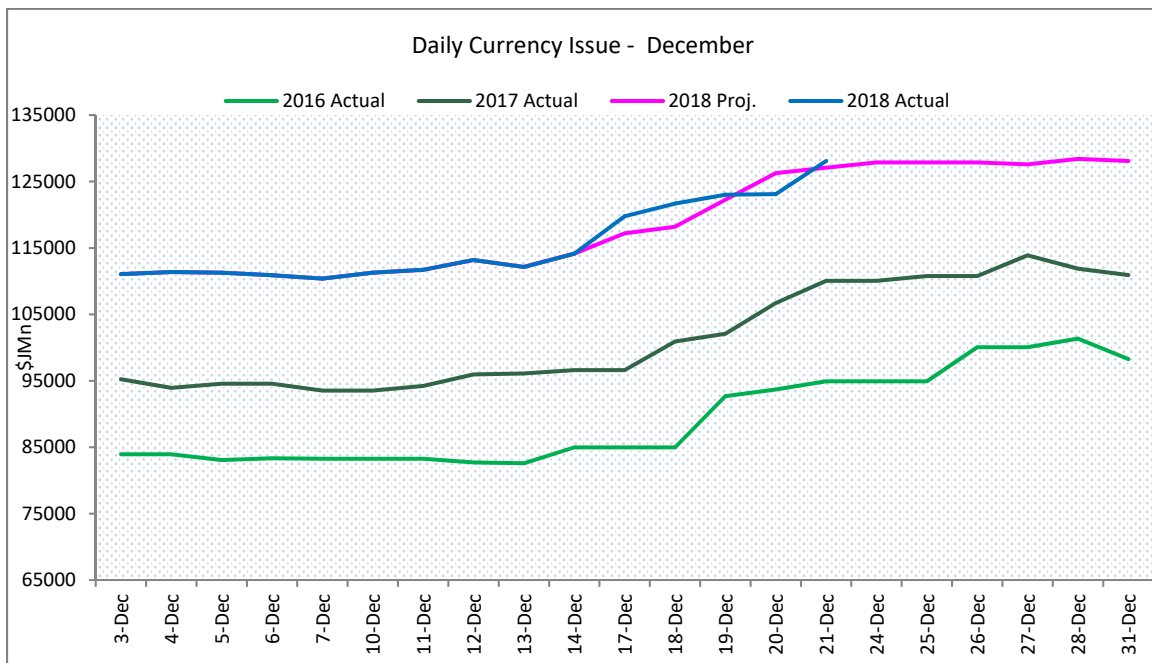
21 December 2018

NEWS RELEASE: CURRENCY ISSUE

For the week leading up to the Christmas holidays (17 to 21 December 2018), Bank of Jamaica (BOJ) issued currency amounting to *\$13.9 billion*, representing an increase of *12.2 per cent* in the currency stock for the week. This was broadly in line with the *\$13.5 billion* or *13.9 per cent* increase in the stock for the similar period in 2017.

The net currency issue for the review week translated to a net increase of *\$18.1 billion* (*16.5 per cent*) in the currency stock for the month-to- 21 December 2018. The increase was marginally higher than the Bank’s projection for an expansion of *\$17.1 billion* (*15.5 per cent*) for the period.

Figure 1



As at 21 December 2018, the stock of currency was *\$128.1 billion*, representing an annual nominal growth of *16.4 per cent*, relative to *16.0 per cent* at the corresponding period in

2017. When the forecasted change in the general level of consumer prices is taken into account, the estimated real growth in currency for the period is *11.2 per cent*, which is above the real growth of *10.2 per cent* for the same period of the previous year.

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.

On 19 December 2018, the BOJ issued a press release indicating that the currency stock is projected to increase in December 2018 by *\$18.1 billion (16.5 per cent)* to *\$128.1 billion*.

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. The real stock of currency at the end of each month is calculated as the currency stock divided by the consumer price index (CPI) for that month.*