

20 May 2019

### **ADJUSTMENT TO BANK OF JAMAICA INTEREST RATE CORRIDOR**

Bank of Jamaica announces that, effective 20 May 2019, the width of the interest rate corridor is being reduced from 300 basis points to 200 basis points.

The interest rate corridor is the difference between Bank of Jamaica's policy rate (the interest rate on overnight balances at Bank of Jamaica) and the standard interest rate on Bank of Jamaica's overnight Standing Liquidity Facility (SLF).

This adjustment in the width of the interest rate corridor will result in a reduction in the standard interest rate on the SLF to 2.75 per cent (the policy rate - 0.75 per cent per annum - plus 200 basis points) per annum.

The SLF provides overnight liquidity to deposit-taking institutions on demand.

Narrowing the width of the corridor is aimed at strengthening the signaling effect of Bank of Jamaica's monetary policy actions.