



News Release
17 October 2008

Interest rates payable on Bank of Jamaica Certificates of Deposit will be increased with effect from Friday, October 17, 2008.

The rates that will apply to placements for tenors ranging from 30 days to 365 days are set out below.

Tenor	30 day	60-day	90-day	120-day	180-day	365-day
New rates	14.65	14.85	15.05	15.15	15.35	16.70
Previous rates	14.00	14.20	14.40	14.50	14.70	15.50

The adjustment will bring rates offered by the Central Bank in line with yields applicable to Government of Jamaica Treasury Bills and other short-dated market instruments. While the outlook for inflation has improved, the recent increase in demand for foreign exchange to pay down foreign liabilities has led the Bank to reassess and to harmonize the structure of interest rates payable on its instruments. In addition, as previously announced, a facility has been established to supply US dollar liquidity to assist financial institutions to satisfy the increased payments to overseas creditors. Taken together, these policy changes will address the temporary gap in the foreign exchange flows and maintain order in domestic financial markets.

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