Bank of Jamaica

Quarterly Monetary Policy Report

MAY 2025 | VOLUME 25 | NO. 4

2025

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ISSN 0799 1037

Printed in Jamaica

Monetary Policy at Bank of Jamaica

Bank of Jamaica's monetary policy objective is to achieve an inflation target of 4 to 6 per cent per annum for the next three years. This inflation rate, measured as the annual point-to-point change in the Consumer Price Index (CPI) published by the Statistical Institute of Jamaica, is necessary for the achievement of sustained growth and development in Jamaica.

The inflation target was confirmed by the Minister of Finance and the Public Service in consultation with Bank of Jamaica in April 2024.

The Bank uses a variety of tools to achieve its inflation target, the main one being the interest rate on overnight balances in the current accounts of deposit-taking institutions at Bank of Jamaica (BOJ). Changes in the Bank's policy rate signal the Bank's policy stance towards achieving its inflation objective, which is transmitted to prices through the financial markets and then through spending and investment decisions.

Monetary policy decisions are made by BOJ's Monetary Policy Committee (MPC) and affect inflation with a lag of between 4 to 8 quarters. For this reason, monetary policy in Jamaica is forward-looking and the Bank puts much effort into establishing its view of the economy in the future, and bases its decision on this view. It is also important that the Bank clearly and transparently communicates this view of the future to the Jamaican public. The Bank undertakes an assessment of the economy eight times during each calendar year and publishes its decisions in accordance with a pre-announced schedule. On four of these occasions, when most data on the key macro-economic variables are available, the Bank prepares a comprehensive macro-economic forecast contained in The Monetary Policy Report covering the international economy, the fiscal accounts, balance of payments, money, credit, interest rates, Gross Domestic Product (GDP) and prices.

This Monetary Policy Report describes the MPC's recent policy decisions and outlines the Bank's projections for inflation in Jamaica and the main macroeconomic variables that affect it. The Monetary Policy Report is prepared and published once every three months and coincides with four of the Bank's monetary policy announcements.

Overview

Recent US policy announcements have resulted in increased global economic uncertainty. Since the beginning of 2025, the United States (US) has been resetting trading relationships with its trading partners. It has also announced its intention to tighten its immigration policies and improve the efficiency of the Federal Government, while plans are being finalized for a new fiscal package for FY2025/26. These announcements have fuelled uncertainty in the world economy and are likely to slow the pace of economic activity and increase inflationary pressures in the US. In this context, the US Federal Reserve (Fed) in May 2025 maintained its interest rate target in the range of 4.25 to 4.50 per cent and is likely to do so for an extended period of time.

Economic indicators for the March 2025 quarter suggest a nascent weakening in the US economy, with GDP contracting due primarily to a surge in imports amid rising uncertainty. The unemployment rate increased to 4.2 per cent at March 2025 from 3.9 per cent at March 2024. Inflation in the US declined by 0.5 pp to 2.4 per cent at March 2025 relative to December 2024 due largely to reduced demand for travel services. Core inflation declined by 0.4 pp to 2.8 per cent in March 2025 relative to December 2024. Oil prices declined in February and March 2025 quarter due to heightened market concerns about slowing global demand and announced production increases by the Organisation of the Petroleum Exporting Countries (OPEC).

Jamaica's annual inflation at March 2025 was 5.0 per cent, within the Bank's target range of 4.0 to 6.0 per cent and unchanged from December 2024. The outturn for headline inflation at March 2025 relative to December 2024 primarily reflected an uptick in service-related inflation l which was offset by the moderation in agricultural inflation. Lower agricultural inflation resulted from the continued recovery in domestic agricultural supplies following the shock to production due to Hurricane Beryl and Tropical Storm Rafael in 2024. The measure of core inflation that excludes the prices of agricultural food items, as well as fuel and transport prices from the annual change in the CPI (CPIAF), increased to 4.4 per cent at March 2025 relative to 3.9 per cent at December 2024.

The Bank projects that the first-round impact of the increase in US tariffs on prices in Jamaica will not be significant. Inflation is projected to generally remain within the Bank's target range over the period. While some consumer prices in Jamaica may rise due to higher inflation in the US, the impact of imported inflation on overall domestic price level increases will be largely offset by falling world oil prices. The average inflation rate over the next two years (June 2025 to March 2027) is projected to fall to 4.6 per cent, relative to 5.7 per cent over the previous eight quarters. The risks to the inflation forecast are skewed to the upside. Inflation could be higher than projected if the effective tariff wall rises higher than projected resulting in a larger impact on imported inflation and inflation expectations. Higher inflation could also result from further escalation in geopolitical tensions, which could negatively impact international supply chains. Lower inflation could however result from lower than projected international commodity prices as well as weaker demand conditions.

High frequency indicators suggest a mixed impact of the US economic policy changes on domestic economic conditions. Remittance inflows have remained resilient while foreign national tourist arrivals continued to contract in the March 2025 quarter, following declines in the December 2024 quarter. Production of bauxite increased in the March 2025 quarter due to increased demand for raw material from the US following the imposition of steel and aluminium tariffs. In this regard, real GDP is estimated to have expanded within the range of 0.0 to 1.0 per cent in the March 2025 quarter, in contrast to the contraction of 0.8 per cent recorded for the December 2024 quarter. The main industries that expanded were Agriculture, Forestry & Fishing and Transport, Storage & Communication while Mining & Quarrying and Electricity & Water Supply are estimated to be flat for the quarter.

Real GDP is estimated to contract within the range of -1.0 to -0.5 per cent for FY2024/25, largely reflecting the adverse impact of Hurricane Beryl on the economy. For FY2025/26 and FY2026/27, real GDP is forecasted to expand within the range of 1.0 to 3.0 per cent and 1.0 to 2.0 per cent, respectively. The FY 2025/26 growth forecast largely reflects a recovery in economic activities in the aforementioned sectors, following the impact of

Hurricane Beryl. The risks to the forecast for real GDP growth over the near-term are assessed to be on the downside largely reflecting the possibility of weaker external demand, particularly from the US due to an escalation of global trade tensions amongst major trading partners.

The recently announced changes to the US immigration policies as well as the impact of the US tariffs has had a mixed impact on the balance of payments (BOP). The current account (CA) of the BOP for the March 2025 quarter is estimated to have moderated to a surplus of 0.9 per cent of GDP, relative to a surplus of 1.2 per cent for the March 2024 quarter. This lower current account surplus largely reflects a decline on the services balance due to a fall in tourist arrivals, partly offset by an increase on the current transfers sub-account and an improvement in the income sub-account.

The current account surplus is projected to fall within the range of 0.5 to 1.5 per cent of GDP for FY2025/26 and FY2026/27. The lower surplus relative to FY2024/25 largely reflects a deterioration on the merchandise trade balance due to higher imports of raw materials and capital goods. This is partly offset by lower fuel imports due to the downward revision to fuel prices. The risks to the projections are skewed to the downside for the CA (lower surplus) and reserves. The main downside risks relate to lower remittance and travel inflows associated with lower growth in source market countries.

For the March 2025 quarter, the Jamaican dollar depreciated by 1.2 per cent, relative to end-December 2024. The depreciation in the exchange rate during the March 2025 quarter was particularly noticeable in the month of March 2025. This was underpinned by increased demand from end-users. These demand pressures were attenuated by sales of US$230.0 million via the Bank of Jamaica Foreign Exchange Intervention Trading Tool (B-FXITT) for the March 2025 quarter, higher than the US$208.1 million recorded in the similar period in 2024.

The financial system continued to be stable. Deposit-taking institutions' (DTIs') risk-weighted Capital Adequacy Ratio (CAR) at end-March 2025 was 14.8 per cent, compared to 14.5 per cent at end-December 2024, remaining well above the statutory requirement of 10.0 per cent. Banks also remained liquid, with all licensees reporting Liquidity Coverage Ratios (LCRs) in excess of 100 per cent at end-March 2025. The quality of the DTIs' loan portfolio remained fairly stable with a ratio of non-performing loans (NPLs) to gross loans at March 2025 of 2.5 per cent, largely unchanged from the ratio at December 2024.

On 27 March 2025, the Bank, through its Monetary Policy Committee (MPC), determined that its current monetary policy stance remains appropriate to support the outlook for inflation remaining within the target range over the next two years in the context of increased uncertainty relating to the economic policies of Jamaica's main trading partners. The Committee therefore unanimously agreed to (i) hold the policy rate at 6.00 per cent per annum and (ii) preserve relative stability in the foreign exchange market. To reinforce the Bank's monetary policy stance, the MPC also decided to lower the margin between the interest rate on the Bank's Standing Liquidity Facility (SLF) and its policy rate.

The MPC reaffirmed its commitment to maintaining low and stable inflation and will deploy the tools necessary to preserve stability. The Committee agreed to maintain its current monetary policy stance until the above-noted uncertainties subside. The MPC is, however, prepared to adjust this stance if these uncertainties or any other risks materialise and result in an upward deviation of inflation from the target.

Contents

ABBREVIATIONS & ACRONYMS

ARA	Assessing Reserve Adequacy
B-FXITT	Bank of Jamaica's Foreign Exchange Intervention & Trading Tool
BOJ	Bank of Jamaica
BOP	Balance of Payments
bps	Basis points
CAD	Current Account Deficit
CBO	Congressional Budget Office
CDs	Certificates of Deposit
CPI	Consumer Price Index
CPI-FF	Consumer Price Index without Food and Fuel
CY	Calendar Year
DTIs	Deposit-taking Institutions
EMBI+	JP Morgan Emerging Market Bond Index
e.o.p	End of Period
EFR	Excess Funds Rate
Fed	US Federal Reserve System
FTSE	Financial Times Stock Exchange
FY	Fiscal Year
GDP	Gross Domestic Product
GOJ	Government of Jamaica
GOJGBs	Government of Jamaica Global Bonds
HWEG	Housing, Water, Electricity Gas & Other Fuels
IES	Inflation Expectations Survey
IMF	International Monetary Fund
JMD	Jamaican Dollar
JSE	Jamaica Stock Exchange
M2J	Broad money supply
M2+	Broad money supply that includes foreign currency deposits
MCI	Monetary Conditions Index
NDA	Net Domestic Assets
NIR	Net International Reserve
NOP	Net Open Position
o/w	Of which
O/N	Overnight
OMO	Open Market Operations

PMMR	Private Money Market Rates
PSE	Public Sector Entities
QoQ	Quarter over Quarter
REER	Real Effective Exchange Rate
S&P	Standard & Poor's
SBA	Stand-by Agreement
SCT	Special Consumption Tax
SLF	Standing Liquidity Facility
T-Bill	Treasury Bill
TP	Trading Partners
UR	Unemployment Rate
US	United States
USD	US dollar
WASR	Weighted Average Selling Rate
WTI	West Texas Intermediate

1.0 International Economy

Recent US policy announcements have resulted in increased global economic uncertainty. Since the beginning of 2025, the United States (US) has been resetting trading relationships with its trading partners. It has also announced its intention to tighten its immigration policies a and improve the efficiency of the Federal Government, while plans are being finalized for a new fiscal package for FY2025/26. These announcements have fuelled uncertainty in the world economy and are likely to slow the pace of economic activity and increase inflationary pressures in the US. In this context, the US Federal Reserve (Fed) in May 2025 maintained its interest rate target in the range of 4.25 to 4.50 per cent and is likely to do so for an extended period of time.

Economic indicators for the March 2025 quarter suggest a nascent weakening in the US economy, with GDP contracting due primarily to a surge in imports amid rising uncertainty. In addition, there was a moderation in growth in spending on services due to reduced demand for travel, given uncertainty surrounding US immigration policies. The US labour market, while still strong, has also weakened. The unemployment rate increased to 4.2 per cent at March 2025 from 3.9 per cent at March 2024. US economic growth is projected to slow to 0.5 to 1.5 per cent in 2025, relative to 2.8 per cent in 2024. For 2026, the US economy is projected to expand by 0.5 to 1.5 per cent.

The previous forecast for GDP growth in the US was for respective increases in the ranges of 2.0 to 3.0 per cent and 1.0 to 2.0 per cent in 2025 and 2026. The lower growth reflects the impact of tighter monetary conditions than previously forecast and weaker demand given higher prices and lower consumer confidence.

The risks to US GDP growth are skewed to the downside. On the downside, there are risks that trade disruptions could further retard growth prospects in the US. On the upside, stronger than projected consumption spending could support greater growth.

Oil prices declined subsequent to the first announcement of tariffs in February 2025 due to heightened market concerns about slowing global demand and announced production increases by OPEC. Average West Texas Intermediate (WTI) prices are projected to fall by 13.7 per cent in FY2025/26, followed by a further 2.4 per cent decline in FY2026/27. LNG prices are however projected to increase, on average, by 56.2 per cent and 3.2 per cent, respectively, in FY2025/26 and FY2026/27, relative to the previous fiscal years. This outlook reflects increased demand for US exports as European LNG prices continued to be impacted by geopolitical tensions between Ukraine and Russia

Average grain prices for 2025 and 2026 are projected to decline by 3.1 per cent and 0.4 per cent, respectively, relative to the previous year. The outlook is supported by weak global demand conditions.

The risks to the forecast for oil and grains prices are skewed to the downside. Weaker than projected growth may hinder demand conditions for commodities.

Inflation in the US declined by 0.5 pp to 2.4 per cent at March 2025 relative to December 2024 due largely to reduced demand for travel services. Core inflation declined by 0.4 pp to 2.8 per cent in March 2025 relative to December 2024. US inflation is projected to increase in the June 2025 quarter reflecting the impact of the tariffs imposed by the US on its main trading partners. Thereafter, inflation is projected to moderate gradually towards the US Federal Reserve's (Fed) inflation target. The projected average inflation rate for 2025 of 3.3 per cent is above the previous forecast of 2.7 per cent amid higher inflation expectations, the increase in the effective tariff wall and an increase in inventories associated with economic uncertainty.

The US Fed maintained its policy rate in the range of 4.25 – 4.50 per cent in May 2025. In the context of higher inflation expectations, Bank of Jamaica anticipates that the Fed will maintain rates for the remainder of 2025 before reducing rates at a more modest pace through to December 2026. Nominal interest rates are projected to converge to the long-run neutral range of 2.75 per cent to 3.00 per cent by early 2027. In this context, yields on Jamaica's sovereign bonds and US Treasury bills are projected to decline for the aforementioned period, and thereafter remain relatively stable.

The risks to the forecast for the Fed's policy rate are skewed to the upside due to potential changes in economic policies by the US government that could prove to be inflationary in the near-term.

Trends in the Global Economy

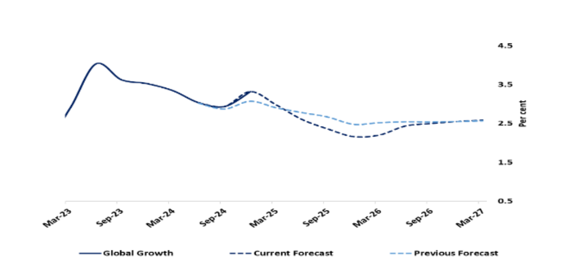
Recent US policy announcements have resulted in increased global economic uncertainty. Since the beginning of 2025, the United States (US) has been resetting trading relationships with its trading partners. It has also announced its intention to tighten its immigration policies a and improve the efficiency of the Federal Government, while plans are being finalized for a new fiscal package for FY2025/26. These announcements have fuelled uncertainty in the world economy and are likely to slow the pace of economic activity and increase inflationary pressures in the US. In this context, the US Federal Reserve (Fed) in May 2025 maintained its interest rate target in the range of 4.25 to 4.50 per cent and is likely to do so for an extended period of time.

Economic indicators for the March 2025 quarter suggest a nascent weakening in the US economy. The Bureau of Economic Analysis' (BEA's) advance estimate indicates that US GDP for the March 2025 quarter contracted on an annualized basis by 0.3 per cent, below the previous projection (2.1 per cent) and below the growth for the December 2024 quarter (2.8 per cent). The decline for the quarter primarily reflected a deterioration in net exports due primarily to imports arising from businesses building inventories due to uncertainty surrounding trade policies in the US. Notably, the decline in the quarter was moderated by growth in investment and consumption spending.

The global economy is estimated to have expanded by 3.0 per cent for the March 2025 quarter, below the expansion in the December 2024 quarter, and above the Bank's forecast (2.9 per cent). The estimate for the March 2025 quarter relative to the previous quarter was supported by lower growth for the US, the UK and the Euro Area. The upward revision to global growth for the March 2025 quarter, relative to the previous projection reflects stronger than projected growth for Canada and Japan. Canada will benefit from an increase in demand, particularly within the mining, quarrying and oil & gas extraction industries and the expansion in Japan is supported by an increase in external demand, driven by inventory stockpiling amid tariff concerns.

Global growth is projected to average 2.4 per cent over the next eight quarters (June to March 2027) (see **Figure 1**). The global economy is projected to grow by 2.5 per cent for 2025, a slower pace relative to the growth of 3.1 per cent for 2024. The projected moderation in growth for 2025 primarily reflects higher inflation expectations, worsening economic sentiments and a more cautious monetary policy stance in several economies such as the US and Japan. GDP is projected to expand at a similar pace in 2026 relative to the previous year.

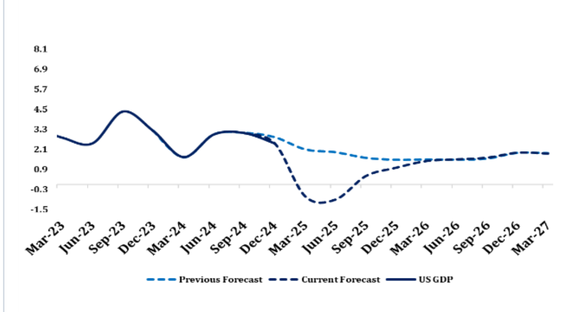
Figure 1: Global Growth Projection*
(Per cent year–over–year change)



Source: Bloomberg
*Bank of Jamaica's Estimate and forecast

The Bank projects US GDP to grow by 0.5 to 1.5 per cent for 2025, lower than the growth of 2.8 per cent in 2024. The forecast assumes that the quarterly annualized growth will contract by 0.0 to 1.0 per cent in the March 2025 quarter amid a slowdown in consumer demand at the beginning of the quarter due to extreme weather events and income uncertainty.[1] This was amplified with businesses building inventories via imports due to uncertainty surrounding trade policies in the US. Growth in economic activity for 2026 is forecast to increase by 1.2 per cent, relative to 2025.

Figure 2: Comparative US GDP Growth Forecast
(Per cent change annualised)



Source: BOJ, CBO

The US GDP growth projection for 2025 and 2026 is lower than the previous projection (see **Figure 2**).[2]

Risks

The risks to global growth are skewed to the downside. An escalation of global trade tensions amongst major trading partners as well as adverse weather conditions stemming from climate change could cause downward pressures on growth.

The risk to US GDP is assessed to the downside. In particular, a more pronounced impact from global trade disruptions could undermine growth. On the upside, stronger than projected consumption spending could support greater growth.

Labour Market

The US labour market, while still strong, weakened in the March 2025 quarter. The unemployment rate in the US at March 2025 was 4.2 per cent, above the outturn for February 2025 and March 2024.[3] This outturn was 0.1 pp above the Bank's projection and in line with the Fed's estimate of the natural rate of unemployment. The US unemployment rate is projected to increase marginally over the next eight quarters amid the lagged impact of restrictive monetary policy.[4]

[1] The year over year growth reflects a moderation of 1.9 per cent in the March 2025 quarter.
[2] The previous projection assumed economic growth of 2.3 per cent and 1.6 per cent for 2025 and 2026, respectively.
[3] Total nonfarm payroll employment in the US increased by 228,000 persons in March 2025, following an increase of 117,000 in February 2025. Average hourly earnings increased by 0.3 per cent relative to the previous month. However, the annual rate increased by 0.2 pp to 3.8% per cent.
[4] The unemployment rate is projected to end FY2025/26 at 4.3 per cent, 0.1 pp above the rate at end-FY2024/25, and is projected to end FY2026/27 at 4.3 per cent.

Monetary Policy

On 07 May 2025, the Federal Open Market Committee (FOMC) maintained its target range for the US Fed Funds rate in the range of 4.25 per cent – 4.50 per cent.[5] The Bank also assumed no rate reduction for the period in the February 2025 projection.

Over the near-term, Bank of Jamaica's forecast assumes that the Fed will reduce rates at a moderate pace to the range of 3.00 per cent to 3.25 per cent. Over the next eight quarters, nominal interest rates in the US are projected to approach the long-run neutral level of 3.00 per cent.[6]

The risks to the forecast for the Fed's policy rate are skewed to the upside. This is due to potential changes in economic policies by the US government that could prove to be inflationary in the near-term.

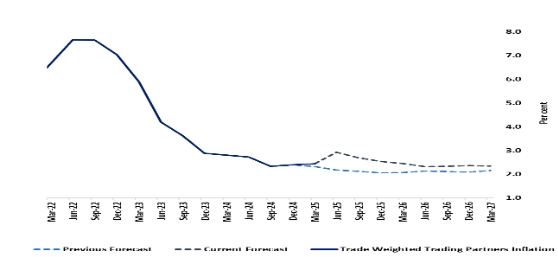
Trading Partners' Inflation

The weighted average of the 12-month inflation rates for Jamaica's main trading partners' (TPs) at March 2025 is estimated at 2.2 per cent. This is marginally below the outturn for February 2025 of 2.5 per cent and below the Bank's previous forecast of 2.3 per cent. For the US, annual CPI inflation at March 2025 was 2.4 per cent, lower than the Bank's previous forecast.[7] The personal consumption expenditures (PCE) price index grew by 2.3 per cent on a year-on-year basis at March 2025, 0.4 pp lower than the growth in February 2025.[8]

Over the next eight quarters, the Bank projects the inflation rate of Jamaica's main trading partners (TP) to average 2.5 per cent, higher than previously anticipated (see **Figure 3**).[9] The acceleration in inflation throughout the near-term is supported by global trade disruptions amid the imposition of tariffs by major trading partners.

TP inflation rate is projected to trend above the previous forecast rate of 2.1 per cent. Notably, US Inflation declined by 0.5 pp to 2.4 per cent at March 2025 relative to December 2024 due largely to reduced demand for travel services. Core inflation declined by 0.4 pp to 2.8 per cent in March 2025 relative to December 2024. US inflation is projected to increase in the June 2025 quarter reflecting the impact of the tariffs imposed by the US on its main trading partners. Thereafter, inflation is projected to moderate gradually towards the US Federal Reserve's (Fed) inflation target (see **Figure 4**). The projected average inflation rate for 2025 of 3.3 per cent is above the previous forecast of 2.7 per cent amid higher inflation expectations, the increase in the effective tariff wall and an increase in inventories associated with economic uncertainty.

Figure 3: Trade Weighted Trading Partners' Inflation
(Per cent quarterly YOY change)



Source: Bloomberg

5 The updated policy guidance at the May 2025 meeting states that "uncertainty about the economic outlook has increased further" and that officials "judge that the risks of higher unemployment and higher inflation have risen." Further, despite the weakness in GDP growth in Q1 2025, economic activity was described as expanding at a "solid" pace though there were "swings in net exports" that affected the data".

6 The Fed's long-run average neutral rate is 3.0 per cent as noted in their projection released on 19 March 2025.

7 The CPI index for all items less food and energy declined by 0.3 pp to 2.8 per cent over the last 12 months. This was supported by a decline in the energy index by 3.3 per cent for the 12-month ending March 2025. The food and shelter index increased by 3.0 per cent and 4.0 per cent, respectively over the last year. Other notable increases occurred in the indexes for motor vehicle insurance, medical care, recreation, and education.

8 On a monthly basis, headline PCE inflation and core PCE inflation remained relatively unchanged in March 2025. This is relative to respective increases of 0.4 per cent and 0.5 per cent in the previous month. Core PCE inflation increased by 2.6 per cent on an annual basis in March 2025, a deceleration relative to the increase of 3.0 per cent in February 2025.

9 The average inflation rate of Jamaica's main trading partners (TP inflation) for FY2025/26 is projected at 2.7 per cent, higher than the previous forecast of 2.1 per cent. TP inflation for FY2026/27, on average, is projected at 2.3 per cent.

Box 1: Economic Growth in Selected Economies

China

The Chinese economy expanded by 5.4 per cent for the March 2025 quarter, marginally higher than the growth of 5.3 per cent at the March 2024 quarter.[10] Economic activity in the March 2025 quarter was driven by robust exporting demand as trading partners frontload purchases in anticipation of escalating global trade tensions.[11] Further, consumer and business demand were strong in the quarter due to new stimulus measures by the Government, which influenced consumer demand and investment spending in the quarter.[12, 13]

GDP growth in China is projected to range between 4.2 per cent to 4.9 per cent over the next eight quarters. This forecast is higher than the previous projections.

Japan

The Japanese economy is estimated to decelerate to 0.4 per cent for the March 2025 quarter, following growth of 2.2 per cent in the December 2024 quarter. The deceleration in growth in the March 2025 quarter emanated from a slowdown in export demand and a more restrictive monetary policy stance, amid the potential adverse impact of the US's protectionist trade policies on the Japanese economy.

For the next eight quarters, GDP growth in Japan is projected in the range of 0.7 per cent to 1.0 per cent, marginally below the previous projection.

Canada

The Canadian economy is estimated to expand by 1.8 per cent for the March 2025 quarter, a slower pace of expansion relative to the 2.6 per cent growth in the December 2024 quarter. This slowdown in growth emanated from rebounding inflationary pressures due to the expiration of tax breaks, a decline in consumer demand and increased uncertainty due to changes to US trade policies.[14] However, external demand increased at the beginning of the quarter amid efforts by US businesses to build inventory to mitigate the impact of pending tariffs on lumber, steel, and aluminium imports in March 2025.

For the next eight quarters, GDP growth in Canada is projected in the range of 0.4 per cent to 1.8 per cent.

Euro Area

The Euro Area is estimated to have increased by 0.8 per cent for the March 2025 quarter relative to an expansion of 0.9 per cent in the previous quarter. The moderation in growth in the March 2025 quarter occurred in the context of a slowdown in external demand and business spending due to supply chains disruptions arising from the imposition of US tariffs, partly offset by looser financial conditions emanating from easing inflationary pressures and higher government spending in Germany.

For the next eight quarters, GDP growth in the Euro Area is projected to average 1.3 per cent, which is marginally above the previous projection for an average growth of 1.2 per cent.

United Kingdom (UK)

Growth in the UK is estimated to have accelerated by 1.2 per cent in the March 2025 quarter relative to a marginal increase of 0.4 per cent in the December 2024 quarter. The estimate for the March 2025 quarter reflects strong consumer demand for January and February 2025.[15]

Growth in the UK economy over the next eight quarters is projected in the range of 1.2 per cent to 1.6 per cent.

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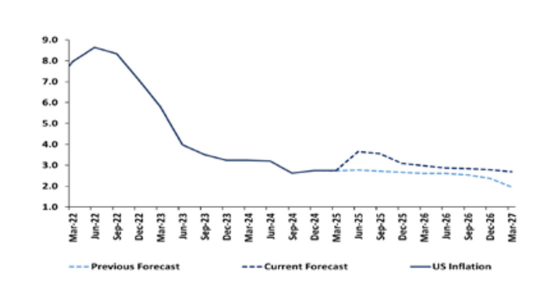
[10] Estimates for China growth represent year-over-year per cent change.
[11] In February 2025, the US imposed a 10% tariff on all Chinese goods imports and increased the same by an additional 10% in March 2025. The US administration also imposed a 25% tariff on all imports of lumber and tree products, steel and aluminium in March 2025.
[12] In March 2025, China announced the issuance of 1.3 trillion yuan (US$179 billion) (up from $1 trillion in 2024) in ultra-long special treasury bonds targeted at boosting consumption via subsidy programs and plans to raise 500 billion yuan to re-capitalize major state banks.
[13] China's retail sales and fixed asset investment increased by 4.6% and 4.2%, respectively, for Q1 2025, relative to 12 months earlier.
[14] In January 2025, Canada's retail sales fell by 0.6%, mainly due to fewer car purchases and supermarket and grocery sales. This decline occurred despite tax breaks (mainly Goods and Services Tax (GST) and Harmonized Sales Tax (HST)) provided from 14 December 2024 to 15 February 2025.
[15] In the UK, retail sales increased in January 2025 by 1.4%, amid an increase in food, tobacco and alcohol store sales. For February 2025, retail sales grew by 1% amid higher sales at department, other non-food, clothing, and household goods stores, relative to the previous month. Furthermore, S&P Global UK Services Purchasing Managers' Index (PMI) showed an increase in services in March 2025 to 52.5 from 51 in the previous month amid rebounding European demand and improvement in weather conditions.

Figure 4: US Inflation
(Per cent quarterly YOY change)



Source: Bloomberg

Figure 4: Trading Partners' Trade Weighted Exchange Rate – vis-à-vis USD, May 2013 =100

Notes: An increase in the index represents a depreciation of the US dollar, while a decline represents an appreciation of the US dollar.
Source: Bloomberg

Trends in Trading Partners' Exchange Rates

During the March 2025 quarter, the US dollar appreciated against TP currencies, relative to the December 2024 quarter.[16] The US dollar was supported by expectations for a slower pace of rate reduction by the Fed given the concerns about inflation.

Bank of Jamaica projects that, over the next eight quarters (June 2025 to March 2027), the US dollar, on average, will remain relatively unchanged against the currencies of Jamaica's major trading partners (see **Figure 4**). Notwithstanding, the US dollar will trend below the previous forecast, signalling a stronger US dollar than previously anticipated. The US dollar is supported by projections for the Fed to slow the pace of its rate reduction. However, downward pressures on the dollar will emanate from a more pessimistic outlook for the US economy as trade policies erode consumer and business confidence.

Commodity Prices

Oil prices declined subsequent to the first announcement of tariffs in February 2025 due to heightened market concerns about slowing global demand and announced production increases by OPEC. The daily average of West Texas Intermediate crude oil prices for the March 2025 quarter, however, increased by 1.4 per cent, relative to the December 2024 quarter.[17] Upward price pressures largely emanated from disruptions to US production in January 2025 caused by severe winter weather and concerns about global supply stemming from intensified sanctions on Russia's oil production and exports. On average, relative to the March 2024 quarter, crude oil prices declined by 7.4 per cent.

Oil prices are projected to average US$63.38 per barrel (p/bl) for the next eight quarters. The forecast trajectory reflects an average quarter-over-quarter decline of 1.7 per cent (see **Figure 5**). The projected decline over the next eight quarters reflects an increase in global production as OPEC+ continues to unwind production cuts and non-OPEC nations increase production.18 The forecast also reflects

[16]On average, the USD vis-à-vis the exchange rate of Jamaica's main trading partners for the March 2025 quarter appreciated by 0.5 per cent, relative to the average in the December 2024 quarter. On a monthly basis, for January 2025, there was an appreciation of 0.3 per cent in the USD relative to the currencies of Jamaica's major trading partners. However, there were respective depreciations in February and March 2025 by 0.4 per cent and 0.3 per cent. The previous forecast assumed that the USD vis-à-vis the exchange rate of Jamaica's trading partners would appreciate in the March 2024 quarter by 0.3 per cent.

[17] In the previous projection, the Bank expected the daily average of West Texas Intermediate crude oil prices for the March 2025 quarter to increase by 8.1 per cent, relative to the December 2024 quarter.

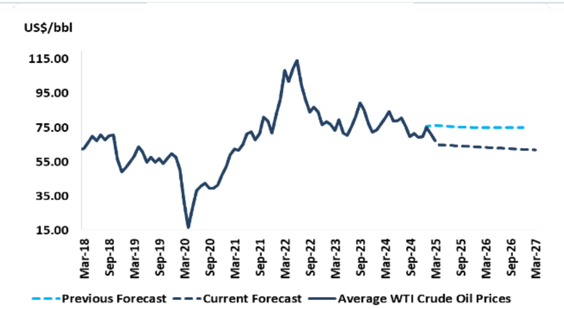
[18] According to the EIA, countries outside of OPEC to drive production growth include Canada, Brazil and Guyana.

weakness in global demand amid the uncertainty relating to the effect of US tariffs and its impact on global economic activity.[19]

Notably, for FY2025/26 average oil prices are projected to decline by 13.7 per cent to US$64.14 per barrel, relative to FY2024/25, largely reflecting the expected increase in supply and weak global demand. For FY2026/27, oil prices are forecast to decline by 2.4 per cent to average US$62.62 per barrel, relative to the previous fiscal year.

Over the ensuing eight quarters, oil prices are projected to trend below the previous forecast. The previous forecast reflected concerns about supply, amid an extension of existing voluntary OPEC+ production cuts. However, the current trajectory reflects higher production levels from OPEC+ and its allies as they try to regain market share, as well as global concerns about demand due to disruption to global trade which could have adverse impact on global growth.

Figure 5: Trend in Average WTI Crude Oil Prices

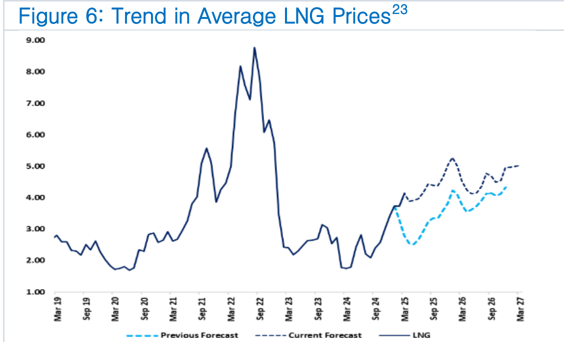


Sources: Bloomberg, BOJ

For the March 2025 quarter, US LNG prices increased by 28.9 per cent, relative to the December 2024 quarter.[20] LNG prices increased during the quarter amid increase in export demand as European LNG prices continued to be impacted by geopolitical tensions between Ukraine and Russia. The increase was also supported by higher domestic demand for heating amid extreme winter weather in January and early February.[21]

For the June 2025 to March 2027 quarters, US LNG prices, on average, are projected to increase gradually (see **Figure 6**). Upward pressures on LNG prices over the near-term will generally reflect the impact of greater demand from Europe due to the higher price in that market attributed to the conflict between Russia and Ukraine which has disrupted supplies partly supported by the widening spread between Europe LNG and US LNG prices.[22]

Figure 6: Trend in Average LNG Prices[23]



Sources: Bloomberg, BOJ

The risks to the forecast for oil prices over the next eight quarters are skewed to the downside. Downside risks may emanate from OPEC+ producers increasing production much faster than expected as it increases market share.[24] Further, oil

[19] OPEC+ began unwinding voluntary crude oil production cuts in April 2025 by increasing production by 137000 b/d. Further several OPEC+ member countries like Saudi Arabia, Russia, Iraq, UAE, Kuwait, Kazakhstan, Algeria, and Oman have agreed to raise combined crude oil output by approximately 410,000 barrels per day, commencing in May 2025. According to the EIA, global oil inventories will increase by 0.6 million b/d in the June 2025 quarter and by 0.7 million b/d on average in the second half of 2025. Oil inventories will continue to accumulate at a similar pace in 2026. The effect that new or additional tariffs will have on global economic activity and associated oil demand is still highly uncertain and could weigh heavily on oil prices going forward.

[20] The previous projection assumed an increase of 9.7 per cent in prices for the March 2025 quarter.

[21] On average, for the March 2025 quarter, the spread between the European LNG prices and the US LNG was US$10.58 per million BTU.

[22] There is strong demand for US LNG in the international market due to its relatively cheaper price when compared to the price for European LNG. Consequently, it is anticipated that US LNG exports will rise as export capacity expands.

[23] Forecast for LNG prices are from US Energy Information Administration (EIA) as at 03 July 2024.

[24] For the past several years OPEC+ constrained supply in an attempt to increase prices. However, this strategy has not delivered the intended results. This raises the possibility that Saudi Arabia and other influential OPEC+ members could shift from their price strategy to capturing market share, leading to

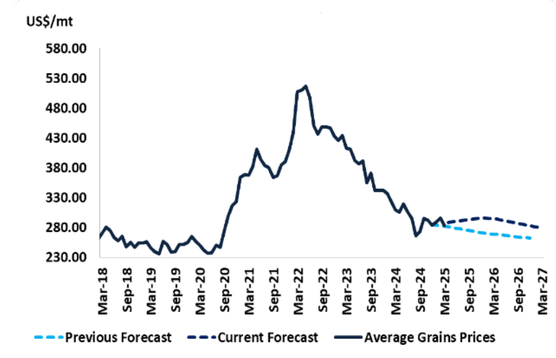
prices could decline more than projected amid an improvement in the geopolitical conflict in the Middle East and in Europe supported by the impact of ceasefire discussions. Weaker than projected global growth may also hinder demand conditions for commodities.

The risks to the forecast for LNG prices over the next eight quarters are skewed to the downside. A resolution of the conflict between Russia and Ukraine may cause downward pressures on prices.

Average grains prices for the March 2025 quarter declined by 0.5 per cent, relative to the December 2024 quarter (a decline of 10.6 per cent on an annual basis).[25] The decline over the March 2025 quarter was associated with lower prices for soybean (4.9 per cent decline for the quarter, 21.3 per cent decline on an annual basis), partly offset by increases in wheat prices (0.3 per cent increase for the quarter, 5.4 per cent decline on an annual basis), and corn prices (8.2 per cent increase for the quarter, 11.1 per cent increase on an annual basis). The decline in average grains prices over the quarter reflected a reduction in demand for US grains following China's imposition of tariffs on US grains imports, as well as a fall in oil prices which reduced production cost.[26] Notwithstanding, prices were partly offset by lower global grains inventory estimates for the 2024/25 marketing year.

The average price of grains is projected to trend higher than the previous forecast over the next eight quarters (June 2025 to March 2027), declining at a quarter over quarter rate of 0.4 per cent (see Figure 7).[27] The projection reflects tighter inventories for 2025, which supports an increase in prices for that period. However, the forecast assumes a normalisation in prices thereafter as production costs falls further due to a decline in oil prices. The risks to the forecast for grains prices are assessed as balanced.

Figure 7: Trend in Average Grains Prices



Sources: Bloomberg, BOJ

Aluminium prices increased by 0.9 per cent for the March 2025 quarter, relative to the December 2024 quarter (an increase of 17.0 per cent on an annual basis).[28] The increase largely reflected market's reaction to the EU's ban on primary aluminium imports from Russia and the announcement by the US of a 25 per cent tariff on all aluminium imports.[29] Aluminium prices are projected to remain relatively flat, on average, over the next eight quarters (June 2025 to March 2027) (see Figure 8). While downward price pressures are expected to emanate from lower crude oil prices, this is expected to be offset by tighter inventories in the US amid the imposition of tariffs on aluminium imports.

The risks to the forecast for aluminium prices are assessed to the downside. Global trade barriers could lead could result in weaker than anticipated demand.

faster unwinding of OPEC+ production cuts. According to the EIA production from OPEC+ members accounted for 47 per cent (35.7 million b/d) of global crude oil production in 2024 from 53 per cent in 2023.

[25] The Bank previously projected a decline of 2.5 per cent for the March 2025 quarter, relative to the December 2024 quarter.

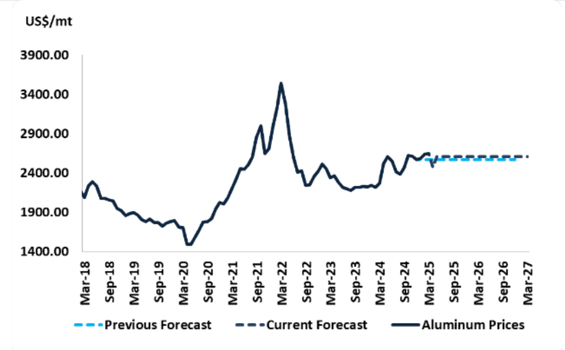
[26] China has levied a 15 per cent tariff on US wheat and corn, alongside a 10 per cent tariff on soybeans. This in effect made US grains more expensive which caused a reduction in ed demand for US grains.

[27] The previous forecast assumed that on average grains prices would decline by 1.0 per cent over the June 2025 to March 2027 quarters.

[28] The Bank previously projected a decline of 1.1 per cent for the March 2025 quarter, relative to the December 2024 quarter.

[29] Expectations for a shortage in the market supported an uptick in prices.

Figure 8: Trend in Average Aluminium Prices

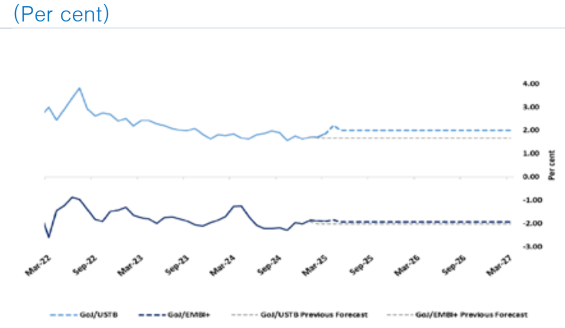


Sources: Bloomberg, BOJ

External Financial Markets

The spread between GOJ and US sovereign bonds deteriorated in the March 2025 quarter. The average of the daily spreads between the indicative yield on Government of Jamaica global bonds (GOJGBs) and the yield on US Treasury Bills increased (deteriorated) by 12 bps to 1.76 pp, when compared to the same measure for the December quarter.[30,31] The spread was projected to increase by 3 bps (see Figure 9).

Figure 9: Average International Bond Spreads (Per cent)

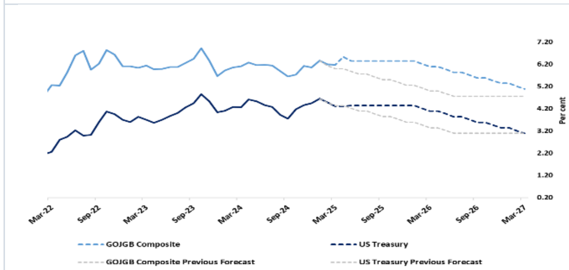


Source: Bloomberg,

For the March 2025 quarter, there were average increases of 27 bps, 15 bps and 6 bps on GOJGB yields, US treasury yields and EMBI+, relative to the December quarter. The increase in US treasury yields largely occurred in January and reflected a general expectation from the market that the Fed would slow its pace of rate reduction amid expectations for stronger inflationary pressures. (see Figure 10).

US treasury yields increased on average for the first half of April 2025, this may be attributed to investors off-loading longer-term dollar denominated assets as confidence in the US economy wanes in the context of additional tariffs announced against major trading partners in April 2025.

Figure 10: Average International Bond Yields (Per cent)



Source: Bloomberg,

Over the near-term, US nominal interest rates are projected to normalise towards the long-run neutral range of 2.75 per cent to 3.00 per cent. The Bank projects that US Fed rates will continue to moderate through to December 2026.

Supported by the Fed's rate reductions, Jamaica's sovereign bond yields are projected to moderate through to December 2026, and remain relatively stable thereafter.

Global Stock Market

There were mixed performances of selected global stock market indices during the March 2025 quarter. Relative to the December 2024 quarter, the S&P 500 and the Dow Jones Industrial Average declined by

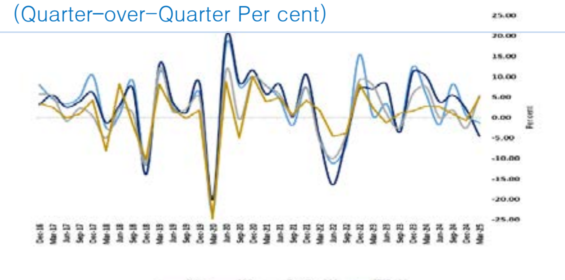
[30]The increase in the spread between GOJ and US sovereign bonds occurred amid a lower increase in the yield on US treasuries than the yield on GOJGBs for the quarter. The increase in US treasuries occurred in January 2025 and was supported by market's reaction to higher than expected inflation in January 2025. However, this increase was partly offset by subsequent declines in February and March 2025 amid pessimism regarding the health of the US economy and economic uncertainty surrounding the potential impact of US trade policies.

[31] The average of the daily spreads between the indicative yield on GOJGBs and the yield on the EMBI+ deteriorated (increased) by 21 basis points (bps) when compared to the same measure for the December 2024 quarter. Relative to EMBI+, the spread was negative 188 pps, on average.

4.6 per cent, and 1.3 per cent, respectively. However, the Euro First and FTSE increased by 5.5 per cent, and 5.0 per cent, respectively.

The negative performance of selected US equity indices was mainly supported by waning consumer and business sentiment due to policy uncertainty. The release of weak economic data during the period also supported downward pressures for US stocks.

Figure 11: Selected Stock Market Indices
(Quarter-over-Quarter Per cent)



Source: Bloomberg

2.0 Inflation

Jamaica's annual point-to-point headline inflation rate at March 2025 was 5.0 per cent, unchanged from December 2024. Core inflation (CPIAF) at March 2025 was however marginally higher relative to December 2024. The stability in headline inflation primarily reflected moderating imported inflation and generally stable expectations.

The Bank projects that the first-round impact of higher consumer and raw material input prices associated with the increase in the US tariff wall is marginal. Inflation is projected to generally remain within the Bank's target range over the period. The average inflation rate over the next two years (June 2025 to March 2027) is projected to fall to 4.6 per cent, relative to 5.7 per cent over the previous eight quarters.

The reduction in average inflation over the next two years occurs in a context of a projected deceleration in imported inflation (primarily declining oil prices) and the lagged impact of the Bank's relatively tight monetary policy posture on inflation expectations and the exchange rate. This posture results in average core inflation being unchanged at 4.5 per cent over the near-term, compared with 5.0 per cent over the past two years.

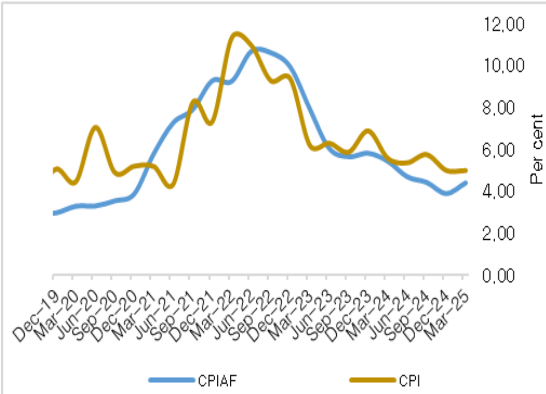
The projected headline inflation rate for the next eight quarters is lower when compared with the Bank's previous forecast. This projection reflects the impact of lower than projected imported inflation (primarily lower energy-transport).

The risks to the inflation forecast are skewed to the upside. On the upside, inflation could be higher than projected if the effective tariff wall rises higher than projected resulting in a larger impact on imported inflation and inflation expectations. Based on the Bank's assessment, a 24 percentage points rise in the US's effective tariff rate would cause domestic inflation to breach the upper limit of the target in 2026. Higher inflation could also result from further escalation in geopolitical tensions, which could negatively impact international supply chains. Lower inflation could however result from lower than projected international commodity prices as well as weaker demand conditions.

Recent Developments and Near-term Outlook

The annual point-to-point inflation rate at March 2025 was 5.0 per cent, within the Bank's target range of 4.0 per cent to 6.0 per cent and in-line with the outturn of 5.0 per cent at December 2024. The outturn for headline inflation at March 2025 relative to December 2024 primarily reflected an uptick in service-related inflation which was offset by the moderation in agricultural inflation. The latter was due to the continued recovery in domestic agricultural supplies following a shock to production due to Hurricane Beryl and Tropical Storm Rafael in 2024. A decline in telecommunication costs also contributed to lower inflation in the quarter. The measure of core inflation that excludes the prices of agricultural food items, as well as fuel and transport prices from the annual change in the CPI (CPIAF), increased to 4.4 per cent at March 2025 relative to 3.9 per cent at December 2024 (see Figure 12).

Figure 12: Core Inflation and CPI
(Annual per cent change)



Source: STATIN & BOJ

Inflation Outlook

The Bank projects that the first-round impact of the increase in US tariffs on prices in Jamaica will not be significant. Inflation is projected to generally remain within the Bank's target range over the period. While some consumer prices in Jamaica may rise due to higher inflation in the US, the impact of imported inflation on overall domestic price level increases will be largely offset by falling world oil prices. Headline inflation is projected to average 4.6 per cent over the next eight quarters (June 2025 to March 2027 quarters). This reflects a deceleration relative to the previous eight-quarter average of 5.7 per cent. Similarly, CPIAF is projected to average 4.5 per cent over the period, lower when compared to the average of 5.0 per cent over the previous two years (see **Figure 13**).

The reduction in average inflation over the next two years occurs in a context of a projected deceleration in imported inflation (primarily oil prices) and the lagged impact of the Bank's relatively tight monetary policy posture on inflation expectations and the exchange rate. This posture results in average core inflation decelerating to 4.5 per cent over the near-term, compared with 5.0 per cent over the past two years. The outlook for inflation also incorporates the impact of moderating wage-related inflation.

The projected eight-quarter average inflation rate of 4.6 per cent is lower than the previous projection of 5.0 per cent. This projection primarily reflects the impact of lower than projected imported inflation which resulted in lower energy-transport and services-related inflation.

The main factors underpinning the inflation forecast are as follows:

(i) In the March 2025 Survey of Businesses' Inflation Expectations, respondents' expectations for inflation 12-month ahead remained flat at 7.3 per cent (see **Box 1**). This outturn is consistent with the Bank's monetary policy posture as well as the projected reversal in agriculture prices and the trend reduction in inflation.

(ii) The output gap is projected to become positive in the June 2025 quarter and remain positive over the near to medium-term and closing by the March 2029 quarter. This primarily reflects the recovery in domestic demand conditions (see **Real Sector**). The US output gap is projected to moderate over the forecast horizon, reflecting the uncertainty surrounding the impact of US trade policies on economic activity as well as the lagged impact of the Fed's contractionary monetary policy stance. The US output gap is projected to trend below the previous forecast over the near-term (see **International Economy**).

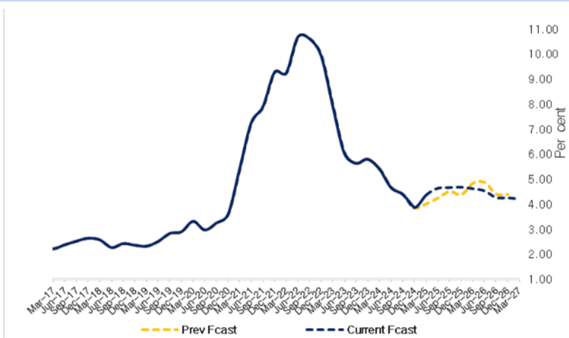
(iii) For FY2025/26, average oil prices are projected to decline by 13.7 per cent to US$64.14 per barrel, relative to FY2024/25, largely reflecting the expected increase in supply and weak global demand. US LNG prices, on average over the next eight quarters, are projected to gradually increase reflecting the impact of greater external demand due to upward pressures on Europe LNG prices (see **International Economy**).

(iv) Oil prices are projected to average US$63.38 per barrel for the next eight quarters (June 2025 to March 2027), lower relative to the average price of US$75.23 previously forecast. This translates to an average quarter-over-quarter decline of 1.7 per cent.

(v) Average freight prices declined by 35.5 per cent at March 2025 relative to a decline of 12.8 per cent at December 2024.

(vi) Inflation in the US is forecast to average 2.9 per cent over the next eight quarters, higher than the previous forecast of 2.5 per cent (see International Economy).

Figure 13: Comparative Core Inflation Forecasts (CPIAF)

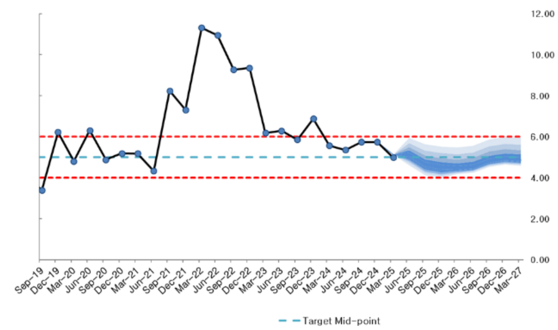


Source: Bank of Jamaica

Inflation Risks

The risks to the near-term inflation forecast are skewed to the upside (see Figure 14). On the upside, inflation could be higher than projected if the effective tariff wall rises higher than projected resulting in a larger impact on imported inflation and inflation expectations. Higher inflation could also result from further escalation in geopolitical tensions, which could negatively impact international supply chains. Lower inflation could however result from lower than projected international commodity prices as well as weaker demand conditions.

Figure 14: Inflation Fan Chart



Source: Bank of Jamaica

Box 2: Businesses' Inflation Expectations Survey – March 2025

Overview

The Bank's Survey of Businesses' Inflation Expectations (IES) at March 2025 indicated 12-month ahead inflation expectations of 7.3 per cent above the Bank's inflation target range of 4.0 to 6.0 per cent. Notwithstanding, the result continues to represent stability in inflation expectations. Businesses' perception of inflation control improved relative to the previous survey. However, the majority of respondents continued to be unaware of the most recent annual point-to-point inflation rate.

Inflation Expectations

In the March 2025 survey, respondents' expectation of inflation 12-month ahead was unchanged at 7.3 per cent relative to the January 2025 survey. Furthermore, businesses forecasted an annual point-to-point inflation rate for December 2025 of 6.4 per cent, which is higher than the annual point-to-point rate of 5.0 per cent at March 2025 (see Figure 1).

Perception of Inflation Control

The index of businesses' perception of inflation control was higher (improved) when compared to the January 2025 survey (see Figure 2). This reflected an increase in the number of respondents who were "satisfied".

Exchange Rate Expectations

In the March 2025 survey, respondents forecasted the exchange rate to depreciate over all three time horizons at a faster pace relative to the previous survey (see Table 1).

Interest Rate Expectations

The majority of respondents forecasted the Bank's policy rate, 3-month ahead, to remain the same. The proportion of respondents who were of this view decreased, relative to the previous survey. The 90-day Treasury bill (T-Bill) yield, 3-month ahead was forecasted to be 6.5 per cent, lower than the previous survey result of 6.8 per cent.

Table 1: Exchange Rate Expectations

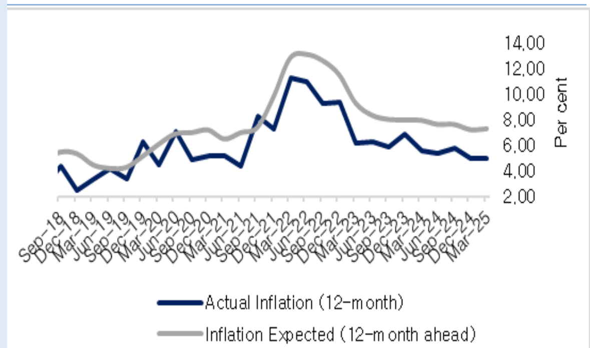
Question: In February 2024, the exchange rate for the Jamaican Dollar (JA$) in respect of the United States Dollar (US$) was $158.11. What do you think the rate will be for the following periods?

Periods Ahead	Expected Exchange Rate Depreciation/Appreciation (%) Oct-24	Dec-24	Jan-25	Mar-25
3-Months	0.8	0.2	-0.3	0.4
6-Months	1.0	0.3	0.0	0.7
12- Months	1.3	1.0	0.8	1.1

Source: Businesses' Inflation Expectations Survey.
Note: The responses have been converted to percentage change.
(–) indicates an appreciation of the exchange rate
(+) indicates a depreciation of the exchange rate

Figure 1: Expected 12-Month Ahead Inflation

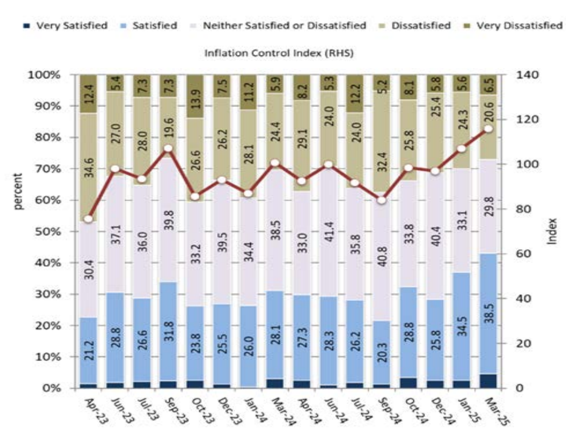
Question: If you expect inflation, what do you expect the rate of inflation to be at December 2024 and over the next 12 months?



Source: Businesses' Inflation Expectations Survey

Figure 2: Perception of Inflation Control

Question: How satisfied are you with the way inflation is being controlled by the Government?



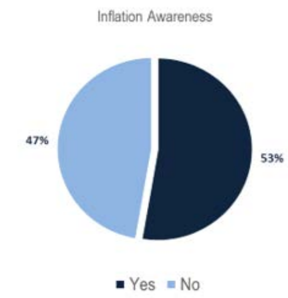
Source: Businesses' Inflation Expectations Survey.
Notes: The Index of Inflation Control is calculated as the number of satisfied respondents minus the number of dissatisfied respondents plus 100

Inflation Target Awareness

The majority of respondents were aware of BOJ's inflation target (53 per cent). However, most respondents (52 per cent) indicated that they weren't aware of the point-to-point inflation rate at January 2025.

Figure 3: Inflation Target Awareness

Question: Are you aware of Bank of Jamaica's inflation target?



3.0 Real Sector

High frequency indicators suggest a mixed impact of the economic policy changes on domestic economic conditions. Remittance inflows have remained resilient while foreign national tourist arrivals continued to contract in the March 2025 quarter, following declines in the December 2024 quarter. Production of bauxite increased in the March 2025 quarter due to increased demand for raw material from the US following the imposition of steel and aluminium tariffs. In this regard, real GDP is estimated to have expanded by 0.0 to 1.0 per cent in the March 2025 quarter.

For FY2024/25, real GDP is estimated to contract in the range of -1.0 to -0.5 per cent, largely reflecting the adverse impact of Hurricane Beryl on the economy. This estimated decline is underpinned by contractions in Agriculture, Forestry & Fishing, Mining & Quarrying and Construction as well as Hotels & Restaurants and Electricity & Water Supply. The estimate also incorporates a reduction in Wholesale & Retail Trade due to the lagged effects of past shocks to the price level on spending.

For FY2025/26 and FY2026/27, real GDP is forecast to expand by 1.0 to 3.0 per cent and 1.0 to 2.0 per cent, respectively. The forecast growth for FY2025/26 largely reflects a recovery in economic activities in the aforementioned sectors, following the impact of Hurricane Beryl. Over the medium-term (FY2027/28 – FY2029/30), GDP is projected to grow by 1.0 to 2.0 per cent.

The projected GDP growth over the near-term, on average is lower relative to the previous forecast. Over the medium-term, the projected growth is unchanged relative to the Bank's previous projection.

The risks to the forecast for real GDP growth over the near-term are assessed to be on the downside, reflecting the possibility of weaker external demand. Over the medium-term, the risks to the real GDP growth are also assessed to be skewed to the downside.

GDP Growth

High frequency indicators suggest a mixed impact of the economic policy changes on domestic economic conditions. Remittance inflows have remained resilient while foreign national tourist arrivals continued to contract in the March 2025 quarter, following declines in the December 2024 quarter. Production of bauxite increased in the March 2025 quarter due to increased demand for raw material from the US following the imposition of steel and aluminium tariffs.

The Jamaican economy is estimated to have grown at a year-over-year rate of 0.0 to 1.0 per cent for the March 2025 quarter, in contrast to the contraction of 0.8 per cent recorded for the December 2024 quarter. All industries are estimated to have grown during the quarter with the exception of *Construction, Hotels & Restaurants, Wholesale & Retail Trade* and *Real Estate, Renting & Business Activities*. The main industries that expanded were *Agriculture, Forestry & Fishing* and *Transport, Storage & Communication* while *Mining & Quarrying* and *Electricity & Water Supply* are estimated to be flat for the quarter.

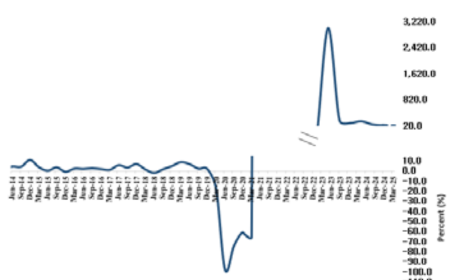
For *Agriculture, Forestry & Fishing*, the expansion was underpinned by growth in agricultural crop production due to favourable weather conditions.

The projected growth in *Transport, Storage & Communication* is supported by the anticipated growth in post & telecommunication reflecting increased telephone and subscriber television services. While there was an increase in bauxite production due to increase external demand, alumina production declined resulting in no growth for the Mining & Quarrying.

The estimated growth in *Manufacturing* is supported by expansions in the Food, Beverage & Tobacco and Other Manufacturing sub-industries. For Food, Beverage & Tobacco the growth was primarily reflected in the increased production of bakery goods as well as the processing and preservation of meat and meat products. The growth in other manufacturing was tempered by estimated declines in refined petroleum products and non-metallic mineral products.

For *Hotels & Restaurants*, the decline is underpinned by a fall in foreign national arrivals (see Figure 15). The lower foreign national arrivals also tempered the growth in Tourism related industries.

Figure 15: Trends in Visitor Days (12-Month Per cent Change)



Source: BOJ and Jamaica Tourist Board

Table 1: Industry Contribution to Growth (March 2025 Quarter)

	Contribution *	Estimated Impact on Growth
GOODS	54.3	0.0–4.5 to 1.0 – 3.5
Agriculture, Forestry & Fishing	80.6	3.0 to 4.0
Mining & Quarrying	–0.2	–0.5 to 0.5 1.0
Manufacturing	22.8	0.5 to 1.5– 1.5
Construction	–49.0	–2.5 to –1.5
SERVICES	45.7	0.0–1.0 to 1.0
Electricity & Water Supply	–0.2	–0.5 to 0.5
Wholesale & Retail Trade, Repairs & Installation	–27.5	–1.0 to 0.0
Hotels & Restaurants	–19.4	–1.5 to –0.5
Transport Storage & Communication	89.8	2.0–0.0 to 3.0 1.0
Financing & Insurance Services	28.3	0.5 to 1.5
Real Estate, Renting & Business Activities	–9.8	–1.0 to –1.00– .00.5
Producers of Government Services	10.9	–0.5 to 0.5
Other Services	4.0	0.0 to 1.0
Financial Intermediation Services Indirectly Measured	30.4	1.5 to 2.5

* The negative value indicates the negative contribution of the industries to the quarter.
Source: Bank of Jamaica

Aggregate Demand

From the perspective of aggregate demand, the estimated growth for the March 2025 quarter primarily reflect an expansion in investment, partly offset by a deterioration in net exports and a decline in consumption. The expansion in investment was largely inferred from an estimated increase in external demand via foreign direct investment flows as well as real public bodies spending on infrastructure. The deterioration in net exports reflected a reduction in exports, particularly travel. This was partly offset by a reduction in imports due to lower mining fuel volumes. For consumption, the estimated contraction reflected moderation in consumer demand due to a fall in purchasing power.

Outlook

Real GDP is projected to grow at an average rate of 1.4 per cent, over the June 2025 to March 2027 quarters. In this context, real GDP for FY2024/25 is projected to contract by –1.0 to –0.5 per cent and grow by 1.0 to 3.0 per cent in FY2025/26, the latter reflecting a rebound from the adverse impact of Hurricane Beryl.

The strongest sectoral expansions over the period are anticipated for *Mining & Quarrying* and *Agriculture, Forestry & Fishing.* With regard to *Mining & Quarrying*, the expansion reflects increased capacity utilization at plants as previous operational challenges are resolved as well as increased production at the Noranda bauxite plant. The expansion in *Agriculture, Forestry & Fishing* is underpinned by full recovery of domestic crop production from the adverse impact of Hurricane Beryl.

Real GDP growth over the near-term (June 2025 quarter to March 2027 quarter) is lower relative to the previous forecast. This primarily reflects weaker growth in most industries, except *Mining & Quarrying*. Of note, the lower forecasted GDP growth for the US, Jamaica's main source market, is projected to have an adverse impact on Hotels & Restaurants.

Over the medium-term (FY2027/28 – FY2029/30), GDP is projected to grow by 1.0 to 2.0 per cent, driven by moderate expansions in the capital stock but constrained by flat growth in labour supply.

Risks

The risks to the forecast for real GDP growth over the near-term are assessed to be on the downside largely reflecting the possibility of weaker external demand, particularly from the US due to an escalation of global trade tensions amongst major trading partners. Over the medium-term, the risks to real GDP growth are also assessed to be skewed to the downside.

4.0 Balance of Payments

The recently announced changes to the US immigration policies as well as the impact of the US tariffs has had a mixed impact on the balance of payments (BOP). The current account (CA) of the BOP for the March 2025 quarter is estimated to have moderated to a surplus of 0.9 per cent of GDP, relative to a surplus of 1.2 per cent for the March 2024 quarter. This estimated moderation of the current account balance largely reflects a decline in the services balance due to a decline in tourist arrivals, partly offset by an increase on the current transfers sub-account and an improvement in the income sub-account.

The current account surplus is projected to fall to an average of 0.5 to 1.5 per cent of GDP for FY2025/26 and FY2026/27. The lower surplus relative to FY2024/25 largely reflects a deterioration on the merchandise trade balance due to higher imports of raw materials and capital goods. This is partly offset by lower fuel imports due to the downward revision to fuel prices.

With regard to the outlook for exports, Jamaica currently faces an effective tariff wall in the US of 2.6 per cent (after accounting for exemptions). The negative impact of the rise in Jamaica's effective tariff wall is projected to be partly offset by higher mining exports amid the imposition of US steel and alumina tariffs.

Over the near-term, the gross reserves are projected to be higher than the previous forecast. This largely reflects a higher outturn for the March 2025 quarter as well as higher interest earned over the near-term. The gross reserves are projected to remain above the ARA 100% benchmark over the medium-term.

The risks to the projections are skewed to the downside for the CA (lower surplus) and reserves. The main downside risks relate to lower remittance and travel inflows associated with lower growth in source market countries.

Recent Developments

The recently announced changes to the US immigration policies as well as the impact of the US tariffs has had a mixed impact on the balance of payments (BOP). For the March 2025 quarter, a current account surplus of US$177.8 million (0.9 per cent of GDP) is estimated, lower than the surplus of 1.2 per cent for the March 2024 quarter. The moderation in the surplus is underpinned by a decline in the services balance, partially offset by an improvement in the current transfers and the income sub-account. For the services balance, the moderation largely reflects an increase in transportation outflows due to higher freight costs as well as a decline in travel inflows (see **Real Sector**). The improvement in current transfers is largely attributable to an increase in remittance inflows.

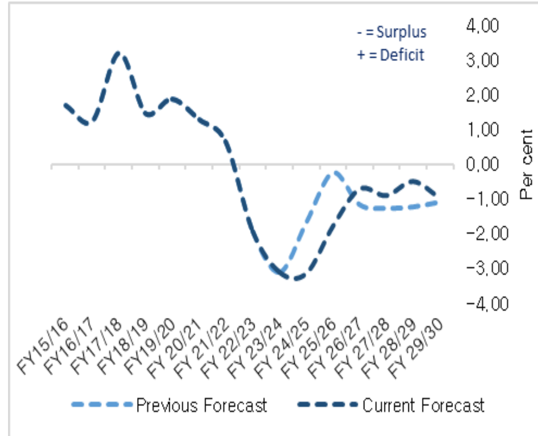
Relative to previous projections, the current account surplus for the March 2025 quarter is lower (worse) by US$6.8 million. The variance in the CA is largely underpinned by a lower surplus in the services sub-account, partially offset by improvements on the merchandise trade balance and income sub-accounts, as well as a higher surplus in the current transfers sub-accounts. The smaller surplus of US$127.1 million on the services sub-account is due to lower travel inflows attributed to lower stopover arrivals as well as an increase in transportation outflows due to higher freight costs. Current transfers are above previous projections by US$31.8 million, mainly reflecting an increase in remittance inflows. The income sub-account was US$30.7 million better than the previous projection underpinned by lower central government interest payments. For the merchandise trade balance, imports are below previous projections by US$71.9 million while exports are below by US$14.1 million.

The current account (CA) is projected to be sustainable over the near and medium-term. For FY2025/26 to FY2026/27, the CA is projected to reflect an average surplus of 0.5 to 1.5 per cent of GDP, higher than the previous projection for a surplus of 0.7 per cent of GDP and a moderation relative to the estimated surplus of 3.2 per cent of GDP for FY2024/25.

Over the medium-term, the CA balance is projected to be lower than the previous forecast surplus. During FY2027/28 to FY2030/31, the CA balance is projected to range between a surplus of 0.5 to 1.5 per cent of GDP (see **Figure 16**).

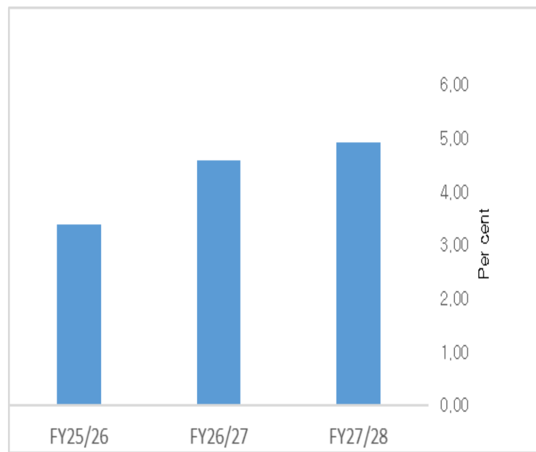
The current account balance, after accounting for FDI-related imports, reflects an average surplus of 4.3 per cent of GDP for the 3-year forecast period of FY2025/26 to FY2027/28 (see **Figure 17**).

Figure 16: Medium-Term CAD Forecast (% GDP)



Source: Bank of Jamaica

Figure 17: Current Account less FDI (% of GDP)



Source: Bank of Jamaica

5.0 Fiscal Accounts

For the March 2025 quarter, Central Government operations recorded a fiscal surplus of $36.0 billion (1.1 per cent of GDP), relative to the surplus of $34.4 billion (1.1 per cent of GDP) for the March 2024 quarter. The outturn for the review period reflected higher revenue & grants (in particular tax revenues) partly offset by higher expenditure relative to the corresponding period of 2024. The higher expenditure was reflected mainly in programmes, compensation of employees as well as higher capital spending.

Recent Developments

For the March 2025 quarter, Central Government operations recorded a fiscal surplus of $36.0 billion (1.1 per cent of GDP), relative to the surplus of $34.4 billion (1.1 per cent of GDP) for the March 2024 quarter. The outturn for the review period reflected higher revenue & grants (in particular tax revenues) partly offset by higher expenditure relative to the corresponding period of 2024.

The higher expenditure for the review period, relative to the March 2024 quarter, was largely reflected in programmes, compensation of employees as well as higher capital spending. The greater programmes spending reflected faster pace of procurement while the increase in spending on compensation of employees was due to salary revisions under the compensation review which was completed in March 2025 (see **Table 2**).

The performance of Revenue & Grants for the March 2025 quarter relative to the March 2024 quarter reflects higher revenue, particularly tax revenue emanating from the Income & Profit, and Production & Consumption categories.

The financing requirement for Central Government for the March 2025 quarter was $101.1 billion (3.2 per cent of GDP) reflecting the fiscal surplus of $36.0 billion (1.1 per cent of GDP) and amortisation of $137.1 billion (4.3 per cent of GDP).

Financing during the quarter was sourced from domestic and external sources amounting to $125.5 billion (4.0 per cent of GDP) and $25.3 billion (0.8 per cent of GDP), respectively. Domestic loans reflected Benchmark Investment Notes (BIN) and Treasury bill issuances amounting to $103.1 billion (3.3 per cent of GDP) and $5.8 billion (0.2 per cent of GDP), respectively. External loan receipts amounted to US$160.1 million (0.8 per cent of GDP) mainly reflecting policy-based loans of US$150.0 million and US$10.1 million from multilateral agencies.

Amortisation for the March 2025 quarter primarily reflected domestic amortisation, which included the maturity of Variable Rate Step Up Benchmark Investment Note due 2025 of $91.9 billion (2.9 per cent of GDP), CPI Indexed Investment Note due 2025 of $14.7 billion (0.5 per cent of GDP) and Treasury bill maturities of $5.6 billion (0.2 per cent of GDP). External amortisation consisted of US$108.4 million (0.5 per cent of GDP) and US$49.9 million (0.2 per cent of GDP) to multilateral and bilateral lending agencies. Against this background, there was a build-up of $49.8 billion (1.6 per cent of GDP) in Central Government bank balances.

Table 2: Summary of Fiscal Operations
(per cent of GDP)

	Quarter		
	Mar-25	Mar-24	Diff
Revenue & Grants	**10.2**	**7.0**	**3.2**
o/w Tax Revenue	**8.7**	**6.3**	2.4
Non- Tax Revenue	1.4	0.6	0.8
Grants	0.0	0.1	(0.1)
Expenditure	**9.0**	**7.2**	**1.8**
Programmes	3.2	2.3	0.9
Compensation of Employees	3.6	3.2	0.4
Interest Payment	1.6	1.3	0.3
Capital Expenditure	0.7	0.5	0.2
Fiscal Surplus/Deficit	**1.1**	**(0.2)**	1.3
Primary Balance	**2.7**	**1.1**	**1.6**
Current Balance	**1.1**	**0.2**	0.9
Total Financing	**4.7**	**0.5**	4.2
External Loans	0.8	0.1	0.7
Domestic Loans	4.0	0.5	3.5
Other Inflows	**0.1**	**0.6**	(0.5)
Other Outflows	**0.0**	**0.2**	(0.2)
Amortisation	**4.3**	**1.6**	2.7
External	0.8	1.5	(0.7)
Domestic	3.5	0.2	3.3
Overall Balance	**1.6**	**(0.9)**	**2.5**

Source: Ministry of Finance & the Public Service

6.0 Monetary Policy & Market Operations

Bank of Jamaica maintained its signal rate at 6.0 per cent during the March 2025 quarter, further reduced the width of the interest rate corridor by 100 bps to 100 bps and facilitated a gradual loosening of Jamaica Dollar liquidity. Further, on 24 March 2025 the BOJ removed the minimum interest rate for eligibility on its 14-day repo auctions for the provision of Jamaica Dollar liquidity to DTIs. While not targeting any specific level of the exchange rate, Bank of Jamaica continued to ensure that movements in the exchange rate did not threaten a deviation from the inflation target.

Jamaica Dollar liquidity increased during the March 2025 quarter, relative to the preceding quarter, reflecting a net injection through BOJ operations, partly offset by a net absorption from GOJ operations.

Monetary Policy

Bank of Jamaica maintained its signal rate at 6.0 per cent during the March 2025 quarter, further reduced the width of the interest rate corridor by 100 bps to 100 bps as well as facilitated a gradual loosening of Jamaica Dollar liquidity. Further, on 24 March 2025 the BOJ removed the minimum interest rate for eligibility on its 14-day repo auctions during the March 2025 quarter for the provision of Jamaica Dollar liquidity to DTIs. While not targeting any specific level of the exchange rate, Bank of Jamaica continued to ensure that movements in the exchange rate did not threaten a deviation from the inflation target.

Liquidity Conditions

Liquidity increased during the March 2025 quarter, relative to the December 2024 quarter. Deposit-taking institutions (DTIs) and primary dealers maintained average current account balances of $64.0 billion at Bank of Jamaica for the March 2025 quarter, relative to the average balances of $53.4 billion held for the preceding quarter. The higher liquidity level reflected net injection of $50.1 billion from BOJ operations emanating from net foreign currency purchases and net open market operations. This was partly offset by net absorption from GOJ operations of $39.5 billion, largely reflecting a JMD fiscal deficit and net debt issues. (see **Table 3**).

Bank of Jamaica conducted 13 auctions of 30-day CDs during the review quarter. The average offer size during the quarter was $28.5 billion, below the average of $33.3 billion for the December 2024 quarter. The average yield on the 30-day CDs for the review quarter decreased by 73 bps to 6.02 per cent.

Bank of Jamaica conducted 13 auctions of 14-day repo auction during the review quarter for the provision of Jamaica Dollar liquidity to DTIs.[1] Of the 13 auctions, there were allocations at 8 auctions with an average allocated size of $1.9 billion.[2] The BOJ, at the 14-day repo auction on 24 March 2025, removed the minimum interest rate for eligibility towards enhancing the availability of liquidity. The average yield on the 14-day repos for the review quarter was 7.65 per cent.

[1] The 14-day repo auction was resumed on 23 December 2024. Prior to December 2024, the previous auction was conducted on 11 October 2021.

[2] Two auctions were conducted in December 2024 however no eligible bids were received.

Table 3: BOJ Liquidity Facility (J$ Billions)

BOJ Liquidity Flow (J$ Billions)	Actual Sep-24	Actual Dec-24	Projected Average Mar-25	Actual Average Mar-25	Variance Mar-25
Net BOJ Operations (Inject/Absorb)	38.1	-11.9	42.7	50.1	7.4
Open Market Operations	-6.1	-27.7	6.1	11.3	5.2
BOJ Repo - (incl. OTROs)	-9.2	-0.4	1.5	1.9	0.3
FR CDs - (incl. 30day CDs)	0.0	-15.8	8.1	12.6	4.5
VR CDs	0.0	0.0	0.0	0.0	0.0
USD Indexed Notes	3.1	-11.5	-3.5	-3.2	0.4
BOJ FX (incl. PSE)	46.7	18.7	46.2	46.4	0.2
BOJ Other	-2.6	-2.9	-9.7	-7.7	2.0
o.w. Currency Issue	-2.3	-7.5	-12.2	-9.3	2.9
o.w. Cash Reserve (Com Banks)	-2.1	-2.1	-1.8	-1.6	0.1
o.w. GOJ Securities	0.0	0.0	0.0	0.0	0.0
o.w. other	1.9	6.6	4.3	3.2	-1.1
GOJ Operations	-9.4	9.6	-45.7	-39.5	6.2
Current A/C (+) = Loosen; (-) = Tighten	28.7	-2.4	-3.0	10.6	13.6
Current A/C Balance	55.7	53.4	50.4	64.0	13.6

Notes: (+) = Inject; (-) = Absorb
Source: Bank of Jamaica

In the context of intermittent instability in the foreign exchange market during the March 2025 quarter, BOJ sold US$230.0 million to the market via its B-FXITT facility.[3] The intervention sales occurred in the first two months of the quarter. Notwithstanding the gross sales, the Bank net purchased US$326.9 million during the March 2025 quarter. The outstanding stock of USD CDs at end-March 2025 remained at zero.

[3] See footnote in the Exchange Rate Development section for further clarity.

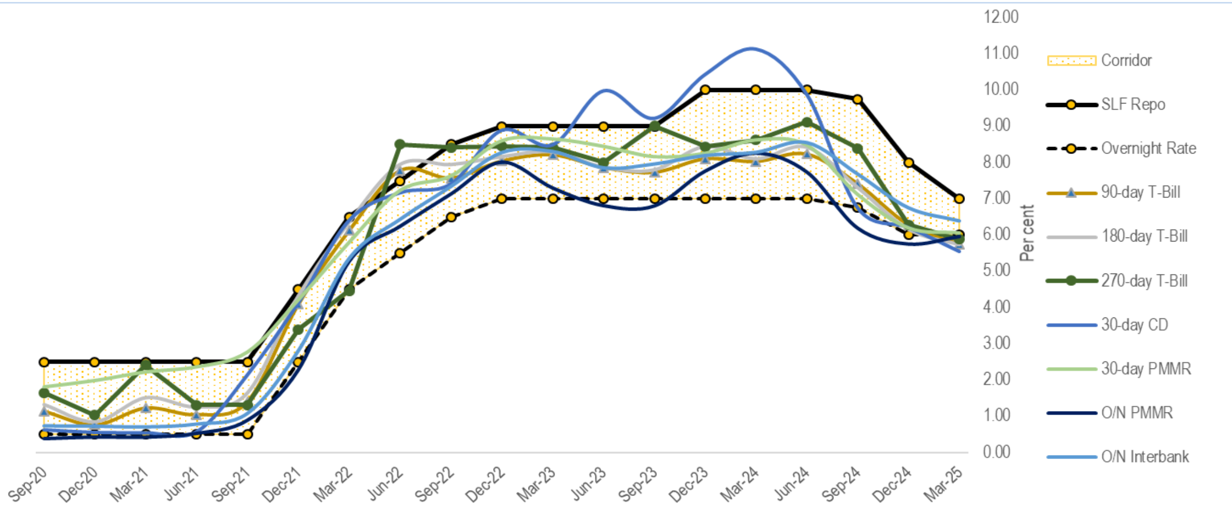
7.0 Financial Markets

Yields on GOJ Treasury bills declined during the March 2025 quarter while interest rates increased in the private money market. The estimated yield curve on GOJ JMD bonds at end-March 2025 decreased over the entire curve, relative to the yield curve at end-December 2024. Estimated sovereign risk increased while the exchange rate risk declined for the March 2025 quarter.

Market Interest Rates

Money market rates declined during the March 2025 quarter. When compared to the rates at end-December 2024 the 30-day CD rate, O/N Interbank private money market rate (PMMR), and 30-day PMMR were lower by 66 bps, 36 bps and 14 bps, respectively, while the O/N PMMR increased by 20 bps (see **Figure 18**). The yields also declined on the GOJ Treasury bills.[1] The general decline in market rates was influenced by the Bank's accommodative policy stance. The increase in private money market rates occurred in a context of reduced liquidity around the period which GOJ BMI auctions were settled, and efforts by market participants to manage JMD liquidity in order to facilitate fiscal-year-end tax payments.

Figure 18: Money Market Rates (Nominal)[2] (EOP)



	SLF Repo	30-day CD	BOJ O/N Deposit	O/N PMMR	O/N Interbank	30-day PMMR	90-day T-Bill	180-day T-Bill	270-day T-Bill
Sep-23	9.00	9.22	7.00	6.81	7.96	8.16	7.73	7.81	9.00
Dec-23	10.00	10.43	7.00	7.77	8.19	8.25	8.10	8.46	8.43
Mar-24	10.00	11.13	7.00	8.26	8.28	8.62	8.03	8.11	8.62
Jun-24	10.00	9.88	7.00	7.74	8.55	8.48	8.23	8.43	9.12
Sep-24	9.75	6.75	6.75	6.20	7.68	7.12	7.41	7.33	8.40
Dec-24	8.00	6.21	6.00	5.76	6.75	6.20	6.28	6.17	6.28
Mar-25	7.00	5.55	6.00	5.96	6.39	6.06	5.75	5.75	5.88

Source: Bank of Jamaica

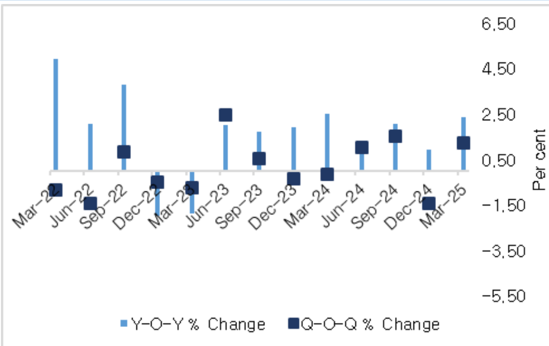
[1] At end-March 2025, the yields on GOJ 90-day, 180-day and 270-day Treasury bills were lower by 53 bps, 42 bps and 40 bps, respectively, relative to the same yields at end-December 2024.

[2] Notes: (i) PMMR is the private money market rate (ii) O/N is the overnight rate in the market accessible by all financial institutions while the interbank rate (I/B) is the overnight rate accessible only by banks.

Exchange Rate Developments

The nominal exchange rate depreciated during the March 2025 quarter. The weighted average selling rate of the Jamaica Dollar vis-á-vis the US dollar (WASR) closed the March 2025 quarter at J$158.36 = US$1.00, reflecting a depreciation of 1.2 per cent, relative to end-December 2024 and a depreciation of 2.4 per cent, relative to end-March 2024.[3]

Figure 19: Movements in WASR



The depreciation in the exchange rate during the March 2025 quarter was particularly noticeable in the month of March 2025. This was underpinned by increased demand from end-users. These demand pressures were attenuated by B-FXITT sales of US$230.0 million for the quarter.

Equities Market

The domestic stock market contracted in the March 2025 quarter, after recording an expansion in the previous quarter. The declines in the major Jamaica Stock Exchange (JSE) indices for the review quarter ranged between 1.3 per cent to 2.9 per cent (see **Figure 20**). Specifically, the JSE Main Index and JSE Combined Index both fell by 1.7 per cent for the March 2025 quarter, compared to increases of 5.5 per cent and 4.8 per cent, respectively, for the previous quarter.[4] The Junior Market index, which measures the performance of smaller emerging companies, declined by 1.6 per cent for the review period, following a contraction of 2.5 per cent in the previous quarter.

Figure 20: Quarterly growth rates of the JSE indices (percentage change)

Source: Jamaica Stock Exchange

The annualized performance of the stock market for the year ended March 2025 reflected mixed results for the major indices. Notably, for the year ended March 2025, the JSE Main Market and Combined Indices increased by 0.7 per cent and 0.2 per cent, compared to declines of 3.7 per cent and 3.2 per cent for the same period in 2024, respectively. The Junior Market Index declined by 5.2 per cent for the year ended March 2025, compared to a 2.1 per cent increase recorded during the same period last year.[5]

The generally lacklustre performance of the equities market reflected weak investor sentiment due to heightened global economic uncertainty as well as a slowdown in domestic economic activity.[6] Furthermore, for the review quarter, foreign currency investments, proxied by GOJ Global Bonds, yielded

[3] The average WASR for the March 2025 quarter was J$157.76 = US$1.00, reflecting an average depreciation of 0.31 per cent, relative to the December 2024 quarter and an average depreciation of 1.0 per cent relative to the March 2024 quarter. The average WASR for the March 2025 quarter was J$1.03 lower (less depreciated) relative to the February 2025 MPA's forecast average WASR of J$158.79 = US$1.00.

[4] Similarly, during the March 2025 quarter, the JSE Select Index and the JSE All Jamaican Composite Index recorded declines of 2.9 and 1.3 per cent, respectively, compared to growth of 8.7 and 7.2 per cent for the previous quarter.

[5] The JSE composite index and the JSE select index saw increases of 4.0 per cent and 1.8 per cent for the year ended-March 2025, respectively, compared to declines of 4.0 per cent and 0.7 per cent for the corresponding period of the prior year.

[6] During the review period, international markets experienced increased volatility, mainly due to escalating trade tensions, precipitated by announcements of new tariffs by U.S, and subsequent retaliatory measures by affected countries. These factors have heightened global economic uncertainty, and have negatively influenced investor sentiment.

higher returns relative to domestic currency denominated equity investments. In particular, foreign currency investments yielded a quarterly return of 2.8 per cent, while equity investments yielded a quarterly return of −1.7 per cent for the March 2025 quarter.[7] Regarding private money market instruments, the average quarterly yield decreased to 1.5 per cent for the March 2025 quarter, relative to 1.6 per cent for the previous quarter (see **Figure 21**).

Figure 21: Returns from Private Money Market, foreign currency investments and Capital Gains/ (Losses) from JSE Main Index (Per cent)

Source: Jamaica Stock Exchange and Bloomberg

There was generally slower growth in key market activity indicators for the JSE Main Index for the March 2025 quarter. In particular, the volume traded, the values traded, and the number of transactions increased by 4.5 per cent, 5.9 per cent and 13.1 per cent, respectively. This compares to a 0.2 per cent decline in volume traded and increases of 41.9 and 30.0 per cent in values traded and the number of transactions, respectively (see **Figure 22**).

The decline in stock market performance was reflected in the advance-to-decline ratio for the stocks listed on the JSE, which moved to 23:28 for the March 2025 quarter, from 28:23 for the previous quarter. Of note, stock price appreciation was largely concentrated among the *Financial and Other* categories for the quarter ended– March 2025. At the same time, however, the *Financial* sector accounted for the majority of the declining stocks over the review period (see **Tables 4 and 5**).

Figure 22: Quarterly Change in the Monthly Volumes, Values Traded & Number of Transactions (Main JSE Index) (Per cent)

Source: Jamaica Stock Exchange

Table 4: Stock Price Appreciation

Advancing	Per cent
<u>Financial</u>	
Sterling Investments Limited	27.4
QWI Investments Limited	7.6
Sagicor Group Jamaica	7.2
<u>Retail</u>	
Carreras Limited	10.7
<u>Communication</u>	
Radio Jamaica	4.8
<u>Conglomerates</u>	
Pan Jamaican Investment Trust	7.8
<u>Tourism</u>	
Innovative Energy Group Limited	21.4
<u>Other</u>	
Supreme Ventures	123.4
Sagicor Select Funds Limited – Manufacturing and Distrib	82.6
Eppley Caribbean Property Fund Limited	19.1

Table 5: Stock Price Depreciation

Declining	Per cent
<u>Financial</u>	
Sygnus Credit Investments Limited	−49.3
Sagicor Select Funds Limited – Financial (SELECTF)	−39.5
Mayberry Group Limited	−25.4
Sygnus Real Estate Finance Limited	−24.0
Victoria Mutual Investment	−13.1
<u>Manufacturing</u>	
Jamaica Broilers Group	−21.4
Salada Foods Jamaica	−13.5
<u>Other</u>	
Pulse Investments	−22.6
Palace Amusement	−19.2
TransJamaica Highway Limited	−13.4

[7] The return on equities is computed as the change in value of the JSE Main Index for the review quarter relative to the previous period. The return on foreign currency investments is computed as the sum of quarterly foreign currency gains (losses) and the average quarterly returns on GOJ global bonds.

8.0 Monetary Aggregates

The monetary base increased by 20.4 per cent at March 2025 when compared to March 2024. Regarding the sources of the annual change in the monetary base at March 2025, there was an increase of 15.2 per cent in Bank of Jamaica's net international reserves (NIR), partly offset by a decline of 11.1 per cent in Net Domestic Assets.

Money

The monetary base increased by 20.4 per cent at March 2025 when compared to March 2024. Regarding the sources of the annual change in the monetary base at March 2025, there was an increase of 15.2 per cent in Bank of Jamaica's net international reserves (NIR), partly offset by a decline of 11.1 per cent in Net Domestic Assets (see **Table 6**). The growth in the Jamaica Dollar equivalent of the NIR was associated with an increase in the USD value of the NIR stock supported by a depreciation in the exchange rate.

The increase in the USD NIR stock was influenced by inflows through the PSE Facility, surrenders by Authorized Dealers and Cambios, partly offset by outflows from Government of Jamaica as well as net B-FXITT sales of US$1 122.8 billion over the year. For the NDA, the decline was largely influenced by an increase in Open Market Operations (OMOs), a decline in Other Assets reflecting the maturity of all outstanding USD FR CDs, and higher net credit to banks.

Table 6: Bank of Jamaica Accounts

	Stock (J$MN)			Flow (%)	
	Mar-24	Dec-24	Mar-25	Qtr. -o- Qtr.	Y-o-Y
NIR (US$MN)	5,137.3	5,583.7	5,785.6	3.6	12.6
NIR(J$MN)	790,658.0	868,070.0	910,983.4	4.9	15.2
- Assets	805,196.6	875,725.7	917,402.0	4.8	13.9
- Liabilities	-14,538.6	-7,655.7	-6,418.6	-16.2	-55.9
Net Domestic Assets	-441,107.0	-422,727.4	-490,153.7	-16.0	-11.1
- Net Claims on Public Sector	78,145.0	178,762.1	93,510.5	-47.7	19.7
- Net Credit to Banks	-93,955.5	-95,078.7	-98,230.2	3.3	4.5
- Open Market Operations	-239,984.1	-286,237.1	-255,087.1	-10.9	6.3
- Other	-185,312.5	-220,173.6	-230,346.9	4.6	24.3
-o/w USD FR CDs	20,808.9	0.0	0.0	-	-100.0
Monetary Base	349,551.0	445,342.6	420,829.8	-5.5	20.4
- Currency Issue	257,312.9	286,058.7	270,394.1	-5.5	5.1
- Cash Reserve	65,628.3	70,602.9	72,196.7	2.3	10.0
- Current Account	26,609.7	88,680.9	78,239.0	-11.8	194.0

Source: Bank of Jamaica

M2J expanded by 9.8 per cent at end-February 2025, slightly below the expansion of 8.7 per cent at end-December 2024. Growth in broad money was underpinned by increases local currency deposits and currency in circulation. Currency in circulation grew by 9.3 per cent compared to the growth of 7.6 per cent recorded at end-December 2024. The continued growth in deposits was reflected in time, savings, and demand deposits, which grew by 14.0 per cent, 11.2 per cent, and 6.4

per cent, respectively. This compares to the growth of 21.3 per cent, 9.3 per cent and 4.4 per cent in time, savings, and demand deposits, respectively, as at December 2024 (see **Table 7**).

Table 7: Components of Money Supply (M2*)

	Percentage Change (%)		
	Feb-24	Dec-24	Feb-25
Total Money Supply (M2*)	10.0	7.1	7.3
Money Supply (M2J)	14.2	8.7	9.8
Money Supply (M1J)	12.6	5.8	7.7
Currency with the public	15.2	7.6	9.3
Demand Deposits	10.8	4.4	6.4
Quasi Money	15.7	11.6	11.8
Savings Deposits	13.9	9.3	11.2
Time Deposits	23.8	21.3	14.0
Foreign Currency Deposits	2.8	3.8	2.5

Source: Bank of Jamaica

Private Sector Credit

The stock of private sector loans and advances (including domestic and foreign currency denominated loans) grew by 6.7 per cent at end-February 2025, above the growth of 5.8 per cent as end-December 2024. This translates to an annual growth of 2.2 per cent in real terms in the stock of private sector loans and advances at end-February 2025. Relative to GDP, the stock of private sector loans and advances at end-February 2025 was 42.8 per cent, above the ratio of 41.4 per cent a year earlier.

The growth in total loans and advances was underpinned by expansions of 7.0 per cent and 5.7 per cent in loans to the individual and productive sector, respectively. Growth in loans to the productive sector was mainly attributed to the Professional & Other services, Distribution, Agriculture and Entertainment sectors.

Table 8: Select Private Sector Financing Indicators (12-month Percentage Change)

Stock	Feb-24	Dec-24	Feb-25
Total DTI	11.0	5.8	10.0
o.w. to Businesses	10.5	3.1	8.1
o.w. to Consumers	11.4	7.2	11.3
Stock as a % of Annual GDP			
Total DTI	41.4	42.1	42.8
o.w. to Businesses	16.8	16.8	17.2
o.w. to Consumers	24.6	25.2	25.5

Source: Bank of Jamaica

Monetary Projections

Broad money is projected to expand at an average annual rate of 10.2 per cent over the next eight quarters, in line with the previous projection of 10.5 per cent. The projected expansion in broad money reflects expansions in currency in circulation and local currency deposits reflective of the anticipated expansion in economic activity over the next eight quarters.

Growth in DTI private sector credit is forecasted to be slightly below the previous projections over the next eight quarters. Private sector credit is projected to grow at an average rate of 8.1 per cent up to the March 2027 quarter, compared to the previous forecast for an expansion of 8.6 per cent. The expected expansion in credit is primarily driven by moderation in economic activity, supported by the real decline in net new loan disbursements.

9.0 Conclusion

The Bank projects that the first-round impact of higher consumer and raw material input prices associated with the 9.1 percentage points increase in the US tariff wall is marginal. Inflation is projected to generally remain within the Bank's target range over the period. The average inflation rate over the next two years (June 2025 to March 2027) is projected to fall to 4.6 per cent, relative to 5.7 per cent over the previous eight quarters. The reduction in average inflation over the next two years occurs in a context of a projected deceleration in imported inflation (primarily declining oil prices) and the lagged impact of the Bank's relatively tight monetary policy posture on inflation expectations and the exchange rate. This posture results in average core inflation being unchanged at 4.5 per cent over the near-term, compared with 5.0 per cent over the past two years.

High frequency indicators suggest a mixed impact of the US economic policy changes on domestic economic conditions. Remittance inflows have remained resilient while foreign national tourist arrivals continued to contract in the March 2025 quarter, following declines in the December 2024 quarter. Production of bauxite increased in the March 2025 quarter due to increased demand for raw material from the US following the imposition of steel and aluminium tariffs. For FY2024/25, real GDP is estimated to contract in the range of -1.0 to -0.5 per cent, largely reflecting the adverse impact of Hurricane Beryl on the economy. This estimated decline is underpinned by contractions in Agriculture, Forestry & Fishing, Mining & Quarrying and Construction as well as Hotels & Restaurants and Electricity & Water Supply.

For FY2025/26 and FY2026/27, real GDP is forecast to expand by 1.0 to 3.0 per cent and 1.0 to 2.0 per cent, respectively. The forecast growth for FY2025/26 largely reflects a recovery in economic activities in the aforementioned sectors, following the impact of Hurricane Beryl.

Over the medium-term (FY2027/28 – FY2029/30), GDP is projected to grow in the range of 1.0 to 2.0 per cent.

The risks to the forecast for real GDP growth over the near-term are assessed to be on the downside, reflecting the possibility of weaker external demand. Over the medium-term, the risks to the real GDP growth are also assessed to be skewed to the downside.

The recently announced changes to the US immigration policies as well as the impact of the US tariffs has had a mixed impact on the outlook for balance of payments (BOP). The current account surplus is projected to fall to an average of 1.3 per cent of GDP for FY2025/26 and FY2026/27. The lower surplus relative to FY2024/25 largely reflects a deterioration on the merchandise trade balance due to higher imports of raw materials and capital goods. This is partly offset by lower fuel imports due to the downward revision to fuel prices. Over the medium-term, the CA balance is forecast to reflect an annual average surplus of 0.5 to 1.5 per cent of GDP. Under a floating exchange rate regime, the gross reserves are projected to remain above the ARA 100% benchmark over the medium-term.

On 27 March 2025, the Monetary Policy Committee (MPC) decided to (i) hold the policy rate at 6.00 per cent per annum and (ii) preserve relative stability in the foreign exchange market. The MPC agreed to maintain its current monetary policy stance until uncertainties subside. The MPC is, however, prepared to adjust this stance if these uncertainties or any other risks materialise and result in an upward deviation of inflation from the target.

Additional Tables

1: INFLATION RATES

		CPI (Point-to-Point) **	Headline Inflation	Core Inflation*
FY12/13	Jun-12	70.41	6.71	6.90
	Sep-12	71.86	6.65	5.58
	Dec-12	73.71	8.00	5.43
	Mar-13	75.72	9.13	6.29
FY13/14	Jun-13	76.57	8.76	6.26
	Sep-13	79.37	10.46	6.95
	Dec-13	80.70	9.47	7.38
	Mar-14	82.04	8.34	6.54
FY14/15	Jun-14	82.68	7.97	6.10
	Sep-14	86.50	8.99	6.72
	Dec-14	85.83	6.36	5.97
	Mar-15	85.29	3.96	5.51
FY15/16	Jun-15	86.29	4.37	4.81
	Sep-15	88.08	1.82	4.00
	Dec-15	88.97	3.66	3.51
	Mar-16	87.82	2.96	3.04
FY16/17	Jun-16	88.46	2.52	2.76
	Sep-16	89.71	1.86	2.48
	Dec-16	90.50	1.72	2.31
	Mar-17	91.41	4.09	2.27
FY17/18	Jun-17	92.38	4.43	2.42
	Sep-17	93.82	4.58	2.55
	Dec-17	95.24	5.24	2.65
	Mar-18	95.00	3.94	2.58
FY18/19	Jun-18	94.99	2.82	2.29
	Sep-18	97.89	4.33	2.44
	Dec-18	97.56	2.44	2.36
	Mar-19	98.23	3.39	2.33
FY19/20	Jun-19	98.97	4.19	2.50
	Sep-19	101.20	3.39	2.87
	Dec-19	103.63	6.22	2.95
	Mar-20	102.95	5.44	3.27
FY20/21	Jun-20	105.20	6.31	3.20
	Sep-20	106.14	4.88	3.44
	Dec-20	109.01	5.19	3.78
	Mar-21	108.27	5.18	5.30
FY21/22	Jun-21	109.77	4.34	7.27
	Sep-21	114.88	8.23	7.91
	Dec-21	116.98	7.31	9.29
	Mar-22	120.52	11.31	9.50
FY22/23	Jun-22	121.79	10.95	10.76
	Sep-22	125.52	9.26	10.70
	Dec-22	127.93	9.36	10.02
	Mar-23	127.97	6.19	7.77
FY23/24	Jun-23	129.45	6.29	6.05
	Sep-23	132.88	5.86	5.73
	Dec-23	136.72	6.87	5.81
	Mar-24	135.09	5.56	5.43
FY24/25	Jun-24	136.38	5.35	4.68
	Sep-24	140.50	5.74	4.41
	Dec-24	143.55	4.99	3.88
	Mar-25	141.83	4.99	4.39

* Core inflation is measured as headline inflation excluding agriculture and fuel related components of the CPI Basket (CPI-AF)

** STATIN revised the reference basket used to measure the CPI in March 2020

2: ALL JAMAICA INFLATION – Point-to-Point (March 2025) *

Divisions, Classes and Groups	Weight (%)	Inflation (%)	Weighted Inflation	Contribution
FOOD & NON-ALCOHOLIC BEVERAGES	35.28	7.41	2.61	55.33
Food	33.28	7.61	2.53	53.64
Cereals and cereal products (ND)	6.59	4.88	0.32	6.80
Live animals, meat and other parts of slaughtered land animals (ND)	6.51	5.14	0.33	7.08
Fish and other seafood (ND)	3.54	4.58	0.16	3.44
Milk, other dairy products and eggs (ND)	2.82	3.97	0.11	2.37
Oils and Fats (ND)	0.90	1.58	0.01	0.30
Fruits and nuts (ND)	2.56	18.11	0.46	9.82
Vegetables, tubers, plantains, cooking bananas and pulses (ND)	6.92	13.81	0.96	20.25
Tubers, plantains, cooking bananas and pulses (ND)	2.01	31.45	0.63	13.39
Vegetables	4.91	5.76	0.28	5.99
Sugar, confectionery and desserts (ND)	1.29	5.74	0.07	1.57
Ready-made food and other food products n.e.c. (ND)	2.16	4.47	0.10	2.04
Non-Alcoholic Beverages	2.00	3.96	0.08	1.68
Fruit and Vegetable Juices (ND)	0.65	3.90	0.03	0.54
Coffee, Tea and Cocoa	0.45	3.48	0.02	0.33
Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.91	4.27	0.04	0.82
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	1.43	6.33	0.09	1.92
CLOTHING AND FOOTWEAR	2.45	3.46	0.08	1.80
Clothing	1.64	3.76	0.06	1.31
Footwear	0.81	2.84	0.02	0.49
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	19.01	5.12	0.97	20.61
Rentals for Housing	10.37	8.42	0.87	18.49
Maintenance, Repair and Security of the Dwelling	0.66	3.54	0.02	0.50
Water Supply and Miscellaneous Services Related to the Dwelling	2.24	0.66	0.01	0.31
Electricity, Gas and Other Fuels	5.74	2.05	0.12	2.50
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	3.72	4.81	0.18	3.79
Furniture, Furnishings, and Loose Carpets	0.35	2.19	0.01	0.16
Household Textiles	0.22	2.67	0.01	0.12
Household Appliances	0.35	1.69	0.01	0.13
Tools and Equipment for House and Garden	0.15	1.04	0.00	0.03
Goods and Services for Routine Household Maintenance	2.65	5.82	0.15	3.27
HEALTH	2.59	4.87	0.13	2.67
Medicines and Health Products	2.12	4.98	0.11	2.24
Outpatient Care Services	0.30	5.91	0.02	0.38
Other Health Services	0.17	1.17	0.00	0.04
TRANSPORT	11.07	-0.06	-0.01	-0.13
INFORMATION AND COMMUNICATION	4.51	-6.71	-0.30	-6.41
RECREATION, SPORT AND CULTURE	4.95	3.49	0.17	3.66
EDUCATION SERVICES	2.40	8.93	0.21	4.54
RESTAURANTS & ACCOMMODATION SERVICES	6.56	6.16	0.40	8.56
INSURANCE AND FINANCIAL SERVICES	1.11	0.00	0.00	0.00
PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES	4.92	3.52	0.17	3.67
ALL DIVISIONS	100.00	4.99	4.72	100.00

3: BANK OF JAMAICA OPERATING TARGETS

	Actual Mar-23	Actual Jun-23	Actual Sep-23	Actual Dec-23	Actual Mar-24	Actual Jun-24	Actual Sep-24	Actual Dec-24	Actual Mar-25
Net International Reserves (US$)	4,152.36	4,283.50	4,758.53	4,758.27	5,137.29	5,185.16	5,200.53	5,583.71	5,785.63
NET INT'L RESERVES (J$)	626,881.71	660,497.90	737,928.70	734,722.11	790,658.03	809,724.87	821,672.30	868,069.97	910,983.43
Assets	707,229.05	738,098.10	758,093.84	751,769.34	805,196.60	821,660.90	832,608.05	875,725.70	917,402.04
Liabilities	-80,347.34	-77,600.20	-20,165.14	-17,047.22	-14,538.56	-11,936.02	-10,935.74	-7,655.73	-6,418.60
NET DOMESTIC ASSETS	-288,143.28	-333,376.50	-395,364.02	-362,937.57	-441,107.04	-450,369.35	-440,277.84	-422,727.39	-490,153.65
-Net Claims on Public Sector	148,614.51	157,000.30	105,826.57	132,276.48	78,145.04	111,749.85	157,599.27	178,762.05	93,510.52
-Net Credit to Banks	-89,678.54	-95,288.40	-94,948.05	-92,847.78	-93,955.51	-98,143.89	-97,912.77	-95,078.71	-98,230.17
-Open Market Operations	-150,669.64	-191,738.40	-200,737.50	-202,965.95	-239,984.07	-266,071.24	-267,571.24	-286,237.09	-255,087.09
-Other	-196,409.62	-203,350.0	-205,505.03	-199,400.32	-185,312.49	-197,904.07	-232,393.10	-220,173.65	-230,346.92
MONETARY BASE	338,738.43	327,121.40	342,564.68	371,784.55	349,551.00	359,355.52	381,394.46	445,342.58	420,829.78
- Currency Issue	224,592.25	250,673.80	253,448.05	277,440.09	257,312.95	254,262.52	256,742.62	286,058.71	270,394.10
- Cash Reserve	47,844.11	60,724.40	62,462.58	64,147.93	65,628.33	66,794.10	69,025.31	70,602.94	72,196.72
- Current Account	66,302.07	15,723.20	26,654.06	30,196.53	26,609.72	38,298.90	55,626.53	88,680.93	78,238.96
GROWTH IN MONETARY BASE [F-Y-T-D]	-	-3.4	1.1	9.8	-	2.8	9.1	27.4	-

4: MONETARY AGGREGATES

		BASE	M1J	M1	M2J	M2
FY19/20	Jun-19	204,318.65	256,383.63	294,330.41	544,085.24	858,311.49
	Sep-19	220,133.35	258,452.00	291,166.83	553,029.15	874,593.99
	Dec-19	220,953.60	288,765.41	324,896.57	617,627.36	941,252.00
	Mar-20	220,952.59	291,510.62	341,364.49	612,444.99	963,144.91
FY20/21	Jun-20	239,267.12	304,413.99	346,525.54	634,039.95	998,227.40
	Sep-20	265,854.12	321,603.09	366,833.99	670,333.46	1,055,569.83
	Dec-20	282,573.00	341,946.01	382,054.10	699,607.17	1,092,427.28
	Mar-21	295,363.42	348,520.04	390,210.97	717,228.90	1,118,874.17
FY21/22	Jun-21	299,515.81	354,014.44	406,142.44	735,982.82	1,163,036.18
	Sep-21	317,422.82	364,765.50	413,386.24	753,978.91	1,182,807.26
	Dec-21	339,864.27	406,708.92	458,639.06	818,963.54	1,276,153.09
	Mar-22	268,119.07	390,171.16	448,269.27	796,096.93	1,288,243.47
FY22/23	Jun-22	278,926.48	391,424.80	454,536.66	806,237.99	1,302,293.54
	Sep-22	283,001.87	399,254.74	462,863.63	829,756.76	1,311,358.70
	Dec-22	309,199.28	430,073.61	492,538.25	873,718.70	1,369,647.42
	Mar-23	338,738.43	433,068.16	491,676.32	893,429.05	1,394,825.28
FY23/24	Jun-23	327,121.38	449,812.65	511,275.70	931,293.37	1,438,711.16
	Sep-23	342,564.68	460,793.59	522,036.15	948,668.62	1,454,544.72
	Dec-23	371,784.55	497,665.07	557,168.97	1,004,486.05	1,513,138.70
	Mar-24	349,551.00	483,686.52	540,221.89	1,010,735.39	1,528,079.03
FY24/25	Jun-24	378,290.11	490,042.87	544,802.05	1,028,743.52	1,554,786.77
	Sep-24	381,394.46	494,957.98	549,338.25	1,043,926.38	1,568,650.88
	Dec-24	445,342.58	527,156.76	583,097.51	1,092,833.30	1,620,520.16
	Mar-25	420,829.78	518,839.42	579,005.37	1,096,934.68	1,644,308.97

5: GOJ TREASURY BILL YIELDS
(End of Period)

		1-month	3-month	6-month
FY16/17	Jun-16	5.47	5.86	6.01
	Sept-16	5.84	5.86	5.81
	Dec-16	5.64	5.68	6.56
	Mar-17	6.10	6.13	6.32
FY17/18	Jun-17	...	5.77	6.13
	Sept-17	...	4.98	5.45
	Dec-17	...	4.18	4.63
	Mar-18	...	2.98	3.17
FY18/19	Jun-18	...	2.54	2.66
	Sep-18	...	1.71	1.87
	Dec-18	...	2.05	2.07
	Mar-19	...	2.19	2.17
FY19/20	Jun-19	...	1.95	1.84
	Sep-19	...	1.74	1.75
	Dec-19	...	1.32	1.60
	Mar-20	...	1.85	1.80
FY20/21	Jun-20	...	1.28	1.36
	Sep-20	...	1.14	1.33
	Dec-20	...	0.77	0.86
	Mar-21	...	1.23	1.52
FY21/22	Jun-21	...	1.05	1.27
	Sep-21	...	1.41	1.66
	Dec-21	...	4.09	4.33
	Mar-22	...	6.12	6.37
FY22/23	Jun-22	...	7.78	7.96
	Sep-22	...	7.57	7.96
	Dec-22	...	8.04	8.18
	Mar-23	...	8.21	8.31
FY23/24	Jun-23	...	7.86	7.89
	Sep-23	...	7.73	7.81
	Dec-23	...	8.10	8.46
	Mar-24	...	8.03	8.11
FY24/25	Jun-24	...	8.23	8.43
	Sep-24	...	7.41	7.33
	Dec-24	...	6.28	6.17
	Mar-25	...	5.75	5.75

6: BANK OF JAMAICA OPEN MARKET INTEREST RATES
(End of Period)

		30 days
FY14/15	Jun-14	5.75
	Sep-14	5.75
	Dec-14	5.75
	Mar-15	5.75
FY15/16	Jun-15	5.50
	Sep-15	5.25
	Dec-15	5.25
	Mar-16	5.25
FY16/17	Jun-16	5.00
	Sep-16	5.00
	Dec-16	5.00
	Mar-17	5.00
FY17/18	Jun-17	4.75
	Sep-17	4.09
	Dec-17	3.80
	Mar-18	2.68
FY18/19	Jun-18	2.31
	Sep-18	1.72
	Dec-18	2.10
	Mar-19	2.19
FY19/20	Jun-19	2.39
	Sep-19	1.48
	Dec-19	0.95
	Mar-20	2.77
FY20/21	Jun-20	0.58
	Sep-20	0.67
	Dec-20	0.55
	Mar-21	1.01
FY21/22	Jun-21	0.57
	Sep-21	1.97
	Dec-21	4.17
	Mar-22	6.50
FY22/23	Jun-22	7.32
	Sep-22	7.67
	Dec-22	9.07
	Mar-23	8.33
FY23/24	Jun-23	9.60
	Sep-23	9.42
	Dec-23	10.03
	Mar-24	10.92
FY24/25	Jun-24	9.84
	Sep-24	6.76
	Dec-24	6.58
	Mar-25	5.82

7: Placements and Maturities* in BOJ OMO Instruments

	July – September 2024			October - December 2024			January – March 2025		
	Maturities (J$MN)	Placements (J$MN)	Average Yield (%)	Maturities (J$BN)	Placements (J$BN)	Average Yield (%)	Maturities (J$BN)	Placements (J$BN)	Average Yield (%)
30-day CD	338.5	507.0	8.35	423.0	433.0	6.75	422.0	370.0	6.02
272-day VR CD	0.0	0.0		0.0	0.0		0.0	0.0	
365-day VR CD	0.0	0.0		0.0	0.0		0.0	0.0	
548-day VR CD	0.0	0.0		0.0	0.0		0.0	0.0	
729-day VR CD	0.0	0.0		0.0	0.0		0.0	0.0	
272-day FR CD	0.0	0.0		0.0	0.0		0.0	0.0	
365-day FR CD	0.0	0.0		0.0	0.0		0.0	0.0	
510-day FR CD	0.0	0.0		19.5	0.0		0.0	0.0	
730-day FR CD	8.0	20.0	7.15	0.0	0.0		0.0	0.0	
767-day FR CD	0.0	0.0		0.0	0.0		0.0	0.0	
911-day FR CD	0.0	0.0		0.0	0.0		0.0	30.0	6.24
272-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
365-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
540-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
730-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
791-day FR USD IB	0.0	0.0		0.0	15.9	5.14	0.0	0.0	
911-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
1095-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
Repos	24.3	19.3		3.0	0.0		0.0	0.0	
	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)
1-year FR USD CD	0	0		0	0		0	0	
2-year FR USD CD	0	0		0	0		0	0	
3-year FR USD CD	0	0		0	0		0	0	
4-year FR USD CD	0	0		0	0		0	0	
5-year FR USD CD	0	0		0	0		0	0	
7-year FR USD CD	22.37	0		0	0		0	0	
TOTAL	22.37	0		0	0		0	0	

8: EXTERNAL TRADE – GOODS EXPORTS (f.o.b)
(Flows – US$MN)

	Bauxite	Alumina	Sugar	Bananas	Other Traditional	Non-Traditional	Other	Total Goods Exports
FY15/16	116.4	479.8	36.9	0.3	69.9	317.8	158.3	1178.7
Jun-15	32.0	143.8	23.6	0.1	21.9	80.4	45.2	347.0
Sep-15	33.8	114.5	13.1	0.1	19.2	71.0	31.9	283.6
Dec-15	23.9	116.4	0.2	0.1	13.4	84.2	38.8	277.0
Mar-16	26.6	105.1	0.0	0.1	15.4	82.2	42.3	271.1
FY16/17	80.5	472.3	17.7	0.4	76.9	407.3	191.0	1246.1
Jun-16	26.7	126.6	9.0	0.1	26.9	90.7	55.2	335.3
Sep-16	20.6	102.7	4.8	0.1	20.6	93.0	41.0	282.7
Dec-16	17.9	109.6	0.3	0.1	13.0	108.4	49.9	299.1
Mar-17	15.3	133.4	3.6	0.1	16.5	115.2	44.9	328.9
FY17/18	94.5	641.9	11.3	0.7	65.8	436.1	205.3	1455.6
Jun-17	19.7	128.4	8.8	0.1	18.7	108.8	56.3	340.8
Sep-17	19.4	142.5	1.7	0.1	18.9	95.8	43.8	322.3
Dec-17	29.4	148.2	0.3	0.1	15.1	119.1	46.6	358.8
Mar-18	25.9	222.9	0.5	0.3	13.2	112.3	58.6	433.7
FY18/19	94.7	1136.8	15.8	0.5	68.4	424.8	232.3	1973.2
Jun-18	25.3	300.8	3.9	0.1	19.5	99.0	58.9	507.5
Sep-18	23.2	328.5	11.3	0.1	21.3	100.6	52.5	537.4
Dec-18	25.9	270.0	0.3	0.1	14.0	112.6	59.4	482.3
Mar-19	20.3	237.5	0.4	0.1	13.5	112.6	61.5	445.9
FY19/20+	94.3	573.6	10.2	0.6	81.4	506.9	106.4	1373.4
Jun-19+	26.1	214.6	6.4	0.1	20.8	117.9	50.7	436.6
Sep-19+	22.5	169.4	3.0	0.1	24.0	120.2	46.8	386.0
Dec-19+	21.1	113.0	0.4	0.1	18.2	122.0	44.5	319.4
Mar-20+	18.7	104.3	0.4	0.2	24.6	159.8	44.4	346.6
FY20/21+	87.2	423.5	6.9	0.8	67.3	535.8	81.0	1201.6
Jun-20	27.3	94.0	6.0	0.2	19.3	106.4	7.0	260.2
Sep-20	20.4	108.1	0.0	0.2	31.6	117.4	25.0	302.7
Dec-20	22.2	119.4	0.0	0.2	19.6	128.2	26.1	315.7
Mar-21	17.3	102.1	0.8	0.2	16.9	164.0	51.7	353.1
FY21/22+	72.9	316.4	6.0	0.9	77.7	675.9	157.6	1307.4
Jun-21	17.3	125.4	5.4	0.2	23.8	186.9	49.2	408.3
Sep-21	17.1	117.8	0.1	0.3	19.3	170.2	23.7	348.4
Dec-21	20.1	42.4	0.5	0.2	15.0	138.7	34.6	251.0
Mar-22	18.5	30.8	0.1	0.3	19.5	180.1	50.2	299.0
FY22/23+	73.0	284.6	3.7	1.1	100.7	756.3	625.7	1845.0
Jun-22	20.2	50.1	3.3	0.3	23.8	208.4	91.6	397.5
Sep-22	17.6	33.6	0.1	0.3	24.2	177.1	155.0	407.9
Dec-22	20.2	109.6	0.1	0.2	23.0	182.9	237.3	573.4
Mar-23	15.0	91.3	0.1	0.3	29.7	187.9	141.8	464.4
FY23/24+	52.3	381.2	4.2	0.9	84.8	475.8	338.1	1774.1
Jun-23	20.7	131.4	0.1	0.3	32.0	148.7	130.1	463.4
Sep-23	16.8	134.6	3.8	0.3	30.9	173.2	85.7	445.3
Dec-23	14.8	115.2	0.3	0.3	21.6	153.9	122.3	428.4
Mar-24	15.7	132.7	0.7	0.3	20.4	204.3	62.8	437.0
FY24/25+	27.7	314.7	5.0	0.3	50.1	294.4	88.1	780.0
Jun-24	15.9	168.2	1.2	0.3	26.9	141.1	51.9	405.0
Sep-24	11.8	146.5	3.8	0.0	23.2	153.3	36.2	375.0

+ Revised

9: BALANCE OF PAYMENTS QUARTERLY SUMMARY
(US$MN)

	Mar-22+	Jun-22+	Sep-22+	Dec-22+	Mar-23+	Jun-23+	Sep-23+	Dec-23+	Mar-24+	Jun-24+	Sep-24+
1. Current Account	-293.2	13.7	-86.1	235.8	189.0	234.1	-94.2	256.4	228.9	148.0	19.4
A. Goods Balance	-1126.3	-1189.6	-1291.9	-1000.2	-1094.9	-1044.8	-1202.1	-1056.4	-1092.6	-1054.7	-1099.1
Exports (f.o.b)	340.9	464.9	466.8	628.9	527.4	505.2	493.5	477.3	492.9	451.7	415.1
Imports (f.o.b)	1467.2	1654.5	1758.7	1629.1	1622.3	1550.0	1695.6	-1533.7	1585.5	1506.4	1514.2
B. Services Balance	259.2	416.9	320.1	309.0	589.1	451.1	320.6	**447.9**	**628.5**	**405.2**	**314.2**
Transportation	-322.3	-276.2	-311.5	-318.0	-304.7	-322.1	-360.4	-331.6	-301.9	-336.0	-342.2
Travel	722.0	862.3	848.7	893.8	1109.4	960.7	900.1	1041.8	1157.4	942.9	862.9
Other Services	-140.5	-169.3	-217.0	-266.8	-215.6	-187.5	-219.1	-262.2	-227.0	-201.7	-206.5
Goods & Services Balance	-867.2	-772.7	-971.8	-691.2	-505.8	-593.7	-881.5	-608.5	-464.1	-649.6	-784.8
C. Income	-225.5	-96.7	-52.1	27.5	-126.8	-38.0	-118.0	**8.6**	**-123.3**	**-77.2**	**-83.1**
Compensation of employees	18.8	16.8	33.3	50.6	17.1	18.0	36.8	47.0	25.0	15.2	38.6
Investment Income	-244.3	-113.6	-85.3	-23.1	-143.9	-56.0	-154.8	-38.4	-148.2	-92.4	-121.7
D. Current Transfers	799.5	883.2	937.8	899.5	821.5	865.8	905.3	**856.2**	**816.3**	**874.8**	**887.3**
General Government	47.0	41.7	48.7	44.5	46.0	44.4	49.0	38.5	45.1	46.8	42.8
Other Sectors	752.5	841.5	889.1	855.1	775.6	821.4	856.4	817.7	771.2	827.9	844.6
2. Capital & Financial Account	1026.0	977.2	529.5	23.6	292.0	156.1	377.2	**-171.7**	**458.2**	**21.2**	**72.2**
A. Capital Account	-9.2	-7.8	-6.7	-6.2	-9.4	-5.3	-3.2	-0.7	-1.2	-6.8	0.2
Capital Transfers	-9.2	-7.8	-6.7	-6.2	-9.4	-5.3	-3.2	-0.7	-1.2	-6.8	0.2
General Government	0.9	2.2	2.5	1.2	0.6	4.6	6.0	6.6	8.8	3.1	9.4
Other Sectors	-10.0	-9.9	-9.2	-7.3	-10.0	-9.9	-9.2	-7.3	-10.0	-9.9	-9.2
Acq/disp of non-produced non- fin assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial Account	1035.1	985.0	536.2	29.8	301.4	161.5	380.5	-171.0	459.3	28.0	72.0
Direct Investment	44.5	64.7	100.1	49.1	124.2	110.0	93.2	53.1	36.7	34.7	45.3
Portfolio Investment	-127.1	57.0	215.3	-93.7	-129.5	203.9	73.0	-92.2	149.2	154.1	277.5
Other official investment	-11.7	96.0	16.9	74.6	-6.2	-104.5	-104.0	-272.9	-62.1	-97.0	-284.5
Other private Investment	434.8	186.5	120.5	167.4	315.3	19.6	47.0	101.5	692.0	-52.0	34.6
Reserves	694.5	580.8	83.4	-167.6	-2.3	-67.5	271.4	39.5	-356.4	-11.8	-0.9
Errors & Omissions	-732.8	-990.9	-443.4	-259.4	-481.0	-390.2	-283.1	-84.7	**-687.1**	**-169.2**	**-91.5**

+ Revised

10: FOREIGN EXCHANGE SELLING RATES

(J$ per unit of foreign currency – end of period)

		US$	Can$	GBP £
FY15/16	Jun-15	116.9832	93.8399	183.7774
	Sep-15	119.0553	88.6177	180.1478
	Dec-15	120.4150	84.9062	177.1179
	Mar-16	122.0421	92.5223	173.4625
FY16/17	Jun-16	126.3835	97.8795	169.8517
	Sept-16	128.2704	97.3084	166.7776
	Dec-16	128.4404	95.8778	157.4208
	Mar-17	128.6672	97.1686	159.5670
FY17/18	Jun-17	128.6228	99.3865	166.5811
	Sep-17	129.9127	105.0988	173.8791
	Dec-17	125.0004	97.3947	167.0275
	Mar-18	125.9850	97.1994	178.1109
FY18/19	Jun-18	130.3918	100.0079	172.9757
	Sep-18	134.6486	103.7023	178.1844
	Dec-18	127.7162	91.5382	159.0355
	Mar-19	126.4666	95.8862	165.5342
FY19/20	Jun-19	131.0682	101.8648	168.0812
	Sep-19	135.1591	102.3052	166.1363
	Dec-19	132.5690	100.1539	171.6232
	Mar-20	135.3908	95.3267	169.1721
FY20/21	Jun-20	140.0111	105.1658	177.1609
	Sep-20	142.1048	107.7533	185.5508
	Dec-20	142.6493	111.4117	193.6657
	Mar-21	146.5813	120.1525	202.8338
FY21/22	Jun-21	148.5164	122.7285	207.0185
	Sep-21	147.2441	117.6625	202.9298
	Dec-21	155.0878	122.7604	210.1385
	Mar-22	153.7801	123.7584	202.6811
FY22/23	Jun-22	151.5580	118.7574	184.3548
	Sep-22	152.8195	112.9388	168.1380
	Dec-22	152.0521	108.4869	182.0905
	Mar-23	150.9129	113.4294	189.4821
FY23/24	Jun-23	154.6212	117.5245	197.2435
	Sep-23	155.4830	115.2425	190.4675
	Dec-23	154.9504	117.8987	197.4849
	Mar-24	154.6974	114.4878	196.1865
FY24/25	Jun-24	156.2963	115.4780	202.2002
	Sep-24	158.7016	118.1011	211.7197
	Dec-24	156.4159	109.3987	194.1489
	Mar-25	158.3553	110.3959	203.3983

11: BANK OF JAMAICA: NET INTERNATIONAL RESERVES
(End-of-Point)

		(US$MN) Gross Foreign Assets	(US$MN) Gross Foreign Liabilities	(US$MN) International Reserves (Net)	Weeks of Imports Goods	Weeks of Imports Goods & Services
FY16/17	Jun-16	2,819.90	554.77	2,265.13	32.66	19.36
	Sep-16	3,056.16	593.15	2,463.01	36.30	24.60
	Dec-16	3,291.47	-572.10	2,719.37	38.40	22.27
	Mar-17	3,323.89	-554.72	2,769.17	38.78	22.49
FY17/18	Jun-17	3,185.65	-568.84	2,616.81	35.44	20.54
	Sep-17	3,714.94	-577.80	3,137.14	40.87	23.70
	Dec-17	3,781.17	-572.88	3,208.29	38.83	22.78
	Mar-18	3,656.91	-582.35	3,074.57	35.83	21.29
FY18/19	Jun-18	3,687.40	-551.91	3,135.49	32.49	19.80
	Sep-18	3,568.84	-542.12	3,026.72	33.14	19.67
	Dec-18	3,532.04	-526.63	3005.41	32.80	19.47
	Mar-19	3,605.18	-520.35	3,084.83	35.54	20.50
FY19/20	Jun-19	3,537.33	-502.02	3,035.31	32.88	22.62
	Sep-19	3,581.92	-483.86	3,098.05	33.45	22.82
	Dec-19	3,631.09	-468.55	3,152.53	33.80	22.94
	Mar-20	3,688.45	-450.78	3,237.67	34.27	23.22
FY20/21	Jun-20	3,905.02	-955.76	2,949.26	56.33	38.15
	Sep-20	3,713.37	-965.88	2,747.49	53.56	36.28
	Dec-20	4,081.09	-954.95	3,126.13	53.95	38.81
	Mar-21	4,243.53	-924.20	3,319.32	53.65	38.71
FY21/22	Jun-21	4,285.89	-897.18	3,388.71	42.42	30.12
	Sep-21	4,834.98	-870.77	3964.22	46.62	33.27
	Dec-21	4833.40	-832.62	4000.77	54.33	33.51
	Mar-22	4323.66	-674.81	3675.85	46.80	29.60
FY22/23	Jun-22	4389.91	-585.17	3804.75	36.11	24.49
	Sep-22	4349.51	-542.21	3807.30	36.32	24.19
	Dec-22	4517.79	-541.54	3976.25	37.46	25.20
	Mar-23	4684.57	-532.21	4152.36	38.84	26.13
FY23/24	Jun-23	4786.72	-503.25	4283.47	38.75	26.46
	Sep-23	4846.60	-130.03	4716.57	37.40	25.59
	Dec-23	4858.54	-110.41	4748.14	34.90	23.94
	Mar-24	5231.75	-94.46	5137.29	39.40	26.40
FY24/25	Jun-24	5,261.51	-76.43	5,185.08	38.61	26.40
	Sep-24	5,269.75	-69.21	5,200.54	38.52	26.25
	Dec-24	5,632.92	-49.24	5,583.68	44.78	29.35
	Mar-25	5,826.21	-40.76	5,785.45	48.05	30.76

12: VALUE ADDED BY INDUSTRY AT CONSTANT (2007) PRICES (% CHANGE)

Sep 2019 – Sep 2021– + (Seasonally Unadjusted)

(Percentage Change (%) Over the Corresponding Quarter of Previous Year)

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Total Value Added at Basic Prices	3.8	4.2	2.3	2.3	1.7	1.0	0.2	-3.3	-0.8
Agriculture, Forestry & Fishing	5.9	-7.1	-8.1	-10.0	2.6	7.5	3.4	-12.5	-10.6
Mining & Quarrying	99.0	114.1	164.2	103.1	21.5	18.7	4.0	-17.4	-2.3
Manufacturing	5.4	3.7	3.1	2.1	0.3	-0.8	-1.8	-4.0	-0.5
Food, Beverages & Tobacco	2.8	7.2	4.6	0.9	5.4	-3.0	4.1	-2.7	0.8
Other Manufacturing	8.9	-1.2	0.7	4.0	-5.9	-0.7	-2.2	-6.0	-2.1
Construction	-4.8	-4.2	-0.7	0.7	-3.8	-3.7	-1.6	-3.3	-2.7
Electricity & Water	1.7	0.7	6.2	6.7	5.2	6.5	2.3	-5.8	-1.4
Wholesale & Retail Trade; Repairs; Installation of Machinery	1.3	2.8	-0.1	0.4	1.0	-2.2	-0.5	-3.0	0.2
Hotels and Restaurants	21.6	29.7	7.8	8.4	8.3	6.9	1.0	-4.8	-0.3
Transport, Storage & Communication	5.9	7.1	5.6	5.9	2.1	3.5	0.7	2.5	1.8
Finance & Insurance Services	1.4	1.9	2.1	1.5	3.6	2.2	2.4	0.8	0.5
Real Estate & Business Services	0.6	2.3	1.8	0.9	1.3	0.1	-1.5	-1.9	-0.3
Government Services	-0.8	-0.3	-0.2	-0.9	-0.4	-0.5	-1.4	-0.6	0.8
Other Services	10.4	12.6	2.2	5.8	1.1	1.8	0.1	-6.5	0.2
Less Financial Intermediation Services Indirectly Measured (FISIM)	3.3	3.9	3.5	3.1	3.7	2.2	3.7	1.4	0.9

13: USD LONDON INTERBANK OFFER RATE-LIBOR (End- of-Period)

		1-month	3-month	6-month	12-month
FY14/15	Jun-14	0.1552	0.2307	0.3268	0.5451
	Sep-14	0.1565	0.2351	0.3304	0.5786
	Dec-14	0.1713	0.2556	0.3628	0.6288
	Mar-15	0.1763	0.2708	0.4007	0.6942
FY15/16	Jun-15	0.1865	0.2832	0.4449	0.7715
	Sep-15	0.1930	0.325	0.534	0.8511
	Dec-15	0.4300	0.613	0.846	1.1780
	Mar-16	0.4370	0.6290	0.900	1.2100
FY16/17	Jun-16	0.4650	0.6540	0.9240	1.2300
	Sept-16	0.5311	0.8537	1.2397	1.5518
	Dec-16	0.7717	0.9979	1.3177	1.6857
	Mar-17	0.9828	1.1496	1.4232	1.8018
FY17/18	Jun-17	1.2239	1.2992	1.4477	1.7384
	Sep-17	1.2322	1.3339	1.5060	1.7823
	Dec-17	1.5640	1.6940	1.8370	2.1070
	Mar-18	1.8831	2.3118	2.4524	2.6626
FY18/19	Jun-18	2.0903	2.3358	2.5013	2.7641
	Sep-18	2.2606	2.3984	2.6039	2.9186
	Dec-18+	2.5027	2.8076	2.8756	3.0054
	Mar-19	2.4945	2.5998	2.6595	2.7106
FY19/20	Jun-19	2.3980	2.3199	2.2005	2.1781
	Sep-19	2.0156	2.0851	2.0556	2.0321
	Dec-19	1.7625	1.9083	1.9121	1.9962
	Mar-20	0.9930	1.4510	1.1750	0.9980
FY20/21	Jun-20	0.1623	0.3020	0.3693	0.5458
	Sep-20	0.1483	0.2339	0.2598	0.3601
	Dec-20	0.1439	0.2384	0.2576	0.3419
	Mar-21	0.1111	0.1943	0.2053	0.2831
FY21/22	Jun-21	0.1005	0.1458	0.1595	0.2463
	Sep-21	0.0803	0.1301	0.1585	0.2366
	Dec-21	0.1013	0.2091	0.3388	0.5831
	Mar-22	0.4520	0.9616	1.4699	2.1014
FY22/23	Jun-22	1.7867	2.2851	2.9351	3.6190
	Sep-22	3.1427	3.7547	4.2320	4.7806
	Dec-22	4.3916	4.7673	5.1389	5.4821
	Mar-23	4.8577	5.1927	5.3130	5.3053
FY23/24	Jun-23	5.2177	5.5454	5.7623	6.0414
	Sep-23	5.4335	5.6571	5.8955	6.0414
	Dec-23	5.4692	5.5930	5.5860	6.0414
	Mar-24	5.4432	5.5598	5.6461	6.0414
FY24/25	Jun-24	5.4517	5.5862	5.6830	6.0414
	Sep-24	4.9602	4.8537	4.6821	6.0414
	Dec-24	4.9602	4.8537	4.66821	6.0414
	Mar-25	4.9602	4.8537	4.6821	6.0414

14: PRIME LENDING RATES (End-of-Period)

		EURO-ZONE	UNITED STATES			UNITED KINGDOM
		Repo rate	Fed Funds Rate	Discount Rate	Prime Rate	Repo rate
FY15/16	Jun-15	0.05	0 - 0.25	0.75	3.25	0.50
	Sep-15	0.05	0 - 0.25	0.75	3.25	0.50
	Dec-15	0.05	0 - 0.50	1.00	3.50	0.50
	Mar-16	0.00	0 - 0.50	1.00	3.50	0.50
FY16/17	Jun-16	0.00	0 - 0.50	1.00	3.50	0.50
	Sept-16	0.00	0 – 0.50	1.00	3.50	0.25
	Dec-16	0.00	0 .50– 0.75	1.25	3.75	0.25
	Mar-17	0.00	0.75–1.00	1.50	4.00	0.25
FY17/18	Jun-17	0.00	1.00–1.25	1.75	4.25	0.25
	Sep-17	0.00	1.00–1.25	1.75	4.25	0.25
	Dec-17	0.00	1.25-1.50	2.00	4.50	0.50
	Mar-18	0.00	1.50-1.75	2.25	4.75	0.50
FY18/19	Jun-18	0.00	1.75-2.00	2.50	5.00	0.50
	Sep-18	0.00	2.00-2.25	2.75	5.25	0.75
	Dec-18	0.00	2.25–2.50	3.00	5.50	0.75
	Mar-19	0.00	2.25–2.50	3.00	5.50	0.75
FY19/20	Jun-19	0.00	2.25-2.50	3.00	5.50	0.75
	Sep-19	0.00	1.75-2.00	2.50	5.00	0.75
	Dec-19	0.00	1.5-1.75	2.25	4.75	0.75
	Mar-20	0.00	0-0.25	0.25	3.25	0.10
FY20/21	Jun-20	0.00	0.0-0.25	0.25	3.25	0.10
	Sep-20	0.00	0.0-0.25	0.25	3.25	0.10
	Dec-20	0.00	0.0-0.25	0.25	3.25	0.10
	Mar-21	0.00	0.0-0.25	0.25	3.25	0.10
FY21/22	Jun-21	0.00	0.0-0.25	0.25	3.25	0.10
	Sep-21	0.00	0.0-0.25	0.25	3.25	0.10
	Dec-21	0.00	0.0-0.25	0.25	3.25	0.25
	Mar-22	0.00	0.25-0.50	0.50	3.50	0.75
FY22/23	Jun-22	0.00	1.50-1.75	1.75	4.75	1.25
	Sep-22	1.25	3.00-3.25	3.25	6.25	2.25
	Dec-22	2.50	4.25-4.50	4.50	7.50	3.50
	Mar-23	3.50	4.75-5.00	5.00	8.00	4.25
FY23/24	Jun-23	4.00	5.00-5.25	5.25	8.25	5.00
	Sep-23	4.50	5.25-5.50	5.50	8.50	5.25
	Dec-23	4.50	5.25-5.50	5.50	8.50	5.25
	Mar-24	4.50	5.25-5.50	5.50	8.50	5.25
FY24/25	Jun-24	4.25	5.25-5.50	5.50	8.50	5.25
	Sep-24	3.65	4.75-5.00	5.00	8.00	5.00
	Dec-24	3.15	4.25-4.50	4.50	7.50	4.75
	Mar-25	2.65	4.25-4.50	4.50	7.50	4.50

15: INTERNATIONAL EXCHANGE RATES

		Sterling vs. US$	Canadian $ vs. US$	Yen vs. US$	Euro vs. US$
FY15/16	Jun-15	0.6737	1.2483	122.1001	0.8966
	Sep-15	0.6609	1.3394	119.6745	0.8943
	Dec-15	0.6786	1.3837	120.2501	0.9206
	Mar-16	0.6964	1.3004	112.5746	0.8787
FY16/17	Jun-16	0.7513	1.2925	103.1779	0.9004
	Sept-16	0.7709	1.3127	101.3377	0.8901
	Dec-16	0.8104	1.3439	117.0001	0.9508
	Mar-17	0.7968	1.3317	111.3958	0.9388
FY17/18	Jun-17	0.7677	1.2963	112.3469	0.8752
	Sep-17	0.7464	1.2470	112.5239	0.8465
	Dec-17	0.7400	1.2571	112.6888	0.8330
	Mar-18	0.7135	1.2895	106.2812	0.8114
FY18/19	Jun-18+	0.7572	1.3134	110.6929	0.8559
	Sep-18	0.7601	1.3043	111.8443	0.8559
	Dec-18	0.7841	1.3639	109.6131	0.8721
	Mar-19	0.7672	1.3349	110.8525	0.8914
FY19/20	Jun-19	0.7876	1.3094	107.8865	0.8793
	Sep-19	0.8161	1.3224	106.3943	0.9062
	Dec-19	0.7543	1.2990	108.6366	0.8918
	Mar-20	0.8052	1.4067	107.5384	0.9065
FY20/21	Jun-20	0.8064	1.3576	107.9331	0.8902
	Sep-20	0.7740	1.3321	105.4519	0.8532
	Dec-20	0.7315	1.2734	103.3165	0.8186
	Mar-21	0.7255	1.2561	110.7174	0.8525
FY21/22	Jun-21	0.7230	1.2398	111.1111	0.8429
	Sep-21	0.7422	1.2682	111.2718	0.8636
	Dec-21	0.7390	1.2639	115.1145	0.8795
	Mar-22	0.7612	1.2508	121.6989	0.9036
FY22/23	Jun-22	0.8212	1.2873	135.7405	0.9538
	Sep-22	0.8953	1.3829	144.7387	1.0202
	Dec-22	0.8276	1.3554	131.1132	0.9341
	Mar-23	0.8106	1.3517	132.8551	0.9226
FY23/24	Jun-23	0.7872	1.3242	144.3001	0.9167
	Sep-23	0.8197	1.3578	149.3652	0.9458
	Dec-23	0.7855	1.3243	141.0437	0.9059
	Mar-24	0.7922	1.3539	151.3546	0.9268
FY24/25	Jun-24	0.7908	1.3680	160.8752	0.9334
	Sep-24	0.7477	1.3524	143.6369	0.8981
	Dec-24	0.7990	1.4384	157.2080	0.9658
	Mar-25	0.7741	1.4388	149.9700	0.9246

16: WORLD COMMODITY PRICES (Period Averages)

		CRUDE OIL PRICES		FOOD	
		North Sea Brent (US$/barrel – f.o.b.)	West Texas Intermediate (US$/barrel – f.o.b.)	Wheat (US$/mt, Average Winter)	Coffee (USc/kg, Arabica brand)
FY15/16	Jun-15	62.10	57.97	210.64	354.39
	Sep-15	50.03	51.52	189.86	336.22
	Dec-15	43.41	42.18	190.10	327.74
	Mar-16	34.36	33.45	190.23	330.86
FY16/17	Jun-16	45.95	45.50	183.79	346.71
	Sept-16	45.80	44.94	156.02	378.80
	Dec-16	50.08	49.29	156.18	385.71
	Mar-17	54.12	51.91	165.66	364.09
FY17/18	Jun-17	50.25	48.28	177.79	329.68
	Sep-17	51.74	48.20	183.94	327.83
	Dec-17	61.47	55.40	177.43	307.79
	Mar-18	66.95	62.87	190.71	301.42
FY18/19	Jun-18	74.49	67.88	210.30	296.87
	Sept-18	75.48	69.50	215.61	277.04
	Dec-18	67.37	58.81	211.01	295.09
	Mar-19	63.27	54.90	212.06	279.84
FY19/20	Jun-19	68.34	59.81	204.21	272.94
	Sept-19	61.86	56.45	195.06	287.03
	Dec-19	62.65	56.96	214.61	311.92
	Mar-20	50.53	46.17	227.33	312.86
FY20/21	Jun-20	31.43	27.85	209.22	327.55
	Sep-20*	42.72	40.93	221.73	350.23
	Dec-20*	44.52	42.66	259.70	337.70
	Mar-21*	60.57	57.85	279.58	358.41
FY21/22	Jun-21*	68.63	66.09	279.93	401.93
	Sep-21*	73.00	70.57	291.80	474.39
	Dec-21*	79.58	77.22	339.47	564.40
	Mar-22	98.96	94.29	391.38	594.78
FY22/23	Jun-22	112.75	108.53	453.79	587.64
	Sep-22	99.23	91.75	355.76	581.81
	Dec-22	88.37	82.59	366.17	487.94
	Mar-23	81.44	76.18	343.04	484.00
FY23/24	Jun-23	78.23	73.84	314.35	482.67
	Sep-23	86.75	82.10	281.20	414.28
	Dec-23	84.03	78.34	267.58	434.71
	Mar-24	83.15	76.99	259.96	456.03
FY24/25	Jun-24	84.87	80.65	256.48	527.79
	Sep-24	80.15	75.21	237.44	585.22
	Dec-24	74.63	70.26	245.24	679.82
	Mar-25	75.65	71.40	245.95	859.45

*Revised

Glossary

Amortization: The repayment of a loan in installments over an agreed period of time.

Base Money: The sum of notes and coins held by the public and the cash reserves of commercial banks (including both their holding of cash and their deposits at the central bank). The monetary base is the operating target used in the BOJ monetary policy framework and can be controlled through open market operations. Changes in the monetary base emanate from sources within the net domestic assets (NDA) as well as the net international reserves (NIR).

Basis Point (bp): This is a unit of percentage measure which is equal to one hundredth of one percent (0.01% = 1bp). Basis points is commonly used when discussing interest rates and fixed income securities.

Bond Market: The domestic bond market primarily captures debt instruments offered by the Central Government to fund its budgetary needs.

Brexit: Brexit has become the abbreviated way of refering to the United Kingdon (UK) leaving the European Union (EU) it combines the words British and exit. The referndum where citizens of the UK voted to exit the EU took place on the June 23, 2016.

Cash Reserve Requirement: The requirement by law that a percentage of deposit liabilities of deposit-taking institutions must be held as interest free deposits at the Central Bank.

Core Inflation: Also called Underlying Inflation. It is that part of overall inflation that can be attributed to changes in base money. Central Banks typically try to control core inflation because there are some parts of inflation that are outside of their control. One example of this is the effect of changes in oil prices.

Credit: Loans extended by banks, building societies and other financial institutions.

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.

Exchange rate (nominal): The number of units of one currency offered in exchange for another. For example a Jamaica dollar/ United States dollar exchange rate of 'forty two dollars to one' indicates that forty-two Jamaican dollars are needed to obtain one United States dollar.

Exchange rate pass-through: The effect of exchange rate changes on one or more of the following: import and export prices, consumer prices, investments and trade volumes.

Export Price Index: The export price index (EPI) is a weighted index of the prices of goods and services sold by residents of a country to foreign buyers.

Foreign exchange cash demand/supply: The amount of foreign exchange purchased by market participants from the authorized dealers and cambios, while cash supply/inflows is the amount sold to the Bank of Jamaica, authorized dealers and cambios by market participants, private institutions and multilateral agencies.

Financial Programme: An integrated system of macroeconomic accounts and behavioural relationships defining the set of monetary, fiscal and exchange rate policy measures designed to achieve specified macroeconomic targets.

Financial Asset: An instrument issued by an institution (e.g. BOJ) that provides economic benefits, by (1) generating interest income or net profits and (2) acting as a store of value. These benefits are created through a formal/informal borrowing/lending relationship. Most common types of financial assets are money and credit.

Fiscal deficit: The excess of the Government's expenditure over its revenue for a given period of time.

Fiscal Year: The twelve months beginning in April. Thus fiscal year 2000/2001 refers to the period April 2000 to March 2001.

Government Securities: Debt instruments issued by the Ministry of Finance either to bridge timing gaps between revenue and expenditure or to cover any excess of expenditure over revenue. These securities include short-term instruments such as Treasury Bills and more long-term ones like Local Registered Stock, or Debentures.

Gross Domestic Product (GDP): This is the total value of all goods and services produced within an economy over a particular time period –either a year or three months.

Import Price Index: The import price index (IPI) is a weighted index of the prices of goods and services purchased by residents of a country from foreign sellers.

Inflation: refers to the change in the general price level. In Jamaica, this is defined as the change in the Consumer Price Index (CPI) calculated and published by the Statistical Institute of Jamaica.

Intermediate Target: An intermediate target of policy. e.g. the money supply or the exchange rate, has three main characteristics. It is not directly determined by the Central Bank, it responds, however, to a stimulus that the Central Bank can vary, and its behaviour should be closely related to the ultimate target-inflation.

Jamaica Central Securities Depository (JCSD): The Principal function of the JCSD is to provide for relatively risk-free settlement of share transactions. It accomplishes this by employing an electronic, book-entry system for registering changes of ownership of securities which eliminates the need for physical certificates. The JCSD also provides vaulting facilities for the safekeeping of certificates.

JSE Indices: The JSE Index comprises all Ordinary Companies on the Main Market. The JSE Combined Index comprises all Ordinary Companies on the Main Market and Junior Market. The JSE All Jamaican Composite Index comprises of only Jamaican Companies on the Main Market. The JSE Select Index comprises the JSE's 15 most liquid Securities on the Main Market. The JSE Cross Listed Index is comprised of only foreign companies on the Main Market. The Junior Index comprises all Ordinary Companies on the Junior Stock Market.

Liquid Asset: An asset is considered liquid if it can be easily and with little or no loss converted to cash. The liquid assets of commercial banks in Jamaica include notes and coins, short-term deposits at the Bank of Jamaica, GOJ Treasury Bills, Local Registered Stock maturing within 270 days and any GOJ security designated by the Ministry of Finance.

Money: Anything that is generally accepted in exchange for goods and services and for the payment of debt. (e.g. example, notes and coins.). Hence money is said to be a medium of exchange. Money also serves as a means of storing wealth as well as a standard of and unit of accounting for financial values and flows.

Money Multiplier: This defines the relationship between the monetary base (M0) and the money supply and is usually calculated as the ratio of M3 to M0. It measures the maximum amount of money that can be created by the banking system given the provision of an additional dollar to the system by the central bank. The money multiplier implies that when the central bank conducts monetary policy in such a way as to increase the monetary base, the overall expansion in the money supply is a multiple of this initial increase. This is also true if the central bank reduces the monetary base.

Money Supply: This is the stock of instruments or assets formally designated as money in a particular economy. There are alternative measures of money supply both within and between countries. In Jamaica, the measurements of money that are calculated and published are:

M1: Notes and coins in circulation + Demand Deposits

M2: M1+ Time and savings deposits

M3: M2 + Other Deposits.

A 'J' indicates that the components are Jamaican dollar liabilities only and an '*' indicates that the components also include foreign currency liabilities of the banking system.

Monetary Base: See Base Money

Monetary policy framework: This defines the transmission process through which policy actions taken by the Central Bank make an impact on the final target – inflation. The components of a monetary policy framework are policy instruments, operating targets, intermediate targets, and the ultimate goal/objective.

Monetary Policy Instruments: These are instruments used by the Central Bank to influence the money supply and credit. They include open market operations and the reserve requirement ratio.

Net Domestic Assets: The difference between the monetary base and the NIR. It is comprised of the Bank's net claims on the public sector, mainly Central Government, open market operations liabilities and net claims on commercial banks and other financial institutions.

Open Market Operations (OMO): Money market trading between the Bank of Jamaica and authorized dealers with the intention of influencing money and credit in the financial system. OMO involves outright sale or purchase of GOJ securities from the stock of securities held by BOJ, and/or repurchase and reverse repurchase transactions.

Operating Rate: The percentage of total production capacity of some entity, such as a country or a company that is being utilized at a given time.

Operating Target: An operating target of policy e.g. the monetary base and interest rates, is influenced directly by the Central Bank and is adjusted by the Bank in order to bring about the desired impact on its policy target.

Primary Dealer (PD): The set of intermediaries through which BOJ conducts open market operations. In developed country markets, PD's underwrite government issues as well as participate in block transactions with the central bank.

Public Sector Entities (PSE) Foreign Exchange Facility: A foreign exchange surrender facility for public sector entities which seeks to centralize foreign currency demand. Under this facility Commercial Banks, Authorized Dealers and Cambios agreed to surrender amounts in addition to the pre-existing requirements.

Quasi-Fiscal Costs: The cost to the central bank of sterilizing the liquidity effects of capital inflows.

Quasi-money: Savings Deposits plus Time Deposit.

Real Appreciation: An increase in the volume of foreign goods that can be bought with a unit of domestic currency; alternatively it is a decrease in the volume of domestic goods that can be purchased with a unit of foreign currency. Thus, a real appreciation makes exports less attractive and imports relatively cheaper. This may ensue from a nominal appreciation, which is the rise in the unit price of the currency, or a greater increase in domestic prices relative to foreign prices, or both.

Real Exchange Rate: The price of one country's currency in terms of another, adjusted for the inflation differential between the countries.

Real interest rate: This represents the rate of return on assets after accounting for the effects of inflation on the purchasing power of the return. It is calculated by adjusting the nominal interest rate by the inflation rate.

Repurchase Agreement (repo): The purchase of a security from a primary dealer who agrees to repurchase the same at a specified rate and an agreed future date.

Reserve Requirement: refers to the portion of deposit liabilities that financial institutions may not lend and have to retain either as liquid assets or on deposit at the Bank of Jamaica.

Reverse Repurchase Agreements: An agreement whereby the Central Bank sells a security that it owns and agrees to buy back same at a specified rate at an agreed future date.

Securities: Legal documents giving entitlement to property ownership, or claim on income e.g. bonds and stocks.

Signal Rate: Effective 1 July 2017, the Bank of Jamaica policy rate is the interest rate paid on overnight deposits held by deposit-taking iinstitutions ("DTIs") at Bank of Jamaica.

Special Drawing Right: The SDR is an interest-bearing international reserve asset created by the IMF to supplement the official reserves of member countries.

Statutory Cash Reserves: That portion of deposit liabilities of deposit-taking institution, which by a statutorily based stipulation, must be held as interest-free deposits at the Central Bank.

Sterilization: The use of open market operations to prevent intervention in the foreign exchange market from changing the monetary base. With sterilization, any purchase of foreign exchange is accompanied by an equal-value sale of domestic bonds and vice versa.

Time deposit: A bank account based on a contractual arrangement between the deposit taking institution and the depositor where both parties agree to a pre-determined interest rate and maturity date, on which deposits earn interest and premature withdrawals from which require advance notice.

Terms of Trade: An index of the ratio of export prices to the index of import prices. An improvement in the terms of trade follows if export prices rise more quickly than import prices.

Tourism Implicit Price Index: a measure of prices in the tourism industry as reflected by average daily expenditure per tourist.

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