



Economic Bulletin

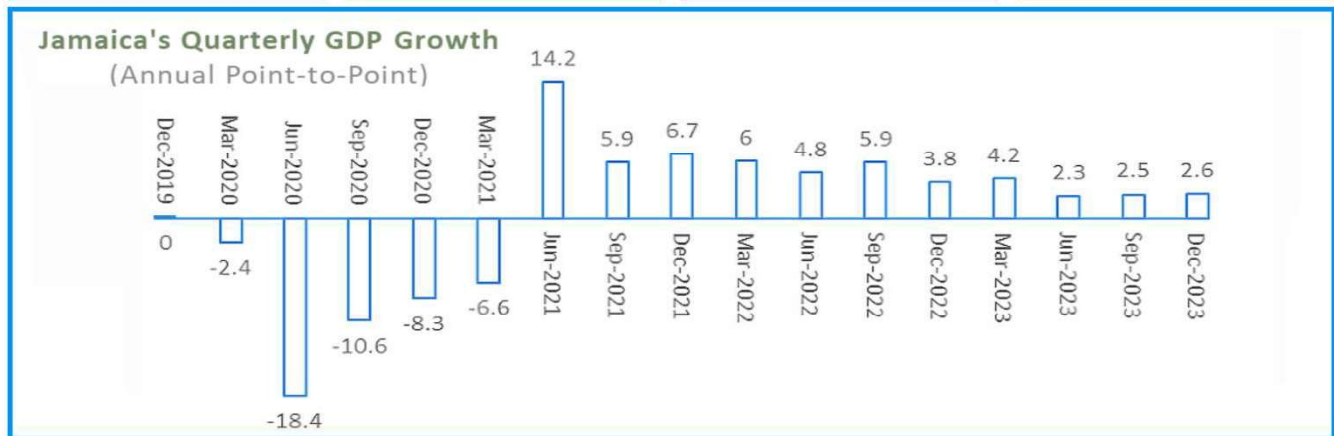
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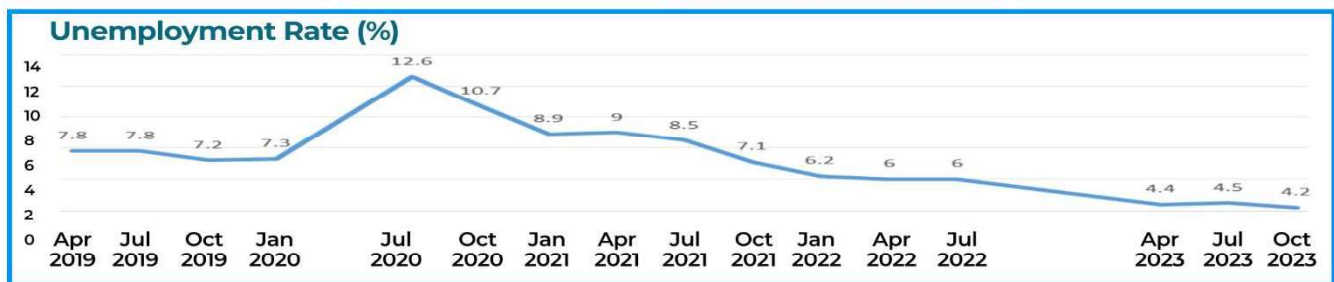
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Macro-Economic Dashboard

<p>2.60% GDP Growth Rate: Q4 2023</p>	<p>5.60% Inflation Rate: March 2024</p>	<p>7% Policy Rate: March 2024</p>	<p>4.20% Unemployment Rate: October 2023</p>
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<p>6,982.20 US\$ Million Imports: January to November 2023 1.60% January to November 2022</p>	<p>1,862.70 US\$ Million Exports: January to November 2023 12.10% January to November 2022</p>	<p>84.62 US\$ Million Fiscal Deficit: February 2024</p>	<p>\$5.14 US\$ Billion Net Int'l Reserves: March 2024 <small>((US\$438.39 million monthly increase))</small></p>
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Other Indicators

Corporate Tax Rate	25%
Commercial Credit Rate as at February 29, 2024	10.07%
Personal Credit Rate as at February 29, 2024	23.06%
Exchange Rate Appreciation March 31, 2024	1.35%



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Economic Overview

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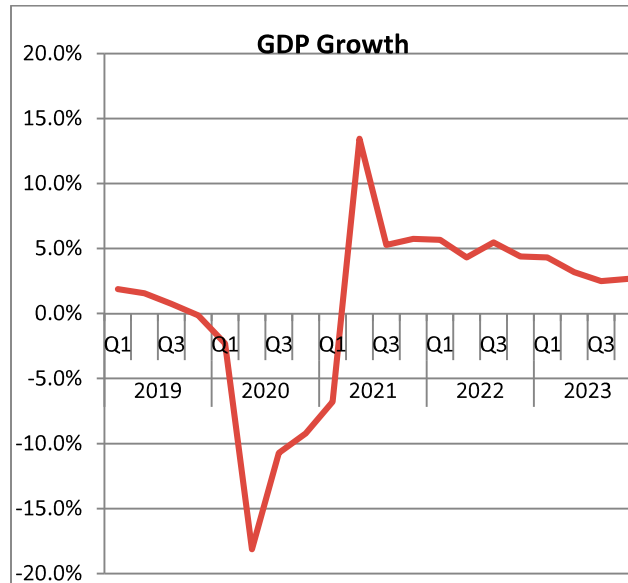


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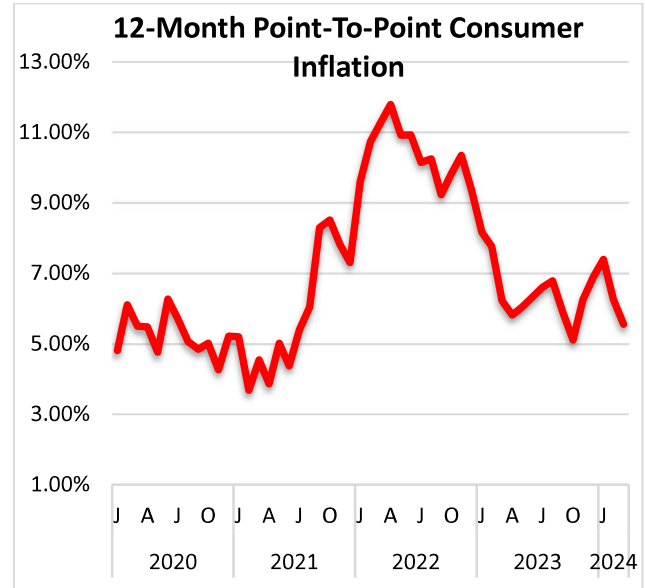
DOMESTIC ECONOMIC INDICATORS

GDP Growth



The Statistical Institute of Jamaica (STATIN) reports that the domestic economy saw a year-over-year expansion of 1.70% in Q4 2023 on a seasonally unadjusted basis and 2.60% when adjusted for seasonal variations. The services sector accounted for 74.50% of this growth, with goods-producing industries contributing 25.50%. Among services, "Hotels and Restaurants" experienced the most rapid growth, expanding by 12.40%, while within goods-producing industries, Mining & Quarrying saw the highest growth rate at 21.50%.

Inflation Rate



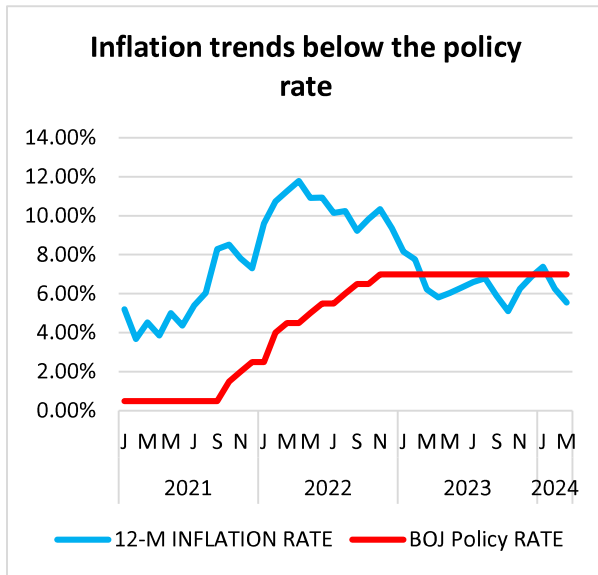
In March 2024, Jamaica's point-to-point inflation rate dropped to 5.60%, marking a 40-basis point difference from the Bank of Jamaica's targeted range of 4%-6%. This decline was primarily driven by a slower increase in the 'Food and Non-Alcoholic Beverages' division, which saw a rise of 4.80% compared to 7.70% in February. The reduction in prices of agricultural products like yam, tomato, cabbage, and carrot played a significant role in this division's decline. Notable inflation risks persist, including potential hikes in taxi fares and private sector wage increases due to tightening job market conditions.



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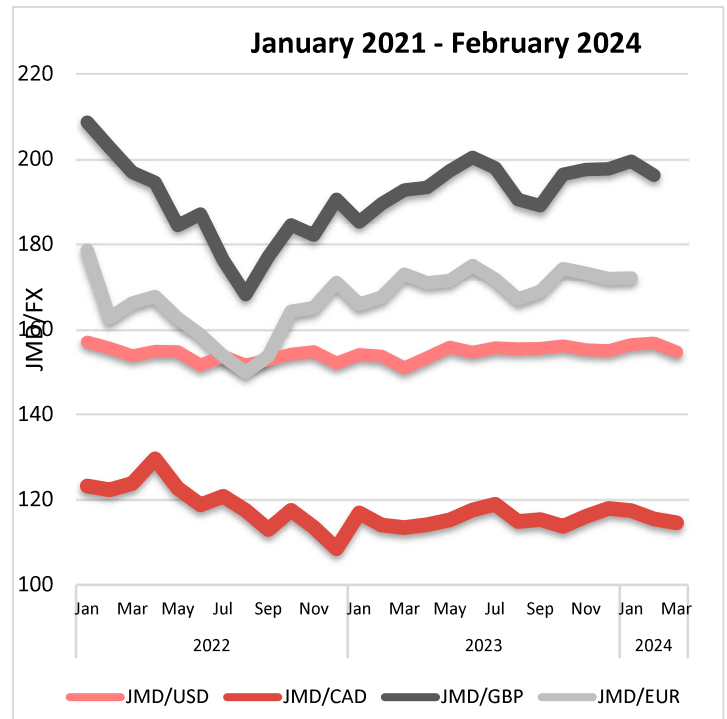


Interest Rates



The BOJ concluded its Monetary Policy Meeting (MPC) on March 27 to maintain the policy interest rate at 7.0%, stability in the foreign exchange market, and tight Jamaican dollar liquidity conditions. Risks to the inflation outlook are balanced, with potential higher inflation from second-round effects of fare increases and wage adjustments. The MPC remains vigilant and committed to using all available tools to support policy decisions and address inflation risks, including potential interest rate increases.

Exchange Rate



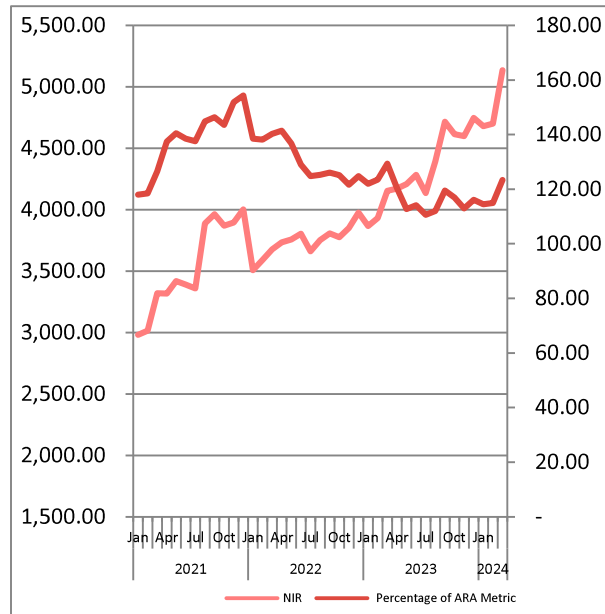
At the end of March 2024, the Jamaican dollar appreciated by 1.35% month-over-month to the US dollar, with the weighted average selling rate (WASR) moving from \$156.78 at the end of February to close March at \$154.70. The Bank of Jamaica (BOJ) did not conduct any flash sales in March. However, in the current month, there have been three flash sales totaling \$90 million between April 9th and April 11th.



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Net International Reserves



The stock of net international reserves (NIR) as at end- March 2024 was US\$5.14billion, a US\$438.39 million increase from end-February. Foreign assets increased by US\$423.61 million, mainly due to a US\$ 420.11 million increase in currency and deposits. Meanwhile, foreign liabilities decreased by US\$14.78 million, with liabilities to the International Monetary Fund (IMF) accounting for 100% of total foreign liabilities, of US\$94.46 million.

International Merchandise Trade

January – November 2023	US\$ Million			
	2022	2023	Difference (2022/2023)	% Difference (2022/2023)
Expenditure on Imports	7,095.50	6,982.00	(113.50)	(1.60%)
Earnings from Exports	1,661.70	1,862.70	201.00	12.10%
Trade Balance	(5,433.90)	(5,119.30)	314.60	(5.79%)

International Merchandise Trade For the period January to November 2023, Jamaica’s total expenditure on imports was valued at US\$6,982.00 million, marking a 1.60% decline compared to the US\$7,095.50 million spent during the same period in 2022. This decrease was primarily driven by reduced imports of "Raw Materials/Intermediate Goods" and "Fuels and Lubricants," which fell by 5.00% and 13.90% respectively. Meanwhile, earnings from total exports for the same period totaled US\$1,862.70 million, a 12.10% increase from the US\$1,661.70 million earned in the corresponding 2022 period. The uptick in total exports was chiefly attributed to the heightened value of exports of "Crude Materials excluding Fuel”.

Jamaica's top five trading partners were the US, China, Brazil, Japan, and Colombia. Expenditure on imports from these nations



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amounted to US\$4,282.10 million, reflecting a 1.30% decrease compared to the corresponding period in 2022. This decline was largely driven by reduced imports of "Mineral Fuels." Conversely, the leading destinations for Jamaica's exports were the US, Puerto Rico, Latvia, the Russian Federation, and Iceland. Revenue from exports to these countries rose by 10.90% to reach US\$1,269.30 million.

OVERSEAS

United States

Indicator	February	March
CPI (YoY)	3.20%	3.50%
GDP Growth		
ISM Manufacturing PMI	47.80%	50.30%
ISM Services PMI	52.60%	51.40%
Unemployment Rate	3.90%	3.80%

The ISM Manufacturing PMI registered 50.30% in March, up 2.50 percentage points from the 47.80% recorded in February 2024, representing an expansion in the Manufacturing sector. Economic activity in the Services sector contracted in March 2024 as the Services PMI registered at 51.40%, 1.20 percentage points lower than the 52.60% recorded in February.

The unemployment rate in March 2024 came in at 3.80%, 10 basis points less than the 3.90% recorded in February.

Job growth occurred in healthcare, government, and construction. The job growth which remains mostly unchanged saw nonfarm payroll increasing by 231,000, this growth continues to fuel consumer spending. The inflation rate for March came in at 3.50%, 30 basis points above the 3.20% in February. The marginal increase in CPI was a result of a 3.80% rise in the food and energy index.

Existing home sales rose by 9.50% month-over-month (MoM) in February 2024 to 4.38 million but decreased by 3.30% year-over-year. Housing demand remains on a steady rise in tandem with population and job growth.

The Federal Open Market Committee (FOMC) of the Federal Reserve System convened its latest meeting on March 20, 2024, maintaining the federal funds rate at 5.25% - 5.50% for the fifth consecutive session. The Committee underscored its commitment to withhold reducing the federal funds target range until inflation demonstrates sustained movement towards 2%. Additionally, the Federal Reserve continues to decrease its holdings of U.S. Treasury securities, agency debt, and agency mortgage-backed securities.

Recent economic indicators indicate a robust expansion of the U.S. economy, with consistent job gains and a low unemployment rate. Although inflation has



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moderated over the past year, it remains elevated. The FOMC believes that risks to achieving its employment and inflation objectives are increasingly aligning.

China

Indicator	February	March
CPI (YoY)	0.70%	0.10%
CPI (M/M)	1.00%	-1.00%
PMI	49.10%	50.80%

Source: National Bureau of Statistics of China

For the month of March 2024, the year-on-year national Consumer Price Index (CPI) experienced a decline, with the cost of food decreasing by 2.70%, non-food items increasing by 0.70%, the price of consumer goods decreasing by 0.40%, while services recorded an increase of 0.80%. Overall, from January to March, on average, the national CPI maintained the same as the same period last year.

China's manufacturing industry also experienced a 1.70% increase in its Purchasing Manager Index (PMI) relative to February. This increase was higher than the threshold and indicates a rebound in the climate level of the manufacturing industry. Additionally, according to preliminary estimates, the gross domestic product (GDP) in the first quarter of 2024 increased by 5.30% year on year at constant price, and by 1.60% over that in the fourth quarter of 2023.

Thus, notwithstanding external pressures, China's national economy further consolidated its momentum for quarter one

2024 with its progress in March, accelerating on a continued positive trend towards economic recovery.

Europe (European Union)

Indicator	January	February	March
Annual Inflation Rate	3.10%	2.80%	2.60%
Unemployment Rate	6.00%	6.00%	N/A
Economic Sentiment (ESI)	95.8	95.4	96.2
Retail Trade	0.30%	-0.40%	N/A
Industrial Production	-2.10%	0.70%	N/A

Source: Eurostat; the Statistical office of the EU

In March 2024, EU annual inflation declined further to its lowest level since July 2021, primarily due to falling energy prices, and unemployment remained at historically low levels. Additionally, the EU economic sentiment showed signs of improvement, reversing the decline observed in the previous month. This rise was primarily driven by improved confidence among retailers, consumers and, to a lesser extent, services and industry managers, while confidence remained stable in construction.

In February 2024, both industrial production and retail trade remained below their 2021 levels, despite increases in industrial production. GDP growth continues to present a flat trend.



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REGIONAL

Trinidad & Tobago

Indicator	January	February	March
Headline Inflation	0.30%	0.80%	N/A
Monetary Policy Rate	3.50%	3.50%	3.50%

Source: Central Bank of Trinidad & Tobago

For March 2024, the Monetary Policy Committee (MPC) maintained the monetary policy rate at 3.50%. This was due to the observation that the Trinidad and Tobago economy is continuing on a path of steady recovery, supported by good credit expansion. At the same time, despite the recent increase, inflation remained at less than 1% and short-term interest differentials, while still relatively wide, have started to narrow. In addition, The IMF continues to maintain a positive economic outlook for Trinidad & Tobago with the expectation that real GDP will expand by 2.40% for 2024.

Notwithstanding, downside risks present some level of uncertainty for the economy. In the short term these risks stem from uncertainty in the global energy market and disappointments in domestic energy production which could negatively affect the economy.

LATIN AMERICA

Dominican Republic

Indicator	January	February	March
Inflation (YoY)	4.09%	3.30%	3.38%
Monetary Policy Rate	7.00%	7.00%	7.00%
GDP Growth (YoY)/IMAE	4.60%	6.20%	N/A

Source: Central Bank of the Dominican Republic

The Central Bank of the Dominican Republic (BCRD) maintained its monetary policy rate at 7.00% for March 2024. This decision was maintained with the expectation that interest rates in advanced economies would remain high for a period of time longer than expected and that the raw material prices would continue to increase.

Notably, despite the minute increase, the Dominican Republic continues to experience a decline in year-on-year inflation, leading to the rate being well within the center of the target range of 4.0% \pm 1.0%. The BCRD forecasts that inflation will remain within this range, under an active monetary policy scenario. At the national level, the Dominican economy continues to become more dynamic, with an expansion of the monthly indicator of economic activity (IMAE) of 6.20% year-on-year in February, bringing average growth to 5.40% year-on-year in the first two months of 2024. This result was driven by the performance of the hotels, bars and restaurants sector; as well as construction, manufacturing, commerce and financial services.



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Mexico

Indicator	February	March
Headline Inflation	4.40%	4.42%
Monetary Policy Rate	11.25%	11.00%

Source: Banco de Mexico

For the first time since 2021, Banco de Mexico reduced the monetary policy rate. This was done effective March 22, 2024, where the MPR was reduced by 25 basis points to 11.00%, in order to ensure that the monetary stance remained restrictive and impactful to achieve the outcome of the convergence of inflation to the goal of 3% in the forecast horizon; the second quarter of 2025.

The weight of the Mexican peso has appreciated, and its volatility has decreased. Additionally, it is expected that in the first quarter of 2024, economic activity will show greater dynamism in relation to the weakness recorded in the previous quarter, and the labor market continues to show strength. A slight increase in inflation was recorded for March 2024, however the convergence of inflation to target remains as forecasted.

Domestic risks to the Mexican economy include the persistence of core inflation, exchange rate depreciation, greater cost pressures, and climate impacts. On a global scale, risks include worsening geopolitical tensions, prolonged inflationary pressures,

tight financial conditions and, to a lesser extent, challenges to financial stability.

Colombia

Indicator	February	March
Headline Inflation	7.74%	7.36%
Monetary Policy Rate	12.75%	12.25%

Source: Banco de la República Colombia

The Central Bank of Colombia reduced the monetary policy rate by 50 basis points effective March 26, 2024. This decision was taken considering the favorable downward trend of inflation since 2024 and the recent decrease and stability of the exchange rate.

Due to the downward trend of inflation over the past three months, the inflation forecast for the end of 2024 was adjusted from 5.9% to 5.4%, with expected convergence towards the target of 3% in a range of +/- 1 pp by mid-2025. Economic activity continues to decelerate as the manufacturing, commerce and construction industries continue to experience declines. However, it is expected that their recovery will be positively impacted by the decline in the monetary policy rate.

Notwithstanding, there exists risks and uncertainties to the Columbian economy. This includes the lessened though continued impacts of the El Niño phenomenon, international financial conditions, high energy rates in certain parts of the country and an upward movement of inflation induced by the decrease in the MPR.



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Peru

Indicator	January	February	March
Headline Inflation	3.02%	3.29%	3.05%
Monetary Policy rate	6.50%	6.25%	6.25%

Source: Central Reserve Bank of Peru

The Central Reserve Bank of Peru (BCRP) maintained its monetary policy rate at 6.25% for March 2024, with a projected 25-basis point reduction expected for April 2024.

The year-on-year inflation returned to its downward trend despite the 0.27% increase in February. Thus, year-on-year inflation is projected to continue its downward trend in the forecast horizon and will be within the target range in the coming months. In March, notably, all expectation indicators were in the optimistic range. However, the 12-month expectation indicators showed a slight deterioration.

The outlook for global economic activity also indicates moderate growth in the event of lower inflationary pressures. However, volatility in financial markets continues, driven primarily by uncertainties in the initiation of monetary policy easing in advanced economies. Additionally, there are potential risks to fuel and freight price stability due to growing international conflicts.

Chile

Indicator	January	February	March
CPI (monthly)	0.70%	0.60%	0.40%
Monetary Policy Rate	7.25%	7.25%	6.50%

Source: Banco Central de Chile

The Central Bank of Chile has reduced the monetary policy rate by 75 basis-points. This deliberate choice is aimed at reinforcing the continued decrease in inflation, as indicated by the annual Consumer Price Index (CPI), with the anticipation that inflation will converge with the bank's target range of 3.0% by the latter half of 2024. Concurrently, the monetary policy rate is expected to stabilize at its neutral level within the same period.

Capitalizing on Change: Unveiling the Business Opportunities of Jamaica's 2024/2025 Budget Strategy

In recent years, Jamaica has made impressive strides in macroeconomic stability, with inflation and unemployment reaching historic lows. Additionally, the reduction in public-sector debt and improved credit ratings underscore the government's commitment to fiscal responsibility, creating a favorable environment for business expansion and investment. The government's recent budget debate highlights key initiatives aimed at further fueling this growth, with significant benefits for businesses.

One of the highlights of the budget debate is the reduction in the corporate income tax (CIT) rate, offering tangible benefits to businesses operating in specific sectors. Independent Power Producers (IPPs) generating at least 75% of their energy from renewable resources will see their tax rate slashed from 33 1/3% to 25%. This incentivizes investment in renewable energy



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infrastructure, aligning with Jamaica's broader sustainability goals while creating opportunities for businesses in the renewable energy sector. Additionally, Regulated Trust and Corporate Service Providers will benefit from a similar reduction in the CIT rate, further enhancing Jamaica's appeal as a hub for financial services and fostering a conducive environment for corporate service providers.

The budget debate also introduces measures aimed at bolstering the growth trajectory of small and medium-sized enterprises (SMEs), particularly those listed on the Junior Stock Exchange. By increasing the maximum permitted voting equity capitalization for companies listed on the Junior Stock Exchange, businesses can access additional capital while enjoying the tax benefits associated with listing on the Junior Market.

The implementation of these initiatives heralds a new era of opportunity for businesses operating in Jamaica. As Jamaica's economy continues to thrive, businesses stand to benefit immensely from the government's proactive measures. Whether in renewable energy, financial services, or SME sectors, opportunities abound for those ready to capitalize on Jamaica's economic resurgence. With innovation and adaptability, businesses can thrive in this dynamic and promising landscape, contributing to Jamaica's ongoing journey towards prosperity.

Sources: Statistical Institute of Jamaica (STATIN), Bank of Jamaica (BOJ), Planning Institute of Jamaica (PIOJ), Bloomberg, International Monetary Fund (IMF), Observer, Gleaner, US Bureau of Labour Statistics, US Census Bureau, Institute for Supply Management, National Association of Realtors, Central Bank of Barbados, National Bureau of Statistics of China, Central Bank of the Dominican Republic (BCRD), Banco de Mexico, Banco de la República Colombia, Central Reserve Bank of Peru, Banco Central de Chile, Eurostat,



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APPENDICES

Local Statistics	Actual [^]						Projections / Targets*		
	2023			2024			April	May	Dec
	Nov	Dec	Jan	Feb	Mar	Apr	May	Dec	
Inflation, Monthly (%)	1.57	0.51	-0.10	-0.59	-0.52	0.60*	(0.41)	0.35	
Inflation, 12-Month Pt to Pt (%)	6.25	6.88	7.39	6.26	5.55	5.52*	5.66	5.89	
91-Day T-Bill Yield (%)	7.91	8.10	8.39	8.35	8.37	8.03	8.00	7.00	
182-Day T-Bill Yield (%)	8.42	8.46	8.42	8.30	8.57	8.11	8.40	7.40	
273-Day T-Bill Yield (%)	9.00	8.43	8.72	8.61	9.47	8.61	8.43	7.60	
BOJ Overnight Rate (%)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50	
J\$/US\$ WA Sell Rate	155.18	154.95	156.41	156.77	154.69	155.51~	156.35	157.57	
J\$/C\$ WA Sell Rate	116.01	117.90	117.39	115.40	114.48	115.25~	114.40	117.60	
J\$/£ WA Sell Rate	196.38	197.48	197.65	199.47	196.18	200.33~	195.00	190.00	
J\$/€ WA Sell Rate	174.20	173.14	171.87	172.00	168.57	167.63~	168.00	170.00	
Net Remittances (US\$M)	246.40	294.10	260.00*	260.00*	260.00*	260.00*	250.00	270.00	
Net International Reserves (US\$M)	4,597.58	4,748.14	4,679.09	4,698.90	5,231.75	5,100.00*	5,100.00*	5,100.00*	
Revenue & Grants (J\$M)	67,792.0	78,091.5	82,557.7	71,171.6	87,327.4*	87,327.4*	80,000.0	100,000.0	
Expenditure (J\$M)	68,851.2	74,762.2	80,679.1	84,252.4	83,000.0*	83,000.0*	90,000.0	130,000.0	
Fiscal Balance (J\$M)	(1,059.2)	3,328.3	1,878.6	(13,080.8)	4,327.4*	4,327.4*	(10,000.0)	(30,000.0)	

*Projections/Budget

~Actual as at April 19, 2024



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International Commodity Prices and Statistics of Key International Economies	Actual												Projections*			
	2023												2024			
	Nov	Dec	Jan	Feb	March	April	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Avg. W Texas Intermediate Crude Oil Price (US\$)	77.38	72.12	76.28	78.26	83.17	83.14~	77.26	73.19								
Gold (\$/oz)	2,036.41	2,062.98	2,053.30	2,044.13	2,234.36	2,157.04~	2,373.00	2,441.00								
Statistics of Key International Economies																
United States																
Probability of Recession (%)	60				51		35	N/A								
Real GDP Growth YOY (%)	3.20				2.90		3.00	1.40								
Inflation, 12-Month Pt to Pt (%)	3.10	3.40	3.10	3.20	3.50	3.40*	3.20	2.80								
Target Federal Funds Rate (%)	5.50	5.50	5.50	5.50	5.50	5.50*	5.45	4.65								
3-Month T-Bill Rate (%)	5.38	5.33	5.22	5.37	5.37	5.36	5.50	4.65								
3-Month LIBOR (%)	5.63	5.59	5.57	5.59	5.55	5.59~	5.29	4.44								
10-Year Treasury Yield (%)	4.33	3.88	3.92	4.25	4.20	4.18~	4.20	3.89								
Unemployment Rate (%)	3.70	3.70	3.70	3.90	3.80	3.80*	3.80	4.10								
DJIA	35,950.89	37,689.54	38,150.30	38,996.39	38,807.037	37,986.40~	N/A	N/A								
United Kingdom																
Probability of Recession (%)	60				60		53	N/A								
Real GDP Growth YOY (%)	0.00				0.00		1.10	1.10								
Inflation, 12-Month Pt to Pt – CPI (%)	3.95	4.00	4.00	3.40	3.20	3.20*	3.70	2.10								
Inflation, 12-Month Pt to Pt – RPI (%)	5.30	5.20	4.90	4.50	4.30	4.70*	4.60	3.10								
Bank Rate (%)	5.25	5.25	5.25	5.25	5.25*	5.25*	5.25	4.30								
3-Month T-Bill Rate (%)	5.29	5.27	5.27	5.23	5.25	5.24~	5.15	5.00								
3-Month LIBOR (%)	5.35	5.35	5.32	5.32	5.32*	5.32~	5.22	4.22								
10-Year Government Bond Yield (%)	4.17	3.54	3.54	4.12	3.93	4.02~	4.02	3.61								
FTSE 100	7,453.75	7,733.24	7,733.24	7,630.02	7,952.62	7,895.85~	N/A	N/A								
Canada																
Probability of Recession (%)	35				40		38	N/A								
Real GDP Growth YOY (%)	0.20				0.40*		0.50	1.60								
Inflation, 12-Month Pt to Pt (%)	3.12	3.40	2.90	2.90	2.80	3.30*	2.90	2.10								
Target Overnight Rate (%)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00								
3-Month T-Bill Rate (%)	5.03	5.03	5.01	4.97	5.22	4.94~	4.90	4.50								
10-Year Government Bond Yield (%)	3.55	3.11	3.32	3.49	3.46	3.42~	3.40	3.20								



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International Commodity Prices and Statistics of Key International Economies	Actual						Projections*		
	2023						2024		
	Nov	Dec	Jan	Feb	March	April	Q1	Q4	
S&P/TSX	20,236.29	18,873.47	20,958.44	21,363.62	22,167.03	21,807.00~	N/A	N/A	
Trinidad & Tobago									
Inflation, 12-Month Pt to Pt (%)	1.30	4.05	0.30	0.80	0.80	N/A			
Policy Rate (%)	3.50	3.50	3.50	3.50	3.50	3.50		N/A	
3-Month Treasury Bill Rate (%)	1.00	1.00	1.10	1.10	1.00	1.10			
7-Year Government Bond Yield (%)	5.82	4.99	5.10	5.43	5.40	5.44~			
T&T Stock Exchange Index	1,185.60	1,214.05	1,191.97	1,190.33	1,195.39	1,187.70~			
Barbados									
Inflation, 12-Month Pt to Pt (%)	3.87	1.31	1.06	N/A	N/A	N/A			
Policy Rate (%)	0.15	0.15	0.15	0.15	0.15	0.15			
3-Month Treasury Bill Rate (%)	0.50	0.50	0.50	0.50	0.50	0.50		N/A	
9-Year Government Bond Yield (%)	7.88	7.71	7.61	7.61	7.40	7.58~			
Barbados Stock Exchange Index	2,758.65	2,749.13	2,890.91	2,908.06	2,908.06	2,906.82~			

* Projections are taken from Bloomberg survey of economists as of April 19, 2024

~Actual as at April 19, 2024



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