

Foreign Exchange Summary

as at June 14, 2019

Member State	USD	CAD	GBP	Euro
Bahamas (BSD)	1.00	0.75	1.26	1.13
Barbados (BBD)	2.03	1.53	2.59	2.30
Belize (BZD)	2.02	1.52	2.56	2.28
Guyana (GYD)	210.45	157.75	266.08	237.16
Haiti (HTG)	93.01	70.26	117.12	105.59
Jamaica * (JMD)	130.25	98.27	163.71	147.50
OECS (XCD)	2.71	2.03	3.42	3.05
Suriname (SRD)	7.52	5.55	9.52	8.43
T&T (TTD)	6.80	5.39	9.13	8.17

*Rates applicable for Customs & GCT purposes

Business News In Brief

Dominica removed from EU blacklist

Dominica has been removed from a European Union list of non-cooperative jurisdictions for tax purposes of tax havens the EU said on Friday. This follows the islands commitment to the Organization for Economic Cooperation and Development's Multilateral Convention on Mutual Administrative Assistance. This the EU says represents a material change to Dominica's tax rules to comply with EU requirements meant to reduce the risks of tax evasion. The EU said 11 jurisdictions remain on its list including CARICOM members Belize and Trinidad and Tobago. ([Reuters](#))

Sagicor Jamaica Chairman to head central bank

Richard Byles, is to be the new Governor of the Bank of Jamaica. Byles who will succeed Brian Wynter on August 19, has had a 40-year career in business and finance. His appointment which was announced by Finance Minister Nigel Clarke, has already received the endorsement of the IMF, the IADB and the local business community. Byles was appointed Managing Director of Pan Caribbean Merchant Bank in 1988 before his appointment as CEO of the Pan Jam group in 1991. He led Pan Jam for 13 years before taking over as CEO of Sagicor Jamaica in 2004. Mr. Byles was also Co-Chair of the Economic Programme Oversight Committee (EPOC) which was formed to monitor Jamaica's performance under its IMF agreement. ([RJR](#))

High cigarette taxes backfire in Jamaica

Jamaica's largest cigarette trader, Carreras Limited, is reporting a 30% cut in sales of its legitimate product due to the influx of illicit cigarettes which evade taxes and so are cheaper. According to Carreras Limited, Managing Director Marcus Steele, "some 100 million sticks have been lost to the illegal products, resulting in \$6 billion lost across the supply chain." In 2017, he said, the Government raised taxes on cigarettes from \$14 to \$17 per stick, with the intention of raising some J\$876 million of additional revenues, but lost an estimated J\$1 billion because consumers switched to the illegal cigarettes. The illicit trade is estimated by Carreras to represent approximately 50% of cigarette sales in the Kingston Metropolitan Area (KMR) which houses some 45% of the population of Jamaica. ([JO](#))

Government of Barbados proposes cuts to bondholders

In its latest Creditor's Update, the Government of Barbados (GoB) indicated that it is going to propose a second round of haircut proposals to bondholders. According to the update, Barbados is going to offer holders of its "Eurobonds" and the Credit Suisse 2018 and 2019 loans, the option to exchange their existing instruments either into new Amortising Step-Up Notes due 2033 (issued at a 33.3% discount to face value), or for new 3.25% Amortising Notes due 2044 (issued at par). The Barbados Government said it is continuing consultation with restructuring its US\$12B commercial debt under reforms being implemented under the current four-year Extended Fund Facility (EFF) with the IMF. The GoB has set a target of a 60% debt-to-GDP by FY 33/34. ([JO](#))

Changes to Cayman trusts law take effect on June 14

Amendments to the trusts law, which aim to provide greater certainty and clarity to clients by expanding the powers of the Grand Court to set aside mistakes by trustees without having to find a breach of fiduciary duty, are going to take effect on 14 June. The amendments also give more flexibility to the court to make changes to a trust on behalf of minors or unborn children. The amendments extend the definition of a trust corporation with regard to STAR trusts to all trusts for the purpose of discharging a retiring trustee. The new clauses also provide more protection against the adverse impact of foreign law by applying the provisions of the Trusts Law to a foreign law that is linked not only to the settlor but also the beneficiary. ([CC](#))

Stock Market Summary

as at June 14, 2019

Jamaica Stock Exchange

Overall Market activity resulted from trading in 30 stocks of which 12 advanced, 14 declined and 4 traded firm. Market volume amounted to 96,408,959 units valued at over J\$1,106,187,076.73. Wigton Windfarm Ltd Ordinary Shares was volume leader with 55,909,534 units traded (57.99%). JSE Index advanced by 1,243.76 points (0.29 %) to close at 437,486.49.

Barbados Stock Exchange

1 security declined and 3 traded firm as 37,051 shares traded on the Regular Market, with a total value of BDS\$151,634.15. Cave Shepherd and Company Limited was the volume leader trading 12,900 shares at \$4.60. Index closed at 3,304.87.

Trinidad & Tobago Stock Exchange

Overall Market activity resulted from trading in 13 securities of which 5 advanced, 3 declined and 5 traded firm. Trading activity on the First Tier Market registered a volume of 257,048 shares crossing the floor of the Exchange valued at TT\$2,969,952.35. NCB Financial Group Limited was the volume leader with 160,000 shares changing hands for a value of TT\$1,352,024.83. The All T&T Index advanced by 0.29 points (0.02%) to close at 1,798.29. The Composite Index advanced by 0.57 points (0.04%) to close at 1,358.40 and the Cross Listed Index advanced by 0.12 points (0.10%) to close at 123.97.

Guyana Stock Exchange

Market activity resulted from trading in 4 stocks of which 1 declined and 3 traded firm. Market volume amounted to 78,314 units with Banks DIH (DIH) being volume leader with 72,530 shares traded. The LSI closed at 554.59.

Eastern Caribbean Securities Exchange (ECSE)

Market activity resulted from trading in 2 stocks with a volume of 590 shares. Grenada Electricity Services Ltd was volume leader with 400 shares. Index closed at 150.72.

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Business News In Brief

New compensation framework needed –IMF

The IMF has reiterated the need to institute a new streamlined & performance-based compensation framework in Jamaica for government employees before the next round of wage negotiations. This is but one of its recommendations, as a IMF staff team took stock of progress on Jamaica's economic reform program supported by the IMF's precautionary Stand-By Arrangement (SBA). According to the Fund, "Jamaica's improved economic growth in FY2018/19 was buoyed by construction and mining. Unemployment is now at an all-time low of 8%. The inflation outturn was 3.9% (y/y) in April. The primary surplus was almost 7½ percent of GDP in FY2018/19, with public debt falling to about 95% of GDP at March 31, 2019—the lowest since FY2000/01. Non-borrowed reserves were US\$430 million above target at March 31, providing critical buffer against unforeseen global economic shocks." "Meanwhile, the FY2019/20 budget execution is underpinned by continued buoyant tax collections in April and above budget capital expenditure—an encouraging new normal for Jamaica," the IMF continued. ([IMF](#))

CDB predicts economic growth for the Caribbean

The Caribbean Development Bank (CDB) announces notwithstanding the prediction of deceleration in global economic activity, the 2019 economic outlook for its borrowing member countries (BMCs) is positive, forecasting economic growth of over 2%. In its 2018 Annual Report, the CDB announced that Global GDP is assumed to dwindle to 3.5% this year, from 3.7% in 2018 and blamed multiple conditions like Britain's continued attempts to leave the European Union and the economic retardation in China. The CDB said that the Caribbean's susceptibility to these risks is great as is its vulnerability to weather-related events. It also said several institutional deficiencies need to be discussed to enhance the delivery of significant social and economic projects. Nevertheless, GDP is predicted to climb by 2.1% as tourism, construction & the extractive industries. ([CNNOW](#))

International Oil Prices as at June 14, 2019

Futures	Price	US\$ Change	Change
WTI Crude	US\$52.51	+0.23	+0.44%
Brent Crude	US\$62.01	+0.70	+1.14%
OPEC Basket	US\$61.51	+0.50	+0.82%
Natural Gas	US\$2.387	+0.062	+2.67%