RFHL records $1.036 Billion in third quarter profits

Grenada fiscal revenues exceed target by 10.6%

The Fiscal Reports for the months of April, May and June have shown that the Government of Grenada earned more than the targeted revenue as projected in the 2021 Estimate of Revenue. For the 3-month period total revenue collections equalled EC$175.9 million, $18.6 million above target or $32.7 million more than revenues collected for the comparable 3-month period in 2020. International transaction yielded the most revenue, with Customs and Excise collecting more than EC$80 million during those 3 months under review. Equally, for the 3-month period expenditure exceeded targets by $8.4 million and totalled some $167.9 million excluding principal repayments on debt. According to the Annual Debt Report for 2020, the total public debt amounted to $1,988.5 million or 70.6% of GDP. “Based on a preliminary in-house debt sustainability analysis conducted, public debt is projected to decrease over the medium term (2021 – 2023) moving from 65.7% of GDP in 2021 to 62.7% in 2023,” the report said. Debt repayment for 2020 totaled EC$ 272.3 million. From that amount Interest payment was $55.9 million and principal payment $216.4 million.

49% of displaced tourism workers still unemployed

87% of Cayman’s 3,107 displaced tourism workers receiving the Displaced Tourism Stipend administered by government continue to be either completely unemployed or working less than a 30-hour work week. 49% of Cayman’s displaced tourism workers, or 1,537 people, are currently unemployed due to redundancy, termination or lack of work associated with the sudden stop of tourism in 2020, while another 1,158 people are working less than a 30-hour work week. 55% of those who have been displaced are women. The Cayman Islands Tourism Association (CITA) has however identified between 1,500 and 2,000 jobs that are available within the tourism sector.

Corporate Movements

⇒ Scotia Group Jamaica Limited (SGJ) has appointed Debra Lopez-Spence, President, Scotia Jamaica Life Insurance Company Limited with effect August 1, 2021.

Long-term arrears jump by 10.6% in the Bahamas

The Central Bank’s Monthly Economic and Financial Developments report in the Bahamas for June 2021 found that over the first 6 months of the year, total private sector arrears grew by $7.6 million or 1%, due largely to a 10.6% growth in long-term arrears ($50.2 million). Tangentially, the short-term arrears category declined by $42.6 million (14.3%). Broken down by loan type, commercial arrears advanced 38.5%, with short-term delinquencies and NPLs increasing by more than 77% and 21% respectively. Consumer loan arrears also inched higher by just over 9%. On the other hand, residential mortgage arrears declined by 7.4%, attributed mainly to a 24% decrease in short-term delinquencies. The MEFD report highlighted the $10.5 million increase in total loan loss provisions taken on by local banks during the 6-month period. For the 6-month period, banks wrote off approximately $51.8 million in bad loans and recovered an estimated $13.5 million.

Business News in Brief

RFHL records $1.036 Billion in third quarter profits

Republic Financial Holdings Limited (RFHL) recorded profit attributable to its equity holders of TT$1.036 billion for the 9 months ended June 30, 2021 up 33.8% over the corresponding period of the last financial year. The results reflect the impact of the Group’s acquisition of the BVI in June 2020, lower provisions for loan losses and general improvement in operating profitability. Total assets stood at $108.3 billion at June 30, 2021, an increase of $2.9 billion or 2.8% over the same period last year. Total customer deposits and advances and 9.9% growth in investments funded by the total assets at June 2020, representing 3.7% growth in loans June 30, 2021 up 33.8% over the corresponding period of the last financial year. The results reflect the impact of the Group’s acquisition of the BVI in June 2020, lower provisions for loan losses and general improvement in operating profitability. Total assets stood at $108.3 billion at June 30, 2021, an increase of $2.9 billion or 2.8% over the same period last year. Total customer deposits and advances and 9.9% growth in investments funded by the total assets at June 2020, representing 3.7% growth in loans.

*Rates applicable for Customs & GCT purposes

**Corporate Movements**

⇒ Scotia Group Jamaica Limited (SGJ) has appointed Debra Lopez-Spence, President, Scotia Jamaica Life Insurance Company Limited with effect August 1, 2021.

**Long-term arrears jump by 10.6% in the Bahamas**

The Central Bank’s Monthly Economic and Financial Developments report in the Bahamas for June 2021 found that over the first 6 months of the year, total private sector arrears grew by $7.6 million or 1%, due largely to a 10.6% growth in long-term arrears ($50.2 million). Tangentially, the short-term arrears category declined by $42.6 million (14.3%). Broken down by loan type, commercial arrears advanced 38.5%, with short-term delinquencies and NPLs increasing by more than 77% and 21% respectively. Consumer loan arrears also inched higher by just over 9%. On the other hand, residential mortgage arrears declined by 7.4%, attributed mainly to a 24% decrease in short-term delinquencies. The MEFD report highlighted the $10.5 million increase in total loan loss provisions taken on by local banks during the 6-month period. For the 6-month period, banks wrote off approximately $51.8 million in bad loans and recovered an estimated $13.5 million.

Special making of summary tables
Stock Market Summary
as at August 6, 2021

Jamaica Stock Exchange (as at August 5)
Overall Market activity resulted from trading in 49 stocks of which 17 advanced, 25 declined and 7 traded firm. Market volume amounted to 6,485,437 units valued at over J$73,527,009.51. Wigton TransJamaican Highway Limited was volume leader with 1,253,759 units. The JSE Index advanced by 74.68 points (0.02%) to close at 421,732.30.

Jamaica Junior Stock Exchange (as at August 5)
Overall market activity resulted from trading in 29 stocks of which 9 advanced, 13 declined and 7 traded firm. Market volume amounted to 4,256,935 units valued at over J$11,419,241.83. Index closed at 3,294.17.

Barbados Stock Exchange
One security declined as 3,044 shares traded on the Regular Market, with a total value of $6,240.20. Goddard Enterprises Limited was the sole security trading. Index closed at 2,438.84.

Trinidad & Tobago Stock Exchange
Overall Market activity resulted from trading in 19 securities of which 6 advanced, 3 declined and 10 traded firm. Trading activity on the First Tier Market registered a volume of 118,501 shares crossing the floor of the Exchange valued at TT$1,562,629.09. GraceKennedy Limited was volume leader with 43,070 shares changing hands for a value of TT$271,537.98. The All T&T Index advanced by 9.76 points (0.50%) to close at 1945.03 and the Composite Index advanced by 5.04 points (0.35%) to close at 1427.49.

Guyana Stock Exchange
2 stocks advanced, 2 declined and 1 traded firm as 28,352 units crossed the floor. Banks DIH (DIH) was volume leader with 21,575 shares traded. The LSI closed at 823.37.

Eastern Caribbean Securities Exchange (ECSE)
No trades reported for the Eastern Caribbean Securities Exchange for the week ended August 6, 2021.

Business News In Brief
Decrease seen in POS and ABM transactions in 2020
Fewer transactions were conducted via point of sale terminals and automated banking machines (ABMs) in Jamaica in 2020 compared to the previous year. According to the Economic and Social Survey Jamaica 2020, Jamaican dollar transactions at ABMs declined by 9.4% to 63.7 million transactions. However, total value of transactions increased by 10% to $1.5 trillion. For transactions at point of sale terminals, 49 million transactions were carried out, 7.7% less than 2020. The value of transactions was relatively unchanged at $716 billion. Some 791 commercial bank ABMs and 4,500 point of sale systems were operational across the island as at December 2020. Compared to 2019, this represented increases of 4.8% and 12.4% respectively. As at November 2020, 18% of purchases in Jamaica were made by credit card while 37% were made by debit card. (RJR) (NN)

USA recovers 75% of jobs lost during COVID-19 pandemic
Non-farm employment in the USA rose by 943,000 in July 2021 while the unemployment rate dropped to 5.4% (down from 5.9% in June). According to the US Bureau of Labour Statistics, over the past 3 months, the US economy has added an average of 832,000 jobs per month – the fastest job growth since August 2020 with 75% of the jobs lost during March and April 2020 recovered. Leisure and hospitality led job creation, adding 380,000 positions, of which 253,000 came in bars and restaurants. Labour force participation rate ticked up to 61.7%, tied for the highest level since the pandemic hit in March 2020. The unemployment rate has tumbled from pandemic high of 14.8% but remains well above the 3.5% before the crisis. (CNBC) (DOL)

International Oil Prices as at August 6, 2021

<table>
<thead>
<tr>
<th>Futures</th>
<th>Price</th>
<th>US$ Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>WTI Crude</td>
<td>US$67.82</td>
<td>-1.28</td>
<td>-1.85</td>
</tr>
<tr>
<td>Brent Crude</td>
<td>US$70.49</td>
<td>-0.69</td>
<td>-0.97</td>
</tr>
<tr>
<td>OPEC Basket</td>
<td>US$71.83</td>
<td>-0.88</td>
<td>-1.21</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>US$4.13</td>
<td>-0.03</td>
<td>-0.72</td>
</tr>
</tbody>
</table>