

Foreign Exchange Summary

as at July 31, 2020

Member State	USD	CAD	GBP	Euro
Bahamas (BSD)	1.00	0.75	1.31	1.18
Barbados (BBD)	2.03	1.51	2.67	2.42
Belize (BZD)	2.02	1.51	2.67	2.40
Guyana (GYD)	218.00	156.87	274.01	247.58
Haiti (HTG)	121.04	90.92	145.03	143.03
Jamaica * (JMD)	148.03	111.62	195.01	176.83
OECS (XCD)	2.71	1.98	3.40	3.05
Suriname (SRD)	7.52	5.56	9.79	8.84
T&T (TTD)	6.77	5.04	8.85	7.97

*Rates applicable for Customs & GCT purposes

Business News In Brief

SVG revenues slip 10% in second quarter

State revenues in St Vincent and the Grenadines have slipped some 10% in the second quarter of 2020. According to Prime Minister Ralph Gonsalves, April registered a marginal decline in revenue whereas May revenues plummeted some 20% whereas June revenues were down 8%. This came after an increase of 9.5% year-on-year in the first three months of the year. According to Gonsalves, "... there's gonna be real pressure on the resources between now and December and going forward. It requires real skillful handling." ([IWNSVG](#))

\$774m profit for Republic Bank

Republic Financial Holdings Ltd (RFHL), the parent company of Republic Bank, has announced a profit attributable to shareholders of \$774 million for the nine-month period ended June 30, 2020. This was a decline of \$458 million or 37.2% below the corresponding period last year. These results reflect the financial impact so far of the Covid-19 pandemic on the Group, mainly resulting from decreased economic activity, narrower margins, waiver of fees and commissions and the setting aside of additional credit provisions to cover potential future losses, the banking group said in a statement. Total assets stood at \$105.3 billion at June 30, 2020, an increase of \$19.9 billion or 23.2% over the total assets at June 30, 2019. ([TE](#))

BOJ developing digital currency as legal tender

The Bank of Jamaica, BOJ, plans to test a digital currency as an alternative to cash later in 2020. The Central Bank Digital Currency, or CBDC, would be additional to banknotes and coins, and backed by the Central Bank as legal tender. It will be tenable in Jamaica only. According to the BOJ, the digital currency will be issued to licensed banking institutions in the same manner as physical currency. The CBDC will not be tradeable against physical cash, as is the case for cryptocurrencies such as bitcoin, which can be exchanged for hard currency at a transacted value. That's due in part to the differences between a digital currency, which is backed by a central bank and government, and a cryptocurrency, which is privately issued, generally not backed by a central authority, and does not perform all the essential functions of money. However, the amount of digital currency for initial issue is still to be determined. Electronic payments in Jamaica topped \$7.3 trillion in 2019. The introduction of digital money would become the latest means to facilitate greater financial inclusion through technology. ([JG](#))

Corporate Movements

- ⇒ SAGICOR Group Jamaica has appointed Tara Nunes, as General Manager of Sagicor Investments, effective August 3, 2020;
- ⇒ The GraceKennedy Group has appointed Suzanne Stanley, Head of Corporate Communications at GraceKennedy effective July 6.

NIB pays out \$8.7 mil. in unemployment benefits

The National Insurance Board (NIB) in the Bahamas has paid out approximately \$8.7 million to 18,000 Bahamian workers as a part of the government's Unemployment Benefits (UEB) Extension Programme, which began two weeks ago. The government allocated \$48 million for the expansion of its unemployment assistance program, which provides supplemental income for Bahamians who became unemployed due to the COVID-19 shutdown between March 23 and June 30 and continue to be unemployed. There are 35,000 Bahamians enrolled in NIB's recently launched online portal, which administers the program, however there have been several challenges regarding employment verification. Earlier this month, Minister of Public Service and National Insurance Brensil Rolle estimated that NIB would pay out approximately \$100 million because of the COVID-19 pandemic. ([NG](#))

Stock Market Summary

as at July 31, 2020

Jamaica Stock Exchange

Overall Market activity resulted from trading in 40 stocks of which 24 advanced, 9 declined and 7 traded firm. Market volume amounted to 13,543,115 units valued at over \$51,906,344.16. TransJamaican Highway Ltd was the volume leader with 10,671,640 units (78.8%). Index advanced by 4,474.49 points (1.22 %) to close at 370,421.97.

Jamaica Junior Stock Exchange

Overall market activity resulted from trading in 32 stocks of which 18 advanced, 9 declined and 5 traded firm. Market volume amounted to 2,937,362 units valued at over J\$11,279,064.70. Index closed at 2,590.03.

Barbados Stock Exchange

One security traded firm as 218 shares traded on the Regular Market, with a total value of \$490.50. FirstCaribbean International Bank was the sole security trading 218 shares at \$2.25. Index closed at 2,869.54.

Trinidad & Tobago Stock Exchange

Overall Market activity resulted from trading in 13 securities of which 3 advanced, 5 declined and 5 traded firm. Trading activity on the First Tier Market registered a volume of 192,548 shares crossing the floor of the Exchange valued at TT\$4,705,848.99. GraceKennedy Limited was volume leader with 95,150 shares changing hands for a value of TT\$333,025.00. The All T&T Index declined by 4.60 points to close at 1,777.92. The Composite Index declined by 2.32 points to close at 1,315.44 and the Cross Listed Index remained at 115.25.

Guyana Stock Exchange

2 stocks advanced and 3 traded firm as 61,325 units traded on the Regular Market. Banks DIH (DIH) was volume leader with 35,545 shares traded. The LSI closed at 616.80.

Eastern Caribbean Securities Exchange (ECSE)

No trading activity this week. Index closed at 160.71.

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Business News In Brief

Launch of VAT holiday in The Bahamas pushed back

The Government of The Bahamas is finalizing plans for the value-added tax (VAT) holiday which was slated to take place over a two-week period. The government was initially eyeing the first two weeks of August for the tax break. However, with a second surge in COVID-19 cases and most schools pushing their opening dates back, the time of the VAT holiday has changed. The initiative allows for the removal of taxes on school supplies, clothing and select food items for the two weeks leading to the reopening of schools. It was touted as being able to provide millions of dollars in savings in aggregate for parents across the country, as they prepare students to return to school. The tax exemption only applies to items that are bought inside the country and not those that are imported. [\(NG\)](#)

News Highlights

- [IMF: New Central Bank Transparency Code](#)
- [Accounting Standards and Insurer Solvency Assessment](#)
- [Record 12.1% collapse in 2nd quarter Eurozone GDP](#)

US economy declines 32.9%

The US economy shrank by 32.9% annual rate in the April-June quarter, sending unemployment surging to 14.7%. This marked the sharpest such drop on record dating to 1947. Spending by consumers collapsed at a 34.6% annual rate as travel all but froze and shutdown orders forced many restaurants, bars, entertainment venues and other retail establishments to close. Business investment and residential housing also posted sharp declines, with investment spending sinking 27% and residential housing tumbling 38.7%. State and local government spending, bruised by a loss of tax revenue that forced lay-offs, also fell at an annual rate of 5.6%. But overall government spending was up 2.7%, powered by a 17.4% surge in federal spending, reflecting the US\$2-trillion-plus in relief aid. [\(JG\)](#)

International Oil Prices as at July 31, 2020

Futures	Price	US\$ Change	Change %
WTI Crude	US\$40.43	+0.10	+0.25
Brent Crude	US\$43.32	-0.06	-0.14
OPEC Basket	US\$43.40	+0.26	+0.60
Natural Gas	US\$1.82	-0.02	-1.09