

Foreign Exchange Summary

as at October 16, 2020

Member State	USD	CAD	GBP	Euro
Bahamas (BSD)	1.00	0.76	1.29	1.17
Barbados (BBD)	2.03	1.54	2.63	2.39
Belize (BZD)	2.02	1.54	2.62	2.38
Guyana (GYD)	218.00	159.31	271.78	246.97
Haiti (HTG)	63.49	47.69	81.22	73.82
Jamaica * (JMD)	146.70	110.81	191.75	174.60
OECS (XCD)	2.71	2.04	3.49	3.16
Suriname (SRD)	14.29	10.73	18.46	16.78
T&T (TTD)	6.76	5.42	9.23	8.42

*Rates applicable for Customs & GCT purposes

Business News In Brief

Jamaica's eyeing primary surplus target of 8.3% in 2022

Jamaica is eyeing a stringent austerity programme over the next 2 years, in order to meet current COVID-related spending and meet its debt targets. According to Deputy Financial Secretary, Dian Black, the primary surplus target will have to be raised to 8.3% in 2022/23 and 6.5% in 2023/24 to get the country back on track. Under the last IMF agreement, Jamaica ran a primary surplus as high as 7.5% – the highest in the world at the time. The primary surplus is the amount by which government revenues exceed non-interest expenditure. [\(NNN\)](#)

Global economy set to shrink by 4.4%

The International Monetary Fund, IMF, foresees a steep fall in international growth this year as the global economy struggles to recover from the pandemic-induced recession, its worst collapse in nearly a century. The IMF estimated Tuesday that the global economy will shrink 4.4% for 2020. By comparison, the international economy contracted by a far smaller 0.1% after the devastating 2008 financial crisis. While forecasting a global contraction this year, after a 2.8% growth in 2019, the IMF predicts a rebound to global growth of 5.2% next year, 0.2 percentage points lower than in its June forecast. For Latin America and the Caribbean, recovery will be slower as pre-pandemic levels of GDP are projected to be attained in 2023. [\(JG\)](#)

Survey: 40% of business struggling to pay bills

According to a recently released Digicel commissioned survey, 27% of businesses in Jamaica, Barbados and Trinidad and Tobago are bracing for the economic fallout from COVID-19 to continue for at least another 24 months. The survey also found that 59% of the businesses highlighted the issue of the Caribbean as a travel destination as a key concern, whereas 51% cited supply chain disruptions. Other key concerns were Digital risks/Cybersecurity (48%), Workforce productivity due to working remotely (32%) and Technology system resilience issues (30%). Equally 50% of businesses are pointing to difficulties receiving payments from customers whereas 40% point to difficulties in honouring their obligations to suppliers, with 76% reporting a negative impact of the pandemic on their turnover. In looking to the future 47% of businesses point to cybersecurity as one of their key priorities with remote working capabilities, IT infrastructure and process automation cited by 38% of businesses. There is some reticence in moving data to the cloud as only 26% highlighted that as a key priority in their future strategy. However 28% of business did not believe that they currently have the requisite technology to operate their business remotely. [\(D\)](#)

Corporate Movements

- ⇒ Scotiabank has named Audrey Tugwell Henry, President & CEO of Scotia Group Jamaica effective January 1, 2021;
- ⇒ Mayberry Investments Limited has advised that Kayone Haynes-Burke has been appointed as the Group Financial Controller, effective October 7, 2020

T&T to revisit the energy fiscal regime

Prime Minister Dr Keith Rowley has announced that the T&T government will revisit the energy sector tax regime to ensure the country remains competitive. This in the wake of a recent study by the IDB said T&T's fiscal regime for the energy sector is one of the most uncompetitive in the region. The Central Bank's Energy Commodity Prices Index (ECPI), which is an indicator of the average prices of T&T's energy exports, declined 31.8 per cent (year-on-year) during the first seven months of 2020. In the meantime, Finance Minister Colm Imbert announced a change in the application of the supplemental petroleum tax so that oil companies producing 2,000 or fewer barrels of oil per day will not have to pay SPT unless the price exceeds US \$75 a barrel. This measure is expected to be in place until 2023. [\(TG\)](#)

Stock Market Summary

as at October 16, 2020

Jamaica Stock Exchange

Overall Market activity resulted from trading in 42 stocks of which 24 advanced, 15 declined and 3 traded firm. Market volume amounted to 31,504,153 units valued at over J\$135,860,726.27. TransJamaica Highway Limited was the volume leader with 24,506,102 units (77.8%). Index advanced by 5,231.07 points (1.4%) to close at 377,798.93.

Jamaica Junior Stock Exchange

Overall market activity resulted from trading in 30 stocks of which 13 advanced, 16 declined and 1 traded firm. Market volume amounted to 2,285,445 units valued at over J\$6,026,625.02. Index closed at 2,511.50.

Barbados Stock Exchange (as at October 15, 2020)

1 security advanced & 3 declined as 44,596 shares traded with a value of \$160,819.32. Cave Shepherd & Co. Ltd was volume leader - 40,078 shares. Index closed at 2,642.81.

Trinidad & Tobago Stock Exchange

Overall Market activity resulted from trading in 10 securities of which 1 advanced, 5 declined and 4 traded firm. Trading activity on the First Tier Market registered a volume of 38,842 shares crossing the floor of the Exchange valued at TT\$1,692,750.50. JMMB Group Limited was volume leader with 12,000 shares changing hands for a value of TT\$21,000.00. The All T&T Index declined by 16.12 points to close at 1,748.88. The Composite Index declined by 9.12 points to close at 1,300.29 and the Cross Listed Index declined by 0.27 points to close at 115.11.

Guyana Stock Exchange

3 stock advanced & 2 traded firm as 111,342 units traded. Banks DIH (DIH) was volume leader with 61,700 shares traded. The LSI closed at 647.64.

Eastern Caribbean Securities Exchange (ECSE)

500 Bank of St Vincent and the Grenadines Ltd shares traded at \$6.75. Index closed at 160.78.

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Business News In Brief

IMF projects 14.8 percent contraction for Bahamas

In its just released World Economic Outlook for October 2020, the IMF has projected The Bahamas' economy will contract 14.8% this year before rebounding by 4.6% in 2021. Five years out from the COVID-19 economic crisis, the IMF has projected economic growth of 1.5%. The IMF has projected downgrades in some emerging and developing economies, with an outlook of a 5.4% contraction in the Caribbean region's real GDP which it notes will rebound in 2021 with 3.9% growth. The fund has also projected a 17.5 percent contraction in account balances this year, which it expects to ease in 2021 when it projects an account balance contraction of 15.9% and 7.7% in 2025. Consumer prices in The Bahamas are projected to increase by 1.8% this year and continue rising by 2.1% in 2021. ([NG](#))

News Highlights

- [World Economic Outlook, October 2020](#)
- [Unprecedented Fiscal Response to crisis](#)
- [EC\\$90 million reduction in revenue in Grenada](#)

G20/OECD adopts report on taxing virtual currencies

The G20/OECD Inclusive Framework on BEPS has adopted a report on 'Taxing Virtual Currencies'. The report analyses existing approaches and key policy gaps in 50 jurisdictions, by looking at the definitions, legality and valuation of virtual currencies. It analyses the tax consequences across the different stages of the crypto lifecycle from creation to disposal. The report also describes the tax treatment of virtual currencies – from the perspective of income, consumption and property taxation – highlighting key taxable events and the different approaches of countries to taxation. It recommends policymakers should consider designing appropriate guidance on the tax treatment of emerging technologies, such as stablecoins, central bank digital currencies, proof-of-stake and decentralised finance. ([CC](#))

International Oil Prices as at October 16, 2020

Futures	Price	US\$ Change	Change %
WTI Crude	US\$40.78	-0.14	-0.34
Brent Crude	US\$42.85	-0.15	-0.35
OPEC Basket	US\$41.29	+0.09	+0.22
Natural Gas	US\$2.69	-0.09	-3.24