

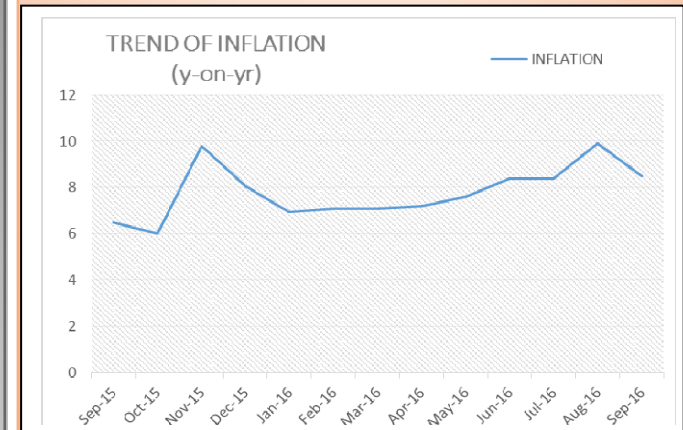


CENTRAL BANK OF LIBERIA (CBL)

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**Table 2: Performances of End-of-Period WAMZ
Exchange Rates against the US Dollar**

Currency	Sep - 15	Sep - 16	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr.(-)/Depr.(+)
GHC	3.755	3.971	5.8
GMD	40.728	47.050	15.5
GNF	7,689.837	9,092.161	18.2
LRD	87.500	97.500	11.4
NGN	196.500	305.00	55.2
SLL	5,292.595	6,572.825	24.2

Sources: Central Banks of Liberia and WAMA: www.amao-wama.org/en/exchange.aspx and www.amao-wama.org/
LRD—Liberian Dollar
GHC—Ghanaian Cedi
GMD—Gambian Dalasi
GNF—Guinean Franc
NGN—Nigerian Naira
SLL—Sierra Leonean Leone

REAL SECTOR & PRICE DEVELOPMENTS

	Jun-16	Jul-16	Aug-16	Sep-16
10	Inflation			
	<i>(In percent)</i>			
	8.4		9.9	8.5
	Overall (Year-on-year) Rate of Inflation			
	4.1	5.8	10.8	9.8
	a. Food and Non-alcoholic Beverages Inflation			
	9.1	10.2	14.1	8.6
	- Domestic Food Inflation			
	-0.4	1.7	7.8	11.1
	- Imported Food Inflation			
	22.4	15.4	14.7	20.0
	b. Transport Inflation			
	2.0	3.2	1.1	2.2
	c. Imported Fuels Inflation			
	5.2	2.6	0.5	0.5
	Overall (Month-on-Month) Rate of Inflation			
	Core Inflation			
	13.7	11.6	8.8	6.9
	Inflation excluding Food & Non-alcoholic Beverages			
	12.0	11.1	10.7	7.5
	Inflation excluding Imported Food			
	8.2	7.7	8.4	8.4
	Inflation excluding Domestic Food			
	12.1	10.9	7.6	4.5
	Inflation excluding Food and Transport			
	Production			
	<i>(Metric Tons)</i>			
	101,337	0	95,518	139,195
	Iron Ore			
	2,500	2,500	5,519	2,218
	Rubber			
	17,808	14,631	13,196	12,168
	Cement			
	<i>(In Litres)</i>			
	905,899	1,233,667†	1,290,898	1,113,927
	Alcoholic			
	768,341	849,413†	820,881	645,895
	Non-Alcoholic			
11	Int'l Commodity Prices			
	<i>US\$/Unit</i>			
	51.4	56.6	60.5	56.7
	Iron Ore (US\$ /MT)			
	1,580.7	1,774.7	1,653.0	1,604.5
	Rubber (US\$/MT)			
	47.7	44.2	44.8	45.1
	Crude Oil (US\$/Barrel)/1			
	420.7†	456.2	414.2	384.0
	Rice (US\$/MT)			

* US\$ converted to L\$

** Other Deposits Include Official and Manager Checks

***The Minimum Capital Adequacy Ratio is 10%

****The Required Minimum Liquidity Ratio is 15%

†Reserves exclude ECF borrowing from the IMF

± Provisional, Preliminary, Estimate

‡Revised

‡Not Available (NA)

/1 Average Monthly prices of Dated Brent, West Texas Intermediate & Dubai Fateh

^With liquidity Effect

Production

Analysis showed that production at end-September remained mixed as it was in the month of August across various commodities produced in the economy.

Cement production declined by 7.8 percent to 12,168 metric tons, occasioned by reduced demand for the product. Beverages output declined by an estimated 16.7 percent to 1.8 million liters from 2.1 million liters produced in the previous month. Iron ore production during the month was 139,195 metric tons, up from 95,519 metric tons produced in August. Rubber output plunged by 59.8 percent or 3,301 metric tons when compared with the preceding month. The decline was mainly a result of the deteriorating price of the commodity on the international market.

Consumer Prices

During the review month, headline inflation, on a year-on-year basis, rose by 2.0 percentage points to 8.5 percent, up from 6.5 percent a year ago. The rise in inflation was largely explained by the depreciation of the Liberian dollar exchange rate.

On a month-on-month basis, the rate of inflation increased by 0.04 percentage points, to 0.53 percent, up from 0.49 percent in the previous month. The monthly rise in inflation was driven by increases in alcoholic beverages, tobacco, and narcotic; clothing and footwear; furnishings, household equipment and routine maintenance of the house; and health

Monetary Policy Stance

The CBL monetary policy stance during the month of September 2016, remained affixed on price stability through broad exchange rate stability. During the month, the foreign exchange auction was the readily available instrument used by the Bank to broadly stabilize the exchange rate as was the case during the previous month.

Monetary Aggregates and Credit

Developments in monetary aggregates show that at end-September, 2016, broad money supply grew by 0.3 percent to L\$62,922.1 million, from L\$62,711.3 million recorded at end-August, 2016.

The growth was due to a 2.4 percent expansion in Time and Savings deposits and the marginal growth of 0.5 percent in currency outside bank.

Net foreign assets (NFA) for the period fell by 3.1 percent to US\$34,782.5 million, from L\$35,895.5 million. The decrease was ascribed to a 6.3 percent contraction of the foreign assets of CBL. The reverse is true for net domestic assets (NDA) which grew by 4.9 percent as a result of 3.4 percent increase in credits to the private sector including outstanding credit to NBFIs.

For the period under review, Commercial bank loans to private sector in US dollar only increased by 4.0 percent to US\$344.4 million, from US\$331.1 million compared with the previous month, correspondingly, the Liberian dollar component of loans to private sector also grew by 2.6 percent, to L\$2,670.7 million, from L\$2,601.9 million at end-August, 2016.

Exchange Rate

At end-September, 2016, the average exchange rate between the Liberian and United States dollars depreciated by 1.2 percent, from L\$96.3/US\$1.00 to L\$97.5/US\$1.00 while the end-of-period exchange rate remained relatively stable at L\$97.5/US\$1.00. On a Year-on-year basis, the monthly average exchange rate depreciated by 10.7 percent when compared with the corresponding period in 2015. The continued depreciation in the Liberian dollars was attributed to the increasing demands for US dollars.

In the WAMZ, data on the year-on-year end-of-period exchange rates showed that all currencies in the Zone recorded double-digit depreciations against the US dollar, except the Cedi which depreciated by 5.8 percent. The Liberian dollar depreciated by 11.4, the Dalasi by 15.5 percent, the Guinean Franc by 18.2 percent, the Leone by 24.2 percent and the Naira by 55.2 percent. (Table 2).

Money Market Developments

The regular amount of T-bill issued in September, 2016 totaled L\$48.75 million at a yield of 2.93 percent. A redemption of L\$45.75 million indicates a net issuance of L\$3.0 million in the month under review. Also, a 2-year T-bond of L\$2.41 billion was issued in the month at a yield of 14.51 percent.

		Jun-16	Jul-16	Aug-16	Sep-16
6	Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
	Capital Adequacy Ratio (CAR)***	20.0	20.5†	20.8†	21.9±
	Non-performing Loans to Total Loans	14.8†	14.5†	13.5	11.4
	Non-performing Loans (% change)	6.9†	-2.1†	-7.5†	-20.6±
	Returns on Assets	0.6†	0.7	0.7†	0.9±
	Returns on Equity (ROE)	4.5†	4.7†	5.1†	6.6±
	Liquidity Ratio****	40.2	39.7†	40.9	39.8
7	Fiscal Operations				
7a	Revenue, Expenditure & Debt	<i>(Millions of US\$)</i>			
	Actual Revenue & Grants	66.2	35.1	31.4	33.3
	Projected Revenue & Grants	60.5	44.0	35.5	37.1
	Expenditure	47.2	58.6	50.4	40.8
	Public Debt Stock	731.7	738.0	746.7	748.8
	Domestic	269.0	269.0	269.0	268.4
	External	462.7	469.0	477.7	480.4
7b	Treasury Securities	<i>(Millions of L\$)</i>			
	T- Bills Issued	-45.4†	-46.9	-46.8	-48.4
	T- Bills Redeemed	45.3	45.3	45.3	45.7
	Net GoL Treasury Operation^	-0.1	-1.7	-1.5	-2.7
	Average Weighted Discount Rate	3.1	2.9	3.0	2.9
	Bond Issued (2 yrs) amount in Billion		2.6	0.0	1.7
	Average Weighted Discount Rate		14.4	0.0	14.5
8	External Trade (Value)	<i>(Millions of US\$)</i>			
8a	Exports/1	14.0	6.8	12.7±	12.7
	- O/w Iron Ore	2.2	0.0	1.9	2.7
	- O/w Rubber	3.4	3.2	7.2	2.9
	- O/w Mineral	3.5	2.5	2.7±	2.4
8b	Imports (F.O.B)/1	94.1	97.5	99.1	94.9
	-O/w Petroleum Products	20.7	33.0	17.8	16.7
	-O/w Commercial Rice	0.2	0.2	4.9	15.3
	-O/w Non-commercial Rice	0.5	0.3	0.08	0.4
	Import (C.I.F)	102.4	104.7	108.3	103.8
	Trade Balance	-80.1	-90.7	-86.4	-82.2
9	External Trade (Volume)	<i>(Metric Tons)</i>			
	- Rubber	2,499.8	2,499.8	5,519.2	2,217.6
	-Iron Ore	101,336.6	0.0	95,517.8	139,195.1±
	-Commercial Rice	4,378.9	4,203.8	107,284.1	334,989.1±
	-Non-commercial Rice	2,907.2	2,023.4	465.15	2325.73
	- Petroleum Products	7,933.5	16,681.4	7,741.6	7,882.2

/1 Trade data now sourced from Customs (LRA) with larger coverage than BIVAC.

Table 1: Fact Sheet

	Jun-16	Jul-16	Aug-16	Sep-16
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) ¹	168.7	161.2	166.0	166.2
CBL Gross Foreign Reserves (excluding SDRs)	292.2	274.8	275.5	265.2
Liberian Dollars in Circulation	9,925.2	9,815.4	9,779.9	9,711.3
Money Supply (M1) in L\$ only	13,269.4	13,613.9	13,288.9	13,307.1
Broad money (M2) in L\$ only	17,985.1	18,854.7	18,709.7	18,933.7
Broad money (M2) in both L\$ and US\$*	60,666.5	60,782.0	62,711.3	62,922.1
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	29.6	31.0	29.8	30.1
Interest Rates				
- Lending rate	13.5	13.7	13.7	13.7
-Average Deposit rates				
-Savings	2.0	2.0	2.0	2.0
-Time	2.7	3.8	3.8	3.9
Commercial banks loans to private sector - US\$	338.9	328.2	331.1	344.4
Commercial banks loans to private sector - L\$	2,204.6	2,422.8	2,601.9	2,670.7
- Demand Deposits of commercial banks				
Demand deposits - US\$	278.1	279.4	292.0	286.3
Demand deposits - L\$	4,326.8	4,432.0	4,490.8	4,466.4
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	172.0	163.1	163.9	164.8
Time & savings deposits - L\$	4,697.7	5,220.4	5,400.3	5,616.6
- Other Deposits**				
Actual US\$ component of other deposits	1.5	0.4	0.9	0.0
Liberian \$ component of other deposits	18.0	20.5	20.4	10.1
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	5.0	6.0	2.0	2.0
Total Subscription	7.5	10.5	4.8	7.8
Over(+)- / Under(-) Subscription	2.5	4.5	2.8	5.8
3 CBL Bills Auction	<i>(Millions of L\$)</i>			
Bill Issued	0.0	0.0	0.0	0.0
Bill Redeemed	0.0	0.0	0.0	0.0
4 Personal Remittances	<i>(Millions of US\$)</i>			
Inflows	29.1	52.2	61.0	36.0
Outflows	21.6	21.6	30.7	16.0
Net flows	7.5	30.6	30.2	20.0
5 Exchange Rate				
End of Period	94.5	93.5	97.5	97.5
Period Average	92.9	94.7	96.3	97.5

Banking Sector Developments

During the period under review, liquidity position of the banking sector declined modestly by 1.1 percentage point, but remained above the threshold, while preliminary statistics on capital adequacy ratio showed improvement by the same value. Contrary to decline in non-performing loans ratio, the sector's returns on assets and equity rose by 0.2 and 1.5 percentage points, respectively. On account of the performances of these indicators, the banking sector remained efficient and robust for the month.

FISCAL DEVELOPMENTS**Revenue (including Grants) & Expenditures**

Fiscal operations in September, 2016, resulted in a deficit of US\$7.6 million, down from a deficit of US\$19.0 million recorded in the previous month, explained by 19.0 percent reduction in total public expenditure that outweighed a 6.1 percent rise in actual revenue and grants. Tax and non-tax revenue & grants constituted 79.5 percent and 20.5 percent of total revenue and grants, respectively. Actual revenue and grants fell short in achieving its budgetary target during the month by US\$3.9 million or 10.5 percent. Recurrent and capital expenditure accounted for 100.0 percent and 0.0 percent of total public expenditure for the review month, respectively.

Liberia's public debt stock at end-September, 2016, stood at US\$748.8 million, increasing by 0.3 percent against the stock of US\$746.7 million recorded in the previous month, mainly explained by 0.6 percent growth in external debt stock during the review period. Domestic and external debt stocks constituted 35.8 percent and 64.2 percent of Liberia's total public debt stock at end-September, 2016, respectively (Table 1).

EXTERNAL SECTOR DEVELOPMENTS**Merchandise Trade**

Merchandise trade recorded slight improvement for the second time. At end-September 2016, trade statistics showed a deficit of US\$82.2 million. The 4.9 percent improvement in trade balance from US\$86.4 million recorded in the

previous month was largely on account of the persistent decline in payments for importations (Table 1).

Exports

Preliminary statistics on merchandise trade export receipt at end-September, 2016 remained relatively stable at US\$12.7 million when compared with the month of August. Iron ore earnings increased significantly by 52.6 percent to US\$2.9 million; from US\$1.9 million in August, however, the gain from iron ore was equally offset by a significant plunge of 59.7 percent in receipt from nature rubber export to US\$2.9 million in September, from US\$7.2 million in August.

Imports

Import payments (f.o.b) at ended-September, 2016 reduced to US\$94.9 million, from US\$99.1 million reported during the previous month. The 4.2 percent slump in import payments during the period was mainly as a result of decline in mineral, fuel related products (o/w petroleum) by 7 percent (Table 1) and Machinery & Transport Equipment by 28.4 percent.

Global Commodity Price Review

For the third time in the quarter ending-September, 2016, commodity prices fell by 0.4 percent, from a 0.1 percent in the previous month. The fall in average global commodity prices, this time, was on account of falls in agricultural products and metal prices that offset gain in energy prices.

Iron ore

At end-September, 2016, the global price of iron ore dropped to US\$56.7 per metric ton, from US\$60.5 per metric ton recorded in the preceding month. The 6.3 percent slump in the price of iron ore was mostly due to concerns of oversupplied of the commodity (Table 1).

Rubber (natural)

During the reviewed period, rubber price fell again to US\$1,604.5 per metric ton, from US\$1,653.0 per metric ton that was reported in the previous month. The fall in the price of the commodity was mainly driven by weak demand for natural rubber over its close substitute.

Petroleum (Crude Oil)¹

During the period ended-September, 2016, the price of petroleum marginally rose again to US\$45.1 per barrels, from US\$44.8 per barrel during the previous month. The 0.5 percent rise in the price of the product was due to decision by OPEC to cut down on crude oil production.

Food (Rice)

General food price index at end-September, 2016 went down by 2.0 percent to US141.6; from US\$144.6 in August. Along with declining food price index, rice price slumped by 7.3 percent to US\$384.0 per metric ton in September, from US\$414.2 per metric ton recorded in August; thus, serving as major driver of decline in the general price index.

Gross Foreign Reserves

Gross foreign reserves (excluding SDR² holdings) of the Central Bank fell during the reviewed month by 3.7 percent to US\$265.2 million, from US\$275.5 million recorded in the previous month. The fall in gross foreign reserve was on account of a 14.3 percent decline in cash balances with Banks abroad.

Month-on-Import Covers

The fall in the level of gross foreign reserve during the month ended-September, 2016 did not change imports coverage. The approximate 2.8 months of import cover was highly due to the decline in import payments that outweigh decline in gross foreign reserve.

¹Crude oil price is the average of the three global oil price benchmarks: Dated Brent, West Texas Intermediate and Dubai Fateh.

²Special Drawing Rights