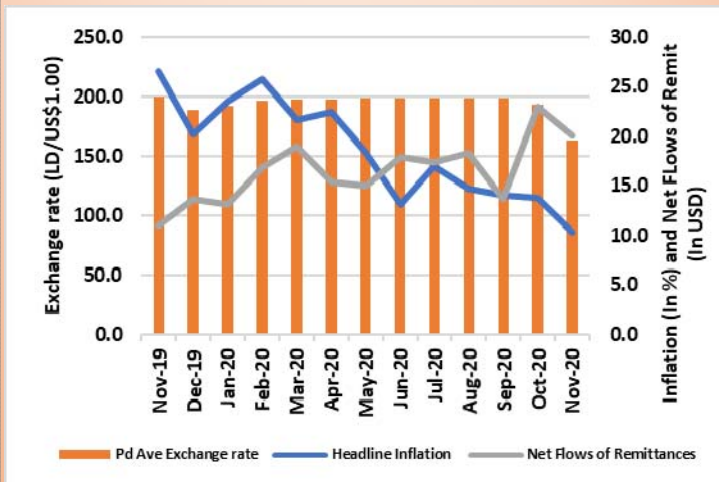


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Sugar

Compared to the preceding month, the price of sugar inched by 3.3 percent to US\$310.0 per metric ton, mainly underpinned by expected slowdown in production as a result of unfavorable weather condition experienced in the largest sugar producing countries.

Palm oil

Palm oil price rose by 12.0 percent to US\$911.8 per metric ton compared to the preceding month. The increase in the price of palm oil was underpinned by sharp reduction in the inventory levels.

Rice

Rice price rose by 3.8 percent in the eleventh month of 2020 to US\$489.0 per metric ton, mainly explained by low supply of the commodity from part of Asia.

Cocoa beans

The price of cocoa beans increased during the month compared to the preceding months. Cocoa price rose by 2.6 percent to US\$2,350.0 per metric ton due, in part, to expectation of increased demand for cocoa products stemming from the announcement of vaccine for COVID-19.

Table 8: Global Commodity Prices

GLOBAL PRICE	Nov - 19	Sep - 20	Oct - 20	Nov - 20	Percent Change	
	(In price per Unit of Measure)				MoM	YoY.
Iron ore (US\$/MT)	84.98	123.75	119.78	124.36	3.8	46.3
Gold (US\$/Oz)	1,470.79	1,921.92	1,900.27	1,866.30	(1.8)	26.9
Rubber (US\$/MT)	1,540.00	1,860.00	2,190.00	2,300.00	5.0	49.4
Cocoa Beans (US\$/MT)	2,520.00	2,460.00	2,290.00	2,350.00	2.6	(6.7)
Palm oil (US\$/MT)	685.41	796.22	819.27	911.81	12.0	33.9
Crude oil (US\$/BBL)	60.40	40.60	39.90	42.30	6.0	(30.0)
Food Price Index (FAO)	98.60	97.90	101.00	105.00	4.0	6.5
Rice_5% broken (US\$/MT)	421.00	507.00	471.00	489.00	3.8	16.2
Sugar (US\$/MT)	280.00	280.00	300.00	310.00	3.3	10.7
Commodity Price Index	116.98	108.41	110.72	115.08	3.9	(1.6)

Source : www.indexmundi.com, <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>
† - Revised

Direction of Trade (DOT)

In the month of November 2020, the main destinations of Liberia's exports were France, Switzerland, Poland and the United Kingdom. Exports to France and Poland (constituting mainly iron ore) rose by 32.8 percent to US\$14.7 million, from US\$11.1 million and by US\$3.9 million to US\$7.7 million, from US\$3.8 million, respectively. Exports to the UK remained relatively stable at US\$5.2 million compared to the preceding month and predominantly iron ore. On the other hand, exports to Switzerland (predominantly gold) fell by 26.7 percent during the month under review.

Cote d'Ivoire, China, India, United States (US), and UAE were the top five (5) sources of merchandise imports to Liberia. Imports from China, predominantly machinery, equipment and appliances, declined by US\$7.6 million to US\$16.5 million, from US\$24.1 million recorded in the preceding month. Payments to India mainly for the purchase of rice, also fell by US\$8.3 million to about US\$10.0 million, from US\$18.3 million in October 2020. However, payments to Cote d'Ivoire showed 25.5 percent increase to US\$ 22.3 million, driven mainly by rise in payment for petroleum products.

GLOBAL COMMODITY PRICE DEVELOPMENTS**Iron ore**

In November 2020, global price of iron ore increased by 3.8 percent to US\$124.4 per metric ton. The rise in the price was occasioned by increase in demand for the commodity resulting from recovery in demand for steel, especially in the US and Euro area.

Crude oil (Petroleum) price

The price of petroleum rose in November 2020 following two consecutive months of decline. The price increased by 6.0 percent to US\$42.3 per barrel as a result of increase demand from China.

Rubber

Rubber price in November 2020 went up by 5.0 percent to US\$2,300.00 per metric ton compared with the price in the preceding month. The upswing in rubber price was mainly due to increased demand occasioned by expansion in the production and sales of automobile and rubber gloves.

Food Price (FAO)¹

The price of food, based on FAO food price index, showed an increase of 4.0 percent in November 2020, compared with the October 2020 index. The sixth consecutive rise in food price index during the month was on account of increases in the prices of all its subgroups; namely, vegetable oil, sugar, cereals, dairy and meat.

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INTRODUCTION

The Monthly Economic Review (MER) is a regular publication of the Central Bank of Liberia (CBL) that provides a snapshot of major developments in key economic sectors (Real, Monetary, Fiscal and External) of Liberia. The MER also highlights the Monetary Policy Stance of the CBL and exchange rate developments in the West African Monetary Zone (WAMZ).

OVERVIEW

Production statistics of key commodities in November 2020 showed mixed results. Gold, diamond and cement outputs declined, while iron ore, rubber and total beverage outputs increased. Headline inflation for the month fell to 10.4 percent from 13.9 percent in the previous month due to decline in the prices of domestic food items and prices of miscellaneous goods and services, recreation and culture, transport, as well as restaurants and hotels. Core inflation,¹ similarly decreased by 4.9 percentage points to 8.7 percent as a result of reductions in the prices of alcoholic beverages, tobacco and narcotics, miscellaneous goods and services and recreation and culture.

The CBL maintained its monetary policy stance on price stability through broad exchange rate management anchored on interest-rate based instruments to manage Liberian dollar liquidity. The CBL bills and the reserve requirement were the main monetary policy instruments used to stabilize the exchange rate.

Movements in broad money supply (M2) was influenced by both the asset and liability sides. The decline in M2 was largely due to fall in Net Domestic Assets (NDA). From the liability category, the fall in M2 was largely due to declines in time and savings deposits as well as demand deposits. The banking industry was generally in compliance with regulatory requirements. Return on Assets (ROA) and Return on Equity (ROE) expanded; Capital Adequacy Ratio (CAR) remained stable; and Liquidity Ratio declined, but remained above regulatory threshold.

Government fiscal operations showed an improvement in the overall balance due to a higher decline in Government expenditure compared to the fall in revenue generated during the month. The stock of public debt, in percent of GDP, remained relatively stable even though there was a slight decline in external debt due mainly to principal repayment.

Developments relating to Liberia's external trade showed a second consecutive month of improvement in the deficit of merchandise trade balance on account of decline in payments for imports. Merchandise import payments fell largely due to decreased payments for machinery and transport equipment. In contrast, earnings from exports increased by 10.5 percent occasioned by increases in receipts from mainly iron ore and rubber.

Gross international reserves (GIR) fell during the month compared to the stock reported in October 2020. The fall in GIR coupled with an overall reduction in

Gross International Reserves

At end-November 2020, gross international reserves (GIR) fell slightly to US\$279.9 million, from US\$280.9 million reported in October 2020. The contraction in GIR coupled with the decline in payments for mainly goods, resulted to an estimated 2.4 months of import cover. Compared with the ECOWAS benchmark of 3.0 months, the months of import cover recorded a shortfall of 0.6 month below the regional threshold (Table 6).

EXCHANGE RATE DEVELOPMENTS

Using the end-of-period exchange rate (EOP), the Liberian dollar, at end-November 2020, appreciated against the US dollar by 15.2 percent to L\$157.53/US\$1.00 compared with the previous month. Similarly, in terms of the period average exchange rate, the Liberian dollar appreciated by 18.7 percent to L\$162.79/US\$1.00. The appreciation of the domestic currency was mainly explained by the low demand for foreign exchange.

Considering the EOP exchange rate, developments in the foreign exchange market of the West African Monetary Zone (WAMZ) at end-November 2020 were mixed. Except the Ghanaian Cedi and the Nigerian Naira that remained stable at GHC5.71/US\$1.00 and NGN379.50/US\$1.00, respectively, the Guinean Franc and the Sierra Leonean Leone depreciated by 0.8 percent and 0.6 percent, respectively. In contrast, the Gambian Dalasi appreciated by 3.4 percent during the month under review. Annual comparison of the currencies showed that except the Gambian Dalasi and the Liberian dollar that appreciated, all the other WAMZ currencies depreciated against the United States dollar. The highest annual depreciations were reported for the Ghanaian Cedi by 40.8 percent, followed by the Nigerian Naira by 19.3 percent (Table 7).

Table 7: Exchange Rates: Official and WAMZ Countries End-of-Period Exchange Rates against the US Dollar

Rate & Currency	Nov - 19	Sep - 20	Oct - 20	Nov - 20	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
End of Period	191.76	198.61	181.45	157.53	15.18	21.73
Period Average	199.80	199.01	193.23	162.79	18.70	22.73
Currency	Currency per USD					
GHC	3.38	5.68	5.71	5.71	0.00	(40.81)
GMD	50.64	51.43	51.69	50.00	3.38	1.28
GNF	9,322.23	9,750.84	9,755.59	9,829.12	(0.75)	(5.16)
NGN	306.45	379.50	379.50	379.50	0.00	(19.25)
SLL	9,630.83	9,828.24	9,962.20	10,024.02	(0.62)	(3.92)

Source: CBL, WAMA: www.amao-wama.org/
 GHC - Ghanaian Cedi; LD - Liberian Dollar; GMD - Gambian Dalasi; USD - United States Dollar; GNF - Guinean Franc; NGN - Nigerian Naira; SLL - Sierra Leonean Leone; USD - United States Dollar

Manufactured goods classified by materials	9.36	15.65	13.96	13.58
Other categories of imports	14.99	22.25	18.76	19.76
Trade Balance	(47.12)	(75.40)	(52.70)	(29.85)
External Trade (Volume)	(In Units as Specified)			
Rubber (MT)	3,743.48	5,462.60	4,851.58	4,998.65
Iron Ore (MT)	306,776.01	350,994.49	398,658.62	405,000.00
Cocoa Beans (MT)	700.00	1,225.00	2,425.00	1,300.00
Palm Oil (MT)	1,660.22	375.79	1,384.26	13,789.00
Gold (Oz)	5,423.87	8,804.83	13,316.89	11,247.46
Diamond (Crt)	5,106.43	10,250.71	4,829.78	3,106.35
Petroleum Products (MT)	13,493.41	2,840.83	8,766.50	15,444.55
Rice (MT)	7,631.74	27,896.04	52,067.80	na
Other Indicators	(Millions of USD)			
Import (FOB)	67.83	106.40	99.27	85.67
Gross International Reserves (GIR)/2	244.69	277.62	280.89	279.87
CBL Net Foreign Reserves Position	41.94	22.06	40.39	36.23
Import covers (In Month)	2.2	2.4	2.4	2.4
Personal Remittances				
Inflows	22.57	23.81	29.89	25.54
Outflows	11.64	10.20	6.86	5.43
Net flows	10.94	13.61	23.03	20.11
Direction of Trade (DOT)				
Destination of Export	27.67	43.01	57.64	63.70
o/w France	2.33	8.97	11.07	47.70
o/w Switzerland	6.33	13.47	18.68	13.70
o/w Poland	4.60	2.60	3.82	7.71
o/w United Kingdom of Great Britain	0.01	0.00	5.18	5.18
Sources of Import (fob)	67.83	106.40	99.27	85.67
o/w Cote d'Ivoire	17.23	0.91	17.81	22.34
o/w China	9.07	30.96	24.12	16.50
o/w India	6.41	19.76	18.31	9.98
o/w United States	5.02	8.99	4.59	4.61
o/w UAE	0.67	1.90	2.85	4.41

Source: LRA (ASYCUDA), AML, MLME, FSL & CBL

/1 Trade data are primarily sourced from LRA (Custom) with larger coverage than BIVAC.

/1[†] as of July 2020, import data reported here are on CIF instead of FOB

/2 (GIR) is the sum of net foreign reserve plus SDR and Reserve tranche

† - Revised ≠ - Not Available (na)

Remittances

The net inflows of personal remittances recorded in November 2020 amounted to US\$20.1 million (0.7 percent of GDP), from US\$23.0 million (0.8 percent of GDP) recorded in the previous month. The decline in net inflows was due to contraction in inflows that outweighed the decline in outflows. Inflows fell by US\$4.4 million to US\$25.5 million, while outflows fell by US\$1.4 million to US\$5.4 million. Compared with the same month in 2019, net inflows of personal remittances increased by 83.8 percent, from US\$10.9 million.

payments for goods and services resulted to 2.4 months of import cover, reflecting a shortfall of 0.6 month below the regional threshold of 3.0 months.

During the review month, net inflow of personal remittances declined. Outward remittances decreased by US\$1.4 million to US\$5.4 million, while inward remittances fell by US\$4.4 million, from US\$29.9 million recorded in the previous amounts, reflecting liquidity during the festive season.

Analysis of the end of period and period average exchange rates showed that the Liberia dollar appreciated against the US dollar compared with the rates reported for October 2020.

REAL SECTOR & PRICE DEVELOPMENTS

Production Analyses of Key Commodities

Production statistics of key commodities for November 2020 showed mixed results. Gold output fell by 17.8 percent to 10,949.0 ounces, from 13,317.0 ounces in the preceding month due to slowdown in mining activities at one of the industrial gold mines. Diamond output declined by 35.7 percent to 3,106.0 carats, from 4,830 carats reported in October 2020. Similarly, cement production dropped by 16.0 percent to 32,873.0 metric tons, from 39,081.0 metric tons produced in the previous month on account of inventory accumulation. In contrast, iron ore production increased by 30.6 percent to 470,000.0 metric tons as a result of favorable mining conditions in the dry season. Output of rubber, similarly, grew by 26.8 percent to 6,150.0 metric tons, from 4,852 metric tons in the previous month as a result of slight increase in harvest from small-holders' farms. Beverages production was estimated to increase marginally to meet demands induced by the approaching festive season. Compared with the corresponding month in 2019, all key commodities, except diamond, significantly increased in output.

Consumer Prices

Inflationary pressure further eased during the month due to several factors including the tight policy stance of the CBL, weak demand and low global oil price. Headline inflation for November 2020 fell by 3.5 percentage points to 10.4 percent, from 13.9 percent in the preceding month. The fall in headline inflation was due largely to decrease in the prices of domestic food items, prices of miscellaneous goods and services, recreation and culture, transport, restaurants and hotels as well as alcoholic beverages, tobacco and narcotics. Similarly, core inflation¹ declined by 4.9 percentage points to 8.7 percent, from 13.6 percent reported in October 2020, explained by fall in the prices of alcoholic beverages, tobacco and narcotics, miscellaneous goods and services and recreation and culture. The month-on-month rate of inflation also decreased by 4.4 percentage points, from 0.3 percent in October 2020 (Table 1).

MONETARY DEVELOPMENTS

Monetary Policy Stance

The CBL maintained its tight monetary policy stance for price stability through broad exchange rate management. The CBL's monetary policy measure was

Table 1: Production and Price Statistics

Production	Nov - 19	Sept - 20	Oct - 20	Nov - 20
	(In Metric tons, carat and Ounces)			
Iron Ore (Metric ton)	248,224	300,000	360,000	470,000
Gold (Ounces)	5,424	8,805	13,317	10,949
Diamond (Carat)	5,106	10,251	4,830	3,106
Rubber (Metric ton)	3,744	5,463	4,852	6,150
Cement (Metric ton)	20,843	31,872	39,081	32,837
Beverages	(In Liters)			
Alcoholic	818,096	1,170,067	1,073,931	1,092,827*
Non-Alcoholic	55,836	41,976	122,578	118,317*
Total Beverage Production	873,932	1,212,043	1,196,509	1,211,144*
Inflation	(In percent)			
Overall (Y-o-Y) Rate of Inflation	26.62	14.03	13.85	10.39
a. Food and Non-alcoholic Beverages inflt'n	30.51	14.09	14.85	13.96
-Domestic Food Inflation	30.61	17.79	18.69	16.45
-Imported Food Inflation	29.37	11.48	11.93	12.36
b. Transport Inflation	29.00	10.33	11.06	6.83
c. Imported Fuels Inflation	19.51	(8.38)	(9.68)	(7.61)
Overall (M-o-M) Rate of Inflation	(1.10)	0.39	0.27	(4.10)
Core Inflation	(Millions USD, except otherwise specified)			
Inflation less Food & Non-alcoholic Beverages	24.59	14.00	13.33	8.50
Inflation less Imported Food	25.68	14.70	14.31	10.01
Inflation less Domestic Food	19.88	14.48	14.04	10.39
Inflation less Food and Transport	24.01	14.48	13.62	8.73
	(Millions USD, except otherwise specified)			
Nominal GDP_Annual	3,176.06	3,066.80[†]	3,066.80[†]	3,066.80[†]
Real GDP_Annual	3,182.06	3,086.93[†]	3,086.93[†]	3,086.93[†]
Real GDP_growth rate (in percent)	(2.5)	(3.0) [†]	(3.0) [†]	(3.0)

Sources: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, CEMENCO, CBL & LISGIS; IMF & Liberian Authorities; Liberia Mini Model

[†] Revised

anchored on interest-rate based instruments to manage Liberian dollar liquidity. During the month, the Bank maintained its policy rate at 25.0 percent for the issuance of the CBL bills at different tenors (two weeks, one month and three months).

Monetary Aggregates

At end-November 2020, broad money supply (M2) declined by 10.0 percent to L\$119,024.4 million, from L\$132,214.2 million recorded at the end of the preceding month. The fall in M2 was explained by reductions in other deposits by 49.1 percent, demand deposits by 13.7 and time and savings deposits by 9.9 percent. From the asset category, the fall in M2 was partly due to decline in Net Domestic Assets (NDA) by 8.4 percent as a result of fall in net credit to both the private and public sectors. Similarly, Net Foreign Assets (NFA) reduced by 23.0 percent from 5.5 percent recorded at end- October 2020.

During the month, the stock of commercial banks' loans to private sector denominated in United states dollars grew by 8.1 percent to US\$ 397.3 million due to growth in loans extended mainly to the extractive, trade, agriculture and construction subsectors. In contrast, the share of commercial banks' loans denominated in Liberian dollar

External	835.74	925.64	941.58	940.93
Multilateral	722.27	812.67	828.33	827.68
Bilateral	113.47	112.97	113.25	113.25
Memo Items				
Government Revenue (% of GDP)	0.98	1.55	1.46	1.37
Government Expenditure (% of GDP)	0.86	1.33	1.49	1.37
Total Stock of Public Debt (% of GDP)	39.58	51.35	51.68	51.66

Source: CBL's calculation using MFDP's data : Revenue Department, Expenditure Department and Debt Management Unit, MFDP

[†] - revised

± - Estimate

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

Preliminary statistics on Liberia's external trade showed an improved merchandise trade deficit to US\$29.8 million (1.0 percent of GDP), from US\$52.7 million (1.7 percent of GDP) recorded in October 2020. The improvement was largely due to decline in merchandise import payments. Payments for merchandise imports declined by 15.2 percent to about US\$93.5 million (3.1 percent of GDP), from US\$110.4 million (3.6 percent of GDP), driven substantially by reduction in payments for food and live animals (including animals and vegetable oil). Payments for food and live animals (including animals and vegetable oil) dropped by US\$22.8 million to US\$14.2 million (0.5 percent of GDP), from US\$37.0 million (1.2 percent of GDP) in the preceding month. Conversely, earnings from exports rose by 10.5 percent to US\$63.7 million (2.1 percent of GDP), from US\$57.6 million (1.9 percent of GDP), occasioned by increases in receipts from exports of iron ore and rubber. Iron ore exports rose by 1.6 percent to US\$29.2 million (1.0 percent of GDP), from US\$28.7 million (0.9 percent of GDP) recorded in the preceding period, occasioned by increase in the volume exported. Similarly, receipts from rubber rose by US\$5.3 million to US\$11.0 million (0.4 percent of GDP) from US\$5.7 million (0.2 percent of GDP), occasioned by rise in the volume of exports.

Table 6: External Sector Statistics

Trade Statistics	Nov - 19	Sept - 20	Oct - 20	Nov - 20
External Trade (Value)	(Millions of USD)			
Exports/1	27.67	43.00	57.64	63.70
Iron Ore	14.36	18.77	28.73	34.39
Rubber	4.10	5.59	5.72	10.97
Gold	6.38	14.16	19.87	15.34
Diamond	1.01	1.79	0.63	1.02
Cocoa Bean	0.70	0.21	0.41	1.33
Other commodities	0.15	2.08	0.44	0.47
Imports (CIF)/1 [†]	74.79	118.40	110.35	93.55
Minerals, Fuel, Lubricants	20.40	5.07	20.48	26.10
o/w Petroleum Products	17.07	0.58	17.55	22.10
Food and Live Animals (including Animal and veg. oil)	18.25	32.92	37.00	14.21
o/w Rice	4.15	14.76	24.31	1.25
Machinery & Transport Equipment	11.78	42.52	20.14	19.91

Liquidity Ratio***	41.83	40.32	36.48	36.01
Capital Adequacy Ratio (CAR)****	27.46	28.41	28.41	28.41

Source : CBL

**** - The Minimum Capital Adequacy Ratio is 10%

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

† - revised

FISCAL SECTOR DEVELOPMENTS

Fiscal Operations

Preliminary statistics on GOL's fiscal operations in November 2020 showed marginal improvement in the overall balance to a deficit of US\$0.2 million (nearly 0.0 percent of GDP) compared to the deficit of US\$1.1 million (about 0.0 percent of GDP) reported in the preceding month reflecting higher contraction in expenditure than revenue. Total GOL revenue amounted to US\$41.9 million (1.4 percent of GDP), declining by 6.1 percent compared to the amount recorded in the preceding month. The downswing was precipitated by 25.8 percent decrease in tax revenue, occasioned by decline in both taxes generated from income and profit and international trade. Similarly, total Government expenditure contracted by 7.9 percent to US\$42.1 million (1.4 percent of GDP), largely explained by reduction in recurrent expenditure by 7.9 percent to US\$42.1 million (1.4 percent of GDP) due to decreases in spending on goods and services and payments on loans, interest and other charges.

The total stock of public debt remained relatively stable at 51.7 percent of GDP compared with the previous month due to a slight decline in principal repayment of multilateral debt and no change in domestic debt stock.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Nov - 19	Sep - 20	Oct - 20	Nov - 20
	(Millions of USD)			
Government Revenue	30.98	47.56	44.64	41.91
Tax Revenue	25.59	28.24	37.06	27.49
O/W Taxes on Income & Profits	10.44	9.90	16.67	11.58
O/W Taxes on International Trade	12.35	14.39	16.40	13.17
Non-tax Revenue (excluding grants)	5.39	4.88	5.37	9.47
O/W Property Income	4.44	3.64	3.88	8.24
O/W Administrative Fees and Fines	0.95	1.23	1.48	1.22
Other tax Revenue (including grant)	0.00	14.45	2.21	4.95
Government Expenditure by Codes	27.27	40.78	45.71	42.10
Current Expenditure	24.60	35.25	41.65	39.37
Capital Expenditure	0.01	0.00	0.38	0.03
Payments on Loans, interest and others	2.67	5.52	3.68	2.69
Overall Balance (Surplus+; Deficit -)	3.70	6.79	(1.07)	(0.19)
Public Sector Debt	1,256.94	1,574.84	1,584.96	1,584.31
Domestic	421.20	649.20	643.39	643.39
Financial Sector	368.10	586.94	584.90	584.90
Other debt	53.10	62.26	58.49	58.49

decreased by 9.7 percent to L\$5,947.9 million as a result of decline in loans to services, trade, personal and manufacturing subsectors.

At end of the month, all deposits converted to Liberian dollar amounted to L\$96,780.1 million (20.0 percent of GDP). The nominal value of total deposit fell by 12.4 percent from L\$110,511.0 million in the preceding month but rose by 0.2 percent of GDP compared with the one reported in the preceding month (Table 2).

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Nov - 19	Sep - 20	Oct - 20	Nov - 20
	(In Millions)			
Liberian Dollars in Circulation - (LD)	20,896.80	22,096.30	22,410.08	22,885.60
Money Supply (M1) in LD only	30,356.24	31,020.46	32,245.73	32,559.31
Broad money (M2) in LD only	39,053.23	38,462.34	40,516.75	40,369.85
M2 (in both LD & USD) Converted to LD	118,194.36	136,198.91	132,214.24	119,024.35
Net Foreign Assets (NFA) – LD	9,222.40	12,350.39	14,513.65	11,176.66
Net Domestic Assets (NDA) – LD	108,971.96	123,848.52	117,700.58	107,847.69
<i>Loans to Private Sector</i>				
Commercial banks loans to private sector- US	389.41	430.73	367.43	397.34
Commercial banks loans to private sector - LD	7,109.07	6,564.46	6,586.75	5,947.91
<i>Demand Deposits of commercial banks</i>				
Demand deposits - USD	239.09	290.12	311.28	301.44
Demand deposits - LD	9,894.98	10,192.93	10,542.53	10,315.03
Time & savings deposits - USD	172.01	200.27	192.87	301.44
Time & savings deposits - LD	8,638.44	7,378.43	7,912.64	7,752.17
<i>Other Deposits**</i>				
Actual US\$ component of other deposits	1.60	1.72	1.64	1.75
Liberian \$ component of other deposits	58.55	63.45	358.38	58.36
Total Deposits (USD & LD) converted to LD ¹	97,733.10	115,371.38	110,511.04	96,780.07
Liberian Dollar share of Broad Money	33.04	28.24	30.64	33.92

Source: CBL

† - Reserves excluding ECF borrowing from the IMF;

** - Other Deposits Including Official and Manager Checks;

/1 - The total deposits (US and Liberian dollars) of commercial banks expressed entirely in Liberian dollars.

FINANCIAL MARKET (FM) DEVELOPMENTS

Financial Markets operations in November 2020 was further directed towards increased public awareness for additional subscriptions in the CBL instruments. The CBL issuance of the CBL bills remained on an effective annual rate of 25.0 percent with tenors of 2-weeks, 1-month and 3-months. At the same time, the measure to restrict commercial banks from purchasing 2-week bills in order to maintain greater sterilization was sustained. The issuance of CBL bills declined by 24.6 percent to L\$2,281.2 million in November, from L\$3,027.4 million recorded in the preceding month, due to liquidity squeeze. Similarly, total redemption of CBL bills on EAR amounted to L\$2,440.5 million, reflecting a net contraction of 18.8 percent, from L\$3,005.1 million in October 2020.

The outstanding CBL bills at end November amounted to L\$5,049.5 million, from L\$5,208.8 million in October 2020. During the month, all Treasury securities remained unchanged.

All the interest rates, including the rates on money market instruments, lending, average savings and time deposit remained unchanged. The interest rate on lending was kept at 12.4 percent, while the rates on time and savings deposits remained at 3.5 percent and 2.1 percent, respectively. Money markets instruments such as repo traded at 5.5 percent, whereas swap lending among commercial banks traded at an average interest rate of 6.0 percent (Table 3).

Table 3. Financial Market and Interest Rates Statistics

Market Instruments	Nov - 19	Sep - 20	Oct - 20	Nov - 20
CBL indexed Bills	(Millions of LD)			
Bills Purchased per month on coupon basis	0.00	0.00	0.00	0.00
Redemption during the month (coupon rate)	170.15	401.20	0.00	0.00
Bills (Index) outstanding on coupon basis	1,334.20	0.01	0.01	0.01
Coupon rate (%)	7.00	7.00	7.00	7.00
Bills Purchased on EAR basis	100.30	4,217.71	3,027.36	2,281.20
Redemption during the month (EAR basis)	na	3,940.88	3,005.09	2,440.46
Total Bill Outstanding (EAR basis)	100.30	5,186.52	5,208.80	5,049.54
Effective Annual Rate (EAR)	30.00	25.00	25.00	25.00
Total Purchases (7.0% and 30.0% EAR)	100.30	4,217.71	3,027.36	2,281.20
Total Redemption (7% and 30% EAR)	170.15	4,342.08	3,005.09	2,440.46
Total Outstanding Bills (7% & EAR)	1,434.50	5,186.53	5,208.81	5,049.55
CBL Foreign Exchange Auction¹	(Millions of USD)			
US Dollar offered	0.00	0.00	0.00	0.00
US Dollar Amount Sold	0.00	0.00	0.00	0.00
Total Subscription	0.00	0.00	0.00	0.00
Over (+)/ Under (-) Subscription	0.00	0.00	0.00	0.00
Treasury Securities	(Millions of LD)			
T- Bills Issued	0.00	0.00	0.00	0.00
T- Bills Redeemed	0.00	0.00	0.00	0.00
T-Bills Outstanding	860.94	860.94	860.94	860.94
Net Treasury Bills Operations[^] withdrawal (+)/Inject'n (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	7.47	7.47	7.47	7.47
T- Bills Issued_ USD	na	na	na	na
T- Bills Redeemed_ USD	na	na	na	na
T-Bills Outstanding_ USD	na	2.60	2.60	2.60
Treasury Bond Issued	0.00	0.00	0.00	0.00
Treasury Bond Outstanding	6,000.00	6,000.00	6,000.00	6,000.00
Semi-annual Coupon Payment	0.00	0.00	0.00	0.00
Early Redemption	0.00	0.00	188.61	0.00
Coupon rate (%)	16.00	16.00	16.00	16.00
Standing Deposit Facility (SDF)	(In percent)			
SDF rate (4.0%)	4.00	0.00	0.00	0.00
SDF Amount (In Millions LD)	10,160.00	0.00	0.00	0.00

SDF overnight monthly rate (0.07%)	0.07	0.07	0.07	0.07
SDF Amount (In Millions LD)	5,000.00	0.00	0.00	0.00
Interest Rates				
- Lending rate	12.44	12.44	12.44	12.44
Average Deposit rates				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
Money Markets Instrument				
Repo	5.50	5.50	5.50	5.50
Swap lending	6.0	6.0	6.0	6.0

Source: CBL

[^] - with Liquidity Effect

/1 - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency

/2 - Treasury Bill issued and redeemed during the month were in US Dollar

† - revised

BANKING SECTOR DEVELOPMENTS

At end-November 2020, the banking industry was generally in compliance with regulatory threshold. Data on the financial soundness indicators showed that except liquidity ratio that declined by 0.5 percentage point, all indicators slightly improved when compared to the preceding month. Return on Assets (ROA) and Return on Equity (ROE) grew by 0.2 percentage point and 0.8 percentage point, respectively. Capital Adequacy Ratio, on the other hand, remained unchanged at 28.4 percent compared to the preceding month, though remained above its minimum requirement by 18.4 percentage points. Liquidity ratio declined, however, it remained above the minimum requirement by 21.0 percentage points.

Both gross loans advanced and non-performing loans (NPLs) declined during the month. Gross loans contracted by 6.2 percent to L\$69.7 billion (14.4 percent of GDP), occasioned by decline in lending by banks. Non-performing loans also fell by 24.0 percent to L\$12.54 billion during the month and stood at 8.0 percentage points above the tolerable limit of 10.0 percent, reflective of slowdown in economic activities.

Table 4: Selected Financial Soundness Indicators, FSIs

FSIs	Nov - 19	Sep - 20	Oct - 20	Nov - 20
	<i>(In Billion LD)</i>			
Total Gross Loans	84.45	86.98	74.34	69.73
Total Non-performing Loans	14.15	21.20	16.51	12.54
	<i>(In percent)</i>			
Non-performing Loans to Total Gross Loans (ratio)	16.76	24.38	22.21	17.98
Gross Loan (growth)	(9.90)	1.93	(14.53)	(6.20)
Non-performing Loans (growth)	(8.24)	(0.09)	(22.12)	(24.04)
Returns on Assets (ROA)	1.72	1.03	1.16	1.38
Returns on Equity (ROE)	10.36	6.03	7.05	7.81