

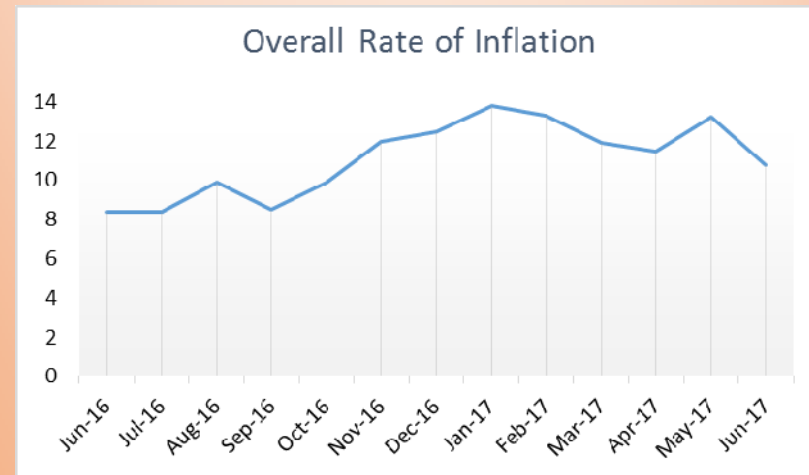


CENTRAL BANK OF LIBERIA (CBL)

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

Currency	May - 17	Jun - 17	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr. (-)/Depr. (+)
LRD	111.47	113.13	1.6
GHC	4.30	4.36	1.5
GMD	47.57	46.00	-3.3
GNF	9,010.00	8,968.60	-0.5
NGN	304.90	305.40	0.2
SLL	7,322.85	7,340.46	0.2

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

USD—US Dollar

	Mar-17	Apr-17	May-17	Jun-17
External Trade (Volume) – cont'd	(Metric Tons)			
- Petroleum Products	19,330	4,756	5,443	4,715
- Cocoa Beans	0.0	500†	562	221
- Palm Oil	774	3,960†	645	645
10 Inflation	(In percent)			
Overall (Year-on-year) Rate of Inflation	11.9	11.5	13.2	10.8
a. Food and Non-alcoholic Beverages Inflation	4.7	6.8	8.9	7.1
- Domestic Food Inflation	-4.9	-1.0	4.5	1.4
- Imported Food Inflation	8.5	12.3	11.0	10.6
b. Transport Inflation	28.5	27.8	25.9	14.3
c. Imported Fuels Inflation	24.5	21.3	22.6	20.6
Overall (Month-on-Month) Rate of Inflation	0.6	-0.1	1.2	3.0
Core Inflation	(In percent)			
Inflation excluding Food & Non-alcoholic Beverages	14.1	14.1	15.4	12.0
Inflation excluding Imported Food	10.1	10.5	13.2	10.0
Inflation excluding Domestic Food	5.9	7.3	7.6	5.5
Inflation excluding Food and Transport	11.5	11.6	13.4	11.5
Production	(Metric Tons)			
Iron Ore	136,881	101,144±	201,411±	52,140
Rubber	4,171	2,882.9†	2,016	3,165
Gold	22,015	15,689	20,207	15,417
Cement	32,514	30,331†	27,261	21,331
Beverages	(In Litres)			
<i>Alcoholic</i>	977,280±	81,982†	1,437,134±	1,174,466
<i>Non-Alcoholic</i>	1,044,237	1,180,227†	899,683	978,232
11 Int'l Commodity Prices	US\$/Unit			
Iron Ore (US\$/MT)	87.2	70.4	61.6	57.9
Rubber (US\$/MT)	2,366.7	2,231.1	2,174.0	1758.6
Crude Oil (US\$/Barrel)/1	51.0	52.2	49.9	46.1
Rice (US\$/MT)	367.8	374.5	402.3	444.7
Cocoa Beans (US\$/MT)	2,063.1	1,961.2	1,983.5	1998.3
Palm Oil	663.3	623.2	655.5	621.2

* US\$ converted to L\$ ^With liquidity Effect
 ** 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

REAL SECTOR & PRICE DEVELOPMENTS

Production

Outputs of key commodities produced in the economy declined in June, 2017, except Rubber whose production rose by 1,149 metric tons to 3,165 beyond the preceding month. The increase was ascribed to production increases of small holder farm groups. Cement output plunged to 21,331 metric tons, from 27,261 metric tons. The 21.8 percent decrease in cement output was largely due to slowdown in construction activities as a result of the rainy season. Beverage production decreased to 2.2 million liters, from 2.3 million liters. The 4.3 percent fall in beverage output was attributed to the decline in the production of alcoholic beverages, mainly beer. Iron ore production dropped by 149,271 metric tons to 52,140 metric tons, beneath the previous month. The slowdown was the result of fall in iron ore price on the global market. Based on the revised gold output data, the production of the commodity in June 2017 dipped by 23.7 percent to 15,417 metric tons.

Consumer Prices

At end-June, 2017, headline inflation increased to 10.8 percent, from 8.4 percent recorded for the same period a year ago. The 2.4 percentage points upswing in inflation was mostly explained by increases in some of the major subgroups including Alcoholic Beverages, Tobacco & Narcotics which rose by 10.3 percentage points; Recreation & Culture, 7.3 percentage points; Restaurants & Hotels, 10.3 percentage points, and Housing, Water, Electricity, Gas & other Fuels, 5.7 percentage points, (See Table 1)

Monthly analysis revealed that the rate of inflation rose to 3.0 percent, from 1.2 percent a month ago. The rise in the monthly rate during June, 2017 was driven by increase in inflation rates of some major groups, mainly increases in Restaurants and Hotels, Clothing and Footwear, Communication and Furnishings, Household Equipment & Routine Maintenance of House.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance of the CBL has continuously been anchored on price stability through broad exchange rate stability. For the month ended-June, 2017, the foreign exchange auction and the Treasury-bills were the available tools utilized by the CBL in conducting monetary policy operations.

Monetary Aggregates and Credit

Broad money (M2) growth at end-June, 2017 was flat at 0.0 percent to L\$70,732.0 million, from L\$70,703.7 million recorded at end-May, 2017. The stability was occasioned by an offsetting effect between net domestic assets (NDA) and net foreign assets (NFA). Narrow money supply (M1) in the review month declined by 1.6 percent on the back of a 2.9 percent fall in demand deposits which more than offset similar growth in currency outside banks.

Net domestic assets (NDA) at end-June, 2017 grew by 1.0 percent to L\$36,425.9 million while net foreign assets fell by equal magnitude to L\$34,306.0 million, thus exerting net zero effect on the growth of M2. The fall in NFA was prompted by 14.2 percent descent in foreign assets of commercial banks that offset the 4.9 percent growth in CBL assets held abroad. For NDA, the increase was on account of growth in domestic credit.

The US dollar component of commercial bank loans to private sector at end-June, 2017 grew by 1.8 percent to US\$390.2 million, from US\$383.2 million at end-May, 2017, while the Liberian dollars component of loans to the private sector rose by 3.7 percent to L\$3,734.2 million, from L\$3,600.6 million as recorded a month ago.

Exchange Rate

At end-June, 2017, both the average and the end-of-period (EOP) exchange rates of the Liberian dollar depreciated against the US dollar. On average, the exchange rate depreciated by 2.5 percent to L\$112.84/US\$1.00, from L\$110.08/US\$1.00, while the end-of-period depreciated by 1.5 percent to L\$113.13/US\$1.00, from L\$111.47/US\$1.00. Year-on-year comparison revealed that the average exchange rate also depreciated by 21.4 percent and the EOP, by 19.7 percent. The pressure on the Liberian dollar in the month under review was largely on account of high demand for US dollars in the Liberian economy to facilitate imports.

EOP exchange rate changes in the WAMZ revealed that, at end-June 2017, the Liberian Dollar, the Ghanaian Cedis, the Nigerian Naira and Sierra Leonean Leone depreciated by 1.6 percent, 1.5 percent, 0.2 percent and 0.2 percent, respectively, while the Gambian Dalasi and the Guinean Franc appreciated by 3.3 percent and 0.5 percent, respectively compared with previous month (Table 2).

	Mar-17	Apr-17	May-17	Jun-17
Non-performing Loans (% change)	-33.4	26.8	1.3	-21.9
Returns on Assets (ROA)	-0.1	0.3	0.33	0.15
Returns on Equity (ROE)	-0.8	1.9	2.1	0.92
Liquidity Ratio****	49.8	52.1	53.9	51.2
7 Fiscal Operations				
7a Revenue, Expenditure & Debt	(Millions of US\$)			
Actual Revenue & Grants	50.7	39.3	43.0±	44.3
Projected Revenue & Grants	39.2	49.5	59.2±	46.6
Expenditure	46.2	43.9	47.0	45.7
Public Debt Stock	808.9	830.8	798.7±	849.0
Domestic	267.7	267.7	268.0±	267.1
External	541.2	563.1	530.7±	581.9
7b Treasury Securities	(Millions of L\$)			
T- Bills Issued	-51.8	-52.3	-53.3	-53.7
T- Bills Redeemed	49.3	51.3	45.2	51.8
Net GoL Treasury Bills Operations^	-2.5	-1.0	-8.1	-1.9
Ave. Weighted Discount Rate_T Bills	3.0	3.2	3.7	2.9
Bond Issued (2 yrs.) amount in Billion	0.0	0.0	0.0	0.0
T- Bond Issued	0.0	0.0	0.0	0.0
T- Bond Settled	0.0	0.0	0.0	0.0
Net GoL Treasury Bond Operations^	0.0	0.0	0.0	0.0
Ave. Weighted Discount Rate_T Bond	0.0	0.0	0.0	0.0
8 External Trade (Value)	(Millions of US\$)			
8a Exports/1	19.1	15.9†	17.5	18.3
- O/w Iron Ore	4.3	9.3†	6.9	1.8
- O/w Rubber	9.2	4.0†	4.7	4.9
- O/w Mineral	4.3	1.1	4.8	3.3
-o/w Cocoa Bean	0.0	0.4	0.2	0.2
-o/w Palm Oil	0.4	1.0	0.4	0.4
8b Imports (F.O.B)/1	112.3	96.2†	77.9	72.3
Minerals, Fuel, Lubricants	48.4	13.0	13.2	11.7
-O/w Petroleum Products	45.6	9.8	11.2	10.1
Food and Live Animals	26.3	40.5	11.7	14.2
-O/w Commercial Rice	14.7	31.6	1.3	3.6
-O/w Non-commercial Rice	0.6	0.2	0.0	0.7
Machinery & Transport Equipment	14.9	17.0	17.7	18.7
Import (C.I.F)	119.4	106.0†	85.5	78.3
Trade Balance	-93.2	-80.3	-60.4	-54.1
9 External Trade (Volume)	(Metric Tons)			
- Rubber	4,171	2,016	2,883	3,165
-Iron Ore	136,881	269,423†	201,411	52,140±
-Commercial Rice	343,153	363,452	28,025	277,125±
-Non-commercial Rice	3,589	2,907	323	2,042±

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

Table 1: Fact Sheet

	Mar-17	Apr-17	May-17	Jun-17
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	174.6	172.1	160.0	146.3
CBL Gross Foreign Reserves (excluding SDRs)	231.5	222.1	210.9	218.5
Liberian Dollars in Circulation	12,569.5	12,430.4	12,492.1	12,513.0
Money Supply (M1) in L\$ only	16,508.7	16,501.3	17,411.4	17,560.5
Broad money (M2) in L\$ only	21,843.7	21,886.8	22,864.9	23,413.5
Broad money (M2) in both L\$ and US\$*	67,616.7	68,044.3	70,703.7	70,732.0
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	32.3	32.2	32.3	33.1
Interest Rates				
- Lending rate	13.3	13.3	13.3	13.3
-Average Deposit rates				
-Savings	2.20	2.20	2.20	2.20
-Time	3.25	3.66	3.53	3.53
	<i>(In Millions of Currencies)</i>			
Commercial banks loans to private sector - US\$	379.1	390.1	383.2	390.2
Commercial banks loans to private sector - L\$	3,000.2	3,170.7	3,600.6	3,734.2
- Demand Deposits of commercial banks				
Demand deposits - US\$	279.0	273.5	273.5	261.4
Demand deposits - L\$	5,558.2	5,625.4	6,529.9	6,362.2
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	157.8	159.0	155.0	156.7
Time & savings deposits - L\$	5,321.1	5,371.9	5,441.4	5,816.6
- Other Deposits**				
Actual US\$ component of other deposits	1.3	0.9	0.6	0.2
Liberian \$ component of other deposits	13.9	13.6	12.2	36.4
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	1.9	2.83	2.93	2.68
Total Subscription	4.1	4.45	4.51	3.81
Over(+)- / Under(-) Subscription	2.2	1.61	1.58	1.13
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	69.0	70.3	38.7	54.8
Outflows	29.7	27.2	33.4	46.5
Net flows	39.3	43.1	5.3	8.2
5 Exchange Rate	<i>(USD/LD)</i>			
End of Period	104.5	106.5	111.5	113.1
Period Average	104.0	106.1	110.1	112.8
6 Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
Capital Adequacy Ratio (CAR)***	17.4	32.0	17.4	18.6
Non-performing Loans to Total Loans	15.8	16.5	15.8	13.7

Financial Market Developments

During the month ended-June, 2017, net GoL operations in Treasury Bills amounted to a net withdrawal of L\$2.0 million; indicative of higher amount issued over redemption. The discount rate or yield in June was 2.9 percent, 30 basis points below the yield recorded at end-May, 2017.

Banking Sector Developments

The banking industry was viable in the review month. Capital adequacy and liquidity ratios remained well above the minimum requirements of 10.0 percent and 15.0 percent, respectively. Provisional banking sector data at end-June, 2017 indicated a liquidity ratio of 51.2 percent, 2.7 percentage points below the 53.9 percent recorded at end-May, 2017. The industry capital adequacy ratio (CAR) remained unchange 18.6 percent. Non-performing loans ratio improved significantly by 4.0 percentage points to 13.7 percent at end-June, 2017 from 17.7 percent recorded in the prior month.

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

Fiscal operations in June, 2017, resulted in a deficit of US\$1.4 million, compared with a surplus of US\$3.0 million recorded in the previous month, mainly explained by 14.2 percent increase in total public expenditure that outweighed the 3.0 percent growth in total actual revenue & grants during the review period.

Tax and non-tax revenue & grants constituted 82.9 percent and 17.1 percent of total revenue and grants during the period under review, respectively. Actual revenue and grants fell short of budgetary projections during the month by US\$ 2.3 million or 5.0 percent.

Recurrent and capital expenditure accounted for 94.3 percent and 5.7 percent, respectively, of total public expenditure for the review period.

Liberia's public debt stock at end-June, 2017, stood at US\$849.0 million, growing by 1.2 percent against the stock of US\$839.1 million recorded at end-May, 2017, mainly on account of growth in external debt stock to multilateral creditors during the review period. Domestic and external debt stocks constituted 31.5 percent and 68.5 percent, respectively, of Liberia's total public debt stock at end-June, 2017 (See Table 1).

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

Merchandise trade balance at end-June, 2017 recorded a deficit of US\$54.1 million, from a revised deficit of US\$60.4 million at end-May, 2017 reflecting a 10.4 percent improvement in the trade balance, occasioned by a 4.2 percent growth in export receipts (Table 1).

Exports

Preliminary receipts from merchandise export rose to US\$18.3 million at end-June, 2017, from a revised of US\$17.5 million recorded at end-May, 2017. The US\$4.6 percent increase in receipts was due mainly to increases in earnings from rubber and palm oil exports by 3.0 percent and 5.0 percent, respectively.

Imports (FOB)

Payments for imports at end-June, 2017, declined to US\$72.3 million, from a US\$77.9 million end-May, 2017. The 7.2 percent reduction in import payments was attributed mainly to a 12.6 percent reduction in payments for Mineral, Fuels & Lubricant related imports.

Global Commodity Price Review

Global commodity price fell at end-June, 2017 by 3.4 percent below the previous month.. The decline in average global commodity price, was largely a result of drop in the prices of agricultural product (mainly rubber), energy (especially petroleum) and metal (especially Iron ore).

Iron ore

Iron ore price, declined to US\$57.9 per metric ton in June 2017, from US\$61.6 per metric ton at end-May, 2017. The 6.0 percent slump in the price of the commodity was a result of

growing stock of low grade iron ore coupled with slowing demand for the commodity.

Rubber (natural)

At end-June 2017, the global price of rubber slumped severely to US\$1,758.6 per metric ton from US\$2,174.0 per metric ton during the preceding month due to continued expectation of rise in supply of the commodity as the demand from China continues to slow down. The demand for the commodity is predominantly driven by prices of tyre and the supply of synthetic rubber.

Petroleum (Crude Oil)¹

The average global price of petroleum dropped by 7.6 percent to US\$46.1 per barrel at end-June, 2017 compared with the previous month. The fall in the price of the commodity was, accordingly, occasioned by the increase in inventories of Shale petroleum in the United States.

Food (Rice)

Global food price recovered by 1.5 percent at end-June, 2017 due to significant increases in the prices of cereal and dairy, mainly. Similarly, the price of rice surged by 10.4 percent to US\$444.68 per metric ton, from US\$402.3 per metric ton in the preceding month due mostly to growing demand for the commodity.

Palm Oil

The international price of crude palm oil declined again in June 2017 after a rebound in the previous month. At end-June 2017, the price of crude palm oil declined to US\$621.2 per metric ton, from US\$655.5 per metric ton at end-May, 2017. The 5.2 percent decline in the price of the commodity was on account of increased supply of the commodity to the world market.

Gross Foreign Reserves

Foreign reserves position (excluding SDR holdings) of the CBL rose by 3.6 percent to US\$218.4 million, from US\$210.8 million reported during the previous month, due mainly to 25.3 percent growth in US dollar notes and coins.

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