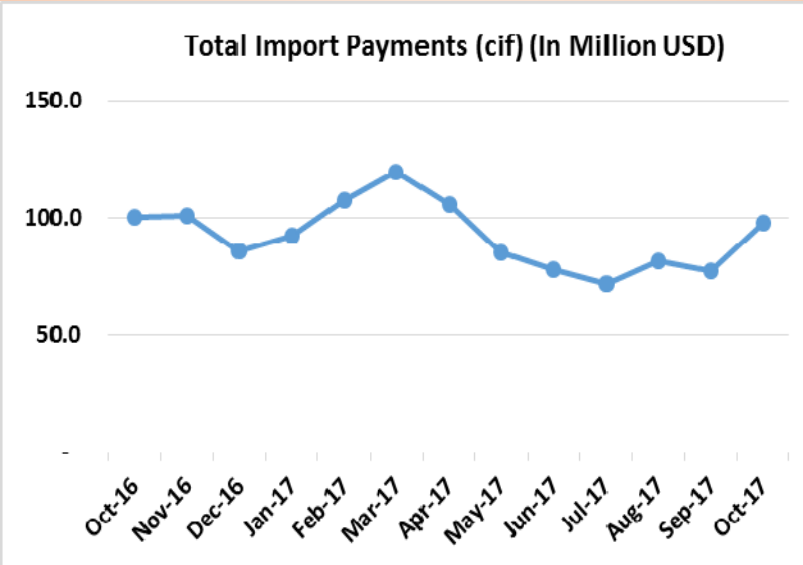




CENTRAL BANK OF LIBERIA (CBL)

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

Currency	Oct-16	Sep-17	Oct-17	Appr (-)/Depr (+)	
				MoM	YoY
GHC	3.96	4.40	4.37	-0.61	10.36
GMD	49.86	46.40	47.61	2.60	-4.52
GNF	9,048.48	8,976.34	8,998.22	0.24	-0.56
LRD	98.50	117.67	119.14	1.25	20.95
NGN	305.00	305.30	305.25	-0.02	0.08
SLL	7,037.65	7,521.01	7,539.54	0.25	7.13

Sources: Central Banks of Liberia and WAMA: 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

	Jul-17	Aug-17	Sep-17	Oct-17
External Trade (Volume) – cont'd	(Metric Tons)			
- Petroleum Products	4,759	4,731	4,507	3,962
- Cocoa Beans	0.0	2,145	0.0	1,495
- Palm Oil	3,063	1,511	2,126	1,100
10 Inflation	(In percent)			
Overall (Year-on-year) Rate of Inflation	10.5	12.3	13.1	11.9
a. Food and Non-alcoholic Beverages Inflation	3.8	5.4	6.0	4.2
- Domestic Food Inflation	-2.7	1.0	2.0	0.2
- Imported Food Inflation	8.1	8.1	7.6	5.9
b. Transport Inflation	13.8	13.6	17.2	22.0
c. Imported Fuels Inflation	16.8	19.5	22.4	26.0
Overall (Month-on-Month) Rate of Inflation	2.3	2.2	1.2	0.5
Core Inflation	(In percent)			
Inflation excluding Food & Non-alcoholic Beverages	14.8	17.2	18.1	17.7
Inflation excluding Imported Food	10.3	13.0	14.3	13.2
Inflation excluding Domestic Food	6.1	6.9	7.2	6.3
Inflation excluding Food and Transport	14.9	17.7	18.2	16.8
Production	(Metric Tons, Carats and Ounces)			
Iron Ore	40,300	0†	513,772	151,553±
Gold	19,003	13,655	15,732	11,320
Diamond	7,231	5,257	665	3,943
Rubber	3,145	4,710	3,930	3,737±
Cement	19,295	18,295	13,520	14,659
Beverages	(In Litres)			
<i>Alcoholic</i>	1,061,165	957,588	714,936	870,288
<i>Non-Alcoholic</i>	657,518	1,043,239	692,626	879,531
11 Int'l Commodity Prices	US\$/Unit			
Iron Ore (US\$/MT)	67.7‡	76.1‡	71.5	61.7
Rubber (US\$/MT)	1,750.0‡	1,840.0‡	1,860.0	1640.0
Crude Oil (US\$/Barrel)/1	47.7‡	49.9‡	53.0	54.9
Rice (US\$/MT)	417.0‡	393.0‡	402.0	394.0
Cocoa Beans (US\$/MT)	1,990.0‡	1,990.0‡	2,000.0	2,100.0
Palm Oil	663.0‡	674.0‡	724.0	718.0

* 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 of Key Commodities

Movements in production data for the month of October, 2017 were mixed. Rubber output plummeted by an estimated 193 metric tons to 3,737 metric tons, from 3,930 metric tons during the previous month. The fall in output of Rubber was attributed to the reduction in the price of the commodity on the world market. Beverage output rose by 24.5 percent to 1.7 million liters, from 1.4 million liters in the previous month. The increased in beverage production can be attributed to the huge production of Malta and stout. Cement output surged by 8.4 percent to 14,659 metric tons, from 13,520 metric tons during the preceding month due to the resumption of construction activities as a result of the dry season which inched up the demand for the product. Total output of Iron ore in October, 2017 decreased to an estimated 151,553 metric tons from 513,772 metric tons, occasioned by fall in the price of the commodity on the global market. Gold output fell by an estimated 11,320 ounces from 15,732 ounces a month ago. The drop in output of gold was explained by the fall in the global price of the commodity.

Consumer Prices

Inflation on a yearly basis increased by 2.0 percentage points to 11.9 percent, up from 9.9 percent at end-October 2016. The rise in inflation was explained by increases in all other major subgroups except food and education.

On a Monthly basis, the rate of inflation decreased by 0.7 percentage point to 0.5 percent from 1.2 percent reported a month ago. The drop in monthly inflation rate was a result of decreases in the prices of some items in the consumer basket, which include: food and non-alcoholic beverages; clothing and footwear; housing, water, electricity, gas and other fuels; health; and restaurant and hotels.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance of the CBL during the month was fixed on price stability through broad exchange rate stability. For the month ended-October, 2017, the foreign exchange auction and the Treasury-bills were the readily accessible policy tools used to implement domestic monetary policy operations.

Monetary Aggregates and Credit

Broad money supply (M2) at end-October, 2017 grew by 1.6 percent to L\$76,279.3 million, from L\$75,107.9 million recorded at end-September, 2017. The expansion was triggered by a 0.8 percent growth in quasi money supply and a 2.0 percent rise in narrow money (M1) which came as a result of a 3.8 percent and 1.3 percent growths in currency outside banks and demand deposit, respectively. On a year-on-year basis, broad money grew by 23.2 percent on account of a 29.0 and 12.7 percent expansions in narrow and quasi money supplies, respectively.

On the assets side, monthly comparison shows that Net foreign assets (NFA) and net domestic assets (NDA) at end-October, 2017 drifted in the same directions. NDA grew by 0.8 percent and 53.6 percent on monthly and annual bases, respectively, mainly underpinned by expansion in credit to private sector including NBFIs. Similarly, NFA rose MoM, but declined YoY by 2.7 percent and 4.3 percent, respectively on account of growth in CBL assets and decline in commercial banks foreign assets.

The US dollar component of commercial bank loans to private sector at end-October, 2017 grew marginally by 1.0 percent to US\$392.9 million, from US\$388.8 million at end-September, 2017, while the Liberian dollars component rose by 0.8 percent to L\$4,078.4 million, from L\$4,044.1 million recorded a month ago. On a year-on-year basis, the US dollar component grew by 13.3 percent and the Liberian dollar component, by 0.6 percent, both driven by increases in loans to trade, personal loans, Oil & Gas and the 'Others' sectors.

Exchange Rate

At end-October, 2017, the Liberian dollar vis-à-vis the US dollar, on average, depreciated by 1.8 percent to L\$118.84/US\$1.00, from L\$117.24/US\$1.00. The end-of-period (EOP) exchange rate also depreciated by 1.0 percent to L\$119.38/US\$1.00, from L\$117.72/US\$1.00. Year-on-year comparison revealed that the average exchange rate depreciated by 20.4 percent and the EOP, by 21.2 percent. The weakness of the Liberian dollar is primarily occasioned by the high demand for US dollar to facilitate imports.

In the WAMZ, the Gambia Dalasi and Ghana Cedis appreciated by 2.6 percent,

	Jul-17	Aug-17	Sep-17	Oct-17
Non-performing Loans (% change)	2.9	3.7	8.5	-3.3
Returns on Assets (ROA)	0.12	0.24	0.30	0.17
Returns on Equity (ROE)	0.76	1.49	1.82	1.02
Liquidity Ratio****	50.5	49.5	47.2	47.6
7 Fiscal Operations				
7a Revenue, Expenditure & Debt	(Millions of US\$)			
Actual Revenue & Grants	45.2	38.8	36.8±	35.1
Projected Revenue & Grants	56.0	45.0	51.6±	36.3
Expenditure	38.2	48.0	43.7±	41.5
Public Debt Stock	860.0	851.1	868.9	873.8
Domestic	267.6	267.1	266.7	266.6
External	592.4	584.0	602.2	607.2
7b Treasury Securities	(Millions of L\$)			
T- Bills Issued	-37.7	-32.2	-32.5	-97.5
T- Bills Redeemed	52.3	53.3	53.7	47.3
Net GoL Treasury Bills Operations^	14.6	21.1	21.2	-50.2
Ave. Weighted Discount Rate_T Bills	3.5	3.74	4.35	2.94
Bond Issued (2 yrs.) amount in Billion				
T- Bond Issued	-0.9	0.0	-2.4	0.0
T- Bond Settled	0.0	0.0	0.0	0.0
Net GoL Treasury Bond Operations^	-0.9	0.0	0.0	0.0
Ave. Weighted Discount Rate_T Bond	9.5	0.0	14.5	0.0
8 External Trade (Value)	(Millions of US\$)			
8a Exports/1	27.5	25.4	46.4	20.0
- O/w Iron Ore	1.1	n/a	15.8	n/a
- O/w Rubber	4.5	5.0	9.5	6.0
- O/w Mineral	20.3	19.0	16.3	13.7
-o/w Cocoa Bean	0.0	0.7	0.0	0.4
-o/w Palm Oil	1.1	0.8	0.9	0.1
8b Imports (F.O.B)/1	66.1	74.3	70.4	89.2
Minerals, Fuel, Lubricants	13.6	10.9	10.3	9.2
-O/w Petroleum Products	10.0	9.7	9.4	8.4
Food and Live Animals	21.0	15.7	21.0	30.0
-O/w Commercial Rice	13.5	5.8	7.0	4.3
-O/w Non-commercial Rice	0.5	0.2	0.5	0.3
Machinery & Transport Equipment	10.3	20.0	18.4	24.0
Import (C.I.F)	72.2	81.7	77.4	98.2
Trade Balance	-38.6	-48.9	-24.0	-69.2
9 External Trade (Volume)	(Metric Tons)			
- Rubber	3,145†	4,710	3,929	3,969
-Iron Ore	40,300	n/a	513,772	n/a
-Commercial Rice	288,210±	282,446±	177,789±	165,129±
-Non-commercial Rice	1,486±	1,865±	1,710±	1,439±

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

Table 1: Fact Sheet

	Jul-17	Aug-17	Sep-17	Oct-17
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	161.8	156.7 [†]	155.5	164.4
CBL Gross Foreign Reserves (excluding SDRs)	202.5	195.5 [†]	195.9	205.8
Liberian Dollars in Circulation	12,525.0	12,527.1	13,386.1	13,639.1
Money Supply (M1) in L\$ only	17,493.7	16,946.3 [†]	19,196.7	19,740.6
Broad money (M2) in L\$ only	23,444.8	23,109.9 [†]	26,299.0	26,593.6
Broad money (M2) in both L\$ and US\$*	72,836.9	72,819.8	75,107.9	76,279.3
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	32.2	31.7	35.0	34.9
Interest Rates				
- Lending rate	13.3	13.28	13.28	13.2
-Average Deposit rates				
-Savings	2.2	2.23	2.23	2.23
-Time	3.53	3.53	3.53	3.75
	<i>(In Millions of Currencies)</i>			
Commercial banks loans to private sector - US\$	386.6	388.0	388.8	392.9
Commercial banks loans to private sector - L\$	3,806.7	3,907.6	4,044.1	4,078.4
- Demand Deposits of commercial banks				
Demand deposits - US\$	270.6	272.5	264.0	264.0
Demand deposits - L\$	5,983.5	5,946.4	6,786.0	6,853.8
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	157.3	153.4	150.6	150.0
Time & savings deposits - L\$	5,877.1	6,119.4	7,063.5	6,788.9
- Other Deposits**				
Actual US\$ component of other deposits	3.2	0.34	0.02	2.2
Liberian \$ component of other deposits	74.0	44.2 [†]	38.8	64.2
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	8.0	4.0	3.0	4.3
Total Subscription	7.8	4.6	4.0	4.3
Over(+)- / Under(-) Subscription	4.1	0.62	1.0	0.0
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	42.4	30.5	53.4	42.9
Outflows	28.1	25.1	73.8	33.4
Net flows	14.3	5.4	-20.4	9.5
5 Exchange Rate	<i>(USD/LD)</i>			
End of Period	114.56	116.65	117.72	119.4
Period Average	113.14	115.12	117.24	119.4
6 Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
Capital Adequacy Ratio (CAR)***	17.7 \pm	17.8 \pm	17.7 \pm	17.8 \pm
Non-performing Loans to Total Loans	14.0	14.36	14.96	13.4

and 0.6 percent, respectively; while the Liberian dollar, the Sierra Leonean Leone and Guinean Franc depreciated by 1.3, 0.3 percent and 0.2 percent, respectively when match against the rates recorded a month ago. Meanwhile, the Nigerian Niara remained relatively stable. Y-o-Y analysis revealed that, with the exception of the Gambia Dalasi and the Guinean Franc that appreciated by 4.52 percent and 0.56 percent, respectively, the rest of the currencies in the zone, except the Naira, depreciated Table 2.

Financial Market Developments

In October, 2017, net GoL T-bill operations amounted to a net Liberian dollar withdrawal of L\$50.25 million; implying that the CBL on behalf of the government issued L\$97.5 million and redeemed L\$47.25 million. The discount rate in the month on GoL T-bill issued was 2.94 percent, 10 basis points higher than the yield recorded in September, 2017.

Banking Sector Developments

The banking industry remained viable in October, 2017. 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-October, 2017 indicated a liquidity ratio of 47.6 percent, 0.4 percentage points higher than the ratio recorded at end-September, 2017. The industry capital adequacy ratio (CAR) stood at 17.8 percent, from 17.7 percent reported a month ago. Non-performing loans ratio was recorded at 13.4 percent down from 15.0 percent at end-September, 2017.

FISCAL DEVELOPMENTS

Revenue (including Grants) & Expenditures

From preliminary data, fiscal operations in October, 2017 resulted in a deficit of US\$6.4 million, down from a deficit of US\$6.9 million recorded in the previous month, mainly explained by 14.7 percent increase in total revenue and grants, coupled with 5.0 percent reduction in total public expenditure during the month.

Tax and non-tax revenue & grants constituted 81.0 percent and 19.0 percent of total revenue and grants, respectively. Actual revenue and grants fell below budgetary projection during the month by US\$1.2 million or 3.3 percent when compared to the previous month. Recurrent and capital expenditures accounted for 94.0 percent and 6.0 percent of total public expenditure in October, 2017, respectively.

Preliminary statistics showed that Liberia's public debt stock at end-October 2017, stood at US\$873.8 million, increasing by 0.6 percent against the stock of US\$868.9 million recorded at end-September, 2017, mainly explained by a slight increase in external debt stock to multilateral creditors during the review month. Domestic and external debt stocks constituted 30.5 percent and 69.5 percent of Liberia's total public debt stock at end-October, 2017, respectively (Table 1).

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

Merchandise trade balance at end-October, 2017 recorded a deficit of US\$69.2 million, from a deficit of US\$24.0 million at end-September, 2017. The deterioration in trade balance was occasioned by a US\$26.4 million reduction in export receipts (Table 1).

Exports

Exports earnings during the month ended-October, 2017 plummeted by 56.9 percent to US\$20.0 million from US\$46.4 million recorded at end-September, 2017. The fall in exports earnings was mainly attributed to slump in receipts from rubber and minerals. Earnings from rubber fell by 36.8 percent to US\$6.0 million, from US\$9.5 million and earnings from mineral fell by 16.0 percent to US\$13.7 million, from US\$16.3 million recorded at end-September, 2017.

Imports (FOB)

Payments for imports at end-October 2017, increased by 26.7 percent to US\$89.2 million, from US\$70.4 million in September, 2017. The increase in import payments was attributed mainly to a 43.0 percent increase in payments for Food and Live animals and 30.4 percent increase in Machinery & Transport Equipment.

Global Commodity Price Review

Overall global commodity price index was estimated to decline 110.0 at end-October, 2017, from 113.2 reported in the previous month. The slight fall in average global commodity price index was largely a result of decreases in the prices of metal (especially iron ore) and agricultural materials (mainly rubber).

Iron ore

The international price of Iron ore declined for the second consecutive month to US\$61.7 per metric ton in October 2017, from US\$71.5 per metric ton at end-September, 2017. The 13.8 percent dip in the price of the commodity was a

result of increased supplies of the commodity and the anticipation of weak demand for steel, mainly, from China.

Rubber (natural)

At end-October 2017, the global price of rubber fell to US\$1,640.0 per metric ton, from US\$1,860.0 per metric ton reported during the preceding month. The 11.8 percent decline in the global price of rubber was mainly on account of decrease in the demand coupled with supply surge of the commodity.

Petroleum (Crude Oil)

The average global price of petroleum stood at US\$54.9 per barrel at end-October, 2017, rising from US\$53.0 per barrel recorded in the previous month, occasioned, largely, by the effect of news to cut down on supply of the commodity.

Food (Rice)

Food price at end-October 2017 declined by 1.2 percent below its September 2017 price due mainly to decreases in the prices of most of its sub-groups, except cereal. The price of rice, a sub-group of cereal, went up by 1.1 percent to US\$406.0 per metric ton, from US\$402.0 per metric ton in the preceding month due mostly to increase in demand for the commodity, mainly from Asia.

Palm Oil

The global price of crude palm oil fell to US\$718.0 per metric ton in October, 2017, from US\$724.0 per metric ton at end-September, 2017 on account of anticipated gain in harvest that was expected to raise the stock of the commodity during the harvest season.

Gross Foreign Reserves

Gross foreign reserves position (excluding SDR holdings) of the CBL at end-October, 2017 grew by 5.1 percent to US\$205.8 million, from US\$195.5 million reported during the previous month due to a 25.9 percent increase in CBL US notes and coins holdings.

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