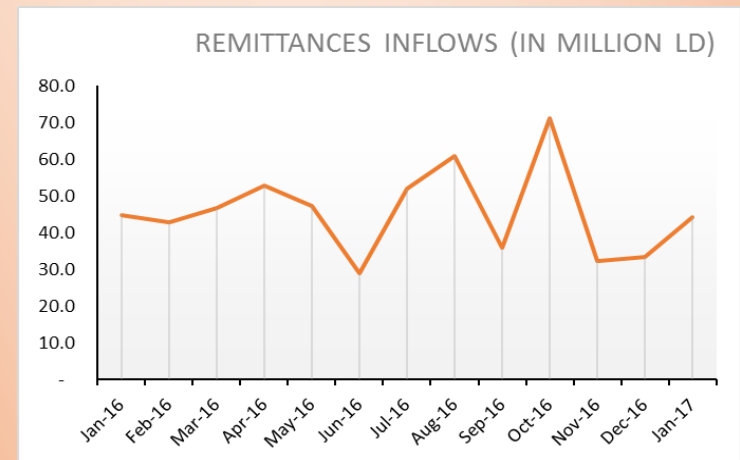




CENTRAL BANK OF LIBERIA (CBL)



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

Currency	Dec - 16	Jan - 17	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr. (-)/Depr. (+)
LRD	102.50	104.50	2.0
GHC	4.18	4.27	2.1
GMD	44.85	43.62	-2.7
GNF	9,220.22	9,305.08	0.9
NGN	304.75	304.75	0.0
SLL	7,195.37	7,303.48	1.5

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

	Oct-16	Nov-16	Dec-16	Jan-17
External Trade (Volume) – cont'd	(Metric Tons)			
- Petroleum Products	10,616	12,215	6,573	10,862
- Cocoa Beans			2,400	850
- Palm Oil			21,950	0.0
10 Inflation	(In percent) - estimate			
Overall (Year-on-year) Rate of Inflation	9.9	12.0	12.5	13.6
a. Food and Non-alcoholic Beverages Inflation	11.7	14.4	14.2	11.4
- Domestic Food Inflation	6.6	12.7	8.6	4.4
- Imported Food Inflation	17.0	16.1	19.9	18.7
b. Transport Inflation	20.4	23.1	20.9	23.5
c. Imported Fuels Inflation	3.8	8.0	8.4	9.9
Overall (Month-on-Month) Rate of Inflation	1.6	0.50	0.50	1.0
Core Inflation				
Inflation excluding Food & Non-alcoholic Beverages	7.9	9.3	10.6	16.3
Inflation excluding Imported Food	7.4	10.6	9.9	11.8
Inflation excluding Domestic Food	11.2	11.8	13.9	17.5
Inflation excluding Food and Transport	5.7	6.9	8.6	14.9
Production	(Metric Tons) - estimate			
Iron Ore	77,679	0.0†	120,342	183,656
Rubber	2902	1,956†	2,291	2,437
Cement	14,272	16,747†	23,722	23,391
Beverages	(In Litres)			
Alcoholic	930,038†	994,105†	1,596,932	943,161±
Non-Alcoholic	569,002†	562,968†	956,915	1,019,080±
11 Int'l Commodity Prices	US\$/Unit			
Iron Ore (US\$/MT)	58.0	72.3	79.8	80.8
Rubber (US\$/MT)	1,666.69	1,879.9	2,226.8	2555.2
Crude Oil (US\$/Barrel)/1	49.3	45.3	52.6	53.6
Rice (US\$/MT)	367.7	360.8	367.6	372.6
Cocoa Beans (US\$/MT)	2,711.4	2,492.0	2,295.3	2,195.1
Palm Oil	651.5	670.0	711.8	726.5

* 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

REAL SECTOR & PRICE DEVELOPMENTS

Production

Production data of major commodities in the month of January 2017 depicted diverse movements. Cement output fell to 23,391 metric tons from 23,722 metric tons in December, 2016. The 1.4 percent decline in output, despite a slight decline in ex-factory price was due to the liberalization of the market. Beverage production slumped to an estimated 2.0 million liters, from 2.6 million liters produced during the previous month. The 23.2 percent decrease in production was on account of unused stock held from previous period. On the other hand, output of iron ore during the month of January rose to 183,656 metric tons, from 120,342 metric tons produced a month ago. The 52.6 percent increase in iron ore production was a result of the favorable global prices of the commodity. Similarly, Rubber output rose to 2,437 metric tons, up from 2,291 metric tons produced in the preceding month. The 146 metric tons increase in production was a result of the international price increase of the commodity.

Consumer Prices

Headline inflation during the month of January rose by 6.5 percentage points to 13.6 percent, up from 7.1 percent in the same period a year ago. The rise in inflation was mainly explained by the depreciation of the Liberian dollar which negatively affected the prices of alcoholic beverages, tobacco and narcotics; clothing and footwear; housing, water, electricity, gas and other fuel; transport; and communication groups in the consumer basket.

On a month-on-month basis, the rate of inflation rose by 0.5 percentage point, to 1.0 percent at end-January, 2017, from 0.5 percent in the preceding month. The monthly increase in inflation was driven by increases in the inflation rates of food and non-alcoholic beverages; alcoholic beverages, tobacco and narcotics; furnishings, household equipment and routine maintenance; communication; recreation and culture; and restaurant and hotels.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance during the reporting month remained anchored on price stability through broad exchange rate stability. During the reporting month, the foreign exchange auction and the Treasury Bills were the only available tools used to help stabilize the exchange rate.

Net foreign assets (NFA) at end-January, 2017 fell by 2.2 percent to US\$37,780.3 million, from L\$38,612.8 million recorded at end-December, 2016. The decline was due to a 4.8 percent fall in assets held abroad by the Central Bank of Liberia. Net domestic assets (NDA), on the other hand, expanded by 7.4 percent to US\$30,179.7 million, from US\$28,099.1 million, on account of a 4.2 percent growth in credit to the private sector including credit to NBFIs.

Commercial banks' loans to the private sector in terms of US dollars increased by 2.9 percent to US\$378.8 million, from US\$368.3 million reported in December, 2016. The Liberian dollars share of loans to the private sector declined by 3.2 percent to L\$2,839.3 million, from L\$2,934.1 million at end-December, 2016.

Exchange Rate

At end-January, 2016, the average exchange rate between the Liberian and the US dollars depreciated by 2.5 percent to L\$103.27/US\$1.00, from L\$100.80/US\$1.00 recorded at end-December, 2016. Similarly, the end-of-period (EOP) exchange rate depreciated by 2.0 percent to L\$104.50/US\$1.00, from L\$102.50/US\$1.00. Conducting a year-on-year analysis, the average exchange rate depreciated by 15.4 percent and the EOP, by 15.5 percent. The depreciation of the domestic currency continued to be triggered by the swelling demand for US dollars in the economy.

Analyses of the EOP exchange rate movements for the month of January in the WAMZ revealed that the Sierra Leonean Leone appreciated by 0.2 percent. On the other hand, the Ghanaian Cedis fell by 5.0 percent, followed by the Gambian Dalasi, Liberian Dollars and the Guinean Franc, by 2.7, 2.0 and 1.5, respectively (Table 2). The falls in commodities prices on the global market and the high demand for foreign currency to facilitate imports continued to be the key drivers of the depreciation of the sub-Regional currencies.

On year-on-year basis, all currencies in the WAMZ (at end-January, 2017) depreciated, with the highest rate recorded for the Naira, 55.1 percent, followed by the Leone, 28.1 percent; the Guinean Franc, 23.3 percent; the Liberian Dollar, 15.5 percent; the Cedi, 11.5 percent and the Dalasi, 3.3 percent.

	Oct-16	Nov-16	Dec-16	Jan-17
Non-performing Loans (% change)	12.8†	13.4	N/A	N/A
Returns on Assets (ROA)	0.9	1.1	0.2	0.3
Returns on Equity (ROE)	6.3†	7.8	0.8	1.5
Liquidity Ratio****	39.8	54.1	51.4	53.3
7	Fiscal Operations			
7a	Revenue, Expenditure & Debt (Millions of US\$)			
Actual Revenue & Grants	33.2	38.2	92.6	44.3
Projected Revenue & Grants	32.1	32.6	73.5	38.7
Expenditure	23.5	48.2†	50.6	36.7
Public Debt Stock	755.6	769.7	775.6	785.7
Domestic	268.4	268.3	268.3	268.3
External	487.2	501.4	507.3	517.4
7b	Treasury Securities (Millions of L\$)			
T- Bills Issued	-97.5	-49.0	-49.3	-51.3
T- Bills Redeemed	47.3	46.8	48.8	97.5
Net GoL Treasury Bills Operations^	-50.2	-2.2	-0.5	46.3
Ave. Weighted Discount Rate_T Bills	2.9	3.7	3.1	2.8
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			
	12.5	6.3†	13.7†	15.0
- O/w Iron Ore	3.8	0.0†	2.6	4.6
- O/w Rubber	6.6	2.9	3.9	4.2
- O/w Mineral	0.9	0.3†	3.6	2.0
-o/w Cocoa Bean			0.4	0.3
-o/w Palm Oil			0.1	0.0
8b	Imports (F.O.B)/1			
	92.4	93.9	78.7	85.5
Minerals, Fuel, Lubricants			19.7	26.9
-O/w Petroleum Products	21.4	26.3	14.1	25.6
Food and Live Animals			19.7	12.9
-O/w Commercial Rice	19.0	14.4	6.6	0.3
-O/w Non-commercial Rice	0.0	0.2	0.8	0.4
Machinery & Transport Equipment			17.3	22.4
Import (C.I.F)	100.4	101.2	86.0	92.3
Trade Balance	-79.9	-87.6	-65.0†	-70.5
9	External Trade (Volume) (Metric Tons)			
- Rubber	2,902	1,956	2,393	2,438
-Iron Ore	77,679	82,250	120,342	183,656
-Commercial Rice	415,343	316,160	143,629±	7,006
-Non-commercial Rice	116	843	4,593±	2,209

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

Table 1: Fact Sheet

	Oct-16	Nov-16	Dec-16	Jan-17±
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	164.8	168.8	183.1	172.0
CBL Gross Foreign Reserves (excluding SDRs)	246.1	250.8	292.8	268.8
Liberian Dollars in Circulation	9,939.8	10,830.9	12,755.1	10,969.8
Money Supply (M1) in L\$ only	13,472.6	14,042.7	16,494.8	14,823.7
Broad money (M2) in L\$ only	19,271.1	19,551.7	22,043.2	20,700.6
Broad money (M2) in both L\$ and US\$*	61,935.0	62,507.7	66,711.9	67,690.0
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	31.1	31.3	33.0	32
Interest Rates				
- Lending rate	13.7	13.3	13.6	13.5
-Average Deposit rates				
-Savings	2.0	2.2	2.0	2.1
-Time	3.4	3.4	4.7	3.7
Commercial banks loans to private sector - US\$	346.9	368.2	368.3	351.3
Commercial banks loans to private sector - L\$	2,577.6	2,763.5	2,934.1	2,979.1
- Demand Deposits of commercial banks				
Demand deposits - US\$	266.8	269.0	288.0	274.2
Demand deposits - L\$	4,354.8	4,110.9	4,643.2	4,559.1
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	161.5	162.32	153.7	157.8
Time & savings deposits - L\$	5,787.4	5,497.0	5,333.4	5,794.0
- Other Deposits**				
Actual US\$ component of other deposits	5.3	0.1	3.1	2.7
Liberian \$ component of other deposits	11.1	12.0	215.0	82.9
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	2.0	0.0	0.0	7.0
Total Subscription	7.8	0.0	0.0	15.2
Over(+)- / Under(-) Subscription	5.8	0.0	0.0	8.2
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	71.3	32.3	33.3	44.2
Outflows	15.1	52.3	37.5	35.5
Net flows	56.1	-20.0	-4.2	8.8
5 Exchange Rate	<i>(USD/LD)</i>			
End of Period	98.5	100.5	102.5	104.5
Period Average	98.4	99.6	100.4	103.3
6 Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
Capital Adequacy Ratio (CAR)***	20.6 [†]	21.4	21.5	21.8
Non-performing Loans to Total Loans	11.4	11.8	14.8	13.2

Money Market Developments

Money market operation in January, 2017 resulted into net injection of L\$46.3 million compared with a net withdrawal of L\$0.5 in December, 2016. The weighted average yield was 2.81 percent, 32 basis points less than the yield in December, 2016.

Banking Sector Developments

During the month, the banking industry remained viable. Liquidity position of the industry rose by 1.9 percentage point to 53.3 percent above the December's position. The minimum required ratio is 15.0 percent. Non-performing loans ratio improved by 1.6 percentage points to 12.9 percent on account of stringent policy measures by the CBL.

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

Fiscal operations in January, 2017, resulted in a surplus of US\$7.6 million, down from a surplus of US\$41.9 million recorded in the previous month, mainly explained by month-on-month 27.5 percent decreased in public spending during the review period. Tax and non-tax revenue & grants constituted 83.7 percent and 16.3 percent of total revenue and grants, respectively. Actual revenue and grants rose above budgetary projections during the month by US\$5.6 million or 14.5 percent. Recurrent and capital expenditures accounted for 85.8 percent and 14.2 percent of total public expenditure for the review month.

Liberia's public debt stock at end-January, 2017, stood at US\$785.7 million, slightly increasing by 1.3 percent against the stock of US\$775.5 million recorded at end-December, 2016, mainly explained by 2.0 percent growth in external debt stock during the review period. Domestic and external debt stocks constituted 34.1 percent and 65.9 percent of Liberia's total public debt stock at end-January, 2017, respectively (Table 1).

EXTERNAL SECTOR DEVELOPMENTS**Merchandise Trade**

During the month ended-January, 2017, both import payments and export earnings rose slightly over the preceding month. However, the rise in import payments exceeded the rise in export receipts leaving the balance on merchandise trade during the month to worsen by 5.5 percentage points

to US\$70.5 million, from revised deficit of US\$65.0 million reported in the previous month (Table 1).

Exports

Export receipts reported at end-January, 2017 rose slightly over previous month by 9.5 percent to US\$15.0 million, from revised of US\$13.7 million recorded during the preceding month. The improvement in export receipts was largely on the back of increases in earnings from all major export commodities except minerals and cocoa beans; earnings on iron ore and rubber rose by US\$2.0 million and US\$0.3 million, respectively (Table 1).

Imports

At end-January 2017, Import payments (f.o.b) moved up to US\$85.5 million, from US\$78.7 million reported in the previous month. The 8.6 percent rise in payments was on account of surges in three of Liberia's major commodity grouping; mineral, fuel Lubricant (o/w petroleum product), Food and Live Animals as well as Machinery & Transport Equipment . These categories rose by 36.6 percent, 34.1 percent and 29.4 percent, respectively (Table 1).

Global Commodity Price Review

The year 2017 continued with rising global commodity prices. During the month ended-January, 2017, average general commodity price rose by 2.3 percent, from a peak of 7.5 percent that was reported in the previous month owing to gains in all major commodity prices, especially rubber, metal (mainly iron ore) and energy prices.

Iron ore

Iron ore price at end-January, 2016 rose marginally by 1.3 percent to US\$80.8 per metric ton, from US\$79.8 per metric ton recorded during December, 2016; on account of favourable demand for steel (Table 1).

Rubber (natural)

The global price of rubber rose for the 4th consecutive time in January, 2017 to US\$2,555.2 per metric ton, from US\$2,226.9 per metric ton reported during the previous month. The 14.7 percent surge in the price of the commodity was on the back of supply cut of the commodity.

Petroleum (Crude Oil)¹

During the month ended-January, 2017, the price of petroleum went up by 1.9 percent to US\$53.6 per barrel, from US\$52.6 per barrel during the

previous month, occasioned by OPEC production cut down decision.

Gold

During the month ended January 2017, the international price of Gold marginally improved for exporting economies by 3.0 percent and stood at US\$1,192.1 per ounce, from US\$1,157.4 per ounce. The rising position in the price of the commodity is to hedge against inflationary pressure as public spending in the USA is expected to rise.

Food (Rice)

International Food prices started with a rise in 2017. At end-January, 2017, food price rose by 2.1 percent, from December, 2016 owing to increases in prices of cereal, vegetable oil and sugar quotations. In line with increase in the price of cereal, rice price surged by 3.8 percent to US\$373.2 per metric ton during the reviewed month, from US\$359.5 per metric ton in the preceding month on the back of lowering supply of the commodity amid growing demand for the commodity from Asia.

Palm Oil

Palm oil price rose for the second consecutive month to US\$531.6 per metric ton at end-January 2017, from US\$520.6 per metric ton during the previous month. The 2.1 percent rise in the price of the commodity was on account of growing demand for the commodity over other vegetable oils.

Gross Foreign Reserves

The CBL foreign reserves (excluding SDR² holdings) at end-January, 2017 declined by 5.5 percent to US\$276.6 million during the month under review, from US\$292.8 million recorded in the previous month. The fall in gross foreign reserves position of the Bank was on account of significant decline in cash balances with Banks abroad (See Table 1).

Month-of-Import Covers³

On account of the 8.3 percent decline in gross foreign reserve during the month of January, 2017, month of import cover stood at approximately 2.9 month.

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

²Special Drawing Rights

³Calculated by dividing the stock of gross foreign reserve in the month by total import payments (on cif basis) in the same month