

## Foreign Exchange Summary

as at July 24, 2020

Member State	USD	CAD	GBP	Euro
Bahamas (BSD)	1.00	0.75	1.28	1.17
Barbados (BBD)	2.03	1.52	2.60	2.37
Belize (BZD)	2.02	1.51	2.59	2.36
Guyana (GYD)	218.00	156.72	268.37	243.94
Haiti (HTG)	120.33	90.07	141.54	140.06
Jamaica * (JMD)	148.03	110.73	188.01	171.18
OECS (XCD)	2.71	2.01	3.44	3.13
Suriname (SRD)	7.52	5.56	9.55	8.71
T&T (TTD)	6.78	5.38	9.19	8.26

\*Rates applicable for Customs & GCT purposes

## Business News In Brief

### CAL launches its EC service as LIAT reorganizes

Caribbean Airlines (CAL) has launched its service to the Eastern Caribbean using Barbados as its temporary hub. The first flights commenced on July 22. According to CAL "Flights will initially operate between Barbados to St Vincent and the Grenadines and Grenada with other destinations to be added once the regulatory approvals are received." The move by CAL comes in the wake of an announcement by Antigua and Barbuda Prime Minister Gaston Browne of a reorganization plan for LIAT, which would see a "far leaner and commercially viable," airline resuming operations within the next 60 to 90 days. [\(TG\)](#)

### 700 jobs for locals as Sandals Resorts heads to SVG

Sandals Resorts International (SRI) is expanding to St Vincent and the Grenadines (SVG), its eighth island in the Caribbean and a new destination for the brand, following the acquisition of Buccament Bay Spa and Resort. The acquisition of Buccament Bay is expected to be concluded within 90 days. The agreement which was formalised on July 22, will bring Beaches Resorts to SVG. The new resort is slated to employ 1,000 persons including 700 locals. This will become the fourth Beaches Resort within the Sandals portfolio, joining the chain's resorts in Jamaica and Turks & Caicos. Sandals Resorts International currently provides direct employment for some 14,000 persons. [\(JO\)](#)

### 15% SME loan and 20% mortgage approval rates in Bahamas

According to the IDB, 85% of Small and Medium Enterprise loan applications are rejected by Bahamian commercial banks. This has been reinforced by the Bahamas Development Bank's (BDB) strategic plan which noted that 77% of credit issued by the banks went to retail clients. This high rejection rate for SME loans has been attributed to the poor quality of applications, lack of available collateral and low-risk appetite by commercial lenders. Consequently, there is a financing gap of \$180m to \$748m in the SME landscape. Non-performing loans to the SME sector are also high relative to consumer lending. Meanwhile, the BDB Strategic Plan also notes that just 20% of Bahamians are able to service and qualify for an "average" mortgage, with more than 40% of homes and dwellings rented. Notwithstanding, mortgage loans account for almost 50% of the total aggregated loan portfolio for the Bahamian banking industry. The standard debt service as a proportion of income is 30 - 32%. [\(T\)](#) [\(T\)](#)

### Corporate Movements

- ⇒ The UN Secretary General has appointed Pamela Coke-Hamilton as Executive Director of the International Trade Centre in Geneva, Switzerland;
- ⇒ Richard Brown, has been appointed Director, Research, Services Sector Development, Technical Assistance and Capacity Building Support at Ministry of Foreign Affairs & Foreign Trade, Jamaica.

### 10 - 20 % decline in Eastern Caribbean economies projected

St Kitts-Nevis Prime Minister Dr Timothy Harris, says the Eastern Caribbean Central Bank (ECCB) is expecting between 10 - 20% decline in the economies of the sub-region in 2020 as a result of the measures taken to prevent the spread of COVID-19. Harris, who assumed the chairmanship of the ECCB Monetary Council on July 24, said he would focus on three main areas during the year, namely monetary stability, financial stability and growth and competitiveness. "Additionally the bank will forge ahead with the establishment of a credit bureau and a deposit insurance system for the ECCU. These initiatives will create more opportunities for business start-ups and expansion while strengthening the resilience of the financial sector," said PM Harris. He said that among the recommendations that will be put forward, is a programme designed to "ensure an optimal regulatory framework for the financial system" in the ECCU. [\(CBR\)](#)

## Stock Market Summary

as at July 24, 2020

### Jamaica Stock Exchange

Overall Market activity resulted from trading in 45 stocks of which 16 advanced, 19 declined and 10 traded firm. Market volume amounted to 7,203,254 units valued at over \$47,857,862.38. TransJamaican Highway Ltd was the volume leader with 2,923,471 units (40.6%). Index declined by 658.24 points (0.18 %) to close at 370,306.82.

### Jamaica Junior Stock Exchange

12 advanced, 15 declined and 5 traded firm. Market volume amounted to 1,406,824 units valued at over J\$4,933,149.18. Index closed at 2,555.47.

### Barbados Stock Exchange

One security traded firm as 734 shares traded on the Regular Market, with a total value of \$1,651.50. FirstCaribbean International Bank was the sole security trading 734 shares at \$2.25. Index closed at 2,874.65.

### Trinidad & Tobago Stock Exchange

Overall Market activity resulted from trading in 15 securities of which 2 advanced, 8 declined and 5 traded firm. Trading activity on the First Tier Market registered a volume of 152,503 shares crossing the floor of the Exchange valued at TT\$1,901,674.38. NCB Financial Group Limited was volume leader with 67,871 shares changing hands for a value of TT\$523,606.70. The All T&T Index declined by 1.96 points to close at 1,769.82. The Composite Index declined by 3.66 points to close at 1,308.18 and the Cross Listed Index declined by 0.73 points (0.63%) to close at 114.38.

### Guyana Stock Exchange

1 stock traded firm and 3 declined as 89,920 units traded on the Regular Market. Demerara Distillers Limited (DDL) was volume leader with 86,980 shares traded. The LSI closed at 610.46.

### Eastern Caribbean Securities Exchange (ECSE)

No trading activity this week. Index closed at 160.71.

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## Business News In Brief

### Seprod's cash flow strategy - sell non-operating assets

Jamaican conglomerate Seprod Limited says it will continue to sell off non-operating assets as part of cash flow and conservation strategy under COVID-19. Such assets include dairy and sugar operations, which have been moved elsewhere or shuttered and from which factories have been placed on the market. Seprod describes itself as the largest foods producer in the Caribbean, exporting to 18 countries globally. According to Seprod CEO Richard Pandohie, the economic dislocation had provided a "massive opportunity" to restructure and diversify. For the 6 months ended June 30, 2020, Seprod saw revenue of \$18.61 billion, an increase of \$2 billion or 12% over the corresponding period in 2019. Net profit for the company over the period was \$1.22 billion, which was \$354 million more than the similar period last year. ([LOOP](#))

### News Highlights

- [Belize: Public Investment Management Assessment](#)
- [The Pandemic's Unprecedented Shock to Tourism in LAC](#)
- [High Court grants petition for reorganisation of LIAT](#)

### Global air passenger slump to persist till 2023 – Moody's

International ratings agency, Moody's has estimated that global air travel will decline by 55%-75% in 2020 alone, which will heavily affect the industry as aviation supports \$2.7 trillion of global GDP, and 70 million industry-supported employment which they forecast a 45% decline. The pandemic has affected air travel and led to job cuts and furloughs in the industry, a 45% decline in jobs related to the industry would have a negative effect in tax revenues for countries. An estimated 25 million aviation jobs and 100 million travel and tourism jobs across the globe are at risk. For aircraft manufacturers, Moody forecasted a 50% decline in deliveries and expects recovery from 2024. Aircraft leasing is expected to see 80% in rent deferral requests while airports will see a decline in passengers by 2.2 billion until the recovery. ([NM](#))

### International Oil Prices as at July 24, 2020

Futures	Price	US\$ Change	Change %
WTI Crude	US\$41.34	+0.28	+0.68
Brent Crude	US\$43.42	+0.08	+0.18
OPEC Basket	US\$44.62	+0.38	+0.86
Natural Gas	US\$1.79	+0.01	+0.56