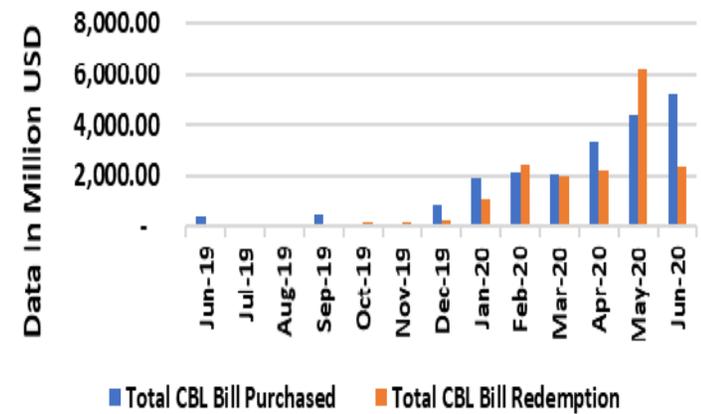




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Food Price (FAO)¹

For the first time in 2020, food price, based on the FAO index, showed an increase. Food price index rose by 2.1 percentage points, due, this time, to rebound in the prices of sugar, dairy products and vegetable oil. However, year-on-year comparison of the index showed that food price declined by 2.1 percentage points, from revised 95.3.

Rice

The price of rice in June 2020 stood at US\$520.0 per metric ton, reflecting a rise by 2.0 percent largely due to weak supply of the commodity. Decision to restrict exports by some rice producing countries amid the spread of COVID-19 continued to hamper supply of the commodity. Similarly, annual comparison of the price of the commodity showed a rise of 23.8 percent, from US\$420.0 per metric ton.

Palm oil

Palm oil price rose by 13.5 percent to US\$651.6 per metric ton in June 2020, compared with the preceding month, mainly on account of recovery in global demand resulting from easing of lockdowns in few countries. Additionally, it is anticipated that the prolonged migrant labor shortages would slow palm oil production and help to exert upward pressure on the price of the commodity. Year-on-year comparison of the price of palm oil reflected an 18.0 percent rise, from US\$552.2 per metric ton in June 2019.

Table 8: Global Commodity Prices

GLOBAL PRICE	June -19	Apr - 20	May -20	June -20	Percent Change	
					MoM	YoY.
	(In price per Unit of Measure)					
Iron ore (US\$/MT)	108.94	84.73	93.65	103.30	10.30	(5.18)
Gold (US\$/Oz)	1,359.04	1,683.17	1,715.91	1,732.22	0.95	27.46
Rubber (US\$/MT)	1,930.00	1,330.00	1,350.00	1,400.00	3.70	(27.46)
Cocoa Beans (US\$/MT)	2,410.00	2,270.00	2,320.00	2,240.00	(3.45)	(7.05)
Palm oil (US\$/MT)	552.19	608.88	573.88	651.58	13.54	18.00
Crude oil (US\$/BBL)	59.76	21.04	30.38	39.46	29.89	(33.97)
Food Price Index (FAO)	95.30	92.40	91.10	93.20	2.31	(2.20)
Rice_5% broken (US\$/MT)	420.00	564.00	510.00	520.00	1.96	23.81
Sugar (US\$/MT)	280.00	230.00	240.00	270.00	12.50	(3.57)
Commodity Price Index	115.53	84.17	91.41	99.83	9.21	(13.59)

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

9.4 percent and 7.2 percent, respectively (Table 7).

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

Rate & Currency	Jun - 19	Apr - 20	May - 20	Jun - 20	Appr (-)/Depr (+)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
End of Period	196.37	198.35	198.59	199.40	(0.41)	(1.52)
Period Average	194.38	198.12	198.47	199.11	(0.32)	(2.38)
WAMZ Currency	Currency per USD				Percent change	
GHC	5.26	5.57	5.15	5.17	(9.14)	(7.21)
GMD	49.83	51.77	50.56	51.80	(2.39)	(3.79)
GNF	9,154.12	9,409.42	9,131.53	9,593.08	(4.81)	(4.58)
NGN	306.40	306.50	306.45	306.50	(0.02)	(0.03)
SLL	8,825.77	9,710.63	8,785.04	9,741.45	(9.82)	(9.40)

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

GLOBAL COMMODITY PRICE DEVELOPMENTS

Iron ore

In June 2020, the price of iron ore was reported at US\$103.3 per metric ton, increasing by 10.3 percent, from the price per metric ton in the preceding month. The rise in the price of the mineral during the month was occasioned by reduced supply of the commodity mainly from Brazil, despite the adverse effect of the pandemic on mining. Rising steel production in China induced demand for the mineral during the review month. Compared with the price in the corresponding month of 2019, iron ore price fell by 5.2 percent.

Crude oil (Petroleum) price

The price of petroleum increased by 29.9 percent for the second month to US\$39.5 per barrel in June 2020 following a sharp dip in April 2020. The performance was occasioned mainly by panic over renewed decision of OPEC to further cut production. Annual comparison showed that the price of petroleum increased by 34.0 percent, from the price in June 2019.

Rubber

Rubber price increased by 3.7 percent in June 2020 to US\$1,400.00 per metric ton compared to the preceding month. The rise in the price of the commodity was occasioned by expectation of growth in demand for natural rubber. Yearly comparison of the price of rubber showed a slowdown by 27.5 percent from US\$1,930.00 metric ton.

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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 sectors (Real, Monetary, Fiscal and External) of the Liberian economy. The MER also highlights the Monetary Policy Stance of the CBL and exchange rate developments in the West African Monetary Zone (WAMZ).

OVERVIEW

Production of key commodities in the Liberian economy in June 2020 showed slight improvement. Except the outputs of iron ore and gold that decreased during the month, production of beverages, cement and rubber rose compared to the preceding month.

Headline and core inflations slowed during the month. The decrease in headline inflation was induced mainly by decreases in the prices of items relating to housing, water, electricity, health and transport. Similarly, the fall in core inflation was due largely to decreases in the prices of items related to housing, water, electricity and non-alcoholic beverages.

The Monetary policy stance of the CBL remained focused on price stability using interest rate-based instruments. Similar to the previous months, the CBL maintained a moderately tight monetary policy stance using monetary policy instruments that included the CBL bill with different tenors. The policy stance aimed at managing Liberian dollar liquidity to stabilize the exchange rate.

Developments in monetary aggregates showed that broad money (M2) increased during the month compared to the preceding month. The growth in M2, from the liability side, was due largely to increases in time and saving deposits as well as demand deposits. On the asset side, the rise in M2 was mainly on account of growth in net domestic assets (NDA). Commercial banks' loans to the private sector in both United States and Liberian dollars decreased. The banking sector remained sound and stable in the month, despite the underperformance in few of the indicators. Capital Adequacy Ratio (CAR) was lowered compared to the preceding month but remained above the minimum regulatory requirement.

Fiscal operations during the month resulted to a slight expansion in the surplus compared with the surplus recorded in the preceding month, reflecting a sharp rise in government revenue that outweighed the increase in expenditure during the month. Debt stock rose during the month on account of increase in external debt induced by disbursement from multilateral partners. However, domestic debt reduced on account of repayment of claims to the non-financial sector.

Merchandise trade balance resulted to a deficit that widened during the month compared with the deficit in the previous month, on account of a significant rise in payments for import. Payments for imports increased due to rise in

d'Ivoire were predominantly petroleum products, which increased to US\$38.4 million (1.3 percent of GDP), from US\$15.3 million (0.54 percent of GDP) in the preceding month. Imports from China increased by 21.6 percent to US\$15.7 million, while imports from the United States of America increased by 13.6 percent to US\$6.5 million.

Remittances

During the month, inward personal remittances increased, while outward remittances declined, resulting to a rise in net inflow of personal/worker remittances by 19.6 percent compared to May 2020. Inward remittances increased by 6.5 percent to US\$25.4 million, from US\$23.8 million in May 2020, while remittances outflows slowed by 15.8 percent to US\$7.4 million, from US\$8.8 million in May 2020. Compared with the same month in 2019, net flow of personal remittance increased from a deficit of US\$4.2 million in June 2019 to a surplus of US\$18.0 million. Net flow of remittances helped to moderate exchange rate pressure on the Liberian dollar.

Gross International Reserves

At end-June 2020, gross international reserves (GIR) position stood at US\$255.9 million, increasing by 0.9 percent compared with the stock recorded in the preceding month. Notwithstanding, the rise in payments for merchandise imports exceeded the rise in GIR, thereby resulting to a marginal decline in the months of import cover for the second consecutive month by 0.1 month to 2.3 months of import cover, from 2.4 months reported in May 2020 (Table 6).

EXCHANGE RATE DEVELOPMENTS

At end of June 2020, the Liberia dollar depreciated against the US dollars. Using the end-of-period (EOP) and average (AVE) exchange rates, the Liberian dollar depreciated by 0.4 percent to L\$199.40/US\$1.00, while the AVE exchange rates showed a depreciation of the Liberian dollar by 0.3 percent to L\$199.11/US\$1.00. The marginal depreciation of the Liberian dollar was, to a large extent, due to weak demand for foreign currency on the back of slowdown in economic activities. Compared with the rates reported in the corresponding month of 2019, the Liberian dollar, on account of the EOP and AVE exchange rates, depreciated by 1.5 percent and 2.4 percent, respectively.

During the month, developments in the foreign exchange market of the West African Monetary Zone (WAMZ) revealed that all currencies in the zone depreciated against the US dollar using EOP exchange rates. The Sierra Leonean Leone, Ghanaian Cedi, Guinean Franc, Gambian Dalasi, and Nigerian Naira depreciated against the US dollar by 9.8 percent, 9.1 percent, 4.8 percent, 2.4 percent and 0.02 percent, respectively compared with the rates reported a month ago. Additionally, year on year comparative analysis showed that all currencies in the zone depreciated against the US dollar using the EOP exchange rate. The Sierra Leonean Leone and the Ghanaian Cedi recorded the highest depreciation of

Trade Statistics	Jun-19	Apr - 20	May-20	Jun - 20
External Trade (Volume)	(In Units as Specified)			
Rubber (MT)	3,628.27	6,307.80	4,252.50	4,453.08
Iron Ore (MT)	316,893.16	489,360.58	578,891.90	272,091.29
Petroleum Products (MT)	9,850.00	1,989.14	12,267.94	51,829.73
Commercial Rice (MT)	256.60	5,376.73	131.22	2,031.67
Non-commercial Rice (MT)	132.10	0.91	1.88	6.26
Cocoa Beans (MT)	na	575.00	500.00	836.77
Palm Oil (MT)	3,724.00	240.00	250.00	6.37
Gold (Oz)	12,987.37	12,268.54	11,688.95 [†]	9,002.72
Diamond (Crt)	21.79	na	na	1,238.96
Personal Remittances	(Millions of USD)			
Inflows	24.79	24.47	23.82	25.38
Outflows	29.01	9.10	8.79	7.40
Net flows	(4.22)	15.37	15.03	17.98
Other Indicators				
Import (C.I.F)	84.89	37.34	99.10	109.08
Gross International Reserves (GIR) ²	273.74	251.17	253.75	255.92
Import covers (In Month)	2.3	2.6	2.4	2.3
Direction of Trade (DOT)	(Millions of USD)			
Destination of Export	44.75	37.58	53.43	30.53
o/w France	2.74	0.00	6.81	6.75
o/w Switzerland	9.98	14.47	19.13	6.64
o/w United States of America	0.00	1.97	0.00	3.96
o/w United Kingdom of Great Britain	3.36	3.40	3.55	3.64
Sources of Import	76.10	33.60	89.55	100.75
o/w Cote d'Ivoire	10.53	2.17	15.33	38.43
o/w China	15.87	3.24	12.90	15.69
o/w United States of America	6.20	2.18	5.75	6.53
o/w Turkey	7.24	2.14	10.37	5.04

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

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

² (GIR) is the sum of net foreign liquid asset plus SDR and Reserve tranche less liabilities to CoBs and GoL

[†] As of July 2020, import payments will be reported on CIF basis, while Sources of Import will be on FOB basis

† - Revised

Direction of Trade

In June 2020, France, Switzerland, the United States of America and the United Kingdom were the main destinations of Liberia's exports. However, exports to France and Switzerland declined by 0.9 percent to US\$6.75 million (0.2 percent of GDP) and 65.3 percent to US\$6.6 million (0.2 percent of GDP), respectively. Commodities exported to these countries included gold and iron ore. On the other hand, exports to the United States and Great Britain increased with rubber and iron ore accounting for major commodities of export.

Cote d'Ivoire, China, Turkey and the United States of America were the main sources of merchandise imports to Liberia during the month. Imports from Cote

payments for minerals, fuel and lubricant (of which payments on petroleum import topped) and food and live animals (including oil made from animals and vegetable), while earnings from exports declined due to reduction in receipts from iron ore and gold export.

The stock of Gross International Reserves (GIR) at end June 2020 increased by 0.9 percent compared to the preceding month. GIR increased due to increase in foreign currency deposit with nonresidents. The increase in GIR was, however, outweighed by rise in payments for merchandise imports and led to an estimated decrease in the months of import cover. Inflows of personal remittance rose during the month, while outflows slowed, resulting to a net inflow of remittances that was higher than the one reported in the preceding month. The Liberian dollar, based on average and end-of-period exchange rates, depreciated marginally against the United States dollar due, in part, to the weak demand for foreign currency.

REAL SECTOR & PRICE DEVELOPMENTS

Production Analyses of Key Commodities

Compared to May 2020, production statistics on key commodities for the month showed marginal improvements in outputs. Besides outputs of iron ore and gold that fell, production of cement, beverages and rubber increased. Gold production during the month dropped by 34.8 percent to 9,003.0 ounces, compared with the 13,817.0 ounces reported for May 2020. Iron ore output fell by 17.4 percent to 330,300.0 metric tons, from 400,000.0 metric tons in the preceding months due to less mining activities occasioned by the rainy season. Output of rubber slightly rose by 4.7 percent to 4,453.0 metric tons, from 4,253.0 metric tons in the previous month, as a result of increase in harvest from the top producers of the commodity. Cement output grew by 1.1 percent to 34,926.0 metric tons in order to cope with increasing demand. Beverages production increased by 12.1 percent on account of expected increase in demand ahead of the upcoming Independence Day Celebration (Table 1).

Consumer Prices

Headline inflation for June 2020 was reported at 13.1 percent, from 18.4 percent in the preceding month. The slowdown in headline inflation was largely due to decreases in the prices of items relating to housing, water, electricity, gas and other fuels, health and transport. Similarly, core inflation¹ decreased to 8.4 percent in June 2020, from 13.5 percent recorded in May 2020 due mainly to decrease in the prices of items related to housing, water, electricity, gas and other fuels and non-alcoholic beverages. On the other hand, month-on-month rate of inflation remained relatively stable at 2.0 percent in June 2020 compared with May 2020. (Table 1).

Table 1: Production and Price Statistics

Production	Jun - 19	Apr - 20	May - 20	Jun - 20
	(Millions of USD)			
	(In Metric tons, carat and Ounces)			
Iron Ore (Metric ton)	396,225	495,000	400,000	330,300
Gold (Ounces)	12,987	12,269	13,817	9,003
Diamond (Carat)	22	na	na	na
Rubber (Metric ton)	3,707	6,288	4,253	4,453
Cement (Metric ton)	21,227	28,537	34,532	34,926
Beverages	(In Liters)			
Alcoholic	943,210	601,925 [†]	1,061,460	1,166,473
Non-Alcoholic	842,319	101,574 [†]	80,436	113,890
Total Beverage Production	1,785,529	703,499 [†]	1,141,896	1,280,363
Inflation	(In percent)			
Overall (Y-o-Y) Rate of Inflation	29.91	22.51	18.38	13.14
a. Food and Non-alcoholic Beverages infl't'n	32.20	30.24	28.28	21.08
-Domestic Food Inflation	30.40	36.45	35.60	37.30
-Imported Food Inflation	32.57	25.38	22.69	9.49
b. Transport Inflation	26.37	23.17	10.96	12.88
c. Imported Fuels Inflation	27.82	5.33	3.64	0.50
Overall (M-o-M) Rate of Inflation	6.72	0.05	2.02	2.00
Core Inflation				
Inflation less Food & Non-alcoholic Beverages	28.71	18.33	13.17	8.96
Inflation less Imported Food	29.00	21.90	17.44	14.12
Inflation less Domestic Food	23.07	20.19	15.66	9.42
Inflation less Food and Transport	29.38	17.69	13.47	8.44
	(Millions USD, except otherwise specified)			
Nominal GDP Annual	3,024.28	2,858.40[†]	2,858.40[†]	2,858.40
Real GDP Annual	1,400.14	1,365.12 [†]	1,365.12 [†]	1,365.12
Real GDP growth rate (in percent)	(2.5)	(2.5) [†]	(2.5) [†]	(2.5)

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

MONETARY DEVELOPMENTS

Monetary Policy Stance

The focus of CBL's monetary policy stance remained on liquidity management of the Liberian dollar to ensure price stability through interest-rate based instruments. During the month, the Bank maintained its policy stance mainly using CBL bills at different tenors (two weeks, one month and three months).

Monetary Aggregates

Broad money at end-June 2020, amounted to L\$128,400.3 million, indicating 2.5 percent increase from the stock recorded at end-May 2020. The expansion in M2 was primarily driven by 3.5 percent and 2.8 percent increase in demand deposits and time and savings deposits, respectively. The growth in M2, from the asset side, was on account of a rise in Net Domestic Assets (NDA). NDA grew by 6.8 percent as a result of 10.6 percent fall in other assets net, while Net Foreign Assets (NFA) fell by 19.1

in external borrowing from multilateral partners. External debt rose by 0.4 percent to US\$914.1 million, from US\$910.5 million in May 2020, while domestic debt declined by 0.1 percent to US\$603.5 million, occasioned by debt repayment.

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

In June 2020, preliminary statistics on Liberia's external trade showed that merchandise trade balance widened to US\$70.2 million (2.5 percent of GDP); from US\$36.1 million (1.3 percent of GDP) in May 2020. Trade balance increased by almost 95.0 percent due to an increase in merchandise import payments amid the fall in receipt from merchandise exports.

Payments for imports increased by US\$12.5 percent to US\$100.8 million (3.5 percent of GDP) during the month, from US\$89.6 million (3.1 percent of GDP) as a result of increased payments for minerals, fuel and lubricant (of which payments on petroleum import topped) and food and live animals (including oil made from animals and vegetable).

Export earnings declined during the month by 42.9 percent to US\$30.5 million (1.1 percent of GDP), from US\$53.4 million (1.9 percent of GDP), mainly on account of fall in receipts from exports of iron ore and gold. Iron ore and gold exports dropped by 55.8 percent to US\$12.7 million and 47.2 percent to US\$10.1 million, respectively due mainly to significant falls in the volume of export of both minerals.

Table 6: External Sector Statistics

Trade Statistics	Jun-19	Apr - 20	May-20	Jun - 20
External Trade (Value)	(Millions of USD)			
Exports^{1/}	44.75	53.31	53.43[†]	30.53
o/w Iron Ore	16.21	29.81	28.75	12.70
o/w Rubber	9.20	6.31	4.01	4.66
o/w Gold	12.15	15.73	19.13 [†]	10.10
o/w Diamond	0.03	na	na	1.40
o/w Cocoa Bean	0.0	0.55	0.49	0.84
o/w Palm Oil	2.02	0.18	0.19	0.00
Imports (F.O.B)^{1/†}	76.10	33.60	89.55	100.75
Minerals, Fuel, Lubricants	11.85	2.77	18.00	40.41
o/w Petroleum Products	9.85	2.05	15.09	38.15
Food and Live Animals (incdg Animal and veg. oil)	13.71	11.19	16.35	18.60
o/w Commercial Rice	0.19	2.69	0.22	0.74
o/w Non-commercial Rice	1.24	0.00	0.00	0.002
Machinery & Transport Equipment	20.58	8.25	21.38	13.00
Manufactured goods classified by materials	13.27	3.84	8.57	9.30
Trade Balance	(31.35)	19.71	(36.12)	(70.22)

Decreased by 11.8 percent to L\$16.7 billion. However, the ratio of NPLs remained above the tolerable limit of 10.0 percent by 9.9 percentage points.

FISCAL SECTOR DEVELOPMENTS

Preliminary statistics at end June 2020 showed that government's fiscal operations resulted to a surplus of 0.7 percent of GDP, from a lower surplus reported in the preceding month. Despite the rise in total government spending during the month, the uptick in fiscal surplus was occasioned by a significant increase in government revenue generated. Total government revenue rose by US\$51.2 million (1.8 percent of GDP) to US\$95.3 million (3.3 percent of GDP), from 1.5 percent of GDP in the preceding month. The increase in government revenue was due mainly to a substantial rise in revenue envelope, including grant and tax revenue. Other tax revenue and grant rose by US\$42.1 million, while tax revenue increased to US\$41.3 million on account of increase in levies generated from income and profit, by 66.8 percent.

Similarly, total cash expenditure rose to 2.7 percent of GDP (US\$76.5 million), from 1.5 percent of GDP (US\$42.3 million) in May 2020. The increase in government expenditure was attributed to performance in the current expenditure on compensation of employees and goods and services.

The total stock of public debt during the month slightly increased by 0.2 percent to 53.1 percent of GDP (US\$1,517.6 million) mainly due to a moderate increase

Table 5. Fiscal Sector Statistics

Fiscal Operations	Jun - 19	Apr - 20	May - 20	Jun - 20
	(Millions of USD)			
Government Revenue	34.93	24.38	44.10	95.32
Tax Revenue	29.98	22.14	29.28	41.27
O/W Taxes on Income & Profits	8.65	12.25	9.43	15.90
O/W Taxes on International Trade	12.82	7.48	16.77	13.20
Non-tax Revenue (excluding grants)	4.95	2.24	7.95	5.05
O/W Property Income	3.99	1.87	7.47	4.11
O/W Administrative Fees and Fines	0.96	0.36	0.48	0.94
Other tax Revenue (including grant)	0.00	0.00	6.87	49.00
Government Expenditure by Codes	25.93	45.71	42.33	76.50
Current Expenditure	23.95	44.90	35.92	74.02
Capital Expenditure	0.55	0.00	0.20	0.00
Loans, interest and other Payments	1.43	0.81	6.21	2.48
Overall Balance	9.00	(21.33)	1.77	18.83
Public Sector Debt	1,170.47	1,508.47	1,514.94	1,517.56
Domestic	319.62	604.41	604.41	603.46
Financial Sector	319.29	552.71	552.71	552.71
Other Sector	0.33	51.70	51.70	50.75
External	850.85	904.06	910.53	914.10
Multilateral	724.83	790.11	796.58	800.15
Bilateral	126.02	113.95	113.95	113.95

Source: Revenue Department, Expenditure Department and Debt Management Unit, MFDP

percent due mainly to decrease in foreign assets of the Central Bank.

During the month, commercial banks' loans denominated in both currencies declined, but the fall in the Liberian dollar component exceeded the US dollar share. The US dollar share of private sector credit reduced slightly to US\$371.6 million due to slowdown in loans offered to the extractive and the construction subsectors. On the other hand, the share of commercial banks' loans denominated in Liberian dollar fell by 4.7 percent to L\$6,375.9 million occasioned by drop in loans to the trade sector.

At end of the month, all deposits converted to Liberian dollar stood at L\$109.1 billion (19.1 percent of GDP), rising by 0.5 percent of GDP compared with the 18.6 percent of GDP reported in the preceding month. The increase was driven partly by exchange rate effect which mainly reflected on the time and savings as well as other deposits (Table 2).

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Jun - 19	Apr - 20	May - 20	Jun - 20
	(In Millions)			
Liberian Dollars in Circulation - (LD)	20,074.04	20,888.34	20,801.95	20,753.88
Money Supply (M1) in LD only	26,803.96	28,332.53	28,798.14	28,582.17
Broad money (M2) in LD only	35,272.10	36,448.68	35,928.08	36,200.95
M2 (in both LD & USD) Converted to LD	115,122.06	123,362.75	125,238.77	128,400.28
Net Foreign Assets (NFA) – LD	9,349.89	20,769.96	20,558.82	16,637.30
Net Domestic Assets (NDA) – LD	105,772.17	102,592.79	104,679.95	111,762.98
Loans to Private Sector				
Commercial banks loans to private sector- US	389.95	385.56	375.17	371.55
Commercial banks loans to private sector - LD	6,457.31	6,706.09	6,689.46	6,375.85
Demand Deposits of commercial banks				
Demand deposits - USD	242.63	252.81	260.50	270.20
Demand deposits - LD	8,148.07	9,040.40	9,337.36	9,327.76
Time & savings deposits - USD	162.23	183.35	187.63	190.07
Time & savings deposits - LD	8,411.42	8,021.95	6,980.19	7,556.78
Other Deposits**				
Actual US\$ component of other deposits	1.78	2.02	1.61	2.11
Liberian \$ component of other deposits	56.71	94.19	149.75	62.02
Total Deposits (USD & LD) converted to LD ¹	96,466.17	104,070.62	105,777.99	109,145.88
	(In Percent)			
Liberian Dollar share of Broad Money	30.64	29.50	28.69	28.19

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

During the month, Financial Markets' activities were predominantly focused on the issuance and redemption of CBL bills. At end-June 2020, the effective annual rate of the CBL bills was set at 25.0 percent, from 30.0 percent, driven mainly by improvement in the rate of inflation. At end of the month, the total CBL bills purchased increased by 20.0 percent to L\$5,227.4 million, from the amount in the

preceding month. Of the total subscriptions, commercial banks investment accounted for 99.6 percent. On the other hand, total redemption lowered by over 60.0 percent to L\$2,362.5 million for all matured bills.

As a result of the increased subscriptions during the month, the outstanding bills balance rose by L\$2,864.9 million to L\$4,784.5 million. During the review period, repo transactions occurred in the interbank markets with a weighted average rate trading at 5.5 percent, while swap lending among commercial banks remained traded at the average rate of 6.0 percent. The total outstanding balance on Treasury bill remained at L\$860.9 million. There was no trade in T bills (see Table 3).

Table 3. Financial Market and Interest Rates Statistics

Market Instruments	Jun - 19	Apr - 20	May - 20	Jun - 20
CBL (indexed) Bills	(Millions of LD)			
Bills Purchased on 7% coupon basis	389.83	0.00	0.00	0.00
Redemption on 7% basis	0.00	150.00	100.90	1.46
Bills outstanding on 7% coupon basis	1,151.77	504.17[†]	403.27[†]	401.81
Coupon rate (%)	7.00	7.00	7.00	7.00
Bills Purchased on EAR basis	na	3,371.53	4,356.45	5,227.43
Redemption on EAR basis	na	2,030.00	6,063.29	2,361.08
Bills Outstanding on EAR basis	na	3,054.46	1,516.38	4,382.73
Effective Annual Rate (EAR) (%)	na	30.00	30.00	25.00
Total Bills purchased (7% and 30% EAR)	389.83	3,371.53	4,356.45	5,227.43
Total Redemption (7% and 30% EAR)	0.00	2,180.00	6,164.19	2,362.54
Total Bill Outstanding (7% and EAR)	1,151.77	3,727.39	1,919.65	4,784.53
CBL Foreign Exchange (Fx) Auction¹	(Millions of USD)			
US Dollar Amount Sold	na	0.00	0.00	0.00
US Dollar Amount Sold	na	0.00	0.00	0.00
Total Subscription	na	0.00	0.00	0.00
Over (+) /Under (-) Subscription	na	0.00	0.00	0.00
Treasury Securities	(Millions of LD, unless otherwise stated)			
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	0.00	860.94	860.94	860.94
Net Treasury Bills Operations[^]	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	2.60	2.60	2.60	2.60
T- Bond Issued	0.00	0.00	0.00	0.00
T- 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	0.00	0.00
Coupon rate (%)	16.00	16.00	16.00	16.00

Market Instruments	May - 19	Mar - 20	Apr - 20	May - 20
Standing Deposit Facility (SDF)	(In Percent, unless otherwise stated)			
SDF rate (%)	4.00	0.00	0.00	0.00
SDF Amount (In Millions LD)	2,900.00	0.00	0.00	0.00
SDF overnight monthly rate (%)	0.07	0.07	0.07	0.07
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
Interest Rates	(In Percent, unless otherwise stated)			
- 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	na	5.50	5.50	5.50
Swap lending	na	6.0	6.0	6.00

Source: CBL

[^] - with Liquidity Effect where withdrawal (+)/injection (-)

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

BANKING SECTOR DEVELOPMENTS

The banking industry remained sound and stable. However, at end-June 2020, few of the indicators, except Liquidity Ratio (LR), underperformed. Return on Assets (ROA), Return on Equity (ROE) and Capital Adequacy Ratio (CAR) slowed. ROA declined by 0.2 percentage point, while ROE reduced by 1.3 percentage points compared with the preceding month. CAR lowered by 1.0 percentage point, but remained above its minimum requirement by 17.6 percentage points. On the other hand, LR recorded a growth of 1.8 percentage points and remained far above the minimum requirement by 25.3 percentage points.

Total (gross) loans in the industry increased by 1.6 percent to L\$85.7 billion (15.1 percent of GDP), from the stock reported in the preceding month, reflecting depreciation effect of the domestic currency, while non-performing loans (NPL)

Table 4: Selected Financial Soundness Indicators, FSIs

Financial Soundness Indicators	Jun - 19	Apr - 20	May - 20	Jun - 20
	(In Billion LD)			
Total Gross Loans	84.90	84.73	84.33	85.72
Total Non-performing Loans	11.34	15.67	18.99	16.74
	(In percent)			
Non-performing Loans to Total Gross Loans (ratio)	13.35	18.49	22.52	19.86
Gross Loan (growth)	(3.13)	(1.25)	(0.49)	(0.06)
Non-performing Loans (growth)	2.62	(7.27)	21.19	(11.85)
Returns on Assets (ROA)	0.97	0.95	1.02	0.85
Returns on Equity (ROE)	6.09	5.50	6.13	4.88
Liquidity Ratio***	39.73	39.11	38.44	40.27
Capital Adequacy Ratio (CAR)****	28.80	28.01	28.58	27.55

Source: CBL

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

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

[†] - revised