In Summary:

- Economic activity of some advanced economies and emerging market and developing economies continued to slow in the third quarter of 2019.
- Higher energy revenues resulted in a lower fiscal deficit in FY2018/19.
- Headline inflation has remained well contained so far in 2019.
- Energy prices were generally lower over May to October 2019, compared to the comparative period in 2018.
- Private sector credit granted by the consolidated financial system continued its moderate pace of expansion supported by the growth in consumer lending, but the decline in business credit persisted.
- In September 2019, the Monetary Policy Committee held the Repo rate constant at 5.00 per cent.
- The local foreign exchange market remained relatively tight over the first ten months of 2019.

Global economic growth for 2019 was revised downwards by the IMF to 3.0% in October from 3.3% in April 2019.

Economic growth in emerging market and developing economies softened further in the first half of 2019 when compared to the latter half of 2018.

The US lowered its federal funds rate range while policies in other advanced economies remained accommodative.

Monetary Policy Considerations

- Inflation stood at 1.1% in September 2019.
- Private sector credit grew by 4.2% in August 2019 below the 5.6% average for 2018.
- Excess reserves averaged $4.3bn for May-October 2019.
- Natural gas production fell by 0.3% in January-July 2019, when compared to the same period last year.
- The 3-month TT-US differential stood at 46bps below parity at end October 2019.
- The Central Bank interventions amounted to US$1,270mn during January to October 2019, 1.2 per cent lower than the US$1,285mn provided one year earlier.

The latest data from the Central Statistical Office (CSO) point to a fall in the unemployment rate to 3.8 per cent in the first half of 2018, relative to a year earlier.

Gross official reserves stood at US$7.1bn at the end of October 2019 or 7.9 months of prospective imports.

During FY2018/19, the Central Government registered a deficit of US$3.9bn, lower than the US$5.7bn one year earlier.

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