



**CENTRAL BANK OF
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No. 7/2014

2nd July, 2014

News Release

Central Bank Sells US\$100 Million to Authorized Dealers

The Central Bank of Trinidad and Tobago sold US\$100 million to authorized dealers on July 2nd 2014. This intervention was timed to offset anticipated lower inflows into the foreign exchange market in the coming weeks as a result of expected lower conversions by energy companies and to alleviate demand pressures ahead of the busy travel season.

In June 2014 there was an excess of US\$90 million dollars in the banking system as the supply of foreign exchange exceeded demand. Supply was strong as energy companies converted US\$483 million to meet their quarterly tax obligations and Central Bank injected US\$80 million into the system. The highly liquid foreign exchange market contributed to the weighted average selling rate of the US dollar appreciating to its highest level in four years.

For the first six months of 2014, the Central Bank sold \$US690 million to the financial system, or equivalent to one-fifth of the total supply of foreign exchange to the market. With today's intervention the total sales of foreign exchange by CBTT to the banking system amounts US\$790 million for the year to date.

The Bank continues to monitor conditions in the domestic foreign exchange market, and will take further action, if necessary.