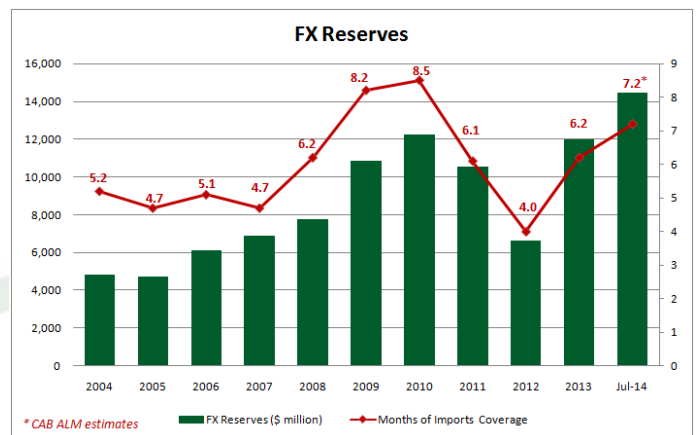


Flash comment: FX reserves at \$14.5 billion in July; covering more than 7 months of imports

September 10, 2014

- FX reserves have increased to \$14.5 billion at the end of July of this year from \$14.3 billion at the end of June.
- FX Reserves are currently at comfortable levels; covering above 7 months of imports according to estimates.
- FX reserves are expected to continue growing in the following months as Jordan is expecting external funding from international sources.
- FX reserves had dropped significantly in 2012 to uncomfortable low levels, but the Central Bank of Jordan took unconventional steps in 2013, including two domestic USD government bonds and USD/JOD swaps with local banks to rebuild buffers.
- The increase in foreign reserves in 2014, is a result of higher confidence in the local currency, and major external funding through loans and grants.
- In late June 2014, the Jordanian Government issued a Eurobond under the US government guarantee with the amount of USD 1 billion.
- The high level of FX reserves is in line with Central Bank of Jordan monetary goals of decreasing interest rates and stimulating growth.



Source: Central Bank of Jordan

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