



Press Release no. 2018-013

Increase pledging rate

Willemstad/Philipsburg – On March 21, 2018, the Federal Reserve raised the federal funds rate to 1.50 – 1.75%. This is the sixth increase since the historical low level of 0.00 – 0.25% effective from December 16, 2008 to December 16, 2015. Because of the peg of the NAf to the US dollar, the interest rates in the international money market affect the interest rates in the money market of the monetary union of Curaçao and Sint Maarten. For example, the interest rates offered by the Centrale Bank van Curaçao en Sint Maarten (CBCS) on the biweekly auctions of certificates of deposit (CDs) for the banks are based on the international US dollar LIBID rate. An increase of the federal funds rate affects immediately the international money market rates. The CBCS has therefore decided to increase its pledging rate from 1.50% to 2.00%, effective March 27, 2018. This is the second increase since the historical low level of 1.00% that was effective since December 29, 2008. The previous increase took place on March 20, 2017.

Willemstad, March 27, 2018

CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN