



Monthly Economic and Financial Developments January 2020

In an effort to provide the public with more frequent information on its economic surveillance activities, the Central Bank has decided to release monthly reports on economic and financial sector developments in The Bahamas. The Bank monitors these conditions as part of its monetary policy mandate, to assess whether money and credit trends are sustainable relative to levels of external reserves required to protect the value of the Bahamian dollar and, if not, the degree to which credit policies ought to be adjusted. The main data source for this surveillance is financial institutions' daily reports on foreign exchange transactions and weekly balance sheet statements. Therefore, monthly approximations may not coincide with calendar estimates reported in the Central Bank's quarterly reports. The Central Bank will release its "Monthly Economic and Financial Developments" report on the Monday following its monthly Monetary Policy Committee Meeting.

Future Release Dates:

2020: March 30, May 4, June 1, June 29, August 4, August 31, September 28, November 2, November 30, December 21,



Monthly Economic and Financial Developments (MEFD)

January 2020

1. Domestic Economic Developments

Overview

Preliminary indications are that the domestic economy exhibited mildly expansionary trends during the review month. Gains in the high value-added stopover visitor segment, mainly in New Providence and the Family Islands not damaged by Hurricane Dorian, supported the rise in tourism sector output. Further, activity in the construction sector was fueled by foreign investment-led projects, and to a lesser extent post-hurricane rebuilding works. On the fiscal front, the Government's hurricane-related expenditure hike, overshadowed the increase in revenue collections, and contributed to a widening in the deficit during the first half of FY2019/2020. In monetary developments, bank liquidity grew, reflecting an expansion in the deposit base and a decline in domestic credit. Similarly, buttressed by net foreign currency inflows from re-insurance and real sector activities, external reserves recorded healthy growth over the review month.

Real Sector

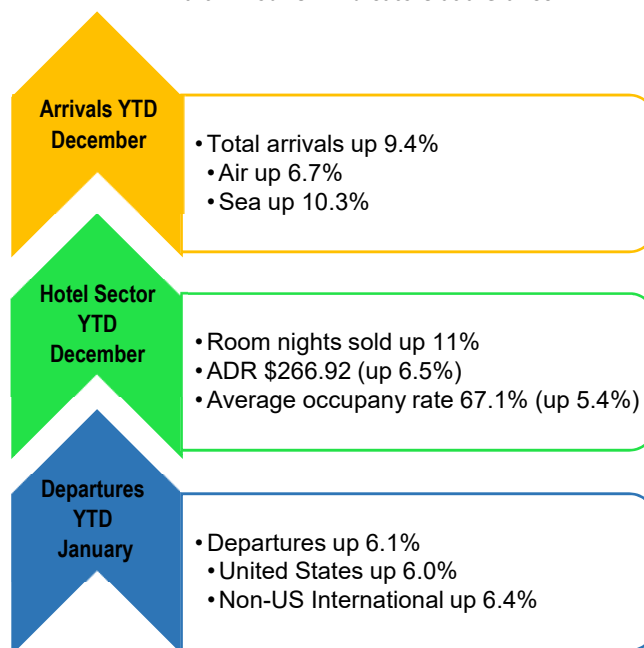
Tourism

Activity in the tourism sector remained positive, albeit moderated, during the review period, as growth in the high value-added air segment narrowed amid some drag on marketing efforts and unrestored capacity in Abaco and Grand Bahama. This overshadowed steadied gains in the sea component.

Official data provided by the Ministry of Tourism (MOT) revealed that total foreign arrivals for the month of December 2019 rose by 5.3%, but was below the 10.0% growth recorded in the prior year. Specifically, the sea segment grew by 8.9%, following a growth of 9.2% in 2018. In contrast, air arrivals declined by 6.9%, a reversal from a 12.7% expansion a year earlier.

A breakdown by major port of entry showed that arrivals to the Family Islands advanced by 32.7%, vis-à-vis an 18.8% reduction in the previous year, due to a rise in sea passengers of 43.0%, which outstripped a 28.4% contraction in air traffic. In contrast, total visitors to New Providence fell by 1.4%, to reverse the 30.2% expansion in same period in the prior year, underpinned by a 3.2% falloff in sea arrivals, which offset the 3.4% increase in the air

Chart 1: Tourism Indicators at a Glance



Sources: Ministry of Tourism, Nassau Airport Development Co. & BHTA

component. Further, amid declines in both the air (75.1%) and sea (37.2%) segments, total arrivals in Grand Bahama contracted by 43.2%, a turnaround from a 20.8% growth in 2018.

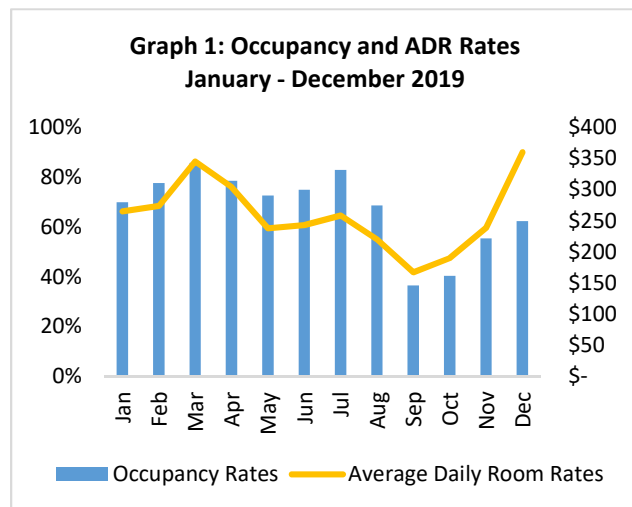
Positive trends were preserved overall for 2019, as total arrivals expanded by 9.4%—the strongest growth in nine years—surpassing the 7.9% increase in 2018. Underpinning this outturn, the sea segment rose by 10.3%, extending the 5.5% rise in the prior year, while the air component grew by 6.7%, although lower than the 16.7% expansion in the previous year. A disaggregation by market, showed that total arrivals to New Providence moved higher by 11.0%, with gains in both air (11.6%) and sea (10.8%) traffic. In addition, visitors to the Family Islands advanced by 16.4%, owing primarily to a 19.7% growth in sea arrivals, which outstripped the 2.7% falloff in air passengers. In contrast, total visitors to Grand Bahama were reduced by 22.3%, as declines of 30.4% and 21.3% were posted for both the air and sea components, respectively.

Developments within the hotels segment reinforce comparatively subdued month of December outcome, but with the overall uptrend secured for the calendar year. Information provided by The Bahamas Hotel & Tourism Association (BHTA) and the MOT, showed a 1.0% falloff in room revenue for Nassau and Paradise Island properties during the month, but an 18.0% gain for the year. The contrast reflected negative marketing pressures that the industry was still steadily countering since the Hurricane. For the year, properties sustained gains in the both number of room nights sold of 11.0%, and in the average daily rate of 6.5% to \$266.92; while the average occupancy rate rose by 5.4 percentage points to 67.1%.

Extending the analysis to the beginning of 2020, the latest data provided by the Nassau Airport Development Company Limited (NAD), showed that total departures from the country's main airport for the month of January—net of domestic passengers—firmed by 6.1%, but was markedly lower than last year's 22.1% growth. Underlying this development, the dominant U.S. component rose by 6.0%, after the previous year's 24.5% expansion. Further, non-U.S. departures grew by 6.4%, relative to an 11.1% gain a year earlier.

In the vacation rental market, data provided by AirDNA for the month of January, revealed a 5.3% decline in the total room nights sold, fueled by a 6.1% decrease in bookings for entire place listings, which outstripped the 0.9% rise in hotel comparable bookings. In addition, the average daily room rate (ADR) for both entire place listings and hotel comparable contracted by 9.6% and 1.5% to \$371.75 and \$153.07, respectively.

An analysis of the short-term rental data by island, indicated that reductions in total room nights sold were led by the storm ravaged Abaco market (32.1%), as bookings for both entire place and hotel comparable contracted by 32.4% and 24.5%, respectively. In the New Providence market also, bookings fell by 6.3%, underpinned by reductions of 6.7% for entire place bookings and 4.5% for hotel comparable listings. In Grand Bahama, entire place listings and hotel comparable listings declined by 5.1% and 2.9%, respectively. Conversely, in Exuma, data for bookings varied, as room nights sold for entire place listings weakened by 5.7%, while room nights sold for hotel comparable grew by 10.4%.



Sources: Bahamas Hotel & Tourism Association (BHTA)

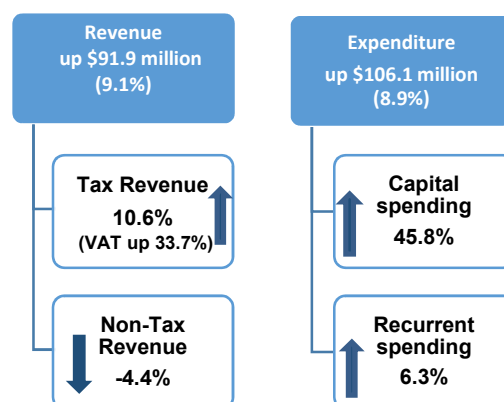
Fiscal

Provisional data on the Government's budgetary operations for the first half of FY2019/2020, revealed a \$14.1 million (8.1%) widening in the deficit, to \$188.6 million, relative to the same period in FY2018/2019. The outturn largely reflected a \$106.1 million (8.9%) growth in total expenditure, to \$1,292.2 million, related to Government's initial post hurricane spending, which overshadowed the \$91.9 million (9.1%) rise in aggregate revenue, to \$1,103.6 million.

The expansion in total spending was underpinned by a \$69.4 million (6.3%) rise in current outlays to \$1,175.6 million. Specifically, subsidies moved higher by \$29.0 million (17.2%), owing mainly to higher disbursements to public corporations and other sectors. In addition, outlays for compensation of employees rose by \$27.5 million (7.8%), while "other" payments, inclusive of current transfers and insurance premiums, grew by \$15.1 million (15.9%). Government grants also increased more than two-fold (\$2.6 million) to \$4.1 million. In addition, associated with hurricane related expenses, capital expenditure rose by \$36.6 million (45.8%) to \$116.6 million, occasioned by a three-fold increase in capital transfers to \$43.3 million, and the acquisition of non-financial fixed assets, by \$8.1 million (12.4%).

Aggregate revenue gains were owing in large measure to a \$95.3 million (10.6%) growth in tax receipts, to \$995.2 million. Specifically, taxes on goods and services advanced by \$72.2 million (11.1%) to \$724.6 million, as value added tax (VAT) proceeds increased by \$130.0 million (33.7%) to \$515.3 million, despite the disruption in economic activities after the hurricane. Further, timing-related factors led to gaming taxes almost doubling to \$19.4 million from \$9.8 million in the previous year. In addition, excise taxes rose by \$14.7 million (12.5%), while taxes on permission to use goods increased by \$4.2 million (13.2%). Similarly, taxes on international trade and transactions grew by \$25.3 million (12.3%). Conversely, property tax collections decreased by \$0.9 million (2.7%) to \$34.1 million, while receipts from general stamp taxes contracted by \$1.2 million (21.0%) to \$4.7 million. In an offset, receipts from non-tax revenue reduced by \$5.0 million (4.4%) to \$106.8 million, underpinned by an \$11.2 million (64.4%) reduction in income from property and a \$2.0 million (69.2%) falloff in proceeds from fines, forfeits and penalties. In addition, revenue from the sale of goods & services declined by \$1.4 million (1.6%), while reimbursements and repayments edged down by \$0.1 million (71.3%).

Chart 2: Budgetary Operations at a Glance
Provisional First Half of FY2019/2020



Source: The Ministry of Finance

2. Domestic Monetary Trends

January 2020 vs. 2019

Liquidity

Monetary developments for the month of January featured a build-up in bank liquidity, as the expansion in the deposit base contrasted with the reduction in domestic credit, buoyed by re-insurance inflows and onset

of seasonally elevated net tourism inflows. In particular, excess reserves—the narrow measure of liquidity—rose by \$23.7 million to \$1,129.9 million, a turnaround from a \$1.3 million falloff in 2019. In addition, the broader measure, excess liquid assets, grew by \$108.6 million to \$2,078.2 million, extending the \$83.5 million growth recorded a year earlier.

External Reserves

External reserves expanded by \$99.6 million to \$1,860.1 million in January, exceeding the gain of \$69.5 million in the corresponding period of 2019. Underlying this outturn, the Central Bank's net foreign currency purchase from commercial banks rose by \$27.5 million to \$123.2 million, as banks' net intake from their customers increased by \$28.6 million to \$132.9 million during the review month. In addition, the Bank's net sale to the public sector moderated to \$22.3 million, from \$26.4 million in 2019.

Exchange Control Sales

Provisional data on foreign currency sales for current account transactions showed an \$83.6 million decline in outflows to \$453.6 million during the month of January, in comparison to the same period a year earlier, reflective of broad based reductions across the major categories. Specifically, "other" largely services payments fell by \$28.4 million; oil imports, by \$27.8 million and factor income payments, by \$18.2 million. In addition, travel and transfer payment decreased by \$8.0 million and \$2.7 million, respectively. Conversely, foreign currency sales for non-oil imports increased by \$1.4 million.

Domestic Credit

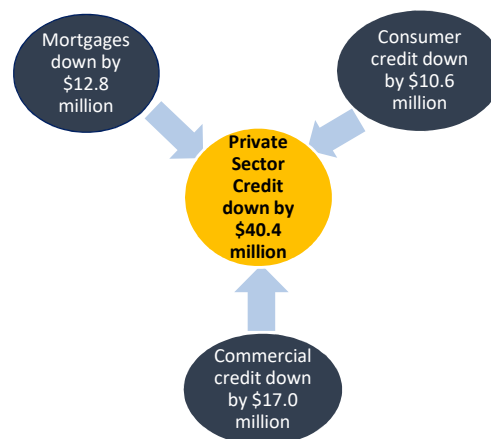
Bahamian Dollar Credit

During the month of January, total Bahamian dollar credit contracted by \$39.0 million, extending the \$7.0 million falloff in the comparable 2019 period. In particular, the reduction in private sector credit broadened to \$40.4 million from \$2.8 million in the previous year. In this regard, commercial credit and mortgages decreased by \$17.0 million and \$12.8 million, respectively, vis-à-vis gains of \$5.1 million, and \$3.7 million in 2019. Meanwhile, the decline in consumer credit was almost maintained at \$10.6 million. In contrast, net claims on the Government edged up by \$0.6 million, a reversal from \$1.1 million decrease a year earlier. In addition, credit to the public sector increased by \$0.8 million, a reversal from a \$3.1 million contraction in the prior year.

Foreign Currency Credit

During the review period, the decline in domestic foreign currency credit accelerated to \$65.3 million, from \$6.5 million in the preceding year. Specifically, private sector credit fell by \$60.3 million, extending the \$8.9 million falloff in 2019. Contributing to this outturn, commercial loans decreased by \$64.3 million, exceeding the \$8.7 million reduction a year earlier. In contrast, mortgages rose by \$4.0 million, contrasting with a \$0.2 million decline in the previous period. Further, net claims on the Government reduced by \$5.0 million, a

Chart 3: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

turnaround from the prior year's \$3.2 million growth. Meanwhile, credit to public corporations was flat, after decreasing by \$0.8 million in 2019.

Credit Quality

During the month of January, total private sector loan arrears declined by \$17.6 million (2.6%) to \$668.8 million, with the corresponding ratio narrowing by 25 basis points, to 11.9%. A breakdown by length of delinquency revealed that short-term (31-90 days) arrears fell by \$20.5 million (8.8%) to \$211.9 million, resulting in the relevant ratio moving lower by 34 basis points, to 3.8%. In contrast, non-performing loans (NPLs) grew by \$2.9 million (0.6%) to \$456.9 million, elevating the attendant ratio by 9 basis points, to 8.1%.

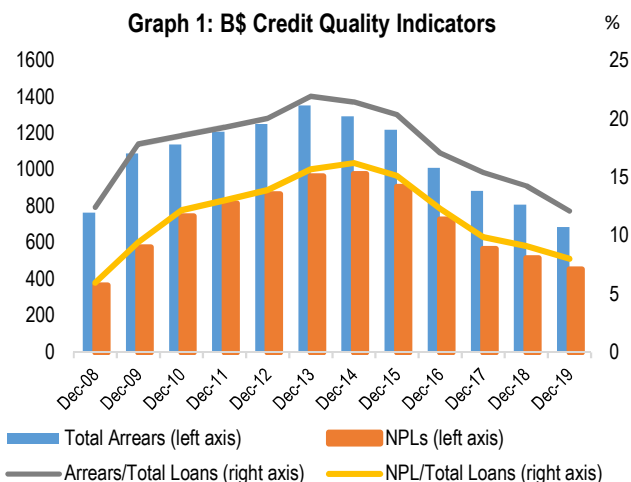
A further breakdown by loan category showed that mortgage arrears reduced by \$20.9 million (4.9%) to \$402.3 million, as both short-term delinquencies and non-accrual loans fell by \$13.5 million (10.0%) and \$7.5 million (2.6%), respectively. Similarly, the consumer component decreased by \$4.0 million (2.0%) to \$194.5 million, as a \$6.2 million (7.5%) falloff in short-term arrears eclipsed the \$2.3 million (2.0%) rise in NPLs. In contrast, commercial arrears rose by \$7.3 million (11.3%) to \$71.9 million, with the \$8.1 million (16.2%) growth in non-accrual loans outstripping the \$0.8 million (5.5%) falloff in the short-term segment.

Reflective of a rise in the banks' NPL book, total provisions for loan losses grew by \$2.4 million (0.6%) to \$431.1 million in January, which led to a gain in the ratio of total provisions to arrears, of 2.0 percentage points to 64.5%. However, the ratio of provisions to NPLs narrowed by 7 basis points to 94.4%. Further, banks wrote-off an estimated \$6.2 million in bad debts, and recovered an estimated \$2.9 million.

On a year-on-year basis, the total private sector arrears rate contracted by 2.2 percentage points, as both the NPLs and short-term ratios decreased, by 1.2 and 1.1 percentage points, respectively. In terms of major loan categories, the relevant ratios for mortgage, commercial and consumer delinquencies declined by 2.8, 2.1 and 1.5 percentage points, respectively.

Deposits

During the month of January, the growth in total Bahamian dollar deposits advanced to \$51.9 million, from \$7.8 million in the same period of 2019. Specifically, demand balances expanded by \$39.1 million, following a gain of \$14.8 million in the previous year. In addition, savings deposits grew by \$19.3 million, albeit a moderation from the \$26.0 million growth a year earlier. Further, the decline in fixed deposits slowed sharply to \$6.6 million, from \$33.0 million in 2019. Meanwhile, foreign currency deposits of residents strengthened by \$98.1 million, extending the \$69.3 million gain from last year.



Interest Rates

In interest rate developments, the weighted average loan rate at banks narrowed by 77 basis points to 10.43% in January. Meanwhile, the weighted average deposit rate at banks remained unchanged at 0.41%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy could post a flat outturn in 2020, with a recovery in 2021, as pre-Hurricane Dorian capacity is restored; albeit new risks are present given the evolving conditions around the impact of the coronavirus global economic activity and travel. With this caution, in the short to medium-term, gains, within the tourism sector are expected to be supported by activity within New Providence and the other unaffected Family Islands. Further, the boost to construction output is anticipated to persist, in line with hotel sector investments and hurricane rebuilding efforts. In this environment, the jobless rate is projected to rise in the near-term, until losses in Abaco and Grand Bahama are neutralized from any gains in the construction sector or foreign investment activity. Meanwhile, domestic inflationary pressures are expected to remain contained, notwithstanding ongoing geopolitical tensions and domestic electricity cost surcharge.

With regard to the fiscal sector, necessary external borrowing for hurricane reconstruction work and social welfare outflows are expected to weigh heavily on the Government's fiscal position. However, reinsurance receipts, along with donations from international and domestic sources are expected to mitigate some of the shortfall in revenue.

Monetary sector developments will continue to feature elevated liquidity conditions, owing to banks cautious lending posture, in addition to growth in the deposit base. The trend of healthy external reserve balances is anticipated to be sustained in the short-term, benefitting from Government's external financing proceeds and reinsurance inflows. Nevertheless, a net drawdown is forecasted during the year, as import spending on reconstruction work intensifies.

4. Monetary Policy Implications

In light of the current outlook and absent foreign exchange pressures, the Central Bank will maintain its accommodative policy posture and continue to pursue policies that support economic growth, financial stability and overall economic recovery. In addition, the Bank will continue to monitor international and domestic developments, with the aim of maintaining financial stability.

APPENDIX

International Developments

Amidst heightened geopolitical tensions, the coronavirus (COV-19) health emergency and forecasted global economic slowdown, global economic conditions were subdued over the review period. Against this backdrop, all of the major central banks affirmed their highly accommodative monetary policy stance, with the People's Bank of China reducing its key 14-day repurchase rate.

Developments in the United States were largely positive, as real GDP grew by an annualized rate of 2.1% in the fourth quarter of 2019, similar to the previous quarter, owing to gains in personal consumption expenditures, Government spending, residential fixed investment and exports. In the external sector, the trade deficit expanded by 11.9% to \$48.9 billion in December, underpinned by a \$258.5 billion (2.7%) expansion in imports, which outstripped the \$209.6 billion (0.8%) advancement in exports. Labour market developments revealed an increase of 225,000 in total non-farm payroll employment in January, with job gains in construction, health care, and transportation and warehousing; although, the unemployment rate edged up by 10 basis points to 3.6%. In addition, consumer prices rose marginally by 0.1% in January, albeit a moderation from the 0.2% firming the month earlier, as higher prices for food and medical care services, offset the decline in the energy costs. In this environment, the Federal Reserve maintained its benchmark interest rate range of 1.50% - 1.75%.

With the completion of "Brexit" and the untimely reorganization of the governing administration in the United Kingdom (UK), economic indicators in the European economies remained subdued. During the fourth quarter of 2019, real output for the euro area rose marginally by 0.1% in the fourth quarter, a moderation from the 0.3% growth in the previous quarter. In contrast, GDP for the UK remained flat during the three months to December, as accretions in the services and construction sectors of 0.1% and 0.5%, respectively, were offset by a 0.8% contraction in the production sector. In the euro area, the unemployment rate for December narrowed slightly by 10 basis points to 7.4%; similarly, the UK's jobless rate for the three months to December narrowed by 10 basis points to 3.8%, relative to the previous quarter. In terms of inflation, in the euro area, the annualized rate firmed to 1.3%, up 30 basis points from a month earlier. Likewise, the inflation rate in the UK edged up by 0.4 percentage points to 1.8% in January, mainly driven by increases in the price for housing, water, electricity, gas and other fuels. Further, UK's retail sales for January improved by 0.9%, rebounding from a decline of 0.6% in the prior month. On the external front, the UK trade deficit widened by £4.0 billion to £6.5 billion during the fourth quarter of 2019, as exports lessened by £6.0 billion, outpacing the £2.0 billion decline in imports. Meanwhile, euro area trade surplus expanded by €2.4 billion to €23.1 billion in December, relative to the month prior. In this economic environment, the Bank of England and the European Central Bank upheld their accommodative monetary policy stance.

Amid the COV-19 health emergency and continuous trade disagreements, conditions in the Asian economies remained lackluster. Specifically, China's GDP fell to 6.1% in the final quarter of 2019—its lowest level in 30 years—from 6.4% in the same quarter of 2018, due to sluggish demand home and abroad, and escalating U.S. trade pressures. Likewise, Japan GDP contracted by an annualized rate of 6.3% in the fourth quarter 2019, following a growth of 0.5% in the prior year, reflecting a decline in overall domestic demand. In terms of prices, China's inflation rate firmed to 1.4% in January, attributed to a rise in food, tobacco and alcohol prices. Similarly, consumer prices in Japan rose by 0.1% in December over the prior month. Further, in Japan, retail sales rose by 0.2%, month over month, and industrial production advanced by 1.3% in December. Moreover, the unemployment rate remained flat for December at 2.2%. On the external front, Japan's trade deficit advanced by ¥67.05 million to ¥154.55 million during December, with the 6.3% falloff in exports, outweighing the 4.9% decline in imports. Meanwhile, China's trade surplus grew by \$47.21 million to \$429.33 million, explained by a 7.6% gain in exports, which outweighed the 3.9% increase in imports. In this environment, The People's Bank of China injected 1.2 trillion yuan (\$173.0 billion) into the markets via reverse repo operations, while decreasing its 14-day reverse repo rate by 10 basis points 2.55%, while the Bank of Japan maintained its policy rate of -0.1%.

During the review period, major stock indices registered broad-based declines, a reversal from the widespread advances a month earlier. Amidst "Brexit" and a weakening economy, the United Kingdom's FTSE 100 fell by 3.4% during the review period. Similarly, France's CAC 40 and Germany's DAX contracted by 2.9% and 2.0%, respectively. The Asian markets also underperformed, with Japan's Nikkei 225 decreasing by 1.9%, while China's SE Composite weakened by 2.4%. Moreover, the United States Dow Jones Industrial Average (DJIA) and the S&P 500 declined by 1.0% and 0.16%, respectively.

Developments within the currency market varied for January. Specifically, the US dollar strengthened against the euro and the British Pound, by 1.1% and 0.4% to €0.90 and £0.75, respectively. Likewise, the dollar appreciated by 1.9% relative to the Canadian dollar to CAD\$1.32. In contrast, the dollar depreciated against the Chinese Renminbi, by 0.8% to CNY6.9, Swiss Franc (0.5%) to CHF 0.96, and Japanese Yen (0.2%) to ¥108.36.

Commodity market developments were mixed during the review month. Despite a decrease in OPEC's oil production by 509 thousand barrels per day to 28.86 million barrels per day, the price of crude oil declined by 15.0% in January to \$58.16 per barrel. Conversely, the costs of gold and silver rose by 4.7% and 1.1% to \$1,589.16 and \$18.04, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

January					
Value		Change		Change YTD	
2019	2020	2019	2020	2019	2020

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	670.05	1,129.90	-1.29	23.68	-1.29	23.68
1.2 Excess Liquid Assets	1,615.31	2,078.05	83.52	108.56	83.52	108.56
1.3 External Reserves	1,268.63	1,860.12	69.46	99.58	69.46	99.58
1.4 Bank's Net Foreign Assets	125.35	-152.07	68.24	134.33	68.24	134.33
1.5 Usable Reserves	588.56	926.92	64.32	89.22	64.32	89.22

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,843.38	5,755.80	-11.67	-100.66	-11.67	-100.66
a. B\$ Credit	5,644.50	5,615.21	-2.80	-40.36	-2.80	-40.36
of which: Consumer Credit	2,106.28	2,067.67	-11.62	-10.56	-11.62	-10.56
Mortgages	2,869.97	2,825.74	3.74	-12.84	3.74	-12.84
Commercial and Other Loans B\$	668.25	721.79	5.08	-16.97	5.08	-16.97
b. F/C Credit	198.88	140.59	-8.87	-60.29	-8.87	-60.29
of which: Mortgages	57.96	62.07	-0.15	4.03	-0.15	4.03
Commercial and Other Loans F/C	140.93	78.52	-8.72	-64.32	-8.72	-64.32
2.2 Central Government (net)	2,535.64	2,615.49	2.11	-4.43	2.11	-4.43
a. B\$ Loans & Securities	2,782.10	2,853.56	36.60	4.37	36.60	4.37
Less Deposits	247.54	288.53	37.65	3.76	37.65	3.76
b. F/C Loans & Securities	7.00	57.00	0.00	0.00	0.00	0.00
Less Deposits	5.92	6.55	-3.17	5.04	-3.17	5.04
2.3 Rest of Public Sector	482.95	444.59	-3.93	0.79	-3.93	0.79
a. B\$ Credit	293.98	279.28	-3.13	0.79	-3.13	0.79
b. F/C Credit	188.98	165.31	-0.81	0.00	-0.81	0.00
2.4 Total Domestic Credit	8,861.98	8,815.87	-13.49	-104.31	-13.49	-104.31
a. B\$ Domestic Credit	8,473.03	8,459.52	-6.98	-38.98	-6.98	-38.98
b. F/C Domestic Credit	388.94	356.35	-6.51	-65.33	-6.51	-65.33

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,471.94	2,992.83	14.79	39.13	14.79	39.13
a. Central Bank	49.84	51.74	-25.02	2.09	-25.02	2.09
b. Banks	2,422.10	2,941.09	39.80	37.04	39.80	37.04
3.2 Savings Deposits	1,446.75	1,655.73	26.02	19.28	26.02	19.28
3.3 Fixed Deposits	2,529.24	2,418.40	-33.02	-6.55	-33.02	-6.55
3.4 Total B\$ Deposits	6,447.93	7,066.96	7.79	51.86	7.79	51.86
3.5 F/C Deposits of Residents	587.32	768.05	69.25	98.05	69.25	98.05
3.6 M2	6,746.96	7,386.88	3.20	34.69	3.20	34.69
3.7 External Reserves/M2 (%)	18.80	25.18	1.02	1.24	1.02	1.24
3.8 External Reserves/Base Money (%)	100.08	106.68	4.28	5.00	4.28	5.00
3.9 External Reserves/Demand Liabilities (%)	93.27	99.66	4.44	4.28	4.44	4.28
	Value		Year To Date		Change	
	2019	2020	2019	2020	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	69.30	100.90	69.30	100.90	31.60	31.60
a. Net Purchase/(Sale) from/to Banks	95.74	123.22	95.74	123.22	27.47	27.47
i. Sales to Banks	0.00	19.46	0.00	19.46	19.46	19.46
ii. Purchase from Banks	95.74	142.68	95.74	142.68	46.93	46.93
b. Net Purchase/(Sale) from/to Others	-26.44	-22.32	-26.44	-22.32	4.12	4.12
i. Sales to Others	70.01	74.35	70.01	74.35	4.34	4.34
ii. Purchase from Others	43.57	52.03	43.57	52.03	8.46	8.46
4.2 Banks Net Purchase/(Sale)	104.28	132.91	104.28	132.91	28.63	28.63
a. Sales to Customers	430.61	418.63	430.61	418.63	-11.98	-11.98
b. Purchase from Customers	534.89	551.54	534.89	551.54	16.65	16.65

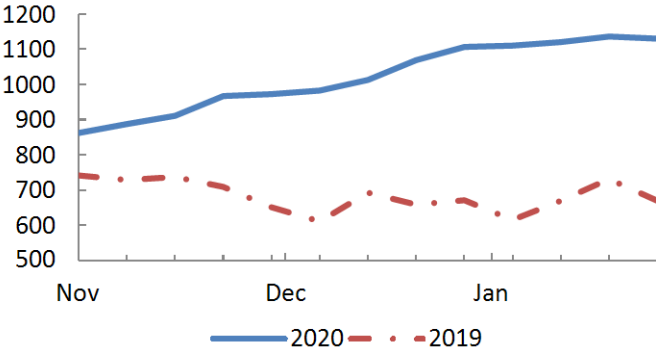
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	537.25	453.63	537.25	453.63	-83.62	-83.62
of which Public Sector	65.71	3.37	65.71	3.37	-62.34	-62.34
a. Nonoil Imports	110.94	112.33	110.94	112.33	1.39	1.39
b. Oil Imports	55.20	27.41	55.20	27.41	-27.79	-27.79
c. Travel	26.40	18.45	26.40	18.45	-7.95	-7.95
d. Factor Income	28.99	10.79	28.99	10.79	-18.19	-18.19
e. Transfers	17.84	15.14	17.84	15.14	-2.70	-2.70
f. Other Current Items	297.88	269.51	297.88	269.51	-28.38	-28.38
5.2 Capital Items	15.04	2.27	15.04	2.27	-12.77	-12.77
of which Public Sector	7.47	0.00	7.47	0.00	-7.47	-7.47

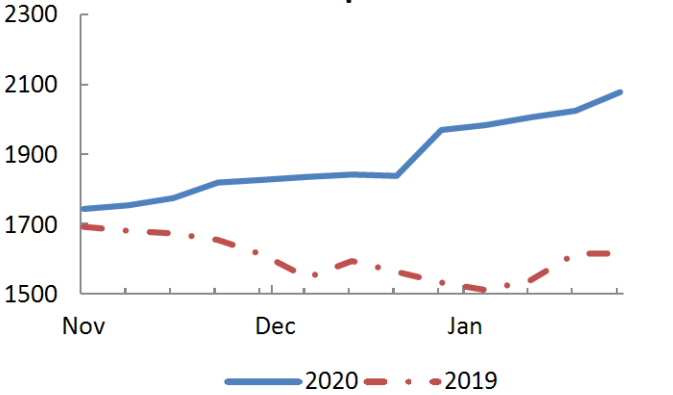
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

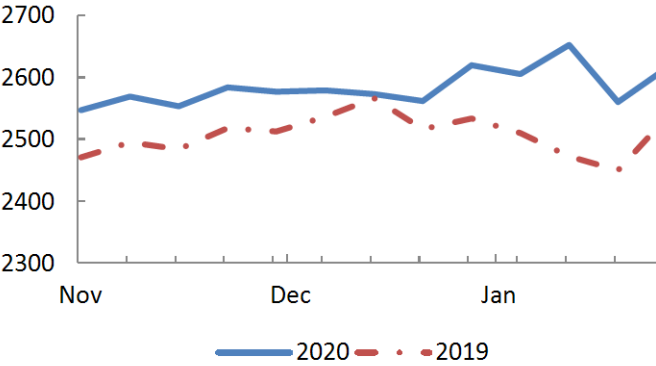
Excess Reserves



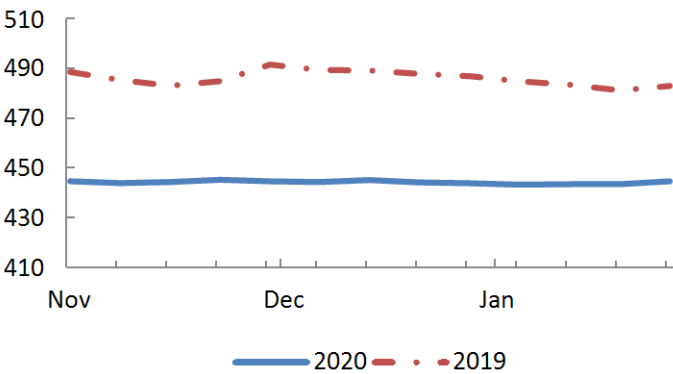
Excess Liquid Assets



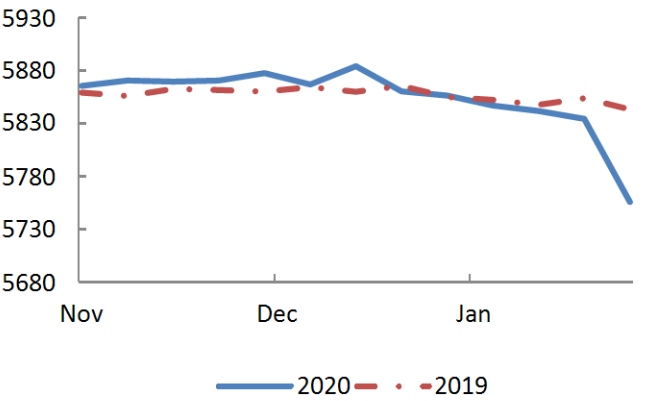
Central Govt. Credit (Net)



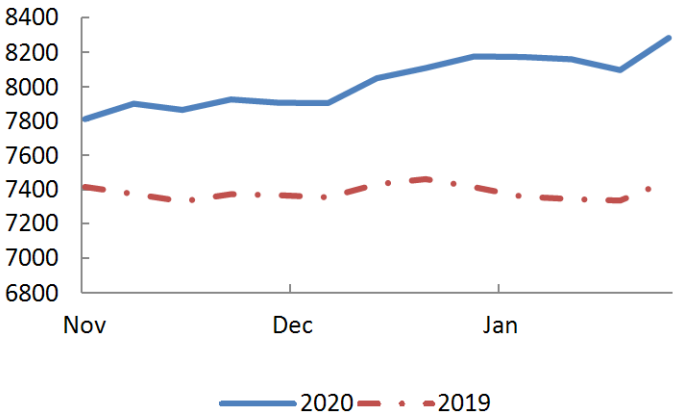
Rest of Public Sector Credit



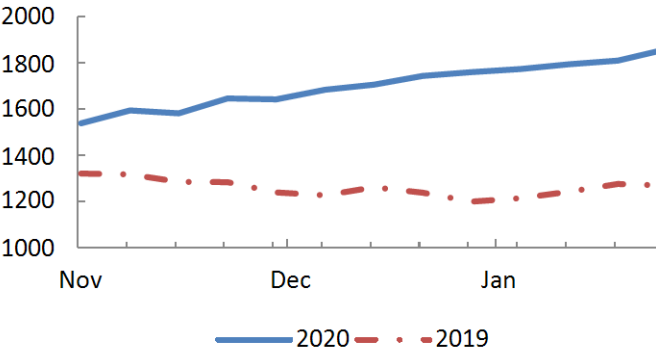
Private Sector Credit



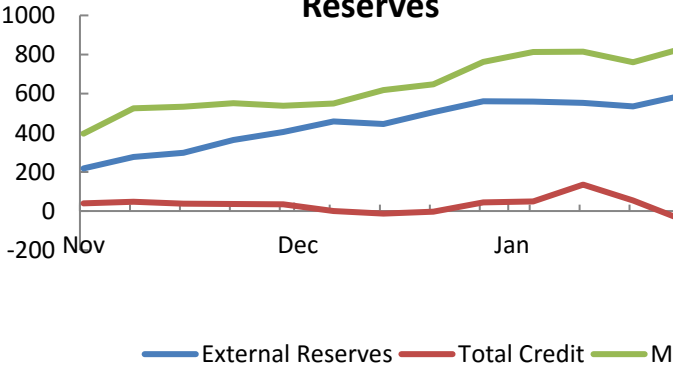
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2018	2019	2018	2019	2018	2019
Bahamas	1.6	0.9	2.2	1.8	10.7	9.5*
United States	2.9	2.4	2.4	1.8	3.9	3.7
Euro-Area	1.9	1.2	1.8	1.2	8.2	7.7
Germany	1.5	0.5	1.9	1.5	3.4	3.2
Japan	0.8	0.9	1.0	1.0	2.4	2.4
China	6.6	6.1	2.1	2.3	3.8	3.8
United Kingdom	1.4	1.2	2.5	1.8	4.1	3.8
Canada	1.9	1.5	2.2	2.0	5.8	5.8
<i>Source: IMF World Economic Outlook October 2019, Department of Statistics May 2019*</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
September 2017	4.00	0.00	1.75	1.00-1.25	0.25
October 2017	4.00	0.00	1.75	1.00-1.25	0.25
November 2017	4.00	0.00	1.75	1.00-1.25	0.25
December 2017	4.00	0.00	1.75	1.00-1.25	0.50
January 2018	4.00	0.00	2.00	1.25-1.50	0.50
February 2018	4.00	0.00	2.00	1.25-1.50	0.50
March 2018	4.00	0.00	2.00	1.25-1.50	0.50
April 2018	4.00	0.00	2.25	1.50-1.75	0.50
May 2018	4.00	0.00	2.25	1.50-1.75	0.50
June 2018	4.00	0.00	2.50	1.75-2.00	0.50
July 2018	4.00	0.00	2.50	1.75-2.00	0.50
August 2018	4.00	0.00	2.50	1.75-2.00	0.50
September 2018	4.00	0.00	2.50	1.75-2.00	0.75
October 2018	4.00	0.00	2.75	2.00-2.25	0.75
November 2018	4.00	0.00	2.75	2.00-2.25	0.75
December 2018	4.00	0.00	2.75	2.00-2.25	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75
May 2019	4.00	0.00	3.00	2.25-2.50	0.75
June 2019	4.00	0.00	3.00	2.25-2.50	0.75
July 2019	4.00	0.00	3.00	2.00-2.25	0.75
August 2019	4.00	0.00	2.75	2.00-2.25	0.75
September 2019	4.00	0.00	2.50	1.75-2.00	0.75
October 2019	4.00	0.00	2.25	1.50-1.75	0.75
November 2019	4.00	0.00	2.25	1.50-1.75	0.75
December 2019	4.00	0.00	2.25	1.50-1.75	0.75
January 2020	4.00	0.00	2.25	1.50-1.75	0.75

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jan-19	Dec-19	Jan-20	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8735	0.8917	0.9016	1.10	1.10	3.21
Yen	108.87	108.61	108.36	-0.23	-0.23	-0.47
Pound	0.7629	0.7544	0.7573	0.38	0.38	-0.73
Canadian \$	1.3125	1.299	1.3236	1.89	1.89	0.85
Swiss Franc	0.9944	0.9676	0.9632	-0.45	-0.45	-3.14
Renminbi	6.7004	6.9632	6.9109	-0.75	-0.75	3.14
<i>Source: Bloomberg as of January 31st, 2019</i>						

D. Selected Commodity Prices (\$)					
Commodity	January 2018	December 2019	January 2020	Mthly % Change	YTD % Change
Gold / Ounce	1345.15	1517.27	1589.16	4.74	4.74
Silver / Ounce	17.34	17.85	18.04	1.07	1.07
Oil / Barrel	69.04	68.38	58.16	-14.95	-14.95
<i>Source: Bloomberg as of January 31st, 2019</i>					

E. Equity Market Valuations – January 31st, 2019 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.55	-0.99	-0.16	-3.40	-2.87	-2.02	-1.91	-2.41
3 month	0.47	4.47	6.19	0.52	1.33	0.90	1.21	1.62
YTD	-0.55	-0.99	-0.16	-3.40	-2.87	-2.02	-1.91	-2.41
12-month	7.78	13.03	19.28	4.55	16.30	16.19	11.71	15.17
<i>Sources: Bloomberg and BISX</i>								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	1.6100	0.7000	-0.6000
1 Month	1.7500	0.7500	-0.4600
3 Month	1.7740	0.7750	-0.4325
6 Month	1.7800	0.8350	-0.3650
9 Month	1.7500	0.8750	-0.3200
1 year	1.8500	0.9040	-0.2900
<i>Source: Bloomberg as of January 31st, 2019</i>			

Summary Accounts of the Central Bank
(B\$ Millions)

VALUE										CHANGE							
	Dec. 11	Dec. 18	Dec. 25	Jan. 01	Jan. 08	Jan. 15	Jan. 22	Jan. 29		Dec. 11	Dec. 18	Dec. 25	Jan. 01	Jan. 08	Jan. 15	Jan. 22	Jan. 29
I. External Reserves	1,684.11	1,706.30	1,744.06	1,760.55	1,773.92	1,794.64	1,810.53	1,860.12		41.52	22.19	37.76	16.49	13.37	20.73	15.88	49.59
II. Net Domestic Assets (A + B + C + D)	(92.41)	(70.75)	(19.39)	(29.17)	(57.05)	(64.86)	(61.82)	(116.54)		(31.91)	21.66	51.35	(9.78)	(27.88)	(7.81)	3.04	(54.72)
A. Net Credit to Gov't (I + ii + iii -iv)	370.35	361.18	419.44	392.46	387.08	398.04	359.13	304.06		(1.05)	(9.17)	58.26	(26.98)	(5.37)	10.95	(38.91)	(55.06)
i) Advances	14.90	14.90	74.90	74.90	74.90	74.90	74.90	74.90		-	-	60.00	-	-	-	-	-
ii) Registered Stock	251.44	251.43	246.81	247.04	247.07	252.86	252.90	240.33		0.07	(0.00)	(4.62)	0.23	0.03	5.79	0.04	(12.57)
iii) Treasury Bills	163.36	163.36	163.36	134.94	129.96	135.04	110.05	59.67		(0.00)	(0.00)	0.00	(28.42)	(4.98)	5.07	(24.99)	(50.38)
iv) Deposits	59.35	68.51	65.63	64.42	64.85	64.76	78.72	70.83		1.12	9.17	(2.88)	(1.21)	0.43	(0.09)	13.96	(7.89)
B. Rest of Public sector (Net) (i+ii-iii)	(49.90)	(55.50)	(40.25)	(42.72)	(63.68)	(56.60)	(40.20)	(44.81)		9.51	(5.60)	15.25	(2.47)	(20.97)	7.08	16.40	(4.60)
i) Loans	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25		-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68		-	-	-	-	-	-	-	-
iii) Deposits	56.83	62.43	47.18	49.65	70.62	63.53	47.13	51.74		(9.51)	5.60	(15.25)	2.47	20.97	(7.08)	(16.40)	4.60
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-
D. Other Items (Net)*	(412.86)	(376.43)	(398.58)	(378.91)	(380.45)	(406.30)	(380.75)	(375.80)		(40.37)	36.43	(22.15)	19.67	(1.54)	(25.84)	25.55	4.95
III. Monetary Base	1,591.70	1,635.55	1,724.66	1,731.38	1,716.86	1,729.78	1,748.70	1,743.58		9.60	43.85	89.11	6.71	(14.51)	12.92	18.92	(5.13)
A. Currency in Circulation	452.91	466.46	493.62	488.50	460.30	444.96	434.08	441.53		(4.99)	13.55	27.16	(5.12)	(28.21)	(15.34)	(10.88)	7.45
B. Bank Balances with CBOB	1,138.78	1,169.09	1,231.04	1,242.87	1,256.56	1,284.82	1,314.63	1,302.05		14.59	30.30	61.96	11.83	13.69	28.25	29.81	(12.58)

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

YEAR TO DATE	2018/2019	2019/2020
	1011.7	1103.6
	14.9%	9.1%
	385.3	515.3
	21.1%	33.7%
	265.6	273.6
	1.1%	3.0%
	1106.2	1175.6
	10.4%	6.3%
	80.0	116.6
	-38.9%	45.8%
	-174.5	-188.6
	-30.8%	8.1%

		2018/2019		2019/2020		2020/2021		2021/2022		2022/2023		2023/2024		2024/2025		2025/2026		2026/2027		2027/2028		2028/2029		2029/2030			

[illegible]

	2018	2019
(Over previous year)		

[illegible]

Fiscal Operations, ^d
1. Government Revenue & Grants % change, over previous quarter
2. Value Added Tax % change, over previous quarter
3. Import/Excise Duties % change, over previous quarter
4. Recurrent Expenditure % change, over previous quarter
5. Capital Expenditure % change, over previous quarter
6. Deficit/Surplus ^e % change, over previous quarter

7.	Total Direct Debt	% change, over previous month
8.	External Debt	% change, over previous month
9.	Internal F/C Debt	% change, over previous month
10.	Bahamian Dollar Debt	% change, over previous month
11.	Total Amortization	% change, over previous month
12.	Total Public Sector F/C Debt	% change, over previous month

Real Sector Indicators	
13. Real Price Index	% change, over previous month
14. Tourist arrivals (000's)	% change, over previous year
15. Air arrivals (000's)	% change, over previous year
16. Occupied Room Nights	% change, over previous year
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (\$Bn/millions)	% change, over previous qtr.

* Includes Net Lending to Public Corporations

** Debt figures include Central Government only, unless otherwise indicated

p - provisional