



Monthly Economic and Financial Developments February 2019

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:

2019: April 29, June 3, July 1, July 29, September 2, September 30, November 4, December 23



1. Domestic Economic Developments

Overview

Indications are that the domestic economy sustained its upward trajectory during the review month, as an increase in long-stay visitor arrivals underpinned the improvement in tourism sector output, while foreign investment-led projects supported activity in the construction sector. Reflecting the hike in the value added tax (VAT) rate and higher oil prices, the inflation rate rose modestly in 2018. In addition, monetary sector developments were dominated by the build-up in banking sector liquidity and external reserves, due to the seasonal tourism-related increase in net foreign currency inflows.

Real Sector

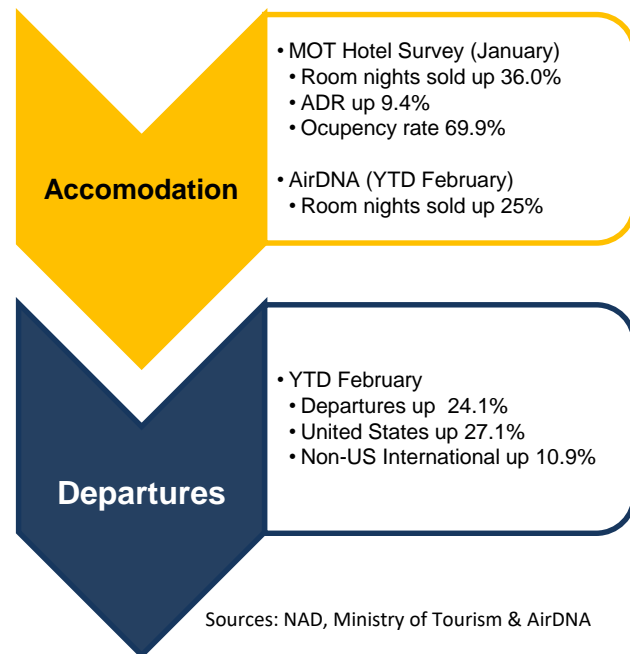
Tourism

Buoyed by the growth in air arrivals—the main source of stopover visitor traffic—tourism sector output continued to expand over the review period.

Congruent with the improvement in air arrivals, preliminary information from the Bahamas Hotel and Tourism Association (BHTA) and the Ministry of Tourism for a sample of hotels in Nassau and Paradise Island, showed an expansion in room revenue of approximately 48.0% during January. This outcome was underpinned by gains in both the number of room nights sold by 36.0%, and the average daily room rate (ADR) by 9.4% to \$265.39. Also of note, the hotel occupancy rate was approximately 16.9 percentage points higher than last year at 69.9%.

More recent data from the Nassau Airport Development Company (NAD) through February 2019, revealed that in comparison to 2018, total departures—net of domestic passengers—strengthened by 26.4% for the month, and by 24.1% over the two-month period, vis-à-vis a 9.4% increase in the first two months of 2018. Indicative of the ongoing economic improvement in the key source market, U.S. tourist traffic firmed comparatively by 30.0% in February and firmed by 27.1% for the year-to-date. Among non-U.S. departure, the review month gained by 10.6%, sustaining a 10.9% boost over the year-to-date.

Chart 1: Tourism Indicators at a Glance



The expansion in air arrivals also sustained the growth in the short-term rental market, as data from AirDNA revealed a 20.6% increase in the total number of room nights booked in February, compared to the same period of 2018, amid gains in both the entire place (17.7%) and hotel comparable (42.2%) categories. In terms of pricing, the ADR for hotel comparable listings—which is more consistent across periods—firmed by 1.3% to \$141.39; however, the average cost of entire place listings softened by 1.8% to \$327.40.

An analysis of the major markets, showed that for February 2019, the number of rental room nights booked in New Providence for hotel comparable and entire place listings, rose by 44.8% and 18.7%, respectively. In contrast, the ADR for entire place listings contracted by 11.1% to \$257.56, while the hotel comparable ADR edged-up by 0.6% to \$117.51. In Grand Bahama, the number of room nights booked for entire place listings declined by 2.7%, as renters showed a preference for the hotel comparable category, which grew by 54.8%. In addition, the ADR for both entire place and hotel comparable listings fell by 17.5% and 7.2%, respectively, to \$156.41 and \$92.23. Exuma maintained its status as an attractive Family Island destination, as bookings for hotel comparable and entire place listings expanded by 61.8% and 45.3%, while the ADRs firmed by 12.4% to \$168.75 and 15.4% to \$437.10, respectively. Similarly, in Abaco, booked nights for hotel comparable listings expanded by 42.0%, and the ADR increased by 12.9% to \$175.15, while the number of room nights sold for entire place listings increased by 14.4%; however, the ADR contracted by 15.8% to \$286.48.

Vacation rental trends also broadly strengthened over the first two months of 2019, as the total number of room nights booked across the archipelago advanced by 25.0%, reflecting gains in both the hotel comparable (46.1%) and entire place (22.2%) segments, with the ADR for the former up by 3.1% at \$141.90 and the latter down, by 1.8%, at \$328.87.

Prices

Reflecting mainly the increase in the VAT rate, consumer price inflation—as measured by the All Bahamas Retail Price Index—rose by 75 basis points to 2.3% during 2018. A breakdown by category, showed that accretions to average costs accelerated for transport to 4.6%; restaurants & hotel, to 4.1% and recreation & culture, to 2.9%. Similarly, gains in prices were also recorded for food & non-alcoholic beverages (2.4%); housing, water, gas & electricity—the largest category—(2.4%), and healthcare (2.1%). In contrast, the average cost of communications declined by 1.4%, while less pronounced declines were registered for the clothing & footwear and education categories.

2. Domestic Monetary Trends

February 2019 vs. 2018

Liquidity

Monetary trends for the month of February featured an increase in liquidity, reflecting a reduction in domestic credit and a foreign currency led build-up in the deposit base. As a result, excess reserves—a narrow measure of liquidity—firmed by \$17.4 million to \$712.3 million, following a similar \$16.2 million advance in the prior year, while the broader excess liquid assets, grew by \$39.9 million to \$1,652.8 million, slightly higher than the previous year's \$32.5 million gain.

External Reserves

External reserves firmed by \$32.8 million to \$1,301.1 million in February, a slowdown from the prior year's \$54.1 million expansion, and an average gain of \$37.3 million over the last five years. In the underlying transactions, the Central Bank's net foreign currency purchase from commercial banks widened by \$7.1 million to \$76.1 million, as banks' net purchase from customers climbed by \$13.2 million to \$52.6 million. In a modest offset, the Central Bank's net sale to the public sector firmed by \$29.5 million to \$48.8 million, to facilitate mainly debt repayments, fuel imports and payments for services.

Exchange Control Sales

Data on foreign currency sales for current account transactions, showed a \$71.2 million expansion in outflows to \$447.9 million in February, relative to the same period of 2018. The most significant gains were recorded for "other" current items (half of the total)—comprising mainly insurance services, remittances royalties and credit card financed goods imports—which collectively grew by \$73.1 million during the month. Increases were also evident for transfers (5.7% of the total), to \$8.2 million, and oil imports (11.0% of the total), to \$5.6 million. In contrast, direct payments decreased for non-oil imports (24.2% of the total) by \$7.8 million; factor income (3.5% of the total), by \$5.9 million and travel (4.9% of the total), by \$2.1 million.

Domestic Credit

Bahamian Dollar Credit

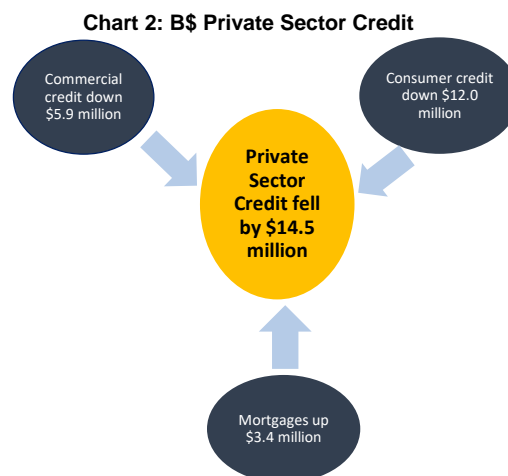
During the review month, the reduction in Bahamian dollar credit narrowed to \$18.6 million, from \$32.7 million in the prior year. In particular, the decrease in net credit to the Government slowed to \$4.0 million from \$12.4 million in 2018; and in private sector credit, to \$14.5 million, from \$21.6 million in the previous period. In terms of the private sector components, consumer and commercial loans fell further by \$12.0 million and \$5.9 million, vis-à-vis a respective \$9.3 million and \$8.0 million, last year. In contrast, mortgages recovered by \$3.4 million from the prior year's \$4.3 million reduction. Further, claims on public corporations softened by \$0.1 million, a turnaround from a \$1.4 million uptick a year ago.

Foreign Currency Credit

The contraction in total domestic foreign currency credit, lessened to \$0.6 million from \$5.1 million a year ago. This included a \$2.3 million upturn in net claims on the Government. However, credit to the private sector switched to a decline of \$2.0 million, vis-à-vis the prior year's gain, as commercial and "other" loans weakened by \$2.7 million, overshadowing the \$0.7 million uptick in mortgages. Further, claims on the rest of the public sector fell further \$0.9 million.

Credit Quality

Given aggressive collection efforts and timing-related factors, the banking sector's credit quality indicators improved during the period. Specifically, total private sector loan arrears contracted by \$58.1 million (7.3%)



Source: Central Bank of The Bahamas

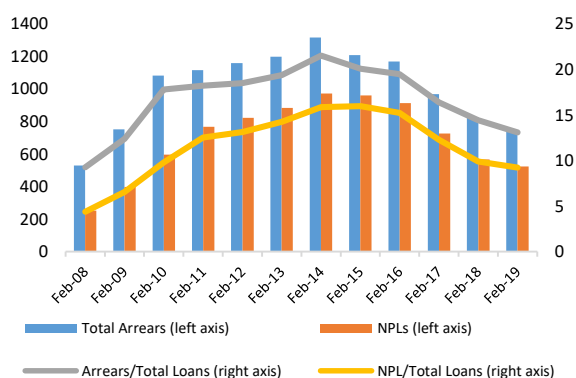
to \$741.0 million in February. Correspondingly, the ratio of private sector arrears to total private sector loans fell by 1.0 percentage point to 13.1%. The reduction in delinquencies was led by a \$56.4 million (20.6%) decline in the short-term 31-90 day arrears segment to \$217.8 million, yielding a 1.0 percentage point decrease in the relevant ratio to 3.9%. In addition, non-performing loans (NPLs)—which comprise arrears in excess of 90 days—softened by \$1.7 million (0.3%) to \$523.2 million, leaving the attendant ratio unchanged at 9.2%.

In terms of the main categories, mortgage arrears fell by \$44.4 million (9.2%) to \$439.3 million, mainly on account of a \$43.0 million (27.9%) reduction in short-term delinquencies, while arrears in excess of 90 days declined marginally by \$1.5 million (0.4%). Further, the consumer segment contracted by \$9.6 million (4.2%) to \$219.1 million, as the short-term category declined by \$10.8 million (12.4%), outpacing the \$1.3 million (0.9%) increase in NPLs. In addition, commercial loan arrears eased by \$4.1 million (4.8%) to \$82.7 million, with short-term delinquencies narrowing by \$2.6 million (8.0%), and non-accrual loans moving lower by \$1.5 million (2.8%).

Against this backdrop, banks reduced their total provisions for loan losses by \$3.1 million to \$443.9 million in February. However, as the reduction in delinquencies outpaced the decline in total provisions, the relevant ratio to total arrears rose by 4.0 percentage points to 59.9%, while the corresponding provisions to NPL ratio decreased by 32 basis points to 84.8%.

On a year-on-year basis, the total arrears ratio fell by 1.3 percentage points, with the rates for both short-term delinquencies and NPLs declining by approximately 70 basis points each. Broad-based reductions were recorded for all the categories, with the commercial, mortgage and consumer delinquency rates lower by 1.9, 1.6 and 0.9 percentage points, respectively.

Graph 1: Credit Quality Indicators



Source: Central Bank of the Bahamas

Deposits

Accretions to total Bahamian dollar deposits quickened by \$26.8 million to \$32.6 million. Savings balances expanded by \$20.3 million, extending the previous year's \$3.7 million gain, while fixed balances grew by \$4.3 million, reversing the prior year's \$23.6 million contraction. In contrast, the growth in demand deposits slowed to \$7.9 million, from a \$25.7 million increase in 2018.

Interest Rates

In interest rate developments, the weighted average deposit rate at banks firmed by 38 basis points to 0.99% in February, with the highest rate of 4.50% offered on fixed balances of over 12 months. Similarly, the weighted average loan rate rose by 83 basis points to 10.83%.

3. Domestic Outlook

Expectations are that the Bahamian economy will continue to exhibit positive trends over the near-term, amid sustained growth in the tourism sector and impulses from foreign investment-led construction activity. In this context, gains in employment are anticipated to be maintained. In addition, domestic inflation should

remain relatively subdued; however, the rate is expected to stay mildly elevated over the short-term, reflecting the pass-through effects on the increase in the VAT rate and higher oil prices.

In the fiscal sector, the Government's efforts to improve its deficit, and corresponding debt indicators, will remain contingent on the successful implementation of measures to improve revenue administration and restrain expenditure growth.

Monetary sector developments are expected to be stay dominated by the high level of liquidity, reflecting banks' conservative lending stance and consumers' ongoing efforts to deleverage. Moreover, banks' credit quality indicators should continue to improve, supported by the growth in the economy, as well as ongoing sales of NPLs. In addition, external reserves are poised to remain buoyant over the near-term, benefiting mainly from the growth in real sector activity; although balances are anticipated to decline over the latter half of the year, reflecting the seasonal increase in foreign currency demand.

Monetary Policy Implications

In light of the largely favourable economic outlook, buttressed by the ongoing improvement in the tourism sector, steady levels of foreign investment activity, along with healthy external reserve balances, the Central Bank considers the current monetary policy stance to be appropriate.

Nonetheless, the Bank remains cognisant of the potential headwinds—such as economic tensions between the US and its major trading partners—which could adversely affect global economic growth. Moreover, the Bank is sensitive to the significant build-up in banking sector liquidity and the potential implications for external reserves, if the excess funds are channelled towards consumer credit. Accordingly, the Bank will sustain its efforts to sell-off its Government debt portfolio, to reduce this overhang. Meanwhile, the implementation of a credit bureau should help to promote non-destabilising credit growth trends over the medium-term.

APPENDIX

International Developments

Economic conditions in the major economies were generally positive during the review period, as consumer spending supported the United States and European markets—despite the ongoing “Brexit” concerns in the United Kingdom. In contrast, economic indicators in Asia softened, reflecting the uncertainty caused by the prolonged trade negotiations between China and the U.S. In this environment, all of the major central banks maintained their respective monetary policy stances.

The United States’ economy sustained its growth trajectory over the review period, as industrial production edged-up by 0.1% in February, a reversal from a 0.4% falloff a month earlier. Similarly, retail sales rose by 0.2% in January—led by higher demand for building supplies—vis-à-vis a 1.6% decline in the prior month, while the trade deficit widened by \$9.5 billion (18.7%) to \$59.8 billion in December—the latest figures released—as exports weakened by \$3.9 billion (1.9%), while imports increased by \$5.5 billion (2.1%). In this environment, the unemployment rate decreased by 20 basis points to 3.8% in February, compared to a 10 basis point rise in the prior month, as non-farm payrolls firmed by approximately 20,000 persons. Underpinned by higher food and shelter costs, consumer prices increased by 0.2% during the review month, after remaining unchanged in January. Faced with modest growth and relatively mild inflation, the Federal Reserve left its key policy rates unchanged during February.

European economic conditions exhibited signs of improvement during the period. Specifically, industrial production in both the euro area and the UK strengthened, by 1.4% and 0.6%, respectively, compared to declines of 0.9% and 0.5% in the previous month. Similarly, retail sales firmed by 1.3% in the euro area, a turnaround from a 1.6% decrease in December, while the UK’s sales edged-up by 0.4% in January, after a 0.9% gain a month earlier. In labour developments, the UK’s jobless rate softened by 10 basis points to 3.8% in the three months to January, while the euro area’s unemployment rate steadied at 7.8%. In terms of prices, the annual inflation rate quickened by 10 basis points to 1.5% in the euro zone in February, as the cost of energy and food products increased, and the average annual gain in UK prices remained at 1.8%. Against this backdrop, both the Bank of England and the European Central Bank maintained their accommodative policy stances.

Over the review period, economic activity within the major Asian economies was lacklustre. In particular, Japan’s industrial production contracted by 3.7% in January, following a 0.1% decline in the prior month, while gains in China’s industrial output stabilised at 0.4% in February. Further, the unemployment rate in Japan increased by 10 basis points to 2.5% in January, reversing the previous month’s decline of the same magnitude, while China’s jobless rate steadied at approximately 3.8%. With regard to prices, higher food costs occasioned a 1.0% gain in consumer prices in China in February, vis-à-vis a 0.5% reduction in the previous month, while inflation in Japan was unchanged at 0.2%. In light of the softness in economic conditions, both the Bank of Japan and the People’s Bank of China sustained their accommodative monetary policy postures.

Supported by the major oil producing nations’ efforts to limit production levels in order to reduce “excess supply”, crude oil prices firmed by approximately 18.3% to \$61.87 per barrel during February. Further, increased appetite for riskier investments, led to gold and silver prices declining by 0.6% and 2.8%, to \$1,313.31 and \$15.61 per troy ounce, respectively, during the month.

The major global stock exchanges showed notable improvements in February, mainly reflecting positive domestic developments. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P500 indices rose by 3.7% and 3.0%, respectively. Similarly, European markets showed gains, as the UK’s FTSE increased by 1.5%, Germany’s DAX by 3.1%, and France’s CAC40 by 5.0%. Further, buoyed by signs of progress in US trade negotiations, China’s SE Composite surged by 13.8%, while Japan’s Nikkei 225 advanced by 2.9%.

The U.S dollar strengthened relative to most of the major currencies during the month of February, as rising Treasury yields increased overseas investors’ demand for the currency. Specifically, the dollar appreciated against the Japanese Yen by 2.3%—a ten-week high—to ¥111.39, the euro by 0.7% to €0.8795, the Swiss Franc by 0.4% to CHF0.9981, and the Canadian dollar by 0.4% to CAD\$1.32. In contrast, the dollar depreciated vis-à-vis both the British pound and the Chinese Renminbi by 1.2% to £0.7540 and by 0.1% to CNY6.6937.

Recent Monetary and Credit Statistics

(B\$ Millions)

FEBRUARY						
Value		Change		Change YTD		
2018	2019	2018	2019	2018	2019	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	943.21	712.26	16.22	17.38	85.66	53.32
1.2 Excess Liquid Assets	1,884.47	1,652.77	32.48	39.85	86.19	89.24
1.3 External Reserves	1,514.59	1,301.13	54.06	32.75	106.30	63.42
1.4 Bank's Net Foreign Assets	-124.68	-81.52	7.10	24.24	46.31	6.74
1.5 Usable Reserves	725.08	623.80	40.08	35.46	56.18	68.24

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,948.18	5,854.64	-12.66	-16.48	-28.29	-35.95
a. B\$ Credit	5,719.51	5,629.60	-21.64	-14.49	-32.55	-32.17
of which: Consumer Credit	2,168.30	2,094.78	-9.29	-12.02	-29.23	-28.85
Mortgages	2,868.89	2,867.86	-4.34	3.40	-13.11	-4.34
Commercial and Other Loans B\$	682.33	666.96	-8.01	-5.87	9.79	1.02
b. F/C Credit	228.67	225.04	8.98	-2.00	4.26	-3.78
of which: Mortgages	69.46	73.43	7.77	0.72	7.27	1.31
Commercial and Other Loans F/C	159.20	151.61	1.21	-2.71	-3.01	-5.09
2.2 Central Government (net)	2,309.80	2,502.36	-24.89	-1.69	-68.21	-10.89
a. B\$ Loans & Securities	2,578.39	2,707.84	-9.54	-43.14	-30.57	-20.77
Less Deposits	250.02	208.86	2.88	-39.14	23.87	-7.10
b. F/C Loans & Securities	0.00	7.00	0.00	0.00	0.00	-0.00
Less Deposits	18.58	3.63	12.47	-2.32	13.77	-2.77
2.3 Rest of Public Sector	270.57	313.17	-0.15	-1.01	-0.33	-5.85
a. B\$ Credit	102.45	125.11	1.40	-0.09	2.25	-4.13
b. F/C Credit	168.12	188.06	-1.55	-0.92	-2.57	-1.72
2.4 Total Domestic Credit	8,528.55	8,670.20	-37.74	-19.18	-96.83	-53.01
a. B\$ Domestic Credit	8,150.33	8,253.70	-32.67	-18.59	-84.75	-49.96
b. F/C Domestic Credit	378.21	416.50	-5.07	-0.60	-12.08	-3.05

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,412.75	2,465.56	25.68	7.91	52.28	-20.43
a. Central Bank	13.48	49.96	-8.03	0.12	-0.59	-15.47
b. Banks	2,399.28	2,415.60	33.71	7.78	52.87	-4.96
3.2 Savings Deposits	1,362.44	1,463.45	3.69	20.33	-5.23	33.69
3.3 Fixed Deposits	2,727.19	2,535.00	-23.62	4.32	-15.46	-25.65
3.4 Total B\$ Deposits	6,502.37	6,464.01	5.75	32.55	31.58	-12.39
3.5 F/C Deposits of Residents	320.53	403.86	-8.79	19.95	18.50	36.93
3.6 M2	6,777.68	6,760.49	0.06	32.01	-0.12	-50.68
3.7 External Reserves/M2 (%)	22.35	19.25	0.80	0.40	1.57	1.07
3.8 Reserves/Base Money (%)	101.22	101.40	2.90	1.34	3.60	4.12
3.9 External Reserves/Demand Liabilities (%)	95.92	96.05	1.76	2.79	0.69	5.33

Value		Year to Date		Change	
2018	2019	2018	2019	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	49.66	27.30	97.54	35.38	-22.35	-62.16
a. Net Purchase/(Sale) from/to Banks	68.97	76.11	90.13	188.01	7.14	97.88
i. Sales to Banks	5.10	4.35	49.11	4.35	-0.75	-44.76
ii. Purchases from Banks	74.07	80.46	139.24	192.36	6.39	53.12
b. Net Purchase/(Sale) from/to Others	-19.32	-48.81	7.41	-152.63	-29.49	-160.03
i. Sales to Others	61.52	78.00	130.19	231.13	16.47	100.94
ii. Purchases from Others	42.20	29.19	137.60	78.51	-13.02	-59.09
4.2 Banks Net Purchase/(Sale)	39.36	52.59	43.02	155.00	13.22	111.98
a. Sales to Customers	365.47	413.77	828.51	962.05	48.30	133.54
b. Purchases from Customers	404.83	466.35	871.53	1,117.04	61.52	245.52
4.3 B\$ Position (change)	-16.00	-20.04				

5.0 EXCHANGE CONTROL SALES

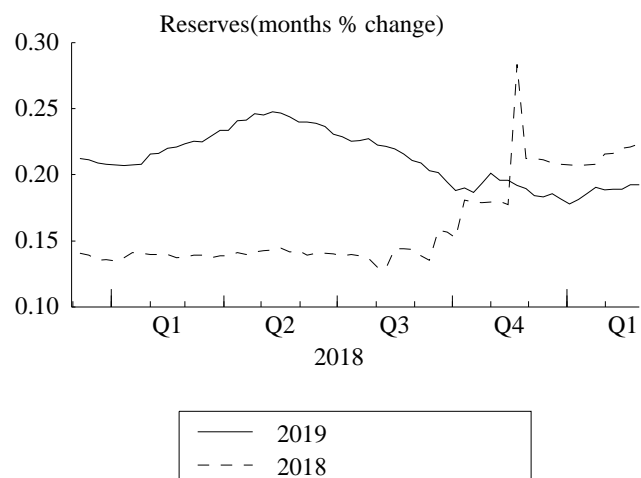
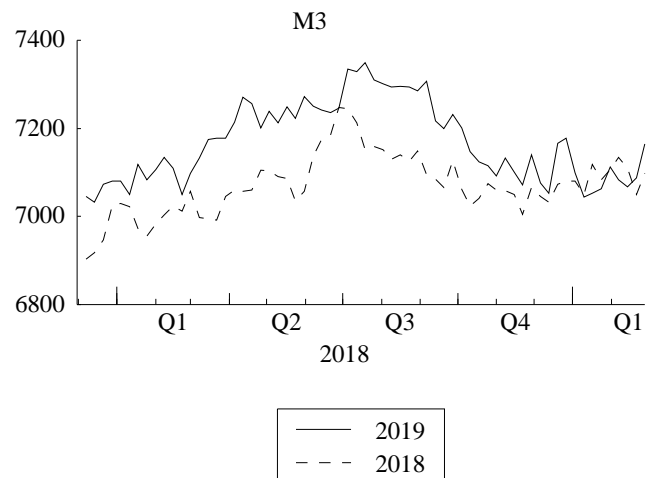
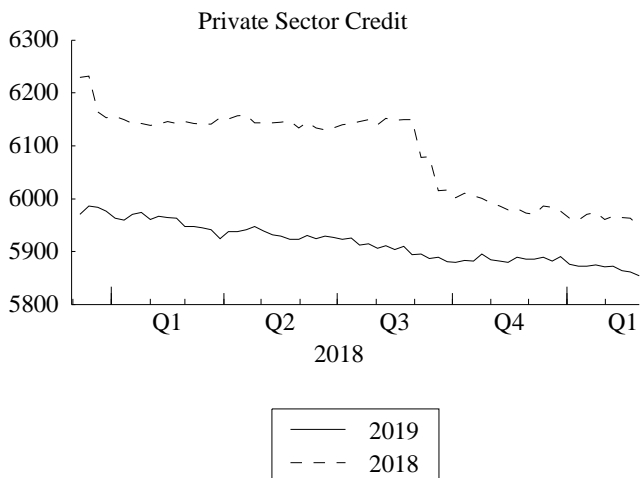
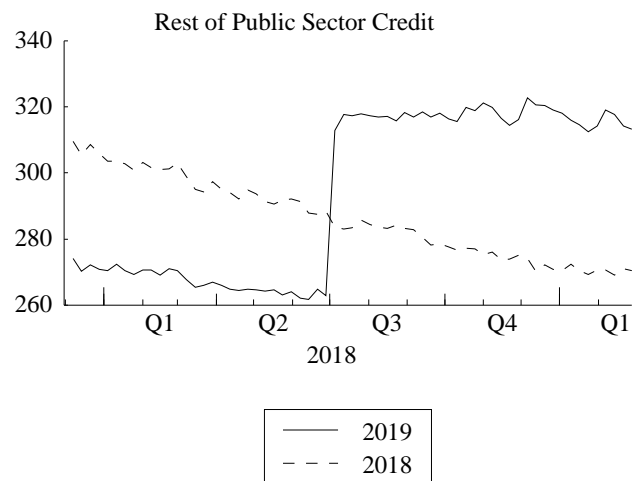
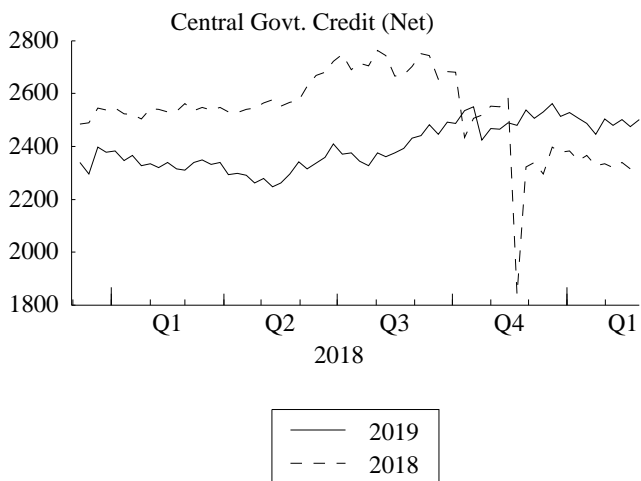
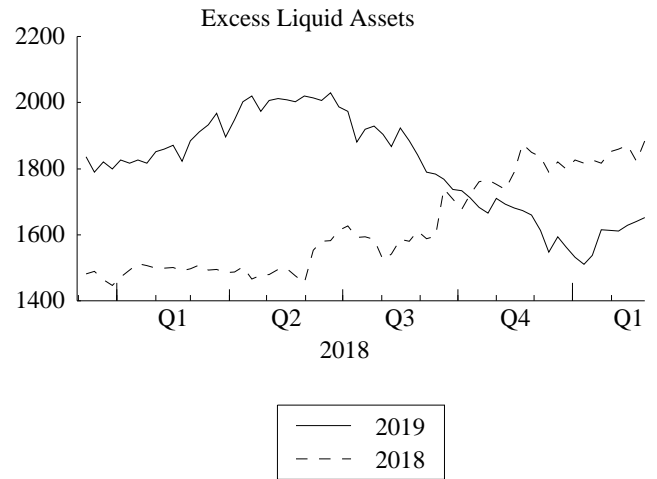
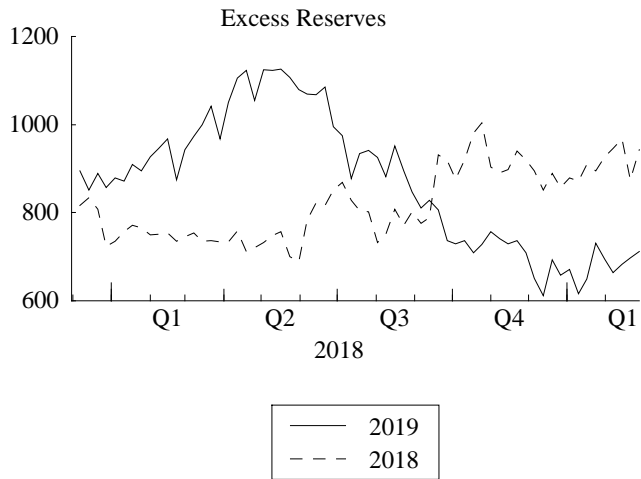
5.1 Current Items	386.22	361.90	836.80	882.39	-24.32	45.59
of which Public Sector	54.92	56.23	109.38	123.09	1.30	13.71
a. Nonoil Imports	117.42	92.78	255.63	199.29	-24.63	-56.35
b. Oil Imports	43.63	49.21	99.04	102.67	5.58	3.63
c. Travel	24.19	18.52	49.19	43.60	-5.67	-5.59
d. Factor Income	21.75	15.75	49.78	43.20	-5.99	-6.59
e. Transfers	22.02	20.39	55.42	36.07	-1.63	-19.35
f. Other Current Items	157.21	165.24	327.73	457.57	8.03	129.84
5.2 Capital Items	15.98	43.84	33.21	58.85	27.86	25.64
of which Public Sector	13.40	23.72	14.27	31.19	10.32	16.91
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: FEBRUARY 28, 2018 and FEBRUARY 27, 2019

Exchange Control Sales figures are as at month end.

Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2017	2018	2017	2018	2017	2018
Bahamas	1.4	2.3	1.4	2.5	10.1	10.7
United States	2.2	2.9	2.1	2.4	4.4	3.8
Euro-Area	2.4	2.0	1.5	1.7	9.1	8.3
<i>Germany</i>	<i>2.5</i>	<i>1.9</i>	<i>1.7</i>	<i>1.8</i>	<i>3.8</i>	<i>3.5</i>
Japan	1.7	1.1	0.5	1.2	2.9	2.9
China	6.9	6.6	1.6	2.2	3.9	4.0
United Kingdom	1.7	1.4	2.7	2.7	4.4	4.1
Canada	3.0	2.1	1.6	2.6	6.3	6.1

Source: IMF World Economic Outlook October 2018, Department of Statistics

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	<i>from</i>	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate
December 2016	4.00	0.00	1.25	0.50-0.75	0.25
January 2017	4.00	0.00	1.25	0.50-0.75	0.25
February 2017	4.00	0.00	1.25	0.50-0.75	0.25
March 2017	4.00	0.00	1.50	0.75-1.00	0.25
April 2017	4.00	0.00	1.50	0.75-1.00	0.25
May 2017	4.00	0.00	1.75	1.00-1.25	0.25
June 2017	4.00	0.00	1.75	1.00-1.25	0.25
July 2017	4.00	0.00	1.75	1.00-1.25	0.25
August 2017	4.00	0.00	1.75	1.00-1.25	0.25
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	0.50
December 2017	4.00	0.00	2.00	1.25-1.50	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	2.25	1.50-1.75	0.50
April 2018	4.00	0.00	2.25	1.50-1.75	0.50
May 2018	4.00	0.00	2.50	1.75-2.00	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	0.75
September 2018	4.00	0.00	2.75	2.00-2.25	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	3.00	2.25-2.50	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

C. Selected Currencies (Per United States Dollars)						
Currency	Feb-18	Jan-19	Feb-19	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8201	0.8735	0.8795	0.69	0.87	7.25
Yen	106.68	108.87	111.39	2.31	1.54	4.42
Pound	0.7267	0.7629	0.7540	-1.17	-3.79	3.75
Canadian \$	1.2833	1.3125	1.3171	0.35	-3.45	2.63
Swiss Franc	0.9446	0.9944	0.9981	0.37	1.68	5.66
Renminbi	6.3310	6.7004	6.6937	-0.10	-2.69	5.73

Source: Bloomberg as of February 28, 2019

D. Selected Commodity Prices (\$)					
Commodity	February 2018	January 2019	February 2019	Mthly % Change	YTD % Change
Gold / Ounce	1318.38	1321.21	1313.31	-0.60	2.41
Silver / Ounce	16.42	16.06	15.61	-2.82	0.74
Oil / Barrel	69.08	61.89	61.87	-0.03	18.34

Source: Bloomberg as of February 28, 2019

E. Equity Market Valuations – February 28, 2019 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.28	3.67	2.97	1.52	4.96	3.07	2.94	13.79
3 month	0.69	3.54	2.60	-2.17	-1.50	-7.40	-3.10	-9.77
YTD	1.22	-0.89	-1.39	-6.09	-4.40	-12.69	-7.42	-15.51
12-month	1.87	1.48	0.88	1.35	4.73	2.30	-4.32	13.63

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	2.42	0.70	-0.43
1 Month	2.49	0.75	-0.39
3 Month	2.64	0.85	-0.34
6 Month	2.70	0.95	-0.27
9 Month	2.79	1.02	-0.21
1 year	2.92	1.18	-0.16

Source: Bloomberg as of February 28, 2019

SUMMARY ACCOUNTS OF THE CENTRAL BANK
(B\$ Millions)

	VALUE												CHANGE					
	Jan. 03	Jan. 10	Jan. 17	Jan. 24	Jan. 31	Feb. 07	Feb. 14	Feb. 21	Feb. 28	Jan. 03	Jan. 10	Jan. 17	Jan. 24	Jan. 31	Feb. 07	Feb. 14	Feb. 21	Feb. 28
I. External Reserves	1,403.50	1,395.06	1,408.94	1,402.97	1,460.53	1,473.43	1,495.12	1,489.00	1,514.59	-4.79	-8.45	13.88	-5.96	57.56	12.90	21.69	-6.12	25.59
II. Net Domestic Assets (A + B + C + D)	31.59	24.49	44.91	33.01	24.96	18.54	14.92	-67.86	-18.26	-2.81	-7.10	20.42	-11.90	-8.05	-6.43	-3.61	-82.78	49.59
A. Net Credit to Gov't (i + ii + iii - iv)	390.86	386.90	393.29	393.60	389.40	385.84	391.56	360.43	341.83	-4.48	-3.96	6.40	0.31	-4.20	-3.56	5.72	-31.13	-18.61
i) Advances	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	275.04	276.19	276.23	276.25	276.26	276.37	276.10	276.17	276.14	0.02	1.15	0.04	0.01	0.01	0.11	-0.27	0.07	-0.03
iii) Treasury Bills	7.43	7.17	19.16	19.16	22.30	22.30	22.30	0.00	0.00	0.00	-0.27	11.99	0.00	3.14	0.00	0.00	-22.30	0.00
iv) Deposits	26.28	31.12	36.76	36.46	43.82	47.48	41.49	50.39	68.97	4.51	4.84	5.64	-0.30	7.36	3.67	-5.99	8.90	18.57
B. Rest of Public Sector (Net) (i + ii - iii)	-18.61	-17.42	-6.92	-15.39	-18.75	-22.23	-25.44	-10.20	-10.73	-7.29	1.18	10.50	-8.47	-3.36	-3.47	-3.21	15.24	-0.53
i) BDB Loans	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii) Deposits	21.36	20.17	9.67	18.14	21.50	24.98	28.19	12.95	13.48	7.29	-1.18	-10.50	8.47	3.36	3.47	3.21	-15.24	0.53
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D. Other Items (Net)*	-340.66	-344.98	-341.47	-345.20	-345.69	-345.08	-351.20	-418.09	-349.36	8.97	-4.32	3.52	-3.74	-0.48	0.61	-6.12	-66.89	68.73
III. Monetary Base	1,435.09	1,419.54	1,453.84	1,435.98	1,485.49	1,491.96	1,510.04	1,421.14	1,496.33	-7.59	-15.55	34.30	-17.86	49.51	6.47	18.08	-88.90	75.19
A. Currency in Circulation	420.37	397.45	381.29	384.09	396.53	389.61	388.35	384.35	387.40	-18.77	-22.92	-16.16	2.80	12.43	-6.92	-1.26	-4.00	3.05
B. Bank Balances with CBOB	1,014.72	1,022.09	1,072.55	1,051.89	1,088.97	1,102.36	1,121.69	1,036.79	1,108.93	11.18	7.37	50.46	-20.66	37.08	13.39	19.33	-84.90	72.14

* Includes capital, provisions and surplus account, fixed and other assets, and other demand liabilities of Bank

FISCAL/REAL SECTOR INDICATORS

(\$5 MILLIONS)

(% change represents current period from previous period)

	YEAR TO DATE	
	2017/2018	2018/2019
1. Government Revenue & Grants % change: over previous quarter	880.8 3.4%	1010.3 14.7%
2. Value Added Tax % change: over previous quarter	318.3 5.3%	398.5 25.3%
3. Import/Export Duties % change: over previous quarter	262.6 4.1%	240.8 -8.3%
4. Recurrent Expenditure % change: over previous quarter	1003.7 -0.1%	1097.6 9.4%
5. Capital Expenditure % change: over previous quarter	131.0 -14.1%	86.9 -33.6%
6. Deficit/ Surplus* % change: over previous quarter	-253.9 -16.9%	-174.3 -31.3%

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
1. Government Revenue & Grants % change: over previous quarter	453.8 -34.7%	513.8 -9.0%	427.1 -5.9%	495.4 -3.4%				
2. Value Added Tax % change: over previous quarter	168.8 -2.3%	199.4 -1.8%	149.5 -1.4%	200.1 0.3%				
3. Import/Export Duties % change: over previous quarter	135.0 -25.8%	151.2 -5.6%	127.6 -5.3%	88.7 -60.7%				
4. Recurrent Expenditure % change: over previous quarter	487.9 -11.2%	527.0 -17.0%	515.7 5.7%	570.6 8.3%				
5. Capital Expenditure % change: over previous quarter	74.4 -54.3%	38.8 -54.4%	56.7 -23.8%	48.1 24.1%				
6. Deficit/ Surplus* % change: over previous quarter	-108.6 -72.1%	-52.0 -63.8%	-145.3 -33.9%	-122.3 -133.3%				

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
7. Total Direct Debt % change: over previous month	7,209.3 0.4%	7,198.9 -0.1%	7,489.1 -0.3%									
8. External Debt % change: over previous month	2,675.9 2.3%	2,662.4 -0.5%	2,566.8 -0.9%									
9. Internal FIC Debt % change: over previous month	0.0 0.0%	0.0 0.0%	0.0 0.0%									
10. Bahamian Dollar Debt % change: over previous month	4,533.4 -0.7%	4,536.5 0.1%	4,922.3 0.0%									
11. Total Amortization % change: over previous month	34.7 4.9%	55.4 8.5%	22.3 -14.8%									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	
7. Total Direct Debt % change: over previous month	3,364.4 -3.4%	3,312.3 -1.1%	3,350.8 -0.8%	3,288.4 -0.7%																					

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
12. Total Public Sector FIC Debt % change: over previous month	102.1 -1.82%	103.9 0.00%	104.3 0.35%	104.0 -0.30%	104.7 0.53%	104.7 0.2%	105.1 0.32%	105.1 0.32%	103.1 -0.1%	106.9 0.0%	106.9 0.0%	106.0 -0.3%
13. Real Sector Indicators % change: over previous month	509.3 -4.68%	533.7 4.79%	534.2 -0.08%	587.6 3.63%	469.0 -3.80%	492.4 0.89%	539.8 9.62%	539.8 9.62%	400.5 -24.6%	400.5 -0.1%	452.9 5.0%	452.9 5.0%
14. Tourist arrivals (000's) % change: over previous year	94.3 -1.63%	100.9 6.93%	108.2 -10.73%	138.1 3.51%	114.4 -5.86%	133.9 -6.07%	154.9 15.72%	154.9 15.72%	144.6 -8.79%	163.4 13.0%	129.6 17.7%	129.6 17.7%
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. (\$5Millions) % change: over previous year												

	YEAR TO DATE	
	2017	2018
13. Real Sector Indicators % change: over previous month	1032 1.52%	1055 2.27%
14. Tourist arrivals (000's) % change: over previous year	6,135.8 -2.06%	6,622.0 7.92%
15. Air arrivals (000's) % change: over previous year	1,335.6 2412.72%	1,568.1 16.66%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
12. Total Public Sector FIC Debt % change: over previous month	3,364.4 -3.4%	3,312.3 -1.1%	3,350.8 -0.8%	3,288.4 -0.7%																				

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (\$5Millions) % change: over previous year	11.44 -24.39%	12.25 -14.01%	14.36 25.3%	8.60 -59.8%	15.83 70.3%	12.60 -46.4%	14.2 -10.0%	8.3 -34.0%				

* Includes Net Lending to Public Corporations
 ** Debt figures include Central Government only, unless otherwise indicated
 p - provisional