



Monthly Economic and Financial Developments October 2013

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:

2013: December 23.

Monthly Economic and Financial Developments

October 2013

1. Domestic Economic Developments

Early indications are that domestic economic conditions were relatively subdued in October, amid a lacklustre tourism performance, although foreign investment-led construction activity continued to secure a modest growth outcome. Price developments were relatively benign, as average domestic energy costs decreased over the review month. On the fiscal side, the overall deficit narrowed during the first quarter of FY2013/14, owing to a combination of higher revenue collections and reduced expenditure. In the monetary sector, both bank liquidity and external reserves expanded, primarily reflecting Government's external borrowing activities.

Sustained weakness in key source markets, alongside increased competition from other regional destinations, constrained growth in tourist arrivals for the nine months to September, to 2.3% from 8.3% in 2012, for a 4.5 million visitor count. In particular, the high value-added air segment contracted by 6.5%, a reversal from last year's 9.4% gain, while the expansion in sea passengers tapered to 5.1% from 8.0%. By port of entry, visitors to New Providence rose by 7.8% to 2.6 million, with the 15.5% hike in the dominant sea component outpacing the 6.9% falloff in air traffic. In contrast, the Grand Bahama market experienced a decline of 2.8%, owing to contractions in both the air and sea segments, by 17.1% and 0.7%, respectively. Despite the opening of a mid-sized resort in the middle of the year, arrivals to the Family Islands decreased by 4.7%, as a 5.5% falloff in sea visitors outstripped the 1.4% improvement in the air component.

Hotel performance indicators confirm the weakness in the tourism sector, although the hosting of a major sporting event appeared to buoy occupancy levels in one (1) major hotel. According to preliminary information from a sample of major hotels in New Providence and Paradise Island, total room revenue contracted by 15.0% in October year-on-year, with the 9.4 percentage point falloff in the average hotel occupancy rate to 44.0%, outweighing the 2.5% rise in the average daily room rate (ADR) to \$161.05. Similarly, over the ten-month period, properties surveyed reported an 8.0% drop in revenue, as the 2.8% increase in the average daily room rate to \$234.11 did not compensate for the 5.8 percentage point reduction in room occupancy to 64.3%.

Domestic consumer price inflation—as measured by changes in the Retail Price Index for All Bahamas—moderated by 2.4 percentage points to a mere 0.4% over the 12 months to October—significantly influenced by a deceleration in average transportation cost gains to 0.2% from 4.1% in the comparative year-earlier period. Average cost increases also slackened for housing, water, gas, electricity & other fuels—the most heavily weighted item on the index—to 0.1% from 3.7%; furnishing, household equipment and routine household maintenance, to 0.8% from 3.7%; food & non-alcoholic beverages, to 0.8% from 3.4%; education, to 1.6% from 2.9%; medical care & health, to 1.1% from 2.1%; clothing & footwear, to 0.8% from 1.1% and miscellaneous goods & services, to 0.5% from 0.7%. In addition, the decrease in the average price for communication was extended to 3.5% from 1.2% in 2012, while recreation & culture costs fell by 0.7%, vis-à-vis a slight 0.1% increase in the corresponding period last year. In a modest offset, average inflation rates firmed for restaurant & hotels and alcohol, tobacco, & narcotics, to 3.2% and 2.7% from 2.2% and 1.6%, respectively.

Energy price developments were mixed over the review period, as average gasoline costs declined by 3.1% in October over the previous month, and by 9.2% year-on-year to \$5.26 per gallon. In contrast, average diesel prices rose by 2.8% during the month, but fell by an equivalent percentage over the year, to \$5.21 per gallon. With regard to electricity, the Bahamas Electricity Corporation's fuel charge fell by 10.3% and 19.3%, on a monthly and annual basis, respectively, to 22.00¢ per kilowatt hour (kWh).

Provisional data on the Government's budgetary operations for the first quarter of FY2013/14 showed that the overall deficit narrowed by \$66.2 million (45.9%) to \$78.1 million, reflecting a gain in total revenue of \$8.5 million (2.9%) to \$305.3 million and a decline in aggregate expenditure of \$57.8 million (13.1%) to \$383.3 million. In terms of revenue, non-tax receipts grew by \$9.4 million (39.1%) to \$33.5 million, primarily explained by a \$9.5 million (46.7%) rise in fines, forfeits & administrative fees. In contrast, tax collections contracted marginally by \$0.9 million (0.3%) to \$271.7 million, led by a \$15.2 million (9.9%) decline in taxes on international trade, which offset the almost two-fold increase in other "non-allocated" taxes to \$28.4 million. On the spending side, current expenditures decreased by \$27.5 million (7.5%) to \$342.1 million, reflecting in part a decrease in subsidies to a local public health authority. Capital spending contracted by \$32.1 million (51.5%) to \$30.2 million, occasioned by a \$21.8 million (45.2%) falloff in capital formation, in line with the reduced level of infrastructural projects. However, Government's budgetary support to public entities grew by a net of \$1.9 million (20.2%) to \$11.1 million.

2. International Developments

Despite concerns over the United States policy makers' lack of action to avert a "Government shutdown" and lift the ceiling on federal borrowing in the first half of the month, indications are that global growth was sustained at a modest pace in October, supported by further gains in both the North American and Asian economies. However, the unevenness of economic conditions across Europe continued to provide significant headwinds. Against this backdrop, major central banks maintained their highly accommodative monetary policy measures, to support their economies.

Economic conditions in the United States continued to improve, as real GDP growth strengthened to an estimated 2.8% in the third quarter from 2.5% in the prior three-month period, supported by increases in personal consumption expenditure, private inventory investment, exports and fixed investments. In addition, retail sales advanced by 0.4% in October, after remaining flat in the preceding month, although lower output at power plants and mines caused industrial production to decline by 0.1%, after a 0.7% gain in the prior month. In the external sector, the trade deficit deteriorated, on a monthly basis, by \$3.1 billion to \$41.8 billion in September, explained by a combination of higher imports and a slight falloff in exports. In the labour market, despite the addition of 204,000 nonfarm payroll jobs, the unemployment rate edged up slightly by 0.1 of a percentage point to 7.3% during October, as the "Government shutdown" led to a temporary reduction in Federal employees. Annualized consumer price inflation firmed slightly to 0.2% in September from 0.1% in the prior period, due mainly to an increase in energy costs. In monetary policy developments, the Federal Reserve continued with its "quantitative easing" measures and retained its key interest rate within the 0.00%-0.25% range.

In Europe, economic developments were mixed during the review month. The United Kingdom's industrial production grew by 0.9% in September, after declining by 1.1% a month earlier, benefitting from gains in manufacturing output; however, the volume of retail sales fell by 0.7% in October, following a 0.6% increase in the prior month. On the external side, the monthly trade deficit was relatively unchanged at

£3.3 billion in September, as the rise in the services surplus offset the widening in the goods deficit. Employment conditions remained relatively positive, with the jobless rate for the three (3) months to September narrowing by 0.2 of a percentage point to 7.6%, as the number of unemployed persons declined by 48,000. Consumer price inflation softened to 2.2% in October from 2.7% a month earlier, owing to reductions in transportation and education costs. Activity in the euro area economy remained lacklustre, as major economies such as Germany, France and Italy continued to face significant headwinds. The region's real GDP growth slowed to 0.1% in the third quarter from 0.3% in the previous three-month period; the volume of retail trade contracted by 0.6% in September, vis-à-vis a 0.5% increase in the month prior; and industrial production decreased by 0.5%, a turnaround from a 1.0% gain in August. External developments were more favourable, with the trade surplus expanding by €6.2 billion to €13.1 billion, as exports grew by 1.0%, and imports fell by 0.3%. In October, annual inflation softened to 0.7% from 1.1% in the prior month, while the jobless rate stabilized at a record 12.2% in September. In support of the fragile recovery, both the Bank of England and the European Central Bank maintained their interest rates at record lows.

Indications are that the Asian economies sustained their positive growth momentum over the review month. In China, growth in industrial production advanced to 0.9% in October from 0.7% in the previous month, while monthly retail sales grew by a relatively stable 1.2%. In the external sector, the trade surplus more than doubled to \$31.1 billion—the highest for the year—due solely to a 9.4% reduction in imports, as exports remained unchanged. Meanwhile, the month-on-month inflation rate softened by 70 basis points to 0.1%, due to lower food costs. In Japan, economic growth slowed to 0.5% in the third quarter from 0.9% in the prior three-month period, largely explained by tempered increases in personal consumption, exports and business capital spending. Industrial production advanced by 1.3% in September, reversing the month earlier decline of 0.9%, while retail sales fell at a slower rate of 2.8% vis-à-vis 3.7%. Similarly, labour market conditions improved, with the jobless rate narrowing by 0.1 of a percentage point to 4.0% in September. On the external side, the trade deficit improved by 16.7% to ¥1,090.7 billion, as increased fuel purchases led to import growth of 4.2%, to eclipse the 2.2% rise in exports. On the monetary front, the People's Bank of China maintained its accommodative stance, while also executing a three (3) year bilateral currency swap agreement with the European Central Bank to facilitate trade and investment, as well as to ensure the stability of financial markets. Meanwhile, the Bank of Japan sustained its “quantitative easing” measures.

Crude oil prices rose marginally by 0.5% to \$109.46 per barrel in October, as OPEC held its crude oil production relatively steady, at an average of 29.89 million barrels per day. Activity on the precious metals market was mixed; the price of gold narrowed marginally by 0.4% to \$1,323.06 per troy ounce, while silver prices grew by 1.0% to \$21.91 per troy ounce.

Buoyed by the passage of the legislation to end the United States' “Government shutdown” and avert a debt default in the latter half of the month, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices advanced by 2.8% and 4.6%, respectively, in October. Similarly, in Europe, gains were recorded for Germany's DAX (5.1%), the United Kingdom's FTSE 100 (4.2%) and France's CAC 40 (3.8%). In contrast, Asian bourses posted declines, as China's SE Composite and Japan's Nikkei 225 indices fell by 1.5% and 0.9%, respectively.

In the foreign currency markets, the US dollar appreciated against most of the major currencies in October, as the Federal Reserve reaffirmed its commitment to sustain the size of its US bond buying programme over the near-term. As a result, the dollar strengthened relative to the Canadian dollar, by 1.2% to CND\$1.0431, and firmed more modestly vis-à-vis the British pound, Swiss Franc and Japanese Yen, by

0.9% to £0.6235, by 0.2% to CHF0.9069 and by 0.1% to ¥98.36, respectively. In contrast, the dollar depreciated by 0.4% against both the euro and Chinese Yuan, to €0.7362 and CNY6.0937, respectively.

3. Domestic Monetary Trends

October 2013 vs. 2012

Monetary trends for the month of October featured accretions to both liquidity and external reserves, partially reflecting the receipt of proceeds from Government's external borrowings. The narrow measure of liquidity, excess reserves, rose marginally by \$2.4 million to \$383.2 million, a reversal from a \$46.4 million decline in the previous year. Similarly, the broader excess liquid assets grew by \$5.2 million to \$1,093.3 million vis-à-vis a \$74.5 million reduction a year-earlier.

Buoyed by Government's external foreign currency borrowing, which was equivalent to US\$100 million, foreign reserves expanded by \$38.2 million to \$685.0 million—a turnaround from a \$68.9 million contraction in 2012. Underpinning this development, the Central Bank's net foreign currency transactions reversed to a net purchase of \$37.9 million, from a net sale of \$74.3 million a year earlier. In particular, the \$59.2 million net intake from the public sector, contrasted with a net outflow of \$51.9 million in the prior period, while the Bank's net sale to commercial banks was slightly lower at \$21.3 million.

Government's use of proceeds from its external borrowings to reduce domestic debt produced a contraction in Bahamian dollar credit, by \$47.2 million, in contrast to an advance of \$55.2 million a year ago. Specifically, net claims on the Government fell by \$47.4 million, vis-à-vis a \$62.6 million gain in 2012, as short-term liabilities were reduced. In addition, growth in claims on the rest of the public sector receded to \$0.6 million from \$10.0 million last year. In a modest offset, the contraction in private sector credit moderated to \$0.5 million from \$17.4 million a year ago. The fall-off in mortgages, which account for 51% of the total, slackened to \$2.1 million from \$9.7 million a year earlier, and the drop in commercial loans tapered to \$0.1 million from \$0.6 million. In contrast, consumer credit recovered by \$1.7 million from the preceding year's \$7.1 million contraction.

Banks' credit quality indicators were marginally improved during the month of October, with total private sector loan arrears down slightly, by \$1.9 million (0.2%) to \$1,278.2 million, although registering a relatively stable 20.8% of total loans. The reduction in arrears was solely attributed to a contraction in the non-performing segment—arrears exceeding 90 days and on which banks have stopped accruing interest—which fell by \$13.4 million (1.6%) to \$843.1 million, and by 19 basis points to 13.7% of total loans. In contrast, short-term (31-90 day) arrears rose by \$11.6 million (2.7%) to \$435.1 million, elevating the attendant loan ratio by 20 basis points to 7.1%.

In terms of the major categories, the falloff in delinquencies was led by an \$8.2 million (2.4%) contraction in the commercial segment, to \$335.6 million, as the \$9.2 million (4.7%) decrease in non-accrual loans eclipsed the \$1.1 million (0.7%) rise in the 31-90 day component. Similarly, mortgage delinquencies fell by \$2.3 million (0.3%) to \$682.1 million, inclusive of a \$2.9 million (0.6%) decline in the non-performing segment, which outweighed the \$0.6 million (0.3%) gain in short-term arrears. In contrast, consumer loan arrears advanced by \$8.6 million (3.4%) to \$260.5 million, with the \$9.9 million (11.8%) rise in the short-term segment, outweighing the \$1.3 million (0.8%) fall in the non-accrual component.

Banks maintained their conservative stance over the review month, by increasing their total provisions for loan losses by \$8.4 million (2.0%) to \$431.7 million. Consequently, the ratio of total provisions to arrears

rose by 0.7 of a percentage point to 33.8%, while the corresponding non-performing ratio firmed by 1.8 percentage points to 51.2%.

During the review month, total domestic foreign currency credit contracted by \$2.7 million, following a slight dip of \$0.1 million in 2012. Underlying this outcome, the decline in claims on public corporations was extended to \$1.7 million from \$0.5 million last year, while net credit to the Government steadied at \$0.4 million. Further, private sector credit receded by \$1.4 million, vis-à-vis a \$0.1 million gain in 2012, as commercial and other loans decreased by \$0.9 million, compared to a slight \$0.3 million rise a year earlier.

The reduction in Bahamian dollar deposits slowed to \$21.7 million from \$39.2 million in 2012, as savings deposits rebounded by \$7.8 million from last year's \$25.8 million drop. However, fixed and demand balances contracted further, by \$19.8 million and \$9.8 million, after respective decreases of \$9.8 million and \$3.6 million last year.

Interest rate conditions showed the weighted average deposit rate at banks softening by 25 basis points to 1.40%, with the highest rate of 5.00% offered on fixed balances of over 12 months. In contrast, the weighted average loan rate widened by 53 basis points to 11.77%.

4. Outlook and Policy Implications

In the context of challenging global conditions, expectations are that the domestic economy will continue to face significant headwinds over the near-term, characterized by weakness in the key tourism sector, although anecdotal data suggests that the performance of the high value-added stopover segment of the market may improve over the coming months. The modest growth outlook will hinge primarily on the ongoing foreign investment projects in both the capital and several Family Islands, which should continue to support activity in the construction sector over the near-term. Nevertheless, no significant improvement is anticipated in employment conditions, until the economic recovery broadens to other key sectors, while inflationary pressures are likely to remain subdued, despite the volatility in global oil prices.

Improvements in the fiscal deficit and associated debt indicators remain heavily dependent on the extent of the domestic recovery, as well as the success of Government's efforts to increase revenues through enhancements in administration and the implementation of new tax measures, while also restraining expenditure growth.

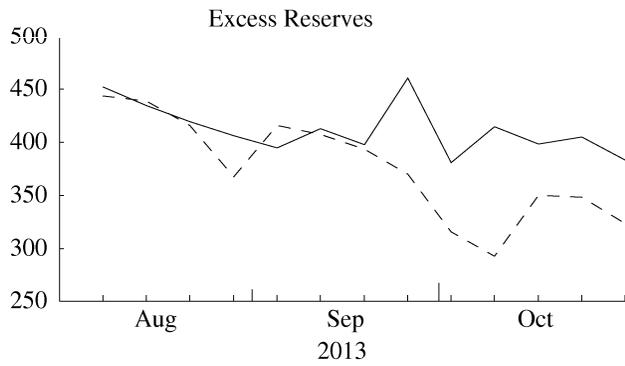
In the monetary sector, robust liquidity levels are forecast to persist over the near-term, as credit to the private sector remains constrained. External reserves are likely to experience some downward pressure in the remaining months of the year, reflecting the seasonal increase in foreign currency demand and the continued weakness in the traditional foreign exchange earning activities. Banking sector loan arrears are set to remain elevated in the short-term, until the economic recovery becomes more broad-based; nevertheless, banks are expected to maintain robust capital levels, negating any financial stability concerns.

Recent Monetary and Credit Statistics

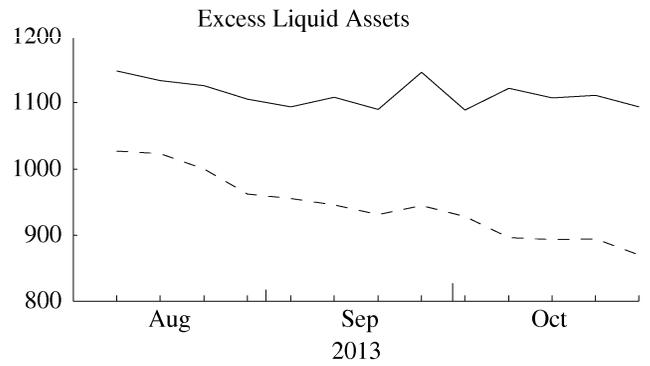
(B\$ Millions)

	OCTOBER					
	Value		Change		Change YTD	
	2012	2013	2012	2013	2012	2013
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	323.42	383.16	-46.44	2.37	-111.44	-66.86
1.2 Excess Liquid Assets	869.49	1,093.31	-74.48	5.24	-27.67	121.82
1.3 External Reserves	687.70	684.99	-68.94	38.21	-204.29	-127.12
1.4 Bank's Net Foreign Assets	-626.18	-547.78	1.19	17.61	-17.14	74.01
1.5 Usable Reserves	287.57	243.35	-49.07	32.48	-151.12	-104.94
2.0 DOMESTIC CREDIT						
2.1 Private Sector	6,633.72	6,539.90	-17.34	-1.87	19.35	-76.46
a. B\$ Credit	6,218.22	6,142.49	-17.43	-0.48	-41.92	-77.99
of which: Consumer Credit	2,113.52	2,100.81	-7.13	1.74	-33.14	-20.04
Mortgages	3,101.08	3,114.66	-9.74	-2.08	14.48	11.60
Commercial and Other Loans B\$	1,003.62	927.02	-0.57	-0.14	-23.27	-69.55
b. F/C Credit	415.50	397.41	0.09	-1.39	61.27	1.54
of which: Mortgages	144.53	152.50	-0.22	-0.49	15.38	7.76
Commercial and Other Loans F/C	270.97	244.91	0.32	-0.90	45.89	-6.23
2.2 Central Government (net)	1,716.33	1,918.22	62.99	-46.96	279.34	324.82
a. B\$ Loans & Securities	1,847.41	2,054.67	59.28	-42.45	283.07	337.93
Less Deposits	130.11	136.03	-3.36	4.90	4.48	13.90
b. F/C Loans & Securities	0.00	0.00	0.00	0.00	0.00	-0.00
Less Deposits	0.98	0.42	-0.35	-0.40	-0.74	-0.80
2.3 Rest of Public Sector	406.31	394.38	9.43	-1.10	-1.24	-12.67
a. B\$ Credit	116.70	119.94	9.95	0.63	13.28	1.09
b. F/C Credit	289.61	274.44	-0.52	-1.72	-14.52	-13.76
2.4 Total Domestic Credit	8,756.36	8,852.57	55.08	-49.86	297.44	235.20
a. B\$ Domestic Credit	8,052.23	8,181.13	55.16	-47.15	249.94	246.63
b. F/C Domestic Credit	704.13	671.43	-0.08	-2.71	47.50	-11.43
3.0 DEPOSIT BASE						
3.1 Demand Deposits	1,308.62	1,426.32	-3.62	-9.76	73.30	68.36
a. Central Bank	9.04	19.85	-0.73	-2.12	0.82	7.76
b. Banks	1,299.58	1,406.48	-2.89	-7.63	72.49	60.60
3.2 Savings Deposits	1,091.49	1,092.00	-25.77	7.81	25.48	24.32
3.3 Fixed Deposits	3,437.30	3,369.38	-9.77	-19.78	-169.49	-52.83
3.4 Total B\$ Deposits	5,837.41	5,887.70	-39.17	-21.73	-70.71	39.86
3.5 F/C Deposits of Residents	236.49	282.13	-2.10	7.95	43.62	58.99
3.6 M2	6,041.40	6,089.18	-30.12	-15.75	-65.02	36.19
3.7 External Reserves/M2 (%)	11.38	11.25	-1.08	0.65	-3.22	-2.17
3.8 Reserves/Base Money (%)	87.99	81.98	-4.39	3.79	-12.90	-7.96
3.9 External Reserves/Demand Liabilities (%)	85.93	77.55	-4.14	3.36	-12.45	-9.99
	Value		Year to Date		Change	
	2012	2013	2012	2013	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	-74.27	37.87	-219.92	-139.12	112.13	80.80
a. Net Purchase/(Sale) from/to Banks	-22.35	-21.29	120.74	54.28	1.06	-66.46
i. Sales to Banks	34.90	30.78	200.05	276.18	-4.12	76.13
ii. Purchases from Banks	12.55	9.49	320.79	330.46	-3.06	9.67
b. Net Purchase/(Sale) from/to Others	-51.92	59.15	-340.66	-193.40	111.07	147.26
i. Sales to Others	82.80	61.83	611.43	546.20	-20.97	-65.23
ii. Purchases from Others	30.88	120.98	270.77	352.80	90.10	82.04
4.2 Banks Net Purchase/(Sale)	-21.34	-14.41	123.49	54.48	6.94	-69.01
a. Sales to Customers	307.23	263.02	2,931.75	3,076.81	-44.21	145.06
b. Purchases from Customers	285.89	248.61	3,055.24	3,131.29	-37.27	76.05
4.3 B\$ Position (change)	-5.40	-2.44				
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	201.34	ND	2,577.96	ND	ND	ND
of which Public Sector	1.69	ND	19.78	ND	ND	ND
a. Nonoil Imports	85.56	ND	1,129.76	ND	ND	ND
b. Oil Imports	36.62	ND	370.25	ND	ND	ND
c. Travel	12.57	ND	180.74	ND	ND	ND
d. Factor Income	3.83	ND	88.74	ND	ND	ND
e. Transfers	4.66	ND	65.67	ND	ND	ND
f. Other Current Items	58.09	ND	742.80	ND	ND	ND
5.2 Capital Items	2.07	ND	48.44	ND	ND	ND
of which Public Sector	0.03	ND	10.87	ND	ND	ND
5.3 Bank Remittances	0.00	ND	0.00	ND	ND	ND

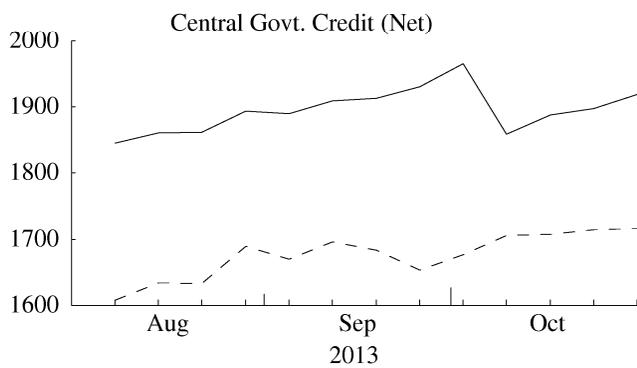
SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



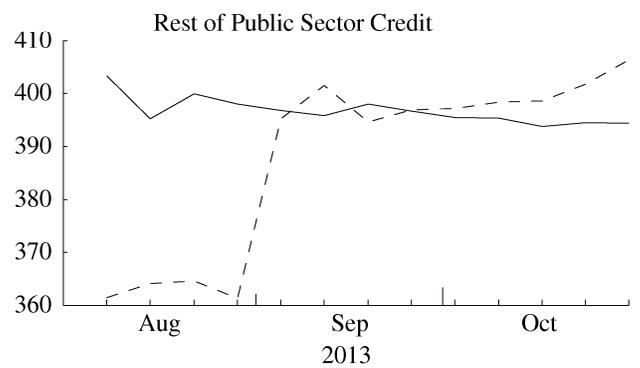
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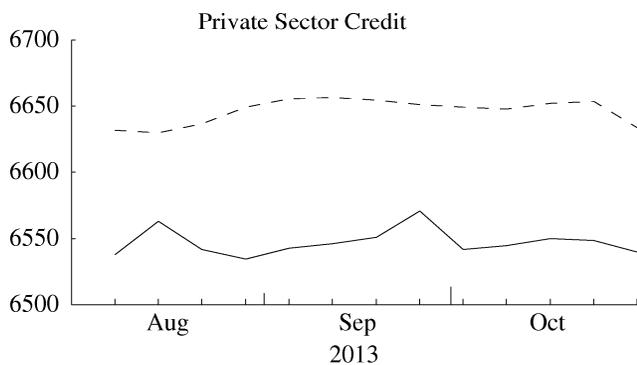
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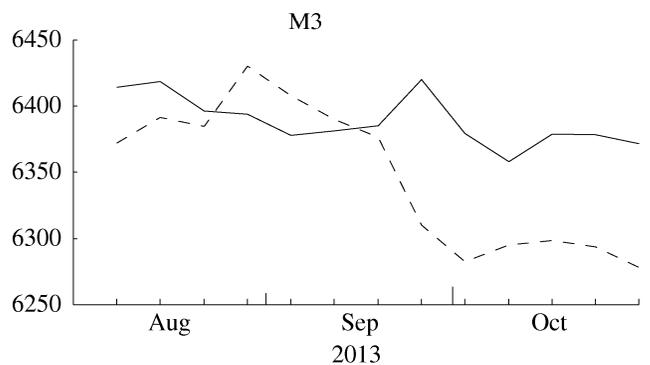
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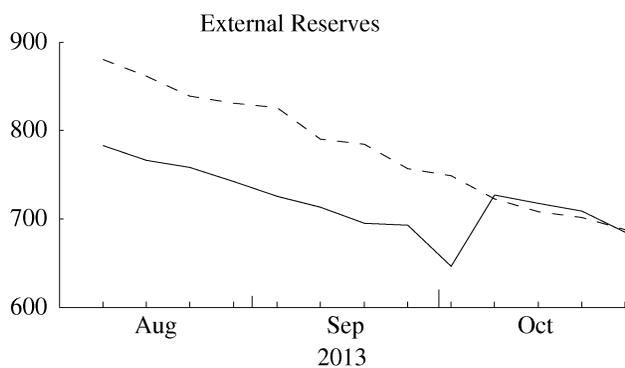
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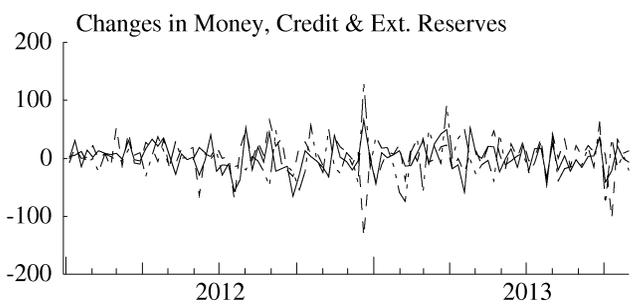
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— M3
- - - Domestic Credit
... External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2012	2013	2012	2013	2012	2013
Bahamas	1.8	1.9	2.0	1.0	14.0	16.2
United States	2.8	1.6	2.1	1.4	8.1	7.6
Euro-Area	-0.6	-0.4	2.5	1.5	11.4	12.3
<i>Germany</i>	<i>0.9</i>	<i>0.5</i>	<i>2.1</i>	<i>1.6</i>	<i>5.5</i>	<i>5.6</i>
Japan	2.0	2.0	0.0	0.0	4.4	4.2
China	7.7	7.6	2.6	2.7	4.1	4.1
United Kingdom	0.2	1.4	2.8	2.7	8.0	7.7
Canada	1.7	1.6	1.5	1.1	7.3	7.1
<i>Source: IMF World Economic Outlook October 2013, Department of Statistics</i>						

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
September 2011	4.50	1.50	0.75	0-0.25	0.50
October 2011	4.50	1.50	0.75	0-0.25	0.50
November 2011	4.50	1.25	0.75	0-0.25	0.50
December 2011	4.50	1.00	0.75	0-0.25	0.50
January 2012	4.50	1.00	0.75	0-0.25	0.50
February 2012	4.50	1.00	0.75	0-0.25	0.50
March 2012	4.50	1.00	0.75	0-0.25	0.50
April 2012	4.50	1.00	0.75	0-0.25	0.50
May 2012	4.50	1.00	0.75	0-0.25	0.50
June 2012	4.50	1.00	0.75	0-0.25	0.50
July 2012	4.50	0.75	0.75	0-0.25	0.50
August 2012	4.50	0.75	0.75	0-0.25	0.50
September 2012	4.50	0.75	0.75	0-0.25	0.50
October 2012	4.50	0.75	0.75	0-0.25	0.50
November 2012	4.50	0.75	0.75	0-0.25	0.50
December 2012	4.50	0.75	0.75	0-0.25	0.50
January 2013	4.50	0.75	0.75	0-0.25	0.50
February 2013	4.50	0.75	0.75	0-0.25	0.50
March 2013	4.50	0.75	0.75	0-0.25	0.50
April 2013	4.50	0.75	0.75	0-0.25	0.50
May 2013	4.50	0.50	0.75	0-0.25	0.50
June 2013	4.50	0.50	0.75	0-0.25	0.50
July 2013	4.50	0.50	0.75	0-0.25	0.50
August 2013	4.50	0.50	0.75	0-0.25	0.50
September 2013	4.50	0.50	0.75	0-0.25	0.50
October 2013	4.50	0.50	0.75	0-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Oct-12	Sep-13	Oct-13	Mthly % Change	YTD % Change	12-Mth % Change
Euro	0.7716	0.7393	0.7362	-0.41	-2.88	-4.59
Yen	79.77	98.25	98.36	0.11	13.38	23.30
Pound	0.6200	0.6178	0.6235	0.92	1.31	0.57
Canadian \$	0.9995	1.0309	1.0431	1.18	5.13	4.36
Swiss Franc	0.9315	0.9049	0.9069	0.22	-0.95	-2.64
Renminbi	6.2372	6.1202	6.0937	-0.43	-2.21	-2.30

Source: Bloomberg as of October 31, 2013

D. Selected Commodity Prices (\$)					
Commodity	October 2012	September 2013	October 2013	Mthly % Change	YTD % Change
Gold / Ounce	1720.65	1328.94	1323.06	-0.44	-21.03
Silver / Ounce	32.24	21.70	21.91	1.00	-27.78
Oil / Barrel	109.40	108.96	109.46	0.46	-1.05

Source: Bloomberg as of October 31, 2013

E. Equity Market Valuations – October 31, 2013 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.70	2.75	4.58	4.17	3.78	5.11	-0.88	-1.52
3 month	3.25	0.30	4.59	1.67	7.69	9.16	4.83	7.41
YTD	5.20	18.63	22.77	14.13	18.09	18.67	37.83	-5.62
12-month	7.80	18.70	23.99	16.41	25.39	24.42	60.48	3.52

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.08	0.38	0.07
1 Month	0.10	0.42	0.10
3 Month	0.14	0.45	0.12
6 Month	0.33	0.53	0.24
9 Month	0.43	0.67	0.33
1 year	0.43	0.80	0.36

Source: Bloomberg as of October 31, 2013

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

	VALUE												CHANGE											
	Sep. 04	Sep. 11	Sep. 18	Sep. 25	Oct. 02	Oct. 09	Oct. 16	Oct. 23	Oct. 30	Sep. 04	Sep. 11	Sep. 18	Sep. 25	Oct. 02	Oct. 09	Oct. 16	Oct. 23	Oct. 30						
I. External Reserves	725.32	713.40	694.89	692.73	646.78	727.39	717.94	708.89	684.99	-17.31	-11.92	-18.51	-2.16	-45.95	80.61	-9.45	-9.04	-23.90						
II. Net Domestic Assets (A + B + C + D)	-77.26	-46.96	-44.10	20.98	-14.79	-61.76	-68.30	-52.70	-50.63	4.82	30.30	2.86	65.08	-35.78	-46.97	-6.53	15.60	2.07						
A. Net Credit to Gov^h(i + ii + iii - iv)	439.04	457.23	457.63	525.40	512.13	438.98	439.05	449.59	466.41	11.00	18.19	0.40	67.77	-13.27	-73.15	0.07	10.54	16.82						
i) Advances	105.66	105.66	105.66	125.66	125.66	95.66	95.66	105.66	105.66	0.00	0.00	0.00	20.00	0.00	-30.00	0.00	10.00	0.00						
ii) Registered Stock	178.01	178.08	178.16	223.18	223.00	222.85	222.84	221.91	221.69	0.15	0.07	0.08	45.02	-0.19	-0.14	-0.01	-0.93	-0.22						
iii) Treasury Bills	180.06	199.91	200.05	200.05	185.04	145.10	145.10	145.10	165.08	9.99	19.85	0.14	0.00	-15.00	-39.95	0.00	0.00	19.99						
iv) Deposits	24.68	26.41	26.23	23.49	21.57	24.63	24.54	23.08	26.03	-0.85	1.73	-0.18	-2.75	-1.91	3.05	-0.08	-1.47	2.95						
B. Rest of Public Sector (Net) (i + ii - iii)	-21.36	-19.93	-13.08	-19.55	-17.42	-13.96	-16.88	-14.42	-15.30	-11.02	1.43	6.85	-6.48	2.13	3.46	-2.91	2.46	-0.88						
i) BDB Loans	4.55	4.55	4.55	4.55	4.55	4.55	4.55	4.55	4.55	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	25.91	24.48	17.63	24.10	21.97	18.51	21.43	18.97	19.85	11.02	-1.43	-6.85	6.48	-2.13	-3.46	2.91	-2.46	0.88						
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)*	-494.94	-484.26	-488.65	-484.86	-509.50	-486.78	-490.47	-487.87	-501.74	4.84	10.68	-4.39	3.79	-24.64	22.72	-3.69	2.60	-13.87						
III. Monetary Base	648.06	666.44	650.79	713.71	631.98	665.62	649.64	656.19	634.36	-12.50	18.38	-15.65	62.92	-81.72	33.64	-15.98	6.55	-21.83						
A. Currency in Circulation	121.89	123.06	117.51	111.15	109.09	116.39	118.41	111.63	104.64	11.44	1.17	-5.55	-6.36	-2.06	7.29	2.03	-6.78	-6.99						
B. Bank Balances with CBOB	526.17	543.39	533.28	602.55	522.89	549.24	531.23	544.56	529.72	-23.93	17.21	-10.11	69.27	-79.66	26.34	-18.01	13.33	-14.84						

* 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 month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE		
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	
Fiscal Operations:																											
1. Government Revenue & Grants	107.3	112.7	97.1	104.1																					204.3	216.8	
% change, over previous month	-34.97%	-4.20%	-9.50%	-7.62%																					90.50%	6.11%	
2. Import/Excise Duties	50.4	44.0	48.2	48.7																					88.6	93.7	
% change, over previous month	-50.39%	-15.35%	-4.35%	12.88%																					95.65%	-4.94%	
3. Recurrent Expenditure	117.4	122.9	123.5	112.3																					240.9	235.3	
% change, over previous month	-47.15%	-48.33%	5.25%	-8.61%																					105.25%	-2.33%	
4. Capital Expenditure	13.8	4.5	25.3	16.8																					39.1	21.3	
% change, over previous month	-71.77%	-90.95%	83.21%	27.47%																					183.21%	-45.48%	
5. Deficit/Surplus*	-24.5	-15.7	-57.1	-27.6																					-40.2	-43.3	
% change, over previous month	-81.64%	-89.81%	133.43%	75.78%																					64.28%	7.90%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC				
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013			
Debt, \$B																											
6. Total Debt	3,804.5	4,364.5	3,815.0	4,409.6	3,854.0	4,409.6	3,851.2	4,576.1	3,881.8	4,582.7	3,905.7	4,682.0	4,080.5	4,723.3	4,057.0	4,724.1	4,175.1	4,878.2	4,177.0	4,829.0							
% change, over previous month	0.0%	-0.7%	0.3%	1.0%	1.0%	1.0%	-0.1%	1.1%	0.8%	0.4%	0.6%	1.9%	4.3%	0.9%	-0.6%	0.0%	2.9%	3.3%	0.0%	-1.0%							
7. External Debt	788.4	1,037.2	809.0	1,042.2	807.9	1,049.9	815.2	1,048.7	825.7	1,050.4	828.3	1,050.5	829.1	1,051.8	832.5	1,052.6	832.8	1,151.7	829.7	1,148.3							
% change, over previous month	0.0%	0.0%	1.3%	0.3%	-0.1%	0.7%	0.9%	-0.1%	1.3%	0.2%	0.4%	0.0%	0.0%	0.1%	0.4%	0.1%	0.0%	9.4%	-0.4%	-0.3%							
8. Internal F/C Debt	0.0	3,327.3	0.0	3,367.3	0.0	3,477.4	0.0	3,527.4	0.0	3,542.4	0.0	3,631.5	0.0	3,671.5	0.0	3,671.5	0.0	0.0	0.0	0.0							
% change, over previous month																											
9. Bahamian Dollar Debt	3,006.1	3,327.3	3,006.1	3,367.3	3,046.1	3,477.3	3,036.1	3,527.3	3,056.1	3,542.3	3,076.4	3,631.5	3,251.4	3,671.5	3,224.4	3,671.5	3,342.3	3,726.5	3,347.3	3,680.7							
% change, over previous month	0.0%	-0.9%	0.0%	1.2%	1.3%	3.3%	-0.3%	1.4%	0.7%	0.4%	0.7%	2.5%	5.7%	1.1%	-0.8%	0.0%	3.7%	1.5%	0.1%	-1.2%							
10. Total Amortization	0.3	30.2	0.0	10.0	1.1	21.7	13.2	2.5	0.0	25.0	0.0	2.3	25.2	30.3	37.0	0.0	23.1	30.9	23.1	79.2							
% change, over previous month	2766.2%	-58.2%		-66.9%		117.3%		-88.5%		902.0%		-90.6%		1190.7%		-100.0%		-37.5%		0.0%							
11. Total Public Sector F/C Debt	1,450.2	5,192.1	1,460.7	5,238.4	1,473.8	5,352.8	1,483.7	5,401.1	1,538.7	5,422.8	1,539.0	5,508.6	1,536.1	5,547.3	1,576.3	5,548.1	1,665.2	1,979.3	1,659.3	1,974.5							
% change, over previous month	-0.2%	178.7%	0.7%	0.9%	0.9%	2.2%	0.7%	0.9%	3.7%	0.4%	0.0%	1.6%	-0.2%	0.7%	-21.6%	252.0%	-70.0%	18.9%	-16.2%	19.0%							

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC			
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013		
Real Sector Indicators																										
12. Retail Price Index	104.7	106.8	104.9	106.7	105.8	106.7	106.3	106.6	106.5	106.5	106.4	106.4	106.4	106.4	106.4	106.4	106.2	106.3	106.4	106.2						
% change, over previous month	-0.16%	1.16%	0.26%	-0.07%	0.28%	0.28%	-0.39%	0.25%	0.4%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.1%	0.2%	-0.1%						
13. Tourist arrivals (000's)	528.7	538.1	529.1	533.2	632.4	674.0	549.7	554.4	415.0	447.6	421.8	477.2	488.7	488.7	497.5	488.7	488.7	497.5	488.7	497.5						
% change, over previous year	8.48%	1.78%	-1.68%	0.78%	18.60%	6.58%	-18.45%	0.85%	-25.15%	7.87%	-5.77%	13.13%	1.8%	0.00%	1.8%	0.00%	0.0%	0.0%	0.0%	0.2%						
14. Air arrivals (000's)	89.4	86.1	110.9	104.8	156.3	153.6	139.0	117.4	109.4	113.9	124.8	131.2	140.3	133.7	137.0	133.7	133.7	133.7	133.7	133.7						
% change, over previous year	9.9%	-3.6%	28.82%	-5.5%	49.16%	-1.69%	-9.52%	-15.55%	-6.84%	4.16%	9.54%	5.44%	-0.63%	-4.7%												
15. Occupied Room Nights																										
% change, over previous year																										
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (\$5Millions)																										
% change, over previous year																										
					16.97	22.56					30.76	20.71													48.72	43.27
					-14.82%	52.20%					62.2%	-8.2%													-2.06%	-12.98%

* Includes Net Lending to Public Corporations

** Data figures pertain to central government only unless otherwise indicated

p - provisional