



## **Monthly Economic and Financial Developments January 2010**

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 Date:

2010: March 29, May 3, May 31, June 28, August 3, August 30, October 4, November 1, November 29, December 28.

# Monthly Economic and Financial Developments

## January 2010

### **1. Domestic Economic Developments**

In January, domestic economic activity continued to be adversely impacted by still fragile conditions in the global economy, although a more positive picture is emerging. Anaemic private sector demand, constrained prospects for any near-term improvements in the fiscal situation, which registered a deterioration during the first half of FY2009/2010. However, preliminary data suggests that inflation remained relatively subdued. Monetary developments featured contractions in both liquidity and external reserves, and persistent deterioration in banks' credit arrears, given softness in business activity and elevated unemployment levels.

Provisional survey data indicated a modest improvement in hotel expenditure indicators in January, buoyed by gains in both occupancy levels and average daily rates, in contrast to 2008, when revenues contracted sharply. Nevertheless, total tourism receipts are expected to remain significantly below "pre-crisis" levels, in the near term.

Government's fiscal gap expanded by 30.3% to \$176.2 million during the first half of FY2009/2010, relative to the corresponding period a year earlier, as the rise in aggregate expenditure outweighed the modest growth in revenue. Total collections firmed by 1.2% to \$628.9 million, reflecting mainly a one-time tax payment and timing-related dividend receipts, which resulted in non-tax revenue more than doubling to \$129.5 million. Conversely, tax collections declined by 12.2% to \$499.3 million, as the protracted downturn in consumer demand reduced proceeds from international trade & transaction taxes, as well as other "miscellaneous" stamp taxes, by 10.7% and 21.3%, respectively. Total expenditure advanced by 6.4% to \$805.1 million, explained by a 36.3% increase in capital outlays to \$80.4 million—primarily for infrastructural projects—and an 88.9% surge to \$59.6 million, in assistance to public entities. Meanwhile, current expenditure was relatively unchanged at \$665.2 million.

### **2. International Developments**

During the review month, the global economy continued to recover, as several developed countries emerged from recession in the latter half of 2009, supported by the extraordinary economic stimulus policies implemented by governments and central banks. Consequently, the IMF raised its forecast for worldwide growth in 2010, by  $\frac{3}{4}$  of a percentage point to 4.0%, in the January edition of its World Economic Outlook. However, the IMF also cautioned that the recovery would be more subdued than in previous periods, due to elevated unemployment rates, rising public sector debt and constrained household finances.

In the United States, indications are that economic conditions continued to improve, as industrial production rose by a further 0.9% in January, after a 0.7% advance in the previous month; and manufacturing gained 1.0%, buoyed in part by heightened production of consumer goods and business equipment. The consumer confidence index also firmed to 55.9 from 53.6 in December, reflecting increased optimism. As the recovery gained momentum, the trade deficit widened by

10.4%, on a monthly basis, to \$40.2 billion, with net imports up by \$3.8 billion to \$40.2 billion, owing to an increase in petroleum purchases and capital goods. The labour market showed initial signs of a turnaround, with the unemployment rate falling by 30 basis points to 9.7% in January, supported by increases in temporary hiring and retail trade jobs. Based on these improved economic indicators, the Federal Reserve announced that it would either end or begin to wind-down several of its temporary liquidity facilities during the first half of 2010.

Indications are that the nascent upturn in the United Kingdom's economy was sustained in January, with manufacturing output improving to its highest level in fifteen years, underpinned by increased external and domestic demand. Reports also indicate that housing prices rose for the sixth consecutive month, by 0.1%, signalling a potential "bottoming-out" in the residential market; and there was a three point rise in the consumer confidence index to 73. On the external account, the deficit on goods and services deteriorated to £3.3 billion from £2.9 billion in December, on account of strengthening in fuel and aircraft imports. Annual inflation also advanced by 0.6 of a percentage point to 3.5% in January—the fastest annual pace in fourteen months—due to an upward adjustment in value added tax rates to "pre-crisis" levels, and higher petrol prices. In the monetary sector, the temporary shock to inflation, which was expected to taper over the medium term, led the Bank of England to keep its key bank rate at 0.5%.

Activity in the euro area remained anaemic, with real GDP firming by a mere 0.1% in the fourth quarter, compared to a 0.4% advance in the previous three-month period. In addition, industrial production fell by 1.7% in December, on a monthly basis, reflecting lower output of intermediate and capital goods. Benefitting from net exports, the external trade account registered a surplus of 4.4 billion euros during the same month, in comparison to a 1.8 billion euro deficit a year earlier. Consumer price inflation rose slightly to an estimated 1.0% in January, in line with the previous month, and the unemployment rate firmed by 0.1 of a percentage point to 10.0% in December, its highest level in recent years. Faced with these economic conditions, the European Central Bank left its benchmark interest rates unchanged in January.

The Chinese economy expanded robustly, by 8.7% in 2009, supported by Government's "economic stimulus" measures and an accommodative credit environment. In the fourth quarter, real GDP advanced by 10.7%, compared to 9.1% in the prior three-month period. The trade surplus narrowed by 63.8% to \$14.2 billion, buoyed by strengthening imports. Reflecting elevated consumer demand, inflation rose to 1.9% year-on-year in December, compared to a 0.6% rate a month earlier. Following the successful implementation of fiscal and monetary measures to stimulate consumer demand in 2009, the monetary authorities began the process of withdrawing support for the economy, with the upward adjustment in the reserve requirement by 0.5 of a percentage point in January.

The Japanese economy sustained its recovery bias over the review period. Signalling an improved economic outlook, following a 1.1% hike in real GDP in the fourth quarter of 2009, while the consumer confidence index increased by 1.4 points to 39 in January. In addition, the labour market improved marginally, with the unemployment rate falling by 0.1 of a percentage point to 5.1% in December. However deflation—which negatively impacted the economy in prior periods—persisted, as consumer prices contracted by a further 0.2% in December. To sustain the growth in domestic private demand, the Bank of Japan kept its key Bank Rate at 0.1 percent.

Despite adverse weather conditions, the strengthening of the US dollar, combined with increased stockpiles, resulted in crude oil prices falling by 7.2% to \$72.28 per barrel in January. OPEC's crude oil production averaged 29.2 million barrels per day (bpd), an increase of 60,000 bpd over the previous month. In terms of metals, gold and silver costs contracted by 1.5% and 4.0%, to \$1,080.9 and \$16.21 per troy ounce, respectively.

Global equity markets registered declines in all of the major indices in January, amid concerns over the fiscal positions of several economies in the euro zone. In the United States, the Dow Jones Industrial Average contracted by 3.5% and the S&P 500 moved lower by 3.6%. In Europe, the United Kingdom's FTSE 100 retreated by 4.1%; while France's CAC 40 and Germany's DAX recorded respective declines of 5.0% and 5.9%. Asian markets also recorded losses, as Japan's Nikkei 225 and China's SE index fell by 3.3% and 8.8%, respectively.

### **3. Domestic Monetary Trends**

Money and credit trends for the month of January featured declines in both bank liquidity and external reserves, reflecting the downturn in the foreign exchange generating real sector activities, as well as significant business transaction.

#### **January 2010 vs. 2009**

Excess reserves contracted by \$10.2 million, compared with the previous year's \$66.8 million gain; and excess liquid assets narrowed by \$12.3 million, in contrast to a \$100.6 million expansion in 2009.

External reserves decreased by \$29.3 million, a turnaround from a \$26.3 million increase in 2009. Underlying this was a reversal in the Central Bank's foreign currency transactions, to a net sale of \$27.2 million from a net purchase of \$25.9 million a year earlier, which mirrored the switch in the Bank's transactions with commercial banks, to a net sale of \$12.6 million vis-à-vis a net purchase of \$33.6 million in 2009. In addition, commercial banks' net purchase from their customers fell by \$35.4 million to \$6.7 million. The Bank's net sale to the public sector almost doubled to \$14.6 million and was utilized for foreign currency debt servicing.

Led by growth in public sector claims, Bahamian dollar credit advanced by \$32.0 million, after posting a \$52.9 million contraction in 2009. In particular, bank's net claims on the Government firmed by \$20.9 million relative to a \$21.4 million deposit-led decline in 2009, and credit to the rest of the public sector grew by \$8.1 million, following a net repayment of \$6.4 million. The \$3.0 million gain in private sector credit contrasted with a \$25.1 million reduction in 2009, and was dominated by a \$3.8 million advance in commercial claims, which declined by \$20.8 million a year earlier. The incremental gain in mortgages was \$0.5 million higher at \$12.0 million, while the net repayment position for consumer credit was reduced by \$3.0 million to \$12.8 million.

Continuing the trend observed in 2009, banks' credit quality indicators weakened further in the month of January, as the protracted period of elevated unemployment and weakened private sector activity continued to negatively impact borrowers' ability to repay debts. Total private sector loan arrears rose by \$16.1 million (1.5%) to \$1,106.2 million vis-à-vis end-December 2009, with the corresponding ratio to total loans firming by 0.3 of a percentage point to 18.1%. In terms of the average age of the components, 31–90 day delinquencies increased by \$6.4 million (1.3%) to

\$520.1 million, resulting in a 0.1 percentage point gain in the total loan ratio to 8.5%. Similarly, non-performing loans—arrears in excess of 90 days and on which banks ceased accruing interest—grew by \$9.7 million (1.7%) to \$586.1 million, for a 0.2 percentage point rise in the corresponding loan ratio to 9.6%.

The build-up in total arrears was led by a \$25.4 million (10.8%) hike in the commercial segment, to \$261.0 million, due to gains in both the short-term and non-accrual components, by \$14.2 million (19.2%) and \$11.2 million (6.9%), respectively. In addition, mortgage delinquencies firmed by \$11.5 million (2.2%) to \$543.0 million, owing to growth in 31-90 day arrears, of \$4.7 million (1.6%), and non-performing loans, of \$6.9 million (2.8%). In contrast, consumer arrears fell by \$20.8 million (6.5%) to \$302.2 million, reflecting declines in the 31-90 day and non-performing segments, by \$12.5 million (8.4%) and \$8.4 million (4.8%), respectively. In light of these developments, banks increased their loan loss provisions by \$3.0 million (1.4%) to \$216.6 million, resulting in the ratio of provisions to arrears stabilizing at 19.6%; while the corresponding non-performing loan ratio declined marginally by 0.1 of a percentage point to 37.0%.

From a financial stability perspective, the ongoing deterioration in bank's credit quality indicators, continued to be adequately covered by bank's capital positions which, in the aggregate, stood well in excess of the mandatory 8% of risk weighted assets.

Domestic foreign currency credit expanded by \$27.6 million, compared to a \$0.7 million decline in 2009, and was attributed to gains in the short-term private sector liabilities of a commercial nature. Net claims on the Government were up by \$2.7 million, in contrast to last year's \$0.3 million decrease; and credit to the rest of the public sector declined by \$2.0 million, a turnaround from the \$0.5 million rise in 2009.

Accretions to Bahamian dollar deposits strengthened by 23.5% to \$24.1 million, supported by a public sector-led doubling in demand balances to \$37.9 million. In contrast, the decline in fixed balances was extended to \$23.2 million, from last year's \$5.6 million; while savings deposit gains steadied at \$9.4 million.

In interest rate developments, the weighted average deposit rate at banks firmed by 7 basis points to 3.76%, with the highest rate of 6.00% offered on fixed deposits of over 12 months. By contrast, the weighted average loan rate softened by 33 basis points to 10.36%.

#### **4. Outlook and Policy Implications**

Domestic economic conditions are forecasted to remain challenging in 2010, as the global upturn—although gaining momentum—is expected to be less robust than previous recoveries. Consequently, tourism output is projected to be constrained by “softness” in both consumer and business spending in the main source markets, while foreign investment-led construction activity is likely to remain anaemic, in the absence of new projects. In this context, the near-term outlook is for little improvement in current unemployment levels, with the majority of short-term job opportunities accruing from Government's employment initiatives.

In the fiscal sector, the deficit and relevant debt-to-GDP ratios are anticipated to stay elevated in the near-term, reflecting the sustained effects of weak consumer demand conditions on tax revenues.

On the monetary side, external reserves are expected to stay relatively healthy in the short term, although moderating from their 2009 levels. Liquidity in the banking system is forecasted to remain robust, reflecting relatively anaemic credit growth and the adoption of more conservative lending practices by banks in light of above-trend levels of arrears and non-performing loans.

# Recent Monetary and Credit Statistics

(B\$ Millions)

<b>JANUARY</b>					
Value		Change		Change YTD	
2009	2010	2009	2010	2009	2010

## 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	274.05	251.94	66.75	-10.16	66.75	-10.16
1.2 Excess Liquid Assets	362.52	494.05	100.57	-12.34	100.57	-12.34
1.3 External Reserves	589.06	796.11	26.33	-29.26	26.33	-29.26
1.4 Bank's Net Foreign Assets	-705.71	-587.28	16.10	82.93	16.10	82.93
1.5 Usable Reserves	228.81	445.52	-4.78	-13.34	-4.78	-13.34

## 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	<b>6,477.10</b>	<b>6,585.65</b>	<b>-26.06</b>	<b>29.87</b>	<b>-26.06</b>	<b>29.87</b>
a. B\$ Credit	6,038.66	6,133.09	-25.12	3.02	-25.12	3.02
of which: Consumer Credit	2,199.12	2,159.94	-15.80	-12.77	-15.80	-12.77
Mortgages	2,762.71	2,883.49	11.47	11.99	11.47	11.99
b. F/C Credit	438.44	452.56	-0.94	26.86	-0.94	26.86
of which: Mortgages	86.34	95.15	1.01	-0.79	1.01	-0.79
<b>2.2 Central Government (net)</b>	<b>877.31</b>	<b>1,013.90</b>	<b>-21.64</b>	<b>23.59</b>	<b>-21.64</b>	<b>23.59</b>
a. B\$ Loans & Securities	1,023.76	1,184.32	-9.48	17.47	-9.48	17.47
Less Deposits	148.31	171.44	11.90	-3.39	11.90	-3.39
b. F/C Loans & Securities	3.61	3.72	-0.30	0.00	-0.30	0.00
Less Deposits	1.75	2.70	-0.02	-2.72	-0.02	-2.72
<b>2.3 Rest of Public Sector</b>	<b>395.91</b>	<b>372.28</b>	<b>-5.92</b>	<b>6.17</b>	<b>-5.92</b>	<b>6.17</b>
a. B\$ Credit	78.45	89.50	-6.42	8.13	-6.42	8.13
b. F/C Credit	317.46	282.79	0.50	-1.97	0.50	-1.97
<b>2.4 Total Domestic Credit</b>	<b>7,750.32</b>	<b>7,971.89</b>	<b>-53.63</b>	<b>59.63</b>	<b>-53.63</b>	<b>59.63</b>
a. B\$ Domestic Credit	6,992.55	7,235.52	-52.92	32.01	-52.92	32.01
b. F/C Domestic Credit	757.76	736.37	-0.71	27.62	-0.71	27.62

## 3.0 DEPOSIT BASE

3.1 Demand Deposits	1,096.95	1,128.30	15.51	37.92	15.51	37.92
a. Central Bank	14.33	13.23	5.38	0.62	5.38	0.62
b. Banks	1,082.62	1,115.08	10.13	37.30	10.13	37.30
3.2 Savings Deposits	1,029.59	1,004.18	9.56	9.38	9.56	9.38
3.3 Fixed Deposits	3,426.81	3,513.94	-5.59	-23.24	-5.59	-23.24
3.4 Total B\$ Deposits	5,553.34	5,646.43	19.48	24.06	19.48	24.06
3.5 F/C Deposits of Residents	168.91	276.11	-0.07	59.28	-0.07	59.28
<b>3.6 M2</b>	<b>5,741.62</b>	<b>5,821.49</b>	<b>1.96</b>	<b>0.77</b>	<b>1.96</b>	<b>0.77</b>
<b>3.7 External Reserves/M2 (%)</b>	<b>10.26</b>	<b>13.68</b>	<b>0.46</b>	<b>-0.50</b>	<b>0.46</b>	<b>-0.50</b>
<b>3.8 Reserves/Base Money (%)</b>	<b>84.51</b>	<b>119.70</b>	<b>-2.74</b>	<b>1.57</b>	<b>-2.74</b>	<b>1.57</b>
<b>3.9 External Reserves/Demand Liabilities (%)</b>	<b>81.56</b>	<b>113.25</b>	<b>-3.72</b>	<b>1.02</b>	<b>-3.72</b>	<b>1.02</b>

Value		Year to Date		Change	
2009	2010	2009	2010	Month	YTD

## 4.0 FOREIGN EXCHANGE TRANSACTIONS

<b>4.1 Central Bank Net Purchase/(Sale)</b>	<b>25.85</b>	<b>-27.23</b>	<b>25.85</b>	<b>-27.23</b>	<b>-53.08</b>	<b>-53.08</b>
a. Net Purchase/(Sale) from/to Banks	33.59	-12.60	33.59	-12.60	-46.18	-46.18
i. Sales to Banks	4.80	56.77	4.80	56.77	51.97	51.97
ii. Purchases from Banks	38.39	44.18	38.39	44.18	5.79	5.79
b. Net Purchase/(Sale) from/to Others	-7.74	-14.64	-7.74	-14.64	-6.90	-6.90
i. Sales to Others	38.00	37.62	38.00	37.62	-0.38	-0.38
ii. Purchases from Others	30.27	22.99	30.27	22.99	-7.28	-7.28
<b>4.2 Banks Net Purchase/(Sale)</b>	<b>42.16</b>	<b>6.73</b>	<b>42.16</b>	<b>6.73</b>	<b>-35.43</b>	<b>-35.43</b>
a. Sales to Customers	302.01	293.80	302.01	293.80	-8.21	-8.21
b. Purchases from Customers	344.17	300.53	344.17	300.53	-43.65	-43.65
<b>4.3 B\$ Position (change)</b>	<b>-10.87</b>	<b>-16.48</b>				

## 5.0 EXCHANGE CONTROL SALES

<b>5.1 Current Items</b>	<b>242.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-242.59</b>	<b>0.00</b>
<b>of which Public Sector</b>	<b>2.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2.24</b>	<b>0.00</b>
a. Nonoil Imports	105.37	0.00	0.00	0.00	-105.37	0.00
b. Oil Imports	17.13	0.00	0.00	0.00	-17.13	0.00
c. Travel	22.63	0.00	0.00	0.00	-22.63	0.00
d. Factor Income	3.05	0.00	0.00	0.00	-3.05	0.00
e. Transfers	25.43	0.00	0.00	0.00	-25.43	0.00
f. Other Current Items	68.97	0.00	0.00	0.00	-68.97	0.00
<b>5.2 Capital Items</b>	<b>15.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-15.96</b>	<b>0.00</b>
<b>of which Public Sector</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>5.3 Bank Remittances</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

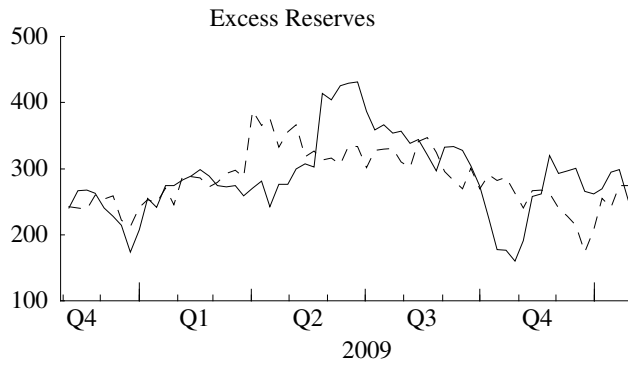
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: JANUARY 28, 2009 and JANUARY 27, 2010

Exchange Control Sales figures are as at month end.

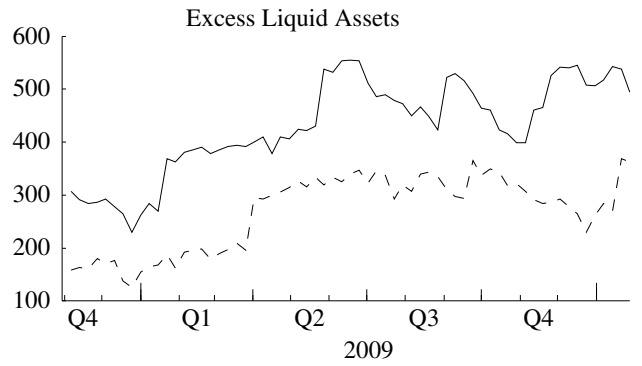
Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

Components may not sum to totals due to round-off error.

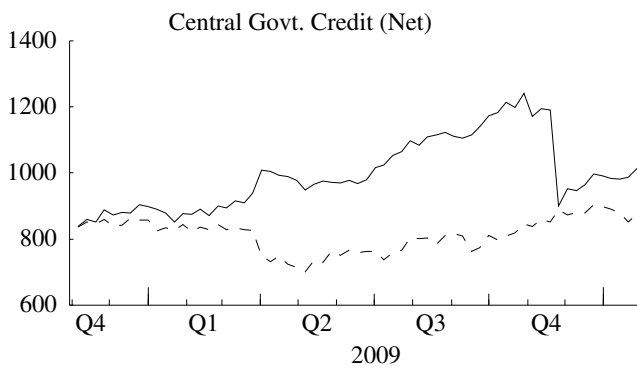
## SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



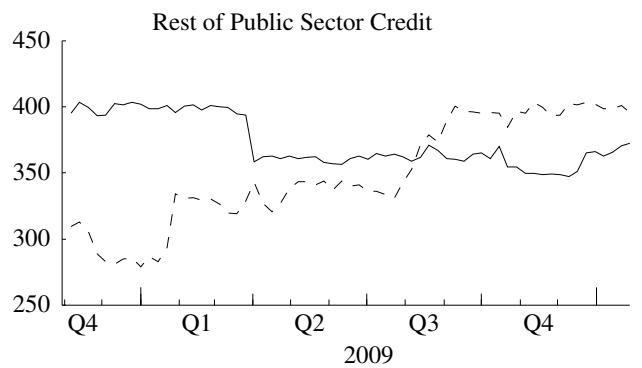
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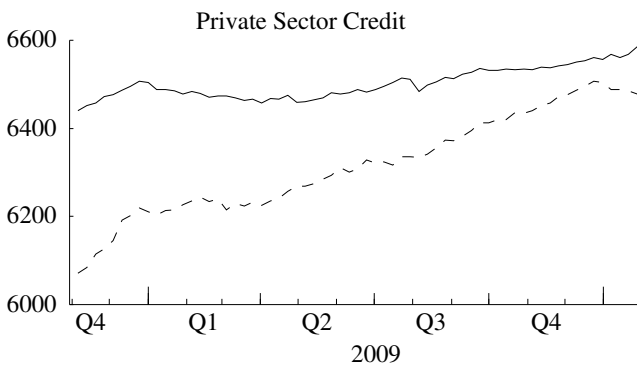
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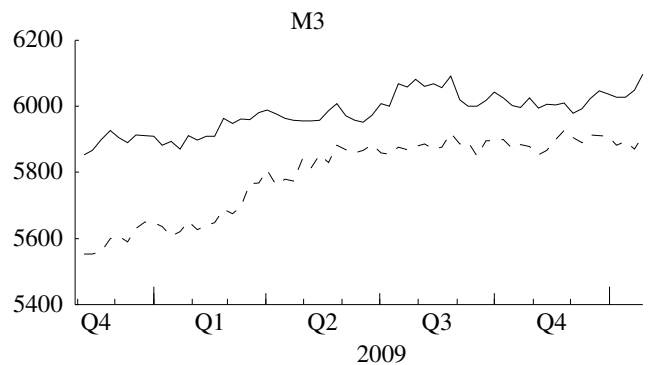
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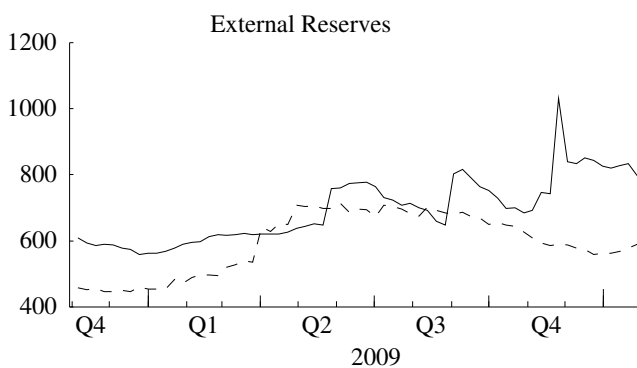
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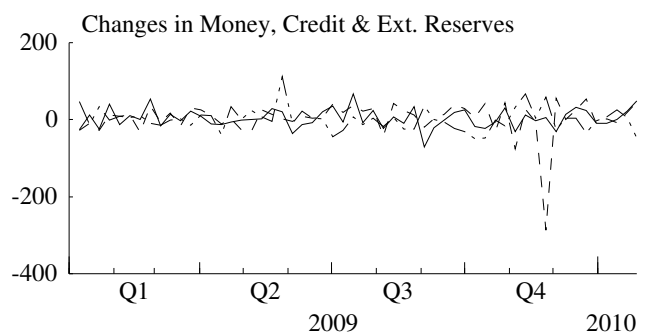
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— M3  
- - - Domestic Credit  
- · - · External Reserves



## Selected International Statistics

<b>A: Selected Macroeconomic Projections</b> (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2009	2010	2009	2010	2009	2010
Bahamas	-3.9	-0.5	1.8	0.6	14.2*	n/a
United States	-2.7	1.5	-0.4	1.7	9.3	10.1
Euro-Area	-4.2	0.3	0.3	0.8	9.9	11.7
<i>Germany</i>	-5.3	0.3	0.1	0.2	8.0	10.7
Japan	-5.4	1.7	-1.1	-0.8	5.4	6.1
China	8.5	9.0	-0.1	0.6	n/a	n/a
United Kingdom	-4.4	0.9	1.9	1.5	7.6	9.3
Canada	-2.5	2.1	0.1	1.3	8.3	8.6

*Sources: IMF World Economic Outlook, October 2009, IMF World Economic Outlook, April 2009 & (\*) The Bahamas Department of Statistics.*

<b>B: Official Interest Rates – Selected Countries (%)</b>					
<i>With effect</i>  <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
January 2008	5.25	4.00	3.50	3.00	5.50
February 2008	5.25	4.00	3.50	3.00	5.25
March 2008	5.25	4.00	2.50	2.25	5.25
April 2008	5.25	4.00	2.25	2.00	5.00
May 2008	5.25	4.00	2.25	2.00	5.00
June 2008	5.25	4.00	2.25	2.00	5.00
July 2008	5.25	4.25	2.25	2.00	5.00
August 2008	5.25	4.25	2.25	2.00	5.00
September 2008	5.25	4.25	2.25	2.00	5.00
October 2008	5.25	3.75	1.25	1.00	4.50
November 2008	5.25	3.25	1.25	1.00	3.00
December 2008	5.25	2.50	0.50	0.00-0.25	2.00
January 2009	5.25	2.00	0.50	0.00-0.25	1.50
February 2009	5.25	2.00	0.50	0.00-0.25	1.00
March 2009	5.25	1.50	0.50	0.00-0.25	0.50
April 2009	5.25	1.25	0.50	0.00-0.25	0.50
May 2009	5.25	1.00	0.50	0.00-0.25	0.50
June 2009	5.25	1.00	0.50	0.00-0.25	0.50
July 2009	5.25	1.00	0.50	0.00-0.25	0.50
August 2009	5.25	1.00	0.50	0.00-0.25	0.50
September 2009	5.25	1.00	0.50	0.00-0.25	0.50
October 2009	5.25	1.00	0.50	0.00-0.25	0.50
November 2009	5.25	1.00	0.50	0.00-0.25	0.50
December 2009	5.25	1.00	0.50	0.00-0.25	0.50
January 2010	5.25	1.00	0.50	0.00-0.25	0.50

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
Currency	Jan-09	Dec-09	Jan-10	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7805	0.6980	0.7213	3.3	3.3	-7.6
Yen	89.92	93.01	90.27	-2.9	-2.9	0.4
Pound	0.6878	0.6183	0.6257	1.2	1.2	-9.0
Canadian \$	1.2291	1.0533	1.0705	1.6	1.6	-12.9
Swiss Franc	1.1606	1.0356	1.0608	2.4	2.4	-8.6
Renminbi	6.8350	6.8271	6.8268	0.004	0.004	0.1

*Source: Bloomberg as at January 31, 2010*

<b>D. Selected Commodity Prices (\$)</b>					
Commodity	January 2009	December 2009	January 2010	Mthly % Change	YTD % Change
Gold / Ounce	927.85	1,096.95	1,080.85	-1.47	-1.47
Silver / Ounce	12.67	16.88	16.21	-4.00	-4.00
Oil / Barrel	44.80	77.85	72.28	-7.15	-7.15

*Source: Bloomberg as at January 31, 2010*

<b>E. Equity Market Valuations –January 31, 2010 (%chg)</b>								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	2.25	-3.46	-3.63	-4.14	-5.00	-5.85	-3.30	-8.78
3 month	8.43	3.65	4.12	2.85	3.65	3.58	1.63	-0.22
YTD	2.25	-3.46	-3.63	-4.14	-5.00	-5.85	-3.30	-8.78
12-month	-5.51	25.83	31.14	25.04	25.74	29.28	27.57	50.17

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	USD	GBP	EUR
<b>o/n</b>	0.16	0.35	0.22
<b>1 Month</b>	0.25	0.37	0.30
<b>3 Month</b>	0.35	0.45	0.40
<b>6 Month</b>	0.53	0.70	0.75
<b>9 Month</b>	0.71	0.90	1.07
<b>1 year</b>	0.81	1.10	1.14

*Source: Bloomberg as at January 31, 2010*

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

	VALUE												CHANGE											
	Dec. 02	Dec. 09	Dec. 16	Dec. 23	Dec. 30	Jan. 06	Jan. 13	Jan. 20	Jan. 27	Dec. 02	Dec. 09	Dec. 16	Dec. 23	Dec. 30	Jan. 06	Jan. 13	Jan. 20	Jan. 27						
<b>I. External Reserves</b>	838.93	833.63	851.55	843.13	825.37	820.58	828.56	834.29	796.11	-192.08	-5.31	17.93	-8.43	-17.76	-4.79	7.98	5.73	-38.18						
<b>II. Net Domestic Assets (A + B + C + D)</b>	-121.19	-115.37	-125.27	-124.51	-126.69	-127.29	-128.65	-129.98	-131.01	174.19	5.82	-9.90	0.75	-2.17	-0.61	-1.35	-1.33	-1.03						
<b>A. Net Credit to Gov't (i + ii + iii - iv)</b>	190.50	189.91	180.23	178.13	180.05	176.86	174.27	175.53	172.47	183.37	-0.58	-9.69	-2.10	1.93	-3.19	-2.59	1.26	-3.06						
i) Advances	96.99	96.99	96.99	96.99	96.99	96.99	96.99	96.99	96.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	109.20	108.22	105.19	104.53	104.52	104.56	100.17	99.87	98.06	-0.17	-0.97	-3.03	-0.66	-0.01	0.04	-4.39	-0.30	-1.81						
iii) Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-36.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
iv) Deposits	15.69	15.30	21.95	23.39	21.45	24.68	22.89	21.33	22.58	-220.28	-0.39	6.66	1.44	-1.94	3.23	-1.80	-1.56	1.25						
<b>B. Rest of Public Sector (Net) (i + ii - iii)</b>	-10.17	-2.41	-3.21	-3.45	-6.46	-8.84	-5.18	-8.02	-7.28	-6.45	7.76	-0.80	-0.24	-3.01	-2.38	3.65	-2.84	0.74						
i) BDB Loans	6.15	6.15	6.15	6.15	6.15	6.15	6.15	6.15	5.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.20						
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	16.32	8.56	9.36	9.60	12.61	14.99	11.33	14.17	13.23	6.45	-7.76	0.80	0.24	3.01	2.38	-3.65	2.84	-0.94						
<b>C. Loans to/Deposits with Banks</b>	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						
<b>D. Other Items (Net)*</b>	-301.52	-302.87	-302.28	-299.20	-300.29	-295.32	-297.73	-297.49	-296.20	-2.73	-1.36	0.59	3.09	-1.09	4.96	-2.41	0.24	1.29						
<b>III. Monetary Base</b>	717.75	718.26	726.29	718.61	698.69	693.29	699.92	704.31	665.10	-17.89	0.51	8.03	-7.67	-19.93	-5.40	6.63	4.39	-39.20						
A. Currency in Circulation	278.82	279.56	288.49	315.62	317.08	295.20	266.49	259.95	258.69	10.40	0.74	8.93	27.13	1.46	-21.88	-28.71	-6.53	-1.27						
B. Bank Balances with CBOB	438.93	438.70	437.80	402.99	381.61	398.09	433.43	444.36	406.42	-28.28	-0.24	-0.90	-34.81	-21.38	16.48	35.34	10.93	-37.94						

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

