



Monthly Economic and Financial Developments May 2009

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:

2009: August 4, August 31, September 28, November 2, December 29.

Monthly Economic and Financial Developments

May 2009

1. Domestic Economic Developments

During the month of May, the global recession continued to negatively affect domestic economic developments. Available data on tourism activity revealed sustained weakness in the sector, owing to depressed demand conditions in the major markets; while reduced foreign investments further constrained construction output. In the fiscal sector, persistent softness in revenue collections resulted in a further widening in the estimated deficit for the first 10 months of FY2008/09. However, inflationary pressures continued to retreat from the mid-2008 peak, owing to lower average fuel costs. Monetary developments were highlighted by the Government's foreign currency financing activities, which contributed to a sizeable boost in bank liquidity and external reserves.

The latest data on tourism suggest a much steeper overall decline in arrivals during the first five months of the year, after a 0.9% reduction experienced in the corresponding period of 2008. Underscoring the persistent weakness in the stopover segment was a projected double digit downturn in air arrivals, which outpaced a modest recovery in sea traffic. By port of entry, New Providence trends were dominated by a decline in the air segment, which offset a projected improvement in sea arrivals; while more sizeable stopover declines also contributed to reduced activity in Grand Bahama and the Family Islands. For earnings indicators, total inflows remained contracted in comparison to 2008, with stopover receipts constrained by the projected declines in both hotel room night sales and average daily room rates; and eclipsing modest gains in cruise visitor inflows.

As external price pressures eased, the annual domestic inflation rate decelerated to 1.8% in May from 4.9% in 2008. Nevertheless, the 12-month average rate remained significantly higher at 4.6%, owing to accelerated price gains in excess of 5.0% during most of the latter half of 2008. Of particular note were the energy cost related moderation in average price increases for housing (0.1%)—the largest component of the Index—and transportation (0.7%); tempered advances for medical care & health (1.6%) and furniture & household operations (0.8%), and a decline for recreation & entertainment services (0.8%). These countered higher average cost increases for education (3.7%) and clothing & footwear (2.2%). Supporting the tapering in domestic prices, the monthly fuel surcharge in electricity bills receded by 8.5% to \$7.45 per kilowatt hour (KWh) in May, sustaining a nearly 60% decrease since the same period last year. With some recent firming in global fuel cost, the retail prices for diesel and gasoline increased during the month by 4.0% and 3.7%, to \$2.63 and \$3.63 per gallon, respectively; however, they remained below the 2008 estimates by 49.9% and 30.7%, respectively.

The Government's budgetary operations for the first 10 months of FY2008/09 resulted in a widening in the estimated deficit, to \$219.7 million from \$77.7 million in FY2007/08. An 11.0% decrease in tax collections led to a 5.8% reduction in total receipts, while total expenditure firmed by 5.8%. Disaggregated data showed a 7.0% advance in current spending, mainly reflecting

increased outlays on consumption, as gains were recorded for purchases of goods and services (11.5%), personal emoluments (4.6%) and other contractual services (23.3%). Although capital expenditures were reduced by 6.8%, investments in infrastructural works rose by 9.4%. The slump in tax receipts was led by a 12.5% reduction in taxes on international trade and transactions—which comprised over 50% of the total. Significant declines were also noted for taxes on financial and other transactions (24.3%), departure taxes (15.4%), and “other” uncategorized taxes (32.9%). In contrast, non-tax receipts rose by 52.7%, mainly owing to a hike in dividend receipts from public corporations.

2. International Developments

Indications are that the intensity of the global economic recession moderated during the review period, amid signs of improvement in leading indicators of economic activity—such as consumer confidence and stock market indices. Nevertheless, the major Governments and central banks maintained their expansionary policy stances aimed at stimulating the recoveries of their respective economies.

In the United States, economic indicators remained mixed. Consumer confidence improved by 14.1 points to 54.9 in May, the largest increase in six years; and retail sales firmed by 0.5%, in contrast to a 0.2% contraction in April, partly in response to increased price discounting by the automobile and retail industries. However, the trade deficit expanded by 2.2% to \$29.2 billion in April, as the 2.3% fall in exports outpaced a 1.4% contraction in imports. In addition, the unemployment rate firmed by 0.5 percentage points to 9.4%, the highest level in over 20 years; albeit, the pace of job losses was the lowest in eight months. On the monetary front, the Federal Reserve continued to provide liquidity support to the financial markets through its emergency lending facilities.

The UK economy also exhibited signs of tempering in the downturn, as manufacturing output increased for a second consecutive month by 0.2% in April. Similarly, exports firmed by £0.1 billion; albeit, the goods deficit expanded by £0.5 billion to £7.0 billion, amid a £0.7 billion rise in imports. As labour market conditions deteriorated, the unemployment rate rose by 0.8 percentage points to 7.1% in the first quarter; while the annual inflation rate slowed by 0.6 percentage points, on a monthly basis, to 2.3% in April. With economic activity still sluggish, the Bank of England kept its policy rate unchanged at an historical low of 0.5%, and decided to expand the size of its asset purchases, by £50 billion to £125 billion, in support of the credit markets.

Economic output in the Euro area fell by 2.5% during the first quarter of 2009 when compared to the corresponding period of 2008, with the largest contraction recorded in Germany and Italy, of 3.8% and 2.4%, respectively. In contrast, the trade balance moved to a €0.4 billion surplus from a €1.0 billion deficit in the previous month, amid strengthening in net exports. The volume of retail trade expanded by 0.2% in April, following a 0.1% decrease in March. With the euro zone's economy still relatively weak, the European Central Bank decreased its benchmark rate further by a quarter point to 1.00%.

In China, weak global demand caused the trade surplus to narrow to US\$13.4 billion in May over the previous year, as exports contracted by 26.4% ahead of a 25.2% decline in imports. However, the Government's US\$586 billion economic stimulus supported a firming in retail sales and

industrial output, by 15.2% and 14.8% respectively, on a year-on-year basis. Reflecting decreases in food and housing costs, consumer prices fell further by 1.4%, following April's 1.5% contraction. The Japanese economy contracted by 14.2% during the first quarter, due in part to lower business investments and declining exports. Retail sales declined for the eighth consecutive month, falling year-on-year by 2.9% in April. Consequently, unemployment moved up to 5.0% from 4.8% in the previous month, the highest rate since 2004.

During the month of May, OPEC crude oil production averaged 28.3 million barrels per day, a 0.6% gain over the previous month's level. Despite this rise in production, a falling US dollar coupled with increased optimism over the near-term prospects of an economic recovery, underpinned a 24.8% appreciation in the per barrel price of oil to \$63.32 in May. Similarly, gold and silver prices firmed by 10.2% and 27.2%, to \$979.15 and \$15.74 per troy ounce, respectively.

The improvement in global stock markets, which commenced at the end of the first quarter, continued in May, with all of the major equity indices registering gains. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 rose by 4.1% and 5.65% to 8,500.3 points and 918.1 points, respectively. European bourses also advanced, with the FTSE 100 index moving higher by 4.1% to 4,417.9 points, the CAC 40 by 3.7% to 3,277.7 points, and the DAX by 3.6% to 4,940.88 points. In Asia, Japan's Nikkei index and China's SE Composite recorded respective gains of 7.9% and 6.3% to 9,522.5 points and 2,632.9 points.

3. Domestic Monetary Trends

Money and credit trends during May were dominated by the Government's foreign currency borrowing, which culminated in a significant hike in both external reserves and bank liquidity. These trends were also evident over the first five months of the year and were supported by the easing in private sector credit expansion.

May 2009 vs. 2008

During May, excess reserves advanced by \$137.9 million, in contrast to a \$42.8 million contraction in 2008, as the repayment of Government advances boosted commercial bank balances held at the Central Bank. Similarly, excess liquid assets firmed by \$132.7 million, following a more modest \$4.5 million increase last year.

Buttressed by the proceeds from Government's foreign currency borrowings, external reserves rose strongly by \$120.0 million, reversing the \$9.6 million falloff in 2008. In particular, the Central Bank's foreign currency transactions switched from a net sale of \$9.4 million in 2008 to a net purchase of \$118.7 million, with the \$93.6 million net intake from the public sector contrasting with a net outflow of \$38.3 million a year ago. However, the net purchase from commercial banks tapered by \$3.7 million to \$25.2 million, after a more than halving in banks' net purchase from clients, to \$7.0 million.

Bahamian dollar credit contracted by \$71.3 million, in contrast to an \$88.9 million advance a year earlier. With the repayment of advances, net claims on the Government declined by \$91.6 million, following on a \$49.3 million hike in 2008. Credit to the rest of the public sector also waned marginally, by \$0.7 million, relative to a year earlier \$7.3 million gain. Amid the combination of a more cautionary borrowing stance by customers and banks' enhanced credit standards, growth in

private sector credit moderated by \$11.3 million to \$21.0 million, featuring a \$0.2 million decline in consumer credit, which rose by \$10.1 million a year earlier, and a halving in mortgages growth to \$7.9 million.

Led by Government borrowings, foreign currency credit advanced by \$82.2 million during the review period, compared to an \$8.0 million net repayment in the preceding year. Net claims on the Government further rose by \$86.0 million, after an approximately stable position last year, to contrast with respective declines in both credit to the private sector and public corporations, by \$0.1 million and \$3.8 million, respectively.

Accretions to total Bahamian dollar deposits softened by \$37.8 million to \$16.5 million, as fixed balances declined by \$0.8 million, following a \$62.2 million hike in 2008. In contrast, savings deposit gains strengthened by \$7.6 million to \$13.8 million; while demand deposits rebounded by \$3.5 million from a \$14.0 million falloff last year.

With regard to interest rates, the weighted average deposit rate at banks rose by 6 basis points to 3.79%, with the highest rate of 6.50% offered on fixed deposits with terms in excess of 12 months. However, the weighted average loan rate decreased by 81 basis points to 10.19%.

January – May 2009

Supported by Government's foreign currency borrowing, money and credit trends for the first five months of 2009 featured an accelerated buildup in excess reserves of \$206.6 million, up from \$71.0 million in 2008. Similarly, the improvement in excess liquid assets was nearly two-thirds higher at \$276.7 million.

Growth in external reserves, however, narrowed by \$47.6 million to \$195.9 million, as the Central Bank's net purchase from the public sector tapered by almost 50% to \$45.0 million, given a larger volume of foreign currency borrowing in 2008. Consistent with the weakness in foreign generated income flows, the net purchase from commercial banks fell by \$13.6 million to \$146.2 million, as banks recorded a \$7.8 million reduction in the net purchase from their customers to \$144.3 million.

Bahamian dollar credit contracted by \$82.1 million, nearly reversing an \$89.6 million increase in 2008. As banks adopted a more conservative lending stance and consumers sought to reduce outstanding liabilities, private sector credit fell by \$16.6 million, following a \$154.3 million advance in the comparable period last year. The decline was more pronounced in the consumer category, by \$29.5 million, in contrast with a \$45.8 million advance in 2008. Also, mortgages growth slackened by 50% to \$46.7 million, and claims on other private (mainly commercial) activities contracted further by \$33.8 million. Reflecting the use of foreign currency borrowings to repay domestic liabilities, net claims on the Government declined further by \$64.5 million vis-à-vis \$72.3 million in 2008; while credit to the rest of the public sector waned by \$1.0 million, relative to a \$7.7 million strengthening last year.

A closer analysis of consumer credit trends by loan type confirm sustained strains in the credit market, as banks adopted a conservative lending posture in the face of deteriorating asset quality. The most substantial downturns were registered in balances under credit cards (\$15.3 million), "miscellaneous" loans (\$13.6 million), and private cars (\$10.5 million), alongside accelerated net repayments for travel (\$6.8 million) and education (\$2.6 million). However, growth in debt

consolidation loans—obligations which have been refinanced—strengthened further by \$11.0 million to \$26.3 million.

Domestic foreign currency credit rose by \$87.9 million, in contrast to a \$34.3 million fall-off in the corresponding period of 2008. This primarily reflected a \$137.1 million advance in credit to the Government, as opposed to a \$20.6 million reduction a year ago, when the majority of foreign currency borrowings were sourced externally. In contrast, credit to the rest of the public sector contracted by \$42.7 million, a reversal from last year's \$57.3 million expansion. The reduction in credit to the private sector, however, narrowed sharply to \$6.6 million from \$70.7 million a year earlier.

Asset quality indicators continued to deteriorate into May, with the value of private sector loans in payments arrears of at least one month growing by \$6.1 million (0.7%) to \$847.3 million, and the associated ratio of arrears to total loans extended by 28 basis points to 13.98%. As the average age of delinquent loans increased, arrears in the 31-90 days segment waned by \$12.0 million (3.1%) to \$373.3 million, with the relevant ratio softening by 12 basis points to 6.16%. However, non-performing loans—those over 90 days past due and on which banks stopped accruing interest—advanced by \$18.2 million (4.0%) to \$468.2 million, resulting in a 29 basis points increase in the corresponding ratio to 7.77% of total loans.

A disaggregated analysis of delinquent accounts showed that the increase in the arrears rate was attributed to a worsening in the consumer loans and residential mortgages portfolios, by 58 basis points and 2 basis points, to 12.45% and 13.00%, respectively. In contrast, the commercial arrears rate receded to 19.83% in May, from 20.61% in April. In response to these developments, banks augmented loan loss provisions by \$3.0 million, boosting the ratio of provisions to total arrears by 18 basis points to 23.44%. This corresponded to new loan provisions of \$10.0 million, partly offset by a \$6.9 million net write-off against loans provisioned for earlier.¹ However, as the growth in non-performing loans outpaced the increase in provisions, the ratio of total provisions to nonperforming loans fell by 5 basis points to 42.43%.

During the review period, growth in total deposits was markedly lower at \$63.1 million from \$240.6 million in 2008, amid a sharp moderation in fixed deposit gains, to \$8.5 million from \$189.9 million. Accretions to demand deposits also moderated, by \$1.8 million to \$20.5 million; however, savings growth advanced to \$34.2 million from \$28.5 million.

4. Outlook and Policy Implications

The Bahamian economy is expected to remain weak over the remainder of the year, with the prospects of a recovery delayed until the latter half of 2010, lagging the anticipated turnaround in the US economy. In the short-term, the downturn in stopover arrivals, coupled with discounted hotel room pricing, should pose ongoing constraints on tourism output. Lingering tightness in global credit markets should further constrain foreign investments and consequently construction activity, notwithstanding steadied support from equity financed projects and a continued, but moderated pace of domestic investments. Under these conditions, a further rise in the unemployment rate is likely before any stabilization is secured. Although the Government's

¹ Over the first five months of the year net write-offs amounted to \$39.8 million, while newly provisioned amounts reached \$70.4 million.

sustained investments in public works are likely to temper the slowdown in private sector activity, the strain on revenue collections is expected to maintain the fiscal deficit and the debt to GDP ratio at elevated levels in the short-to medium term.

While the prospects of firmer oil prices could increase the negative pressures in the external current account, the overall balance is not expected to deteriorate, as the demand for other imports has moderated alongside abated levels of foreign investment and consumer spending. This trend, along with public sector's foreign currency borrowing activities, is likely to sustain relatively healthy levels of external reserves. In the context of the projected slowdown in private sector credit growth, the financial system's liquidity should also remain at robust levels; albeit, challenges could linger in respect of asset quality and the debt servicing difficulties faced by households.

In light of these developments, the Central Bank will sustain its enhanced monitoring of the domestic environment, to ensure the stability of the financial sector.

Recent Monetary and Credit Statistics

(B\$ Millions)

MAY						
Value		Change		Change YTD		
2008	2009	2008	2009	2008	2009	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	312.68	413.89	-42.84	137.88	70.99	206.59
1.2 Excess Liquid Assets	319.03	538.65	4.53	132.74	164.19	276.70
1.3 External Reserves	698.34	758.63	-9.62	119.97	243.54	195.90
1.4 Bank's Net Foreign Assets	-647.54	-748.03	12.08	-55.98	41.31	-26.22
1.5 Usable Reserves	300.41	320.73	14.47	52.25	195.93	87.15

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,293.64	6,479.95	25.23	20.98	83.69	-23.21
a. B\$ Credit	5,832.48	6,047.17	32.35	21.03	154.34	-16.61
of which: Consumer Credit	2,147.53	2,185.43	10.10	-0.23	45.82	-29.49
Mortgages	2,632.41	2,797.99	16.84	7.94	92.19	46.74
b. F/C Credit	461.15	432.78	-7.11	-0.06	-70.65	-6.59
of which: Mortgages	48.11	88.18	-1.01	0.65	-5.91	2.85
2.2 Central Government (net)	763.70	971.64	49.46	-5.58	-93.33	72.69
a. B\$ Loans & Securities	919.95	1,017.31	57.12	-84.31	-43.65	-15.93
Less Deposits	156.86	184.93	7.86	7.28	28.70	48.52
b. F/C Loans & Securities	2.38	144.56	-0.90	89.31	-20.78	140.66
Less Deposits	1.77	5.30	-1.11	3.30	0.20	3.53
2.3 Rest of Public Sector	344.13	358.16	6.20	-4.54	64.95	-43.68
a. B\$ Credit	70.74	83.88	7.29	-0.74	7.65	-0.99
b. F/C Credit	273.40	274.28	-1.09	-3.80	57.30	-42.69
2.4 Total Domestic Credit	7,401.47	7,809.74	80.90	10.86	55.30	5.80
a. B\$ Domestic Credit	6,666.30	6,963.42	88.89	-71.30	89.64	-82.05
b. F/C Domestic Credit	735.16	846.32	-8.00	82.16	-34.34	87.85

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,110.81	1,101.91	-14.00	3.53	22.23	20.47
a. Central Bank	24.37	15.43	-7.59	3.17	14.55	6.48
b. Banks	1,086.44	1,086.48	-6.41	0.36	7.68	13.99
3.2 Savings Deposits	1,019.88	1,054.18	6.19	13.80	28.53	34.15
3.3 Fixed Deposits	3,345.38	3,440.91	62.16	-0.82	189.85	8.51
3.4 Total B\$ Deposits	5,476.07	5,597.00	54.34	16.51	240.60	63.14
3.5 F/C Deposits of Residents	206.70	220.05	-7.49	38.84	7.03	51.07
3.6 M2	5,676.35	5,787.06	50.61	12.56	227.80	47.40
3.7 External Reserves/M2 (%)	12.30	13.11	-0.28	2.05	3.96	3.30
3.8 Reserves/Base Money (%)	94.69	90.23	4.15	-0.43	27.12	2.98
3.9 External Reserves/Demand Liabilities (%)	87.71	86.57	3.92	1.38	22.93	1.28

Value		Year to Date		Change	
2008	2009	2008	2009	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-9.39	118.74	240.72	191.26	128.13	-49.46
a. Net Purchase/(Sale) from/to Banks	28.90	25.18	159.83	146.23	-3.72	-13.61
i. Sales to Banks	11.60	7.94	78.13	32.94	-3.66	-45.19
ii. Purchases from Banks	40.50	33.12	237.96	179.16	-7.38	-58.80
b. Net Purchase/(Sale) from/to Others	-38.29	93.56	80.89	45.03	131.85	-35.85
i. Sales to Others	67.35	46.16	285.04	195.21	-21.19	-89.83
ii. Purchases from Others	29.06	139.72	365.92	240.24	110.66	-125.68
4.2 Banks Net Purchase/(Sale)	20.84	7.01	152.08	144.25	-13.83	-7.83
a. Sales to Customers	322.64	264.95	1,616.62	1,652.72	-57.70	36.11
b. Purchases from Customers	343.48	271.95	1,768.70	1,796.98	-71.52	28.28
4.3 B\$ Position (change)	-5.84	-1.02				

5.0 EXCHANGE CONTROL SALES

	April		Year to Date		Change	
	2008	2009	2008	2009	Monthly	YTD
5.1 Current Items	343.99	236.71	1,489.46	1,083.03	-107.28	-406.43
of which Public Sector	61.71	47.53	208.52	114.56	-14.18	-93.96
a. Nonoil Imports	138.23	98.39	618.95	489.52	-39.84	-129.43
b. Oil Imports	63.54	26.60	232.98	87.94	-36.94	-145.05
c. Travel	19.44	14.48	111.17	76.62	-4.96	-34.55
d. Factor Income	6.70	7.63	37.44	43.16	0.93	5.73
e. Transfers	6.93	4.94	35.34	47.44	-1.99	12.10
f. Other Current Items	109.15	84.67	453.59	338.35	-24.48	-115.24
5.2 Capital Items	7.91	5.27	47.64	32.67	-2.63	-14.97
of which Public Sector	3.32	1.74	14.84	4.12	-1.58	-10.73
5.3 Bank Remittances	2.17	0.00	3.54	22.80	-2.17	19.26

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: MAY 28, 2008 and MAY 27, 2009

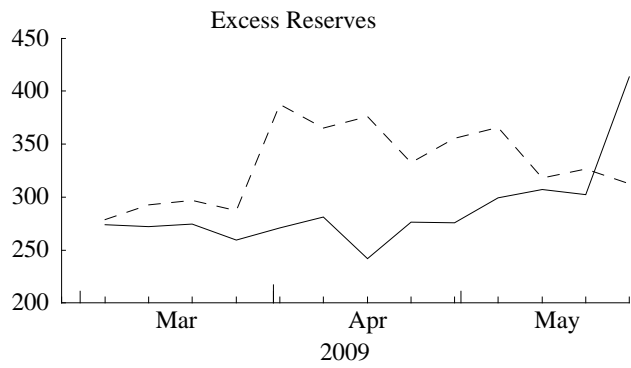
Exchange Control Sales figures are as at month end.

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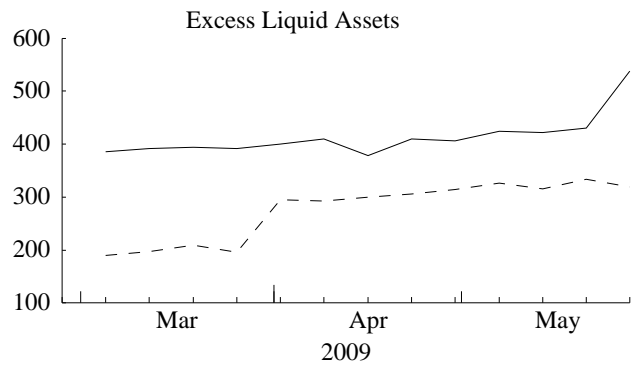
Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

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

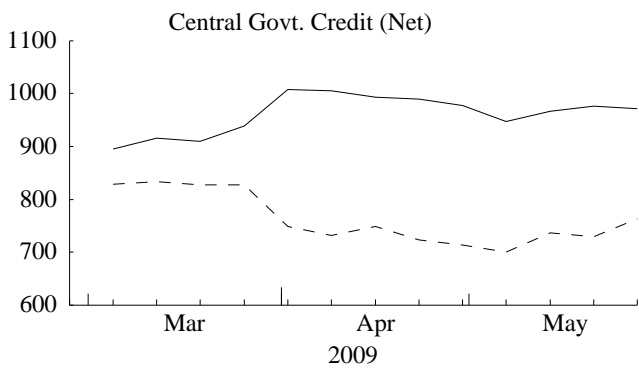
SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



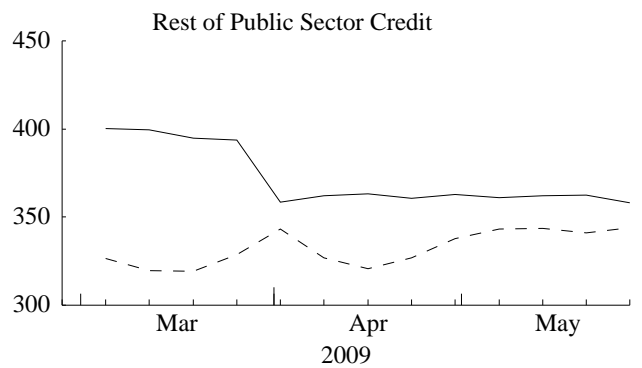
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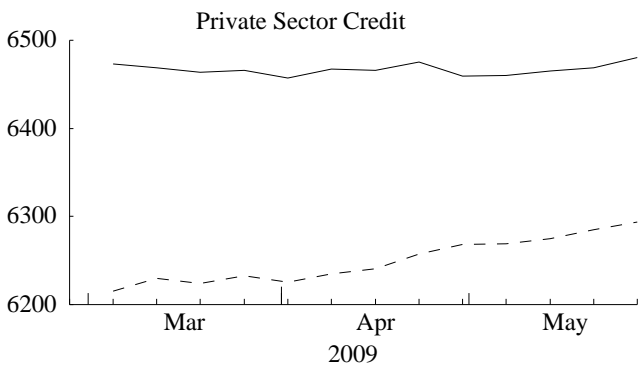
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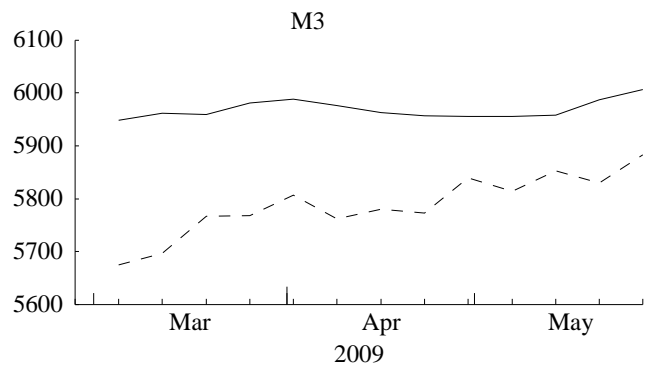
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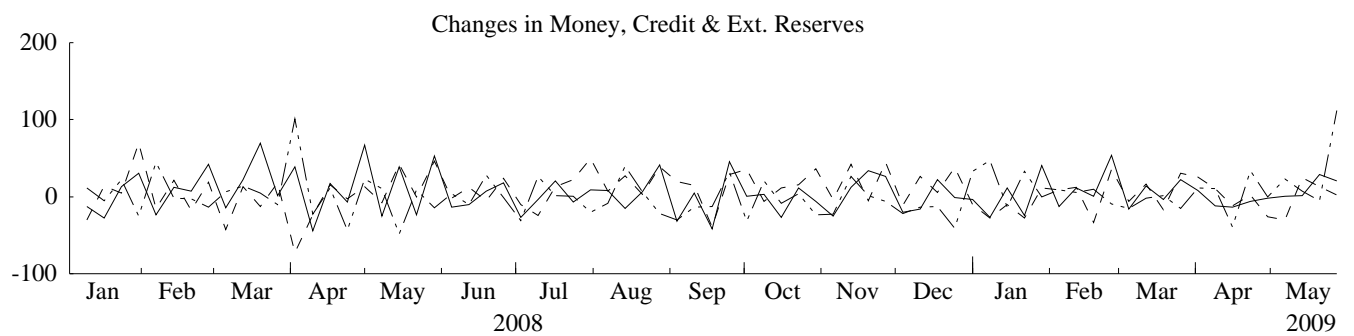
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— M3
- - - Domestic Credit
- · - · External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2008	2009	2008	2009	2008	2009
Bahamas	-1.7*	-4.5	4.5	1.8	8.7*	n/a
United States	1.1	-2.8	3.8	-0.9	5.8	8.9
Euro-Area	0.9	-4.2	3.3	0.4	7.6	10.1
<i>Germany</i>	<i>1.3</i>	<i>-5.6</i>	<i>2.8</i>	<i>0.1</i>	<i>7.3</i>	<i>9.0</i>
Japan	-0.6	-6.2	1.4	-1.0	4.0	4.6
United Kingdom	0.7	-4.1	3.6	1.5	5.5	7.4
Canada	0.5	-2.5	2.4	0.0	6.2	8.4

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

B: Official Interest Rates – Selected Countries (%)					
<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
March 2007	5.25	3.75	6.25	5.25	5.25
April 2007	5.25	3.75	6.25	5.25	5.25
May 2007	5.25	3.75	6.25	5.25	5.50
June 2007	5.25	4.00	6.25	5.25	5.50
July 2007	5.25	4.00	6.25	5.25	5.75
August 2007	5.25	4.00	5.75	5.25	5.75
September 2007	5.25	4.00	5.25	4.75	5.75
October 2007	5.25	4.00	5.00	4.50	5.75
November 2007	5.25	4.00	5.00	4.50	5.75
December 2007	5.25	4.00	4.75	4.25	5.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	May-08	April-09	May-09	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.6429	0.7559	0.7062	-6.6	-1.3	9.8
Yen	105.51	98.63	95.33	-3.3	5.1	-9.6
Pound	0.5045	0.6761	0.6176	-8.6	-9.6	22.4
Canadian \$	0.9934	1.1926	1.0912	-8.5	-10.6	9.8
Swiss Franc	1.0423	1.1405	1.0669	-6.5	-0.2	2.4

Source: Bloomberg as at May 31, 2009

D. Selected Commodity Prices (\$)					
Commodity	May 2008	April 2009	May 2009	Mthly % Change	YTD % Change
Gold / Ounce	886.50	888.20	979.15	10.2	11.0
Silver / Ounce	17.41	12.37	15.74	27.2	38.2
Oil / Barrel	140.91	50.73	63.32	24.8	60.2

Source: Bloomberg as at May 31, 2009

E. Equity Market Valuations – May 31, 2009 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.86	4.07	5.53	4.11	3.73	3.59	7.86	6.27
3 month	-2.49	11.72	15.51	12.53	16.75	20.96	17.42	10.94
YTD	-6.68	-3.15	2.00	-0.37	1.85	2.72	7.48	44.60
12-month	-15.29	-32.74	-34.45	-27.02	-34.63	-30.38	-33.59	-23.31

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.20	0.30	0.25
1 Month	0.32	0.41	0.90
3 Month	0.96	1.05	1.18
6 Month	0.95	1.10	1.46
9 Month	1.48	1.37	1.43
1 year	1.79	1.59	1.64

Source: Bloomberg, as at May 31, 2009

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

	VALUE												CHANGE					
	Apr. 01	Apr. 08	Apr. 15	Apr. 22	Apr. 29	May. 06	May. 13	May. 20	May. 27	Apr. 01	Apr. 08	Apr. 15	Apr. 22	Apr. 29	May. 06	May. 13	May. 20	May. 27
I. External Reserves	620.64	620.87	619.88	627.03	638.66	644.47	652.32	646.97	758.63	1.12	0.24	-1.00	7.15	11.63	5.81	7.85	-5.35	111.66
II. Net Domestic Assets (A + B + C + D)	79.32	79.57	42.43	57.53	65.74	75.77	72.39	74.34	82.10	25.74	0.25	-37.14	15.10	8.21	10.03	-3.38	1.95	7.76
A. Net Credit to Gov't (i + ii + iii - iv)	201.52	205.91	173.43	185.15	192.87	196.71	196.41	194.45	195.59	10.18	4.40	-32.48	11.72	7.71	3.85	-0.30	-1.96	1.14
i) Advances	71.99	71.99	71.99	86.99	96.99	96.99	96.99	96.99	96.99	0.00	0.00	0.00	15.00	10.00	0.00	0.00	0.00	0.00
ii) Registered Stock	120.73	120.69	120.46	119.70	119.29	118.94	118.64	118.28	117.96	-0.13	-0.03	-0.23	-0.76	-0.41	-0.35	-0.30	-0.36	-0.32
iii) Treasury Bills	28.71	32.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.73	3.96	-32.67	0.00	0.00	0.00	0.00	0.00	0.00
iv) Deposits	19.91	19.44	19.01	21.54	23.42	19.22	19.22	20.82	19.36	-1.58	-0.47	-0.43	2.53	1.88	-4.20	-0.00	1.60	-1.46
B. Rest of Public Sector (Net) (i + ii - iii)	-0.30	-7.45	-10.03	-6.74	-6.05	-14.78	-10.34	-6.60	-9.22	27.47	-7.15	-2.58	3.28	0.69	-8.73	4.44	3.74	-2.62
i) BDB Loans	6.41	6.41	6.41	6.34	6.21	6.21	6.21	6.21	6.21	0.00	0.00	0.00	-0.07	-0.13	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	6.71	13.86	16.44	13.08	12.27	20.99	16.55	12.81	15.43	-27.47	7.15	2.58	-3.36	-0.82	8.73	-4.44	-3.74	2.62
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)*	-121.90	-118.90	-120.98	-120.88	-121.07	-106.16	-113.68	-113.51	-104.26	-11.91	3.00	-2.08	0.10	-0.19	14.91	-7.52	0.18	9.24
III. Monetary Base	699.96	700.44	662.31	684.56	704.40	720.24	724.71	721.31	840.73	26.86	0.48	-38.13	22.25	19.84	15.84	4.47	-3.40	119.42
A. Currency in Circulation	272.61	279.11	279.85	263.51	276.20	278.51	269.98	267.35	272.79	5.25	6.50	0.73	-16.34	12.69	2.31	-8.52	-2.63	5.44
B. Bank Balances with CBOB	427.34	421.33	382.46	421.05	428.20	441.73	454.72	453.96	567.94	21.62	-6.02	-38.87	38.59	7.15	13.53	12.99	-0.77	113.98

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

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		YEAR TO DATE		
	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	
Fiscal Operations:																							
1. Government Revenue & Grants % change	111.5	100.1	94.3	116.5	87.9	97.8	107.0	108.3	112.1	87.8	96.9	110.8	134.2	117.6	129.5	91.5	111.5	101.8	163.3	150.1	1148.1	1082.2	
	-19.47%	-27.75%	-15.46%	16.45%	-6.77%	-16.10%	21.70%	10.80%	4.80%	-18.98%	-13.61%	26.30%	38.61%	6.08%	-3.53%	-22.19%	-13.93%	11.28%	46.46%	47.43%	5.95%	-5.74%	
2. Import Duties % change	42.9	30.8	40.0	32.1	39.3	33.3	46.6	35.6	46.6	30.6	37.6	34.0	50.8	27.5	40.4	27.6	40.8	32.6	47.5	29.5	432.4	313.6	
	-28.09%	-48.36%	-6.90%	4.12%	-1.68%	3.62%	18.50%	6.99%	-0.04%	-14.06%	-19.23%	11.11%	35.01%	-19.05%	-20.48%	0.49%	1.04%	17.81%	16.49%	-9.42%	7.44%	-27.47%	
3. Recurrent Expenditure % change	101.6	116.7	99.1	100.0	90.7	114.7	107.3	114.8	106.0	111.2	105.8	108.5	130.4	128.2	95.9	100.7	112.7	129.6	113.0	126.1	1062.4	1150.5	
	-34.02%	-24.19%	-2.50%	-14.32%	-8.47%	14.68%	18.36%	0.07%	-1.21%	-3.12%	-0.22%	-2.42%	23.28%	18.11%	-26.45%	-21.46%	17.52%	28.70%	0.24%	-2.67%	3.63%	8.29%	
4. Capital Expenditure % change	7.6	8.2	14.0	10.8	13.0	9.5	8.4	9.2	14.6	10.0	10.5	11.2	12.1	6.5	10.5	8.4	10.2	14.0	12.2	13.7	113.1	101.6	
	-77.81%	-76.01%	85.10%	32.58%	-7.15%	-12.40%	-35.27%	-2.21%	73.11%	8.58%	-27.95%	11.81%	15.34%	-41.82%	-13.07%	28.99%	-2.95%	66.04%	19.29%	-1.98%	-5.68%	-10.12%	
5. Deficit/Surplus* % change	0.8	-29.4	-23.9	1.4	-27.7	-32.4	-12.6	-21.0	-14.0	-40.2	-22.1	-13.6	-13.8	-24.0	20.5	-21.0	-16.4	-43.2	31.7	3.6	-77.6	-219.8	
	-101.20%	-55.22%	-3127.59%	-104.67%	15.73%	-2453.38%	-54.66%	-35.12%	11.80%	91.66%	-57.35%	-66.23%	-37.50%	-76.58%	-248.29%	-12.37%	-180.28%	105.71%	-292.79%	-108.34%	-29.30%	183.36%	

	JAN		FEB		MAR		APR		MAY		JUN	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Debt:												
6. Total Debt % change	2,635.0	2,871.0	2,635.2	2,881.0	2,624.4	2,943.9	2,687.6	2,952.1	2,677.6	3,057.2		
	-0.02%	4.90%	0.01%	0.35%	-0.41%	2.18%	2.41%	0.28%	-0.37%	3.56%		
7. External Debt % change	272.4	383.0	272.6	383.0	271.9	392.1	370.9	390.3	370.9	415.4		
	0.00%	0.01%	0.08%	2.61%	-0.27%	-0.24%	36.44%	-0.45%	0.00%	6.43%		
8. Internal F/C Debt % change	23.2	1.4	23.2	1.4	23.2	51.4	2.3	51.4	2.3	141.4		
	-0.17%	-3.27%	0.00%	0.00%	0.00%	3692.18%	-90.25%	0.00%	0.00%	173.25%		
9. Bahamian Dollar Debt % change	2,339.4	2,486.6	2,339.4	2,486.6	2,329.4	2,500.5	2,314.4	2,510.5	2,304.4	2,500.5		
	-0.02%	4.51%	0.00%	0.00%	-0.43%	0.56%	-0.64%	0.40%	-0.43%	-0.40%		
10. Total Amortization % change	0.5	0.0	0.1	0.0	10.7	1.0	37.7	16.8	10.1	60.0		
	391.80%	-100.00%	-80.46%		11076.79%		250.76%	1654.85%	-73.18%	257.72%		

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	2008		2009	
	2008	2009	2008	2009
11. Total Public Sector F/C Debt	692.0	834.0	690.5	842.3
	25.94%	29.53%	-17.21%	21.98%

	JAN		FEB		MAR		APR		MAY	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Real Sector Indicators										
12. Retail Price Index % change: over previous month	124.2	129.8	124.6	129.8	124.7	130.0	126.6	130.2	128.1	130.4
	0.22%	4.81%	0.32%	-0.03%	0.09%	0.15%	1.56%	0.18%	1.2%	0.1%
13. Tourist arrivals (000's) % change: over previous year	372.7	410.8	430.9	389.3						
	-6.34%	10.31%	14.34%	-9.65%						
14. Air arrivals (000's) % change: over previous year	110.8	90.0	125.8	103.1						
	7.07%	-18.74%	6.47%	-18.04%						
15. Occupied Room Nights % change: over previous year	212.9	169.7	228.7	168.3						
	7.01%	-20.30%	11.07%	-26.41%						

	2008		2009	
	2008	2009	2008	2009
16. Res. Mortgage Commitments-New Const.	44.40	49.23	44.4	49.2
	64.30%	10.88%	44.63%	22.99%

* Includes Net Lending to Public Corporations

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

P - Provisional

Annually F/D Retail Price data are averages.