



Monthly Economic and Financial Developments March 2019

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

Future Release Dates:

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



1. Domestic Economic Developments

Overview

Indications are that the domestic economy maintained its modest pace of growth over the review month of March. The sustained increase in stopover visitor arrivals supported gains in tourism sector output, while ongoing medium and small-scale foreign investment projects undergirded activity in the construction sector. In monetary developments, the corresponding robust real sector inflows boosted external reserves; however, liquidity contracted as resources shifted to Government.

Real Sector

Tourism

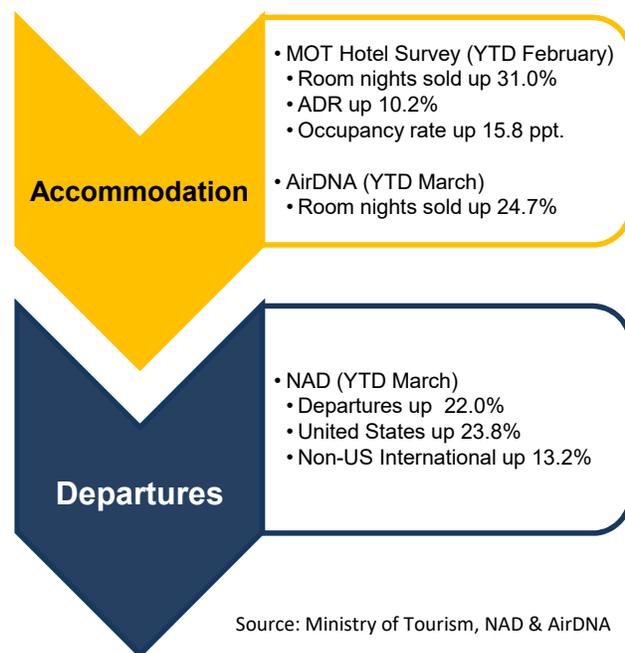
Buoyed by robust gains in the key stopover visitor segment, indications are that tourism output continued to strengthen during the review period in both visitor volumes and pricing data.

The latest statistics from the Ministry of Tourism showed a 19.3% increase in total arrivals during January, notably higher than the 4.8% uptick recorded in the prior year. This included accelerated gains in air and sea arrivals of 28.8% and 17.1%, from 7.0% and 4.3%, respectively, in the previous year; and marked strengthening for New Providence and the Family Islands outweighing a cruise-based decline in Grand Bahama.

Moreover, stopover data from The Bahamas Hotel and Tourism Association, revealed that in the two months through February, estimated room revenues improved by 44.0%, on sustained occupancy and pricing advances.

For the month of March, data from the Nassau Airport Development Company Ltd. (NAD) showed that total departures from the country's main airport—net of domestic passengers—grew by 18.8%, albeit lower than the 20.9% expansion in the prior period, when the Easter holidays fell earlier in the year. In terms of the components, the growth in both U.S. and non-U.S. departures slowed to 19.1% and 17.3%, from 20.9% and 21.0%, respectively. An analysis of longer-term trends, showed that during the first quarter, the total number of departures expanded by 22.0%, outstripping the 13.8% uptick recorded in the previous year, as both the U.S and non-U.S departure segments increased by 23.8% and 13.2%, after gains of 13.2% and 16.8%, respectively, over the same period last year.

Chart 1: Tourism Indicators at a Glance



Source: Ministry of Tourism, NAD & AirDNA

Healthy trends were also noted in the growing non-hotel based segment of the market, typically characterised by short-term vacation rentals. An analysis of data obtained from AirDNA, showed that the total number of room nights sold firmed by 24.3% to 78,160 in March, as bookings for “entire place” listings rose by 22.8%, and for hotel comparable listings, by 37.3%. Over the first quarter, total room nights booked firmed by 24.7%, underpinned by a 22.4% expansion in “entire place” bookings and a 42.6% rise in the hotel comparable segment. Moreover, all of the significant markets tracked experienced quarterly sales expansions, as room bookings for Exuma firmed by 51.5%, New Providence by 26.9%, Abaco by 21.4%, and Grand Bahama by 2.1%. Further, the average daily rate (ADR) firmed slightly, by 0.7% to \$141.97 for hotel comparable listings, while the rate for entire place listings softened by 1.5% to \$341.49.

2. Domestic Monetary Trends

March 2019 vs. 2018

Liquidity

During the month of March, excess liquid assets—a measure of broad liquidity—contracted by \$32.7 million, to \$1,619.2 million, reversing a \$10.8 million increase in March 2018. This mainly reflected the transfer of dormant account balances to the Government. Similarly, excess cash reserves fell by \$36.1 million to \$676.2 million, vis-a-vis 2018’s gain of \$24.8 million.

In contrast, buoyed by net foreign currency inflows from real sector activities, bank liquidity firmed during the first quarter. Specifically, excess liquid assets rose by \$87.3 million; although a slowdown from the \$97.0 million expansion recorded in the prior year. In addition, the narrow measure—excess reserves—rose by \$4.8 million during the March quarter, significantly lower than the \$110.5 million growth recorded in 2018.

External Reserves

During the review month, external reserves strengthened by \$91.2 million to \$1,392.3 million, in-line with the \$82.8 million expansion recorded during the preceding year. This outturn reflected a \$17.2 million increase in the Central Bank’s net foreign currency purchase from commercial banks, to \$105.8 million, as banks’ net purchase from consumers firmed by \$30.6 million to \$125.8 million. In contrast, the Bank’s net sale to the public sector moved upwards by \$10.0 million, to \$17.7 million.

Reflecting the improvement in the foreign exchange earning sectors, external reserves grew by \$194.9 million in the first quarter. This followed a \$189.1 million rise during the corresponding period of 2018 that was partly aided by the Government’s foreign currency debt proceeds. The Central Bank’s net foreign currency purchase from commercial banks quickened by \$99.0 million to \$277.6 million, with banks’ net foreign currency inflows from their consumers advancing by \$142.5 million to \$280.7 million. In contrast, the Central Bank’s net sale to the public sector broadened to \$95.8 million, from a nearly balanced position in the preceding year.

Exchange Control Sales

Preliminary exchange control data for the month of March, revealed that foreign currency sales for current account transactions rose by \$116.8 million to \$513.1 million, vis-à-vis the corresponding period of 2018. Specifically, sales to facilitate transactions for “other current items” (50.4% of the total)—such as services, electronic transactions and insurance services—rose by \$81.1 million. In addition, higher outflows were recorded for oil imports (up by \$25.0 million), factor income (up by \$15.5 million) and transfers (up by \$10.0 million), which represented respective shares of 10.1%, 7.3% and 4.6%. Providing some offset, non-oil

imports, which accounted for 23.1% of sales, narrowed by \$14.0 million, while travel moved marginally lower by \$0.8 million to 4.4% of total sales.

On a year-to-date basis, foreign currency sales grew by \$272.1 million to \$1,495.8 million, with “other current items” (52.0% of the total) up by \$276.0 million, amid gains in other services, credit & debit card and insurance-related transactions. Similarly, sales for oil purchases (10.5%), factor income (5.4%) and transfers (4.3%), firmed by \$30.8 million, \$9.0 million and \$0.5 million, respectively. In contrast, sales for non-oil imports—comprising 23.1% of the total—fell by \$41.3 million, while sales for travel-related transactions softened by \$2.8 million (at 4.6% of the total).

Domestic Credit

Bahamian Dollar Credit

In March, Bahamian dollar credit declined further by \$82.4 million, following a \$6.5 million falloff in 2018. Specifically, net claims on the Government contracted by \$70.9 million (3.0%), vis-a-vis a \$17.3 million gain in the prior year, due in part to the increase in deposit balances following the transfer of approximately \$40.5 million in dormant account funds to the Government. The contraction in claims on the rest of the public sector continued at \$2.7 million. However, the falloff in private sector credit was more than halved to \$8.8 million, as reductions for both consumer and commercial credit were approximately halved to \$6.3 million and \$4.0 million, while mortgages gains firmed slightly to \$1.6 million.

Similar trends were noted over the first quarter of the year, as Bahamian dollar credit contracted by \$136.5 million, outpacing the \$91.3 million falloff in 2018. This outturn reflected an extended reduction in net claims on the Government to \$103.5 million, from \$37.1 million, owing to a decline in short-term security holdings and an increase in balances at the Central Bank. Similarly, the contraction in credit to public corporations widened to \$5.9 million, from a mere \$0.5 million. In contrast, the reduction in private sector credit narrowed to \$27.1 million from \$53.7 million, as the decrease in consumer credit moderated to \$29.5 million from \$41.4 million, while mortgages firmed by \$2.6 million, vis-à-vis a \$12.3 million decline in the prior year. In a slight offset, commercial loans fell marginally by \$0.2 million, after a flat outturn in 2018.

Foreign Currency Credit

Domestic foreign currency credit declined by \$6.2 million during March, in contrast to a \$9.0 million uptick during the preceding period. In the underlying developments, net claims on the Government fell by \$3.4 million, vis-à-vis a \$12.3 million increase recorded in 2018. The decrease in claims on the private sector was almost similar, at \$3.1 million, reflecting reductions in both the commercial and mortgage components. In contrast, credit to the rest of the public sector was unchanged.

During the quarter, the decrease in foreign currency credit deepened to \$12.9 million, from \$3.1 million a year earlier. Claims on the private sector declined by \$13.4 million, vis-a-vis a \$1.6 million uptick in the previous year, with mortgages lower by \$0.2 million, compared to a \$5.0 million increase in 2018 and the contraction in the commercial component broadening by \$9.8 million to \$13.2 million. In a slight offset, the

Chart 2: B\$ Private Sector Credit (March)



Source: Central Bank of The Bahamas

reduction in credit to public corporations was halved to \$1.7 million, while net claims on the Government firmed by \$2.0 million, vis-à-vis a \$1.5 million decline in the prior year.

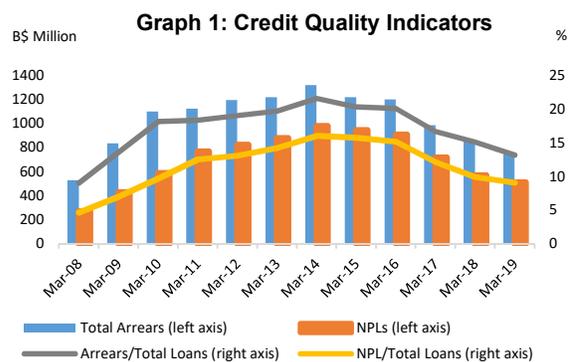
Credit Quality

During the review month, total private sector arrears edged-up by \$1.4 million (0.2%), to \$742.4 million, and by 7 basis points to 13.2% of total private sector loans. The rise in short-term (31 to 90 day) delinquencies negated the improvement in non-performing loans (NPLs). An analysis of arrears by the various buckets, showed that short-term delinquencies rose by \$14.4 million (6.6%) to \$232.3 million and by 27 basis points to 4.1% of total private sector loans. In contrast, NPLs contracted by \$13.0 million (2.5%) to \$510.1 million, and by 20 basis points to 9.1% of total private sector loans.

In terms of the various loan categories, mortgage arrears grew by \$10.7 million (2.4%) to \$450.0 million, as the short-term component firmed by \$16.6 million (14.9%), overshadowing the \$5.9 million (1.8%) decrease in the non-accrual segment. In addition, commercial loan arrears increased by \$1.4 million (1.7%) to \$84.1 million, owing to a \$2.1 million (7.0%) gain in short-term arrears, while the non-performing component moved marginally lower by \$0.7 million (1.2%). In comparison, consumer delinquencies declined by \$10.7 million (4.9%) to \$208.3 million, as both the long and short-term categories were reduced by \$6.5 million (4.6%) and \$4.2 million (5.5%), respectively.

Banks reduced their total provisions for loan losses by \$3.3 million (0.8%) to \$440.6 million, resulting in the ratio of total provisions to arrears narrowing by 56 basis points to 59.3%. In contrast, the ratio of provisions to NPLs increased by 1.5 percentage points to 86.4%.

On a quarterly basis, banks' total loan arrears decreased modestly by \$67.4 million (8.3%), leading to a 1.1 percentage point reduction in the corresponding ratio of arrears to total private sector loans. A breakdown by the average age of delinquencies, revealed that the most significant improvements were noted for the short-term segment, which declined by \$60.6 million (20.7%), resulting in the relevant ratio falling by 1.0 percentage point. Additionally, NPLs decreased by \$6.8 million (1.3%), while the associated loan ratio softened by 5 basis points.



Source: Central Bank of The Bahamas

A breakdown of the various categories showed broad-based improvements, as mortgage arrears contracted by \$49.5 million (9.9%), owing to declines in both the short-term and NPL components, by \$35.8 million (21.9%) and \$13.7 million (4.1%), respectively. Similarly, consumer arrears fell by \$21.0 million (9.1%), reflecting a \$23.4 million (24.5%) decline in short-term arrears, which negated a \$2.5 million (1.9%) increase in NPLs. However, commercial delinquencies edged-up by \$3.0 million (3.7%), as a \$4.4 million (9.2%) rise in the long-term category, outpaced a \$1.4 million (4.1%) reduction in the short-term component.

Over the quarter, banks maintained their conservative stance, increasing total provisions for loan losses by \$2.1 million (0.5%). As a consequence, the ratio of total provisions to both arrears and NPLs firmed by 5.2 and 1.5 percentage points, respectively. During the quarter, banks also loan wrote-off \$25.1 million in claims, against recoveries of a mere \$4.6 million.

A year-on-year analysis revealed that in comparison to March 2018, the ratio of arrears to total private sector loans decreased by 1.9 percentage points, reflecting contractions in both the short-term and NPL categories by 1.1 and 0.9 percentage points, respectively. Reductions were recorded across all credit segments, with the mortgage and commercial components tightening by 2.3 percentage points each, while the consumer delinquency rate moved lower by 1.5 percentage points.

Deposits

Accretions to total Bahamian dollar deposits narrowed by \$44.3 million to \$7.4 million in March, as gains in savings and demand balances softened to \$6.7 million and \$13.3 million, relative to expansions of \$28.8 million and \$38.0 million recorded in 2018, respectively. In contrast, the reduction in fixed deposits narrowed by \$2.5 million to \$12.6 million.

During the quarter, total Bahamian dollar deposits firmed by \$37.0 million, compared to an \$83.3 million strengthening in 2018. Demand deposits expanded by \$21.5 million, a slowdown from the \$90.3 million advance in the prior year. In addition, the falloff in fixed deposits widened by \$9.3 million to \$39.8 million. In contrast, gains in savings balances more than doubled to \$55.2 million.

Interest Rates

As it relates to interest rates, the weighted average deposit rate at banks narrowed by 35 basis points to 0.64%, with the highest rate of 4.50% offered on fixed balances of over 12 months. Similarly, the average loan rate declined by 83 basis points to 10.00%.

3. Domestic Outlook

The Bahamian economy is expected to continue to expand moderately over the near-term, buttressed by the continued strengthening in tourism sector performance, while small to medium-scale foreign investment projects should underpin construction sector activity. In this environment, employment conditions are likely to improve gradually, with the majority of the job gains accruing to the tourism sector. With regards to prices, domestic inflation is anticipated to rise modestly during the year, reflecting the continued pass-through effects of the VAT rate increase and higher oil prices.

In the fiscal sector, the Government's efforts to improve its deficit and corresponding debt indicators, will remain contingent on the successful implementation of measures to improve revenue administration and restrain expenditure growth; although adverse shocks could slow the rate of fiscal consolidation.

Monetary sector developments should remain dominated by elevated bank liquidity, as institutions maintain their conservative lending practices and consumers continue to deleverage. Underlying this, the economic environment is still only inducing an incremental reduction in credit delinquencies, with the more sizeable resolutions having occurred from sales of NPLs. In the meantime, external balances are expected to remain well above international benchmark levels; although the normal seasonal drawdown in reserves should occur over the latter half of the year, to accommodate the holiday-related increase in private sector demand.

4. *Monetary Policy Implications*

Given the relatively positive outlook for economic activity and labour market conditions, along with robust levels of external reserves and subdued inflationary pressures, the Bank will maintain its current accommodative monetary policy stance.

Nevertheless, the Bank will continue to monitor downside risks emanating mainly from the ongoing global economic trade disputes and “Brexit” uncertainty. In addition, the Bank remains cognizant of the medium to long-term challenges posed by the persistently high levels of liquidity in the banking system, given the potential for these funds to be utilised to support mainly consumer-based lending, thereby placing downward pressure on external reserve balances. Near-term measures employed to mitigate this risk include continued sell-off of the Bank’s portfolio of Government securities to absorb some of this excess. Over the medium-term, the implementation of the credit bureau, will help further reduce concerns, enabling lenders to better assess the overall risk profile of domestic borrowers.

The Bank also remains engaged with financial institutions to sustain more heightened practices to reduce NPLs, including—where necessary—through the more aggressive sale or disposal of collateral held against foreclosed loans; restructuring where feasible, to ease debt servicing burdens on troubled facilities; and a more enlarged provisioning and write-off regime for doubtful loans.

APPENDIX

International Developments

In light of a weaker than anticipated outturn in 2018, ongoing trade disputes between the two largest economies, and the tapering effects of the United States' fiscal stimulus measures, the IMF lowered its projections for global growth for 2019, by 20 basis points to 3.3% in its World Economic Outlook report for April, in comparison with its January estimates.

Conditions within the United States' economy remained modestly positive during the review period. In particular, retail sales firmed by approximately 1.6% in March, a turnaround from a 0.2% softening in the prior month. Further, nonfarm payroll employment rose by 196,000 persons, and the unemployment rate stabilized at 3.8%, vis-à-vis a 20-basis point decline in February. Conversely, industrial production softened by 0.1%, following an increase of the same magnitude a year earlier. In prices developments, the inflation rate firmed by 20 basis points to 0.4% in March, over the prior month, amid accelerated gains in food and energy costs. In this environment, the Federal Reserve kept its key interest rates unchanged.

Despite the ongoing uncertainties surrounding the "BREXIT" negotiations, economic indicators across Europe were mainly positive over the review month. Specifically, retail trade in the United Kingdom grew by 1.1%, relative to a 0.4% gain in the prior period, while euro area sales firmed by 0.4% in February, after a 0.9% increase in the previous period. Moreover, industrial production levels rose by 0.6% in the UK during February, owing mainly to improvements in manufacturing sector output; however, production in the euro area eased by 0.2%, reversing the 1.9% uptick a month earlier. Further, labour market developments were more subdued, with euro area unemployment steadying at 7.8% in February, and the UK's unemployment rate remaining unchanged at 3.9% during the three months to February. In terms of prices, inflation in the euro area declined by 10 basis points to 1.4% in March, after an identical increase a month earlier, although UK inflation was unchanged at 1.8%. In light of the prevailing conditions, both the European Central Bank and the Bank of England maintained their respective monetary policy postures.

Economic indicators in the major Asian economies were largely upbeat over the review period, as China's retail sales growth quickened by 20 basis points to 0.9% in March, on a monthly basis. Further, in Japan, sales increased by 1.4% in February, reversing a 3.7% contraction a month earlier. Similarly, industrial production firmed by 1.0% in March, vis-à-vis a 0.5% uptick in the prior month, led by gains in the mining, manufacturing and energy sectors. In addition, industrial production moved higher by 0.7% in February, a reversal from a 2.5% decline in the previous month. Further, the unemployment rate in Japan declined by 20 basis points to 2.3%, vis-à-vis a 10-basis point increase a month prior. Against this backdrop, both the Bank of Japan and the People's Bank of China left their key policy rates unchanged.

Over the review period, crude oil prices increased by 6.7% to \$66.01 per barrel, as OPEC's oil production moderated by 534 thousand barrels per day to an average of 30.0 million bp/d in March—its lowest level since February 2015. However, in response to a stronger U.S dollar, both gold and silver prices decreased by 1.6% and 3.1%, respectively, to \$1,292.30 and \$15.12 per troy ounce.

Most of the major global stock markets recorded broad-based gains during March. In the United States, the S&P500 increased by 1.8%, while the DJIA edged-up by 0.1%. European bourses also advanced, with gains occurring for the UK's FTSE 100 (2.9%), France's CAC40 (2.1%), and Germany's DAX (0.1%). Comparatively, market movements across Asia varied, as China's SE Composite firmed by 5.1%; however, Japan's Nikkei 225 weakened by 0.8%.

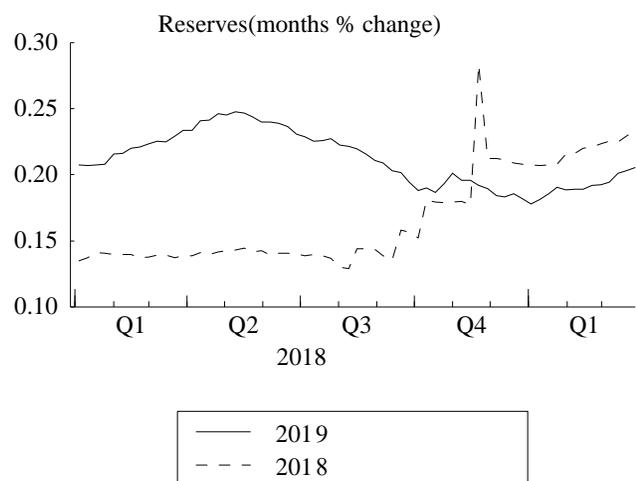
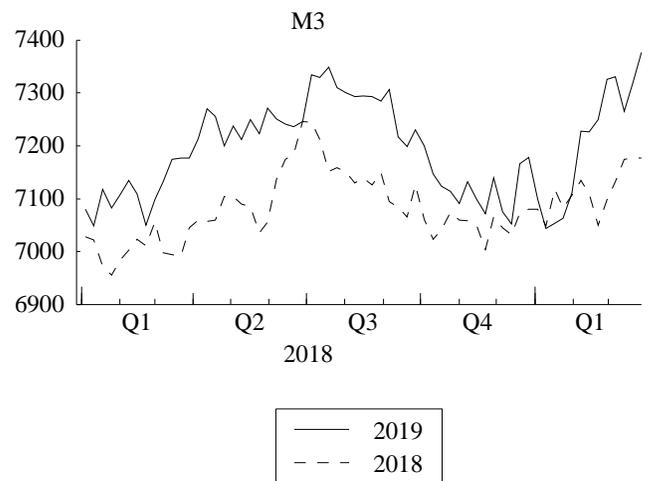
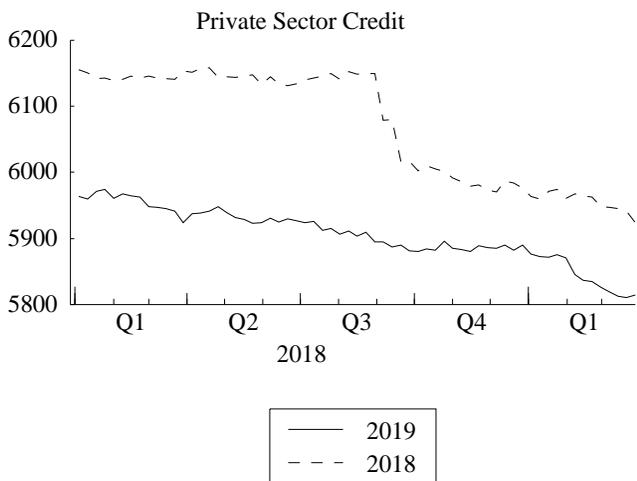
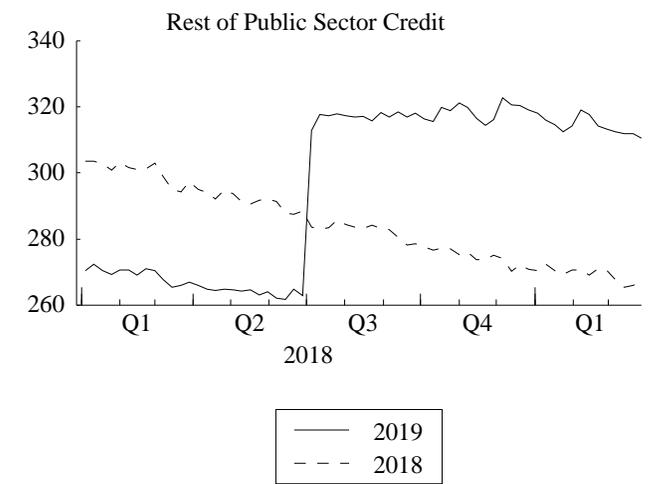
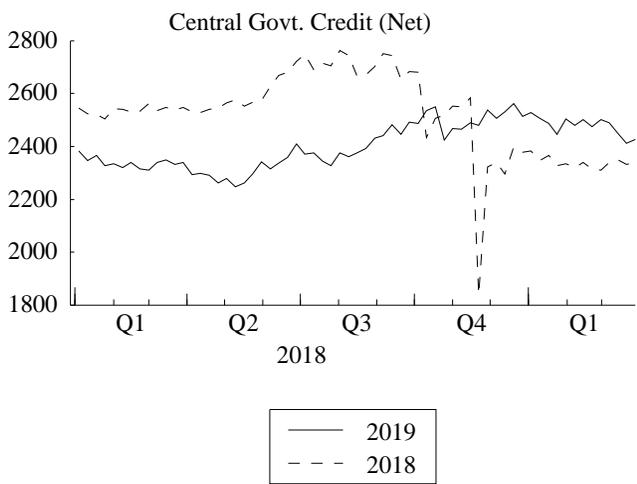
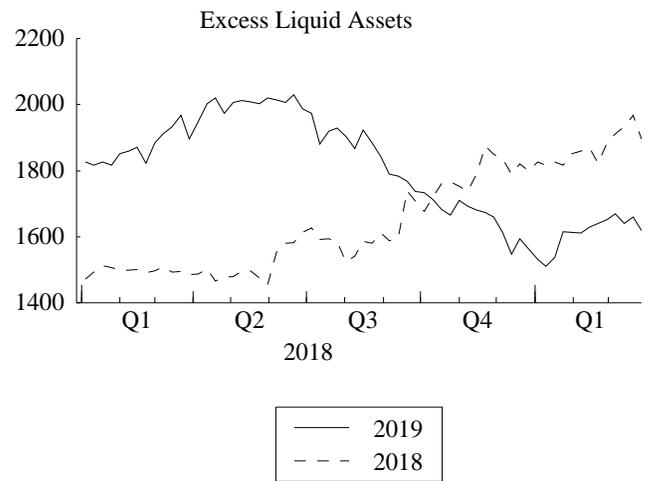
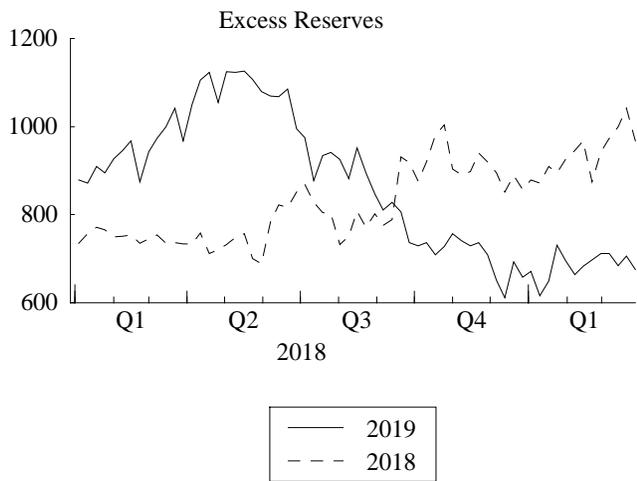
The U.S dollar gained against most major global currencies in March, amid growing expectations that a trade agreement between the U.S and China would be finalised shortly. Specifically, the dollar appreciated against the euro by 1.4% to €0.8915, the British pound, by 1.7% to £0.7670, the Canadian dollar by 1.4% to CAD\$1.33, and the Chinese Renminbi by 0.3% to CNY6.7121. Conversely, the dollar depreciated relative to the Japanese Yen and the Swiss Franc by 0.5% and 0.3%, to ¥110.85 and CHF0.9952, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

	MARCH					
	Value		Change		Change YTD	
	2018	2019	2018	2019	2018	2019
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	968.03	676.15	24.82	-36.10	110.48	4.81
1.2 Excess Liquid Assets	1,895.27	1,619.21	10.81	-32.69	97.00	87.28
1.3 External Reserves	1,597.38	1,392.28	82.79	91.16	189.09	194.92
1.4 Bank's Net Foreign Assets	-107.42	166.38	17.26	58.57	63.57	104.35
1.5 Usable Reserves	803.69	718.67	78.61	94.87	134.78	196.32
2.0 DOMESTIC CREDIT						
2.1 Private Sector	5,924.36	5,814.45	-23.82	-11.84	-52.11	-40.52
a. B\$ Credit	5,698.36	5,620.22	-21.16	-8.79	-53.71	-27.08
of which: Consumer Credit	2,156.10	2,088.44	-12.20	-6.34	-41.43	-29.46
Mortgages	2,869.70	2,868.82	0.81	1.56	-12.30	2.60
Commercial and Other Loans B\$	672.56	662.96	-9.77	-4.01	0.02	-0.21
b. F/C Credit	226.00	194.23	-2.66	-3.05	1.60	-13.44
of which: Mortgages	67.19	57.89	-2.27	-0.46	5.00	-0.22
Commercial and Other Loans F/C	158.81	136.35	-0.39	-2.59	-3.40	-13.22
2.2 Central Government (net)	2,339.40	2,428.08	29.60	-74.27	-38.61	-101.40
a. B\$ Loans & Securities	2,562.50	2,692.05	-15.89	-15.80	-46.46	-49.88
Less Deposits	216.80	263.95	-33.22	55.09	-9.35	53.59
b. F/C Loans & Securities	0.00	7.00	0.00	0.00	0.00	-0.00
Less Deposits	6.30	7.01	-12.27	3.39	1.50	-2.07
2.3 Rest of Public Sector	267.04	310.49	-3.53	-2.69	-3.85	-7.63
a. B\$ Credit	99.73	122.43	-2.72	-2.69	-0.47	-5.91
b. F/C Credit	167.32	188.06	-0.80	0.00	-3.38	-1.72
2.4 Total Domestic Credit	8,531.03	8,553.31	2.48	-88.54	-94.35	-149.34
a. B\$ Domestic Credit	8,143.79	8,170.74	-6.54	-82.36	-91.29	-136.45
b. F/C Domestic Credit	387.24	382.57	9.02	-6.17	-3.06	-12.89
3.0 DEPOSIT BASE						
3.1 Demand Deposits	2,450.78	2,478.78	38.03	13.25	90.31	21.51
a. Central Bank	27.50	34.00	14.03	-15.96	13.43	-40.97
b. Banks	2,423.28	2,444.78	24.00	29.22	76.87	62.48
3.2 Savings Deposits	1,391.19	1,475.97	28.76	6.69	23.53	55.24
3.3 Fixed Deposits	2,712.12	2,522.49	-15.07	-12.56	-30.53	-39.77
3.4 Total B\$ Deposits	6,554.09	6,477.24	51.72	7.38	83.30	36.97
3.5 F/C Deposits of Residents	333.72	598.12	13.19	39.12	31.70	80.05
3.6 M2	6,843.90	6,778.03	66.22	11.70	66.10	34.16
3.7 External Reserves/M2 (%)	23.34	20.54	0.99	1.31	2.56	2.79
3.8 Reserves/Base Money (%)	103.90	111.31	2.68	9.90	6.28	15.65
3.9 External Reserves/Demand Liabilities (%)	100.63	103.34	4.71	7.30	5.40	14.65
	Value		Year to Date		Change	
	2018	2019	2018	2019	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	80.82	88.12	178.36	181.84	7.30	3.49
a. Net Purchase/(Sale) from/to Banks	88.54	105.78	178.67	277.63	17.24	98.96
i. Sales to Banks	0.00	0.00	49.11	4.35	0.00	-44.76
ii. Purchases from Banks	88.54	105.78	227.77	281.98	17.24	54.21
b. Net Purchase/(Sale) from/to Others	-7.71	-17.66	-0.31	-95.79	-9.95	-95.48
i. Sales to Others	51.12	105.21	181.31	253.21	54.09	71.90
ii. Purchases from Others	43.40	87.55	181.00	157.43	44.15	-23.58
4.2 Banks Net Purchase/(Sale)	95.23	125.77	138.25	280.74	30.55	142.50
a. Sales to Customers	349.38	365.67	1,177.88	1,218.19	16.30	40.30
b. Purchases from Customers	444.60	491.45	1,316.13	1,498.93	46.84	182.80
4.3 B\$ Position (change)	-31.77	-40.03				
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	396.31	513.07	1,223.64	1,495.76	116.76	272.13
of which Public Sector	33.00	3.10	142.37	126.91	-29.90	-15.46
a. Nonoil Imports	132.62	118.63	387.13	345.85	-14.00	-41.29
b. Oil Imports	26.91	51.95	125.96	156.71	25.04	30.75
c. Travel	23.18	22.35	72.18	69.37	-0.83	-2.81
d. Factor Income	21.98	37.47	71.76	80.77	15.49	9.00
e. Transfers	13.83	23.83	64.56	65.03	10.00	0.47
f. Other Current Items	177.78	258.84	502.04	778.04	81.06	276.00
5.2 Capital Items	27.61	22.24	60.82	81.22	-5.37	20.40
of which Public Sector	20.86	0.01	35.13	31.20	-20.84	-3.93
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



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

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

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

C. Selected Currencies (Per United States Dollars)						
Currency	Mar-18	Feb-19	Mar-19	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8114	0.8795	0.8915	1.36	2.25	9.87
Yen	106.28	111.39	110.85	-0.48	1.05	4.30
Pound	0.7134	0.7540	0.7670	1.73	-2.13	7.51
Canadian \$	1.2900	1.3171	1.3349	1.35	-2.14	3.48
Swiss Franc	0.9541	0.9981	0.9952	-0.29	1.39	4.31
Renminbi	6.2911	6.6937	6.7121	0.27	-2.42	6.69

Source: Bloomberg as of March 29, 2019

D. Selected Commodity Prices (\$)					
Commodity	March 2018	February 2019	March 2019	Mthly % Change	YTD % Change
Gold / Ounce	1325.00	1313.31	1292.30	-1.60	0.77
Silver / Ounce	16.37	15.61	15.12	-3.12	-2.40
Oil / Barrel	65.71	61.87	66.01	6.69	26.26

Source: Bloomberg as of March 29, 2019

E. Equity Market Valuations – March 29, 2019 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	2.64	0.05	1.79	2.89	2.10	0.09	-0.84	5.09
3 month	3.89	-0.84	0.38	-3.38	-2.40	-12.61	-8.19	-11.21
YTD	3.89	-0.84	0.38	-3.38	-2.40	-12.61	-8.19	-11.21
12-month	5.82	3.07	4.52	2.12	5.05	0.69	-3.26	18.75

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	2.69	0.70	-0.42
1 Month	2.50	0.77	-0.41
3 Month	2.63	0.85	-0.34
6 Month	2.67	0.87	-0.26
9 Month	2.71	1.04	-0.21
1 year	2.78	1.16	-0.15

Source: Bloomberg as of March 29, 2019

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE										CHANGE									
	Feb. 06	Feb. 13	Feb. 20	Feb. 27	Mar. 06	Mar. 13	Mar. 20	Mar. 27	Feb. 06	Feb. 13	Feb. 20	Feb. 27	Mar. 06	Mar. 13	Mar. 20	Mar. 27				
I. External Reserves	1,270.38	1,266.38	1,289.77	1,301.13	1,311.16	1,348.60	1,365.51	1,392.28	2.00	-3.99	23.39	11.35	10.04	37.43	16.91	26.78				
II. Net Domestic Assets (A + B + C + D)	-40.31	-35.96	-22.31	-17.97	-39.24	-109.43	-94.27	-141.41	-39.58	4.34	13.65	4.33	-21.26	-70.19	15.16	-47.14				
A. Net Credit to Gov't (i + ii + iii - iv)	380.65	401.16	377.52	382.34	371.13	326.93	296.96	303.69	-37.27	20.51	-23.64	4.83	-11.21	-44.20	-29.97	6.73				
i) Advances	94.66	94.66	94.66	94.66	94.66	94.66	69.66	69.66	-14.00	0.00	0.00	0.00	0.00	0.00	-25.00	0.00				
ii) Registered Stock	247.12	247.09	229.12	229.14	229.15	227.85	228.05	228.15	0.27	-0.04	-17.97	0.02	0.01	-1.30	0.20	0.10				
iii) Treasury Bills	79.84	79.84	79.84	79.84	64.97	64.99	64.99	67.98	-24.91	0.00	-0.00	0.00	-14.87	0.02	0.00	2.99				
iv) Deposits	40.97	20.43	26.09	21.29	17.64	60.56	65.74	62.10	-1.37	-20.54	5.66	-4.81	-3.65	42.93	5.18	-3.64				
B. Rest of Public Sector (Net) (i + ii - iii)	-56.70	-52.40	-43.15	-47.46	-55.30	-40.45	-22.60	-31.50	-9.36	4.29	9.26	-4.32	-7.83	14.85	17.84	-8.90				
i) BDB Loans	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	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				
iii) Deposits	59.20	54.90	45.65	49.96	57.80	42.95	25.10	34.00	9.36	-4.29	-9.26	4.32	7.83	-14.85	-17.84	8.90				
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				
D. Other Items (Net)*	-364.26	-384.72	-356.68	-352.85	-355.08	-395.91	-368.63	-413.60	7.04	-20.45	28.04	3.83	-2.22	-40.84	27.29	-44.97				
III. Monetary Base	1,230.07	1,230.42	1,267.46	1,283.15	1,271.92	1,239.17	1,271.23	1,250.87	-37.58	0.35	37.04	15.69	-11.23	-32.76	32.06	-20.36				
A. Currency in Circulation	419.08	419.39	410.51	418.34	420.26	414.93	414.05	412.64	8.90	0.31	-8.88	7.83	1.93	-5.33	-0.88	-1.41				
B. Bank Balances with CBOB	810.99	811.03	856.96	864.81	851.66	824.23	857.18	838.23	-46.48	0.04	45.92	7.86	-13.15	-27.43	32.95	-18.95				

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

FISCAL/REAL SECTOR INDICATORS

(\$5 MILLIONS)

(% change represents current period from previous period)

	YEAR TO DATE	
	2017/2018	2018/2019
1. Government Revenue & Grants % change: over previous quarter	880.8 3.4%	1010.3 14.7%
2. Value Added Tax % change: over previous quarter	318.3 5.3%	399.5 23.5%
3. Import/Export Duties % change: over previous quarter	262.6 4.1%	240.8 -8.3%
4. Recurrent Expenditure % change: over previous quarter	1003.7 -0.1%	1097.6 9.4%
5. Capital Expenditure % change: over previous quarter	131.0 -14.1%	86.9 -33.6%
6. Deficit/Surplus* % change: over previous quarter	-253.9 -16.9%	-174.3 -31.3%

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
1. Government Revenue & Grants % change: over previous quarter	453.8 -24.7%	513.8 -9.0%	427.1 -5.9%	495.4 -3.4%				
2. Value Added Tax % change: over previous quarter	168.8 -2.3%	199.4 -1.8%	149.5 -1.4%	200.1 0.3%				
3. Import/Export Duties % change: over previous quarter	135.0 -25.8%	151.2 -5.6%	127.6 -5.3%	88.7 -40.7%				
4. Recurrent Expenditure % change: over previous quarter	487.9 -11.2%	527.0 -17.0%	515.7 5.7%	570.6 8.3%				
5. Capital Expenditure % change: over previous quarter	74.4 -54.3%	38.8 -54.4%	56.7 -23.8%	48.1 24.1%				
6. Deficit/Surplus* % change: over previous quarter	-108.6 -22.1%	-52.0 -63.8%	-145.3 33.9%	-122.3 133.3%				

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
7. Total Direct Debt % change: over previous month	7,209.3 0.4%	7,198.9 -0.1%	7,205.4 0.1%	7,476.9 -0.5%	7,465.6 -0.2%							
8. External Debt % change: over previous month	2,675.9 2.3%	2,662.4 -0.5%	2,661.2 0.0%	2,557.1 -0.4%								
9. Internal FIC Debt % change: over previous month	0.0 0.0%	0.0 0.0%	0.0 0.0%	0.0 0.0%								
10. Bahamian Dollar Debt % change: over previous month	4,533.4 -0.7%	4,536.5 0.1%	4,544.2 0.2%	4,908.3 -0.3%	4,908.5 0.0%							
11. Total Amortization % change: over previous month	34.7 4.9%	41.4 -18.9%	36.3 -14.0%	91.8 217.1%	108.7 199.3%							

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	
12. Total Public Sector FIC Debt % change: over previous month	3,364.4 -3.4%	3,314.1 -1.0%	3,350.8 -0.8%	3,290.1 -0.7%	3,348.6 -0.1%	3,278.0 -0.8%																			

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
13. Retail Price Index % change: over previous month	102.1 -1.82%	103.9 0.00%	103.8 1.74%	104.3 0.33%	104.2 0.18%	103.0 -0.30%	104.0 -0.34%	103.3 -0.34%	104.0 0.30%	104.7 0.33%	104.7 0.33%	104.7 0.33%
14. Tourist arrivals (000's) % change: over previous year	509.3 -4.68%	533.7 4.79%	534.6 -0.44%	534.2 -0.08%	597.6 0.94%	469.0 -3.80%	469.0 -3.80%	582.3 -2.23%	582.3 -2.23%	582.3 -2.23%	582.3 -2.23%	582.3 -2.23%
15. Air arrivals (000's) % change: over previous year	94.3 -1.63%	100.9 6.93%	108.2 -10.77%	126.3 16.73%	144.0 -4.32%	184.1 26.00%	184.1 26.00%	138.1 3.51%	138.1 3.51%	138.1 3.51%	138.1 3.51%	138.1 3.51%
16. Occupied Room Nights % change: over previous year												
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (\$5Millions) % change: over previous year												

	YEAR TO DATE	
	2017	2018
13. Retail Price Index % change: over previous year	103.2 1.52%	105.5 2.27%
14. Tourist arrivals (000's) % change: over previous year	6,135.8 -2.06%	6,622.0 7.92%
15. Air arrivals (000's) % change: over previous year	1,335.6 2412.72%	1,558.1 16.60%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (\$5Millions) % change: over previous year																									

* Includes Net Lending to Public Corporations

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

p - provisional