Release Date: 26th February 2018

Monthly Economic and Financial Developments
January 2018

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:

2018: April 3, April 30, June 4, July 2, July 30, September 3, October 1, October 29, December 3, December 17.

Monthly Economic and Financial Developments (MEFD) January 2018

1. Domestic Economic Developments

Overview

Indications are that the domestic economy sustained its modest improvement in January, reflecting the strengthening in tourism sector output, combined with foreign investment-led construction activity. Given higher global oil prices, the consumer price index increased in 2017, a reversal from the slight decline in the prior year. Government's budgetary operations featured a reduction in the deficit over the first half of FY2017/18, amid higher tax receipts and a decline in capital spending. Monetary sector developments featured a build-up in both liquidity and external reserves, buoyed by the Government's external borrowing activities.

Real Sector

Tourism

Preliminary indications are that tourism activity expanded during the first month of 2018. Data from the Nassau Airport Development Company Ltd. (NAD), showed gains in passenger traffic in January, with total departures—net of the domestic segment—firming by 8.0%, following a marginal, 0.1% increase in the previous year. In the underlying developments, the non-U.S. international component rose by 11.8%, a turnaround from a 6.0% reduction in the previous period, while U.S. departures firmed by 7.2%, outpacing the year earlier 1.5% uptick.

Meanwhile, more comprehensive data from the Ministry of Tourism revealed that the sector was buffeted by some headwinds in 2017, including a significant reduction in hotel capacity in the country's second largest market. Total visitor arrivals fell by 2.1% during the year, vis-à-vis a gain of 2.5% in the prior period. By port of entry, both sea and air arrivals decreased by 1.5% and 4.0%, respectively, compared to gains of 3.2% and 0.1% in 2016. A breakdown by market, showed that visitors to Grand Bahama decreased by 26.6%, following a 13.2% falloff in the previous year, as the declines in air and sea arrivals were extended to 43.8% and 23.5%, from 21.3% and 11.6%, respectively. Further, the growth in visitors to the main New Providence market, slowed significantly to 1.2% from 9.8% in the prior year, as the air component declined by 3.6%, vis-à-vis a 0.8% expansion in 2016. Similarly, gains in sea arrivals narrowed to 3.2% from 13.7% a year earlier. In a slight offset, visitors to the Family Islands firmed by 2.6%, vis-à-vis a 2.0% falloff in the prior period, as the growth in the air segment quickened to 14.3% from 11.8%, while the main sea component expanded by 0.8%, a reversal from a 3.9% contraction in the prior period.

Prices

The All Bahamas Retail Price Index rose by 1.5% during 2017, a turnaround from a 0.4% decrease a year earlier. Following respective declines of 1.1%, 4.0% and 1.3%, in 2016, the average costs for housing related items, transport, and restaurant & hotels increased by 3.7%, 2.0%, and 2.3%, respectively. Further, accretions to average costs quickened for communication (by 1.6 percentage points to 3.4%), recreation & culture (by 0.9 percentage points to 1.3%) and alcohol beverages, tobacco & narcotics (by 0.8 percentage points to 1.6%), while the decrease for food & non-alcoholic beverages costs narrowed to 0.1% from 0.9% in the prior year. Further, average price declines were noted for education (0.2%), furnishing, household equipment & routine household maintenance (1.4%), clothing and footwear (1.2%) and miscellaneous goods & services (0.7%), compared to gains in the prior year; while the uptick in health-care costs moderated to 0.8%.

In line with the rise in international oil prices, domestic fuel costs firmed during December. Specifically, on a monthly basis the average prices for gasoline and diesel rose by 1.8% and 1.0% to $4.42 and $4.05 per gallon, respectively, with both also higher by 11.3% and 11.6% when compared to the prior year.

Fiscal Sector

Preliminary data on the Government's budgetary operations for the first half of FY2017/18, revealed that the deficit narrowed by $110.0 million (36.0%) to $195.6 million, relative to the same period of FY2016/17. Supporting this outcome, total expenditure fell by $83.3 million (7.2%) to $1,074.1 million, while aggregate revenue firmed by $26.7 million (3.1%) to $878.5 million.

In terms of expenditure, capital outlays were halved to $75.8 million, reflecting mainly a $61.8 million (48.6%) reduction in infrastructure spending, largely reflecting the ratcheting-down of post hurricane rebuilding activity. In addition, asset acquisitions narrowed by $14.9 million (58.5%), as reduced outlays for land and other asset purchases, overshadowed larger purchases of financial assets. Similarly, current expenditure fell by $6.5 million (0.7%) to $998.3 million, led by a $31.9 million (6.5%) contraction in transfer payments. In particular, subsidies and other transfers decreased by $41.1 million (11.5%), due mainly to a $37.6 million (21.4%) fall in subsidies—mainly to educational and health-related institutions—and a $9.7 million (13.2%) reduction in transfers to public corporations. In a partial offset, transfers to households firmed by $14.9 million, buoyed by insurance-related payouts, while interest payments rose by $9.2 million (7.1%). Further, consumption spending expanded by $25.3 million (4.9%), amid gains in both wages & salaries and purchases of goods & services by $21.0 million (6.0%), and by $4.3 million (2.6%), respectively.

The rise in aggregate revenue was led by a $20.8 million (2.7%) increase in tax receipts to $782.7 million. Specifically, value-added tax (VAT) collections rose by $9.9 million (3.3%), while collections of business & professional fees increased by $5.3 million (34.3%), supported by a rise in the general business fee intake. Moreover, selective taxes on services advanced by $5.0 million (51.5%)—the bulk of which was due to gains in gaming taxes—while other taxes expanded by $3.0 million (1.7%). In a slight offset, taxes from international trade transactions decreased by $2.3 million (0.9%), as import duty receipts fell by $6.1 million (4.5%), eclipsing the $3.8 million improvement in excise taxes. Meanwhile, non-tax revenue grew by $5.9 million (6.6%), due to an increase in fines, forfeits & administration fees.

2. Domestic Monetary Trends

January 2018 vs. 2017

Liquidity

Monetary trends for the month of January featured a rise in banking sector liquidity, buttressed by the receipt of net proceeds from the Government's external loan, and private sector inflows via commercial banks. In particular, excess reserves—a narrow measure of liquidity—grew by $69.4 million to $927.0 million, extending 2017's $25.7 million expansion, while the broader excess liquid assets rose by $53.7 million to $1,852.0 million, in line with the prior year's gain.

External Reserves

External reserves firmed by $52.2 million to $1,460.5 million, outpacing the prior year's $26.6 million growth. In the underlying developments, supported by the Government's US$53.4 million equivalent external loan, the Central Bank's transactions with the public sector reversed from a $6.5 million net sale, to a $26.7 million net purchase during the review period. Meanwhile, the net intake from commercial banks stood at $21.2 million, $9.8 million lower relative to 2017, amid a $41.2 million decline in the corresponding net purchase from the private sector to $3.7 million.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit declined by $52.1 million, after a year-earlier reduction of $9.5 million. Underpinning this development, was a $42.0 million contraction in net claims on the Government, a reversal from an $8.8 million increase in the previous year, reflecting the use of part proceeds from the external loan to repay advances. In a slight offset, the decrease in private sector credit narrowed to $10.9 million, from $16.2 million last year. In terms of the components, commercial and "other" loans grew by $17.8 million from an almost stable position in 2017; however, consumer credit and mortgages fell further by $19.9 million and $8.8 million, following declines of $8.8 million and $7.9 million, respectively, in the previous year. Otherwise, claims on the public corporations edged-up by $0.9 million, following a $2.0 million net repayment in 2017.

Foreign Currency Credit

Total domestic foreign currency credit decreased by $7.0 million, extending the prior year's $2.4 million reduction. In particular, claims on the private sector fell by $4.7 million, a reversal from a $1.8 million gain a year ago, as net repayments were recorded for both mortgages and commercial and "other" loans. Further, foreign currency claims on rest of the public sector decreased by $1.0 million, after a $0.8 million softening in the previous year, while the falloff in net credit to the Government narrowed by $2.1 million to $1.3 million.

Credit Quality

Total private sector loan arrears decreased by $1.9 million (0.2%) to $882.9 million in January, and the ratio as a proportion of total loans, fell by 5 basis points at 15.4%. By length of delinquency, the reduction in arrears was attributed to a $2.3 million (0.4%) decline in the non-performing segment—arrears of more than 90 days and on which banks have ceased accruing interest—to $565.1 million, reducing the corresponding ratio by 5 basis points to 9.8%. In contrast, the short-term, 31-90 day segment, rose slightly by $0.4 million (0.1%) to $317.7 million, while the attendant ratio steadied at 5.5%.

Disaggregated by loan type, the fall in arrears was led by an $8.2 million (8.9%) contraction in commercial loan delinquencies to $84.2 million, owing to an $8.0 million (29.0%) decline in short-term exposures, while the non-performing segment softened by $0.2 million (0.4%). Similarly, mortgage arrears contracted by $2.6 million (0.5%) to $531.5 million, owing to a $6.4 million (1.8%) reduction in non-accrual loans, which eclipsed the $3.8 million (2.0%) increase in 31-90 day delinquencies. In contrast, consumer loan arrears rose by $8.9 million (3.4%) to $267.2 million, with both the short and long-term segments firming.

In comparison to the same period in 2017, the arrears rate sustained its downward trajectory, easing by 1.74 percentage points, due mainly to sales of commercial NPLs and a decline in their associated arrears the rate, by 16.9 percentage points. Conversely, the mortgage and consumer arrears rates increased modestly by 77 and 53 basis points, respectively.

During January 2018, banks increased their total provisions for loan losses by $1.8 million (0.4%) to $425.4 million. As a result, the ratio of total provisions to arrears rose by 30 basis points to 48.2%, while the provisions to NPL ratio advanced by 62 basis points to 75.3%. During the month, banks also wrote-off $12.2 million and recovered $2.4 million.

Deposits

Accretions to total Bahamian dollar deposits slowed by $2.5 million to $25.8 million during the review month. This outturn reflected an $8.9 million falloff in savings deposits, outpacing the marginal, $0.5 million reduction in 2017; however, accretions to demand and fixed balances accelerated to $26.6 million and $8.2 million, from $23.6 million and $5.2 million, respectively, a year ago.

Interest Rates

In interest rate developments, the weighted average deposit rate at banks softened by 4 basis points to 0.98%, with the highest rate of 4.50% offered on fixed balances of over 12 months. Similarly, the weighted average loan rate contracted, by 82 basis points to 10.57%, resulting in the interest rate spread narrowing by 78 basis points to 9.59 percentage points.

3. Domestic Outlook and Policy Implications

Expectations are that the domestic economy will expand at a modest pace in 2018, reflecting improvements in the tourism sector and foreign investment-related construction activity. In particular, tourist arrival growth should be supported by ongoing improvements in key source markets and an increase in hotel capacity. Against this backdrop, and with some support from public sector initiatives, labor market conditions are likely to improve gradually. Inflationary pressures should remain subdued; although the recent rise in global oil prices may lead to further gains in domestic fuel costs. Meanwhile, the potential for medium-term improvement in the Government's operations, remains dependent on the success of measures to improve revenue administration and contain expenditure growth; although external shocks could adversely affect such efforts.

In the monetary sector, banking sector liquidity is poised to stay at robust levels, reflecting the continued conservative stance of banks towards private sector lending and consumers' deleveraging activities. Nonetheless, banks' credit quality indicators are expected to continue to improve gradually, reflecting mainly loan restructuring activities, enhanced debt collections efforts and the gradually improving financial circumstances of existing borrowers. In this environment, banks are expected to remain highly capitalized, thereby mitigating any financial stability concerns.

Conditions also remain favorable for further, moderate private sector net contribution to external reserve growth during the year.

APPENDIX

International Developments

During the review period, developments in the major economies remained relatively positive, as the United States and Europe sustained their modest growth rates, while developments in China continued to dominate Asian markets. In light of the rising output levels and declining jobless rates globally, most of major central banks shifted their focus to reducing the level of monetary accommodation over time.

Developments in the United States were largely favorable, as real GDP expanded by 2.6% in the fourth quarter of 2017, owing to gains in personal consumption expenditure, residential and non-residential investment, exports and government spending. In the external sector, the trade deficit deteriorated by $2.7 billion to $53.1 billion in December, as the $6.2 billion rise in imports—of mostly consumer goods—outweighed the $3.5 billion increase in exports. In addition, non-farm payrolls firmed by 200,000 in January, amid gains in construction, food services, healthcare and manufacturing hires; although the unemployment rate steadied at 4.1%. In addition, consumer prices rose marginally, by 0.5% in January, extending the month earlier 0.1% uptick, owing to declines in energy prices. Against this backdrop, the Federal Reserve held its interest rates unchanged, following the prior month's modest tightening by 25 basis points.

Economic conditions in the European region remained mildly positive over the review period, as output in both the United Kingdom (U.K.) and the euro area expanded by 0.5% and 0.6%, respectively, in the fourth quarter of 2017, compared to growth rates of 0.4% and 0.7%, in the previous three-month period. In contrast, industrial production fell by 1.3% in December, a turnaround from the 0.4% gain in the prior month, due to a reduction in mining and quarrying output. Further, the volume of retail trade in the euro area fell by 1.1% in December, vis-a-vis a 2.0% rise in the previous month, due to declines in sales of automotive fuel, non-food products, and food, drinks & tobacco. External indicators showed a widening in the U.K's trade deficit by £1.2 billion—owing to an increase in fuel imports—compared to the £0.5 billion rise in the previous month. In prices developments, the U.K's annual inflation eased by 50 basis points to 2.8% in January, month-on-month, due to a slowdown raw material price gains. Against this backdrop, the European Central Bank (ECB) left its key policy rates at historic lows, but continued to ratchet-down the size of its asset purchase programme by one half to €30 billion per month, while the Bank of England maintained its key policy rate at 0.5%, after raising it in November 2017.

Conditions within the Asian markets were relatively tepid during the review period, as China's Purchasing Manager's Index (PMI), decreased by 30 basis points to 51.3 in January, owing to declines in the production, new orders, employed persons and supplier delivery indices. Similarly, the country's retail sales growth slowed to 9.4% from 10.2% a month earlier. Further, inflation increased marginally in Japan, as average prices rose by 0.2% in December, owing to an increase in food prices, while labour market conditions remained favourable; despite a slight rise in the jobless rate by 10 basis points to 2.8%. In the external sector, Japan's trade surplus more than tripled to ¥358.7 billion in December, on account of the 5.5% uptick in exports, which outpaced the 1.9% increase in imports, amid high demand for electronics and cars. In monetary developments, both the People's Bank of China and the Bank of Japan kept a neutral policy stance.

Against the backdrop of continued compliance by OPEC members and their allies to production cuts, crude oil prices increased by 3.7% to $69.05 per barrel during the month of January. Gains were also recorded in the precious metals markets, as the prices of gold and silver firmed by 3.2% and 2.4%, to $1,345.15 and $17.34 per troy ounce, respectively.

Trends within the stock market were mixed in January. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P500 indices rose by 5.8% and 5.6%, respectively, buoyed largely by the U.S. administration's recent tax policies. Further, France's CAC 40 and Germany's DAX gained by 3.2% and 2.1%, respectively; however, the United Kingdom's FTSE 100 fell by 2.0%. Meanwhile, Asian markets improved, as China's SE Composite increased by 5.3% and Japan's Nikkei225 rose by 1.5%.

In January, the US dollar continued to depreciate versus other major currencies. In particular, the dollar recorded broad-based declines against the British Pound by 4.7% to £0.7047, the Swiss Franc by 4.4% to CHF0.9313, the Chinese Yuan by 3.4% to CNY6.2887, the euro by 3.3% to €0.8055, the Japanese Yen by 3.1% to ¥109.19, and the Canadian dollar by 2.1% to CAD$1.2315.

Recent Monetary and Credit Statistics

(B$ Millions)

	JANUARY					
	Value		Change		Change YTD	
	2017	2018	2017	2018	2017	2018
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	749.38	926.99	25.66	69.43	25.66	69.43
1.2 Excess Liquid Assets	1,500.06	1,851.99	52.98	53.71	52.98	53.71
1.3 External Reserves	928.65	1,460.53	26.58	52.24	26.58	52.24
1.4 Bank's Net Foreign Assets	-159.98	-131.78	-28.82	39.21	-28.82	39.21
1.5 Usable Reserves	269.39	685.00	25.54	16.10	25.54	16.10
2.0 DOMESTIC CREDIT						
2.1 Private Sector	***6,138.31***	***5,960.84***	***-14.45***	***-15.63***	***-14.45***	***-15.63***
a. B$ Credit	5,897.12	5,741.15	-16.24	-10.92	-16.24	-10.92
of which: Consumer Credit	2,238.62	2,177.59	-8.81	-19.94	-8.81	-19.94
Mortgages	2,952.88	2,873.23	-7.94	-8.78	-7.94	-8.78
Commercial and Other Loans B$	705.62	690.34	0.50	17.80	0.50	17.80
b. F/C Credit	241.19	219.69	1.80	-4.72	1.80	-4.72
of which: Mortgages	68.47	61.70	0.43	-0.50	0.43	-0.50
Commercial and Other Loans F/C	172.72	157.99	1.37	-4.22	1.37	-4.22
2.2 Central Government (net)	***2,543.55***	***2,334.69***	***5.37***	***-43.32***	***5.37***	***-43.32***
a. B$ Loans & Securities	2,741.28	2,587.93	-9.88	-21.03	-9.88	-21.03
Less Deposits	190.16	247.13	-18.63	20.99	-18.63	20.99
b. F/C Loans & Securities	0.00	0.00	0.00	0.00	0.00	0.00
Less Deposits	7.58	6.11	3.38	1.30	3.38	1.30
2.3 Rest of Public Sector	***303.10***	***270.72***	***-2.77***	***-0.17***	***-2.77***	***-0.17***
a. B$ Credit	105.34	101.05	-1.97	0.85	-1.97	0.85
b. F/C Credit	197.77	169.67	-0.80	-1.03	-0.80	-1.03
2.4 Total Domestic Credit	***8,985.12***	***8,566.29***	***-11.88***	***-59.09***	***-11.88***	***-59.09***
a. B$ Domestic Credit	8,553.58	8,183.00	-9.47	-52.08	-9.47	-52.08
b. F/C Domestic Credit	431.53	383.29	-2.41	-7.01	-2.41	-7.01
3.0 DEPOSIT BASE						
3.1 Demand Deposits	2,213.14	2,387.07	23.63	26.60	23.63	26.60
a. Central Bank	21.77	21.50	6.01	7.44	6.01	7.44
b. Banks	2,191.36	2,365.57	17.62	19.16	17.62	19.16
3.2 Savings Deposits	1,293.14	1,358.74	-0.52	-8.92	-0.52	-8.92
3.3 Fixed Deposits	2,875.68	2,750.81	5.22	8.16	5.22	8.16
3.4 Total B$ Deposits	6,381.95	6,496.62	28.34	25.84	28.34	25.84
3.5 F/C Deposits of Residents	334.01	329.31	-44.44	27.29	-44.44	27.29
3.6 M2	***6,649.50***	***6,777.63***	***2.13***	***-0.17***	***2.13***	***-0.17***
3.7 External Reserves/M2 (%)	***13.97***	***21.55***	***0.40***	***0.77***	***0.40***	***0.77***
3.8 Reserves/Base Money (%)	***72.06***	***98.32***	***1.93***	***0.70***	***1.93***	***0.70***
3.9 External Reserves/Demand Liabilites (%)	***70.43***	***94.16***	***1.91***	***-1.07***	***1.91***	***-1.07***

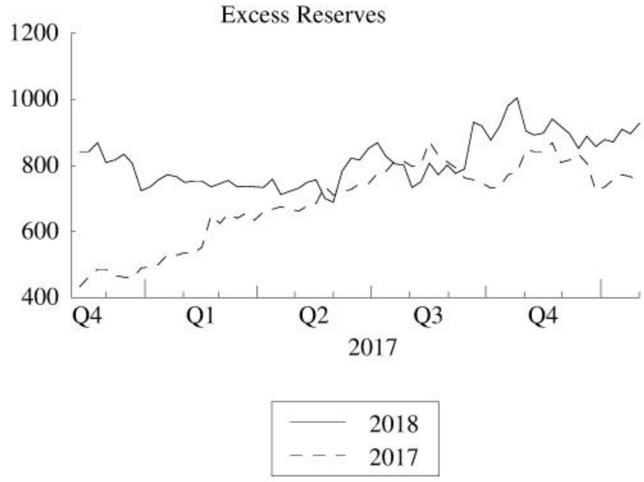
	Value		Year to Date		Change	
	2017	2018	2017	2018	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	***24.45***	***47.88***	***24.45***	***47.88***	***23.43***	***23.43***
a. Net Purchase/(Sale) from/to Banks	30.95	21.16	30.95	21.16	-9.79	-9.79
i. Sales to Banks	28.30	44.01	28.30	44.01	15.71	15.71
ii. Purchases from Banks	59.25	65.17	59.25	65.17	5.92	5.92
b. Net Purchase/(Sale) from/to Others	-6.50	26.72	-6.50	26.72	33.22	33.22
i. Sales to Others	46.58	68.67	46.58	68.67	22.09	22.09
ii. Purchases from Others	40.08	95.40	40.08	95.40	55.31	55.31
4.2 Banks Net Purchase/(Sale)	***44.83***	***3.66***	***44.83***	***3.66***	***-41.17***	***-41.17***
a. Sales to Customers	417.80	463.04	417.80	463.04	45.23	45.23
b. Purchases from Customers	462.64	466.70	462.64	466.70	4.06	4.06
4.3 B$ Position (change)	***-11.36***	***-6.26***				
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	***396.88***	***ND***	***396.88***	***ND***	***ND***	***ND***
of which Public Sector	***26.01***	***ND***	***26.01***	***ND***	***ND***	***ND***
a. Nonoil Imports	147.08	ND	147.08	ND	ND	ND
b. Oil Imports	26.19	ND	26.19	ND	ND	ND
c. Travel	27.33	ND	27.33	ND	ND	ND
d. Factor Income	18.92	ND	18.92	ND	ND	ND
e. Transfers	23.75	ND	23.75	ND	ND	ND
f. Other Current Items	153.60	ND	153.60	ND	ND	ND
5.2 Capital Items	***5.51***	***ND***	***5.51***	***ND***	***ND***	***ND***
of which Public Sector	***2.61***	***ND***	***2.61***	***ND***	***ND***	***ND***
5.3 Bank Remittances	***0.00***	***ND***	***0.00***	***ND***	***ND***	***ND***

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending:FEBRUARY 01, 2017 and JANUARY 31, 2018
Exchange Control Sales figures are as at month end.

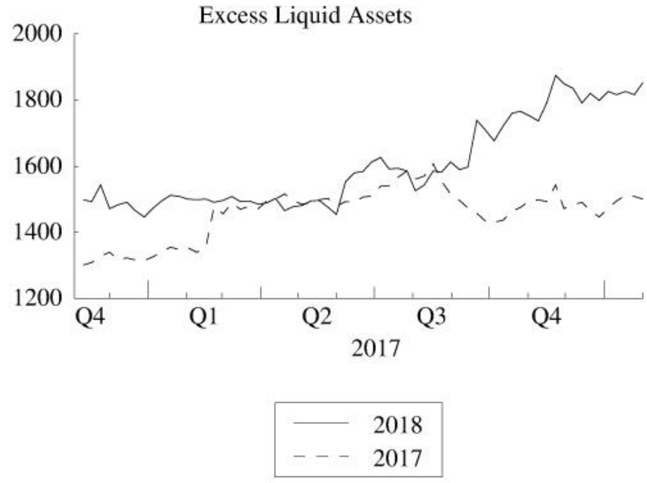
Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

SELECTED MONEY AND CREDIT INDICATORS
(B$ Millions)

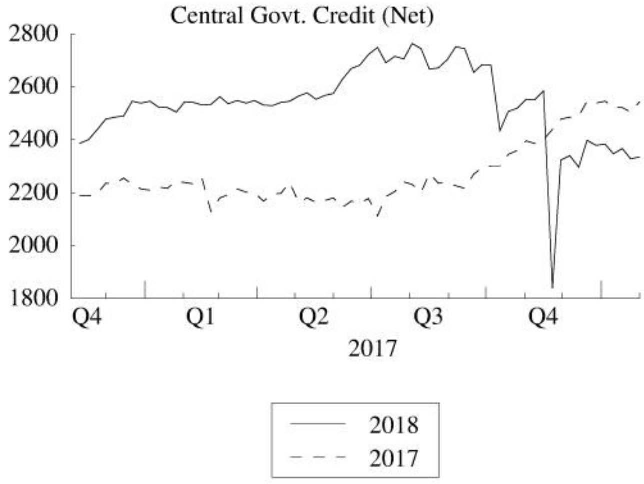
Excess Reserves



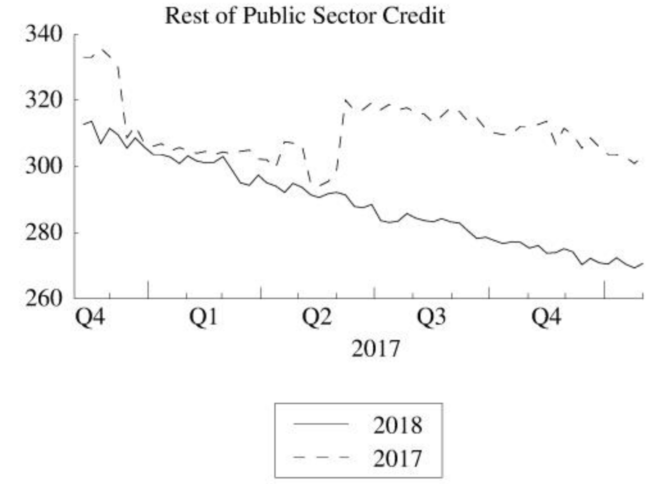
Excess Liquid Assets



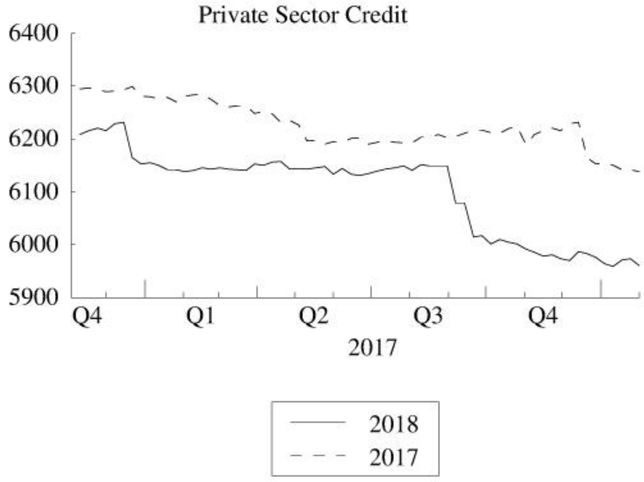
Central Govt. Credit (Net)



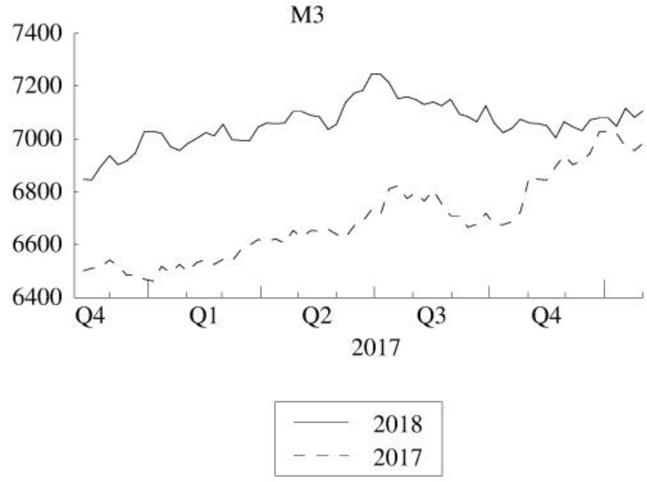
Rest of Public Sector Credit



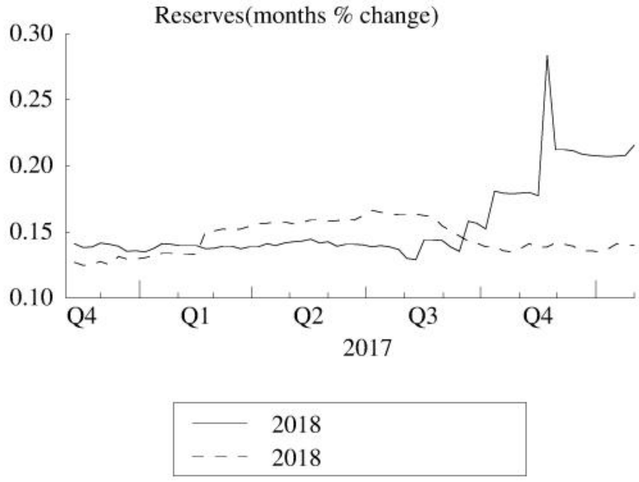
Private Sector Credit



M3



Reserves(months % change)



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		**Inflation Rate**		**Unemployment**	
	2017	**2018**	**2017**	**2018**	**2017**	**2018**
Bahamas	1.8	2.5	2.4	2.2	10.1	N/A
United States	2.3	2.7	2.1	2.1	4.4	4.1
Euro-Area	2.4	2.2	1.5	1.4	9.2	8.7
Germany	*2.5*	*2.3*	*1.6*	*1.5*	*3.8*	*3.7*
Japan	1.8	1.2	0.4	0.5	2.9	2.9
China	6.8	6.6	1.8	2.4	4.0	4.0
United Kingdom	1.7	1.5	2.6	2.6	4.9	4.4
Canada	3.0	2.3	1.6	1.8	6.5	6.3

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

B: Official Interest Rates – Selected Countries (%)					
With effect from	**CBOB**	**ECB (EU)**	**Federal Reserve (US)**		**Bank of England**
	Bank Rate	**Refinancing Rate**	**Primary Credit Rate**	**Target Funds Rate**	**Repo Rate**
January 2016	4.50	0.05	1.00	0.25-0.50	0.50
February 2016	4.50	0.05	1.00	0.25-0.50	0.50
March 2016	4.50	0.00	1.00	0.25-0.50	0.50
April 2016	4.50	0.00	1.00	0.25-0.50	0.50
May 2016	4.50	0.00	1.00	0.25-0.50	0.50
June 2016	4.50	0.00	1.00	0.25-0.50	0.50
July 2016	4.50	0.00	1.00	0.25-0.50	0.50
August 2016	4.50	0.00	1.00	0.25-0.50	0.25
September 2016	4.50	0.00	1.00	0.25-0.50	0.25
October 2016	4.50	0.00	1.00	0.25-0.50	0.25
November 2016	4.50	0.00	1.00	0.25-0.50	0.25
December 2016	4.00	0.00	1.25	0.50-0.75	0.25
January 2017	4.00	0.00	1.25	0.50-0.75	0.25
February 2017	4.00	0.00	1.25	0.50-0.75	0.25
March 2017	4.00	0.00	1.50	0.75-1.00	0.25
April 2017	4.00	0.00	1.50	0.75-1.00	0.25
May 2017	4.00	0.00	1.75	1.00-1.25	0.25
June 2017	4.00	0.00	1.75	1.00-1.25	0.25
July 2017	4.00	0.00	1.75	1.00-1.25	0.25
August 2017	4.00	0.00	1.75	1.00-1.25	0.25
September 2017	4.00	0.00	1.75	1.00-1.25	0.25
October 2017	4.00	0.00	1.75	1.00-1.25	0.25
November 2017	4.00	0.00	1.75	1.00-1.25	0.50
December 2017	4.00	0.00	2.00	1.25-1.50	0.50
January 2018	4.00	0.00	2.00	1.25-1.50	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	**Jan-17**	**Dec-17**	**Jan-18**	**Mthly % Change**	**YTD % Change**	**12-Mth% Change**
Euro	0.9262	0.8330	0.8055	-3.29	-3.29	-13.03
Yen	112.8	112.69	109.19	-3.11	-3.11	-3.20
Pound	0.7950	0.7396	0.7047	-4.72	-4.72	-11.36
Canadian $	1.303	1.2573	1.2315	-2.05	-2.05	-5.49
Swiss Franc	0.9894	0.9742	0.9313	-4.40	-4.40	-5.87
Renminbi	6.8659	6.5067	6.2887	-3.35	-3.35	-8.41
Source: Bloomberg as of January 31, 2018						

D. Selected Commodity Prices ($)					
Commodity	**January 2017**	**December 2017**	**January 2018**	**Mthly % Change**	**YTD % Change**
Gold / Ounce	1210.65	1303.05	1345.15	3.23	3.23
Silver / Ounce	17.56	16.94	17.34	2.37	2.37
Oil / Barrel	55.70	66.60	69.05	3.68	3.68
Source: Bloomberg as of January 31, 2018					

E. Equity Market Valuations – January 31, 2018 (% change)								
	BISX	**DJIA**	**S&P 500**	**FTSE 100**	**CAC 40**	**DAX**	**Nikkei 225**	**SE**
1 month	-1.15	5.79	5.62	-2.01	3.19	2.10	1.46	5.25
3 month	-1.67	11.86	9.65	0.54	-0.39	-0.30	4.94	2.58
YTD	-1.15	5.79	5.62	-2.01	3.19	2.10	1.46	5.25
12-month	6.87	31.64	23.91	6.12	15.44	14.34	21.31	10.18
Sources: Bloomberg and BISX								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	**GBP**	**EUR**
o/n	1.53	0.52	-0.40
1 Month	1.70	0.51	-0.38
3 Month	1.83	0.53	-0.35
6 Month	2.06	0.68	-0.30
9 Month	2.22	0.87	-0.25
1 year	2.75	0.97	-0.20
Source: Bloomberg as of January 31, 2018			

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B$ Millions)

	VALUE									CHANGE								
	Dec. 06	**Dec. 13**	**Dec. 20**	**Dec. 27**	**Jan. 03**	**Jan. 10**	**Jan. 17**	**Jan. 24**	**Jan. 31**	**Dec. 06**	**Dec. 13**	**Dec. 20**	**Dec. 27**	**Jan. 03**	**Jan. 10**	**Jan. 17**	**Jan. 24**	**Jan. 31**
I. External Resrves	***1,430.37***	***1,420.14***	***1,412.12***	***1,408.29***	***1,403.50***	***1,395.06***	***1,408.94***	***1,402.97***	***1,460.53***	***-5.23***	***-10.23***	***-8.02***	***-3.83***	***-4.79***	***-8.45***	***13.88***	***-5.96***	***57.56***
II. Net Domestic Assets (A + B + C + D)	***22.61***	***-14.81***	***56.44***	***34.39***	***31.59***	***24.49***	***44.91***	***33.01***	***24.96***	***-18.86***	***-37.42***	***71.24***	***-22.04***	***-2.81***	***-7.10***	***20.42***	***-11.90***	***-8.05***
A. Net Credit to Gov't(i + ii + iii - iv)	***403.93***	***331.47***	***407.96***	***395.34***	***390.86***	***386.90***	***393.29***	***393.60***	***389.40***	***7.18***	***-72.46***	***76.49***	***-12.63***	***-4.48***	***-3.96***	***6.40***	***0.31***	***-4.20***
i) Advances	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	272.18	272.21	275.00	275.02	275.04	276.19	276.23	276.25	276.26	0.01	0.02	2.79	0.02	0.02	1.15	0.04	0.01	0.01
iii) Treasury Bills	17.12	17.12	17.12	7.43	7.43	7.17	19.16	19.16	22.30	0.00	0.00	0.00	-9.69	0.00	-0.27	11.99	0.00	3.14
iv) Deposits	20.02	92.51	18.81	21.77	26.28	31.12	36.76	36.46	43.82	-7.17	72.48	-73.70	2.96	4.51	4.84	5.64	-0.30	7.36
B. Rest of Public Sector (Net) (i + ii - iii)	***-20.24***	***-10.52***	***-10.79***	***-11.32***	***-18.61***	***-17.42***	***-6.92***	***-15.39***	***-18.75***	***-4.72***	***9.72***	***-0.27***	***-0.53***	***-7.29***	***1.18***	***10.50***	***-8.47***	***-3.36***
i) BDB Loans	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	-0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii) Deposits	22.99	13.27	13.54	14.07	21.36	20.17	9.67	18.14	21.50	4.52	-9.72	0.27	0.53	7.29	-1.18	-10.50	8.47	3.36
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)*	***-361.09***	***-335.76***	***-340.74***	***-349.63***	***-340.66***	***-344.98***	***-341.47***	***-345.20***	***-345.69***	***-21.32***	***25.33***	***-4.98***	***-8.89***	***8.97***	***-4.32***	***3.52***	***-3.74***	***-0.48***
III. Monetary Base	***1,452.98***	***1,405.33***	***1,468.56***	***1,442.68***	***1,435.09***	***1,419.54***	***1,453.84***	***1,435.98***	***1,485.49***	***-24.08***	***-47.65***	***63.22***	***-25.87***	***-7.59***	***-15.55***	***34.30***	***-17.86***	***49.51***
A. Currency in Circulation	402.23	406.82	425.23	439.14	420.37	397.45	381.29	384.09	396.53	16.52	4.58	18.42	13.91	-18.77	-22.92	-16.16	2.80	12.43
B. Bank Balances with CBOB	1,050.75	998.52	1,043.32	1,003.54	1,014.72	1,022.09	1,072.55	1,051.89	1,088.97	-40.60	-52.23	44.81	-39.78	11.18	7.37	50.46	-20.66	37.08

* 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)

Fiscal OperationsP	JUL 2016/2017	JUL 2017/2018	AUG 2016/2017	AUG 2017/2018	SEP 2016/2017	SEP 2017/2018	OCT 2016/2017	OCT 2017/2018	NOV 2016/2017	NOV 2017/2018	DEC 2016/2017	DEC 2017/2018	JAN 2016/2017	JAN 2017/2018	FEB 2016/2017	FEB 2017/2018	MAR 2016/2017	MAR 2017/2018	APR 2016/2017	APR 2017/2018	MAY 2016/2017	MAY 2017/2018	JUN 2016/2017	JUN 2017/2018	YEAR TO DATE 2016/2017 (Over previous year)	YEAR TO DATE 2017/2018
1. Government Revenue & Grants	161.8	171.6	135.8	152.7	152.8	127.9	109.9	161.2	148.7	124.6	142.8	140.6													852	879
% change; over previous month	*-7.9%*	*-28.9%*	*-16.0%*	*-11.0%*	*12.47%*	*-16.3%*	*-28.05%*	*26.1%*	*35.29%*	*-22.7%*	*-3.98%*	*12.8%*													*-4.95%*	*3.13%*
2. Value Added Tax	68.7	73.4	49.9	49.5	41.7	40.7	53.8	70.1	45.6	41.6	42.5	36.7													302.1	312.0
% change; over previous month	*148.8%*	*74.9%*	*-27.29%*	*-32.61%*	*-16.54%*	*-17.85%*	*29.07%*	*72.54%*	*-15.28%*	*-40.63%*	*-6.77%*	*-11.95%*													*-4.85%*	*3.27%*
3. Import/Excise Duties	42.9	44.0	44.9	47.0	41.4	33.5	28.1	44.5	45.5	42.4	49.5	38.6													252.3	250.0
% change; over previous month	*73.9%*	*-47.2%*	*4.7%*	*6.7%*	*-7.9%*	*-28.8%*	*-32.2%*	*33.0%*	*61.9%*	*-4.8%*	*8.80%*	*-8.85%*													*-0.89%*	*-0.92%*
4. Recurrent Expenditure	163.1	162.8	148.9	156.6	157.4	164.1	167.3	174.0	206.1	189.7	162.0	151.2													1,004.8	998.3
% change; over previous month	*-24.8%*	*-67.2%*	*-8.7%*	*-3.8%*	*5.68%*	*4.8%*	*6.27%*	*6.1%*	*23.21%*	*9.0%*	*-21.40%*	*-20.3%*													*5.51%*	*-0.65%*
5. Capital Expenditure	14.0	0.0	33.4	17.4	17.7	17.0	14.4	9.4	41.2	16.0	31.8	16.2													152.5	75.8
% change; over previous month	*-93.0%*	*-100.0%*	*137.8%*	*434475.0%*	*-46.85%*	*-2.3%*	*-18.84%*	*-44.9%*	*185.89%*	*70.7%*	*-22.79%*	*1.3%*													*70.67%*	*-50.27%*
6. Deficit/Surplus*	-15.4	8.8	-46.5	-21.2	-22.4	-53.2	-71.7	-22.2	-98.6	-81.0	-51.0	-26.8													-305.6	-195.6
% change; over previous month	*-54.9%*	*-102.4%*	*202.5%*	*-341.6%*	*-51.69%*	*150.2%*	*219.61%*	*-58.3%*	*37.36%*	*265.3%*	*-48.28%*	*-67.0%*													*106.59%*	*-36.00%*

$Debt_P$ **	JAN 2016	JAN 2017	FEB 2016	FEB 2017	MAR 2016	MAR 2017	APR 2016	APR 2017	MAY 2016	MAY 2017	JUN 2016	JUN 2017	JUL 2016	JUL 2017	AUG 2016	AUG 2017	SEP 2016	SEP 2017	OCT 2016	OCT 2017	NOV 2016	NOV 2017	DEC 2016	DEC 2017
7. Total Direct Debt	5,905.3	6,320.1	6,020.7	6,323.9	6,042.7	6,321.5	6,034.0	6,320.6	5,960.7	6,344.8	5,964.8	6,550.1	5,996.3	6,559.6	6,053.8	6,636.5	6,038.9	6,874.9	6,214.9	7,011.3	6,280.2	7,156.3	6,315.6	7,177.9
% change; over previous month	*-0.5%*	*0.1%*	*1.9%*	*0.1%*	*0.4%*	*0.0%*	*-0.1%*	*0.0%*	*-1.2%*	*0.4%*	*0.1%*	*3.2%*	*0.5%*	*0.1%*	*1.0%*	*1.2%*	*-0.2%*	*3.6%*	*2.9%*	*2.0%*	*1.1%*	*2.1%*	*0.6%*	*0.3%*
8. External Debt	1,642.0	1,749.3	1,745.4	1,742.5	1,753.8	1,739.9	1,754.8	1,741.0	1,751.0	1,757.9	1,753.3	1,763.6	1,754.2	1,770.1	1,762.1	1,877.9	1,757.0	2,116.6	1,747.3	2,310.3	1,741.0	2,612.5	1,745.5	2,614.0
% change; over previous month	*-1.8%*	*0.3%*	*5.9%*	*-0.4%*	*0.5%*	*-0.2%*	*0.1%*	*0.1%*	*-0.2%*	*1.0%*	*0.1%*	*0.3%*	*0.1%*	*0.4%*	*0.5%*	*6.1%*	*-0.3%*	*12.7%*	*-0.6%*	*9.1%*	*-0.4%*	*13.1%*	*0.3%*	*0.1%*
9. Internal F/C Debt	36.6	0.0	36.6	0.0	50.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% change; over previous month	*0.0%*		*0.0%*		*36.6%*		*0.0%*		*-100.0%*															
10. Bahamian Dollar Debt	4,226.7	4,570.8	4,238.6	4,581.4	4,238.9	4,581.5	4,229.1	4,579.6	4,209.6	4,586.8	4,211.5	4,786.5	4,242.2	4,789.5	4,291.7	4,758.6	4,281.9	4,758.3	4,467.6	4,701.1	4,539.3	4,543.8	4,570.1	4,563.9
% change; over previous month	*0.1%*	*0.0%*	*0.3%*	*0.2%*	*0.0%*	*0.0%*	*-0.2%*	*0.0%*	*-0.5%*	*0.2%*	*0.0%*	*4.4%*	*0.7%*	*0.1%*	*1.2%*	*-0.6%*	*-0.2%*	*0.0%*	*4.3%*	*-1.2%*	*1.6%*	*-3.3%*	*0.7%*	*0.4%*
11. Total Amortization	0.6	3.1	16.2	2.4	17.6	82.9	14.7	4.8	80.2	10.1	12.5	3.3	43.2	76.0	61.1	34.2	42.6	30.6	184.8	244.3	58.6	607.5	21.6	33.0
% change; over previous month	*-96.4%*	*-85.6%*	*96.1%*	*-28.3%*	*8.6%*	*3319.3%*	*-16.7%*	*-94.2%*	*446.9%*	*108.2%*	*-84.5%*	*-67.0%*	*246.8%*	*2185.6%*	*41.4%*	*-55.0%*	*-30.3%*	*-10.6%*	*334.0%*	*699.1%*	*-68.3%*	*148.7%*	*-63.1%*	*-94.6%*
12.Total Public Sector F/C Debt	2,574.8	2,650.0	2,678.2	2,642.7	2,691.4	2,633.3	2,787.4	2,633.5	2,729.8	2,649.7	2,636.9	2,647.2	2,722.8	2,652.8	2,730.7	2,759.9	2,669.3	2,988.2	2,658.8	3,181.0	2,652.9	3,482.5	2,603.6	3,472.1
% change; over previous month	*-1.2%*	*0.2%*	*3.9%*	*-0.3%*	*0.5%*	*-0.4%*	*3.6%*	*0.0%*	*-2.1%*	*0.6%*	*-3.4%*	*-0.1%*	*3.3%*	*0.2%*	*0.3%*	*4.0%*	*-2.2%*	*8.3%*	*-0.4%*	*6.5%*	*-0.2%*	*9.5%*	*-1.9%*	*-0.3%*

Real Sector Indicators	JAN 2016	JAN 2017	FEB 2016	FEB 2017	MAR 2016	MAR 2017	APR 2016	APR 2017	MAY 2016	MAY 2017	JUN 2016	JUN 2017	JUL 2016	JUL 2017	AUG 2016	AUG 2017	SEP 2016	SEP 2017	OCT 2016	OCT 2017					2016 (Over previous year)	2017
13. Retail Price Index	101.3	102.1	100.8	103.8	100.5	103.3	101.1	102.7	101.7	103.0	102.0	103.2	102.0	102.7	101.9	103.4	102.1	103.1							101.5	103.0
% change; over previous month	*-0.82%*	*-0.04%*	*-0.49%*	*1.74%*	*-0.24%*	*-0.54%*	*0.59%*	*-0.55%*	*0.6%*	*0.28%*	*0.3%*	*0.16%*	*0.0%*	*-0.4%*	*0.0%*	*0.7%*	*0.2%*	*-0.3%*							*-0.66%*	*1.52%*
14. Tourist arrivals (000's)	534.3	509.3	571.2	534.6	659.4	682.7	595.6	582.3	487.6	469.0	488.0	492.7	576.3	544.2	500.8	477.0	378.5	246.6	330.5	430.2					5122.3	4968.6
% change; over previous year	*-6.33%*	*-4.68%*	*3.82%*	*-6.41%*	*1.20%*	*3.55%*	*6.45%*	*-2.23%*	*3.89%*	*-3.81%*	*2.19%*	*0.95%*	*12.52%*	*-5.6%*	*10.64%*	*-4.8%*	*2.37%*	*-34.9%*	*-10.80%*	*30.2%*					*2.78%*	*-3.00%*
15. Air arrivals (000's)	95.9	94.3	120.5	108.2	168.2	146.0	133.4	138.1	121.5	114.4	142.5	134.2	158.6	144.6	116.0	110.2	70.1	42.7	55.8	67.6					1182.4	1100.4
% change; over previous year	*-5.73%*	*-1.63%*	*3.22%*	*-10.17%*	*6.73%*	*-13.17%*	*-1.42%*	*3.51%*	*3.38%*	*-5.86%*	*7.85%*	*-5.85%*	*7.73%*	*-8.8%*	*0.37%*	*-5.0%*	*3.10%*	*-39.1%*	*-30.45%*	*21.2%*					*0.89%*	*-6.94%*
16. Occupied Room Nights																										
% change; over previous year																										
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B$Millions)					12.94	11.44					11.79	14.36					13.29	15.83							24.73	25.80
% change; over previous qtr.					*2.91%*	*-24.39%*					*-8.9%*	*25.5%*					*12.7%*	*10.3%*							*-6.80%*	*4.30%*

* Includes Net Lending to Public Corporations

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

p - provisional