



Monthly Economic and Financial Developments February 2017

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:

2017: May 1, May 29, July 3, July 31, September 4, October 2, October 30, December 4, December 27.



Monthly Economic and Financial Developments (MEFD) February 2017¹

1. Domestic Economic Developments

Overview

Domestic economic conditions remained subdued during the month of February, reflecting the ongoing softness in tourism activity; however, construction sector output continued to be supported by a number of varied-scale foreign investment projects—including the multi-billion dollar Baha Mar development. Indications are that inflationary pressures stayed well contained, although the slight rise in global oil prices resulted in an uptick in domestic energy costs. In the monetary sector, both bank liquidity and external reserves contracted mildly over the review period.

Real Sector

Tourism

Preliminary indicators suggest that the tourism sector's performance was relatively weak during the review period, as inferred from reduced foreign currency inflows through commercial banks. The most recent statistics on visitor traffic from the Nassau Airport Development Company (NAD), for the first two months of the year, showed a 4.1% decline in visitor departures, relative to a 2.3% uptick in the prior year. This outturn was largely due to a 3.9% falloff in United States passengers, while the number of visitors returning to 'other' countries also narrowed, by 5.3%, in comparison to the first two months of 2016. More comprehensive data on visitor activity is not yet available for the year.

2. Domestic Monetary Trends

February 2017 vs. 2016

Liquidity

Both measures of liquidity contracted during the review month. Specifically, excess liquid assets—a broad measure of liquidity—fell by \$2.9 million to \$1,497.2 million, a turnaround from a \$108.3 million expansion in the previous year, when balances were buoyed by the receipt of external borrowing proceeds. In addition, excess reserves softened by \$4.2 million to \$745.2 million, vis-a-vis 2016's \$96.9 million expansion.

External Reserves

External reserves decreased by \$6.7 million to \$922.0 million, in contrast to a \$110.6 million gain a year earlier. Underpinning this outturn, the Bank sold a net of \$3.4 million to the public sector, compared to the prior year when proceeds from the Government's US\$100 million equivalent foreign currency loan, resulted in a \$64.2 million net purchase. Similarly, the Bank sold a net of \$6.7 million to commercial banks, a reversal from a \$43.7 million net intake in 2016, as the latter's net purchase from consumers fell sharply by \$45.0 million, to a mere \$3.7 million.

¹ See the Appendix for a summary of International economic developments

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit firmed by \$30.0 million, in contrast to a \$60.5 million contraction in the prior period. This development reflected mainly an \$18.8 million rise in net claims on the Government, vis-à-vis a \$64.1 million reduction in the previous year, as proceeds from the foreign currency loan were utilized to reduce outstanding advances. In addition, the growth in private sector claims was extended by \$7.0 million to \$9.9 million, mainly reflecting a rebound in consumer credit to \$3.1 million, versus a \$3.4 million falloff in 2016. Meanwhile, private commercial loans firmed by \$11.2 million, outpacing the \$9.9 million gain noted a year earlier. In a slight offset, mortgages fell by \$4.5 million, following a \$3.6 million contraction a year earlier. Further, claims on the public, which rose by \$0.8 million in the prior period, firmed by an additional \$1.4 million in 2017.

Foreign Currency Credit

Domestic foreign currency credit contracted by \$3.7 million, relative to an \$11.2 million reduction in the prior year, as private sector claims fell by \$2.6 million, following a \$10.3 million decrease in 2016. Similarly, the decline in credit to the rest of the public sector eased to \$1.5 million from \$2.1 million a year ago, while the gain in net claims on the Government softened to \$0.7 million from \$1.4 million.

Credit Quality

Supported by a reduction in one institution's short-term delinquencies, banks' credit quality indicators improved notably during the review period. Total private sector loan arrears contracted by \$40.8 million (4.0%) to \$968.6 million, resulting in a 69 basis point improvement in the ratio of arrears to total loans to 16.4%. In terms of the length of delinquencies, the short-term 31-90 day component decreased by \$35.3 million (12.7%) to \$242.7 million, with a 60 basis point falloff in the attendant ratio to 4.1%. Comparatively, non-performing loans (NPLs) contracted by \$5.4 million (0.7%), while the relevant ratio softened by 9 basis points to 12.3%.

By loan type, the reduction in delinquencies was anchored by a \$32.8 million (6.4%) decrease in mortgages, reflecting mainly a fall in the short-term segment of \$32.2 million (22.0%) and a slight decrease in NPLs of \$0.6 million (0.2%). Similarly, reductions were recorded for commercial and consumer delinquencies of \$5.6 million (2.4%) and \$2.3 million (0.9%), respectively. In terms of the former, both the 31-90 day and NPL segments contracted by \$1.6 million (3.6%) and \$4.1 million (2.1%), while for the latter, declines of \$1.6 million (1.8%) and \$0.7 million (0.4%), were registered for the short and long-term components, respectively.

A year-on-year analysis revealed a sustained trend of improvement in balance sheet quality, backed by the sale of non-performing mortgages, banks aggressive loan restructuring programmes and to lesser extent, Government's Mortgage Relief Programme (MRP). As a consequence, loan arrears fell by \$199.3 million (17.1%) over February 2016, while the ratio of arrears to total loans declined by 3.1 percentage points. This outturn was due in large measure to a reduction in the NPL ratio by 2.9 percentage points, while the short-term delinquency rate narrowed by 14 basis points. By loan type, both the mortgage and consumer loan arrears rates contracted by 5.6 and 1.5 percentage points, respectively; however, the commercial rate rose by 1.9 percentage points.

Despite the improvement in arrears, banks maintained their conservative stance, raising their provisioning levels by a modest \$5.1 million to \$473.3 million in February. As a result, the ratio of total provisions to

arrears firmed by 2.5 percentage points to 48.9%, and the corresponding non-performing loan ratio rose by 1.2 percentage points to 65.2%. During the month, banks wrote-off an estimated \$6.1 million in bad debts and recovered approximately \$1.9 million.

Deposits

The growth in total Bahamian dollar deposits more than doubled to \$50.4 million, from \$24.5 million last year, as accretions to demand deposits accelerated by more than three-fold to \$38.5 million. In addition, savings balances expanded by \$14.6 million, vis-à-vis a \$5.6 million decrease in the prior year. In a slight offset, fixed deposits contracted by \$2.7 million, a turnaround from a \$19.3 million expansion in 2016.

Interest Rates

In interest rate developments, the weighted average deposit rate at banks narrowed by 10 basis points to 0.96%, with the highest rate of 4.50% offered on fixed balances of over 12 months. Similarly, the weighted average loan rate fell by 56 basis points, to 11.68%.

3. Domestic Outlook and Policy Implications

The domestic economy is expected to expand mildly in 2017, as activity in the construction sector is poised to remain buoyant over the near-term, supported by several varied-scale foreign investment and hurricane rebuilding projects. In addition, the outlook for the tourism sector has improved, to some extent, in line with both expanded and restored hotel capacity in New Providence. In this environment, conditions in the job market are expected to recover gradually, with the majority of the gains accruing to the construction and tourism sectors. Domestic inflation is expected to remain relatively subdued; although further modest increases in energy costs are anticipated during the year.

Fiscal sector developments will continue to depend heavily on the Government's efforts to enhance revenue administration and strengthen tax compliance. Nevertheless, the lingering impacts from Hurricane Mathew will continue to constrain the 2016/17 consolidation efforts.

Banking sector liquidity is projected to remain at robust levels during 2017, reflecting the softness in private sector demand and firms' conservative lending practices, given the high—but declining—level of arrears in the banking sector. Moreover, capital levels are projected to stay well in excess of domestic regulatory requirements, thereby mitigating the impact on financial stability.

In the absence of extraordinary foreign currency receipts, external reserves are forecasted to stabilize over the near-term, given the expected mild pick-up in real sector inflows and energy-led rise in current payments. However, reserve indicators are projected to remain in excess of international benchmarks.

APPENDIX

International Developments

The global economy sustained its modest growth rate during the month of February, supported by consumer spending-led gains in the United States market and broad-based improvements in European economies. In addition, the Chinese market maintained its upward growth trajectory, amid an improvement in the manufacturing sector. Against this backdrop, most of the major central banks kept their accommodative monetary policy measures in place.

Economic conditions in the United States continued to improve gradually over the review period, as evidenced by growth in retail sales by 0.1% in February, albeit slightly lower than the 0.6% advancement recorded in the prior month, while industrial production stabilized following a 0.1% decline in January. Similarly, housing market developments were mainly positive, as the number of residential starts and completions grew by 3.0% and 5.4%, respectively; however, the number of building permits issued contracted by 6.2%. Against this backdrop, the unemployment rate fell by 10 basis points to 4.7%, as 235,000 nonfarm payroll jobs were created, mainly in the construction, private educational services and manufacturing sectors. Further, with regard to prices, the inflation rate slowed to 0.1% from 0.6% in January, reflecting declines in energy costs. In the context of the ongoing strengthening in the economy, the Federal Reserve Bank maintained the target range of its policy rate at 0.5%-0.75%, with expectations of further gradual tightening of monetary policy in the near-term.

European market indicators were mostly positive during the review period. Specifically, labour market conditions improved in the United Kingdom (UK), as the addition of 92,000 persons to the workforce supported a 10 basis point reduction in the unemployment rate during the three months to January, to 4.7%, while the jobless rate in the euro area stabilized at 9.6% in January. Further, the euro zone's industrial output rose by 0.9%, backed by higher capital and energy production, although declines in pharmaceutical manufacturing prompted a 0.4% falloff in industrial production in the UK, a turnaround from a 1.1% increase in the prior month. In external developments, the UK's trade deficit contracted slightly by £0.1 billion to £2.0 billion in January, as the £0.4 billion rise in exports, outweighed the £0.3 billion increase in imports. Inflationary pressures rose during the review period, triggered by gains in energy costs, with consumer prices firming by 2.0% in both the UK and the euro area in January. Against this backdrop, both the Bank of England and the European Central Bank held their interest rates unchanged and continued their asset purchase programme at £435.0 billion and €80.0 billion, respectively.

Developments in Asian economies were largely positive over the review period. In particular, China's Purchasing Manager's Index (PMI) firmed by 30 basis points in February, owing mainly to an increase in the manufacturing index. In addition, industrial production rose by 0.6%, in line with the prior month, while retail sales grew by 1.0%, extending January's 0.5% uptick. Unemployment conditions improved in Japan, as the jobless rate contracted by 10 basis points to 3.0%. On the external side, Japan's trade balance recovered from a ¥1,087.6 billion deficit, caused by a reduction in export-based manufacturing during the Lunar New Year holiday, to a ¥813.4 billion surplus in February—the largest recorded in nearly seven years—as gains in mainly sales of automobile and electronic products to Asian markets, buoyed the 17.1% increase in exports, while imports narrowed by 15.0%. Japan recorded a slight monthly inflation rate of 0.1% in February, vis-à-vis a 0.2% decline in the prior period, led by hikes in the prices of fuel, light and water. In contrast, average consumer prices in China narrowed by 0.2%, a turnaround from the 1.0% rise in the prior month, due to declines in the prices for education and transportation. In monetary policy developments, the Bank of Japan maintained its accommodative monetary policy stance; however, the People's Bank of China raised its interest rates for its open-market operations and its Standing Lending Facility (SLF) in February, in an effort to slow the rapid growth in its construction sector. Specifically, the Bank increased the rate on its 7-day, 14-day and 28-day reverse repurchase agreements by 10 basis points each to 2.35%, 2.50% and 2.65%, respectively, while the SLF rate was raised by 35 basis points to 3.10%.

Despite the modest reduction in OPEC's oil supply by 0.14 million barrels per day (mb/d) to 32.0 mb/d, an increase in U.S. production resulted in a slight decline in crude oil prices by 0.1% to \$55.66 per barrel. In contrast, movements in the precious metals market were positive, as the prices for both silver and gold increased by 4.3% and 3.1%, to \$18.32 and \$1,248.33 per troy ounce, respectively.

All of the major stock markets strengthened over the review month, reflecting general improvements in corporate earnings. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) indices rose by 3.72% and 4.77%, respectively. Similarly, Germany's DAX firmed by 2.59%, while both France's CAC40 and the United Kingdom's FTSE 100 advanced, by 2.31%. In Asian markets, China's SE Composite rose by 2.61% and Japan's Nikkei 225 grew marginally by 0.41%.

Buoyed by the potential for further interest rate hikes by the Federal Reserve over the near-term, the U.S. dollar strengthened against the majority of the major currencies during the review month. Specifically, the dollar appreciated relative to the euro, (by 2.1% to €0.9455), the Canadian dollar (by 2.1% to CAD\$1.3301), the Swiss franc (by 1.7% to CHF1.0058) and the British pound (by 1.6% to £0.8077). In contrast, the dollar declined marginally relative to both the Japanese yen and the Chinese Yuan, by 0.03% and 0.01% to ¥112.77 and CNY6.8654, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

FEBRUARY						
Value		Change		Change YTD		
2016	2017	2016	2017	2016	2017	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	624.75	745.21	96.92	-4.16	135.39	21.49
1.2 Excess Liquid Assets	1,455.48	1,497.17	108.30	-2.89	141.07	50.09
1.3 External Reserves	951.84	921.97	110.55	-6.68	142.93	19.90
1.4 Bank's Net Foreign Assets	-429.67	-128.51	31.50	31.48	23.65	2.65
1.5 Usable Reserves	369.22	266.38	55.36	-3.01	74.09	22.53

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,263.34	6,145.53	-7.47	7.21	-18.19	-7.23
a. B\$ Credit	6,001.04	5,906.97	2.87	9.85	-4.75	-6.39
of which: Consumer Credit	2,160.53	2,241.70	-3.40	3.08	-8.31	-5.73
Mortgages	3,072.68	2,948.42	-3.64	-4.45	-0.06	-12.40
Commercial and Other Loans B\$	767.83	716.85	9.90	11.23	3.63	11.73
b. F/C Credit	262.30	238.55	-10.34	-2.64	-13.44	-0.84
of which: Mortgages	81.85	67.47	0.22	-0.99	0.04	-0.57
Commercial and Other Loans F/C	180.45	171.08	-10.56	-1.64	-13.48	-0.27
2.2 Central Government (net)	2,181.32	2,563.00	-62.73	19.45	-33.23	24.82
a. B\$ Loans & Securities	2,442.37	2,756.36	-63.10	15.07	-24.37	5.20
Less Deposits	295.96	186.44	1.04	-3.72	14.02	-22.35
b. F/C Loans & Securities	36.62	0.00	0.00	0.00	0.00	0.00
Less Deposits	1.71	6.92	-1.41	-0.66	-5.17	2.72
2.3 Rest of Public Sector	304.32	303.04	-1.34	-0.07	-2.80	-2.84
a. B\$ Credit	78.12	106.74	0.77	1.40	0.11	-0.57
b. F/C Credit	226.20	196.30	-2.11	-1.47	-2.92	-2.27
2.4 Total Domestic Credit	8,749.11	9,011.50	-71.70	26.38	-54.09	14.50
a. B\$ Domestic Credit	8,225.57	8,583.63	-60.50	30.04	-43.03	20.58
b. F/C Domestic Credit	523.55	427.87	-11.20	-3.66	-11.06	-6.07

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,919.17	2,251.63	10.83	38.50	87.42	62.13
a. Central Bank	15.23	15.92	6.03	-5.85	2.21	0.15
b. Banks	1,903.94	2,235.71	4.80	44.35	85.21	61.97
3.2 Savings Deposits	1,156.63	1,307.74	-5.63	14.60	5.26	14.08
3.3 Fixed Deposits	3,022.27	2,873.02	19.31	-2.66	6.24	2.56
3.4 Total B\$ Deposits	6,098.06	6,432.39	24.51	50.44	98.93	78.77
3.5 F/C Deposits of Residents	232.35	356.93	-3.16	22.92	-3.24	-21.52
3.6 M2	6,313.18	6,699.82	23.21	50.32	77.51	52.45
3.7 External Reserves/M2 (%)	15.08	13.76	1.70	-0.20	2.10	0.19
3.8 Reserves/Base Money (%)	86.22	71.88	2.52	-0.18	4.17	1.74
3.9 External Reserves/Demand Liabilities (%)	81.69	70.32	1.93	-0.12	2.96	1.79

Value		Year to Date		Change	
2016	2017	2016	2017	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	107.96	-10.16	137.84	14.29	-118.12	-123.54
a. Net Purchase/(Sale) from/to Banks	43.72	-6.72	68.89	24.23	-50.44	-44.66
i. Sales to Banks	0.00	30.50	15.34	58.80	30.50	43.46
ii. Purchases from Banks	43.72	23.78	84.24	83.03	-19.94	-1.21
b. Net Purchase/(Sale) from/to Others	64.24	-3.44	68.94	-9.94	-67.68	-78.88
i. Sales to Others	71.10	50.74	102.77	97.32	-20.36	-5.45
ii. Purchases from Others	135.35	47.30	171.72	87.38	-88.05	-84.33
4.2 Banks Net Purchase/(Sale)	48.68	3.73	85.31	48.56	-44.95	-36.74
a. Sales to Customers	364.02	342.10	654.80	759.90	-21.92	105.11
b. Purchases from Customers	412.70	345.83	740.10	808.47	-66.88	68.36
4.3 B\$ Position (change)	-22.57	-12.81				

5.0 EXCHANGE CONTROL SALES

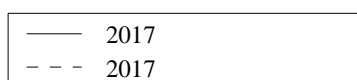
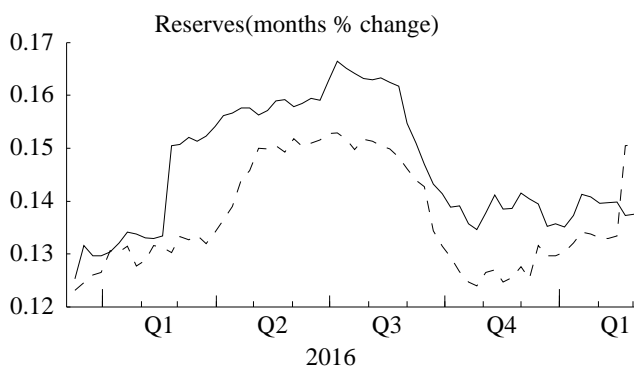
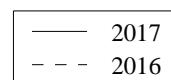
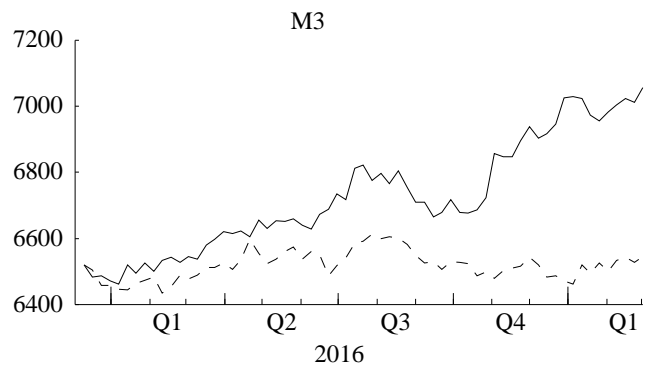
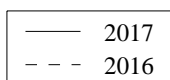
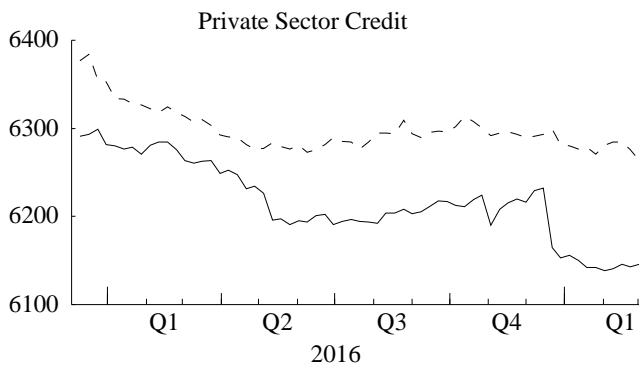
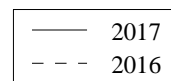
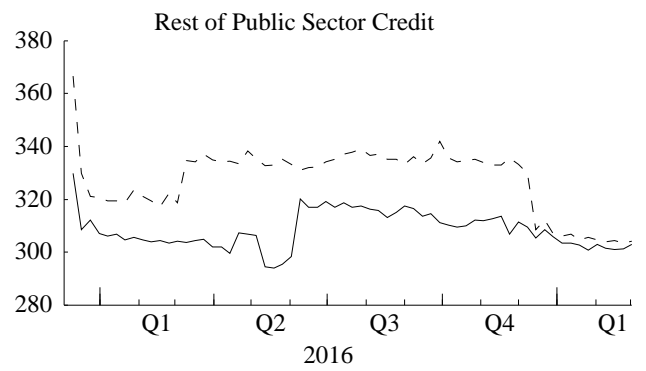
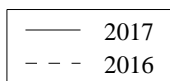
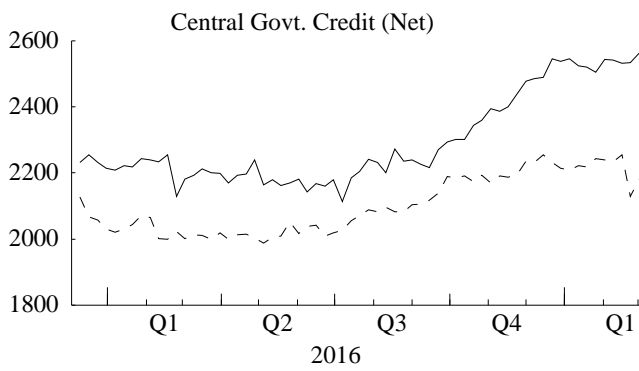
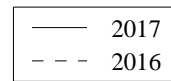
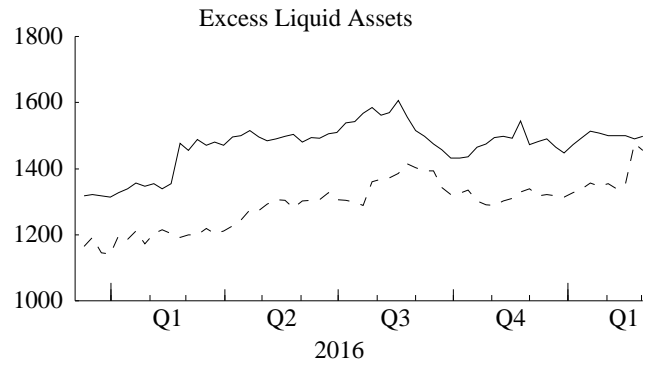
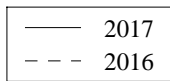
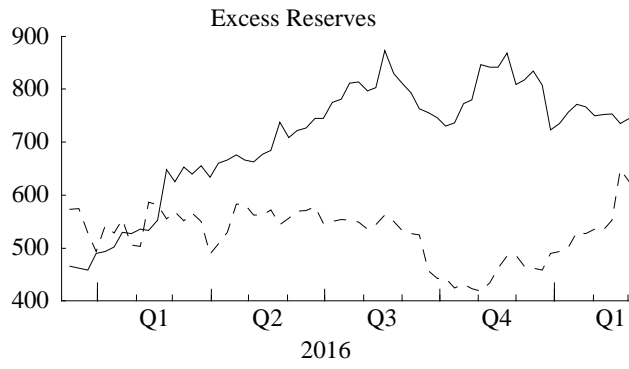
5.1 Current Items	345.40	387.27	650.76	764.20	41.87	113.44
of which Public Sector	67.57	41.17	106.67	67.17	-26.40	-39.50
a. Nonoil Imports	114.12	130.45	229.67	276.25	16.33	46.58
b. Oil Imports	38.95	30.97	63.59	57.00	-7.98	-6.60
c. Travel	15.82	20.79	32.29	47.89	4.97	15.60
d. Factor Income	6.05	9.40	8.21	23.68	3.35	15.47
e. Transfers	22.63	20.51	44.90	43.99	-2.12	-0.91
f. Other Current Items	147.83	175.15	272.09	315.39	27.32	43.30
5.2 Capital Items	12.99	3.72	25.63	6.61	-9.27	-19.02
of which Public Sector	3.03	0.00	12.65	0.00	-3.03	-12.65
5.3 Bank Remittances	ND	ND	ND	ND	ND	ND

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: MARCH 02, 2016 and MARCH 01, 2017

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)



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2016	2017	2016	2017	2016	2017
Bahamas	0.3	N/A	0.8	N/A	11.6	N/A
United States	1.6	2.3	1.2	2.3	4.9	4.8
Euro-Area	1.7	1.6	0.3	1.1	10.0	9.7
<i>Germany</i>	<i>1.7</i>	<i>1.5</i>	<i>0.4</i>	<i>1.5</i>	<i>4.3</i>	<i>4.5</i>
Japan	0.9	0.8	-0.2	0.5	3.2	3.2
China	6.7	6.5	2.1	2.3	4.1	4.1
United Kingdom	2.0	1.5	0.7	2.5	5.0	5.2
Canada	1.3	1.9	1.6	2.1	7.0	7.1
<i>Source: IMF World Economic Outlook January 2017, Department of Statistics</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	<i>from</i>	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate
February 2015	4.50	0.05	0.75	0-0.25	0.50
March 2015	4.50	0.05	0.75	0-0.25	0.50
April 2015	4.50	0.05	0.75	0-0.25	0.50
May 2015	4.50	0.05	0.75	0-0.25	0.50
June 2015	4.50	0.05	0.75	0-0.25	0.50
July 2015	4.50	0.05	0.75	0-0.25	0.50
August 2015	4.50	0.05	0.75	0-0.25	0.50
September 2015	4.50	0.05	0.75	0-0.25	0.50
October 2015	4.50	0.05	0.75	0-0.25	0.50
November 2015	4.50	0.05	0.75	0-0.25	0.50
December 2015	4.50	0.05	1.00	0.25-0.50	0.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Feb-16	Jan-17	Feb-17	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9197	0.9262	0.9455	2.09	-0.53	2.81
Yen	112.69	112.8	112.77	-0.03	-3.62	0.07
Pound	0.7185	0.7950	0.8077	1.60	-0.19	12.41
Canadian \$	1.354	1.303	1.3301	2.08	-1.05	-1.77
Swiss Franc	0.9984	0.9894	1.0058	1.66	-1.39	0.74
Renminbi	6.5540	6.8659	6.8654	-0.01	-1.22	4.75

Source: Bloomberg as of February 28, 2017

D. Selected Commodity Prices (\$)					
Commodity	Feb 2016	Jan 2016	Feb 2017	Mthly % Change	YTD % Change
Gold / Ounce	1238.74	1210.65	1248.33	3.11	8.34
Silver / Ounce	14.90	17.56	18.32	4.33	15.05
Oil / Barrel	35.98	55.70	55.66	-0.07	-2.04

Source: Bloomberg as of February 28, 2017

E. Equity Market Valuations – February 28, 2017 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.14	4.77	3.72	2.31	2.31	2.59	0.41	2.61
3 month	-1.63	8.83	7.50	7.07	6.12	11.22	4.43	-0.26
YTD	-1.39	5.31	5.57	1.69	-0.08	-0.06	0.02	4.45
12-month	5.94	26.01	22.33	19.13	11.60	24.63	19.29	20.60

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.75	0.25	-0.25
1 Month	1.30	0.33	-0.34
3 Month	1.37	0.40	-0.28
6 Month	1.57	0.51	-0.23
9 Month	1.75	0.62	-0.15
1 year	1.95	0.75	-0.07

Source: Bloomberg as of February 28, 2017

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

	VALUE										CHANGE					
	Jan. 04	Jan. 11	Jan. 18	Jan. 25	Feb. 01	Feb. 08	Feb. 15	Feb. 22	Jan. 04	Jan. 11	Jan. 18	Jan. 25	Feb. 01	Feb. 08	Feb. 15	Feb. 22
I. External Reserves	898.25	913.14	934.23	930.54	928.65	930.14	932.08	913.93	-3.82	14.88	21.10	-3.69	-1.89	1.48	1.94	-18.14
II. Net Domestic Assets (A + B + C + D)	376.94	374.30	361.66	362.13	359.99	346.65	347.42	347.84	-7.12	-2.64	-12.64	0.47	-2.14	-13.33	0.77	0.42
A. Net Credit to Gov't (i + ii + iii - iv)	709.61	708.32	692.87	691.98	697.83	693.04	698.15	681.08	-12.33	-1.29	-15.45	-0.89	5.85	-4.80	5.12	-17.08
i) Advances	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
ii) Registered Stock	368.46	368.58	368.61	364.49	364.57	364.57	364.57	364.59	0.21	0.12	0.04	-4.13	0.09	-0.01	0.00	0.02
iii) Treasury Bills	223.37	223.37	223.37	223.37	206.46	206.46	206.46	196.62	-9.95	0.00	0.00	0.00	-16.92	0.00	0.00	-9.84
iv) Deposits	16.88	18.29	33.77	30.53	7.85	12.64	7.53	14.79	2.59	1.41	15.48	-3.24	-22.68	4.79	-5.11	7.26
B. Rest of Public Sector (Net) (i + ii - iii)	-18.24	-20.03	-13.36	-13.30	-18.22	-25.32	-31.22	-13.16	-6.02	-1.79	6.67	0.06	-4.93	-7.10	-5.90	18.06
i) BDB Loans	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55	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	21.79	23.58	16.91	16.85	21.77	28.87	34.77	16.71	6.02	1.79	-6.67	-0.06	4.93	7.10	5.90	-18.06
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)*	-314.43	-313.99	-317.85	-316.55	-319.62	-321.06	-319.51	-320.08	11.24	0.44	-3.86	1.30	-3.06	-1.44	1.55	-0.57
III. Monetary Base	1,275.19	1,287.43	1,295.89	1,292.68	1,288.64	1,276.79	1,279.50	1,261.77	-10.94	12.24	8.46	-3.22	-4.03	-11.85	2.71	-17.73
A. Currency in Circulation	408.72	390.99	377.30	371.22	375.23	375.77	370.62	369.44	-16.84	-17.73	-13.69	-6.08	4.00	0.54	-5.15	-1.17
B. Bank Balances with CBOB	866.48	896.44	918.59	921.45	913.42	901.02	908.88	892.33	5.90	29.97	22.15	2.86	-8.04	-12.39	7.86	-16.55

* 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		MAY		JUN		YEAR TO DATE		
	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	
Fiscal Operations^P																											
1. Government Revenue & Grants	176.9	161.8	127.9	135.8	132.8	152.8	161.1	109.9	136.8	148.7	160.7	142.8															
% change: over previous month	5.3%	-7.9%	-27.7%	-16.0%	3.79%	12.3%	21.32%	-28.1%	35.3%	35.3%	17.52%	-4.0%															
2. Value Added Tax	76.7	68.7	44.3	49.9	44.6	41.7	64.0	53.8	41.9	45.6	46.1	42.5															
% change: over previous month	109.3%	148.8%	-42.3%	-27.29%	0.78%	-16.54%	43.39%	29.07%	-34.43%	-15.28%	10.06%	-6.77%															
3. Import/Excise Duties	39.7	42.9	43.4	44.9	41.8	41.4	43.4	28.1	43.7	45.5	42.5	49.5															
% change: over previous month	-3.11%	73.9%	9.4%	0.0%	-3.64%	0.0%	3.85%	0.0%	0.51%	6.19%	-2.57%	8.80%															
4. Recurrent Expenditure	146.0	163.5	137.9	149.1	163.7	157.2	171.2	167.0	144.4	205.2	152.7	151.7															
% change: over previous month	-22.5%	-34.6%	-5.5%	-8.8%	18.72%	5.4%	4.56%	6.3%	-15.66%	22.9%	5.75%	-26.1%															
5. Capital Expenditure	15.2	14.0	12.4	33.4	12.1	17.7	15.9	14.4	18.1	30.3	15.7	25.1															
% change: over previous month	-84.0%	-93.5%	-18.8%	137.8%	-1.95%	-46.8%	31.07%	-18.8%	13.82%	110.8%	-12.96%	-17.2%															
6. Deficit/Suplus*	3.3	-15.8	-22.3	-46.7	-43.9	-22.2	-26.9	-71.5	-50.0	-86.8	-8.1	-34.0															
% change: over previous month	-102.6%	-68.5%	-780.1%	196.0%	96.79%	-52.4%	-38.66%	222.0%	85.61%	21.5%	-83.88%	-60.8%															

	JAN		FEB		MAY		JUN	
	2016	2017	2016	2017	2016	2017	2016	2017
Debt, **								
7. Total Direct Debt	5,914.3	6,317.9	6,029.7	6,316.1				
% change: over previous month	-0.3%	0.1%	1.9%	0.0%				
8. External Debt	1,651.0	1,747.1	1,754.4	1,734.7				
% change: over previous month	-1.2%	0.2%	5.9%	-0.7%				
9. Internal F/C Debt	36.6	0.0	36.6	0.0				
% change: over previous month								
10. Bahamian Dollar Debt	4,226.7	4,570.8	4,238.6	4,581.4				
% change: over previous month	0.1%	0.0%	0.3%	0.2%				
11. Total Amortization	0.6	3.1	16.2	7.8				
% change: over previous month	-96.4%	-85.0%	96.1%	59.8%				

12. Total Public Sector F/C Debt	2,583.8	2,650.2	2,687.2	2,637.0				
% change: over previous month	-0.8%	0.2%	3.9%	-0.5%				

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE		
	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017			
Real Sector Indicators																											
13. Retail Price Index																											
% change: over previous month																											
14. Tourist arrivals (000's)																											
% change: over previous year																											
15. Air arrivals (000's)																											
% change: over previous year																											
16. Occupied Room Nights																											
% change: over previous year																											
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																											
% change: over previous qtr.																											

* Includes Net Lending to Public Corporations

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

P - provisional