Release Date: 29 November 2016

Monthly Economic and Financial Developments
October 2016

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:

2016: December 19.

Monthly Economic and Financial Developments
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1. Domestic Economic Developments

Domestic developments for the month of October were dominated by the passage of Hurricane Matthew, which resulted in significant damage to both private and public sector infrastructure in the main centres of New Providence and Grand Bahama. In this context, weather-related airline and cruise diversions, in addition to temporary hotel closures, tempered tourism sector activity during the period. The disruption to the construction sector was short-lived, as foreign investment projects and reconstruction work on homes and businesses resumed quickly after the storm's passage. Expectations are that the storm will lead to further deterioration of the deficit, which expanded during the first three months of the FY2016/17, reflecting gains in spending, which outpaced growth in revenue. On the monetary front, an increase in Central Bank financing to the Government supported the growth in bank liquidity, while external reserves contracted, on account of the season uptick in foreign currency demand.

Indications are that the tourism sector remained lacklustre during the review month, as data from the Nassau Airport Development Company (NAD) suggested a significant weather-related reduction in passenger traffic through the country's main airport, by 16.5% in October—net of domestic departures—relative to the prior year. A breakdown of the major categories showed that the number of departures to the dominant United States market fell by 20.0%; however, the number of visitors from other countries firmed by 3.2%. Conversely, data from NAD for the ten-month period showed a 0.9% gain relative to 2015, which suggests a mild improvement in the sector's performance.

Data on the Government's budgetary operations for the first three months of FY2016/17 showed a $23.0 million (36.6%) worsening in the deficit, to $86.0 million, relative to the comparable period last year. This outturn reflected a $35.8 million (7.2%) expansion in spending, which outstripped the modest $12.8 million (2.9%) rise in revenue.

Underpinning the expansion in expenditure, capital outlays climbed by $25.5 million (64.2%) to $65.1 million, as a rise in spending for road works and a costal protection project contributed to a $19.3 million (63.3%) increase in capital formation. Similarly, the acquisition of assets rose by $6.1 million (67.1%), owing to a three-fold increase in investments in "other" assets to $12.8 million—reflecting the purchase of additional defence force vessels—which eclipsed the $3.2 million (62.2%) reduction in land investments, following a property purchase last year. Similarly, current spending firmed by $10.3 million (2.2%) to $471.2 million, due mainly to an $11.8 million (5.0%) gain in transfer payments. This outcome reflected growth in transfers to both public corporations and non-profit institutions by $15.6 million and $6.1 million to $31.2 million and $24.1 million respectively, which overshadowed the $18.1 million timing-related falloff in subsidies—mainly to the Ministry of Tourism—to $74.9 million. In a slight offset, consumption expenditure decreased marginally by $1.5 million (0.7%) to $225.3 million, as the $4.8 million (2.8%) rise in personal emoluments, was outstripped by the decline in purchases of goods and services, by $6.3 million (10.7%), due largely to a reduction in "other contractual services".

In terms of revenues, tax receipts—which comprised 88.5% of total inflows—firmed by $6.3 million (1.6%) to $398.6 million, reflecting increases in several revenue categories. Specifically, taxes on international trade rose by $5.8 million (4.5%) to $133.1 million, led by broad-based gains in excise, import and export taxes by $2.8 million, $1.5 million and $1.4 million, respectively. Further, selective taxes on services firmed to $3.2 million from $0.1 million—solely on account of inflows from gaming taxes, which were absent in the prior period. Similarly, business & professional fees advanced by $3.4 million (59.0%), due to timing-related increases in general business fees. In contrast, timing-related factors led to Value Added Tax (VAT) receipts falling by $5.2 million (3.2%) to $160.3 million, while 'other' miscellaneous taxes narrowed by $3.0 million (3.1%) to $92.7 million, as a reduction in other 'unclassified' taxes by one-half to $11.7 million, eclipsed the increases in departure and "other financial stamp" taxes by $7.7 million and $4.0 million, respectively. Non-tax revenue climbed by $6.5 million (14.3%), owing mainly to gains in fines, forfeits and administrative fees, and income from "other sources" by $4.0 million (12.8%) and $2.4 million (18.8%), respectively.

The Government's financing needs for the period outpaced the deficit. In addition to the operating shortfall, resources totalling just over $100 million, were utilised to fund a capital injection into the Bank of The Bahamas, and the Government's temporary majority equity stake in the new cellular communications company. In terms of the latter, the value of the investment approximated the fees received for issuing the license to the entity. Expectations are that the Government will divest itself of this ownership in the new company before the end of the fiscal period.

2. International Developments

Preliminary evidence suggests that economic conditions continued to improve modestly for most of the major economies over the review period. In particular, leading economic indicators in the United States strengthened, while Asian and European markets recovered from their sluggish performance in recent months. Despite the signs of improvement, all of the major central banks maintained their cautious approach by keeping their key policy rates unchanged.

Economic output in the United States grew by an annualized 3.2% in the third quarter, outpacing the 1.4% rise in the previous three-month period, amid positive contributions from consumer spending, exports, and federal government expenditures. Similarly, industrial production stabilized in October, after a 0.2% contraction a month-earlier, while the trade deficit improved by $4.1 billion to $36.4 billion in September, owing to a reduction in imports of mainly capital goods and export growth. As a result of these developments, the unemployment rate fell by 10 basis points to 4.9% in October, reflecting the rise in nonfarm payrolls by 161,000, as more persons were added to the healthcare and financial services industries. Given the positive outlook for economic and employment conditions, the Federal Reserve maintained its plans to raise interest rates within the next few months.

The performances of the European economies were mixed, as industrial production in the United Kingdom declined by 0.4% in September, following a similar reduction in the previous month, due primarily to a falloff in mining and quarrying output. Similarly, the trade deficit deteriorated by £1.5 billion to £5.2 billion, as the increase in imports of mainly transportation equipment, outpaced the modest rise in exports. In contrast, the volume of retail trade rose by an estimated 1.9% in October, on account of gains in purchases of textiles, clothing and footwear, after being flat in the previous period. Reflecting reductions in clothing and education costs, inflation tapered by 10 basis points to 0.9% in October, while the country's unemployment rate fell by the same magnitude to 4.8% during the third quarter, the lowest level since 2005. Boosted by accelerated output gains in smaller countries, which offset slower growth in larger economies, real GDP in the euro area expanded by 0.3% in the three months to September, following an increase of similar magnitude in the previous quarter. Moreover, the trade surplus rose by €8.1 billion to €26.5 billion, owing to export gains and a reduction in imports. In a slight offset, retail trade contacted by 0.2%, attributed in part to declines in purchases of non-food products and automotive fuel. In light of the modest improvement in the economy, the unemployment rate steadied at 10.0% in September—the lowest rate recorded since June 2011. Further, inflation moderated by 20 basis points to 0.2% in October, owing mainly to declines in the average costs for energy, food, and alcoholic beverages. Given the softness in their economies, both the European Central Bank and the Bank of England decided to maintain their accommodative monetary stance.

Asian markets sustained their moderate growth rates over the review period, with China's Purchasing Manager's Index (PMI)—a narrow measure of private business conditions—firming by 80 basis points to 51.2 in October, after stabilizing in the prior month, due largely to increases in the new orders, raw materials and the production indices. Further, retail sales grew by 0.7% in October, following a 0.9% uptick a month earlier. In addition, consumer prices contracted by 0.1%, a reversal from a 0.7% increase in September, due mainly to declines in the average costs for food and consumer goods. In Japan, the country's trade position reversed to a surplus of ¥497.6 billion in September, from the prior month's deficit of ¥22.9 billion, backed by a 12.3% surge in exports of mainly photographic supplies and machinery, which outpaced the 2.5% rise in imports. Further, the unemployment rate fell by 10 basis points to 3.0% at the end of the third quarter, while consumer prices moved higher by 0.2%, after steadying in August, led mainly by hikes in the prices for clothing and footwear. In this environment, the Bank of Japan left its monetary policy unchanged, as it delayed the timing of its inflation goal to March 2018, while the People's Bank of China maintained its accommodative policy stance.

During the month of October, Brent crude oil prices rose by 4.4% to $49.10 per barrel, despite an increase in OPEC's production of 0.24 million barrels per day, as U.S. oil inventory narrowed and member states continued to debate over the imposition of output quotas. In addition, amid the sustained reduction in global uncertainty following the BREXIT vote in prior periods, the price of both silver and gold decreased by 6.6% and 2.9% to $17.91 and $1,277.3 per troy ounce, respectively.

Equity market developments reflected mainly domestic factors over the review period. In the United States, both the S&P 500 index and the Dow Jones Industrial Average (DJIA) declined by 1.9% and 0.9%, respectively. In contrast, amid hikes in energy and banking stocks, European bourses rallied, as Germany's DAX firmed by 1.5%, France's CAC 40 by 1.4%, and the United Kingdom's FTSE 100 by 0.8%. Further, in Asia, gains were recorded for Japan's Nikkei 225 and China's SE Composite by 5.9% and 3.2%, respectively.

Reflecting largely growing expectations that the Federal Reserve would raise rates before the end of the year, the dollar rose against all of the major currencies over the review month. In particular, the dollar appreciated against the British pound, by 6.0% to £0.8167 and the Japanese Yen, by 3.4% to ¥104.8, while smaller gains were posted versus the euro (by 2.4% to €0.9107) and the Canadian dollar (by 2.2% to CAD$1.3409), respectively. In addition, the dollar rose against the Swiss Franc, by 1.8% to CHF0.9890 and by 1.5% relative to the Chinese Yuan, to CNY6.7662.

3. Domestic Monetary Trends
October 2016 vs. 2015

In monetary developments, an increase in the Central Bank's holdings of Government securities led to growth in banking system liquidity during the review period. Specifically, excess liquid assets—a broad measure of liquidity—firmed by $62.0 million to $1,494.0 million, a reversal from a $30.3 million decline in the prior year, while the narrow excess reserves indicator expanded by $100.3 million to $846.7 million, vis-à-vis a $19.7 million falloff in 2015.

External reserves contracted by $10.0 million to $903.3 million, a significant slowdown from the $51.9 million reduction recorded a year earlier. In the underlying transactions, the Bank purchased a net of $23.7 million from commercial banks, vis-à-vis a $24.6 million net sale last year, as the receipt of funds to repay foreign investment-related claims contributed to commercial banks purchasing a net of $50.0 million from their consumers, vis-à-vis 2015's $18.3 million net sale. In contrast, the Bank's net sale to the public sector grew by $7.4 million to $37.6 million, related mainly to fuel purchases.

Total Bahamian dollar credit rose by $71.8 million, outstripping 2015's $5.1 million expansion. This outturn was largely underpinned by a $95.9 million strengthening in net credit to the Government, in contrast to a modest $6.9 million decrease a year ago, while claims on the rest of the public sector edged up by $1.6 million, vis-à-vis a $5.7 million reduction in the prior period. In a partial offset, private sector credit contracted by $25.7 million, following a $4.0 million gain a year earlier. In terms of the components, mortgages contracted by $45.9 million, vis-à-vis a $1.5 million increase in 2015, reflecting in part the sale of a portion of a commercial bank's loan portfolio. Conversely, the gains in consumer credit and commercial loans accelerated by $14.2 million and $3.4 million, to $14.4 million and $5.7 million, respectively.

Reflecting mainly one entity's non-performing loan sales, banks' credit quality indicators improved during October. Specifically, total private sector arrears contracted by $32.0 million (2.8%) to $1,121.0 million, and by 48 basis points to 18.8% of total private sector loans, as the non-performing component—loans in excess of 90 days in arrears—fell by $50.4 million (5.9%) to $804.8 million, with the relevant ratio declining by 81 basis points to 13.5%. In contrast, short-term delinquencies (31 to 90 days) firmed by $18.4 million (6.2%) to $316.2 million, resulting in a 32 basis point uptick in the attendant ratio to 5.3%. Similar trends were noted on a yearly basis, as the total arrears rate declined by 1.0 percentage point, anchored by a 1.5 percentage point reduction in the non-performing loans (NPL) rate.

By loan type, the contraction in arrears reflected a significant falloff in mortgage delinquencies, by $37.0 million (5.9%) to $596.2 million, as the non-accrual segment contracted by $42.8 million (9.2%), offsetting the $5.8 million (3.4%) increase in short-term delinquencies. Conversely, the consumer and commercial components firmed by $2.9 million (1.0%) to $286.7 million, and by $2.1 million (0.9%) to $238.1 million, respectively. In terms of the former, the $10.7 million (11.9%) expansion in the short-term segment outpaced the $7.7 million (4.0%) decline in non-accruals, while the deterioration in the commercial component was due to gains in both short and long-term arrears by $2.0 million (4.8%) and $0.1 million (0.1%), respectively. On an annual basis, declines in NPL ratios were recorded for both mortgages (by 2.3 percentage points), and consumer credit (by 1.6 percentage points) to 15.3% and 7.9%, respectively; however, the rate for commercial credit rose by 2.3 percentage points to 23.3%.

Against this backdrop, banks decreased their total loan loss provisions by $28.4 million (5.2%) to $516.1 million during the review month. As a result, the ratio of total provisions to arrears fell by 118 basis points to 46.0%; however, as a proportion of non-performing loans, the ratio rose by 47 basis points to 64.1%. In addition, banks wrote-off $49.3 million in overdue loans—with mortgages accounting for the major component—and recovered $2.8 million.

Domestic foreign currency credit rose by $3.7 million during the review period, vis-à-vis a $3.3 million decrease a year ago. Underpinning this outturn, net claims on the Government grew by $6.0 million, a reversal from a $3.0 million decline in 2015. In contrast, credit to the private sector fell by $1.6 million, a turnaround from the previous year's $0.6 million increase, as a reduction in commercial and "other" loans outstripped a rise in the mortgage component. Further, the growth in claims on public corporations steadied at $0.8 million.

Bahamian dollar deposits firmed by $67.2 million, in contrast to a $31.5 million drawdown in the prior year, mainly reflecting a $65.9 million increase in demand deposits—associated with repayments by a foreign investment entity—reversing a $44.3 million reduction in the previous year. Similarly, savings deposits expanded by $7.4 million, outpacing 2015's $3.9 million gain. In a slight offset, fixed deposits decreased by $6.2 million, compared to an $8.9 million advance in the prior period.

In interest rate developments, the weighted average deposit rate at banks expanded by 24 basis points to 1.30%, with the highest rate of 5.00% offered on fixed balances of over 12 months. In contrast, the weighted average loan rate declined by 35 basis points to 12.72%.

4. Outlook and Policy Implications

The recovery from hurricane Mathew will continue to dominate domestic economic developments, as rebuilding activity provides some impetus to the construction sector. The re-start of the multi-billion dollar Baha Mar project will also support the sector's near-term prospects and upon completion, contribute to growth in tourism output. Against this backdrop, the declines in employers' payrolls due to the temporary closure of businesses which suffered damage, should be balanced by construction sector gains, while some firming in the inflation rate from its current low base is projected, reflecting increased demand for construction-related inputs.

The fiscal position is expected to deteriorate further over the near-term, occasioned by the increase in spending to restore and strengthen key infrastructure as well as to provide social assistance for those affected by the storm. In addition, the revenue performance is expected to be impacted by the effect of the tax relief extended to support the rebuilding efforts.

Monetary developments will continue to feature high liquidity levels, although modest growth in private sector credit is anticipated, on account of the measures implemented by both the Government and the central bank to support the hurricane recovery. In addition, banks are poised to remain well capitalized, thereby mitigating any financial stability concerns.

External reserves developments will depend predominately upon the net effects of the seasonal increase in foreign currency demand and the rise in building supplies' imports, as well as the one-off inflows from reinsurance and foreign investments payments. Nevertheless, reserves are anticipated to remain above international benchmarks for an extended period.

Recent Monetary and Credit Statistics

(B$ Millions)

	OCTOBER					
	Value		Change		Change YTD	
	2015	2016	2015	2016	2015	2016
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	423.17	846.65	-19.65	100.29	-70.10	357.29
1.2 Excess Liquid Assets	1,291.10	1,494.02	-30.33	62.03	149.21	179.61
1.3 External Reserves	774.78	903.29	-51.93	-9.94	-11.98	94.38
1.4 Bank's Net Foreign Assets	-428.92	-172.61	17.99	89.47	5.07	280.71
1.5 Usable Reserves	305.15	210.90	-35.43	-57.30	45.03	-84.23
2.0 DOMESTIC CREDIT						
2.1 Private Sector	***6,300.63***	***6,189.80***	***4.57***	***-27.33***	***-52.33***	***-91.73***
a. B$ Credit	6,012.34	5,949.65	4.02	-25.74	-17.50	-56.13
of which: Consumer Credit	2,168.25	2,222.59	0.24	14.42	17.59	53.74
Mortgages	3,078.24	3,008.63	1.49	-45.86	-20.83	-64.12
Commercial and Other Loans B$	765.86	718.44	2.30	5.70	-14.27	-45.76
b. F/C Credit	288.28	240.15	0.55	-1.59	-34.83	-35.59
of which: Mortgages	88.01	70.47	4.07	2.04	-14.21	-11.34
Commercial and Other Loans F/C	200.28	169.68	-3.52	-3.62	-20.62	-24.25
2.2 Central Government (net)	***2,193.15***	***2,394.81***	***3.82***	***101.88***	***161.88***	***180.26***
a. B$ Loans & Securities	2,470.10	2,636.53	35.81	109.36	197.12	169.79
Less Deposits	286.08	239.78	28.96	13.46	51.53	-42.15
b. F/C Loans & Securities	13.25	0.00	0.00	0.00	13.25	-36.62
Less Deposits	4.12	1.94	3.03	-5.98	-3.05	-4.94
2.3 Rest of Public Sector	***335.31***	***312.07***	***-6.55***	***0.80***	***14.54***	***4.94***
a. B$ Credit	97.91	107.46	-5.74	1.60	0.68	29.45
b. F/C Credit	237.41	204.61	-0.80	-0.80	13.86	-24.51
2.4 Total Domestic Credit	***8,829.09***	***8,896.93***	***1.82***	***75.42***	***124.05***	***93.72***
a. B$ Domestic Credit	8,294.27	8,453.86	5.12	71.76	128.76	185.26
b. F/C Domestic Credit	534.83	443.07	-3.30	3.65	-4.71	-91.54
3.0 DEPOSIT BASE						
3.1 Demand Deposits	1,825.64	2,183.41	-44.29	65.91	46.77	351.66
a. Central Bank	14.04	9.53	-4.40	-0.20	-9.52	-3.49
b. Banks	1,811.60	2,173.88	-39.89	66.11	56.30	355.15
3.2 Savings Deposits	1,148.97	1,225.85	3.88	7.42	81.16	74.49
3.3 Fixed Deposits	3,056.55	2,874.29	8.88	-6.15	-82.54	-141.74
3.4 Total B$ Deposits	6,031.16	6,283.55	-31.53	67.17	45.40	284.42
3.5 F/C Deposits of Residents	247.93	314.88	6.67	53.57	5.87	79.29
3.6 M2	***6,250.29***	***6,542.38***	***-37.81***	***85.13***	***33.11***	***306.71***
3.7 External Reserves/M2 (%)	***12.40***	***13.81***	***-0.75***	***-0.34***	***-0.26***	***0.83***
3.8 Reserves/Base Money (%)	***85.70***	***65.97***	***-3.19***	***-6.58***	***5.51***	***-16.08***
3.9 External Reserves/Demand Liabilites (%)	***82.49***	***65.23***	***-2.54***	***-5.56***	***7.79***	***-13.49***

	Value		Year to Date		Change	
	2015	2016	2015	2016	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	***-54.87***	***-13.91***	***-22.41***	***80.00***	***40.97***	***102.40***
a. Net Purchase/(Sale) from/to Banks	-24.63	23.74	243.27	190.03	48.36	-53.24
i. Sales to Banks	32.30	30.70	167.30	225.29	-1.60	57.99
ii. Purchases from Banks	7.67	54.44	410.57	415.32	46.76	4.75
b. Net Purchase/(Sale) from/to Others	-30.25	-37.64	-265.68	-110.03	-7.39	155.64
i. Sales to Others	49.68	60.27	587.40	531.47	10.59	-55.93
ii. Purchases from Others	19.43	22.63	321.72	421.44	3.20	99.72
4.2 Banks Net Purchase/(Sale)	***-18.28***	***49.96***	***219.29***	***218.22***	***68.24***	***-1.07***
a. Sales to Customers	275.48	359.60	3,350.41	3,516.19	84.12	165.78
b. Purchases from Customers	257.20	409.56	3,569.70	3,734.41	152.36	164.72
4.3 B$ Position (change)	***-3.84***	***-34.42***				
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***
of which Public Sector	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***
a. Nonoil Imports	ND	ND	ND	ND	ND	ND
b. Oil Imports	ND	ND	ND	ND	ND	ND
c. Travel	ND	ND	ND	ND	ND	ND
d. Factor Income	ND	ND	ND	ND	ND	ND
e. Transfers	ND	ND	ND	ND	ND	ND
f. Other Current Items	ND	ND	ND	ND	ND	ND
5.2 Capital Items	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***
of which Public Sector	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***
5.3 Bank Remittances	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***

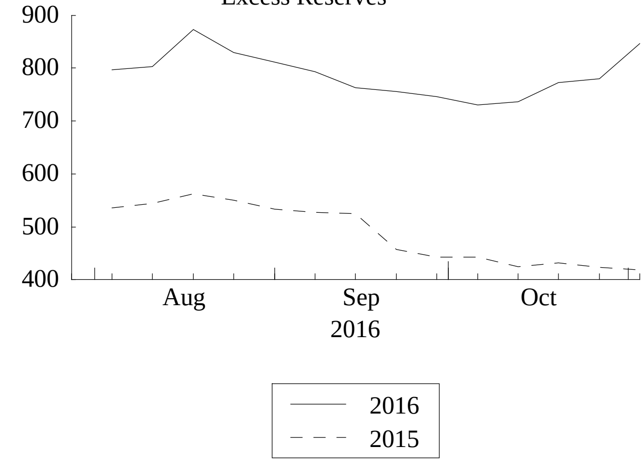
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending:OCTOBER 28, 2015 and NOVEMBER 02, 2016
Exchange Control Sales figures are as at month end.

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.

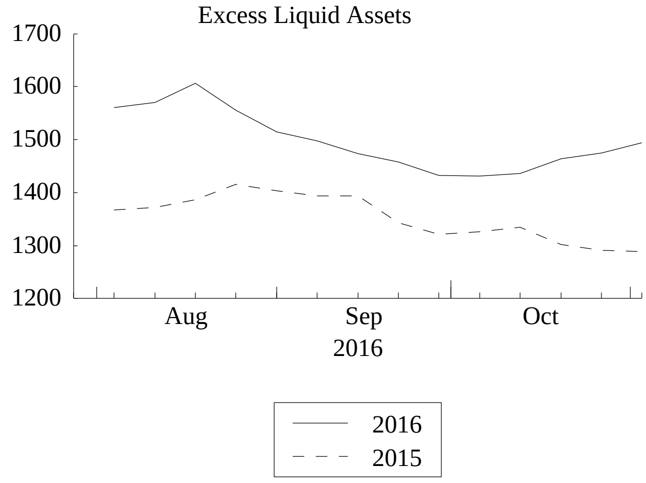
SELECTED MONEY AND CREDIT INDICATORS

(B$ Millions)

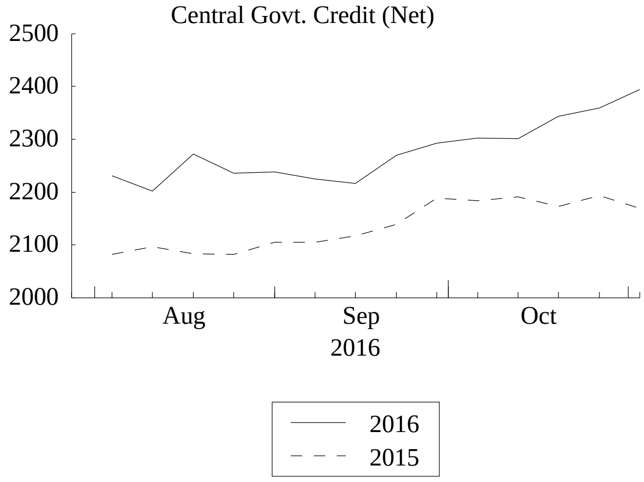
Excess Reserves



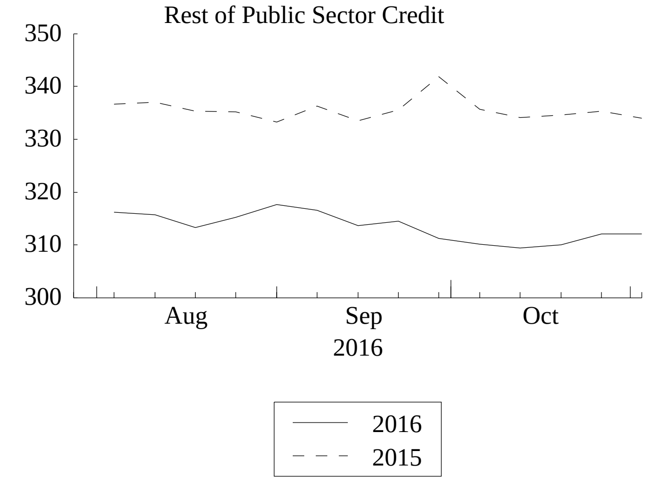
Excess Liquid Assets



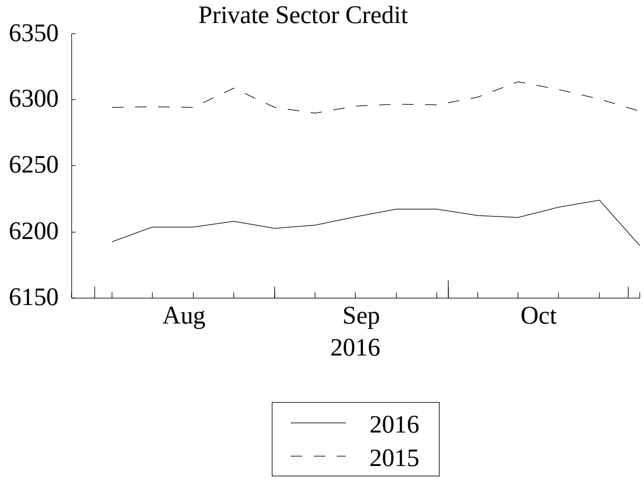
Central Govt. Credit (Net)



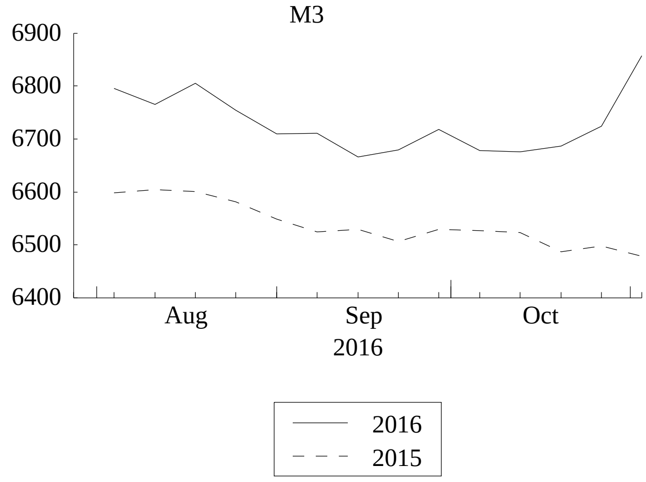
Rest of Public Sector Credit



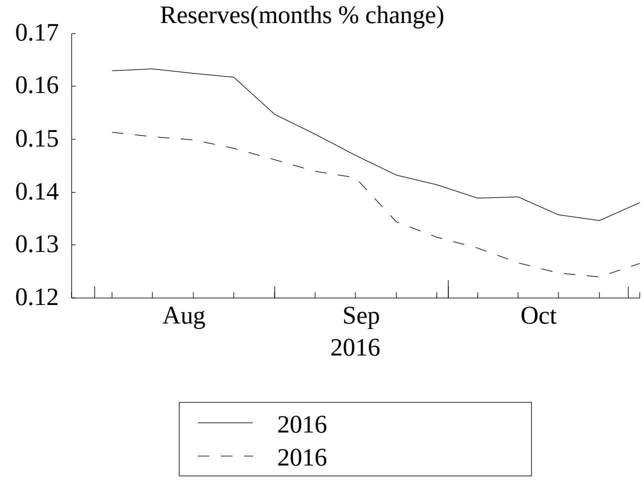
Private Sector Credit



M3



Reserves(months % change)



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		**Inflation Rate**		**Unemployment**	
	2015	**2016**	**2015**	**2016**	**2015**	**2016**
Bahamas	-1.7	0.3	1.9	0.8	12.0	N/A
United States	2.6	1.6	0.1	0.8	5.3	4.9
Euro-Area	2.0	1.7	0.0	0.4	10.9	10.3
Germany	*1.5*	*1.7*	*0.1*	*0.5*	*4.6*	*4.6*
Japan	0.5	0.5	0.8	-0.2	3.4	3.3
China	6.9	6.6	1.4	1.8	4.1	4.1
United Kingdom	2.2	1.8	0.1	0.8	5.4	5.0
Canada	1.1	1.2	1.1	1.3	6.9	7.3

Source: IMF World Economic Outlook October 2016, 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**
October 2014	4.50	0.05	0.75	0-0.25	0.50
November 2014	4.50	0.05	0.75	0-0.25	0.50
December 2014	4.50	0.05	0.75	0-0.25	0.50
January 2015	4.50	0.05	0.75	0-0.25	0.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	**Oct-15**	**Sep-16**	**Oct-16**	**Mthly % Change**	**YTD % Change**	**12-Mth% Change**
Euro	0.9085	0.8897	0.9107	2.36	-1.14	0.24
Yen	120.62	101.33	104.82	3.44	-12.69	-13.10
Pound	0.6481	0.7706	0.8167	5.99	20.35	26.01
Canadian $	1.3080	1.3127	1.3409	2.15	-3.06	2.52
Swiss Franc	0.9879	0.9716	0.9890	1.79	-1.30	0.11
Renminbi	6.3161	6.6638	6.7662	1.54	4.20	7.13
Source: Bloomberg as of October 31, 2016						

D. Selected Commodity Prices ($)					
Commodity	**Oct 2015**	**Sep 2016**	**Oct 2016**	**Mthly % Change**	**YTD % Change**
Gold / Ounce	1142.16	1315.75	1277.30	-2.92	20.34
Silver / Ounce	15.55	19.18	17.91	-6.62	29.22
Oil / Barrel	48.39	47.05	49.10	4.36	34.41
Source: Bloomberg as of October 31, 2016					

E. Equity Market Valuations – October 31, 2016 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.92	-0.91	-1.94	0.80	1.37	1.47	5.93	3.19
3 month	-2.09	-1.57	-2.18	3.42	1.56	3.17	5.16	4.07
YTD	5.81	4.12	4.02	11.40	-2.76	-0.73	-8.45	-12.40
12-month	5.79	2.71	2.25	9.32	-7.93	-1.71	-8.69	-8.34
Sources: Bloomberg and BISX								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	**GBP**	**EUR**
o/n	0.65	0.17	-0.41
1 Month	0.58	0.30	-0.38
3 Month	0.90	0.42	-0.30
6 Month	1.46	0.60	-0.22
9 Month	1.55	0.72	-0.13
1 year	1.65	0.80	-0.08
Source: Bloomberg as of October 31, 2016			

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B$ Millions)

	VALUE									CHANGE								
	Aug. 31	**Sep. 07**	**Sep. 14**	**Sep. 21**	**Sep. 28**	**Oct. 05**	**Oct. 12**	**Oct. 19**	**Oct. 26**	**Aug. 31**	**Sep. 07**	**Sep. 14**	**Sep. 21**	**Sep. 28**	**Oct. 05**	**Oct. 12**	**Oct. 19**	**Oct. 26**
I. External Resrves	***993.14***	***969.80***	***939.99***	***917.96***	***913.23***	***890.97***	***891.43***	***871.15***	***866.25***	***-50.59***	***-23.34***	***-29.81***	***-22.03***	***-4.73***	***-22.27***	***0.47***	***-20.28***	***-4.90***
II. Net Domestic Assets (A + B + C + D)	***332.65***	***325.33***	***321.29***	***339.78***	***345.57***	***365.77***	***358.46***	***413.97***	***429.96***	***46.38***	***-7.32***	***-4.05***	***18.50***	***5.79***	***20.20***	***-7.31***	***55.51***	***15.99***
A. Net Credit to Gov't(i + ii + iii - iv)	***666.95***	***658.35***	***653.18***	***664.28***	***669.92***	***683.64***	***684.09***	***735.56***	***778.60***	***48.82***	***-8.60***	***-5.17***	***11.10***	***5.64***	***13.72***	***0.45***	***51.47***	***43.04***
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	296.99	297.14	297.17	297.31	297.54	298.69	298.69	348.71	348.93	3.01	0.15	0.03	0.15	0.23	1.14	0.00	50.02	0.22
iii) Treasury Bills	239.26	239.26	239.26	249.21	259.00	259.00	259.00	259.00	298.93	39.91	0.00	0.00	9.95	9.79	0.00	0.00	0.00	39.93
iv) Deposits	3.96	12.70	17.90	16.90	21.27	8.70	8.25	6.80	3.91	-5.89	8.75	5.20	-1.00	4.38	-12.57	-0.45	-1.45	-2.89
B. Rest of Public Sector (Net) (i + ii - iii)	***-14.23***	***-17.79***	***-16.16***	***-9.36***	***-6.18***	***-3.75***	***-9.65***	***-6.13***	***-27.88***	***3.08***	***-3.57***	***1.63***	***6.81***	***3.18***	***2.43***	***-5.90***	***3.52***	***-21.75***
i) BDB Loans	3.55	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	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	17.78	21.34	19.71	12.91	9.73	7.30	13.20	9.68	31.43	-3.08	3.57	-1.63	-6.81	-3.18	-2.43	5.90	-3.52	21.75
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)*	***-320.07***	***-315.22***	***-315.73***	***-315.14***	***-318.17***	***-314.11***	***-315.98***	***-315.45***	***-320.75***	***-5.52***	***4.85***	***-0.51***	***0.59***	***-3.03***	***4.06***	***-1.87***	***0.53***	***-5.30***
III. Monetary Base	***1,325.79***	***1,295.14***	***1,261.28***	***1,257.75***	***1,258.81***	***1,256.74***	***1,249.89***	***1,285.12***	***1,296.21***	***-4.21***	***-30.66***	***-33.86***	***-3.53***	***1.06***	***-2.07***	***-6.85***	***35.23***	***11.09***
A. Currency in Circulation	352.31	353.43	348.71	345.89	349.22	359.31	372.29	357.27	362.65	4.13	1.12	-4.72	-2.82	3.33	10.08	12.99	-15.02	5.38
B. Bank Balances with CBOB	973.48	941.71	912.57	911.85	909.58	897.43	877.60	927.85	933.57	-8.34	-31.78	-29.14	-0.71	-2.27	-12.15	-19.84	50.25	5.71

* 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 OperationsP																									(Over previous year)	
1. Government Revenue & Grants	176.9	161.8	127.9	135.8	132.8	152.8																			437.6	450.4
% change; over previous month	*5.3%*	*#DIV/0!*	*-27.7%*	*-16.0%*	*3.79%*	*12.47%*																			*38.27%*	*2.93%*
2. Value Added Tax	76.7	68.7	44.3	49.9	44.6	41.7																			165.5	160.3
% change; over previous month	*109.3%*	*#DIV/0!*	*-42.3%*	*-27.29%*	*0.78%*	*-16.54%*																				*-3.16%*
3. Import/Excise Duties	39.7	42.9	43.4	44.9	41.8	41.4																			124.9	129.3
% change; over previous month	*-31.1%*	*#DIV/0!*	*9.4%*	*0.0%*	*-3.64%*	*-7.86%*																			*-12.66%*	*3.49%*
4. Recurrent Expenditure	158.4	163.9	137.9	148.8	164.6	158.3																			460.9	471.1
% change; over previous month	*-15.9%*	*#DIV/0!*	*-12.9%*	*-9.2%*	*19.35%*	*6.36%*																			*18.77%*	*2.23%*
5. Capital Expenditure	15.2	76.0	12.4	33.4	12.1	56.7																			39.7	166.1
% change; over previous month	*-84.0%*	*#DIV/0!*	*-18.8%*	*-56.1%*	*-1.95%*	*70.01%*																			*-34.19%*	*318.68%*
6. Deficit/Surplus*	3.3	-78.2	-22.3	-46.4	-43.9	-62.4																			-62.9	-186.9
% change; over previous month	*-102.6%*	*#DIV/0!*	*-780.9%*	*-40.7%*	*96.79%*	*34.46%*																			*-58.57%*	*196.96%*

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016				
DebtP **																								
7. Total Direct Debt	5,648.0	5,914.8	5,583.0	6,030.1	5,580.6	6,052.2	5,581.6	6,039.0	5,575.6	5,965.8	5,637.9	5,968.7	5,695.1	6,000.2	5,752.7	6,054.0	5,784.8	6,045.9	5,825.4	6,126.6				
% change; over previous month	*0.8%*	*-0.3%*	*-1.2%*	*1.9%*	*0.0%*	*0.4%*	*0.0%*	*-0.2%*	*-0.1%*	*-1.2%*	*1.1%*	*0.0%*	*1.0%*	*0.5%*	*1.0%*	*0.9%*	*0.6%*	*-0.1%*	*0.7%*	*1.3%*				
8. External Debt	1,583.3	1,651.4	1,583.3	1,754.9	1,580.9	1,763.3	1,582.0	1,759.9	1,585.9	1,756.1	1,593.2	1,757.2	1,593.1	1,758.1	1,599.4	1,762.3	1,602.0	1,764.0	1,602.9	1,759.3				
% change; over previous month	*-0.6%*	*-1.2%*	*0.0%*	*5.9%*	*-0.2%*	*0.5%*	*0.1%*	*-0.2%*	*0.2%*	*-0.2%*	*0.5%*	*0.1%*	*0.0%*	*0.1%*	*0.4%*	*0.2%*	*0.2%*	*0.1%*	*0.1%*	*-0.3%*				
9. Internal F/C Debt	0.0	36.6	0.0	36.6	0.0	50.0	0.0	50.0	0.0	0.0	0.0	0.0	12.4	0.0	12.4	0.0	13.3	0.0	13.3	0.0				
% change; over previous month															*0.0%*		*7.1%*		*0.0%*					
10. Bahamian Dollar Debt	4,064.7	4,226.7	3,999.7	4,238.6	3,999.7	4,238.9	3,999.7	4,229.1	3,989.7	4,209.6	4,044.7	4,211.5	4,089.7	4,242.2	4,141.0	4,291.7	4,169.6	4,281.9	4,209.3	4,367.3				
% change; over previous month	*1.4%*	*0.1%*	*-1.6%*	*0.3%*	*0.0%*	*0.0%*	*0.0%*	*-0.2%*	*-0.3%*	*-0.5%*	*1.4%*	*0.0%*	*1.1%*	*0.7%*	*1.3%*	*1.2%*	*0.7%*	*-0.2%*	*1.0%*	*2.0%*				
11. Total Amortization	15.4	0.6	65.0	16.2	1.7	17.6	3.8	14.7	10.0	80.2	2.4	12.5	65.4	43.2	20.0	61.1	18.7	42.6	59.5	184.8				
% change; over previous month	*545.2%*	*-96.4%*	*320.9%*	*96.1%*	*-97.3%*	*8.6%*	*119.3%*	*-16.7%*	*164.0%*	*446.9%*	*-76.1%*	*-84.5%*	*2635.1%*		*-69.4%*		*-6.4%*	*-30.3%*	*217.5%*	*334.0%*				
12.Total Public Sector F/C Debt	2,463.0	2,584.1	2,462.2	2,687.6	2,405.7	2,700.8	2,478.1	2,792.3	2,488.1	2,734.8	2,491.9	2,726.3	2,509.7	2,727.1	2,516.0	2,731.3	2,517.7	2,676.7	2,517.8	2,672.0				
% change; over previous month	*-0.4%*	*-0.8%*	*0.0%*	*3.9%*	*-2.3%*	*0.5%*	*3.0%*	*3.4%*	*0.4%*	*-2.1%*	*0.2%*	*-0.3%*	*0.7%*	*0.0%*	*0.25%*	*0.2%*	*0.1%*	*-2.0%*	*0.0%*	*-0.2%*				

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC			
Real Sector Indicators	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
																									(Over previous year)	
13. Retail Price Index	102.1	101.3	101.9	100.8	102.0	100.5	101.9	101.1	101.9	101.7	102.3	102.0													102.0	101.2
% change; over previous month	*0.75%*	*-0.06%*	*-0.18%*	*-0.49%*	*0.07%*	*-0.24%*	*-0.08%*	*0.59%*	*0.0%*	*0.58%*	*0.4%*	*0.28%*													*1.79%*	*-0.77%*
14. Tourist arrivals (000's)	570.5	534.3	550.2	571.2	651.5	659.2	559.5	595.6	469.4	487.6	477.6	488.0													3278.6	3336.0
% change; over previous year	*2.76%*	*-6.33%*	*2.97%*	*3.82%*	*14.06%*	*1.17%*	*-1.40%*	*6.45%*	*-2.61%*	*3.89%*	*-5.80%*	*2.19%*													*-1.10%*	*1.75%*
15. Air arrivals (000's)	101.7	95.9	116.7	120.5	157.6	168.0	135.3	133.4	117.6	121.5	132.1	142.5													761.0	781.8
% change; over previous year	*14.80%*	*-5.73%*	*21.72%*	*3.22%*	*30.80%*	*6.62%*	*3.26%*	*-1.42%*	*-0.15%*	*3.38%*	*0.95%*	*7.85%*													*4.96%*	*2.73%*
16. Occupied Room Nights																										
% change; over previous year																										
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B$Millions)					12.84	12.94					13.70	11.78					12.71	13.29							39.26	38.02
% change; over previous qtr.					*33.74%*	*2.91%*					*6.7%*	*-9.0%*					*-7.2%*	*12.8%*							*-34.10%*	*-3.16%*

* Includes Net Lending to Public Corporations

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

p - provisional