



Monthly Economic and Financial Developments August 2014

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:

2014: November 3, December 1, December 22.

Monthly Economic and Financial Developments

August 2014

1. Domestic Economic Developments

Preliminary indicators suggest the continuation of a mildly positive growth outcome during the month of August, supported by on-going gains in tourism and a stable contribution from foreign investment-led construction activity. Consumer prices remained relatively subdued over the twelve-months to July, as fuel costs sustained their downward trajectory. In the monetary sector, July's short-term contraction in bank liquidity was reversed in August, while external reserves fell, mainly due to the seasonal increase in foreign currency demand to facilitate current payments.

Indications are that the tourism sector sustained its modest recovery over the year, reflecting the improving economic conditions in several key source markets. Based on preliminary data for the high value-added stopover segment of the market, over the first five months of 2014, the number of visitors rebounded by 3.7% to 626,982, from a 4.9% contraction in the previous period. This outturn was largely attributed to growth in the dominant United States market—which accounted for 76% of the total—by 2.0% to 475,165, vis-à-vis a 5.6% decline a year earlier. In addition, visitors from Canada and Europe rose by 17.3% and 3.6%, to 75,552 and 37,470, respectively; however, the Caribbean and Latin American markets recorded declines of 14.1% and 1.3%, respectively.

Gains in the stopover segment were concentrated in the Grand Bahama market, where increased airlift and the launch of the new mid-sized resort in April supported a 25.2% hike in arrivals to 94,392—a turnaround from the year-earlier 11.7% reduction. Similarly, growth in the Family Island segment accelerated to 6.8% from 0.6% in 2013, to 130,465. In contrast, visitors to New Providence fell by 1.2% to 402,125, extending last year's 5.2% decline, as the temporary closure of a few properties for renovations lowered room inventory levels.

Domestic consumer price inflation for the twelve months to July, 2014—as measured by the Retail Price Index—firmed slightly to 0.91% from 0.83% in 2013. Among the components, the average cost for alcoholic beverages, tobacco & narcotics accelerated by 6.9 percentage points to 8.4%, while more muted gains were recorded for transportation, of 2.8 percentage points to 3.1% and miscellaneous goods and services, of 1.7 percentage points to 2.2%. Average price increases for recreation & culture and communication costs also advanced, by 2.25% and 0.8%, vis-à-vis respective year-earlier declines of 0.5% and 4.5%, and were less than 1.0 percentage point for education, health, food & non-alcoholic beverages and furnishing, household equipment & maintenance, which rose to 2.4%, 2.1%, 1.6% and 0.8%, respectively. In contrast, average price declines were recorded for housing, water, gas, electricity & other fuels—the largest component of the index—of 1.2% and clothing & footwear, of 0.3%—a reversal from 2013's respective gains of 1.3% and 0.6%.

Domestic energy prices trended downwards during the month of August, as the average cost of gasoline and diesel fell, by 2.0% and 1.2%, to \$5.47 and \$5.07 per gallon, respectively. However, this contrasted with respective yearly gains of 0.6% and 1.6%. In addition, the Bahamas Electricity Corporation's fuel charge declined by 3.7% in August, to 24.35¢ per kilowatt hour (kWh), and by 8.6% year-on-year.

2. International Developments

Indications are that the global economy continued to improve, despite ongoing risks to the outlook. The outcome reflected a strengthening of the United States' economy, alongside moderated gains in Asian markets, although the recovery in the euro area appeared to soften. Against this backdrop, most of the major central banks either retained or expanded their highly accommodative monetary policy stance, in support of their respective economies.

Indications are that the growth in the United States' economy was sustained in August, as retail sales expanded by 0.6%, following a 0.3% advance in the prior month; however, industrial production fell slightly by 0.1%, to reverse July's 0.2% expansion. Developments in the real estate market were mixed, as the number of housing completions firmed by 3.2% in August over the previous month, while building permits issued and housing starts contracted by 5.6% and 0.8%, respectively. In the external sector, the trade deficit narrowed marginally, by \$0.3 billion to \$40.5 billion in July, attributed to the rise in exports of mainly automotive vehicles, industrial supplies & materials and capital goods, which outpaced the growth in imports. The unemployment rate improved by 10 basis points to 6.1% in August, reflecting the addition of 142,000 non-farm payroll jobs—mainly professional and business services and health care. Average consumer prices fell slightly by 0.2% during August—the first decline in over a year—vis-à-vis a marginal 0.1% increase a month earlier, mainly owing to lower energy costs. Given the favourable economic and labour market conditions, the Federal Reserve continued to reduce the size of its asset purchase programme, by an additional \$10.0 billion, while leaving the key interest rates within the 0.00%-0.25% range.

Provisional data suggests that the recovery in Europe was uneven, as a strengthening trend in the United Kingdom contrasted with the re-emergence of weakness within the euro area. For the United Kingdom, retail sales increased at a relatively stable 0.4% in August, and industrial production rose by 0.5% over the prior month, attributed to gains in the energy sector. On the external side, the trade deficit widened by £0.8 billion to £3.3 billion in July, as the £1.3 billion growth in imports of mainly fuels and chemicals outstripped the £0.5 billion rise in exports. The jobless rate for the three months to July fell by 20 basis points to 6.2%, with an additional 74,000 persons employed, while annual inflation tapered slightly by 10 basis points to 1.5% in August, occasioned by reductions in motor fuels and food & non-alcoholic beverages prices. In contrast, industrial production in the euro area declined marginally by 0.1% in July—a reversal from the prior month's 0.3% upturn. Similarly, the volume of retail trade was lower by 0.4%, vis-à-vis a 0.3% advance in June, due to decreases for food, drink and tobacco items. However, in the external sector, the trade surplus broadened by €4.5 billion to €21.2 billion in July, as a 6.3% rise in exports outweighed the 3.9% hike in imports. In this environment, the unemployment rate remained elevated at 11.5%, while lower energy prices secured a monthly easing in annual inflation, of 10 basis points to 0.3% in August. Amid the subdued economic growth, the Bank of England kept its interest rates at historic lows, while the European Central Bank reduced its main interest rates on refinancing operations and the marginal lending facility, by 10 basis points each, to 0.05% and 0.3%, respectively.

Asian economies recorded a robust, although slightly tapered growth momentum during the review period. In China, the expansion in industrial production eased to an annualized 6.9% in August from 9.0% a month earlier, and retail sales gains moderated by 0.3 of a percentage point to 11.9%. On the external side, the trade surplus expanded by 5.3% to US\$49.8 billion, reflecting a 9.4% rise in exports, as relatively weak domestic demand contributed to a 2.4% reduction in imports. Monthly consumer price inflation firmed marginally, to 0.2% from 0.1% in the previous period, reflecting increased costs for food and consumer

goods, which negated a drop in non-food related prices. The export-led Japanese economy registered gains in both retail sales and industrial production in August of 0.5% and 0.2%, a reversal from declines of 0.6% and 3.4%, respectively, a month earlier. In external sector developments, the monthly trade deficit narrowed by 1.4% to ¥964.0 billion in July, as export growth of 3.9% to ¥6.2 trillion, outstripped the 2.3% advance in imports to ¥7.2 trillion. The unemployment rate firmed, by 10 basis points to 3.8% in July, while annual inflation stabilized at 0.1%. On the monetary front, both the People's Bank of China and the Bank of Japan retained their highly accommodative monetary policy stance, to underpin economic growth.

Crude oil prices declined by 4.3% to \$102.43 per barrel in August, despite sustained geopolitical instability in several oil producing regions. This outcome was mainly attributed to an increase in OPEC's crude oil production, by 231,000 barrels per day (bpd) to an average of 30.4 million bpd, combined with relatively subdued global demand conditions. In the precious metals market, average gold costs rose marginally, by 0.4% to \$1,287.81 per troy ounce; however, silver prices moved lower by 4.5% to \$19.47 per troy ounce.

Most of the major market indices registered gains during the month of August, reflecting increased investor confidence over the improving global economic conditions. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices advanced, by 3.2% and 4.1%, respectively. Among the European bourses, broad-based gains were recorded for the France's CAC 40 (3.2%), United Kingdom's FTSE 100 (1.3%), and Germany's DAX (0.7%). In contrast, Asian markets' performances were mixed, with China's SE composite firming by 0.7%, whereas Japan's Nikkei 225 index declined by 1.3%.

In exchange rate developments, the United States dollar appreciated against most of the major currencies in August. The dollar strengthened relative to the euro, by 2.0% to €0.7615 and the British pound, by 1.7% to £0.6025. The dollar also posted smaller gains vis-à-vis the Japanese Yen and the Swiss Franc, of 1.3% to ¥104.09, and 1.1% to CHF0.9185. In contrast, the dollar weakened versus the Canadian dollar, by 0.5% to CAD\$1.0879 and the Chinese Yuan, by 0.3% to CNY6.1448.

3. Domestic Monetary Trends

August 2014 vs. 2013

Monetary and credit trends for the month of August featured a modest expansion in banking sector liquidity, attributed to the Government's drawdown of deposits held at the Central Bank to reduce outstanding short-term debt. As a result, both excess reserves and the broader excess liquid assets firmed, by \$54.3 million to \$601.7 million and \$1,272.9 million, to reverse year-earlier respective declines of \$85.7 million and \$41.7 million.

The contraction in external reserves eased by \$6.7 million to \$50.6 million in August, bringing the outstanding stock to \$921.6 million. In the underlying transactions, the Central Bank's net foreign currency sale to commercial banks was lower by \$17.3 million to \$14.5 million, as these institutions utilised internal sources to accommodate the increase in their net sale to customers, of \$20.8 million to \$43.5 million. In contrast, the Bank's net sale to the public sector accelerated by almost one-half to \$36.9 million—with the majority of the payments related to fuel purchases.

Growth in Bahamian dollar credit strengthened over the prior period, by \$82.2 million to \$93.2 million. The banking sector's net claim on the Government advanced to \$76.4 million from \$42.3 million a year earlier, amid the Government's drawdown in deposits held with the Central Bank. Posting its largest monthly increase since the start of the year, credit to the private sector firmed by \$27.3 million, a turnaround from

2013's \$31.9 million contraction. In the underlying components, commercial-related loans recovered by \$6.3 million from the \$40.6 million reduction in the comparative period of 2013, when a major port operator repaid a bridging loan. Accretions to both consumer credit and mortgages were also higher, at \$14.9 million and \$6.0 million, from \$6.2 million and \$2.6 million, respectively, a year ago. In a modest offset, credit to public corporations decreased by \$10.5 million, vis-à-vis a slight \$0.6 million uptick in 2013.

Reflecting broad-based increases across several institutions' loan portfolios, banks' credit quality indicators worsened during the month of August. Total private sector loan arrears firmed by \$44.6 million (3.3%) to \$1,401.4 million, and by 69 basis points to 22.9% of the loan portfolio. By average age, short-term (31-90 day) delinquencies rose by \$23.3 million (7.1%) to \$352.3 million—and by 37 basis points to 5.8% of total loans. Similarly, the non-performing component—arrears exceeding 90 days and on which banks have stopped accruing interest—advanced by \$21.3 million (2.1%) to \$1,049.0 million, and by 32 basis points to 17.1% of total loans.

By loan category, the rise in total arrears was led by the mortgage segment, which grew by \$22.9 million (3.4%) to \$704.6 million, based on respective gains in both the short-term and non-accrual components, of \$15.9 million (9.0%) and \$7.0 million (1.4%). Commercial loan arrears rose by \$12.5 million (3.4%) to \$377.4 million, explained by a \$14.2 million (4.7%) hike in delinquencies in excess of 90 days, which outstripped the \$1.6 million (2.7%) reduction in the short-term segment. In addition, the consumer component moved higher by \$9.2 million (3.0%) to \$319.4 million, due solely to growth in short-term arrears by \$9.1 million (10.0%), while the non-performing category steadied at \$219.3 million.

In light of the deterioration in their loan portfolios, banks augmented their total provisions for loan losses, by \$12.5 million (2.2%) to \$588.6 million, elevating the ratio of provisions to non-performing loans by 6 basis points to 56.1%. Nevertheless, amid the strong growth in delinquencies, the ratio of provisions to arrears narrowed by 46 basis points to 42.0%. Banks also wrote-off an estimated \$9.0 million in distressed loans and recovered approximately \$4.0 million.

During August, growth in total domestic foreign currency credit slackened to \$6.2 million from \$28.1 million in the corresponding 2013 period. In particular, private sector credit firmed marginally by \$0.9 million, compared to a \$30.2 million increase recorded in 2013, when a local company borrowed to facilitate its overseas acquisitions. Bank's net claims on the Government fell by \$1.4 million, vis-à-vis 2013's \$0.8 million expansion, whereas credit to public corporations rose by \$6.8 million, a turnaround from last year's \$2.9 million contraction.

Total Bahamian dollar deposits recovered by \$20.6 million, from the \$47.4 million reduction in 2013. Underlying this outturn, demand and savings balances grew by \$24.8 million and \$9.9 million, vis-à-vis respective declines of \$32.2 million and \$7.9 million in 2013, when depositors participated in a private share investment opportunity. Conversely, fixed deposits decreased by \$14.1 million, extending the prior year's \$7.4 million falloff.

In interest rate developments, the weighted average deposit rate at banks narrowed by 19 basis points to 1.27%, with the highest rate of 5.00% offered on balances of over 12 months. Similarly, the weighted average loan rate eased by 7 basis points to 11.67%.

4. Outlook and Policy Implications

The modest growth in the domestic economy is expected to be maintained over the remainder of 2014, linked to stable contributions from both tourism and foreign investment-led construction activity which, over time, should result in moderate employment gains. The domestic price environment is poised to remain mild, although expectations are that inflation will pick-up from its relatively low base, as the deadline for the implementation of the Value Added Tax (VAT) approaches.

In the fiscal sector, modest improvements have been reported in the Government's overall deficit, owing to an increase in tax revenues, arising from the implementation of new business and commercial banking license fee regimes, as well as lower levels of capital expenditure. Government's revenue base should be further enhanced, following the implementation of a number of programmed initiatives, the most significant of which is the launch of VAT, in January 2015. However, in the near-term, the outturn for the fiscal sector will continue to depend heavily on the strength of the domestic economy and the level of consumer spending needed to support the indirect tax regime.

On the monetary front, liquidity conditions are expected to remain buoyant, reflecting subdued domestic demand conditions and banks' conservative lending stance. Consistent with the seasonal increase in foreign currency demand, external reserves are projected to continue to decline over the remainder of the year. No improvement is anticipated in banks' credit quality indicators, until the economic recovery broadens to other sectors and jobless levels are reduced. However, banks are projected to remain well capitalised, thereby mitigating any contingent financial stability concerns.

In this context, the Central Bank will retain its neutral monetary policy stance, while continuing to monitor domestic conditions, to determine whether any policy change is warranted.

Recent Monetary and Credit Statistics

(B\$ Millions)

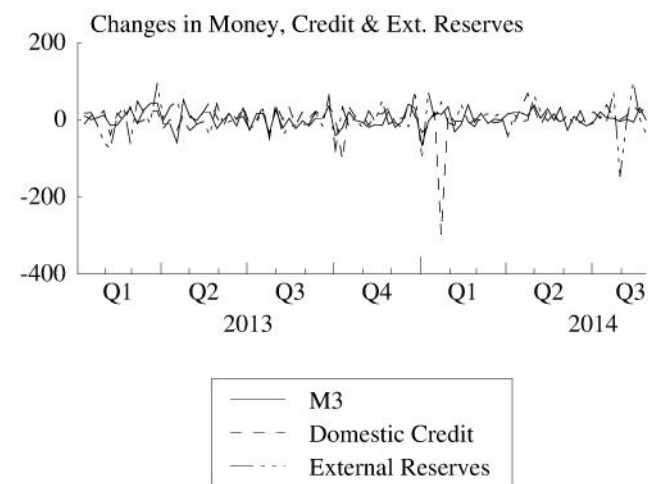
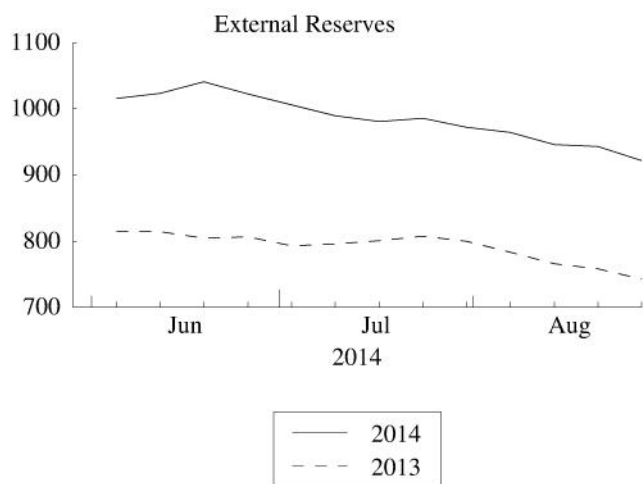
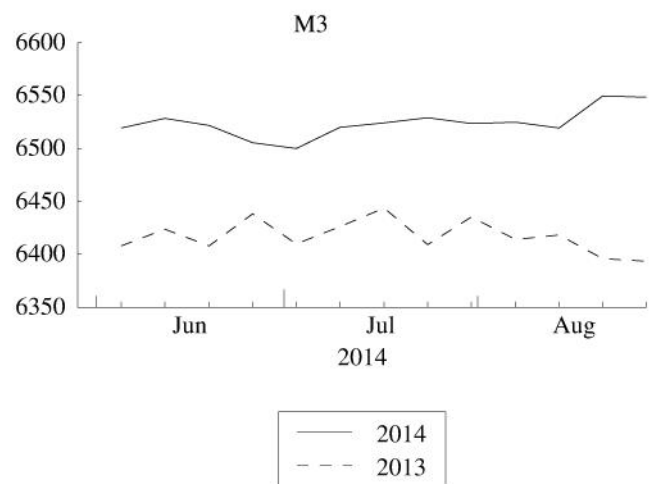
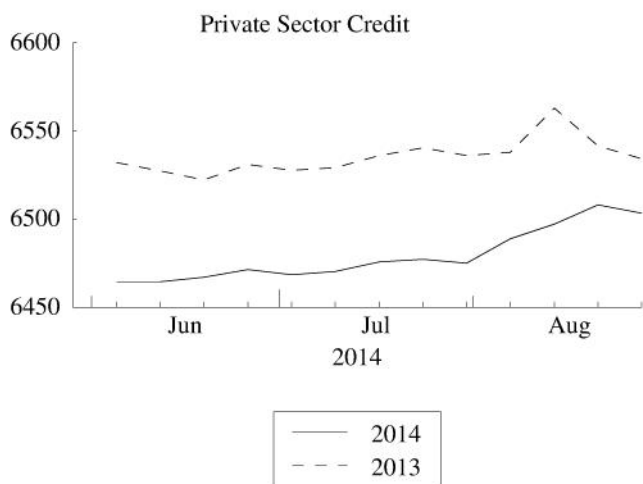
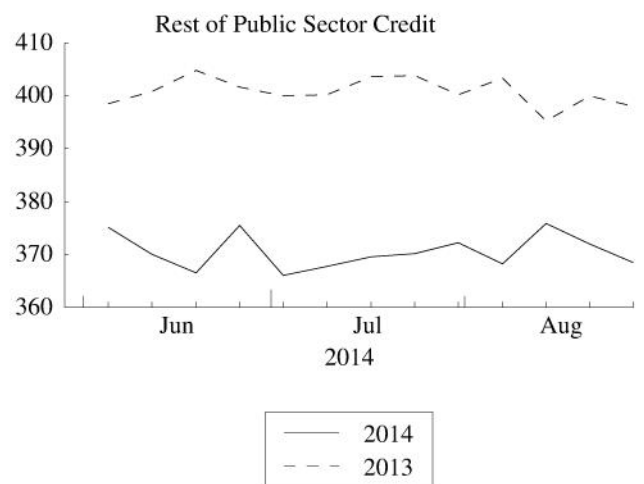
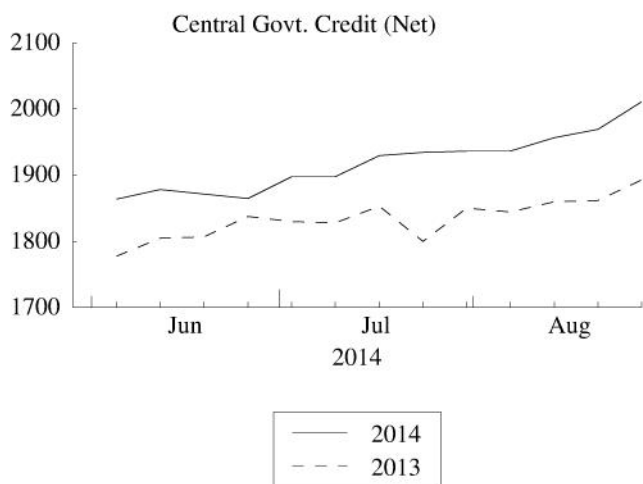
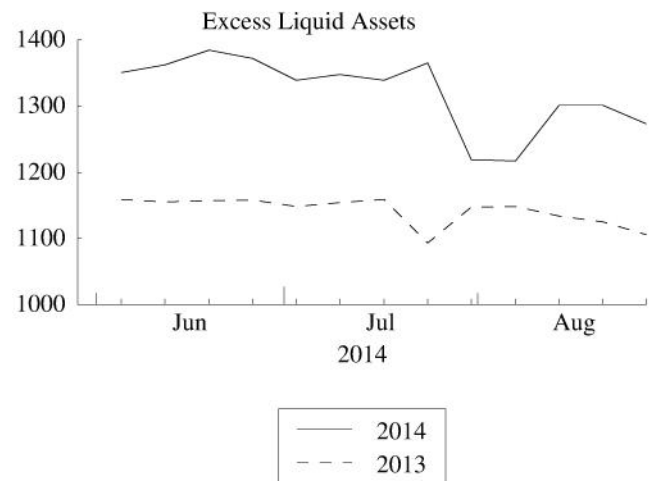
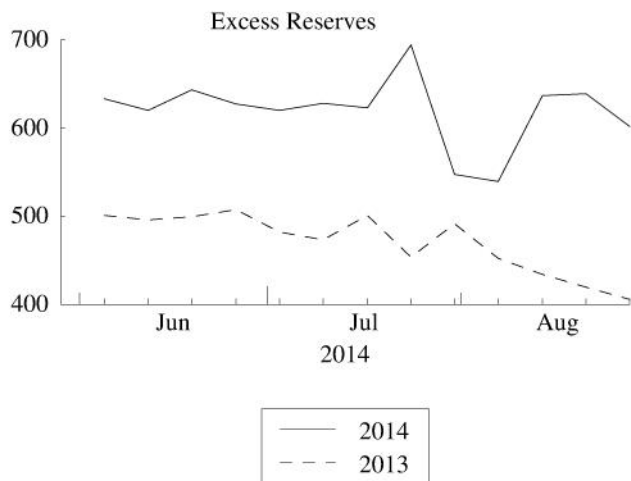
	AUGUST					
	Value		Change		Change YTD	
	2013	2014	2013	2014	2013	2014
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	406.14	601.65	-85.69	54.29	-43.88	199.94
1.2 Excess Liquid Assets	1,105.20	1,272.88	-41.72	54.31	133.72	187.98
1.3 External Reserves	742.63	921.55	-57.29	-50.57	-69.47	181.78
1.4 Bank's Net Foreign Assets	-547.65	-545.26	-13.00	4.11	74.13	141.75
1.5 Usable Reserves	291.62	369.37	-12.78	-15.70	-56.66	123.01
2.0 DOMESTIC CREDIT						
2.1 Private Sector	6,534.31	6,503.41	-1.67	28.14	-82.04	-25.79
a. B\$ Credit	6,140.81	6,144.57	-31.85	27.27	-79.67	-0.06
of which: Consumer Credit	2,104.53	2,139.81	6.15	14.91	-16.31	27.84
Mortgages	3,114.94	3,149.11	2.57	6.03	11.88	48.55
Commercial and Other Loans B\$	921.34	855.64	-40.57	6.33	-75.23	-76.44
b. F/C Credit	393.50	358.84	30.19	0.87	-2.38	-25.73
of which: Mortgages	154.71	131.56	3.48	0.03	9.97	-10.68
Commercial and Other Loans F/C	238.79	227.28	26.71	0.84	-12.35	-15.05
2.2 Central Government (net)	1,892.86	2,011.08	43.08	75.01	299.46	49.63
a. B\$ Loans & Securities	2,032.25	2,111.91	41.14	-30.07	315.52	87.73
Less Deposits	138.68	164.65	-1.11	-106.48	16.56	-21.39
b. F/C Loans & Securities	0.00	66.00	0.00	0.00	-0.00	-59.00
Less Deposits	0.71	2.17	-0.83	1.40	-0.50	0.50
2.3 Rest of Public Sector	397.96	368.50	-2.27	-3.76	-9.08	-31.90
a. B\$ Credit	121.23	96.97	0.63	-10.51	2.37	-29.61
b. F/C Credit	276.74	271.53	-2.90	6.75	-11.46	-2.28
2.4 Total Domestic Credit	8,825.14	8,883.02	39.14	99.35	207.78	-9.23
a. B\$ Domestic Credit	8,155.61	8,188.79	11.03	93.17	221.11	79.46
b. F/C Domestic Credit	669.53	694.23	28.12	6.19	-13.33	-88.68
3.0 DEPOSIT BASE						
3.1 Demand Deposits	1,420.64	1,586.23	-32.19	24.84	62.68	151.51
a. Central Bank	14.89	7.60	2.43	-8.35	2.81	-0.81
b. Banks	1,405.75	1,578.62	-34.62	33.19	59.87	152.31
3.2 Savings Deposits	1,091.98	1,169.47	-7.85	9.89	24.30	58.18
3.3 Fixed Deposits	3,394.57	3,281.54	-7.36	-14.13	-27.63	-37.23
3.4 Total B\$ Deposits	5,907.19	6,037.24	-47.41	20.60	59.35	172.46
3.5 F/C Deposits of Residents	286.09	301.74	10.00	6.47	62.94	50.76
3.6 M2	6,107.70	6,246.90	-51.27	18.41	54.72	169.23
3.7 External Reserves/M2 (%)	12.16	14.75	-0.83	-0.86	-1.26	2.58
3.8 Reserves/Base Money (%)	86.28	86.27	1.92	-9.25	-3.66	6.28
3.9 External Reserves/Demand Liabilities (%)	82.33	83.45	1.61	0.65	-5.22	8.48
	Value		Year to Date		Change	
	2013	2014	2013	2014	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	-57.50	-51.37	-78.75	173.16	6.13	251.91
a. Net Purchase/(Sale) from/to Banks	-31.81	-14.48	122.43	253.64	17.33	131.21
i. Sales to Banks	45.28	28.20	178.16	112.40	-17.08	-65.76
ii. Purchases from Banks	13.47	13.72	300.59	366.04	0.25	65.46
b. Net Purchase/(Sale) from/to Others	-25.69	-36.89	-201.18	-80.48	-11.20	120.70
i. Sales to Others	55.16	60.32	416.14	585.22	5.17	169.08
ii. Purchases from Others	29.47	23.43	214.96	504.74	-6.03	289.78
4.2 Banks Net Purchase/(Sale)	-22.71	-43.49	126.44	223.12	-20.79	96.68
a. Sales to Customers	301.08	345.27	2,400.80	2,444.28	44.19	43.48
b. Purchases from Customers	278.37	301.77	2,527.23	2,667.39	23.40	140.16
4.3 B\$ Position (change)	-6.25	24.70				
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: AUGUST 28, 2013 and AUGUST 27, 2014

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	
	2013	2014	2013	2014	2013	2014
Bahamas	1.9	2.3	0.3	2.0	15.4	14.3
United States	1.9	2.8	1.5	1.4	7.4	6.4
Euro-Area	-0.5	1.2	1.3	0.9	12.1	11.9
<i>Germany</i>	<i>0.5</i>	<i>1.7</i>	<i>1.6</i>	<i>1.4</i>	<i>5.3</i>	<i>5.2</i>
Japan	1.5	1.4	0.4	2.8	4.0	3.9
China	7.7	7.5	2.6	3.0	4.1	4.1
United Kingdom	1.8	2.9	2.6	1.9	7.6	6.9
Canada	2.0	2.3	1.0	1.5	7.1	7.0
<i>Source: IMF World Economic Outlook April 2014, 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
August 2012	4.50	0.75	0.75	0-0.25	0.50
September 2012	4.50	0.75	0.75	0-0.25	0.50
October 2012	4.50	0.75	0.75	0-0.25	0.50
November 2012	4.50	0.75	0.75	0-0.25	0.50
December 2012	4.50	0.75	0.75	0-0.25	0.50
January 2013	4.50	0.75	0.75	0-0.25	0.50
February 2013	4.50	0.75	0.75	0-0.25	0.50
March 2013	4.50	0.75	0.75	0-0.25	0.50
April 2013	4.50	0.75	0.75	0-0.25	0.50
May 2013	4.50	0.50	0.75	0-0.25	0.50
June 2013	4.50	0.50	0.75	0-0.25	0.50
July 2013	4.50	0.50	0.75	0-0.25	0.50
August 2013	4.50	0.50	0.75	0-0.25	0.50
September 2013	4.50	0.50	0.75	0-0.25	0.50
October 2013	4.50	0.50	0.75	0-0.25	0.50
November 2013	4.50	0.25	0.75	0-0.25	0.50
December 2013	4.50	0.25	0.75	0-0.25	0.50
January 2014	4.50	0.25	0.75	0-0.25	0.50
February 2014	4.50	0.25	0.75	0-0.25	0.50
March 2014	4.50	0.25	0.75	0-0.25	0.50
April 2014	4.50	0.25	0.75	0-0.25	0.50
May 2014	4.50	0.25	0.75	0-0.250	0.50
June 2014	4.50	0.15	0.75	0-0.250	0.50
July 2014	4.50	0.15	0.75	0-0.250	0.50
August 2014	4.50	0.15	0.75	0-0.250	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Aug-13	Jul-14	Aug-14	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7563	0.7468	0.7615	1.96	4.65	0.69
Yen	98.18	102.80	104.09	1.25	-1.16	6.02
Pound	0.6450	0.5922	0.6025	1.74	-0.25	-6.59
Canadian \$	1.0537	1.0906	1.0879	-0.25	2.41	3.25
Swiss Franc	0.9297	0.9088	0.9185	1.07	2.95	-1.20
Renminbi	6.1195	6.1739	6.1448	-0.47	1.47	0.41

Source: Bloomberg as of August 31, 2014

D. Selected Commodity Prices (\$)					
Commodity	August 2013	July 2014	August 2014	Mthly % Change	YTD % Change
Gold / Ounce	1395.15	1282.59	1287.81	0.41	6.81
Silver / Ounce	23.53	20.39	19.47	-4.52	0.00
Oil / Barrel	115.83	107.07	102.43	-4.33	-8.21

Source: Bloomberg as of August 31, 2014

E. Equity Market Valuations – August 31, 2014 (% chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.05	3.23	4.08	1.33	3.18	0.67	-1.26	0.71
3 month	-0.60	2.28	4.67	-0.36	-3.07	-4.76	5.41	8.73
YTD	5.72	3.15	8.39	1.05	1.98	-0.86	-5.32	4.78
12-month	11.49	15.45	22.68	6.34	11.37	16.87	15.20	5.66

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.15	0.42	0.06
1 Month	0.18	0.50	0.06
3 Month	0.30	0.55	0.11
6 Month	0.46	0.82	0.17
9 Month	0.59	0.87	0.29
1 year	0.78	1.05	0.37

Source: Bloomberg as of August 31, 2014

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

	VALUE												CHANGE					
	Jul. 02	Jul. 09	Jul. 16	Jul. 23	Jul. 30	Aug. 06	Aug. 13	Aug. 20	Aug. 27	Jul. 02	Jul. 09	Jul. 16	Jul. 23	Jul. 30	Aug. 06	Aug. 13	Aug. 20	Aug. 27
I. External Reserves	1,005.42	989.60	980.47	985.67	972.12	964.16	945.94	942.47	921.56	-16.89	-15.82	-9.13	5.20	-13.55	-7.97	-18.22	-3.47	-20.91
II. Net Domestic Assets (A + B + C + D)	79.99	103.28	102.75	157.62	45.66	42.00	146.20	157.15	146.70	19.10	23.29	-0.53	54.87	-111.96	-3.66	104.20	10.96	-10.45
A. Net Credit to Gov't (i + ii + iii - iv)	395.98	428.44	429.49	470.30	368.96	363.93	463.26	468.68	456.04	24.65	32.46	1.05	40.81	-101.34	-5.03	99.33	5.43	-12.64
i) Advances	129.66	129.66	129.66	134.66	134.66	134.66	134.66	134.66	134.66	0.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	248.07	247.88	247.79	247.78	247.64	247.65	247.38	247.39	240.74	-2.22	-0.20	-0.09	-0.01	-0.14	0.01	-0.27	0.02	-6.66
iii) Treasury Bills	60.17	90.10	90.10	124.50	124.50	116.22	116.22	116.22	107.48	25.27	29.93	0.00	34.41	0.00	-8.28	0.00	0.00	-8.73
iv) Deposits	41.92	39.19	38.05	36.63	137.84	134.59	34.99	29.58	26.84	-1.61	-2.73	-1.14	-1.42	101.20	-3.24	-99.60	-5.41	-2.75
B. Rest of Public Sector (Net) (i + ii - iii)	-9.83	-20.82	-21.18	-7.81	-11.80	-13.62	-8.82	-4.39	-3.45	-5.91	-10.99	-0.36	13.37	-3.99	-1.82	4.80	4.43	0.94
i) BDB Loans	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	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	13.98	24.97	25.33	11.96	15.95	17.77	12.97	8.54	7.60	5.91	10.99	0.36	-13.37	3.99	1.82	-4.80	-4.43	-0.94
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)*	-306.16	-304.34	-305.56	-304.87	-311.50	-308.31	-308.24	-307.14	-305.88	0.36	1.82	-1.22	0.69	-6.63	3.19	0.08	1.10	1.26
III. Monetary Base	1,085.41	1,092.88	1,083.22	1,143.29	1,017.78	1,006.16	1,092.14	1,099.62	1,068.26	2.21	7.47	-9.66	60.07	-125.51	-11.62	85.98	7.48	-31.36
A. Currency in Circulation	321.93	328.96	324.30	317.54	322.56	333.29	327.45	324.81	324.79	6.92	7.03	-4.66	-6.76	5.03	10.73	-5.84	-2.64	-0.02
B. Bank Balances with CBOB	763.48	763.92	758.93	825.75	695.22	672.87	764.69	774.81	743.47	-4.71	0.44	-5.00	66.83	-130.53	-22.35	91.82	10.13	-31.34

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

