



Monthly Economic and Financial Developments May 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: August 5, September 1, September 29, November 3, December 1, December 22.

Monthly Economic and Financial Developments

May 2014

1. Domestic Economic Developments

Indications are that the domestic economy continued to experience modestly positive growth in May, supported by steady gains in foreign investment-led construction activity, although tourism output appeared to soften. In the absence of a broadening of the growth momentum, unemployment remained elevated, while the relative stability in global oil prices contributed to subdued domestic inflationary pressures. In monetary developments, both bank liquidity and external reserves expanded, buoyed by net foreign currency inflows from real sector activities.

Despite the hosting of the IAAF¹ World Relays in the latter half of May, which led to full occupancy levels in several properties, preliminary data for a sample of 13 hotels in Nassau and Paradise Island showed that overall room revenues fell by 4.0%. This outturn reflected a 4.2% contraction in the average daily room rate (ADR) to \$207.64, which outpaced a 3.5 percentage point gain in the average occupancy level to 66.4%. The performance of the sector over the first five months of the year was negatively affected by the closure of one mid-sized property for renovations in the latter half of 2013, as total room revenues fell modestly by 1.0%, although both occupancy rates and ADRs firmed by 1.5 percentage points to 69.3% and 0.4% to \$258.54, respectively.

Domestic energy price developments were mixed in May, as the average cost of gasoline firmed by 0.4% relative to both the previous month and year, to \$5.40 per gallon. In contrast, the price of diesel declined by 2.5% to \$5.08 per gallon vis-à-vis the prior month, but increased by 0.8% relative to the same period last year. Although the Bahamas Electricity Corporation's fuel charge rose by 3.0% to 23.64¢ per kilowatt hour (kWh) on a monthly basis, it was 16.8% lower than in the comparative 2013 period.

2. International Developments

During the month of May, indications are that the global economic expansion was sustained at a modest pace, supported by positive developments in the United States, moderated gains in Asian economies and a nascent recovery in the euro zone. In this environment, all of the major central banks retained their highly accommodative monetary policy stance in an effort to support economic growth; although the United States' Federal Reserve continued with its gradual policy tightening measures.

In the United States, indications are that the economy maintained its positive trajectory in May, as industrial production grew by 0.6%, a reversal from a 0.3% decrease in the prior month; however, growth in retail sales slowed to 0.3% from 0.5% in April. Real estate market developments were mixed, as adverse winter weather conditions depressed housing starts and building permits by 6.5% and 6.4%, respectively; although completions firmed by 6.8%. The trade deficit widened by \$3.0 billion to \$47.2 billion in April, explained by a \$2.7 billion rise in imports of mainly consumer goods, automotive products and capital goods, while exports fell by \$0.3 billion. Buoyed by the sustained improvement in the economy, an additional 217,000 non-farm jobs were created in May, although a slight uptick in the labour force held the unemployment rate at 6.3%. Occasioned by higher food, housing and energy costs, the monthly gain in

¹ International Association of Athletics Federations

consumer prices steadied at 0.4% in May. Given the strengthening in economic conditions, the Federal Reserve decided to reduce the pace of the bond buying programme, by an additional \$10.0 billion in May, while leaving the key policy rates within the 0.00%-0.25% range.

In Europe, preliminary indicators suggest that the region's mild recovery was sustained during the review month. In the United Kingdom, an early start to the Easter holiday season resulted in retail sales rising by 1.3% in April, before falling by 0.5% in May. Further, industrial production firmed by 0.4%, outpacing March's 0.1% expansion. With regard to trade, the deficit grew by £1.4 billion to £2.5 billion in April, owing to a £9.6 million increase in net imports of goods and a £7.1 billion decline in net exports of services. Conditions in the labour market remained healthy, as the number of employed persons rose by 345,000 and the jobless rate narrowed by 60 basis points to 6.6% over the three months to April. Buoyed by higher costs for travel and motor fuels, consumer prices rose by 1.8%, after a 1.6% increase in March.

In the euro area, the growth in retail trade firmed by 30 basis points to 0.4% in April, month-on-month, due mainly to a rise in sales of food and fuel, while increased production of energy and non-durable consumer goods supported a rebound in industrial production of 0.8%, a reversal from a 0.4% falloff in the prior month. In the external sector, the trade surplus decreased by €1.0 billion to €15.7 billion in April, as the €4.9 million contraction in exports outpaced the €3.8 billion reduction in imports. Annual inflation slowed to 0.5% in May from 0.7% in the prior month, while the jobless rate fell slightly by 10 basis points to 11.7% in April. In terms of monetary policy, both the Bank of England and the European Central Bank maintained their accommodative monetary stance in May, in an effort to support the recoveries in their respective economies.

Asia's economic performance remained relatively robust, although the pace of growth was more tempered than in prior years. In China, retail sales advanced by 1.2% in May, up from 0.8% in the preceding month, while gains in industrial production stabilized at 0.7%. The external trade surplus widened to US\$35.9 billion from US\$18.5 billion in April, bolstered by a 7.0% rise in exports, along with a 1.6% decline in imports. Growth in food costs underpinned a slight increase in consumer prices, month-on-month, to 0.1%, after falling by 0.3% in April. Economic activity in Japan was subdued during the review period. Following on a 3.0 percentage point increase in the national sales tax rate, to 8.0%, retail sales plunged by 19.7% in April, to reverse the prior month's 25.7% surge, while a falloff in the production of electronic parts and devices led to a 2.8% downturn in industrial output, vis-à-vis a 0.3% uptick a month earlier. In the external sector, the trade deficit narrowed to ¥811.7 billion from ¥1.5 trillion in March, as the 5.1% boost in exports of mainly automobiles, outstripped the 3.4% gain in imports. Further, the hike in the sales tax rate translated into a 1.8 percentage point advance in the inflation rate, to a 23-year high of 2.1% in April, while the unemployment rate was unchanged at 3.6%. In monetary sector developments, the People's Bank of China retained its monetary policy stance, whereas the Bank of Japan announced an expansion in its monetary base, at an annual pace of ¥60-¥70 trillion via money market operations, and sustained its asset purchase programme.

In line with the improving global demand fundamentals, the price of crude oil firmed by 1.3% to \$110.40 per barrel in May, despite a 142,000 barrels per day (bpd) increase in OPEC's crude production to average 29.8 million barrels per day. With regard to precious metals, gold and silver prices rose by 3.2% to \$1,249.73 per troy ounce and 2.0% to \$19.20 per troy ounce, respectively.

During the month of May, the major stock market indices registered broad-based gains, amid the positive momentum in the global economy. In the United States, the Dow Jones Industrial Average (DJIA) and the

S&P 500 index grew by 0.9% and 2.1%, respectively. Among the European bourses, a significant increase was posted for Germany's DAX by 3.5%, due to speculation that the European Central Bank would implement further monetary easing measures, while smaller gains were noted for the United Kingdom's FTSE 100 (1.0%) and France's CAC 40 (0.7%). Similarly, in the Asian markets, Japan's Nikkei 225 index and China's SE Composite moved higher, by 2.3% and 0.6%, respectively.

In foreign currency developments, the United States dollar appreciated relative to the Swiss franc, by 1.7% to CHF0.8951; the euro, by 1.7% to €0.7335, and the British pound, by 0.7% to £0.5969. In contrast, the dollar weakened against the Canadian dollar, by 1.1% to CAD\$1.0845, and recorded slight losses vis-à-vis the Japanese Yen and the Chinese Yuan, of 0.4% and 0.2%, to ¥101.78 and CNY6.2478, respectively.

3. Domestic Monetary Trends

May 2014 vs. 2013

Banking sector liquidity expanded during the month of May, supported by tourism-related net foreign currency inflows and a modest expansion in Central Bank financing to the Government. The excess cash component firmed by \$24.9 million to \$619.0 million, a turnaround from the previous year's \$13.1 million contraction. Similarly, buoyed by increased holdings of short-term Government debt, accretions to excess liquid assets more than doubled to \$46.0 million from \$22.1 million in 2013, for an outstanding stock of \$1,340.7 million.

External reserves rose by \$13.2 million to \$1,003.2 million—the highest level since August 2011—in contrast to a \$16.0 million reduction in the corresponding period last year. The Central Bank's foreign currency transactions reversed to a net purchase of \$12.8 million, from a net sale of \$16.2 million a year earlier; the net receipts from commercial banks more than doubled to \$57.5 million, from \$26.3 million in the prior year, as they in turn recorded a more than three-fold rise in their net inflows from clients to \$63.7 million. In a slight offset, the Bank's net sale to the public sector—mainly for fuel purchases and interest payments—rose by \$2.2 million to \$44.6 million.

Reflecting a reduction in Government's borrowing activities, accretions to Bahamian dollar credit slowed significantly, by \$50.0 million to \$15.3 million, during the review month. Specifically, the growth in net claims on the Government moderated by over two-thirds, to \$20.5 million from \$62.3 million in the prior year. Credit to the rest of the public sector contracted marginally, by \$0.4 million, vis-à-vis a \$4.2 million expansion last year. Indicative of the ongoing softness in consumer demand, the contraction in claims on the private sector was higher at \$4.8 million, relative to last year's \$1.2 million. This outturn reflected a \$1.5 million decrease in mortgages, a reversal from a gain of \$4.5 million a year earlier, while the decline in commercial and other loans nearly doubled to \$7.5 million. However, consumer credit rebounded by \$4.2 million, from a \$1.3 million decline in the corresponding 2013 period.

Amid a rise of delinquencies in a few institutions' loan portfolio, banks' credit quality indicators deteriorated over the review month. Total private sector loan arrears expanded by \$13.2 million (1.0%) to \$1,339.4 million, and by 20 basis points to 21.9% of total loans. In terms of the average age, non-performing loans—arrears in excess of 90 days and on which banks have stopped accruing interest—advanced by \$16.9 million (1.7%) to \$988.9 million, increasing by 26 basis points to 16.2% of total loans. In contrast, delinquencies in the short-term (31-90 days) category fell by \$3.6 million (1.0%) to \$350.4 million, and the corresponding loan ratio narrowed by 6 basis points to 5.7%.

By loan type, the expansion in total arrears was led by an \$8.8 million (2.5%) rise in the commercial component, to \$363.5 million, as delinquencies in the 90 days and over category moved higher by \$10.8 million (3.8%), outweighing the \$2.0 million (2.7%) reduction in the 31-90 day segment. Similarly, consumer loan arrears grew by \$6.1 million (2.4%) to \$260.7 million, as both short-term arrears and non-performing loans rose by \$3.5 million (4.2%) and \$2.5 million (1.5%), respectively. Conversely, mortgage delinquencies declined by \$1.7 million (0.2%) to \$715.2 million, with a \$5.2 million (2.7%) contraction in the short-term segment offsetting the \$3.6 million (0.7%) gain in non-accrual loans.

As a result of the worsening in loan arrears, banks increased their loan loss provisions, by \$7.2 million (1.4%) to \$517.8 million. Consequently, the ratio of provisions to arrears advanced by 15 basis points to 38.7%, although the corresponding ratio to non-performing loans fell by 17 basis points to 52.4%. Loan write-offs for the month totalled an estimated \$6.5 million and recoveries were placed at \$2.9 million.

For the month of May, domestic foreign currency credit contracted by \$7.6 million, outpacing the \$3.7 million falloff in the same period of 2013. Underlying this outcome, claims on the private sector fell further by \$5.6 million, after a \$2.6 million decline in 2013, due mainly to higher commercial loan repayments. In addition, both claims on public corporations and net credit to Government registered ongoing modest declines, of \$2.4 million and \$0.3 million, respectively.

Growth in total Bahamian dollar deposits accelerated by \$19.2 million to \$44.0 million, reflecting broad-based gains across the components. Specifically, accretions to savings balances advanced by \$6.8 million to \$19.9 million, while fixed deposits rose marginally by \$1.8 million, a reversal from a \$19.2 million contraction a year earlier. In contrast, the expansion in demand deposits tapered by \$8.7 million to \$22.2 million.

In interest rate developments, the weighted average deposit rate narrowed by 10 basis points to 1.46%, with the highest rate of 5.00% offered on fixed deposits of over 12 months. Conversely, the weighted average loan rate firmed by 6 basis points to 11.97%.

4. Outlook and Policy Implications

The domestic economy is projected to maintain its modest upward trajectory for the near-term, supported by a number of varied-scale foreign investment-related projects and a stable to improving tourism performance. In this environment, employment conditions are anticipated to strengthen gradually, with gains mainly accruing to the tourism and construction sectors—although tempered, to some extent, by expected restructuring activities in the banking sector. While recent instability in a major oil producing market could potentially lead to higher fuel prices globally, domestic inflation is expected to remain relatively subdued over the near-term.

In the fiscal sector, the potential for further reductions in Government's deficit and debt indicators will continue to rely heavily on the magnitude and pace of the domestic recovery, and the effectiveness of announced measures to curtail expenditure growth. The timing of the improvement could be impacted, given that the majority of the revenue gains are expected to be back-loaded to 2015, when the Value Added Tax (VAT) is implemented.

Monetary sector developments are poised to feature the persistence of elevated liquidity levels, as consumer demand remains weak and banks maintain their conservative lending stance. In this context, external reserves should remain at comfortable levels—in line with international benchmarks—although the

seasonal rise in foreign currency demand will result in some downward drift during the latter half of the year. Despite expectations that loan arrears will remain elevated for an extended period, banks capital levels should remain in excess of their regulatory requirements, thereby mitigating any financial sector stability concerns.

In this environment, the Central Bank will continue to monitor economic developments and implement appropriate policy measures to ensure the stability of the financial sector.

Recent Monetary and Credit Statistics

(B\$ Millions)

MAY					
Value		Change		Change YTD	
2013	2014	2013	2014	2013	2014

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	511.95	618.99	-13.14	24.93	61.93	217.28
1.2 Excess Liquid Assets	1,175.37	1,340.72	22.09	46.03	203.89	255.82
1.3 External Reserves	811.24	1,003.24	-16.00	13.17	-0.87	263.47
1.4 Bank's Net Foreign Assets	-534.70	-524.04	1.72	27.50	87.09	162.97
1.5 Usable Reserves	318.00	433.53	-6.51	2.58	-30.29	187.17

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,536.10	6,468.94	-3.78	-10.33	-80.26	-60.26
a. B\$ Credit	6,164.21	6,109.75	-1.16	-4.76	-56.27	-34.87
of which: Consumer Credit	2,096.08	2,112.27	-1.25	4.21	-24.76	0.29
Mortgages	3,108.46	3,099.45	4.47	-1.45	5.40	-1.11
Commercial and Other Loans B\$	959.66	898.03	-4.37	-7.52	-36.91	-34.06
b. F/C Credit	371.89	359.19	-2.61	-5.57	-23.99	-25.38
of which: Mortgages	152.99	134.98	-1.97	-0.67	8.25	-7.27
Commercial and Other Loans F/C	218.90	224.21	-0.65	-4.90	-32.24	-18.11
2.2 Central Government (net)	1,788.57	1,858.55	61.51	20.19	195.17	-102.91
a. B\$ Loans & Securities	1,924.71	1,993.70	65.11	21.05	207.97	-30.48
Less Deposits	134.55	198.57	2.82	0.58	12.42	12.53
b. F/C Loans & Securities	0.00	66.00	0.00	0.00	0.00	-59.00
Less Deposits	1.60	2.58	0.79	0.28	0.39	0.90
2.3 Rest of Public Sector	403.08	368.86	3.98	-2.77	-3.97	-31.54
a. B\$ Credit	121.94	101.35	4.19	-0.42	3.08	-25.23
b. F/C Credit	281.14	267.51	-0.21	-2.35	-7.05	-6.31
2.4 Total Domestic Credit	8,727.75	8,697.81	61.65	7.71	110.38	-194.44
a. B\$ Domestic Credit	8,076.31	8,006.23	65.33	15.30	141.81	-103.11
b. F/C Domestic Credit	651.43	691.58	-3.68	-7.59	-31.43	-91.33

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,411.76	1,552.28	30.91	22.24	53.80	117.56
a. Central Bank	12.53	15.89	5.39	-3.20	0.45	7.48
b. Banks	1,399.23	1,536.39	25.52	25.44	53.35	110.08
3.2 Savings Deposits	1,097.11	1,155.98	13.09	19.87	29.43	44.70
3.3 Fixed Deposits	3,435.52	3,322.37	-19.19	1.83	13.31	3.60
3.4 Total B\$ Deposits	5,944.39	6,030.63	24.80	43.95	96.55	165.85
3.5 F/C Deposits of Residents	276.95	306.54	4.12	14.74	53.81	55.55
3.6 M2	6,132.31	6,241.61	11.95	47.15	79.32	163.93
3.7 External Reserves/M2 (%)	13.23	16.07	-0.29	0.09	-0.19	3.90
3.8 Reserves/Base Money (%)	85.23	92.61	0.63	-1.28	-4.71	12.63
3.9 External Reserves/Demand Liabilities (%)	82.24	88.05	-0.04	-0.49	-5.31	13.08
	Value		Year to Date		Change	
	2013	2014	2013	2014	Month	YTD

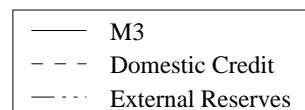
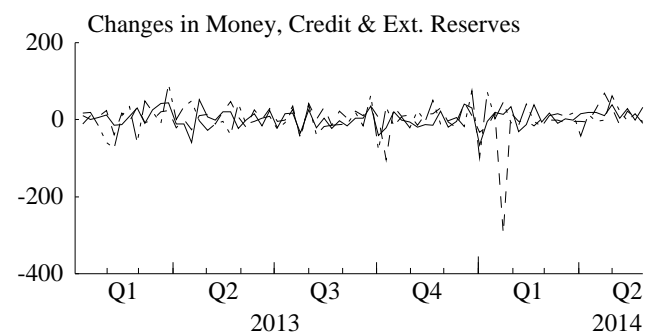
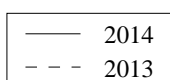
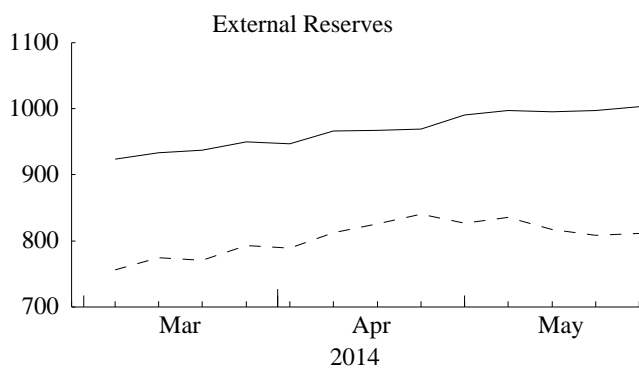
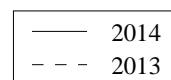
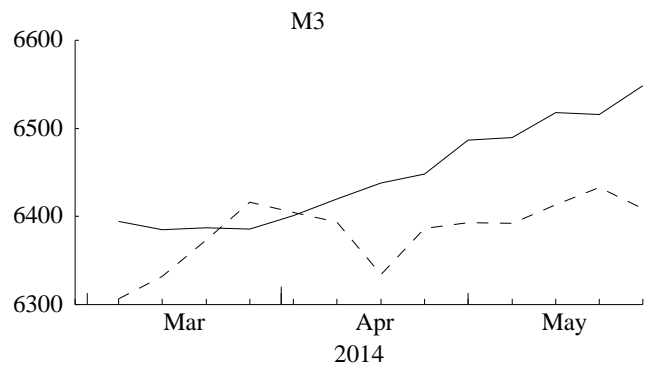
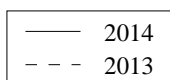
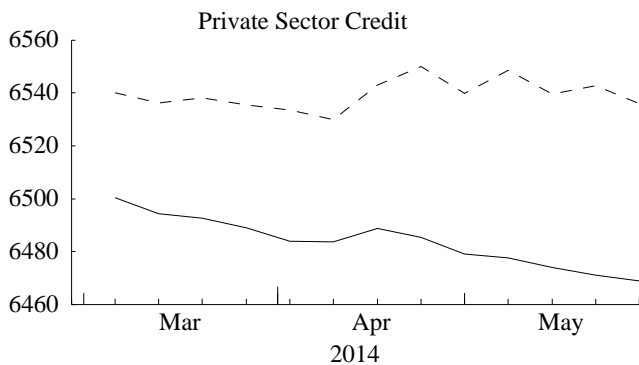
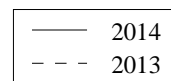
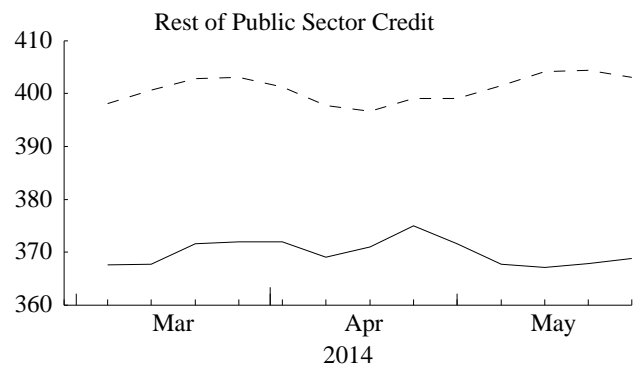
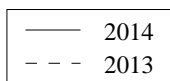
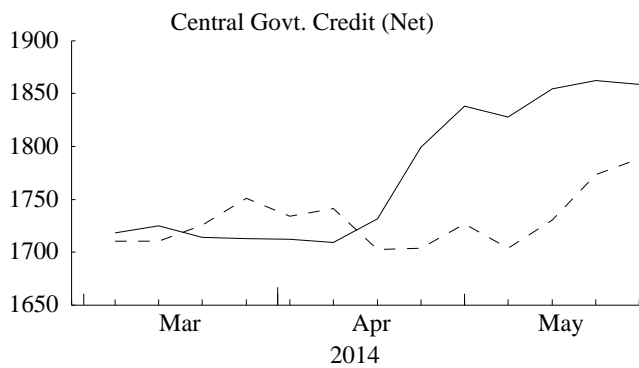
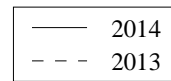
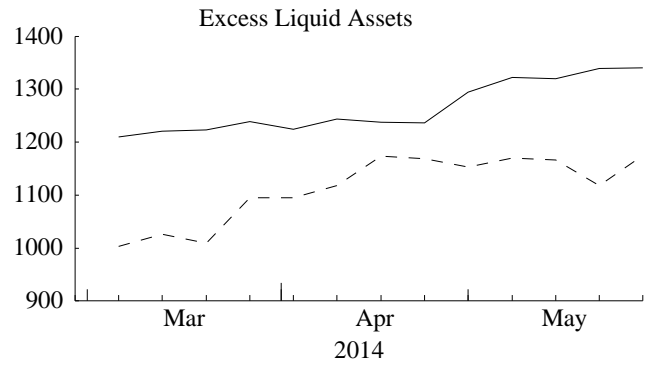
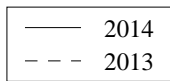
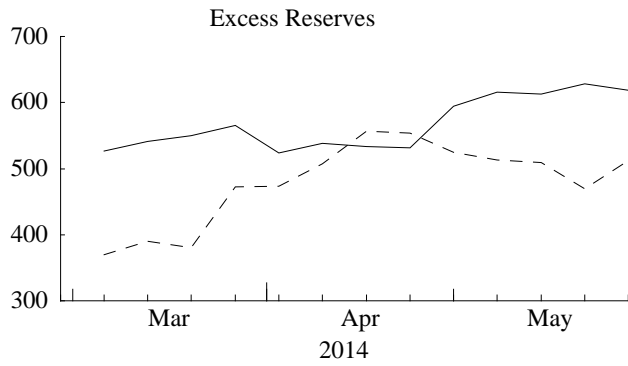
4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-16.16	12.83	-6.67	257.81	28.99	264.48
a. Net Purchase/(Sale) from/to Banks	26.30	57.45	132.22	247.30	31.15	115.08
i. Sales to Banks	2.00	0.00	93.68	26.90	-2.00	-66.78
ii. Purchases from Banks	28.30	57.45	225.90	274.20	29.15	48.31
b. Net Purchase/(Sale) from/to Others	-42.46	-44.62	-138.90	10.50	-2.17	149.40
i. Sales to Others	68.06	64.04	267.19	410.02	-4.02	142.83
ii. Purchases from Others	25.60	19.42	128.29	420.52	-6.19	292.23
4.2 Banks Net Purchase/(Sale)	19.45	63.70	135.68	256.48	44.25	120.80
a. Sales to Customers	259.27	264.63	1,469.21	1,395.43	5.36	-73.77
b. Purchases from Customers	278.72	328.33	1,604.89	1,651.91	49.61	47.03
4.3 B\$ Position (change)	-5.70	-15.00				

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

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	N/A
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
May 2012	4.50	1.00	0.75	0-0.25	0.50
June 2012	4.50	1.00	0.75	0-0.25	0.50
July 2012	4.50	0.75	0.75	0-0.25	0.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	May-13	Apr-14	May-14	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7693	0.7211	0.7335	1.71	0.80	-4.66
Yen	100.47	102.23	101.78	-0.44	-3.35	1.30
Pound	0.6579	0.5927	0.5969	0.71	-1.18	-9.28
Canadian \$	1.0373	1.0962	1.0845	-1.07	2.09	4.55
Swiss Franc	0.9552	0.8804	0.8951	1.67	0.33	-6.29
Renminbi	6.1345	6.2597	6.2478	-0.19	3.17	1.85

Source: Bloomberg as of May 31, 2014

D. Selected Commodity Prices (\$)					
Commodity	May 2013	April 2014	May 2014	Mthly % Change	YTD % Change
Gold / Ounce	1387.80	1291.60	1249.73	-3.24	3.66
Silver / Ounce	22.27	19.20	18.82	-2.00	-3.35
Oil / Barrel	101.93	109.01	110.40	1.28	-1.07

Source: Bloomberg as of May 31, 2014

E. Equity Market Valuations – May 31, 2014 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	1.79	0.82	2.10	0.95	0.72	3.54	2.30	0.63
3 month	3.25	2.42	3.45	0.51	2.53	2.59	-1.41	-0.83
YTD	6.37	0.85	4.07	1.41	5.21	4.09	-10.18	-3.63
12-month	9.31	10.60	18.94	3.97	14.46	19.10	6.23	-11.36

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.15	0.43	0.23
1 Month	0.17	0.47	0.22
3 Month	0.27	0.52	0.25
6 Month	0.42	0.73	0.31
9 Month	0.54	0.77	0.39
1 year	0.64	0.92	0.52

Source: Bloomberg as of May 31, 2014

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

	VALUE												CHANGE					
	Apr. 02	Apr. 09	Apr. 16	Apr. 23	Apr. 30	May. 07	May. 14	May. 21	May. 28	Apr. 02	Apr. 09	Apr. 16	Apr. 23	Apr. 30	May. 07	May. 14	May. 21	May. 28
I. External Reserves	946.71	966.49	966.73	969.34	990.08	997.07	995.25	996.69	1,003.20	-2.89	19.78	0.24	2.61	20.74	6.99	-1.82	1.44	6.51
II. Net Domestic Assets (A + B + C + D)	30.66	17.54	17.87	13.35	64.37	70.16	68.35	81.11	80.05	-29.94	-13.12	0.33	-4.52	51.03	5.79	-1.81	12.76	-1.06
A. Net Credit to Gov¹(i + ii + iii - iv)	340.03	334.26	327.46	327.30	384.10	390.86	392.48	395.54	397.17	-29.41	-5.77	-6.80	-0.16	56.80	6.76	1.62	3.06	1.63
i) Advances	64.66	64.66	64.66	64.66	124.66	124.66	124.66	124.66	124.66	0.00	0.00	0.00	0.00	60.00	0.00	0.00	0.00	0.00
ii) Registered Stock	247.53	246.75	246.56	246.41	246.31	251.18	250.94	250.91	250.64	-0.17	-0.78	-0.20	-0.15	-0.10	4.87	-0.24	-0.03	-0.27
iii) Treasury Bills	57.17	56.17	56.17	56.17	55.67	56.32	56.32	56.32	59.78	-30.96	-1.00	0.00	0.00	-0.50	0.65	0.00	0.00	3.46
iv) Deposits	29.33	33.32	39.92	39.94	42.54	41.30	39.44	36.35	37.92	-1.72	3.99	6.60	0.02	2.60	-1.24	-1.86	-3.09	1.57
B. Rest of Public Sector (Net) (i + ii - iii)	-9.01	-12.69	-5.61	-8.49	-14.74	-15.38	-18.95	-3.49	-11.74	-5.43	-3.68	7.07	-2.88	-6.25	-0.64	-3.56	15.45	-8.24
i) BDB Loans	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.23	4.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.13	-0.07
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	13.36	17.04	9.96	12.84	19.09	19.73	23.30	7.72	15.89	5.43	3.68	-7.07	2.88	6.25	0.64	3.56	-15.58	8.17
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)*	-300.36	-304.04	-303.98	-305.46	-304.99	-305.32	-305.18	-310.94	-305.38	4.90	-3.68	0.06	-1.48	0.47	-0.33	0.13	-5.75	5.55
III. Monetary Base	977.37	984.03	984.60	982.69	1,054.45	1,067.23	1,063.60	1,077.80	1,083.25	-32.84	6.66	0.57	-1.91	71.77	12.78	-3.63	14.19	5.45
A. Currency in Circulation	315.67	312.67	314.59	317.31	321.72	313.71	316.98	311.39	317.66	2.26	-3.00	1.92	2.72	4.40	-8.01	3.27	-5.59	6.28
B. Bank Balances with CBOB	661.70	671.36	670.01	665.37	732.73	753.52	746.63	766.41	765.58	-35.09	9.66	-1.35	-4.64	67.36	20.79	-6.90	19.78	-0.82

* 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 (Over previous year)		
	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	
Fiscal Operations																											
1. Government Revenue & Grants	107.3	112.7	97.1	104.1	92.5	88.5	94.6	105.8	117.5	103.8	155.8	146.5	125.1	137.4	100.1	112.3	118.9	141.6	141.6	118.9	112.3	100.1	112.3	118.9	141.6	1006.9	1052.7
% change over previous month	-34.97%	-4.20%	-9.50%	-7.62%	-4.71%	-15.03%	2.33%	19.64%	24.16%	-1.90%	32.59%	41.12%	-21.00%	-6.23%	-18.66%	-18.25%	26.07%	26.07%	26.07%	18.74%	18.74%	-18.66%	-18.25%	26.07%	26.07%	-6.85%	4.55%
2. Import/Excise Duties	50.4	44.0	48.2	48.7	47.8	42.0	50.4	45.7	48.7	49.0	45.8	47.8	51.8	46.0	45.1	45.4	42.7	48.4	48.4	42.7	45.4	45.1	45.4	42.7	48.4	430.9	418.0
% change over previous month	-50.39%	-15.35%	-4.34%	12.87%	-0.90%	-15.42%	5.57%	8.65%	-3.45%	7.38%	-5.95%	-2.39%	13.21%	-3.60%	-13.00%	-1.41%	-5.29%	6.66%	6.66%	-5.29%	-1.41%	-13.00%	-1.41%	-5.29%	6.66%	-18.39%	-2.98%
3. Recurrent Expenditure	117.4	123.0	123.9	112.9	128.7	125.0	126.8	145.3	130.5	128.8	122.3	129.1	143.4	150.9	111.4	112.5	130.5	127.0	127.0	130.5	111.4	112.5	111.4	112.5	130.5	1134.9	1154.3
% change over previous month	-47.15%	-43.32%	5.59%	-8.28%	3.86%	10.71%	-1.48%	16.25%	2.96%	-11.33%	-6.28%	0.23%	17.24%	16.88%	-22.35%	-25.48%	17.16%	12.89%	12.89%	17.16%	-22.35%	-25.48%	17.16%	12.89%	12.89%	44.8%	1.71%
4. Capital Expenditure	13.8	4.5	25.3	16.8	23.2	8.9	8.3	17.6	14.5	8.9	30.1	19.7	23.7	10.4	21.9	14.4	13.5	13.9	13.9	13.5	14.4	21.9	14.4	13.5	13.9	174.2	115.1
% change over previous month	-71.77%	-90.98%	83.21%	27.47%	-8.24%	-47.18%	-64.42%	98.57%	75.17%	-49.29%	108.14%	122.83%	-21.37%	-47.05%	-7.65%	38.31%	-38.08%	-38.08%	-38.08%	-38.08%	38.31%	-7.65%	38.31%	-38.08%	-38.08%	13.63%	-33.95%
5. Deficit/Surplus*	-24.5	-15.7	-57.5	-28.2	-62.7	-52.9	-49.1	-62.8	-30.9	-42.2	-45.3	-7.3	-47.0	-32.8	-33.9	-17.8	-33.7	-1.0	-1.0	-33.7	-17.8	-33.9	-17.8	-33.7	-1.0	-384.6	-280.8
% change over previous month	-81.64%	-89.80%	135.03%	78.87%	9.18%	87.78%	-21.74%	18.23%	-37.02%	-32.72%	-46.34%	-82.72%	3.94%	-350.04%	-28.03%	-45.73%	-0.47%	-94.35%	-94.35%	-0.47%	-33.7	-33.9	-17.8	-33.7	-1.0	61.63%	-32.19%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE (Over previous year)		
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	
Debt, **																											
6. Total Debt	4,385.6	4,896.3	4,414.3	5,005.3	4,531.0	5,007.2	4,578.6	5,119.1	4,800.9	5,139.1																	
% change over previous month	-0.68%	-0.50%	1.1%	0.2%	2.6%	0.0%	1.0%	2.2%	0.3%	0.4%																	
7. External Debt	1,038.3	1,475.7	1,047.0	1,475.7	1,053.7	1,476.6	1,051.2	1,473.4	1,058.6	1,473.4																	
% change over previous month	0.00%	25.48%	0.8%	0.0%	0.6%	0.1%	-0.2%	0.7%	0.7%	0.0%																	
8. Internal FC Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	66.0	0.0	66.0																	
% change over previous month																											
9. Bahamian Dollar Debt	3,327.3	3,520.7	3,367.3	3,530.7	3,477.3	3,530.7	3,527.3	3,579.7	3,542.3	3,598.7																	
% change over previous month	-0.89%	-5.58%	1.2%	0.3%	3.3%	0.0%	1.4%	1.4%	0.8%	0.6%																	
10. Total Amortization	30.2	275.4	10.0	10.0	21.7	1.1	2.5	14.1	25.0	10.0																	
% change over previous month	-58.17%	11401.70%	-66.9%	-96.4%	117.3%	-89.2%	-88.5%	1204.9%	902.0%	-29.3%																	
11. Total Public Sector FC Debt	1,886.1	2,298.9	1,895.3	2,298.1	1,903.0	2,303.1	1,899.2	2,365.9	1,910.8	2,364.5																	
% change over previous month	-0.2%	8.1%	0.5%	0.0%	0.4%	0.2%	-0.2%	2.7%	0.6%	-0.1%																	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE (Over previous year)		
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	
Real Sector Indicators																											
12. Retail Price Index	105.8	107.3	105.7	107.6	106.3	107.6	106.3	107.6	106.3	107.6																	
% change over previous month	0.21%	0.82%	-0.07%	0.28%	0.55%	-0.02%	0.55%	-0.02%	0.55%	-0.02%																	
13. Tourist arrivals (000's)	538.1	555.2	533.2	566.4	674.0	637.1	674.0	637.1	674.0	637.1																	
% change over previous year	1.78%	3.16%	-3.95%	6.22%	19.00%	-5.48%	19.00%	-5.48%	19.00%	-5.48%																	
14. Air arrivals (000's)	86.1	88.6	104.8	107.7	153.6	149.0	153.6	149.0	153.6	149.0																	
% change over previous year	-3.60%	2.88%	18.25%	2.85%	42.57%	-3.01%	42.57%	-3.01%	42.57%	-3.01%																	
15. Occupied Room Nights																											
% change over previous year																											
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																											
% change over previous year																											

* Includes Net Lending to Public Corporations
 ** Debt figures pertain to central government only unless otherwise indicated
 p. provisional