



Monthly Economic and Financial Developments March 2010

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 Date:

2010: May 31, June 28, August 3, August 30, October 4, November 1, November 29, December 28.

Monthly Economic and Financial Developments

March 2010

1. Domestic Economic Developments

The domestic economy showed signs of stabilisation in March, as the pace of the global recovery gathered momentum. Tourism output, while still below pre-crisis levels, recorded modest gains in the key stopover business, although other key real sector activities, such as construction, were anemic, given the weakness in foreign investment flows and a fall-off in mortgage lending. Persistent weakness in private sector demand continued to dampen Government's tax receipts, which contributed to a widening in the overall deficit for the eight months of FY2009/10. Monetary conditions featured a moderate build-up in liquidity and external reserves.

Preliminary data from a sample of New Providence hotels indicated an upturn in overall tourist spending indicators for the first quarter of 2010. Room revenues increased by an estimated 6.7%, buoyed by a 3.2 percentage point rise in average occupancy to 67.2% and a 2.2% gain in the average daily room rate to \$175.00—with the strongest increase occurring in March.

The fiscal situation for the eight months of FY2009/10 registered an expansion in the overall deficit by an estimated \$36.3 million (20.1%) to \$216.6 million over the corresponding period of FY2008/09. Total spending firmed by \$57.2 million (5.7%) to \$1,067.8 million, led by a 33.7% increase in capital outlays to \$98.8 million, absorbed mainly by infrastructural works. Reflecting budgetary support to public sector bodies, net lending advanced by 69.7% to \$70.9 million, while current expenditure rose marginally by 0.4% to \$898.1 million. A shortfall in receipts from international trade and other "miscellaneous" taxes caused tax revenues to decline by \$49.4 million to \$573.8 million; however, non-tax receipts almost doubled to \$156.1 million, occasioned by a one-off receipt from the sale of a business entity, combined with timing-related dividend payments.

2. International Developments

Economic indicators suggest that the global recovery, which gained impetus at the end of 2009, remained on track over the first quarter of 2010, although improvements have varied for individual countries. The IMF, in the latest edition of the World Economic Outlook, cautioned that risks to the recovery remain, due to the expanding fiscal deficits and elevated debt levels of many economies.

In the United States, real GDP firmed by an estimated 3.2% in the first quarter, buoyed by growth in consumer spending, exports and non-residential investment. Employee payrolls grew by 162,000, as additional jobs were created in the health care and temporary help services fields, while modest increases in costs for fruits and vegetables led to consumer prices edging up by 0.1% in March, from a flat position in February. There were no changes in the policy environment, with the Federal Reserve's key federal funds rate stable at 0-0.25% in March.

Economic output remained mild in the United Kingdom, amid ongoing weakness in consumer spending. The goods and services trade deficit narrowed to £2.1 billion in February from £3.9

billion in the prior month, owing mainly to increased exports. The unemployment rate softened to 7.8% for the three months to January, as the number of unemployed persons fell by 33,000, while higher petrol prices boosted annual inflation by 40 basis points to 3.4% for the month of March. Despite the inflation rate being above the 2.0% target, the Bank of England left its key bank rate unchanged at 0.5%.

Despite concerns over the fiscal situations in several member countries, the economic recovery in the euro area continued at a slow pace, with monthly gains in industrial production receding to 0.9% in February from 1.6% in January. An increase in net exports supported a turnaround in the trade balance, from a €9.0 billion deficit in January to €2.6 billion surplus in February. However, the labour market remained subdued, with the unemployment rate firming by 10 basis points to 10.0%. Increases in transport and alcohol & tobacco prices buoyed consumer prices by 1.4% in March, following a 0.9% gain a month earlier. To support the incipient recovery, the European Central Bank kept its key interest rates unchanged in March.

In China, economic activity remained buoyant, with real growth output accelerating to 11.9% in the first quarter, the fastest pace in nearly three years. However, the balance on the trade account reversed to a deficit of \$7.2 billion in March—its first deficit in six years, on account of significant growth in imports of oil, raw materials and cars. The Bank of China continued to implement measures to prevent the economy from 'overheating', including reducing liquidity to the banking system through the sale of three-month bills.

The Japanese economy continued to expand at a modest pace. The unemployment rate held steady, month-on-month, at 4.9% in February, while continued softness in domestic demand, underpinned a 0.1% month-on-month decline in the consumer price index in February. The trade surplus widened on an annualized basis, to ¥651.0 billion in February, propelled by a 45.3% surge in exports, which outweighed the 29.5% increase in imports. In light of these developments, the Bank of Japan held its uncollateralized overnight call rate steady at 0.1%.

Reflecting the sustained pace of the economic recovery, crude oil prices rose by 5.9% to \$81.26 per barrel in March, with OPEC's crude production averaging 29.3 million barrels per day, some 28,000 barrels lower than in February. In terms of other commodities, the price of gold retreated marginally by 0.4% to \$1,113.25 per troy ounce; however, silver prices advanced by 6.1% to \$17.48 per troy ounce.

As the global recovery gained traction, equity markets continued to rally in March, with all of the major indices registering gains. In the United States, the Dow Jones Industrial Average (DJIA) rose by 5.2% and the S&P 500 index, by 5.5%. In Europe, advances were posted for the United Kingdom's FTSE 100 index (6.1%), Germany's DAX (9.9%) and France's CAC 40 (7.2%). For Asian markets, Japan's Nikkei 225 and China's SE Composite firmed by 9.5% and 1.9%, respectively.

In currency markets, the US dollar appreciated relative to most of the major currencies during March, amid growing concerns over the fiscal situation in several euro zone economies. The dollar rose by 0.9% to €0.7402 against the euro and by 0.4% to £0.6586 against the British Pound. Meanwhile, the dollar also strengthened relative to Japanese Yen, by 5.1% to ¥93.46, but was

unchanged vis-a-vis the Chinese Yuan, at CNY6.8265. In contrast, the dollar depreciated against the Swiss Franc by 1.8% to CHF1.0540.

3. Domestic Monetary Trends

For the month of March, growth in both liquidity and external reserves was supported by net foreign currency inflows related to real sector activities and a slowdown in private sector demand. However, the first quarter build-up in liquidity was comparatively lower than a year-earlier, and external reserves contracted, reflecting the ongoing softness in the foreign exchange earning sectors and a significant foreign currency transaction.

March 2010 vs. 2009

During the month, excess reserves expanded by \$10.8 million, a turnaround from the previous year's \$18.1 million contraction; however, accretions to excess liquid assets moderated by over 50.0% to \$8.1 million.

Growth in external reserves firmed by \$14.3 million to \$15.6 million, as the Central Bank's foreign currency transactions reversed to a net purchase of \$10.9 million from a net sale of \$0.3 million a year earlier. The Bank's net purchase from commercial banks almost doubled to an estimated \$36.0 million, reflecting a similar net purchase by banks from their customers—although lower than the previous year's \$44.8 million net intake. Meanwhile, the Bank's net foreign currency sale to the public sector rose by \$5.6 million to \$25.1 million.

The expansion in Bahamian dollar credit was slightly higher at \$41.5 million, and continued to be underpinned by claims on the public sector. Increased advances combined with a drawdown of cash balances sustained growth in the net claim on Government, to \$57.4 million, while credit to the rest of the public sector was completely reversed, to an advance of \$4.2 million. In contrast, credit to the private sector registered a higher net repayment of \$20.0 million from \$11.1 million a year earlier. Mortgages fell by \$18.9 million, a turnaround from last period's \$7.0 million increase; the contraction in commercial loans accelerated by \$2.6 million to \$9.3 million; and consumer credit expanded by \$8.2 million, compared to an \$11.4 million falloff in 2009.

Banks' loan portfolios recorded a modest deterioration in March. Total private sector loan arrears increased by \$14.6 million (1.4%) to \$1,096.6 million, and represented a slightly higher proportion of total loans at 18.1%. In terms of the average age of delinquencies, arrears in the short-term 31–90 day category rose by \$25.4 million (5.2%) to \$511.6 million, corresponding to a 50 basis points gain in the total loan ratio to 8.5%. However, non-performing loans—those in excess of 90 days and on which banks stopped accruing interest—declined by \$10.8 million to \$585.0 million and the corresponding ratio to 9.7%.

The expansion in total arrears reflected a \$35.5 million (6.7%) rise in mortgage delinquencies to \$564.5 million, led by a \$28.0 million (10.1%) gain in short-term arrears, which surpassed the \$7.5 million (3.0%) growth in the non-performing segment. In contrast, consumer arrears fell by \$3.7 million (1.2%), as the \$4.7 million (2.8%) retrenchment in the non-accrual segment offset a \$0.9 million (0.7%) rise in short-term delinquencies. The \$17.2 million reduction in commercial arrears was due to fall-offs in both the 31–90 day and non-performing categories, of \$3.6 million (4.7%) and \$13.6 million (7.8%), respectively.

In line with the Central Bank's requirement that banks be more forward looking in their provisioning, loan loss provisions in the banking sector increased by \$4.4 million (2.0%) to \$223.9 million, resulting in the ratio of provisions to arrears firming by 10 basis points to 20.4%. However, the corresponding non-performing loan ratio narrowed by 1.4 percentage points to 38.3%.

Domestic foreign currency credit contracted by \$1.8 million vis-à-vis a \$9.4 million expansion a year earlier. The outcome included a \$15.7 million reduction in private sector credit, extending the previous year's decrease of \$5.7 million, as the falloff in commercial loans more than doubled to \$15.4 million. Net credit to the Government rose by \$1.1 million, significantly lower than in 2009, when short-term borrowings from the banking system boosted the net claim by \$52.8 million. Credit to the public sector rose by \$12.8 million, a turnaround from last year's \$37.7 million net repayment.

Growth in total Bahamian dollar deposits more than doubled to \$39.3 million, largely explained by a reversal in fixed deposit balances, to a build-up of \$30.8 million from a \$16.9 million decline in 2009. The decrease in savings deposits tapered by 23.0% to \$8.3 million and gains in demand deposits slowed by 63.7% to \$16.8 million.

Regarding interest rates, the weighted average deposit rate at banks fell by 25 basis points to 3.58%, with the highest rate of 6.50% offered on fixed deposits of over 12 months. Similarly, the weighted average loan rate moved lower by 16 basis points to 10.68%.

First Quarter 2010

During the first quarter, growth in excess reserves receded almost three-fold to \$21.7 million, while accretions to excess liquid assets narrowed to \$18.3 million from a \$138.0 million build-up in 2009.

Reflecting sustained weakness in the foreign exchange earning sectors and a significant share repurchase by a local communications company, external reserves contracted marginally by \$3.4 million, a turnaround from a \$57.9 million accumulation a year ago. Underlying this outcome was a turnaround in the Central Bank's net foreign currency transactions, to a net sale of \$14.2 million from a net purchase of \$54.6 million in 2009, as the Bank's net purchase from commercial banks was almost halved to \$49.4 million, owing to a 38.0% reduction in commercial banks' net purchase from customers to \$71.3 million. Further, the Bank's net sale to the public sector rose by \$26.0 million to \$63.6 million. At end-March, external reserves stood at \$822.0 million, to approximate 15.7 weeks of imports.

Increased claims on the public sector elevated growth in Bahamian dollar credit more than three-fold, to \$61.6 million from \$16.9 million a year earlier. Specifically, the increase in the Government's net liabilities accelerated by \$43.9 million to \$104.2 million, and credit to the rest of the public sector firmed by \$10.1 million, a turnaround from the previous year's \$4.4 million repayment. In contrast, the decline in private sector credit was extended to \$52.8 million, from a \$39.0 million downturn a year earlier. After two consecutive months of gains, mortgages fell by \$5.6 million. Further, both consumer credit and commercial loans declined by \$18.4 million and \$28.8 million, although below last year's respective contractions of \$36.2 million and \$32.2 million.

Banks' credit quality indicators deteriorated marginally over the first quarter. Total private sector loan arrears rose by \$6.5 million (0.6%) to \$1,096.6 million and by 0.3 of a percentage point to

18.1% of total loans. Underlying this was an increase in the non-accrual component, which offset the reduction in short-term arrears. Delinquencies in the 31–90 day category contracted by \$2.1 million (0.4%) to \$511.6 million, with the corresponding arrears ratio up modestly by 0.1 of a percentage point to 8.5%. In line with an increase in the average age of delinquencies, non-performing loans firmed by \$8.6 million to \$585.0 million, elevating the ratio to total loans by 0.2 of a percentage point to 9.7%.

With regard to the components, the marginal increase in total arrears reflected growth in mortgage delinquencies, which outstripped contractions in the consumer and commercial segments. The mortgage component advanced by \$33.0 million (6.2%) to \$564.5 million, occasioned by a \$15.5 million (5.3%) gain in the short-term segment to \$305.8 million and a \$17.5 million (7.3%) expansion in related non-performing loans to \$258.6 million. Consumer arrears fell by \$25.9 million (8.0%) to \$297.2 million, reflecting improvements in short-term arrears of \$16.6 million (11.1%) to \$132.7 million and non-performing loans, of \$9.3 million (5.4%) to \$164.5 million. Commercial arrears were slightly reduced by \$0.6 million (0.3%) to \$235.0 million, due primarily to a reduction in the 31–90 day category, by \$1.0 million (1.3%) to \$73.1 million.

Banks increased their loan loss provisions by \$10.3 million (4.8%) to \$223.9 million, with a consequent rise in the ratio of provisions to arrears by 0.8 of a percentage point to 20.4%. In addition, the ratio of provisions to non-accrual loans firmed by 1.2 percentage points to 38.3%. From the standpoint of financial stability, banks' capital adequacy ratios remain comfortably above the minimum requirements, providing resilience in the face of the deterioration in credit quality.

Accretions to domestic foreign currency credit strengthened by \$21.4 million to \$24.3 million, occasioned by a reversal in claims on the public sector, to an \$8.5 million increase from a \$38.8 million reduction a year earlier, when a public corporation repaid an outstanding loan. In addition, net credit to the Government rose by \$4.0 million, although significantly below the previous year's gain of \$48.8 million. Credit to the private sector rebounded by \$11.8 million, as mortgages and commercial loans expanded by \$3.1 million and by \$8.7 million, respectively.

Growth in Bahamian dollar deposits was higher by 14.3% at \$99.3 million for the review period, supported by a more than three-fold increase in fixed deposit gains to \$84.3 million. Accretions to savings deposits firmed by \$0.6 million to \$9.5 million; however, the increase in demand balances slackened by \$49.0 million to \$5.5 million.

4. Outlook and Policy Implications

Against the backdrop of ongoing concerns about the strength and sustainability of the global recovery underway, domestic economic activity is anticipated to remain subdued in 2010, with a return to annual growth not anticipated until 2011. Expectations are that the recent signs of stabilisation in several key sectors should be maintained, in line with the recovery in the global economy and a potential upside in the foreign investment outlook. However, this paced rebound, together with a projected slow recovery in consumer demand, is likely to constrain the improvement in Government's fiscal deficit, holding the corresponding debt-to-GDP ratios above the previous years' level in the near to medium term.

On the monetary front, liquidity conditions are expected to remain relatively buoyant during the year, given the sluggishness of private sector demand and banks' enhanced lending requirements in the face of heightened arrears. On balance, these conditions should help to maintain external reserve indicators well above international benchmarks, thereby safeguarding the ongoing stability of the fixed exchange rate regime and the financial sector.

Recent Monetary and Credit Statistics

(B\$ Millions)

MARCH					
Value		Change		Change YTD	
2009	2010	2009	2010	2009	2010

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	270.91	283.84	-18.05	10.84	63.60	21.74
1.2 Excess Liquid Assets	399.95	524.70	22.11	8.13	138.01	18.31
1.3 External Reserves	620.64	822.00	1.30	15.60	57.91	-3.37
1.4 Bank's Net Foreign Assets	-686.20	-620.82	15.88	16.72	35.62	49.40
1.5 Usable Reserves	257.21	456.86	8.24	7.47	23.63	-2.00

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,457.00	6,514.82	-16.78	-35.71	-46.15	-40.95
a. B\$ Credit	6,024.77	6,077.29	-11.11	-19.98	-39.01	-52.78
of which: Consumer Credit	2,178.77	2,154.30	-11.41	8.15	-36.16	-18.42
Mortgages	2,780.57	2,865.92	6.96	-18.86	29.33	-5.57
Commercial and Other Loans B\$	1,065.43	1,057.08	-6.65	-9.27	-32.18	-28.79
b. F/C Credit	432.23	437.53	-5.67	-15.73	-7.14	11.83
of which: Mortgages	86.90	99.03	1.47	-0.37	1.57	3.09
Commercial and Other Loans F/C	345.34	338.50	-7.14	-15.36	-8.70	8.74
2.2 Central Government (net)	1,008.07	1,098.48	108.71	58.49	109.12	108.18
a. B\$ Loans & Securities	1,118.06	1,242.34	58.06	44.03	84.83	75.50
Less Deposits	160.93	146.13	2.17	-13.33	24.52	-28.70
b. F/C Loans & Securities	55.25	4.19	51.64	0.48	51.35	0.48
Less Deposits	4.31	1.91	-1.18	-0.65	2.54	-3.51
2.3 Rest of Public Sector	358.63	384.77	-42.18	16.95	-43.21	18.66
a. B\$ Credit	80.45	91.50	-4.44	4.17	-4.42	10.14
b. F/C Credit	278.18	293.27	-37.74	12.78	-38.79	8.51
2.4 Total Domestic Credit	7,823.70	7,998.13	49.75	39.72	19.76	85.87
a. B\$ Domestic Credit	7,062.35	7,265.06	40.35	41.53	16.88	61.55
b. F/C Domestic Credit	761.35	733.08	9.41	-1.82	2.88	24.32

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,135.94	1,095.86	46.33	16.80	54.50	5.47
a. Central Bank	6.71	12.35	-4.92	1.37	-2.24	-0.26
b. Banks	1,129.23	1,083.52	51.25	15.42	56.74	5.73
3.2 Savings Deposits	1,028.92	1,004.33	-10.78	-8.30	8.89	9.53
3.3 Fixed Deposits	3,455.87	3,621.46	-16.85	30.77	23.48	84.28
3.4 Total B\$ Deposits	5,620.74	5,721.65	18.70	39.27	86.88	99.28
3.5 F/C Deposits of Residents	173.70	208.81	-0.50	13.00	4.72	-8.02
3.6 M2	5,815.05	5,906.77	25.63	50.04	75.39	86.05
3.7 External Reserves/M2 (%)	10.67	13.92	-0.02	0.15	0.87	-0.26
3.8 Reserves/Base Money (%)	88.67	116.22	1.22	-1.50	1.41	-1.91
3.9 External Reserves/Demand Liabilities (%)	84.41	112.52	0.83	-0.41	-0.87	0.30
	Value	Year to Date	Change			
	2009	2010	2009	2010	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

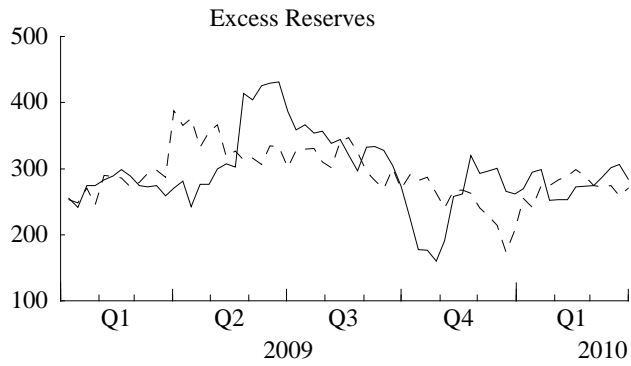
4.1 Central Bank Net Purchase/(Sale)	-0.27	10.90	54.56	-14.16	11.17	-68.72
a. Net Purchase/(Sale) from/to Banks	19.20	35.99	92.15	49.40	16.79	-42.75
i. Sales to Banks	15.50	0.00	20.30	60.63	-15.50	40.33
ii. Purchases from Banks	34.70	35.99	112.45	110.03	1.29	-2.42
b. Net Purchase/(Sale) from/to Others	-19.46	-25.09	-37.59	-63.56	-5.62	-25.97
i. Sales to Others	49.51	41.53	126.42	114.70	-7.98	-11.72
ii. Purchases from Others	30.05	16.44	88.83	51.14	-13.61	-37.69
4.2 Banks Net Purchase/(Sale)	44.80	36.77	115.06	71.33	-8.03	-43.73
a. Sales to Customers	457.96	283.87	1,035.26	811.46	-174.09	-223.81
b. Purchases from Customers	502.76	320.64	1,150.32	882.79	-182.12	-267.54
4.3 B\$ Position (change)	-25.22	-19.07				

5.0 EXCHANGE CONTROL SALES

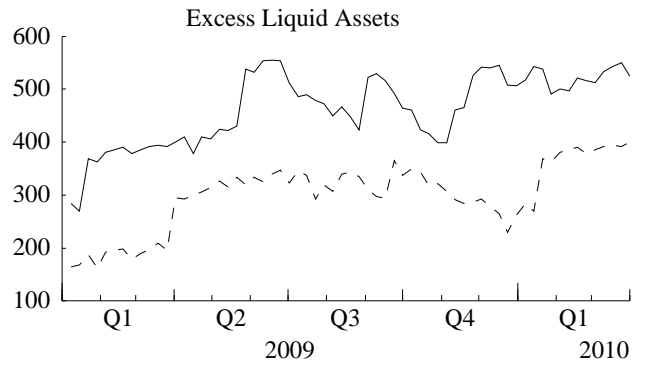
5.1 Current Items	180.82	0.00	401.64	0.00	-180.82	-401.64
of which Public Sector	16.16	0.00	40.17	0.00	-16.16	-40.17
a. Nonoil Imports	83.47	0.00	188.37	0.00	-83.47	-188.37
b. Oil Imports	13.76	0.00	26.87	0.00	-13.76	-26.87
c. Travel	11.58	0.00	28.14	0.00	-11.58	-28.14
d. Factor Income	15.59	0.00	28.64	0.00	-15.59	-28.64
e. Transfers	5.89	0.00	9.07	0.00	-5.89	-9.07
f. Other Current Items	50.53	0.00	120.55	0.00	-50.53	-120.55
5.2 Capital Items	3.04	0.00	7.41	0.00	-3.04	-7.41
of which Public Sector	0.00	0.00	1.16	0.00	0.00	-1.16
5.3 Bank Remittances	11.40	0.00	22.80	0.00	-11.40	-22.80

SELECTED MONEY AND CREDIT INDICATORS

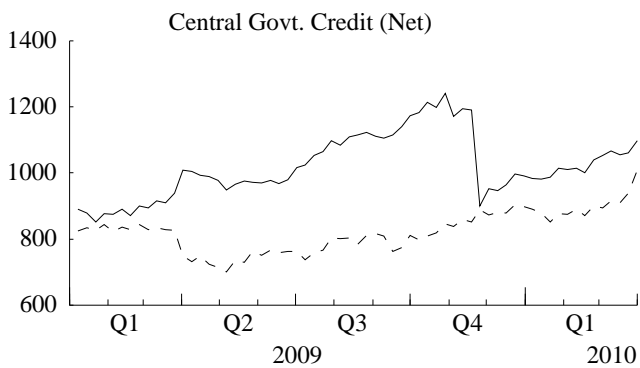
(B\$ Millions)



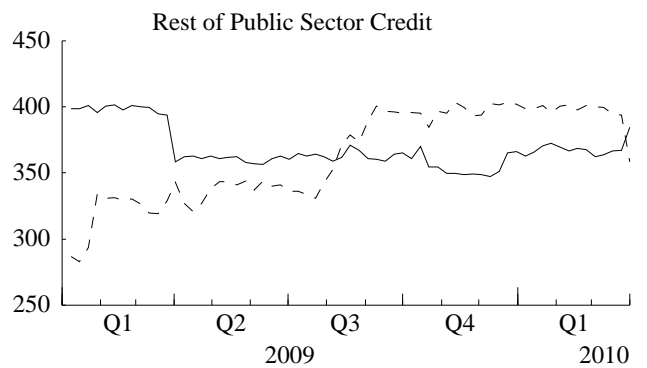
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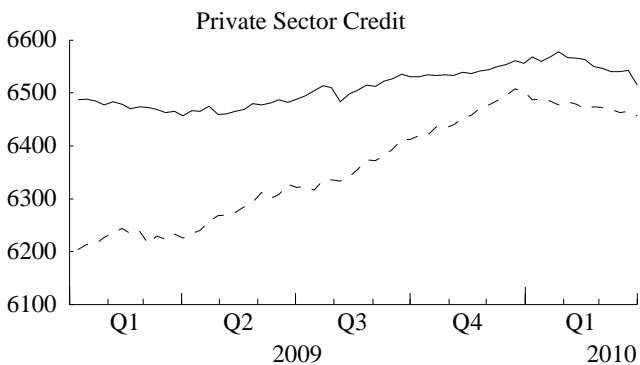
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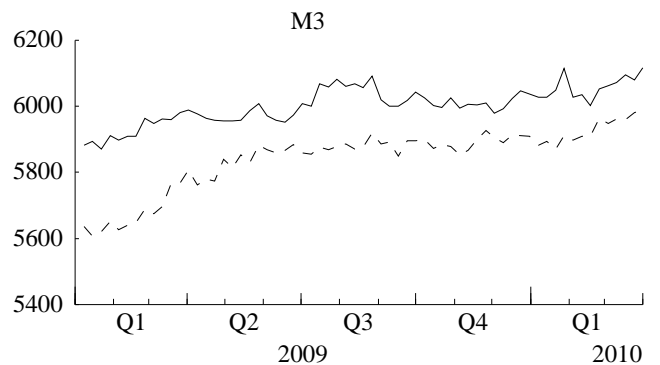
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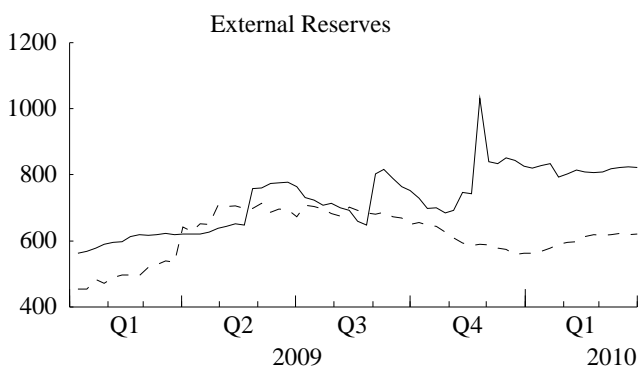
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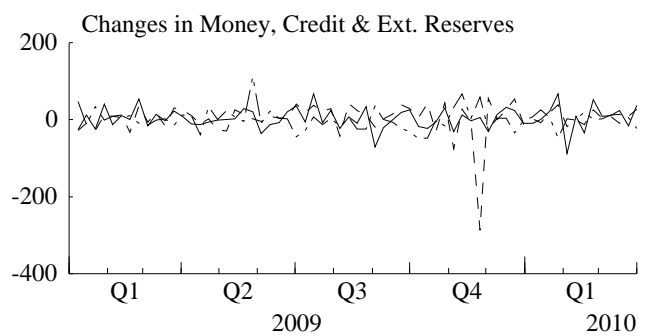
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— M3
- - - Domestic Credit
- · - · External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2009	2010	2009	2010	2009	2010
Bahamas	-5.0	-0.5	2.1	1.7	14.2*	n/a
United States	-2.4	3.1	-0.3	2.1	9.3	9.4
Euro-Area	-4.1	1.0	0.3	1.1	9.4	10.5
<i>Germany</i>	<i>-5.0</i>	<i>1.2</i>	<i>0.1</i>	<i>0.9</i>	<i>7.4</i>	<i>8.6</i>
Japan	-5.2	1.9	-1.4	-1.4	5.1	5.1
China	8.7	10.0	-0.7	3.1	n/a	n/a
United Kingdom	-4.9	1.3	2.2	2.7	7.5	8.3
Canada	-2.6	3.1	0.3	1.8	8.3	7.9

Sources: IMF World Economic Outlook, April 2010, IMF World Economic Outlook, October 2009 & () The Bahamas Department of Statistics.*

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
March 2008	5.25	4.00	2.50	2.25	5.25
April 2008	5.25	4.00	2.25	2.00	5.00
May 2008	5.25	4.00	2.25	2.00	5.00
June 2008	5.25	4.00	2.25	2.00	5.00
July 2008	5.25	4.25	2.25	2.00	5.00
August 2008	5.25	4.25	2.25	2.00	5.00
September 2008	5.25	4.25	2.25	2.00	5.00
October 2008	5.25	3.75	1.25	1.00	4.50
November 2008	5.25	3.25	1.25	1.00	3.00
December 2008	5.25	2.50	0.50	0.00-0.25	2.00
January 2009	5.25	2.00	0.50	0.00-0.25	1.50
February 2009	5.25	2.00	0.50	0.00-0.25	1.00
March 2009	5.25	1.50	0.50	0.00-0.25	0.50
April 2009	5.25	1.25	0.50	0.00-0.25	0.50
May 2009	5.25	1.00	0.50	0.00-0.25	0.50
June 2009	5.25	1.00	0.50	0.00-0.25	0.50
July 2009	5.25	1.00	0.50	0.00-0.25	0.50
August 2009	5.25	1.00	0.50	0.00-0.25	0.50
September 2009	5.25	1.00	0.50	0.00-0.25	0.50
October 2009	5.25	1.00	0.50	0.00-0.25	0.50
November 2009	5.25	1.00	0.50	0.00-0.25	0.50
December 2009	5.25	1.00	0.50	0.00-0.25	0.50
January 2010	5.25	1.00	0.50	0.00-0.25	0.50
February 2010	5.25	1.00	0.75	0.00-0.25	0.50
March 2010	5.25	1.00	0.75	0.00-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Mar-09	Feb-10	Mar-10	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7546	0.7337	0.7402	0.9	6.0	-1.9
Yen	98.98	88.93	93.46	5.1	0.5	-5.6
Pound	0.6982	0.6562	0.6586	0.4	6.5	-5.7
Canadian \$	1.2602	1.0517	1.0153	-3.5	-3.6	-19.4
Swiss Franc	1.1395	1.0734	1.0540	-1.8	1.8	-7.5
Renminbi	6.8336	6.8260	6.8265	-0.007	-0.009	-0.104

Source: Bloomberg as at March 31, 2010

D. Selected Commodity Prices (\$)					
Commodity	March 2009	February 2010	March 2010	Mthly % Change	YTD % Change
Gold / Ounce	919.15	1117.60	1113.25	-0.39	1.49
Silver / Ounce	12.97	16.48	17.48	6.07	3.52
Oil / Barrel	49.84	76.77	81.26	5.85	4.38

Source: Bloomberg as at March 31, 2010

E. Equity Market Valuations – March 31, 2010 (% chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.78	5.15	5.50	6.07	7.15	9.92	9.52	1.87
3 month	2.00	4.11	4.49	4.93	0.96	3.29	5.15	-5.13
YTD	2.00	4.11	4.49	4.93	0.96	3.29	5.15	-5.13
12-month	-2.57	42.68	46.04	44.66	41.56	50.65	36.75	31.01

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.16	0.25	0.10
1 Month	0.25	0.42	0.28
3 Month	0.35	0.51	0.35
6 Month	0.69	0.81	1.15
9 Month	0.60	1.07	1.06
1 year	0.92	1.26	1.10

Source: Bloomberg as at March 31, 2010

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

	VALUE										CHANGE							
	Feb. 03	Feb. 10	Feb. 17	Feb. 24	Mar. 03	Mar. 10	Mar. 17	Mar. 24	Mar. 31	Feb. 03	Feb. 10	Feb. 17	Feb. 24	Mar. 03	Mar. 10	Mar. 17	Mar. 24	Mar. 31
I. External Reserves	802.43	814.25	807.80	806.40	809.00	817.49	821.37	824.45	822.00	8.76	11.82	-6.45	-1.40	2.60	8.49	3.88	3.08	-2.45
II. Net Domestic Assets (A + B + C + D)	-311.04	-323.64	-297.24	-295.48	-301.30	0.00	0.00	0.00	0.00	-7.68	-12.60	26.40	1.76	-5.83	0.00	0.00	0.00	0.00
A. Net Credit to Gov^t(i + ii + iii - iv)	169.67	163.57	167.69	173.47	175.97	177.28	178.81	180.65	179.33	-2.80	-6.10	4.13	5.77	2.51	1.31	1.53	1.84	-1.33
i) Advances	96.99	96.99	96.99	96.99	96.99	96.99	96.99	96.99	96.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	96.34	96.28	94.38	94.25	94.12	93.85	93.21	92.93	92.72	-1.72	-0.06	-1.90	-0.13	-0.13	-0.27	-0.64	-0.27	-0.22
iii) Treasury Bills	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
iv) Deposits	23.66	29.70	23.67	17.77	15.13	13.56	11.38	9.27	10.38	1.08	6.04	-6.03	-5.90	-2.64	-1.57	-2.17	-2.11	1.11
B. Rest of Public Sector (Net) (i + ii - iii)	-4.16	-16.44	-5.46	-5.02	-13.12	-12.18	-3.75	-7.47	-6.40	3.12	-12.28	10.98	0.44	-8.10	0.94	8.44	-3.72	1.07
i) BDB Loans	5.95	5.95	5.95	5.95	5.95	5.95	5.95	5.95	5.95	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	10.11	22.39	11.41	10.97	19.07	18.13	9.70	13.42	12.35	-3.12	12.28	-10.98	-0.44	8.10	-0.94	-8.44	3.72	-1.07
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)*	-476.55	-470.77	-459.47	-463.92	-464.16	0.00	0.00	0.00	0.00	-8.00	5.78	11.30	-4.44	-0.24	0.00	0.00	0.00	0.00
III. Monetary Base	491.39	490.61	510.56	510.92	507.70	0.00	0.00	0.00	0.00	1.08	-0.78	19.95	0.36	-3.22	0.00	0.00	0.00	0.00
A. Currency in Circulation	92.57	91.30	91.18	91.78	95.13	0.00	0.00	0.00	0.00	8.68	-1.27	-0.11	0.59	3.35	0.00	0.00	0.00	0.00
B. Bank Balances with CBOB	398.82	399.32	419.38	419.15	412.57	431.60	450.58	450.63	434.01	-7.59	0.49	20.06	-0.23	-6.57	19.03	18.98	0.05	-16.62

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

FISCAL/REAL SECTOR INDICATORS

(\$\$ MILLIONS)

(% change represents current month from previous month)

	YEAR TO DATE	
	2009	2010
830.3	851.2	(Over previous year)
-4.93%	2.52%	
380.2	348.6	
10.51%	-8.31%	
894.9	886.0	
5.41%	0.34%	
73.9	98.8	
-14.67%	33.67%	
-180.3	-216.5	
94.26%	20.06%	

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	
Fiscal Operations:																									
1. Government Revenue & Grants	100.1	100.2	116.5	87.6	97.8	80.0	127.4	108.3	108.3	87.8	140.2	110.8	117.6	110.8	91.5	111.6	110.8	110.8	111.6	111.6	111.6	111.6	111.6	111.6	111.6
% change	-27.00%	-17.17%	16.45%	-12.56%	-16.10%	-8.67%	59.27%	10.80%	10.80%	-18.98%	10.04%	26.30%	6.08%	18.50%	-22.19%	0.70%	18.50%	18.50%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
2. Import/Excise Duties	39.5	53.6	51.3	42.1	51.1	44.3	43.1	59.8	59.8	47.1	40.6	48.7	38.2	42.9	44.6	43.2	42.9	42.9	43.2	43.2	43.2	43.2	43.2	43.2	43.2
% change	-48.41%	0.68%	29.76%	-21.41%	-0.39%	5.27%	-2.91%	16.93%	16.93%	-21.19%	-5.69%	3.35%	-4.48%	10.61%	16.93%	0.70%	10.61%	10.61%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
3. Recurrent Expenditure	116.7	115.1	100.0	95.8	114.7	108.9	117.7	114.8	114.8	111.2	119.1	108.5	128.3	120.9	100.7	111.9	120.9	120.9	111.9	111.9	111.9	111.9	111.9	111.9	111.9
% change	-24.22%	-30.83%	-14.32%	-16.72%	14.68%	13.65%	0.07%	0.07%	0.07%	-3.12%	1.18%	-2.42%	18.19%	11.33%	-21.50%	-7.44%	11.33%	11.33%	-7.44%	-7.44%	-7.44%	-7.44%	-7.44%	-7.44%	-7.44%
4. Capital Expenditure	8.2	5.2	10.8	11.7	9.5	20.6	18.8	9.2	9.2	10.0	10.3	11.2	6.5	9.9	8.4	8.6	9.9	9.9	8.6	8.6	8.6	8.6	8.6	8.6	8.6
% change	-75.94%	-82.14%	32.58%	127.85%	-12.40%	75.56%	-8.97%	-2.71%	-2.71%	8.58%	-45.09%	11.81%	-41.82%	-28.26%	28.99%	-13.46%	-28.26%	-28.26%	-13.46%	-13.46%	-13.46%	-13.46%	-13.46%	-13.46%	-13.46%
5. Deficit/Surplus*	-29.4	-21.2	1.4	-25.2	-32.4	-54.4	-43.0	-21.0	-21.0	-40.2	5.1	-13.6	-24.1	-24.1	-21.0	-16.1	-24.1	-24.1	-16.1	-16.1	-16.1	-16.1	-16.1	-16.1	-16.1
% change	-56.81%	-85.22%	-104.67%	18.61%	-2451.67%	116.02%	-20.93%	-35.12%	-35.12%	91.66%	-111.76%	-66.23%	77.17%	-35.73%	-12.85%	-33.02%	-35.73%	-35.73%	-16.1	-16.1	-16.1	-16.1	-16.1	-16.1	-16.1

6. Total Debt	3,320.3	2,884.5	3,303.4	2,947.4	3,303.4	3,303.4	2,947.4	3,303.4	3,303.4	2,947.4	3,303.4	3,303.4	2,947.4	3,303.4	3,303.4	2,947.4	3,303.4	3,303.4	2,947.4	3,303.4	3,303.4	2,947.4	3,303.4	3,303.4	2,947.4	
% change	5.01%	0.0154%	0.37%	-0.51%	2.18%	0.00%	2.18%	0.00%	0.00%	-2.18%	0.00%	0.00%	-2.18%	0.00%	0.00%	-2.18%	0.00%	0.00%	-2.18%	0.00%	0.00%	0.00%	0.00%	0.00%	-2.18%	
7. External Debt	383.7	703.1	394.3	702.2	393.3	702.1	393.3	702.1	393.3	702.1	393.3	702.1	393.3	702.1	393.3	702.1	393.3	702.1	393.3	702.1	393.3	702.1	393.3	702.1	393.3	
% change	0.19%	0.073%	2.74%	-0.13%	-0.24%	0.00%	-0.24%	0.00%	0.00%	-0.24%	0.00%	0.00%	-0.13%	-0.24%	0.00%	-0.24%	0.00%	0.00%	-0.24%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.13%	
8. Internal F/C Debt	3.6	1.8	3.6	1.8	53.6	1.8	53.6	1.8	53.6	1.8	53.6	1.8	53.6	1.8	53.6	1.8	53.6	1.8	53.6	1.8	53.6	1.8	53.6	1.8	53.6	
% change	158.00%	0.00%	0.00%	0.00%	1384.27%	0.00%	1384.27%	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%	
9. Bahamian Dollar Debt	2,486.6	2,615.5	2,486.6	2,599.5	2,500.5	2,599.5	2,486.6	2,599.5	2,500.5	2,599.5	2,486.6	2,599.5	2,486.6	2,599.5	2,500.5	2,599.5	2,486.6	2,599.5	2,500.5	2,599.5	2,486.6	2,599.5	2,500.5	2,599.5	2,486.6	
% change	4.51%	0.00%	0.00%	-0.61%	0.56%	0.00%	0.56%	0.00%	0.00%	0.56%	-0.61%	0.56%	0.00%	0.56%	0.00%	0.56%	0.00%	0.00%	0.56%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.61%	
10. Total Amortization	0.0	0.1	0.0	16.9	0.9	0.0	16.9	0.9	0.0	16.9	0.9	0.0	16.9	0.9	0.0	16.9	0.9	0.0	16.9	0.9	0.0	16.9	0.9	0.0	16.9	
% change	-100.00%	847.27%	#DIV/0!	15772.35%	6105.80%	-99.90%	6105.80%	-99.90%	-99.90%	6105.80%	-99.90%	-99.90%	847.27%	6105.80%	-99.90%	6105.80%	-99.90%	-99.90%	6105.80%	-99.90%	-99.90%	-99.90%	-99.90%	-99.90%	-99.90%	847.27%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	
11. Total Public Sector F/C Debt	856.8	1,179.3	865.6	1,176.6	846.0	1,175.2	846.0	1,175.2	846.0	1,175.2	846.0	1,175.2	846.0	1,175.2	846.0	1,175.2	846.0	1,175.2	846.0	1,175.2	846.0	1,175.2	846.0	1,175.2	846.0
% change	55.93%	-0.21%	-26.60%	35.93%	-28.10%	38.92%	-28.10%	38.92%	-28.10%	38.92%	-28.10%	38.92%	-28.10%	38.92%	-28.10%	38.92%	-28.10%	38.92%	-28.10%	38.92%	-28.10%	38.92%	-28.10%	38.92%	-28.10%

	YEAR TO DATE	
	2009	2010
130.8	131.2	(Over previous year)
6.73%	0.31%	
4183.3	4183.3	
1.06%	1.06%	
1138.9	1138.9	
-16.53%	-16.53%	
1002.5	1002.5	
-12.29%	-12.29%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	
Real Sector Indicators																									
12. Retail Price Index	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1	131.2	130.1
% change; over previous month	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%	7.06%	4.77%
13. Tourist arrivals (000's)	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8	410.8
% change; over previous year	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%	102.1%
14. Air arrivals (000's)	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
% change; over previous year	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%	-18.74%
15. Occupied Room Nights	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7	169.7
% change; over previous year	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%	-20.30%

155.48	80.41	
32.76%	-48.28%	

16. Res. Mortgage Commitments-New Const.	155.48	80.41
% change; over previous year	32.76%	-48.28%