



Monthly Economic and Financial Developments October 2019

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:

2019: December 23



Monthly Economic and Financial Developments (MEFD) October 2019

1. Domestic Economic Developments

Overview

Indications are that, during the review period, the domestic economic activity remained mildly positive, following the passage of Hurricane Dorian. Specifically, tourism output was supported by gains in the New Providence market and the unaffected Family Islands. Further, foreign direct investment projects continued to provide stimulus to the construction sector, although post-Hurricane rebuilding is gaining some momentum. In prices developments, domestic inflation firmed during the twelve months to August, amid increases across most categories. Meanwhile, the fiscal deficit contracted during the first quarter of FY2019/2020, on account of revenue gains, which outpaced the rise in expenditure. On the monetary front, bank liquidity declined during October, as an expansion in domestic credit contrasted with a reduction in the deposit base; while the growth in external reserves slowed, reflective of the seasonal uptick in foreign currency demand.

Real Sector

Tourism

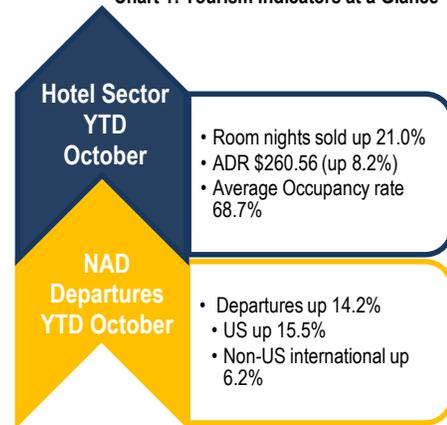
Tourism metrics for the month of October showed that the sector's output remained positive post Hurricane Dorian, although performing under potential, with reduced capacity in Grand Bahama, and Abaco largely offline.

In terms of traffic through the country's gateway airport, data from the Nassau Airport Development Company Limited (NAD) revealed a recovery in departures vis-à-vis September's contraction, with a 1.7% growth year-over-year in October, but this was markedly lower than the 19.1% expansion during the same period in 2018. In particular, the U.S. component grew by 2.6%, significantly lower than the 17.2% growth in the prior year. However, the non-U.S. international segment contracted by 3.7%, contrasting with a 31.6% increase a year ago.

Amid the strong gains secured in earlier months, departures rose 14.2%, on a year to date basis, compared to a 13.8% increase a year earlier. By region, U.S. departures, which are highest in volume, grew by 15.5%, extending the 13.0% growth recorded in 2018. Conversely, the non-U.S. international component rose by 6.2%, a slowdown from an 18.8% growth a year earlier.

Developments within the hotel market were also tepid for October. Information from The Bahamas Hotel & Tourism Association (BHTA) and the Ministry of Tourism (MOT)—which covers a sample of large hotels in New Providence and Paradise Island— showed a 5.0% falloff in room revenue during the month, despite the 5.9% increase in the average daily room rate (ADR) to \$190.39. This was due to a 10.0% decline in room nights sold, with the occupancy rate lower by 4.8 percentage points. In contrast, room revenue expanded by

Chart 1: Tourism Indicators at a Glance



Sources: Ministry of Tourism, Bahamas Hotel Association & Nassau Airport Development Co.

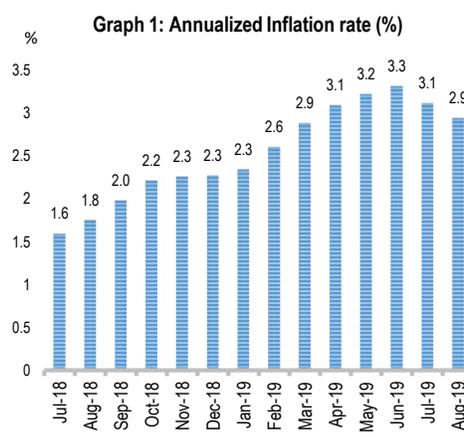
24.0% during the ten months to October, amid respective gains in room nights sold and the ADR of 21.0% and 8.2%, while the average occupancy rate rose by 7.1 percentage points to 68.7%.

Data on activity within the short-term rental market revealed that overall output remained positive; however, the recent storm's impact on the affected islands remained evident. In particular, total available listings firmed by 8.9%, relative to October 2018, amid growth in the Exuma and New Providence markets, which partly compensated for the declines in Grand Bahama and Abaco. Likewise, with higher engagements in New Providence and Exuma, total booked listings rose by 32.1% when compared to last year. Against this backdrop, the average daily room rate (ADR) for entire place listings gained 1.3% to \$351.27, although the hotel comparable rate fell by 0.5% to \$148.25.

Over the ten-month period, available off-resort listings expanded by 16.3%, reflecting gains in entire place and private room offerings. Similarly, bookings grew by 31.7% relative to 2018. However, the ADR for both hotel comparable accommodations and entire place listings were lower by 6.6% and 2.0%, respectively.

Prices

Reflecting the lingering impact of the increase in the VAT rate, domestic inflation—as measured by the All Bahamas Retail Price Index—rose by 1.2 percentage points to 2.9% during the 12 months to August. More specifically, the average prices for furnishing, household equipment & maintenance increased by 6.5% and for clothing & footwear, by 1.8%, after both posted reductions in 2018. Further, average prices rose over the review period for transport (9.0%), restaurants & hotels (5.2%), alcoholic beverages, tobacco & narcotics (4.0%), health (2.4%), housing, water, gas, electricity & other fuels (2.1%) and food & non-alcoholic beverages (0.7%). In contrast, average costs decreased for communication, education, and recreation & culture.

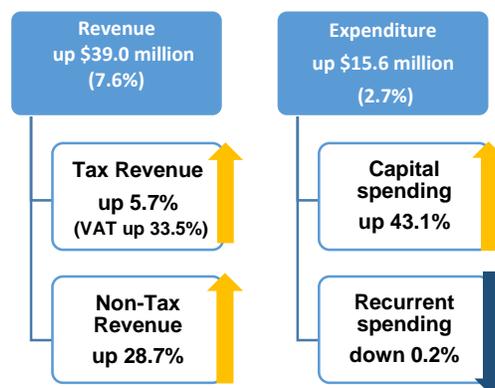


Source: Department of Statistics

Fiscal

Preliminary data on the Government's budgetary operations for the first quarter of FY2019/2020, revealed a \$23.3 million (36.0%) narrowing in the deficit to \$41.5 million, relative to the same period in FY2018/2019. The outcome was largely supported by a \$39.0 million (7.6%) rise in aggregate revenue to \$552.8 million, which outweighed the \$15.6 million (2.7%) increase in total expenditure to \$594.4 million.

Chart 2: Budgetary Operations at a Glance
Provisional Quarter I FY2019/2020



Source: The Ministry of Finance

Expansion in total revenue was underpinned by a \$26.8 million (5.7%) growth in tax receipts, as VAT levies advanced by \$66.8 million (33.5%) to \$266.2 million, owing in part to the reversion to impose VAT on realty transactions, and remove most stamp taxes on the same. Accordingly, stamp collections decreased by \$43.8 million (80.5%) to \$10.6 million. Further, receipts from business license fees grew by \$6.7 million; excise taxes, by \$4.4 million and gaming taxes, by \$2.2 million. However, property taxes fell by \$3.7 million (30.4%) to \$8.5 million, while taxes on international trade reduced by \$3.5 million (3.1%) to \$110.3 million, as a falloff in customs and other import duties outpaced gains in departure and

export taxes. In addition, non-tax revenue rose by \$12.1 million (28.7%), to \$54.1 million, attributed to Hurricane Dorian proceeds from the Caribbean Catastrophic Risk Facility (CCRIF).

Reflecting Governments initial post hurricane outlays, growth in aggregate expenditure was largely due to a \$16.7 million (43.1%) expansion in capital spending to \$55.5 million. In particular, capital transfers more than doubled to \$17.6 million, while the acquisition of non-financial assets rose by \$7.7 million (25.3%), owing to increased spending for buildings other than dwellings. In contrast, the dominant recurrent expenditure component decreased by \$1.1 million (0.2%) to \$538.8 million, anchored by a \$26.1 million (19.7%) decline in purchases of goods and services. In a partial offset, subsidies advanced by \$11.7 million (15.3%) and insurance premiums, by \$7.1 million; while current transfers were higher by \$6.2 million (15.6%), due mostly to a rise transfers to households. More muted gains of less than \$3.0 million were recorded for employee compensation and interest payments.

2. Domestic Monetary Trends

October 2019 vs. 2018

Liquidity

Monetary developments for October featured a contraction in bank liquidity, reflecting an increase in domestic credit as opposed to a reduction in deposits. In particular, excess reserves—a narrow measure of liquidity—fell by \$39.7 million to \$855.0 million, vis-à-vis a \$20.5 million increase in 2018. In addition, the broader measure, excess liquid assets, declined further by \$65.8 million to \$1,719.0 million.

External Reserves

External reserves grew by \$3.7 million, to \$1,561.1 million, albeit a slowdown from the \$34.8 million growth recorded last year. Reflecting an increase in foreign currency demand to facilitate fuel purchases, the Central Bank's net transactions with the public sector reversed to a net sale of \$33.6 million, from a net purchase of \$28.7 million in the prior year. Conversely, the Bank's net foreign currency purchases from commercial banks increased to \$20.0 million, from \$2.4 million in a year earlier, as commercial banks' net purchase from their consumers rose, by \$22.0 million, to \$27.3 million.

Exchange Control Sales

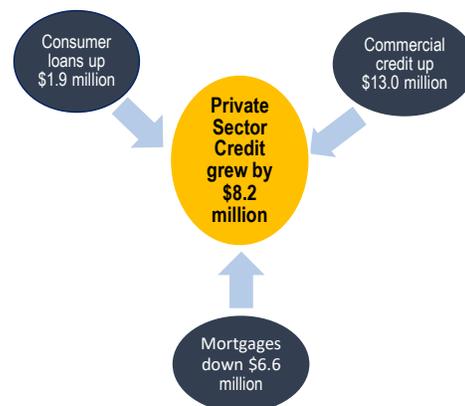
Data on foreign currency sales for current account transactions revealed a \$76.3 million falloff in outflows to approximately \$454.5 million in October, relative to the same month in 2018, amid broad-based reductions across all categories. Specifically, sales to facilitate oil imports fell by \$34.6 million and sales associated with "other current transactions"—which typically comprise insurance services, remittances, royalties and credit cards—decreased by \$21.4 million. Further, foreign currency sales for non-oil imports, were lower by \$12.5 million, while more muted declines were recorded for factor income, travel and transfer payments of \$6.9 million, \$0.5 million and \$0.4 million, respectively.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit increased by \$55.8 million in October, a turnaround from a \$13.1 million contraction last year. This occurred mainly as net claims on the Government advanced by \$48.9 million, following a \$23.2 million reduction a year earlier. In addition, private sector credit rose further by \$8.2 million, extending 2018's \$6.2 million gain. Commercial and consumer credit firmed by a respective \$13.0 million and \$1.9 million, overshadowing the \$6.6 million decline in mortgages. In contrast, credit to public corporations fell by \$1.3 million, a reversal from the \$3.9 million uptick noted in 2018.

Chart 3: B\$ Private Sector Credit



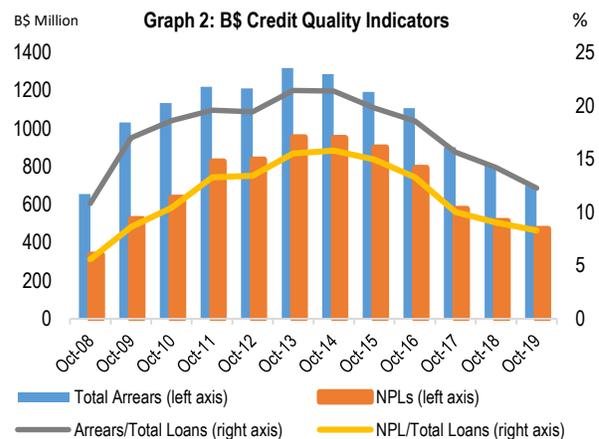
Source: Central Bank of The Bahamas

Foreign Currency Credit

Domestic foreign currency credit grew by \$8.3 million in October, in contrast to a \$4.4 million decline in the prior year. Underlying this outturn, net credit to the Government expanded by \$13.1 million, a turnaround from a \$1.1 million decrease a year ago. Further, public sector credit was unchanged, following a \$0.8 million decline a year earlier. In contrast, the contraction in private sector credit deepened to \$5.1 million, from \$2.5 million last year.

Credit Quality

Banking sector arrears continued to trend downward during October, with total private sector arrears contracting by \$50.8 million (6.8%) to \$698.9 million, and the corresponding ratio declining by 94 basis points to 12.3% of total private sector loans. In particular, short term arrears (31-90 days) reduced by \$44.1 million (16.3%) to \$227.1 million, and its relevant ratio fell by 79 basis points to 4.0%. In addition, non-performing loans (NPLs) contracted by \$6.7 million (1.4%) to \$471.8 million, yielding a 15 basis points decrease in the attendant ratio to 8.3%.



Source: Central Bank of The Bahamas

Disaggregated by loan category, the contraction in arrears was led by a \$34.4 million (7.5%) falloff in mortgage delinquencies to \$422.2 million. Both the short-term and long-term categories declined, by \$27.0 million (18.0%) and \$7.4 million (2.4%), respectively. Similarly, consumer loan arrears reduced, by \$21.2 million (9.3%) to \$206.1 million, owing to reductions of \$20.7 million (20.0%) and \$0.5 million (0.4%) in the short-term and long-term segments. In contrast, commercial arrears rose by \$4.9 million (7.4%) to \$70.6 million, due to a \$3.6 million (22.3%) increase in short-term arrears and a \$1.2 million (2.5%) uptick in non-accrual loans.

As a precautionary measure for potential losses due to Hurricane Dorian, banks increased their total provisions for loan losses, by \$28.1 million (6.9%) to \$437.8 million, resulting in an 8.0 percentage points rise in the corresponding ratio to 62.6%. In addition, the ratio of provisions to NPLs firmed by 7.2 percentage points to 92.8%. During the review month, banks wrote-off an estimated \$11.3 million and recovered approximately \$1.8 million.

On a year-on-year basis, the total private sector arrears rate declined by 1.9 percentage points, as the ratio of 31-90 day delinquencies to total private sector loans fell by 1.2 percentage points and the NPLs rate eased by 0.8 percentage points. Further, by loan type, decreases were recorded for all the categories, with the commercial, mortgages and consumer delinquency rates lower by 3.4, 2.4 and 0.9 percentage points, respectively.

Deposits

During the review period, the reduction in Bahamian dollar deposits narrowed to \$8.0 million, from \$49.5 million in the corresponding period of 2018. Underlying this outcome, savings and demand balances grew by \$20.2 million and \$10.0 million, rebounding from the prior year's retrenchment of \$15.7 million and \$40.0 million, respectively. In contrast, fixed deposits contracted by \$38.2 million, after the \$5.3 million expansion recorded last year. Further, the falloff in residents' foreign currency deposits tapered to \$21.6 million from \$90.3 million a year ago.

Interest Rates

With regard to interest rate developments, banks' weighted average loan rate fell by 1.1 percentage points to 11.67%. Likewise, the weighted average deposit rate declined by 21 basis points to 0.40%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will continue to expand at a modest pace during remainder of the year, but may plateau in 2020, before returning to pre-hurricane growth in the subsequent year. Activity within New Providence and some of the other major islands are poised to sustain short to medium-term gains within the tourism sector, until the country's inventory is fully restored. Further, construction output will continue to be underpinned by foreign direct investments, with some impetus from rebuilding efforts, as funding, materials and labor are sourced. Against this backdrop, any gains in employment are likely to accrue in the construction sector, with more broad-based improvements anticipated, as work progresses with the restoration of damaged hotels and resorts. Meanwhile, inflationary pressures are anticipated to remain benign barring no shocks to global energy costs.

In the fiscal sector, the replacement of lost infrastructure and social spending, combined with Government's prior commitments, are likely to place a strain on Government's resources. Revenue shortfalls are expected to be financed mainly through additional domestic and international borrowing; with modest support also from donations from private and official sources.

In the monetary sector, continued cautious commercial bank lending posture, alongside added deposit base growth should sustain elevated liquidity conditions over the remainder of the 2019 and 2020. The trend of healthy external reserve balances is expected to be maintained in the short-run, underpinned by

Government's external financing proceeds and re-insurance inflows. However, a net reduction is forecasted for 2020, as import spending on rebuilding activities intensify, and lower than normal capacity in the tourism sector constrains new private sector inflows.

4. Monetary Policy Implications

In light of the current outlook, the Central Bank will continue to pursue policies that support financial sector stability and are conducive to overall economic recovery. This includes increased flexibility in lending guidelines for hurricane impacted households and businesses, while maintaining the medium-term focus on reducing excess bank liquidity.

APPENDIX

International Developments

Economic indicators for the leading global economies remained positive over the review period, despite ongoing trade disputes between the U.S. and China, as well as political uncertainty with the European market. Against this backdrop, the Federal Reserve Bank reduced its key policy rate, in support of continued economic expansion, and the other major central banks affirmed their highly accommodative monetary posture.

Economic conditions within the United States were mostly subdued during the review period. Specifically, Gross Domestic Product (GDP) growth tapered to 1.9 % during the third quarter, from 2.0% during the prior quarter, due largely to decelerations in personal consumption expenditure and Government spending. Further, industrial production fell by 0.8%, extending the 0.3% decline in the prior month, attributed in part to a decrease in output of motor vehicles and parts. In addition, the unemployment rate edged up by 10 basis points in October, to 3.6%, despite a 128,000 increase in non-farm payroll employment. On a positive note, retail sales expanded by 0.3%, reversing a decline of the same magnitude a month earlier. Moreover, the trade deficit improved by \$2.6 billion (4.5%) in September, on account of a decrease in imports which surpassed the reduction in exports. Bolstered by a rise in energy and medical care costs, prices rose by 0.4% during the review period, after steadying in September. In support of sustained positive growth and increased employment, the Federal Reserve lowered its benchmark interest rate by 25 basis points to a range of 1.50%-1.75%.

Despite uncertainty surrounding the upcoming general elections in the UK and delays in the Brexit agreement, economic developments in the European economies were mostly positive. GDP in the UK firmed by 0.3% in the third quarter, rebounding from a 0.2% reduction during the prior quarter, owing to gains in productivity within the services and construction sectors. Meanwhile, output growth in the euro area steadied at 0.2% during the three months to September. In the labor market, the UK's jobless rate fell by 10 basis points to 3.8% during the three months to September, while the euro area's unemployment rate was unchanged at 7.5%. With regard to international trade, the UK's deficit narrowed by £5.0 billion to £6.4 billion during the third quarter, as an £8.8 billion expansion in exports outpaced a £3.8 billion increase in imports. Meanwhile, the euro area's trade surplus grew by €4.4 billion to €18.7 billion in September, supported by a €19.4 billion increase in exports, which outstripped a €15.0 billion rise in imports. Retail sales in the euro area were slightly higher, by 0.1%, albeit a softening from a 0.6% increase recorded in the prior month; meanwhile gains in UK sales moved lower by 10 basis points in October, after steadying a month earlier. In terms of prices, the UK's inflation rate softened by 20 basis points to 1.5% during September, reflecting a change in the energy cap on the price of electricity, gas and other fuels. Similarly, euro area inflation rate narrowed by 10 basis points to 0.7% during the twelve months to October. In this environment, the Bank of England and the European Central Bank maintained their accommodative monetary policy stances.

Economic indicators in the Asian markets varied during the review period. In China, real output grew by 1.5% in the third quarter, owing largely to gains in the services sector, vis-a-vis a 1.6% acceleration in the previous quarter. In addition, Japan's GDP firmed marginally, by 0.1% during the third quarter, a softening from a 0.4% expansion in the previous quarter, as growth in consumption, and public investment moderated. In the labor market, the jobless rate decreased by 10 basis points to 5.1% in China; however, the unemployment rate in Japan increased during the month of September, by 20 basis points to 2.4%. On the external front, China's trade surplus broadened by 8.0% in October to US\$42.8 billion over the prior month, amid a 5.0% decline in imports, which outpaced the 2.4% reduction in exports. Regarding trade, Japan recorded a ¥17.3 billion surplus in October, a reversal from the previous month's ¥124.8 billion deficit, driven by a 3.3% hike in exports, which outweighed the 1.0% uptick in imports. In terms of prices, Japan's inflation rate was unchanged in September, while in China, average consumer prices firmed by 0.9% for the month of October. In light of these developments, the Bank of Japan maintained its policy rate of -0.1%, and the People's Bank of China kept its reverse repo rate at 2.55%.

Developments in the major global stock indices were primarily positive over the month. In the United States, both the Dow Jones Industrial Average (DJIA) and the S&P 500 advanced, by 8.6% and 2.0%, respectively, in response to the lowering of the Fed's rate reduction. Similar trends were seen in the Asian markets, as Japan's Nikkei 225 firmed by 5.4% and China's SE Composite improved by 0.8%. In Europe, France's CAC 40 and the German DAX broadened, by 0.9% and 3.5%, respectively, however, the United Kingdom's FTSE 100 contracted by 2.2% over the review period.

During the month of October, the US dollar depreciated against all of the major currencies, partly due to the Fed's policy rate reduction. Of greatest significance was a 5.0% weakening against the British Pound to £0.7727. Similarly, declines were registered versus the euro (2.3%), Chinese Renminbi (1.5%) and the Swiss Franc (1.1%), to €0.8967, CNY 7.0387, and CHF 0.9864, respectively. Smaller movements were recorded relative to the Canadian Dollar (down 0.6% to CAD\$1.3163) and the Japanese Yen (down 0.1% to ¥108.03).

In the commodities market, broad-based price gains were recorded during October, with crude oil prices advancing by 0.6% to \$60.75 per barrel, despite an increase in OPEC's oil production of 943 thousand barrels per day (tb/d) to 29.65 million barrels per day (mb/d). In addition, the cost of silver and gold advanced by 6.6% and 2.8%, to \$18.11 and \$1,512.94 per troy ounce, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

OCTOBER						
Value		Change		Change YTD		
2018	2019	2018	2019	2018	2019	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	757.12	855.03	20.52	-39.68	-100.44	183.68
1.2 Excess Liquid Assets	1,710.63	1,718.97	-26.60	-65.82	-87.65	187.04
1.3 External Reserves	1,351.19	1,561.10	34.79	3.67	-57.10	363.73
1.4 Bank's Net Foreign Assets	-103.97	168.41	-69.45	-14.36	67.02	106.39
1.5 Usable Reserves	652.13	750.58	27.76	1.71	-16.77	228.23

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,885.38	5,854.67	3.69	3.08	-91.10	-0.30
a. B\$ Credit	5,657.68	5,667.14	6.16	8.20	-94.39	19.84
of which: Consumer Credit	2,124.99	2,086.95	-8.49	1.85	-72.53	-30.96
Mortgages	2,865.26	2,857.02	-2.33	-6.62	-16.74	-9.20
Commercial and Other Loans B\$	667.43	723.16	16.98	12.97	-5.11	59.99
b. F/C Credit	227.70	187.54	-2.47	-5.12	3.29	-20.13
of which: Mortgages	67.23	57.69	1.27	-0.48	5.03	-0.42
Commercial and Other Loans F/C	160.47	129.85	-3.74	-4.64	-1.74	-19.71
2.2 Central Government (net)	2,468.66	2,582.88	-24.33	62.07	90.65	53.40
a. B\$ Loans & Securities	2,670.23	2,864.45	-37.87	69.03	61.28	122.52
Less Deposits	196.62	299.74	-14.67	20.09	-29.53	89.38
b. F/C Loans & Securities	0.00	22.00	0.00	15.00	0.00	15.00
Less Deposits	4.96	3.82	1.13	1.87	0.15	-5.27
2.3 Rest of Public Sector	321.14	275.24	3.13	-1.32	50.24	-42.87
a. B\$ Credit	129.72	109.01	3.92	-1.32	29.52	-19.32
b. F/C Credit	191.42	166.23	-0.79	0.00	20.73	-23.56
2.4 Total Domestic Credit	8,675.18	8,713.22	-17.52	64.09	49.80	10.56
a. B\$ Domestic Credit	8,261.01	8,340.85	-13.12	55.81	25.93	33.66
b. F/C Domestic Credit	414.17	372.36	-4.41	8.28	23.87	-23.09

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,422.56	2,805.36	-38.99	9.98	62.08	348.09
a. Central Bank	52.58	96.98	8.47	41.75	38.51	22.01
b. Banks	2,369.98	2,708.38	-47.46	-31.77	23.57	326.08
3.2 Savings Deposits	1,407.18	1,540.42	-15.74	20.21	39.51	119.69
3.3 Fixed Deposits	2,591.79	2,417.73	5.25	-38.21	-150.86	-144.53
3.4 Total B\$ Deposits	6,421.52	6,763.51	-49.48	-8.02	-49.27	323.25
3.5 F/C Deposits of Residents	373.22	592.38	-90.32	-21.56	71.19	74.31
3.6 M2	6,718.61	7,078.94	-48.66	-3.34	-59.18	335.06
3.7 External Reserves/M2 (%)	20.11	22.05	0.66	0.06	-0.67	4.30
3.8 Reserves/Base Money (%)	101.12	107.26	1.15	2.77	3.51	11.60
3.9 External Reserves/Demand Liabilities (%)	96.64	96.30	1.53	-0.01	1.41	7.61

Value		Year to Date		Change	
2018	2019	2018	2019	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

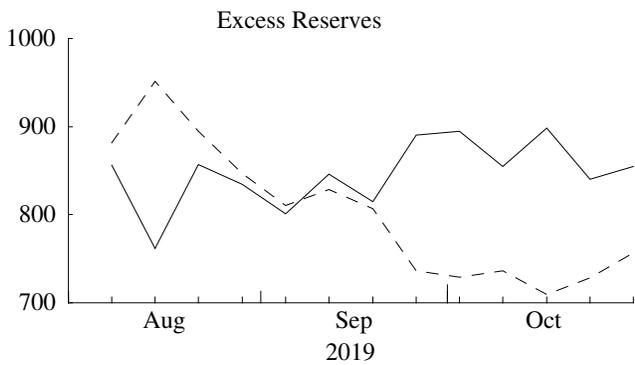
4.1 Central Bank Net Purchase/(Sale)	31.10	-13.67	-83.50	308.19	-44.77	391.69
a. Net Purchase/(Sale) from/to Banks	2.38	19.97	140.10	633.63	17.59	493.53
i. Sales to Banks	33.65	16.00	343.20	75.25	-17.65	-267.95
ii. Purchases from Banks	36.03	35.97	483.30	708.88	-0.06	225.58
b. Net Purchase/(Sale) from/to Others	28.72	-33.64	-223.60	-325.44	-62.36	-101.84
i. Sales to Others	103.45	55.63	722.91	758.39	-47.82	35.48
ii. Purchases from Others	132.17	21.99	499.31	432.95	-110.18	-66.36
4.2 Banks Net Purchase/(Sale)	5.31	27.27	63.39	607.88	21.95	544.48
a. Sales to Customers	487.37	383.93	4,571.12	4,060.68	-103.44	-510.44
b. Purchases from Customers	492.68	411.20	4,634.51	4,668.55	-81.49	34.04
4.3 B\$ Position (change)	3.44	-11.16				

5.0 EXCHANGE CONTROL SALES

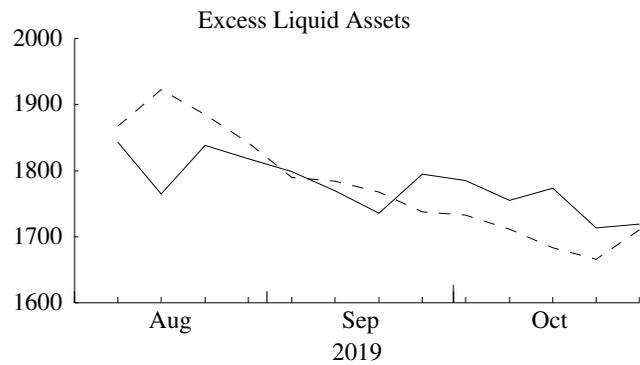
5.1 Current Items	530.74	454.46	4,867.61	4,497.96	-76.28	-369.65
of which Public Sector	65.53	2.78	508.98	230.55	-62.76	-278.43
a. Nonoil Imports	130.07	117.55	1,313.91	1,162.65	-12.53	-151.25
b. Oil Imports	60.53	25.89	451.46	411.45	-34.63	-40.01
c. Travel	29.84	29.34	271.66	266.03	-0.50	-5.63
d. Factor Income	25.47	18.55	401.98	191.04	-6.92	-210.94
e. Transfers	23.93	23.58	183.17	188.75	-0.35	5.58
f. Other Current Items	260.90	239.55	2,245.44	2,278.03	-21.36	32.59
5.2 Capital Items	31.67	8.13	281.15	150.38	-23.54	-130.77
of which Public Sector	21.81	0.00	176.57	46.10	-21.81	-130.47
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

SELECTED MONEY AND CREDIT INDICATORS

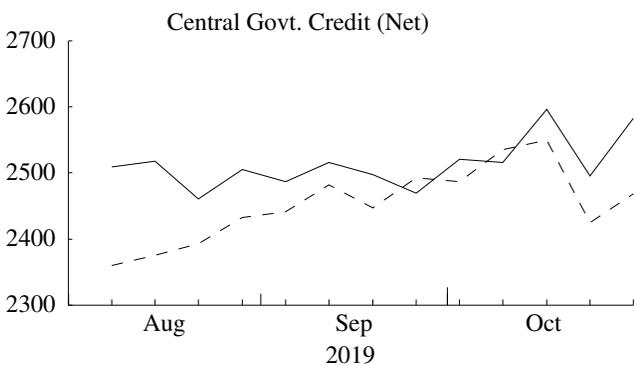
(B\$ Millions)



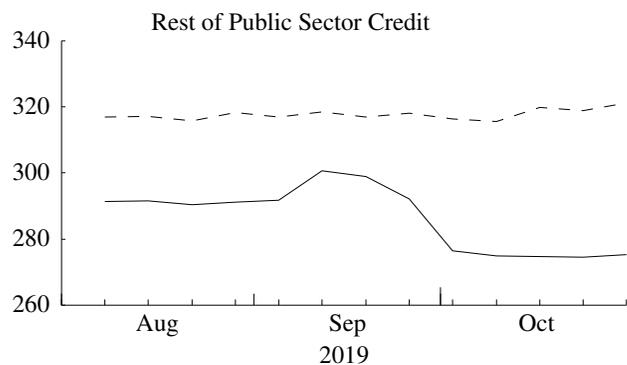
— 2019
- - - 2018



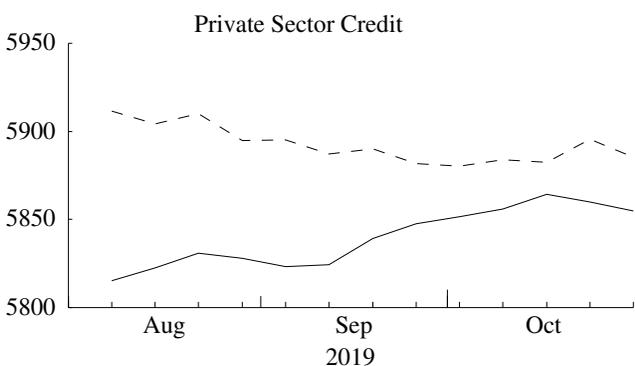
— 2019
- - - 2018



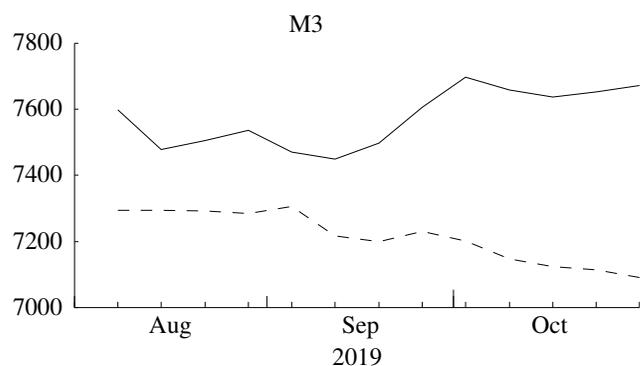
— 2019
- - - 2018



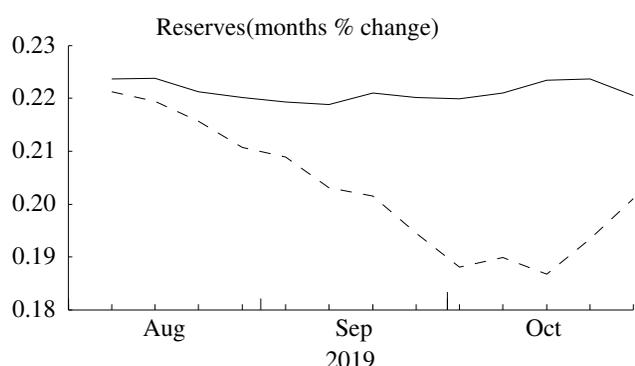
— 2019
- - - 2018



— 2019
- - - 2018



— 2019
- - - 2018



— 2019
- - - 2018

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2017	2018	2017	2018	2017	2018
Bahamas	1.4	2.3	1.4	2.5	10.1	10.7
United States	2.2	2.9	2.1	2.4	4.4	3.8
Euro-Area	2.4	2.0	1.5	1.7	9.1	8.3
<i>Germany</i>	2.5	1.9	1.7	1.8	3.8	3.5
Japan	1.7	1.1	0.5	1.2	2.9	2.9
China	6.9	6.6	1.6	2.2	3.9	4.0
United Kingdom	1.7	1.4	2.7	2.7	4.4	4.1
Canada	3.0	2.1	1.6	2.6	6.3	6.1

Source: IMF World Economic Outlook October 2018, 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
June 2017	4.00	0.00	1.75	1.00-1.25	0.25
July 2017	4.00	0.00	1.75	1.00-1.25	0.25
August 2017	4.00	0.00	1.75	1.00-1.25	0.25
September 2017	4.00	0.00	1.75	1.00-1.25	0.25
October 2017	4.00	0.00	1.75	1.00-1.25	0.25
November 2017	4.00	0.00	1.75	1.00-1.25	0.25
December 2017	4.00	0.00	1.75	1.00-1.25	0.50
January 2018	4.00	0.00	2.00	1.25-1.50	0.50
February 2018	4.00	0.00	2.00	1.25-1.50	0.50
March 2018	4.00	0.00	2.00	1.25-1.50	0.50
April 2018	4.00	0.00	2.25	1.50-1.75	0.50
May 2018	4.00	0.00	2.25	1.50-1.75	0.50
June 2018	4.00	0.00	2.50	1.75-2.00	0.50
July 2018	4.00	0.00	2.50	1.75-2.00	0.50
August 2018	4.00	0.00	2.50	1.75-2.00	0.50
September 2018	4.00	0.00	2.50	1.75-2.00	0.75
October 2018	4.00	0.00	2.75	2.00-2.25	0.75
November 2018	4.00	0.00	2.75	2.00-2.25	0.75
December 2018	4.00	0.00	2.75	2.00-2.25	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75
May 2019	4.00	0.00	3.00	2.25-2.50	0.75
June 2019	4.00	0.00	3.00	2.25-2.50	0.75
July 2019	4.00	0.00	3.00	2.00-2.25	0.75
August 2019	4.00	0.00	2.75	2.00-2.25	0.75
September 2019	4.00	0.00	2.50	1.75-2.00	0.75
October 2019	4.00	0.00	2.25	1.50-1.75	0.75

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Oct-18	Sept-19	Oct-19	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8840	0.9174	0.8967	-2.26	2.84	1.43
Yen	112.94	108.08	108.03	-0.05	-1.52	-4.35
Pound	0.7834	0.8135	0.7727	-5.02	-1.41	-1.37
Canadian \$	1.3157	1.3240	1.3163	-0.58	-3.50	0.05
Swiss Franc	1.0085	0.9978	0.9864	-1.14	0.49	-2.19
Renminbi	6.9758	7.1484	7.0387	-1.53	2.33	0.90

Source: Bloomberg as of October 31st, 2019

D. Selected Commodity Prices (\$)					
Commodity	October 2018	September 2019	October 2019	Mthly % Change	YTD % Change
Gold / Ounce	1214.76	1472.39	1512.94	2.75	17.97
Silver / Ounce	14.25	16.99	18.11	6.58	16.86
Oil / Barrel	82.67	60.40	60.75	0.58	16.20

Source: Bloomberg as of October 31st, 2019

E. Equity Market Valuations – October 31st, 2019 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	1.73	8.55	2.04	-2.16	0.92	3.53	5.38	0.82
3 month	-0.40	0.68	1.92	-4.46	3.82	5.56	6.53	-0.12
YTD	8.28	3.43	7.57	-3.79	4.52	-2.45	-0.74	-15.85
12-month	12.57	12.21	15.02	2.72	10.89	6.37	6.86	-7.57

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	1.645	0.71	-0.4575
1 Month	1.85	0.7300	-0.4700
3 Month	2.0466	0.8200	-0.4075
6 Month	1.95	0.905	-0.3825
9 Month	1.87	0.9800	-0.3450
1 year	1.9554	1.045	-0.3075

Source: Bloomberg as of October 31st, 2019

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

	VALUE										CHANGE									
	Sep. 04	Sep. 11	Sep. 18	Sep. 25	Oct. 02	Oct. 09	Oct. 16	Oct. 23	Oct. 30	Sep. 04	Sep. 11	Sep. 18	Sep. 25	Oct. 02	Oct. 09	Oct. 16	Oct. 23	Oct. 30		
I. External Reserves	1,528.56	1,520.51	1,539.41	1,542.33	1,557.42	1,556.86	1,574.69	1,578.24	1,561.10	-16.56	-8.04	18.89	2.92	15.09	-0.56	17.82	3.56	-17.14		
II. Net Domestic Assets (A + B + C + D)	-131.82	-79.13	-129.06	-65.52	-67.01	-113.62	-87.40	-150.92	-105.69	-9.46	52.69	-49.94	63.54	-1.48	-46.61	26.22	-63.52	45.23		
A. Net Credit to Gov't (i + ii + iii - iv)	286.27	363.36	339.93	344.70	367.29	375.28	450.33	384.01	414.16	-0.55	77.09	-23.42	4.77	22.59	7.98	75.06	-66.33	30.15		
i) Advances	14.96	14.90	14.90	14.90	14.90	14.90	14.90	14.90	14.90	0.00	-0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
ii) Registered Stock	247.67	247.82	252.80	252.76	253.32	253.36	273.14	272.12	272.53	0.06	0.15	4.98	-0.05	0.56	0.04	19.78	-1.01	0.41		
iii) Treasury Bills	83.87	161.60	153.60	170.08	170.08	170.08	187.06	182.03	194.77	0.00	77.72	-7.99	16.48	0.00	0.00	16.98	-5.03	12.74		
iv) Deposits	60.23	60.96	81.37	93.03	71.00	63.06	24.77	85.05	68.05	0.61	0.73	20.41	11.66	-22.03	-7.95	-38.29	60.28	-17.01		
B. Rest of Public Sector (Net) (i + ii - iii)	-47.48	-44.03	-44.27	-41.38	-52.86	-77.69	-58.57	-73.22	-94.61	-5.00	3.45	-0.24	2.90	-11.48	-24.84	19.12	-14.65	-21.38		
i) BDB Loans	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	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	49.86	46.41	46.65	43.75	55.23	80.07	60.94	75.60	96.98	5.00	-3.45	0.24	-2.90	11.48	24.84	-19.12	14.65	21.38		
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)*	-370.61	-398.45	-424.73	-368.85	-381.44	-411.20	-479.16	-461.70	-425.24	-3.91	-27.84	-26.27	55.88	-12.59	-29.76	-67.96	17.46	36.46		
III. Monetary Base	1,396.74	1,441.39	1,410.34	1,476.80	1,490.41	1,443.25	1,487.29	1,427.32	1,455.41	-26.03	44.65	-31.04	66.46	13.61	-47.17	44.04	-59.97	28.09		
A. Currency in Circulation	433.81	434.30	432.01	427.95	438.57	436.48	430.34	428.92	436.14	11.34	0.49	-2.28	-4.06	10.61	-2.08	-6.14	-1.42	7.22		
B. Bank Balances with CBOB	962.93	1,007.09	978.33	1,048.85	1,051.85	1,006.76	1,056.95	998.40	1,019.26	-37.37	44.16	-28.76	70.52	3.00	-45.08	50.18	-58.55	20.87		

* 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 period from previous period)

	YEAR TO DATE	
	2018/2019	2019/2020
5138	5138	5528
13.3%	13.3%	7.6%
199.4	199.4	266.2
18.2%	18.2%	33.5%
151.2	151.2	140.5
12.0%	12.0%	-7.1%
538.8	538.8	538.8
1.1%	1.1%	-0.2%
38.8	38.8	55.5
-47.8%	-47.8%	43.1%
-64.9	-64.9	-41.5
-38.4%	-38.4%	-36.0%

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN	
	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
5138	5138	5528						
-10.2%	-10.2%	-25.0%						
199.4	199.4	266.2						
4.0%	4.0%	-13.3%						
151.2	151.2	140.5						
12.3%	12.3%	-10.6%						
538.8	538.8	538.8						
-15.4%	-15.4%	-25.1%						
38.8	38.8	55.5						
-54.4%	-54.4%	-40.9%						
-64.9	-64.9	-41.5						
-37.2%	-37.2%	-45.4%						

Fiscal Operations*	
1. Government Revenue & Grants	
% change: over previous quarter	
2. Value Added Tax	
% change: over previous quarter	
3. Import/Excise Duties	
% change: over previous quarter	
4. Recurrent Expenditure	
% change: over previous quarter	
5. Capital Expenditure	
% change: over previous quarter	
6. Deficit/Surplus*	
% change: over previous quarter	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	
7. Total Direct Debt	7,514.2	7,189.9	7,189.9	7,476.9	7,205.4	7,476.9	7,473.4	7,175.1	7,465.2	7,245.2	7,527.0	7,280.6	7,513.8	7,337.3	7,548.9	7,378.4	7,585.7	7,383.3	7,638.7						
% change: over previous month	0.4%	0.2%	-0.1%	-0.3%	0.1%	0.0%	0.0%	-0.4%	-0.1%	0.4%	0.8%	0.7%	-0.2%	0.6%	0.5%	0.6%	0.3%	0.1%	0.7%						
8. External Debt	2,675.9	2,592.5	2,662.4	2,588.6	2,661.2	2,557.1	2,652.1	2,661.3	2,552.4	2,637.1	2,553.2	2,632.1	2,549.9	2,608.2	2,543.1	2,599.1	2,588.0	2,543.1	2,560.2						
% change: over previous month	2.3%	0.0%	-0.2%	-0.9%	0.0%	-0.4%	-0.2%	0.0%	0.0%	-0.2%	0.0%	-0.2%	-0.1%	-0.9%	-0.3%	0.7%	-0.4%	0.0%	0.0%						
9. Internal F/C Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0						
% change: over previous month																									
10. Bahamian Dollar Debt	4,533.4	4,921.7	4,536.5	4,908.3	4,544.2	4,919.7	4,921.3	4,523.8	4,912.8	4,606.1	4,973.9	4,658.5	4,963.9	4,729.1	5,005.8	4,779.2	5,025.9	4,795.3	5,063.5						
% change: over previous month	-0.7%	0.3%	0.1%	-0.3%	0.2%	0.2%	0.0%	-0.4%	-0.2%	0.7%	1.2%	1.1%	-0.2%	1.3%	0.8%	1.1%	0.4%	0.3%	0.7%						
11. Total Amortization	34.7	41.4	29.0	36.3	91.8	112.5	133.5	100.4	33.8	21.0	27.7	56.7	36.9	72.5	11.8	33.8	49.5	164.0	173.1						
% change: over previous month	4.9%	-18.9%	-19.7%	-14.0%	217.1%	209.9%	18.7%	9.3%	-74.7%	-99.9%	-18.0%	169.5%	33.1%	27.9%	-67.9%	-33.4%	318.0%	383.7%	249.6%						
12. Total Public Sector F/C Debt	3,364.4	3,508.8	3,528.8	3,484.9	3,526.7	3,462.0	3,457.0	3,516.8	3,457.3	3,508.6	3,440.6	3,585.6	3,437.3	3,560.9	3,430.5	3,591.0	3,430.6	3,579.8	3,446.0						
% change: over previous month	-3.4%	4.8%	4.7%	-0.7%	-0.1%	-0.2%	-0.3%	-0.3%	0.0%	-0.2%	-0.4%	2.5%	-0.1%	-0.7%	-0.2%	0.8%	0.0%	-0.3%	0.4%						

Debt**	
7. Total Direct Debt	
% change: over previous month	
8. External Debt	
% change: over previous month	
9. Internal F/C Debt	
% change: over previous month	
10. Bahamian Dollar Debt	
% change: over previous month	
11. Total Amortization	
% change: over previous month	

	YEAR TO DATE	
	2018	2019
105.0	105.0	108.1
1.95%	1.95%	2.96%
4,922.0	4,922.0	5,435.7
8.46%	8.46%	10.44%
1,202.8	1,202.8	1,342.1
16.53%	16.53%	11.88%
20.85	20.85	32.38
-10.23%	-10.23%	55.27%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	
13. Retail Price Index	103.9	106.7	104.3	108.1	104.0	108.2	104.2	104.2	104.7	105.1	108.1	107.0	108.9	106.9	108.5	108.5	108.5	108.5	108.5						
% change: over previous month	0.00%	0.70%	0.33%	1.26%	-0.30%	0.12%	0.18%	0.15%	0.3%	-0.17%	0.3%	1.8%	0.7%	-0.06%	0.7%	-0.4%	0.0%	0.0%	0.0%						
14. Tourist arrivals (000's)	533.7	636.9	534.2	608.4	707.5	749.0	587.8	657.6	500.0	539.8	641.4	602.5	650.4	516.0	563.5	349.4	400.5	349.4	349.4						
% change: over previous year	4.7%	19.3%	-0.08%	13.8%	3.8%	5.8%	0.9%	11.8%	6.5%	17.8%	18.8%	10.2%	7.9%	8.1%	7.3%	62.4%	62.4%	62.4%	62.4%						
15. Air arrivals (000's)	100.9	129.9	126.3	151.1	184.1	201.6	144.0	171.2	136.1	154.9	168.4	163.4	176.0	129.6	131.1	63.5	63.5	54.1	54.1						
% change: over previous year	6.6%	28.8%	16.7%	19.6%	36.0%	9.4%	4.3%	18.8%	16.0%	15.2%	8.7%	12.9%	7.7%	17.7%	1.2%	48.70%	48.70%	48.70%	48.70%						
16. Occupied Room Nights																									
% change: over previous year																									
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																									
% change: over previous year																									
20.85	20.85	32.38																							
-10.23%	-10.23%	55.27%																							

Real Sector Indicators	
13. Retail Price Index	
% change: over previous month	
14. Tourist arrivals (000's)	
% change: over previous year	
15. Air arrivals (000's)	
% change: over previous year	
16. Occupied Room Nights	
% change: over previous year	
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)	
% change: over previous year	

* Includes Net Lending to Public Corporations
 ** Debt figures include Central Government only, unless otherwise indicated
 p- provisional