



## **Monthly Economic and Financial Developments July 2020**

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:**

**2020:** September 28, November 2, November 30, December 21,



# Monthly Economic and Financial Developments (MEFD) July 2020

## 1. Domestic Economic Developments

### Overview

Domestic economic developments for the month of July continued to be dominated by the Novel Coronavirus (COVID-19) pandemic. Tourism remained largely offline, adversely impacted by globally imposed travel restrictions, which resulted in the high value-added air segment and sea traffic grounding to a halt. However, the restart of foreign investment-led projects and post hurricane reconstruction work provided some stimulus to the construction sector. Meanwhile, both the decrease in foreign exchange purchases and the contracted volume of electronic payments transactions, underscored the significant reduction in domestic consumption expenditures during the review period. In the monetary sector, the growth in bank liquidity slowed, as the rise in domestic credit, mainly to the public sector, outweighed gains in the deposit base. Further, external reserves contracted during the review month, largely reflecting the falloff in foreign currency inflows from real sector activities.

### Real Sector

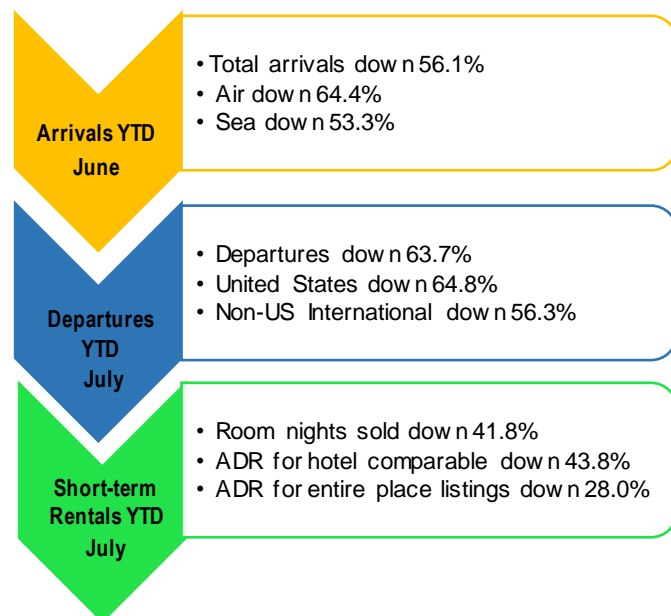
#### Tourism

Tourism sector activity remained contracted during the month of June, as travel restrictions, related to the COVID-19 pandemic largely eliminated both air and sea arrivals.

As the border was partially re-opened to international travellers by private aviation and boat on June 15, preliminary data provided by the Ministry of Tourism (MOT) revealed that total foreign arrivals for the month of June reached 3,935, relative to the 18.8% increase to 641,410 a year earlier. Specifically, sea arrivals totaled 2,230, in contrast to the 22.9% expansion to 473,018 in June 2019. Similarly, air arrivals were just 1,705, in comparison to an 8.7% growth to 168,392 in the previous year.

A breakdown by major port of entry showed that total visitors to New Providence reduced to a mere 1,032, vis-à-vis a 20.5% increase to 333,519 in the preceding year, with sea and air visitors amounting to 549 and 483, respectively.

Chart 1: Tourism Indicators at a Glance



Sources: Ministry of Tourism, Nassau Airport Development Co. & AirDNA

Similarly, total arrivals to the Family Islands declined to 2,359, relative to the 20.1% improvement to 239,952 last year, underpinned by air and sea arrivals falling to 1,148 and 1,211, respectively. Further, visitors to Grand Bahama decreased to 544, after a 7.4% gain to 67,939 in the prior year, as the sea and air visitors amounted to a muted 470 and 74, respectively.

During the first half of the year, total arrivals contracted by 56.1%, a turnaround from a 14.1% expansion recorded in the same period of 2019, reflecting reductions of 64.4% in air traffic, and 53.3% in sea passengers (see Table 1).

**Table 1: Visitor Arrivals First Half of 2020**

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2019	2020	2019	2020	2019	2020
<b>Arrivals</b>						
<b>Air</b>	20.1	-61.1	-6.4	-77.9	7.0	-74.0
<b>Sea</b>	24.4	-62.1	-13.3	-66.9	9.0	-36.4
<b>Total</b>	<b>22.9</b>	<b>-61.8</b>	<b>-12.6</b>	<b>-68.1</b>	<b>8.7</b>	<b>-42.4</b>

Sources: Ministry of Tourism

As the borders officially re-opened to commercial air traffic on July 1, the most recent data provided by the Nassau Airport Development Company Limited (NAD) showed that total international departures amounted to just 8,933 during the review month, in comparison to the 10.3% improvement, to 171,320 in the same period of 2019. On a year-to-date basis, aggregate departures contracted by 63.7%, a reversal from the 17.8% expansion during the corresponding period last year. Underlying this development, the U.S. segment reduced by 64.8%, overturning the 19.3% increase in the preceding year. Similarly, the non-U.S. segment decreased by 56.3%, vis-à-vis an 8.9% gain in 2019.

With regard to the vacation rental market, data provided by AirDNA for the month of July revealed a 54.2% decline in total room nights sold, vis-à-vis the same period last year, underpinned by contractions of 54.9% and 45.8% in bookings for entire place listings and hotel comparable listings, respectively. Pricing indicators varied, as the average daily room rate (ADR) for entire place listings firmed by 9.1% to \$457.68, while the ADR for hotel comparable listings declined by 1.6% to \$149.05. On a year-to-date basis, total room nights sold reduced by 41.8%, as bookings for entire place listings fell by 43.2%, while bookings for hotel comparable listings were lowered by 28.0%. Pricing indicators were mixed, as ADR for hotel comparable listings decreased by 1.6% to \$154.95, while the ADR for entire place listings rose by 2.2% to \$412.52.

## 2. Domestic Monetary Trends

### July 2020 vs. 2019

#### Liquidity

Monetary developments for the month of July featured a moderation in the growth in bank liquidity, as the increase in domestic credit outpaced the rise in the deposit base. Specifically, excess liquid assets—a broad measure of liquidity—grew by \$17.6 million to \$2,082.8 million, albeit a slowdown from the \$25.7 million buildup a year earlier. Likewise, excess reserves—the narrow measure of liquidity—rose by \$31.2 million to \$1,270.5 million, but was lower than the \$38.5 million expansion in 2019.

## External Reserves

Amid the ongoing pandemic, along with international travel restrictions, external reserves contracted by \$45.5 million to \$1,982.8 million during the month of July, a turnaround from an \$18.3 million expansion a year earlier. Underpinning this outturn, the Central Bank's transactions with commercial banks reversed to a net sale of \$65.1 million, from a net purchase of \$32.5 million in the previous year. Further, commercial banks recorded a net sale of \$58.8 million to their customers, following a net intake of \$30.6 million in 2019. Providing some offset, the Central Bank recorded a net purchase of \$18.5 million from the public sector, vis-à-vis a net sale of \$41.7 million in the preceding year.

## Exchange Control Data

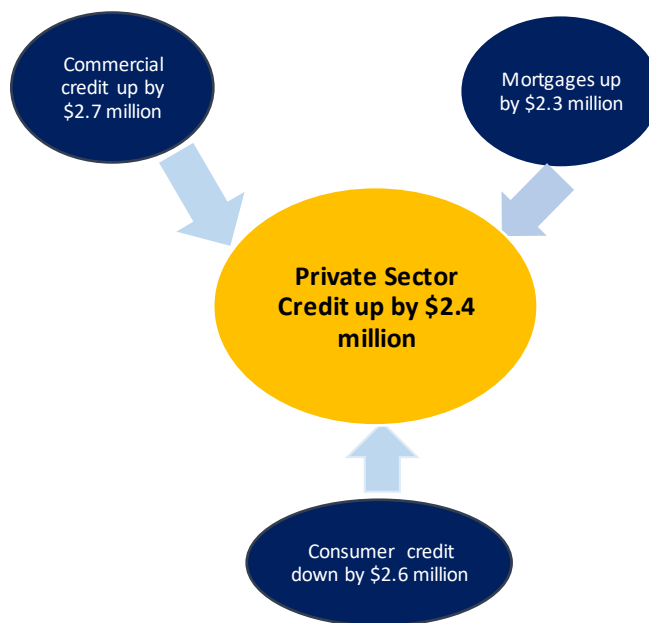
As domestic demand reduced, data on foreign currency sales for current account transactions, largely for external goods and services showed a \$253.2 million reduction in outflows to \$338.3 million in July, relative to the same period last year, with broad-based declines across categories. Specifically, "other" current items, mainly services and credit card financed imports, decreased by \$92.9 million, while payments related to non-oil imports fell by \$64.3 million. Likewise, sales to facilitate oil imports and travel reduced by \$52.0 million and \$33.0 million, respectively. Further, foreign currency sales for factor income remittances and transfer payments were lower by \$6.9 million and \$4.1 million, respectively.

## Domestic Credit

### Bahamian Dollar Credit

During July, growth in total Bahamian dollar credit strengthened to \$63.1 million, from \$20.3 million in the same period last year. Contributing to this development, net claims on the Government rose by \$57.8 million, extending the \$25.8 million increase registered in the previous year. Similarly, credit to the private sector grew by \$2.4 million, a reversal from a \$4.5 million reduction in 2019. In this regard, mortgages advanced by \$2.3 million, contrasting with a \$7.5 million falloff in the prior year. Commercial credit also increased by \$2.7 million, albeit a moderation from the \$6.7 million gain in 2019. In addition, the decline in consumer credit tapered to \$2.6 million, from \$3.8 million a year earlier. Further, credit to public corporations rose by \$3.0 million, following a \$1.0 million decrease during the same period last year.

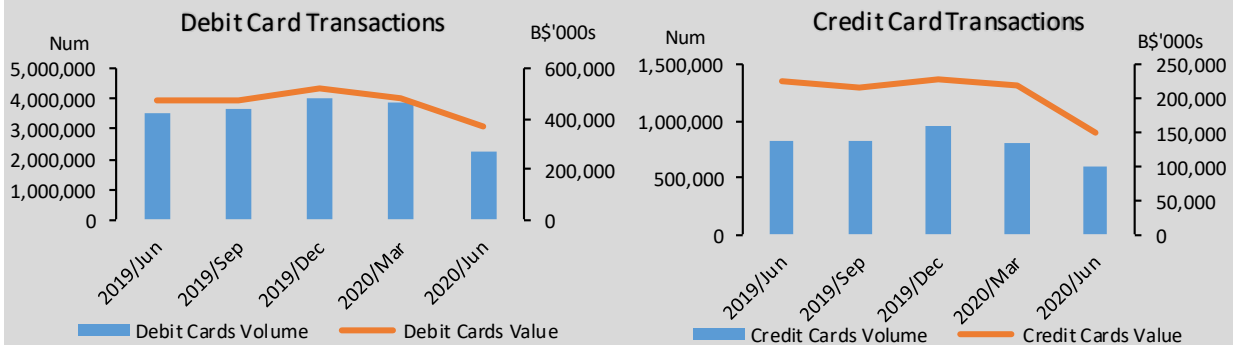
Chart 2: B\$ Private Sector Credit



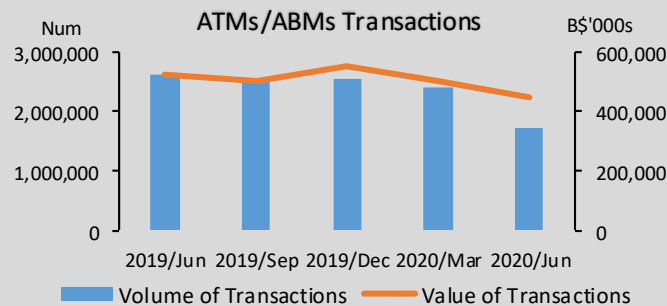
Source: Central Bank of The Bahamas

### Box 1: COVID-19 Impact on Payment Systems

As The Bahamas continues to navigate the COVID-19 pandemic, the curtailment in private consumption expenditure was reflected in retail payments indicators for the second quarter of 2020. Specifically compared to the first quarter of 2020, the volume of debit card transactions declined by 41.6% to 2.3 million, while the corresponding value fell by 23.4% to \$370.3 million. Further, when compared to the previous quarter, credit card usage reduced by 24.9% to 607,152 transactions, while the associated value decreased by 31.5% to \$150.0 million. Relative to the second quarter of 2019, debit card transactions dropped in volume by 6.5% and in value by 8.3%; credit card usage fell by 10.8%, but with total payments for goods and services softening by just 0.2%.



Meanwhile, although the number of ATM/ABM terminals increased to 382 from 379 in the first quarter, both the volume and value of transactions contracted, by 28.6% to 1.7 million and by 11.2% to \$448.4 million, respectively, in the second quarter; comparisons were also decreased by 22.6% and 4.2% respectively, against the 2019 estimates.



Despite many businesses experiencing losses due to mandated closures, the total number of merchant accounts firmed by 2.5% to 15,247 accounts in the three-months to June. The outturn was underpinned by a 3.1% growth in New Providence to 10,754 accounts and a 4.1% rise in the Family Islands, to 2,680 accounts. These improvements overshadowed the 3.3% reduction in Grand Bahama, to 1,813 accounts.

With the concerns about COVID-19 as a likely factor, more businesses and customers utilized contactless solutions, including electronic banking. Over the quarter, there was a 5.0% boost in the number of electronic banking users, to 84,275, compared to a 52.2% hike in 2019. Expectations are that beyond the pandemic, consumers will embrace greater use of electronic banking and other digital payments solutions.

## Foreign Currency Credit

Domestic foreign currency credit fell by \$7.0 million in July, after a \$6.9 million falloff in the previous year. Underlying this outturn, credit to the public corporations contracted by \$14.0 million, following a flat outturn in 2019. In addition, the falloff in private sector credit broadened to \$7.7 million from \$4.2 million in the preceding year, as the reduction in commercial credit widened to \$7.8 million from \$3.1 million last year, while mortgages recorded a flat outturn, vis-à-vis a \$1.1 million decline in 2019. Providing some offset, net claims on the Government grew by \$14.7 million, a turnaround from a \$2.7 million reduction in the prior year.

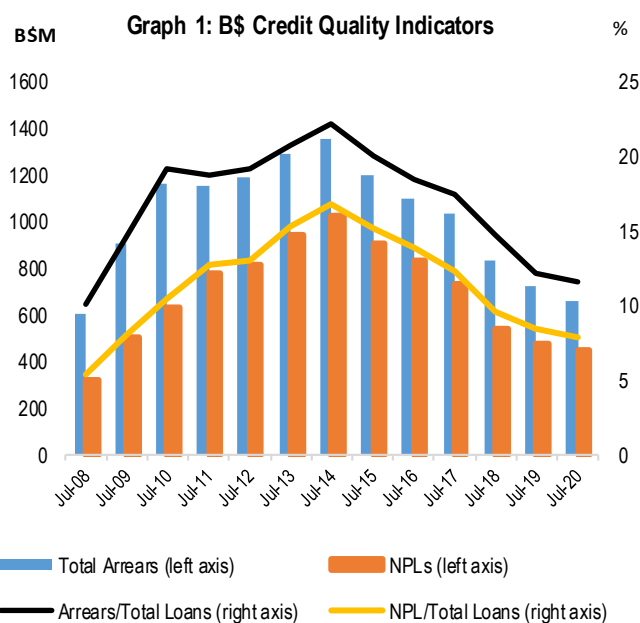
## Credit Quality

Indicators revealed a modest improvement in banks' credit quality during the review month, as the COVID-19 impact remains delayed due to significant loan payment deferrals. Total private sector arrears declined by \$4.7 million (0.7%) to \$631.2 million, resulting in a 10 basis points narrowing in the relevant ratio, to 11.2%. Disaggregated by the average age of delinquency, short-term arrears (31-90 days) fell by \$5.5 million (2.8%), to \$190.7 million, with the attendant ratio lower by 10 basis points at 3.4%. In contrast, non-performing loans (NPLs) edged up by \$0.8 million (0.2%) to \$440.5 million, corresponding with a 1 basis point firming in the associated ratio to 7.8%.

An analysis by loan type showed that the decrease in total delinquencies was led by a \$7.5 million (1.9%) contraction in mortgage arrears, to \$389.9 million, as both the short-term and non-performing segments reduced by \$5.1 million (4.1%) and \$2.3 million (0.9%), respectively. In addition, commercial loans fell by \$1.7 million (2.8%) to \$60.0 million, as a \$2.2 million (4.8%) falloff in the long-term segment outstripped the \$0.5 million (2.8%) growth in short-term arrears. Conversely, consumer loan delinquencies rose by \$4.5 million (2.5%) to \$181.7 million, owing to a \$5.3 million (4.4%) rise in non-accrual loans, which outpaced the \$0.9 million (1.5%) decline in the short-term category.

Against this backdrop, banks decreased their provisions for loan losses by \$8.8 million (1.8%) to \$495.7 million in July, lowering the ratio of total provisions to both NPLs and arrears, by 2.2 and 0.8 percentage points to 112.5% and 78.5%, respectively. During the month, banks also wrote-off an estimated \$7.4 million in overdue loans and recovered approximately \$2.1 million.

In comparison to the corresponding period of 2019, total private sector arrears reduced by \$52.5 million (7.7%), and its attendant ratio declined by 0.9 percentage points, reflecting decreases in both the non-accrual and short-term segments, of 0.7 and 0.2 percentage points, respectively. Broad-based reductions were registered across all loan segments as mortgage, consumer and commercial components contracted by 1.4, 0.5 and 0.2 percentage points, respectively.



## **Deposits**

During the review month, the build-up in total Bahamian dollar deposits accelerated to \$41.5 million, from \$26.2 million in 2019. In particular, fixed deposits grew by \$11.7 million, overturning the \$28.7 million decline a year earlier. In addition, savings balances increased further by \$12.8 million, from \$7.8 million last year. However, the growth in demand deposits slowed to \$17.0 million, from \$47.1 million in the prior year. Meanwhile, foreign currency deposits rose by \$13.4 million, extending the \$7.1 million accumulation in July 2019.

## **Interest Rates**

With regard to interest rate developments, banks' weighted average loan rate increased by 65 basis points to 10.60%. Likewise, the weighted average deposit rate firmed by 22 basis points to 0.62%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

### **3. Domestic Outlook**

Economic indicators suggest that the domestic economy will contract in 2020, dominated by the effects of the COVID-19 pandemic, combined with the fallout from Hurricane Dorian. As global economic activity and travel remained subdued owing to the spread of the virus, tourism output is anticipated to decline, with any prospects expected to be contingent on progress in the international health front and the complete removal of imposed travel restrictions. Nevertheless, several new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works, are anticipated to provide impetus to the construction sector. In this environment, the unemployment rate is projected to remain sharply elevated over the near-term, with any job gains concentrated mainly in the construction sector, and only the limited re-engagement of tourism sector employees. Meanwhile, inflationary pressures are expected to remain contained, notwithstanding any shocks in international oil prices.

In the fiscal sector, outlays associated with the rebuilding of key infrastructure following Hurricane Dorian, and rising spending for health and social welfare related to COVID-19, in addition to revenue losses, are projected to adversely impact the Government's fiscal position. The budgetary gap, estimated near 11.6% of GDP, is estimated to be financed by external borrowing.

Monetary sector developments will continue to feature healthy banking sector liquidity, as a result of commercial banks' conservative lending stance. However, a sizeable reduction in external reserves is anticipated owing to a falloff in foreign currency receipts related to tourism sector activity and an increase in imports to aid reconstruction efforts. Nonetheless, external balances are poised to remain adequate to sustain the Bahamian dollar currency peg.

### **4. Monetary Policy Implications**

In light of the current outlook, the Central Bank will retain its targeted accommodative stance for private credit, and continue to pursue policies that maintain a favorable outcome for external reserves, and mitigate financial sector disruptions. In addition, the Bank will continue to evaluate developments within the foreign exchange market, and if required, adopt appropriate measures to ensure a favourable outcome for the foreign reserves.

## APPENDIX

### *International Developments*

During the review month, global economic developments continued to be driven by the novel coronavirus (COVID-19) pandemic. Accordingly, outcomes within the major markets varied during the review period. In this environment, all of the major central banks affirmed their highly accommodative policy postures, in an attempt to encourage economic expansion.

Indicators of economic performance for the United States varied during the review period. Real GDP contracted at an annualized rate of 32.9% in the second quarter—the single largest decline in 75 years—extending the 5.0% decrease in the prior quarter, underpinned by reductions in personal consumption expenditure, exports, private inventory investments and non-residential fixed assets investments, which offset the rise in Federal Government spending and a falloff in imports. Further, the growth in total industrial production slowed to 3.0% in July, after a 5.7% increase in June, while retail sales rose by 1.2%, month-over-month and by 2.7% over the same period a year earlier. On the external front, the goods and services deficit narrowed by \$4.1 billion (7.5%) to \$50.7 billion in June, relative to the previous month, as the 9.4% gain in exports outstripped the 4.7% strengthening in imports. Further, the consumer price index edged up by 0.6% in July, led by higher costs for used cars & trucks and transportation. In labor market developments, the jobless rate narrowed by 0.9 percentage points to 10.2% in July, as total non-farm employment advanced by 1.8 million, largely attributed to job gains in the leisure and hospitality sector. Against this backdrop, the Federal Reserve extended its emergency lending programs throughout the remainder of the year, while retaining its benchmark interest rate to a range of 0.00%–0.25%.

Economic indicators in Europe were mixed over the review period. In the United Kingdom (UK), real output contracted by 20.4% during the three months to June, extending the 19.1% reduction in May, owing to declines in services, production and construction, attributed to the Government's restrictions on movement in the country. However, total production output rose by 9.3% between May and June, amid increases in the manufacturing, mining & quarrying and electricity & gas sectors. Similarly, retail sales grew by 13.9% in June from the previous month, due to an increase in non-food stores and fuel sales. In the UK, the consumer price index firmed by 30 basis points to 1.1% in July from the previous month, while the jobless rate held steady at 3.9% during the three months to June. With regard to international trade, the UK's surplus grew by £8.6 billion to £8.6 billion during the quarter ended June—the largest trade surplus since 1998—as the £35.2 billion falloff in imports outweighed the £26.7 billion decline in exports, mainly reflecting reductions in machinery & transport equipment and fuel. In the euro area, GDP fell by 12.1% in the second quarter of 2020, exceeding the 3.8% contraction in the previous quarter. Nonetheless, industrial production expanded by 9.1% in June, led by a rise in durable goods, capital goods, intermediate goods, non-durable consumer goods and energy. In addition, retail trade advanced by 5.7% in June from the previous month, sustained by gains in automotive fuel and non-food products (12.1%). On the external front, the trade surplus widened by €1.8 billion to €21.2 billion in June, as the 12.2% decrease in imports eclipsed the 10.0% reduction in exports. The annualized inflation rate edged up by 10 basis points to 0.4% in June, occasioned by higher costs of food, alcohol and tobacco. Further, the jobless rate increased by 10 basis points to 7.8% in June from the preceding month. In this environment, the European Central bank maintained its previously announced stimulus program, while retaining the interest rates on the main refinancing operations (0.00%), the marginal lending facility (0.25%) and the deposit facility (-0.50%). Similarly, the Bank of England sustained its benchmark bank rate at 0.1%, in addition to maintaining its current level of asset purchases.

Developments within the Asian markets continued to vary during the review period. In China, the trade surplus rose to US\$62.3 billion in July, surpassing the US\$46.4 billion recorded one month earlier, attributed to a 7.2% expansion in exports, largely medical supplies, and a 1.4% decline in imports. In addition, industrial production grew by 1.0%, and retail sales edged up by 0.9% in July from the previous month. Similarly, consumer prices rose by 0.6% in July, buoyed by a 2.8% rise in the food component, while the unemployment rate remained unchanged at 5.7% from the previous month. In Japan, industrial production rose by 2.7% in June from the previous month, owing primarily to gains in the production of motor vehicles, transport equipment and production machinery. Similarly, retail sales firmed by 13.1% in June, relative the prior month. With regard to the labor market, the jobless rate declined by 10 basis points to 2.8% in June. Japan registered a trade deficit of ¥269.3 billion in June, a sharp moderation from the ¥833.4 billion deficit reported in May, as exports declined by 26.2%, outpacing the 14.4% reduction in imports. In light of these developments, the Bank of Japan maintained its policy rate at -0.1%, while continuing with the previously implemented corporate measures. Meanwhile, the People's Bank of China retained its reverse repo rate at 2.20%, but discontinued its monetary and quantitative easing measures.

During the month of July, the major global stock indices recorded mixed performance. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) rose by 5.5% and 2.4%, respectively. However, index movements in Europe varied, as the Germany DAX was relatively unchanged, while the United Kingdom's FTSE and France's CAC 40 contracted by 4.4% and 3.1%, respectively. Similarly, in the Asia market, China's SE Composite firmed by 10.9%, while Japan's Nikkei fell by 2.6%.

Developments within the currency markets revealed that the US dollar depreciated against all of the major currencies, during the month of July. In particular, the US dollar weakened relative to the British Pound, by 5.2% to £0.7642, the euro, by 4.6% to €0.8490 and the Swiss Franc, by 3.6% to CHF 0.9129. Further, the US dollar declined against the Japanese Yen, by 2.0% to ¥105.83, the Chinese Renminbi, by 1.3% to CNY 6.9752 and the Canadian Dollar, by 1.2% to CAD\$1.3412.

Broad based gains in the commodity market were featured in July, as the price of crude oil increased by 16.5% to \$41.13, despite OPEC's crude oil production rising by 0.98 thousand barrels per day to 23.17 million barrels per day. Similarly, the prices of silver and gold advanced by 34.0% and by 10.9% to \$24.39 and \$1,975.86, per troy ounce, respectively.



# Recent Monetary and Credit Statistics

## (B\$ Millions)

July					
Value		Change		Change YTD	
2019	2020	2019	2020	2019	2020

### 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	869.56	1,270.50	38.52	31.22	198.22	164.28
1.2 Excess Liquid Assets	1,863.42	2,082.76	25.69	17.55	331.63	117.39
1.3 External Reserves	1,581.35	1,982.80	18.27	-45.49	382.18	224.59
1.4 Bank's Net Foreign Assets	81.31	118.12	13.50	23.06	24.20	-85.38
1.5 Usable Reserves	797.26	959.71	-7.87	-67.02	273.02	124.34

### 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	5,812.98	5,775.81	-8.77	-5.35	-42.08	-80.65
a. B\$ Credit	5,624.84	5,630.43	-4.53	2.36	-22.46	-25.14
of which: Consumer Credit	2,075.51	2,074.94	-3.80	-2.57	-42.39	-3.28
Mortgages	2,852.60	2,813.12	-7.46	2.26	-13.63	-25.46
Commercial and Other Loans B\$	696.73	742.36	6.73	2.67	33.56	3.60
b. F/C Credit	188.14	145.38	-4.24	-7.71	-19.61	-55.51
of which: Mortgages	56.79	63.23	-1.14	0.04	-1.32	5.19
Commercial and Other Loans F/C	131.35	82.15	-3.10	-7.75	-18.30	-60.70
<b>2.2 Central Government (net)</b>	2,520.43	2,769.76	23.12	72.44	-13.10	149.79
a. B\$ Loans & Securities	2,787.06	2,955.04	25.96	65.48	41.56	105.79
Less Deposits	269.04	254.70	0.19	7.73	59.15	-30.07
b. F/C Loans & Securities	7.00	71.03	0.00	14.03	0.00	14.03
Less Deposits	4.59	1.61	2.65	-0.67	-4.49	0.10
<b>2.3 Rest of Public Sector</b>	460.98	435.46	-0.95	-11.06	-25.91	-8.34
a. B\$ Credit	283.83	282.73	-0.95	2.97	-13.27	4.24
b. F/C Credit	177.14	152.73	0.00	-14.03	-12.64	-12.58
<b>2.4 Total Domestic Credit</b>	8,794.38	8,981.03	13.40	56.03	-81.09	60.80
a. B\$ Domestic Credit	8,426.69	8,613.51	20.29	63.07	-53.32	114.96
b. F/C Domestic Credit	367.69	367.52	-6.90	-7.04	-27.76	-54.16

### 3.0 DEPOSIT BASE

<b>3.1 Demand Deposits</b>	2,730.88	3,182.81	47.05	17.04	273.73	229.11
a. Central Bank	48.17	58.37	7.79	0.11	-26.69	8.72
b. Banks	2,682.72	3,124.44	39.27	16.93	300.42	220.39
<b>3.2 Savings Deposits</b>	1,518.10	1,789.85	7.80	12.78	97.37	153.40
<b>3.3 Fixed Deposits</b>	2,488.66	2,269.51	-28.70	11.72	-73.60	-155.44
<b>3.4 Total B\$ Deposits</b>	6,737.65	7,242.16	26.16	41.54	297.50	227.07
<b>3.5 F/C Deposits of Residents</b>	536.29	589.41	7.11	13.39	18.22	-80.58
<b>3.6 M2</b>	7,041.59	7,614.13	27.70	42.83	297.83	261.94
<b>3.7 External Reserves/M2 (%)</b>	22.46	26.04	0.17	-0.75	4.68	2.13
<b>3.8 External Reserves/Base Money (%)</b>	108.24	101.82	-1.96	-4.10	12.44	0.27
<b>3.9 External Reserves/Demand Liabilities (%)</b>	100.84	96.90	-2.27	-4.35	12.00	1.64
	<b>Value</b>		<b>Year To Date</b>		<b>Change</b>	
	2019	2020	2019	2020	Month	YTD

### 4.0 FOREIGN EXCHANGE TRANSACTIONS

<b>4.1 Central Bank Net Purchase/(Sale)</b>	-9.23	-46.61	332.86	151.08	-37.38	-181.78
a. Net Purchase/(Sale) from/to Banks	32.51	-65.14	583.10	40.16	-97.64	-542.94
i. Sales to Banks	16.70	67.80	25.85	370.18	51.10	344.33
ii. Purchase from Banks	49.21	2.66	608.95	410.34	-46.54	-198.62
b. Net Purchase/(Sale) from/to Others	-41.74	18.53	-250.25	110.92	60.26	361.16
i. Sales to Others	101.36	47.07	569.10	561.82	-54.29	-7.28
ii. Purchase from Others	59.63	65.60	318.86	672.74	5.97	353.88
<b>4.2 Banks Net Purchase/(Sale)</b>	30.61	-58.84	559.17	-23.08	-89.45	-582.25
a. Sales to Customers	474.13	310.00	2841.17	2511.12	-164.13	-330.05
b. Purchase from Customers	504.73	251.15	3400.34	2488.04	-253.58	-912.29

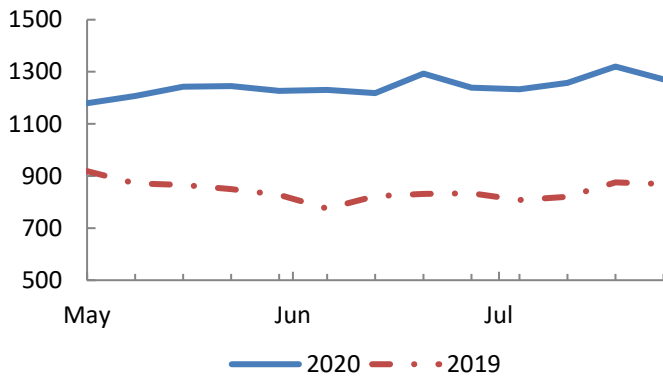
### 5.0 EXCHANGE CONTROL SALES

<b>5.1 Current Items</b>	591.45	338.26	3,506.65	3,065.58	-253.18	-441.06
of which Public Sector	100.79	41.79	495.75	503.47	-59.00	7.71
<b>a. Nonoil Imports</b>	166.30	102.04	864.01	835.67	-64.27	-28.34
<b>b. Oil Imports</b>	62.30	10.30	352.71	244.92	-52.00	-107.79
<b>c. Travel</b>	39.80	6.81	182.15	66.98	-32.99	-115.18
<b>d. Factor Income</b>	24.94	18.04	208.53	241.76	-6.90	33.23
<b>e. Transfers</b>	24.11	20.02	147.19	93.91	-4.09	-53.28
<b>f. Other Current Items</b>	274.00	181.07	1,752.05	1,582.34	-92.93	-169.71
<b>5.2 Capital Items</b>	16.27	20.14	161.20	174.42	3.87	13.22
of which Public Sector	6.87	12.12	95.94	119.30	5.25	23.36

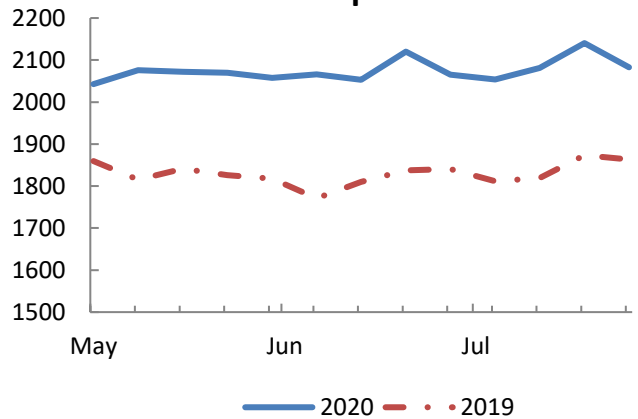
# SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

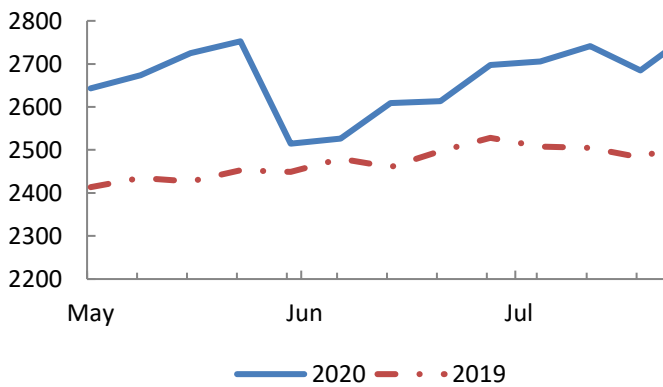
### Excess Reserves



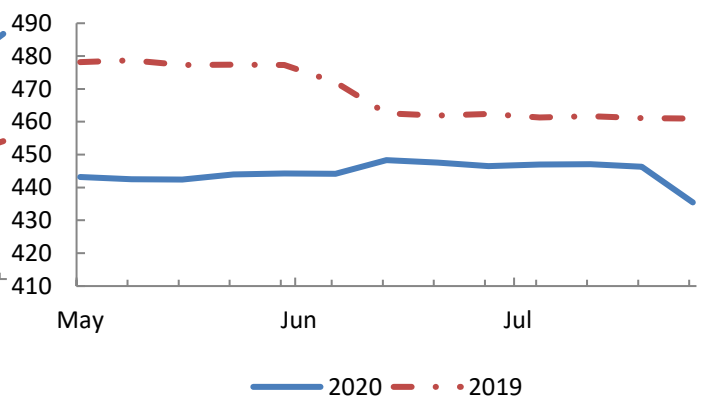
### Excess Liquid Assets



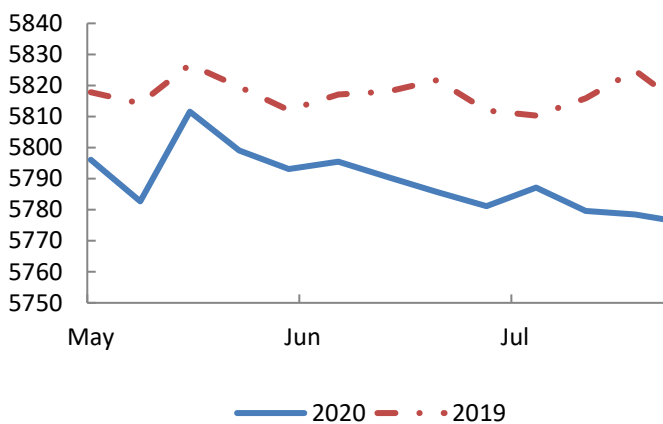
### Central Govt. Credit (Net)



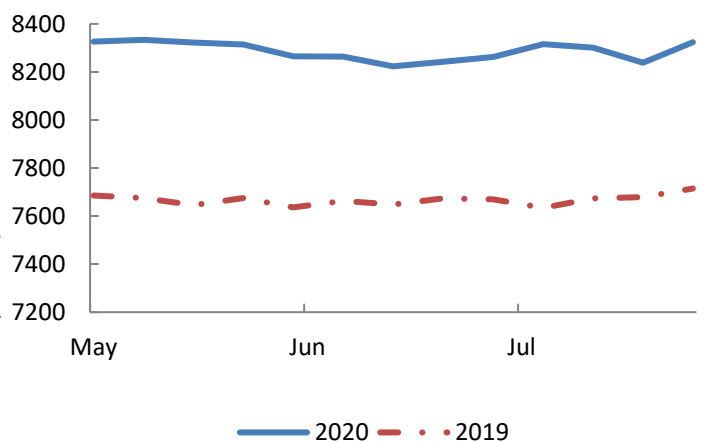
### Rest of Public Sector Credit



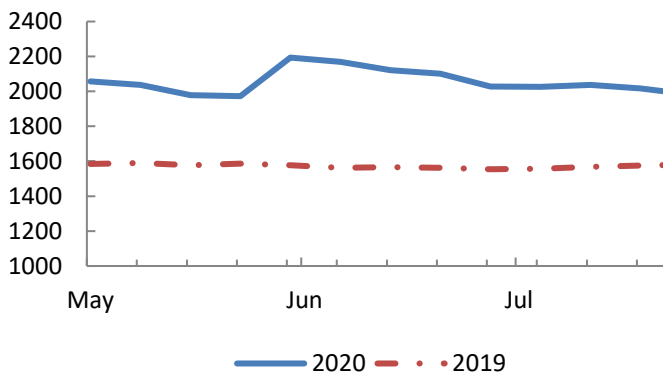
### Private Sector Credit



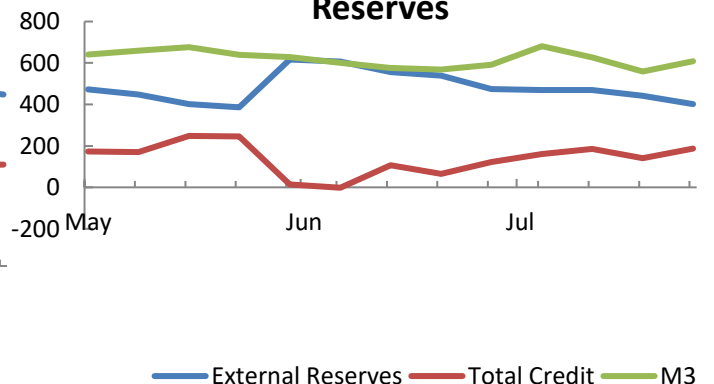
### M3



### External Reserves



### Changes in Money, Credit & Ext. Reserves



## Selected International Statistics

<b>A: Selected Macroeconomic Projections (Annual % Change and % of labor force)</b>						
	Real GDP		Inflation Rate		Unemployment	
	2018	2019	2018	2019	2018	2019
Bahamas	1.6	0.9	2.2	1.8	10.7	9.5*
United States	2.9	2.4	2.4	1.8	3.9	3.7
Euro-Area	1.9	1.2	1.8	1.2	8.2	7.7
Germany	1.5	0.5	1.9	1.5	3.4	3.2
Japan	0.8	0.9	1.0	1.0	2.4	2.4
China	6.6	6.1	2.1	2.3	3.8	3.8
United Kingdom	1.4	1.2	2.5	1.8	4.1	3.8
Canada	1.9	1.5	2.2	2.0	5.8	5.8

*Source: IMF World Economic Outlook October 2019, Department of Statistics May 2019\**

<b>B: Official Interest Rates – Selected Countries (%)</b>					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
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
November 2019	4.00	0.00	2.25	1.50-1.75	0.75
December 2019	4.00	0.00	2.25	1.50-1.75	0.75
January 2020	4.00	0.00	2.25	1.50-1.75	0.75
February 2020	4.00	0.00	2.25	0.00-0.25	0.25
March 2020	4.00	0.00	1.02	0.00-0.25	0.10
April 2020	4.00	0.00	0.25	0.00-0.25	0.10
May 2020	4.00	0.00	0.25	0.00-0.25	0.10
June 2020	4.00	0.00	0.25	0.00-0.25	0.10
July 2020	4.00	0.00	0.25	0.00-0.25	0.10

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
Currency	July-19	June-20	July-20	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9029	0.8902	0.8490	-4.62	-4.79	-5.97
Yen	108.77	107.93	105.83	-1.95	-2.56	-2.70
Pound	0.8223	0.8064	0.7642	-5.23	1.30	-7.06
Canadian \$	1.3191	1.3576	1.3412	-1.21	3.25	1.68
Swiss Franc	0.9129	0.9473	0.9129	-3.63	-5.65	-8.16
Renminbi	6.9752	7.0654	6.9752	-1.28	0.17	1.32

*Source: Bloomberg as of July 31<sup>st</sup>, 2020*

<b>D. Selected Commodity Prices (\$)</b>					
Commodity	July 2019	June 2020	July 2020	Mthly % Change	YTD % Change
Gold / Ounce	1413.90	1780.96	1975.86	10.94	30.22
Silver / Ounce	16.26	18.21	24.39	33.95	36.62
Oil / Barrel	66.50	35.32	41.13	16.45	-39.85

*Source: Bloomberg as of July 31, 2020*

<b>E. Equity Market Valuations – July 31<sup>st</sup>, 2020 (% change)</b>								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.35	2.38	5.51	-4.41	-3.09	0.02	-2.59	10.90
3 month	-2.00	8.55	12.32	-0.06	4.63	13.37	7.51	15.73
YTD	-6.08	-7.39	1.25	-21.81	-19.98	-7.06	-8.23	8.52
12-month	-5.49	-1.62	9.76	-22.26	-13.32	1.02	0.88	12.87

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	USD	GBP	EUR
o/n	0.0950	0.0850	-0.5050
1 Month	0.1750	0.1350	-0.5000
3 Month	0.2250	0.1550	-0.4750
6 Month	0.2950	0.1150	-0.4100
9 Month	0.5700	0.2500	-0.3300
1 year	0.4050	0.4000	-0.3375

*Source: Bloomberg as of July 31, 2020*

**Summary Accounts of the Central Bank  
(B\$ Millions)**

	VALUE										CHANGE							
	Jun. 03	Jun. 10	Jun. 17	Jun. 24	Jul. 01	Jul. 08	Jul. 15	Jul. 22	Jul. 29	Jun. 03	Jun. 10	Jun. 17	Jun. 24	Jul. 01	Jul. 08	Jul. 15	Jul. 22	Jul. 29
<b>I. External Reserves</b>	2,193.63	2,169.78	2,121.62	2,101.89	2,028.29	2,026.16	2,037.04	2,017.40	1,982.80	221.09	(23.85)	(48.16)	(19.73)	(73.60)	(2.13)	10.88	(19.64)	(34.60)
<b>II. Net Domestic Assets (A + B + C + D)</b>	(299.84)	(271.82)	(237.62)	(141.56)	(113.53)	(123.96)	(113.66)	(39.91)	(35.54)	(243.32)	28.02	34.20	96.06	28.02	(10.42)	10.29	73.75	4.38
<b>A. Net Credit to Gov't (I + ii + iii - iv)</b>	151.25	212.58	261.91	309.84	333.28	339.38	376.54	402.40	405.30	(246.61)	61.33	49.33	47.93	23.44	6.11	37.16	25.85	2.90
i) Advances	14.90	14.90	14.90	14.90	14.90	14.90	64.90	124.90	124.90	-	-	-	-	-	-	50.00	60.00	-
ii) Registered Stock	263.19	263.21	263.29	263.37	257.80	259.43	248.90	247.81	243.12	2.17	0.01	0.08	0.08	(5.58)	1.64	(10.53)	(1.10)	(4.68)
iii) Treasury Bills	155.76	155.76	105.88	94.93	90.44	90.44	90.44	89.59	77.58	(1.89)	(0.00)	(49.87)	(10.96)	(4.48)	(0.00)	-	(0.86)	(12.01)
iv) Deposits	282.60	221.29	122.17	63.36	29.86	25.39	27.71	59.90	40.30	246.88	(61.32)	(99.12)	(58.80)	(33.50)	(4.47)	2.31	32.19	(19.60)
<b>B. Rest of Public sector (Net) (i+ii-iii)</b>	(62.25)	(67.31)	(72.73)	(50.34)	(51.33)	(77.34)	(50.08)	(48.00)	(51.44)	4.95	(5.06)	(5.42)	22.38	(0.98)	(26.01)	27.25	2.08	(3.44)
i) Loans	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	-	-	-	-	-	-	-	-	-
iii) Deposits	69.18	74.24	79.66	57.28	58.26	84.27	57.01	54.93	58.37	(4.95)	5.06	5.42	(22.38)	0.98	26.01	(27.25)	(2.08)	3.44
<b>C. Loans to/Deposits with Banks</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>D. Other Items (Net)*</b>	(388.85)	(417.10)	(426.80)	(401.05)	(395.48)	(386.00)	(440.12)	(394.31)	(389.39)	(1.67)	(28.25)	(9.71)	25.75	5.57	9.48	(54.12)	45.81	4.92
<b>III. Monetary Base</b>	1,893.79	1,897.96	1,884.00	1,960.33	1,914.75	1,902.20	1,923.38	1,977.49	1,947.27	(22.23)	4.17	(13.96)	76.33	(45.58)	(12.55)	21.17	54.11	(30.22)
A. Currency in Circulation	489.44	490.83	479.44	473.43	483.21	487.87	481.64	477.00	490.35	8.15	1.39	(11.40)	(6.01)	9.78	4.65	(6.23)	(4.64)	13.35
B. Bank Balances with CBOB	1,404.35	1,407.13	1,404.56	1,486.90	1,431.54	1,414.34	1,441.74	1,500.49	1,456.92	(30.38)	2.78	(2.56)	82.34	(55.36)	(17.20)	27.40	58.75	(43.57)

## FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
<b>Fiscal Operations<sup>†</sup></b>																										
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																										
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																										
12. Total Public Sector F/C Debt																										
% change: over previous month																										
<b>Real Sector Indicators</b>																										
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 qtr.																										
% change: over previous year																										

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
7. Total Direct Debt	7,514.2	7,735.6	7,476.9	7,780.2	7,476.9	7,891.3	7,473.5	7,917.8	7,465.2	7,982.9	7,527.1	8,191.2	7,513.8	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5	8,558.5
% change: over previous month	0.2%	0.0%	0.0%	0.2%	0.0%	1.8%	0.0%	0.3%	-0.1%	0.9%	0.8%	2.3%	-0.2%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
8. External Debt	2,592.5	2,563.1	2,567.1	2,588.3	2,567.1	2,604.1	2,552.1	2,649.1	2,552.4	2,650.7	2,653.2	2,901.3	2,549.9	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2	2,997.2
% change: over previous month	0.0%	-0.2%	0.1%	1.4%	-0.4%	0.2%	-0.2%	1.7%	0.0%	0.1%	0.0%	9.3%	-0.1%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
9. Internal F/C Debt	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	212.8	212.8	212.8	212.8	212.8	212.8	212.8	212.8	212.8	212.8	212.8	212.8	212.8	212.8
% change: over previous month	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%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%	325.0%
10. Bahamian Dollar Debt	4,921.7	5,122.5	4,919.7	5,101.9	4,919.7	5,237.2	4,921.3	5,218.7	4,912.8	5,292.3	4,973.9	5,239.9	4,963.9	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5	5,348.5
% change: over previous month	0.3%	0.1%	0.2%	-0.4%	0.2%	2.0%	0.0%	-0.4%	-0.2%	1.4%	1.2%	-1.0%	-0.2%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
11. Total Amortization	41.4	52.5	36.3	23.8	112.5	185.6	133.5	127.7	33.8	72.6	27.7	91.1	36.9	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1
% change: over previous month	-18.9%	47.7%	-14.0%	-120.8%	67.7%	87.2%	18.7%	-31.2%	-74.7%	43.2%	-18.0%	25.6%	33.1%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%	-38.4%
12. Total Public Sector F/C Debt	4,341.2	3,471.5	4,317.2	3,506.6	4,286.0	3,500.9	4,281.0	3,545.9	4,281.0	3,547.5	4,269.7	3,789.3	4,266.3	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0	3,802.0
% change: over previous month	29.6%	-0.1%	-0.6%	1.0%	-0.7%	-0.2%	-0.1%	1.3%	0.0%	0.0%	0.0%	6.8%	-0.1%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
13. Retail Price Index																										
% change: over previous month																										
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<sup>†</sup> Includes Net Lending to Public Corporations  
<sup>\*\*</sup> Data figures include Central Government only, unless otherwise indicated  
p - provisional