



Monthly Economic and Financial Developments August 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: November 2, November 30, December 21,



Monthly Economic and Financial Developments (MEFD) August 2020

1. Domestic Economic Developments

Overview

Domestic economic activity during the month of August continued to be driven by the Novel Coronavirus (COVID-19) pandemic. As globally imposed travel restrictions persist, impeding the tourism sector, both the high value-added air and sea segments remained largely eliminated. However, the resumption of ongoing foreign investment-led projects and post-hurricane rebuilding works, provided some impetus to the construction sector. On the fiscal front, Government's budgetary operations for FY2019/20 showed a considerable increase in the deficit, reflective of a falloff in total revenue and an expansion in aggregate outlays, underpinned by the occurrence of the two major economic shocks, the storm and COVID-19, during the fiscal year. Monetary developments were marked by a build-up in bank liquidity, as the decline in domestic credit outpaced the contraction in the deposit base. Further, external reserves increased, primarily attributed to the Government's external borrowing activity.

Real Sector

Tourism

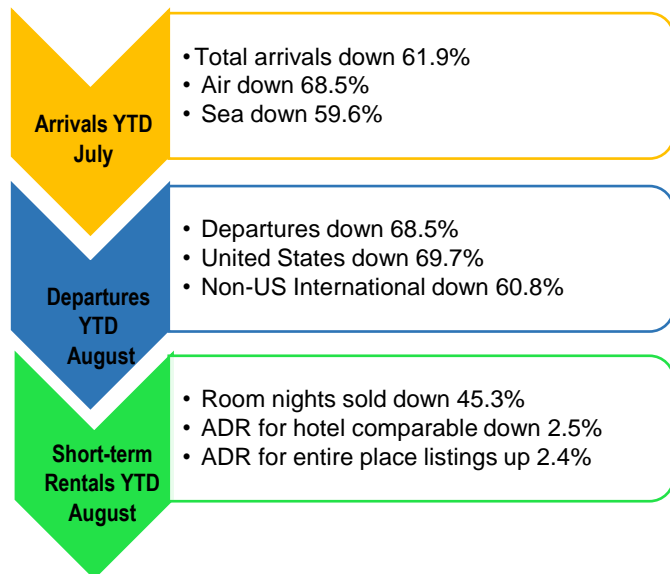
Preliminary evidence suggests that, tourism sector activity continued to contract during the month of August, as global travel restrictions related to COVID-19, negatively affected both air and sea arrivals.

Initial data provided by the Ministry of Tourism (MOT) showed that the number of visitor arrivals totaled 23,398 during the month of July, following a complete, albeit with restrictions, reopening of international borders to commercial travel on July 1. This was compared with a 7.9% expansion in the previous year, to 650,353. In particular, air arrivals amounted to 14,970, in contrast to a 7.7% growth to 175,971 in the same month of 2019. Further, sea arrivals totaled 8,428, relative to an 8.0% expansion to 474,382 a year earlier.

By major port of entry, total arrivals to New Providence declined to 7,899, contrasting with a 2.9% uptick in the prior year, to 329,520, with the air and sea components comprising 7,199 and 700, respectively.

Similarly, total traffic to the Family Islands decreased to 13,645, vis-à-vis a 17.8% increase to 241,962 in the preceding year, reflecting reductions in the air and sea traffic segments, to 7,253 and 6,392, respectively.

Chart 1: Tourism Indicators at a Glance



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

Further, arrivals to Grand Bahama fell to 1,854, following a 2.6% growth to 78,871 in 2019, as respective sea and air passengers declined to 1,336 and 518.

On a year to date basis, total arrivals contracted by 61.9%, a reversal from a 13.2% increase during the same period of the preceding year. Underlying this outturn, the air component fell by 68.5%, while the sea segment decreased by 59.6% (see Table 1).

The latest data provided by the Nassau Airport Development Company Limited (NAD) revealed that total international departures stood at 2,139 during the month of August, relative to a seasonal growth of 12.1% to 169,045 in the preceding year. On a year-to-date basis, outward-bound traffic declined by 68.5%, a turnaround from a 17.0% expansion during the comparable period of 2019. By destination, the U.S. component reduced by 69.7%, a reversal from an 18.4% increase in the prior year. Similarly, the non-U.S. international component fell by 60.8% vis-à-vis a gain of 8.3% a year ago.

Table 1: Visitor Arrivals January-July 2020

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2019	2020	2019	2020	2019	2020
Arrivals	2019	2020	2019	2020	2019	2020
Air	18.5	-66.2	-9.1	-79.8	6.5	-74.9
Sea	20.7	-66.3	-10.2	-73.0	10.8	-46.3
Total	20.0	-66.3	-10.1	-73.7	10.1	-50.8

Sources: Bahamas Ministry of Tourism

As it relates to the vacation rental market, data provided by AirDNA for the month of August, compared with the same period last year, showed that total room nights sold contracted by 70.5%, as bookings for entire place listings and hotel comparable listings reduced by 71.0% and 65.5%, respectively. Pricing indicators varied, with the average daily room rate (ADR) for entire place listings firming by 4.0% to \$407.99, while the ADR for hotel comparable listings fell by 6.9% to \$141.87. On a year-to-date basis, total room nights sold declined by 45.3%, attributed to respective reductions in bookings for both the entire place and hotel comparable components, of 46.6% and 33.0%. Pricing indicator outcomes were mixed, as the ADR for hotel comparable listings decreased by 2.5% to \$152.83, while the ADR for entire place listings rose by 2.4% to \$411.96.

Fiscal Sector

Provisional data on the Government's budgetary operations during FY2019/2020 revealed a significant widening in the fiscal deficit, to \$788.2 million from \$219.3 million in FY2018/2019, reflective of revenue losses, combined with a rise in spending for health and social welfare associated with COVID-19 responses and outlays for post-hurricane reconstruction works. Underlying this outturn, total revenue declined by \$337.2 million (13.9%), to \$2,089.1 million, while aggregate expenditure rose by \$231.8 million (8.8%) to \$2,877.3 million.

The reduction in total revenue was largely attributed to a \$349.0 million (15.9%) decrease in tax receipts, as taxable economic activities contracted. There were also shifts in revenue composition as, taxes on goods and services fell sharply by \$250.0 million (15.3%) to \$1,384.4 million, as stamp collections on realty and financial transactions declined by \$158.5 million (70.3%), to \$66.9 million, due to the reclassification in VAT payments on these transactions. Nevertheless, VAT receipts reduced by \$19.2 million (2.1%) to \$877.4 million, outweighed by the overall narrowing of the tax base. Further, taxes on the permission to use goods were lower by \$82.4 million (35.7%) at \$148.4 million, led by a falloff in receipts from licenses to conduct business activity by \$45.1 million (31.1%). Taxes on international trade also contracted by \$85.4 million

(19.2%) to \$359.5 million, largely attributed to a reduction in proceeds from customs and import duties by \$58.9 million (20.7%), partly on account of tax exemptions to stimulate the economy following the 2019 storm and a decline in departure taxes, by \$22.0 million (14.9%), reflecting the closure of borders due mainly to the COVID-19 pandemic. Likewise, receipts from property taxes fell by \$10.2 million (9.3%) and general stamp taxes by \$3.5 million (34.3%). In contrast, non-tax revenue grew by \$11.8 million (5.2%), owing partially to a surge in reimbursements and repayments. In addition, “other” miscellaneous revenue sources rose to \$15.4 million from \$2.4 million, partly reflecting proceeds from the Caribbean Catastrophic Risk Insurance Facility (CCRIF), following Hurricane Dorian. Further, income from property increased by \$10.7 million (54.7%).

In terms of expenditure, capital outlays increased markedly by \$145.4 million (65.1%), to \$368.8 million, reflective of a considerable rise in capital transfers to \$155.6 million from \$30.6 million, explained by unplanned hurricane-related spending. In addition, the acquisition of non-financial assets advanced by \$20.4 million (10.6%), due to a notable expansion in spending on fixed assets.

Recurrent expenditure also rose by \$86.3 million (3.6%) to \$2,508.6 million, underpinned by higher payments for employee compensation, which grew by \$47.6 million (6.7%). Likewise, subsidies and other miscellaneous payments—inclusive of current transfers and insurance premiums—increased by \$34.8 million (8.9%) and \$31.6 million (15.5%), respectively. Further, interest payments advanced by \$10.6 million (3.2%), while social assistance benefits registered a relatively modest gain of \$1.6 million (0.8%).

2. Domestic Monetary Trends

August 2020 vs. 2019

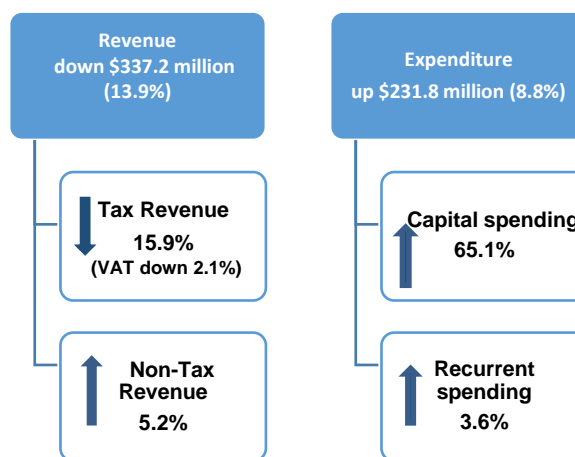
Liquidity

Monetary trends for the month of August were marked by a build-up in liquidity, as the decline in domestic credit outpaced the contraction in the deposit base. Specifically, given inflows from Government debt proceeds, excess liquid assets—a broad measure of liquidity—expanded by \$69.2 million to \$2,152.0 million, a turnaround from a \$44.9 million reduction a year earlier. Similarly, excess reserves—the narrow measure of liquidity—rose by \$54.8 million to \$1,325.3 million vis-à-vis a \$35.2 million decrease in 2019.

External Reserves

During the review month, external reserves grew by \$145.3 million to \$2,128.1 million, a reversal from a \$35.8 million contraction last year. Reflecting the receipt of proceeds from Government’s external borrowing activity, the Central Bank’s transactions with the public sector shifted to a net purchase of \$225.6 million, from a net sale of \$32.1 million in 2019. In contrast, the Central Bank’s net sale to commercial banks extended

Chart 2: Budgetary Operations at a Glance
Provisional 12 Months FY2019/2020



Source: The Ministry of Finance

to \$86.6 million from \$4.2 million in the preceding year. Further, commercial banks net sale to their customers widened to \$95.0 million from \$6.7 million a year earlier.

Exchange Control Sales

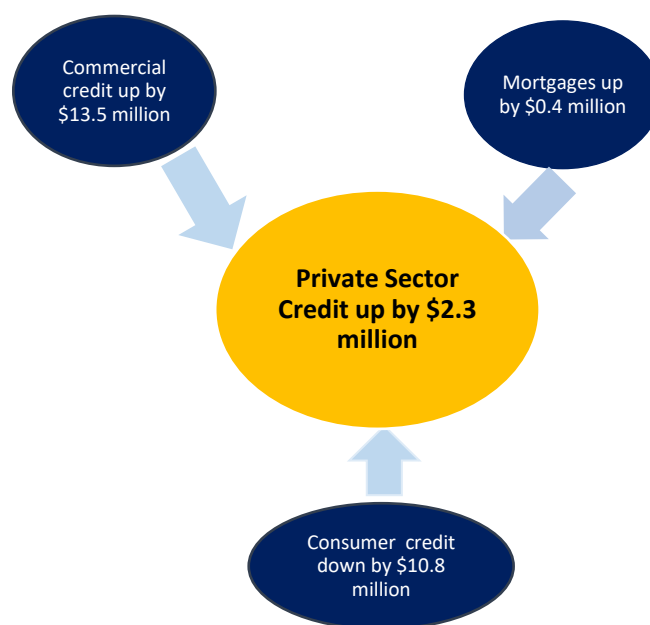
Attributed to a curtailment in domestic demand, initial data on foreign currency sales for current account transactions showed a \$73.4 million decline in outflows to \$386.1 million in August, in comparison to the same period last year. The outcome reflected reductions in payments related to travel and oil imports, by \$29.4 million and \$25.7 million, respectively. Likewise, foreign currency sales for factor income remittances fell by \$12.3 million, “other” current items—mainly sales related to services and credit card transactions—by \$8.8 million and transfer payments, by \$8.0 million. Conversely, sales to facilitate non-oil imports grew by \$10.8 million.

Domestic Credit

Bahamian Dollar Credit

For the month of August, total Bahamian dollar credit contracted sharply by \$102.2 million, contrasting with a \$7.6 million growth in the same period last year. Underlying this outturn, net claims on the Government declined by \$96.9 million, extending the \$8.5 million decrease registered a year earlier, as some of the proceeds from Government’s external borrowings were used to repay short-term Bahamian dollar obligations. Likewise, credit to public corporations reduced by \$7.6 million, vis-à-vis a \$0.5 million uptick in the preceding year. Conversely, credit to the private sector rose by \$2.3 million, albeit a moderation from the \$15.5 million accumulation a year earlier. Contributing to this outturn, commercial credit grew by \$13.5 million, following a \$3.5 million falloff in the preceding year. However, consumer credit and mortgages declined by \$10.8 million and \$0.4 million, respectively, a reversal from gains of \$12.2 million and \$6.9 million in 2019.

Chart 2: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

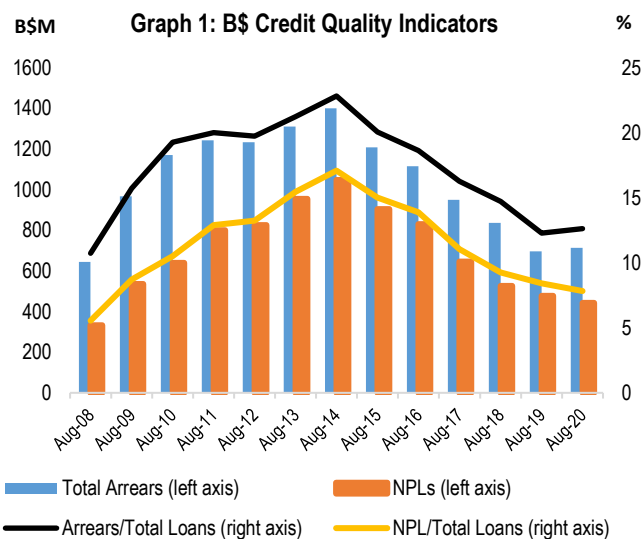
Foreign Currency Credit

During the review month, the reduction in domestic foreign currency credit slowed to \$3.7 million, from \$5.1 million a year earlier. Underpinning this outturn, net claims on the Government grew by \$39.5 million, a turnaround from a \$4.9 million decrease the prior year. Meanwhile, credit to the public corporations contracted by \$40.8 million, extending the \$0.9 million decline in the preceding year. Likewise, credit to the private sector fell by \$2.5 million, contrasting with a \$0.7 million uptick in the previous year, as mortgages reduced by \$0.3

million, following a \$0.9 million increase a year earlier, while the falloff in commercial credit deepened to \$2.1 million from \$0.2 million in 2019.

Credit Quality

Banks' credit quality indicators weakened during the review month, led by an increase in short-term delinquencies. Specifically, total private sector arrears rose by \$82.8 million (13.1%) to \$714.0 million, while the accompanying ratio moved higher by 1.5 percentage points to 12.64%. Contributing to this development was an \$80.6 million (42.3%) growth in short-term arrears (31-90 days), to \$271.2 million—signaling the conclusion of some banks forbearance programs—corresponding to a 1.4 percentage points firming in the attendant ratio to 4.80%. In addition, non-performing loans grew by \$2.3 million (0.5%) to \$442.8 million, resulting in a 4 basis points rise in the relevant ratio, to 7.84%.



Disaggregated by loan type, the increase in total delinquencies was led by a \$48.4 million (26.7%) expansion in consumer loan arrears, to \$230.1 million, as both the short and long-term segments increased by \$45.2 million (81.3%) and \$3.2 million (2.5%), respectively. Similarly, commercial loan delinquencies rose by \$18.3 million (30.7%) to \$77.9 million, owing to a \$17.5 million (106.8%) rise in short-term arrears and a \$0.8 million (1.9%) uptick in non-accrual loans. Further, mortgages delinquencies advanced by \$16.1 million (4.1%) to \$406.0 million, attributed to a \$17.9 million (15.1%) growth in the short-term component, which outstripped the \$1.8 million (0.7%) decline in non-performing loans.

As a result of these developments, banks expanded their loan losses provisions by \$3.7 million (0.7%) to \$501.8 million in August, resulting in a 26 basis points increase in the ratio of total provisions to NPLs to 113.3%. However, the ratio of total provisions to arrears narrowed by 8.6 percentage points to 70.3%. During the review month, banks wrote-off an estimated \$3.4 million in bad loans and recovered approximately \$0.9 million.

In comparison to August 2019, the total private sector arrears rate rose by 0.3 percentage points, as the short-term segment firmed by 0.9 percentage points, eclipsing the 0.6 percentage points decline in the non-accrual component. Further, by loan type, increases were recorded for consumer and commercial delinquency rates, of 1.4 and 2.0 percentage points, respectively. In contrast, the mortgage loan rate declined by a 1.0 percentage point.

Deposits

During the review month, the contraction in total Bahamian dollar deposits quickened to \$30.9 million from \$19.6 million in the preceding year. In particular, demand deposit balances reduced by \$22.4 million,

contrasting with a \$4.2 million buildup a year earlier. In addition, savings deposits fell by \$5.4 million, albeit a slight moderation from a \$5.6 million falloff a year earlier. Further, fixed deposits declined by \$3.1 million, a slowdown from an \$18.2 million retrenchment in 2019. Moreover, foreign currency deposits reduced by \$26.7 million, extending the \$18.6 million decrease in the prior year.

Interest Rates

During the review period, banks' weighted average loan rate narrowed by 22 basis points to 10.38%. Comparatively, the weighted average deposit rate softened by 20 basis points to 0.42%, with the highest rate of 3.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

The domestic economy is projected to experience a negative outturn in 2020, due to ongoing fallout from the COVID-19 pandemic, and the residual impact from Hurricane Dorian. Tourism output is forecasted to contract in light of the continued disruption in international travel and global economic activity, on account of measures to contain the spread of the virus. Both the timing of the onset, and the pace of recovery, will depend upon improvements on the international health front and the elimination of all imposed travel restrictions. Nevertheless, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works, are expected to provide stimulus to the construction sector. In this environment, a sharp increase in the jobless rate is estimated over the near-term, with any job gains concentrated largely in the construction sector and the limited re-engagement of tourism sector employees. With regard to prices, domestic inflation is anticipated to stay subdued, excluding any shocks in international oil prices.

On the fiscal front, costs related to the restoration of key infrastructure following Hurricane Dorian, and rising spending for health and social welfare associated with COVID-19, alongside revenue losses, are expected to negatively affect the Government's fiscal outturn. The budgetary gap, estimated near 11.6% of GDP, is expected to be financed largely by external borrowing.

Monetary sector developments will continue to be led by the high levels of liquidity, as commercial banks maintain their cautious lending posture. However, while private sector net foreign currency drawdowns are projected to continue through the end of the year, external reserves are forecasted to end the year higher than in 2019, largely supported by the front loading of Government's external financing operations. As a consequence, the cumulative reduction in external balances is expected to be delayed to 2021. This continued to be in line with only gradual recovery prospects for tourism, utilization of private sector re-insurance proceeds still committed to hurricane reconstruction, and outflows on imports of goods and services, due to the various fiscal stimuli. Nonetheless, external balances are estimated to remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy Implications

Based on the prevailing outlook, the Central Bank will maintain its targeted accommodative stance for private credit, balanced with sustaining a satisfactory outcome for external reserves, and safeguarding financial sector stability. In addition, the Bank will continue to monitor developments within the foreign exchange market, and if necessary, implement appropriate measures to support a favorable outturn for foreign reserves.

APPENDIX

International Developments

Over the review period, developments within the major economies continued to be dominated by the spread of the Novel Coronavirus (COVID-19), and the uncertainty associated with the pandemic. As a result, the major markets recorded mixed economic performances. Against this backdrop, the major central banks affirmed their highly accommodative policy stances, in an effort to maintain financial stability and boost economic growth.

During the review month, economic indicators in the United States remained subdued, owing to the impact of the COVID-19 pandemic. Specifically, retail sales edged up by 0.6% over the month, while the growth in industrial production decelerated to 0.4%, from 3.0% in July. Further, reflective of the ongoing resumption of economic activity, labour market conditions exhibited some improvement, as the unemployment rate decreased by 1.8 percentage points to 8.4% in August, reflecting a 1.4 million growth in total non-farm employment, with notable gains recorded in the Government and retail trade sectors. In addition, the consumer price index firmed by 0.4% in August, as a result of a rise in the prices of used cars and trucks, and gasoline. On the external front, the trade deficit widened by \$10.1 billion (18.9%) to \$63.6 billion in July, in comparison to the prior month, as the 10.9% increase in imports outweighed the 8.1% growth in exports. In light of these developments, the Federal Reserve maintained its benchmark interest rate at a range of 0.00% – 0.25%.

Economic developments in the European economies were lackluster during the review month. The United Kingdom's (UK) GDP contracted by 7.6% during the three months to July, as a result of a reduction in output across all major sectors. In terms of employment, the jobless rate rose by 20 basis points to 4.1% during the three months to July, vis-à-vis the previous quarter. Further, average consumer price inflation decreased by 60 basis points to 0.5%, attributed to reductions in restaurant and café prices. In external developments, the UK's trade surplus widened by £5.9 billion to £6.4 billion during the three months to July, as the £8.5 billion decline in imports outstripped the £2.7 billion falloff in exports. In addition, total production output grew by 5.2% in July from the previous month, attributed to notable gains in manufacturing output, and electricity and gas production, while retail sales moved higher by 3.6% in July from the previous month. In the euro area, retail trade decreased by 1.3% in July, after a 5.3% growth in the preceding month. In addition, the annual inflation rate fell to -0.2% in August, compared with a 0.4% rise a month earlier. Regarding the labor market, the jobless rate rose by 20 basis points to 7.9% in July from the prior month. In this environment, the Bank of England retained its policy rate at 0.1%, while signaling the possibility of future monetary easing. Similarly, the European Central bank, sustained its key interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively, while indicating its potential to implement more monetary stimulus in the near future.

Asian economies recorded mixed performances over the review period. Specifically, the Chinese trade surplus narrowed by US\$3.4 billion to US\$58.9 billion in August from the previous month, despite a 9.5% growth in exports and a 2.1% falloff in imports. Further, consumer prices firmed by 0.4% in August from the month before, owing mainly to higher food, tobacco and alcohol prices. In addition, retail sales declined by 0.7 percentage points in July relative to the preceding month. In Japan, industrial production grew by 8.0% in July from the prior month, largely due to an increase in the production of motor vehicles. However, retail sales fell by 3.3% in July, vis-a-vis a month earlier. In terms of international trade, Japan recorded a trade surplus of ¥11.6 billion in July, marking its first surplus in four months, owing to a 22.2% decline in imports, which eclipsed a 19.2% reduction in exports. In terms of prices, the consumer price index edged up by 10 basis points to 0.3% in July from the previous month, while the unemployment rate rose by 10 basis points to 2.9%, as the number of unemployed people grew by 410,000. In this environment, the Bank of Japan kept its policy rate of -0.1% and the People's Bank of China retained its reverse repo rate at 2.20%.

The major stock market indices showed mostly positive movements during the month of August. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 increased by 7.6% and 7.0%, respectively. In Europe, Germany's DAX firmed by 5.1%, while France's CAC 40 rose by 3.4%. In contrast, the UK's FTSE decreased by 0.6%. In the Asian markets, Japan's Nikkei and China's SE Composite moved higher by 6.6% and 2.6%, respectively.

In currency market developments, the US dollar depreciated against most of the major currencies during the month of August. Specifically, the US dollar weakened relative to the Canadian dollar, by 2.7% to CAD\$1.3047 and the British Pound, by 2.0% to £0.7489. Further, the dollar declined vis-à-vis the Chinese Renminbi, by 1.8% to CNY6.8485, the euro, by 1.3% to €0.8738 and the Swiss Franc, by 1.0% to CHF0.9037. In contrast, the US dollar strengthened against the Japanese Yen, by 0.1% to ¥105.91.

In the commodities market, broad-based price gains were recorded during the review month. Specifically, the price of oil rose by 9.7% to \$45.10 per barrel, despite OPEC's increase in production of 0.76 thousand barrels per day to 24.05 million barrels per day. In addition, the price of silver grew by 15.4% to \$28.1480 per troy ounce, while the price of gold fell by 0.4% to \$1,967.80 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

August					
Value		Change		Change YTD	
2019	2020	2019	2020	2019	2020

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	834.34	1,325.30	-35.22	54.80	163.00	219.08
1.2 Excess Liquid Assets	1,818.49	2,151.96	-44.93	69.19	286.70	186.59
1.3 External Reserves	1,545.53	2,128.12	-35.82	145.32	346.35	369.91
1.4 Bank's Net Foreign Assets	74.33	88.22	-6.98	-29.90	17.22	-115.28
1.5 Usable Reserves	781.76	1,051.18	-15.50	91.40	257.53	215.82

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,829.16	5,775.60	16.18	-0.21	-25.90	-80.86
a. B\$ Credit	5,640.37	5,632.70	15.53	2.27	-6.93	-22.87
of which: Consumer Credit	2,087.67	2,064.11	12.15	-10.84	-30.24	-14.12
Mortgages	2,859.45	2,812.71	6.85	-0.41	-6.78	-25.87
Commercial and Other Loans B\$	693.25	755.88	-3.47	13.52	30.08	17.12
b. F/C Credit	188.79	142.90	0.65	-2.48	-18.97	-57.99
of which: Mortgages	57.65	62.89	0.86	-0.34	-0.46	4.85
Commercial and Other Loans F/C	131.14	80.01	-0.21	-2.14	-18.51	-62.83
2.2 Central Government (net)	2,507.13	2,712.24	-13.30	-57.37	-26.40	92.26
a. B\$ Loans & Securities	2,769.50	2,949.72	-17.55	-5.16	24.01	100.47
Less Deposits	259.94	346.41	-9.10	91.72	50.05	61.65
b. F/C Loans & Securities	7.00	110.54	0.00	39.52	0.00	53.54
Less Deposits	9.44	1.62	4.85	0.01	0.35	0.10
2.3 Rest of Public Sector	460.57	386.97	-0.41	-48.37	-26.32	-56.84
a. B\$ Credit	284.34	274.99	0.51	-7.62	-12.76	-3.50
b. F/C Credit	176.23	111.98	-0.92	-40.75	-13.56	-53.33
2.4 Total Domestic Credit	8,796.85	8,874.80	2.47	-105.95	-78.62	-45.43
a. B\$ Domestic Credit	8,434.27	8,510.99	7.58	-102.23	-45.74	12.45
b. F/C Domestic Credit	362.58	363.80	-5.11	-3.72	-32.88	-57.88

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,735.12	3,160.24	4.24	-22.43	277.97	206.53
a. Central Bank	44.92	73.98	-3.25	15.75	-29.94	24.33
b. Banks	2,690.21	3,086.26	7.49	-38.18	307.91	182.21
3.2 Savings Deposits	1,512.47	1,784.44	-5.63	-5.41	91.74	147.99
3.3 Fixed Deposits	2,470.50	2,266.43	-18.16	-3.08	-91.75	-158.52
3.4 Total B\$ Deposits	6,718.10	7,211.10	-19.55	-30.92	277.95	196.00
3.5 F/C Deposits of Residents	517.65	562.68	-18.64	-26.73	-0.42	-107.31
3.6 M2	7,019.62	7,595.32	-21.97	-18.65	275.86	243.14
3.7 External Reserves/M2 (%)	22.02	28.02	-0.44	1.98	4.24	4.10
3.8 External Reserves/Base Money (%)	108.63	105.57	0.39	3.75	12.83	4.02
3.9 External Reserves/Demand Liabilities (%)	101.18	98.80	0.34	1.90	12.34	3.54
	Value		Year To Date		Change	
	2019	2020	2019	2020	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-36.34	138.90	296.51	289.98	175.25	-6.53
a. Net Purchase/(Sale) from/to Banks	-4.21	-86.64	578.90	-46.48	-82.43	-625.38
i. Sales to Banks	21.40	90.45	47.25	460.62	69.05	413.37
ii. Purchase from Banks	17.19	3.80	626.15	414.14	-13.39	-212.00
b. Net Purchase/(Sale) from/to Others	-32.14	225.55	-282.38	336.46	257.68	618.85
i. Sales to Others	62.14	49.90	631.24	611.72	-12.24	-19.52
ii. Purchase from Others	30.00	275.44	348.86	948.18	245.44	599.33
4.2 Banks Net Purchase/(Sale)	-6.73	-95.02	552.44	-118.10	-88.29	-670.54
a. Sales to Customers	390.87	339.53	3232.04	2850.65	-51.34	-381.39
b. Purchase from Customers	384.14	244.51	3784.48	2732.55	-139.63	-1051.93

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	459.42	386.07	3,966.07	3,451.65	-73.36	-514.42
of which Public Sector	56.22	48.74	551.98	552.20	-7.49	0.23
a. Nonoil Imports	109.57	120.39	973.58	956.06	10.82	-17.52
b. Oil Imports	50.91	25.24	403.63	270.16	-25.67	-133.46
c. Travel	36.39	7.00	218.54	73.98	-29.39	-144.57
d. Factor Income	24.66	12.41	233.19	254.17	-12.25	20.98
e. Transfers	20.37	12.35	167.56	106.26	-8.02	-61.30
f. Other Current Items	217.52	208.68	1,969.57	1,791.02	-8.84	-178.55
5.2 Capital Items	14.34	14.97	175.54	189.40	0.63	13.85
of which Public Sector	11.09	11.63	107.03	130.94	0.55	23.91

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN		YEAR TO DATE		
	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	
	(Over previous year)										
Fiscal Operations^p											
1. Government Revenue & Grants	513.8	554.3	497.8	547.1	677.4	657.3	737.2	330.5	2426.3	2089.1	
% change; over previous quarter	-10.2%	-24.8%	-3.1%	-1.3%	36.1%	20.1%	8.8%	-49.7%	18.8%	-13.9%	
2. Value Added Tax	199.4	266.2	185.9	249.1	203.6	223.6	307.7	138.5	896.6	877.4	
% change; over previous quarter	4.6%	-13.5%	-6.8%	-6.4%	9.5%	-10.2%	51.1%	-38.1%	31.7%	-2.1%	
3. Import/Excise Duties	151.2	140.5	114.4	154.6	103.7	108.5	157.1	73.7	526.4	477.4	
% change; over previous quarter	12.5%	-10.5%	-24.3%	10.1%	-9.4%	-29.8%	51.5%	-32.1%	-0.2%	-9.3%	
4. Recurrent Expenditure	539.9	544.8	566.3	634.0	594.9	635.3	721.1	694.5	2422.2	2508.6	
% change; over previous quarter	-15.4%	-24.5%	4.9%	16.4%	5.1%	0.2%	21.2%	9.3%	10.7%	3.6%	
5. Capital Expenditure	38.8	56.2	41.2	60.5	48.1	82.1	95.3	169.9	223.4	368.8	
% change; over previous quarter	-54.4%	-41.0%	6.2%	7.7%	16.6%	35.6%	98.3%	106.9%	-16.9%	65.1%	
6. Deficit/Surplus*	-64.9	-46.7	-109.6	-147.4	34.5	-60.1	-79.3	-534.0	-219.3	-788.2	
% change; over previous quarter	-57.2%	-41.1%	69.0%	216.0%	-131.4%	-59.2%	-329.9%	788.2%	-47.1%	259.5%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020		
	(Over previous month)																							
Debt^p **																								
7. Total Direct Debt	7,514.2	7,735.6	7,476.9	7,750.2	7,476.9	7,891.3	7,473.5	7,917.8	7,465.2	7,992.9	7,527.1	8,191.2	7,513.8	8,558.5	7,548.9	8,564.4								
% change; over previous month	0.2%	0.0%	-0.5%	0.2%	0.0%	1.8%	0.0%	0.3%	-0.1%	0.9%	0.8%	2.5%	-0.2%	4.5%	0.5%	0.1%								
8. External Debt	2,592.5	2,563.1	2,568.6	2,598.3	2,557.1	2,604.1	2,552.1	2,649.1	2,552.4	2,650.7	2,553.2	2,901.3	2,549.9	3,029.6	2,543.1	3,032.3								
% change; over previous month	0.0%	-0.2%	-0.9%	1.4%	-0.2%	0.2%	-0.2%	1.7%	0.0%	0.1%	0.0%	9.5%	-0.1%	4.4%	-0.3%	0.1%								
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	180.4	0.0	180.4								
% 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%	260.9%	0.0%	0.0%								
10. Bahamian Dollar Debt	4,921.7	5,122.5	4,908.3	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	5,005.8	5,351.6								
% change; over previous month	0.3%	0.1%	-0.3%	-0.4%	0.2%	2.6%	0.0%	-0.4%	-0.2%	1.4%	1.2%	-1.0%	-0.2%	2.1%	0.8%	0.1%								
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	11.8	43.3								
% 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%	-67.9%	-22.9%								
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	4,266.4	3,802.0	4,274.2	3,804.8								
% change; over previous month	29.6%	-0.1%	-0.6%	1.0%	-0.7%	-0.2%	-0.1%	1.3%	0.00%	0.04%	-0.26%	6.82%	-0.1%	0.3%	0.2%	0.1%								

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020		
	(Over previous year)																							
Real Sector Indicators																								
13. Retail Price Index																								
% change; over previous month																								
14. Tourist arrivals (000's)	636.9	687.2	608.4	711.7	749.0	302.1	657.6	43.0	589.1	20.0	641.4	3.9	650.4	23.4										
% change; over previous year	19.3%	7.9%	13.9%	17.0%	5.9%	-59.7%	11.9%	-93.5%	17.8%	-96.6%	18.8%	-99.4%	7.9%	-96.4%	4,532.8	1,791.4	13.2%	-60.5%						
15. Air arrivals (000's)	129.9	125.3	151.1	146.5	201.6	75.7	171.2	11.0	158.7	20.0	168.4	1.7	176.0	15.0	1,156.9	395.2	14.6%	-65.8%						
% change; over previous year	28.8%	-3.5%	19.7%	-3.1%	9.5%	-62.4%	18.8%	-93.6%	16.6%	-87.4%	8.7%	-99.0%	7.7%	-91.5%										
16. Occupied Room Nights																								
% change; over previous year																								
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																								
% change; over previous qtr.																								

* Includes Net Lending to Public Corporations

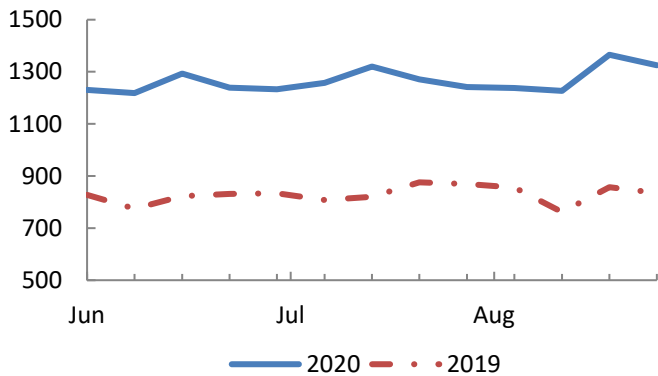
** Debt figures include Central Government only, unless otherwise indicated

p - provisional

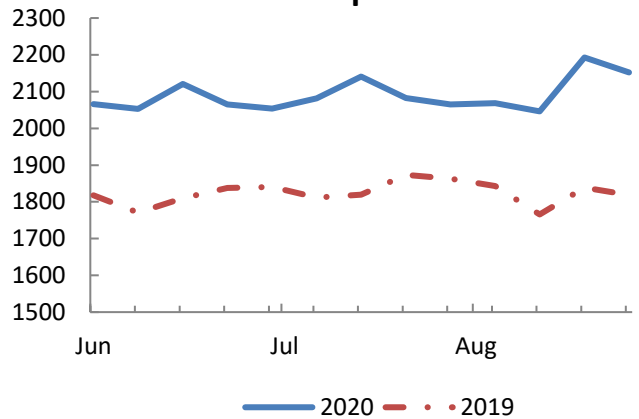
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

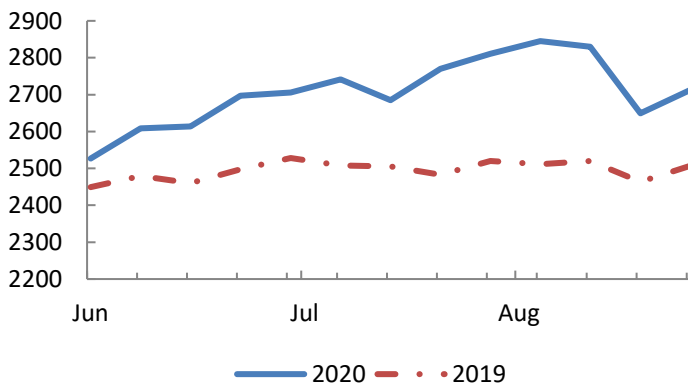
Excess Reserves



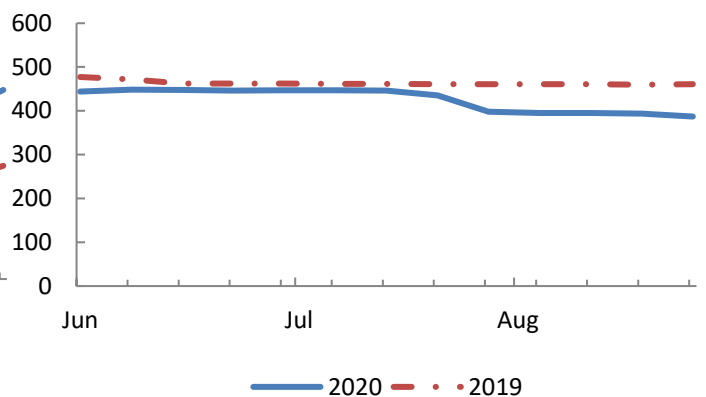
Excess Liquid Assets



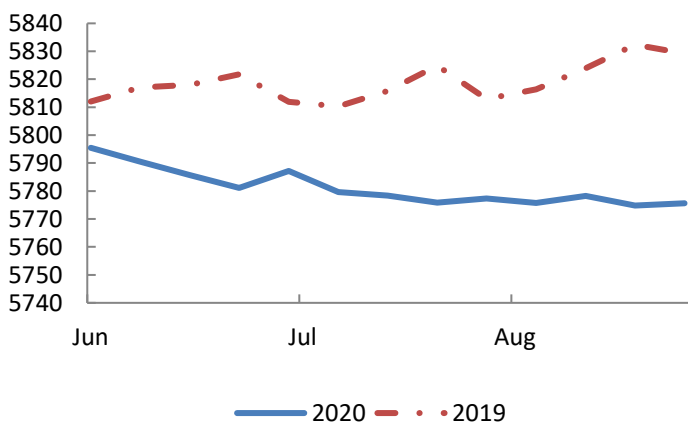
Central Govt. Credit (Net)



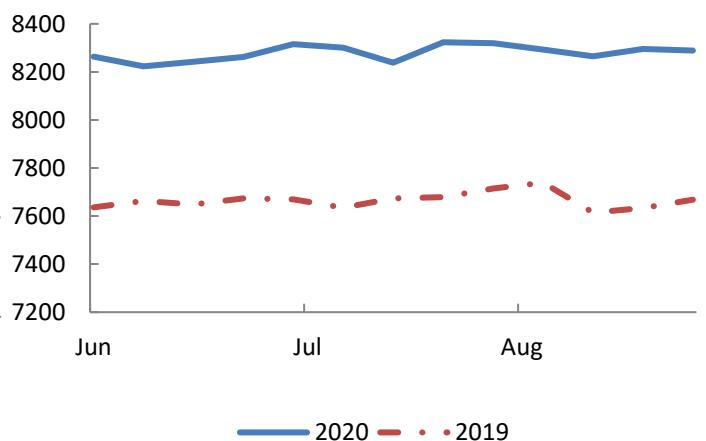
Rest of Public Sector Credit



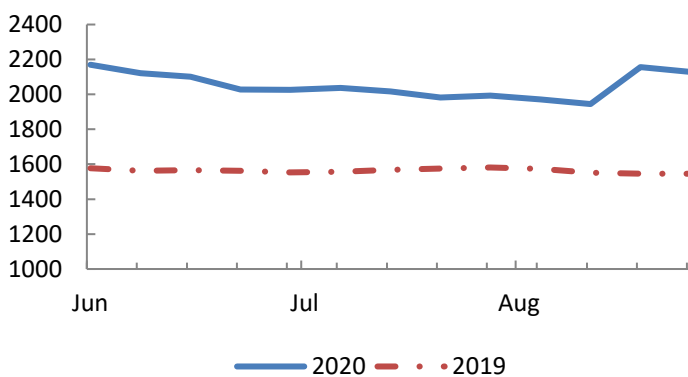
Private Sector Credit



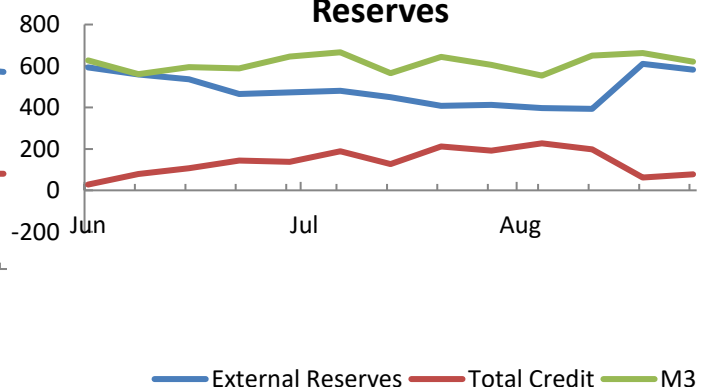
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External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	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: Official Interest Rates – Selected Countries (%)					
<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
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
August 2020	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Aug-19	Jul-20	Aug-20	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9098	0.8490	0.8738	-1.32	-6.05	-7.91
Yen	106.28	105.83	105.91	0.08	-2.49	-0.35
Pound	0.8220	0.7642	0.7489	-2.01	-0.73	-8.90
Canadian \$	1.3312	1.3412	1.3047	-2.72	0.44	-1.99
Swiss Franc	0.994	0.9129	0.9037	-1.01	-6.60	-8.74
Renminbi	6.8842	6.9752	6.8485	-1.82	-1.64	-4.31

Source: Bloomberg as of August 31st, 2020

D. Selected Commodity Prices (\$)					
Commodity	Aug 2019	Jul 2020	Aug 2020	Mthly % Change	YTD % Change
Gold / Ounce	1520.30	1975.86	1967.80	-0.41	29.69
Silver / Ounce	18.38	24.39	28.14	15.39	57.64
Oil / Barrel	65.19	41.13	45.10	9.65	-34.05

Source: Bloomberg as of August 31, 2020

E. Equity Market Valuations – August 31st, 2020 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.07	7.57	7.01	-0.61	3.42	5.13	6.59	2.59
3 month	-2.15	12.00	14.98	-3.53	5.36	11.72	5.72	19.05
YTD	-6.14	-0.38	8.34	-22.28	-17.24	-2.29	-2.18	11.33
12-month	-2.30	7.68	19.61	-18.66	-9.73	8.43	11.76	17.65

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.2150	0.1350	-0.5000
1 Month	0.1650	0.1200	-0.5000
3 Month	0.2330	0.1300	-0.4900
6 Month	0.3900	0.2000	-0.4125
9 Month	0.4000	0.2100	-0.4125
1 year	0.4000	0.2750	-0.3825

Source: Bloomberg as of August 31, 2020

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

	VALUE								CHANGE							
	Jul. 15	Jul. 22	Jul. 29	Aug. 05	Aug. 12	Aug. 19	Aug. 26	Sep. 02	Jul. 15	Jul. 22	Jul. 29	Aug. 05	Aug. 12	Aug. 19	Aug. 26	Sep. 02
I. External Reserves	2,037.04	2,017.40	1,982.80	1,993.83	1,970.44	1,944.59	2,155.95	2,128.12	10.88	(19.64)	(34.60)	11.03	(23.39)	(25.84)	211.36	(27.83)
II. Net Domestic Assets (A + B + C + D)	(113.66)	(39.91)	(35.54)	(65.25)	(47.29)	(16.24)	(104.10)	(112.33)	10.29	73.75	4.38	(29.71)	17.96	31.05	(87.86)	(8.24)
A. Net Credit to Gov't (I + ii + iii -iv)	376.49	402.35	405.27	405.47	434.81	432.06	340.85	352.60	37.11	25.85	2.92	0.20	29.34	(2.74)	(91.21)	11.74
i) Advances	64.90	124.90	124.90	124.90	154.90	154.90	124.90	124.90	50.00	60.00	-	-	30.00	-	(30.00)	-
ii) Registered Stock	248.86	247.76	243.09	242.79	243.03	243.68	248.85	249.07	(10.58)	(1.10)	(4.67)	(0.30)	0.25	0.64	5.17	0.22
iii) Treasury Bills	90.44	89.59	77.58	68.22	68.22	65.80	46.47	42.48	(0.00)	(0.86)	(12.01)	(9.36)	0.00	(2.41)	(19.34)	(3.98)
iv) Deposits	27.71	59.90	40.30	30.44	31.34	32.32	79.36	63.85	2.31	32.19	(19.60)	(9.86)	0.91	0.97	47.04	(15.51)
B. Rest of Public sector (Net) (i+ii-iii)	(50.06)	(47.98)	(51.42)	(72.17)	(72.38)	(50.22)	(47.87)	(67.17)	27.25	2.08	(3.44)	(20.75)	(0.21)	22.16	2.35	(19.31)
i) Loans	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	-	-	-	-	-	-	-	-
iii) Deposits	56.87	54.78	58.23	78.98	79.19	57.03	54.67	73.98	(27.25)	(2.08)	3.44	20.75	0.21	(22.16)	(2.35)	19.31
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(440.10)	(394.28)	(389.38)	(398.54)	(409.71)	(398.08)	(397.08)	(397.76)	(54.07)	45.81	4.90	(9.16)	(11.17)	11.63	1.00	(0.68)
III. Monetary Base	1,923.38	1,977.49	1,947.27	1,928.58	1,923.15	1,928.35	2,051.85	2,015.78	21.17	54.11	(30.22)	(18.68)	(5.43)	5.20	123.50	(36.07)
A. Currency in Circulation	481.64	477.00	490.35	498.64	496.08	498.27	513.87	513.09	(6.23)	(4.64)	13.35	8.30	(2.56)	2.19	15.60	(0.77)
B. Bank Balances with CBOB	1,441.74	1,500.49	1,456.92	1,429.94	1,427.07	1,430.08	1,537.99	1,502.69	27.40	58.75	(43.57)	(26.98)	(2.87)	3.02	107.90	(35.30)