



Monthly Economic and Financial Developments October 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: December 21



Monthly Economic and Financial Developments (MEFD) October 2020

1. Domestic Economic Developments

Overview

During the month of October, domestic economic developments continued to be largely impacted by the spread of the Novel Coronavirus (COVID-19) and imposed containment measures. Against this backdrop, the tourism sector remained basically offline, with both the high value-added air segment and the dominant sea component on pause. Nonetheless, foreign investment-led projects, combined with hurricane rebuilding works, provided some impetus to the construction sector. In price developments, the domestic inflation rate narrowed during the twelve months ending August, reflecting the reduction in fuel costs. On the fiscal front, the overall deficit widened considerably during the first quarter of FY2020/21, as the two major economic shocks associated with COVID-19 and Hurricane Dorian, led to a notably decline in total revenue and a rise in aggregate outlays. Monetary developments recorded a rise in bank liquidity, reflective of a contraction in domestic credit, which exceeded the falloff in the deposit base. Similarly, primarily attributed to net public sector debt inflows, external reserves increased markedly during the review month.

Real Sector

Tourism

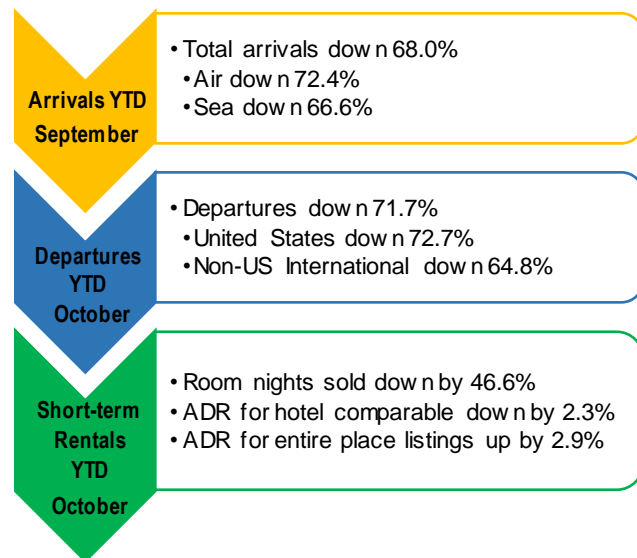
Preliminary data suggests that monthly tourism output remained contracted, largely reflecting the impact of internationally imposed travel restrictions related to COVID-19, which unfavourably affected both air and sea arrivals. However, domestic demand supported gains in the vacation rental market.

The most recent data provided by the Ministry of Tourism (MOT) revealed that total foreign arrivals by first port of entry were 98.6% less than in September 2019, extending the 12.2% decrease in the same period last year when Hurricane Dorian impacted. Specifically, the virtual absence of air and sea visitors compared with hurricane induced losses of 14.7% and 11.8% last year.

All major island groupings reflected these trends, although the Family Islands had incrementally better relative experience than New Providence and Grand Bahama.

In New Providence, arrivals matched less than 1.0% of the previous year's outcome, with only a slightly better outcome for Grand Bahama. However, Grand Bahama's air arrivals reached 28.2% of the 2019 levels. For the Family Islands, the air arrivals matched 39.6% of last year's results, although weighed down by the absence of cruise traffic, total arrivals were at only 3.1% of the 2019 volumes.

Chart 1: Tourism Indicators at a Glance



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

On a year-to-date basis, activity remained contracted, as total foreign arrivals reduced by 68.0%, vis-à-vis a 10.5% growth during the same period last year. Underpinning this outturn, air arrivals declined by 72.4%, following a gain of 11.6% in the previous year, while sea visitors fell by 66.6%, relative to a 10.1% advance in 2019.

In terms of traffic through the country's main gateway, data provided by the Nassau Airport Development Company Limited (NAD) revealed that total international departures fell to 4,794 passengers, during the month of October, overturning the 1.7% uptick to 91,115 a year earlier. On a year-to-date basis, total foreign departures declined significantly by 71.7%, a reversal from the 14.2% expansion in the prior year. By region, the U.S component, which is higher by volume, reduced by 72.7%, a turnaround from the 15.5% growth recorded in 2019. Similarly, the non-U.S. international component contracted by 64.8%, contrasting with a 6.2% increase a year earlier.

Data provided by AirDNA revealed positive movements in the short term vacation rental market for the month of October, favoured by domestic tourism demand. In particular, total room nights sold rose by 19.6%, a turnaround from the 19.9% decline during the same period in 2019, supported by improvements in entire place listings (21.6%) and hotel comparable accommodations (14.7%). Similarly, the average daily room rate (ADR) for both entire place listings and hotel comparable listings increased by 3.9% and 1.0%, to \$369.13 and \$143.63, respectively. On a year-to-date basis, total room night sold contracted by 46.6%, as bookings for entire place listings and hotel comparable reduced by 47.8% and 36.1%, respectively. Pricing data varied, as the ADR for entire place listings grew by 2.9% to \$401.95, while the ADR for hotel comparable listings fell by 2.3% to \$150.86.

Prices

Attributed to the pass-through effects of the decline in global oil prices, domestic consumer price inflation—as measured by changes in the average Retail Price Index for The Bahamas—narrowed to 0.5% during the twelve months to August, from 2.9% in 2019. A disaggregation by category revealed that average costs for housing, and water, gas, electricity & other fuels and clothing & footwear decreased by 1.2% and 1.1%, respectively, following gains in 2019. In addition, the average price decline for communication extended to 2.1% from 1.8% a year earlier. Further, average inflation rates moderated for transport (1.9%), furnishing, household equipment & maintenance (1.5%), food & non-alcoholic beverages (0.5%), and miscellaneous goods & services (0.3%). Providing some offset, the increase in average costs accelerated for health (8.9%), alcoholic beverages, tobacco & narcotics (4.1%) and recreation & culture (0.7%), while average price for restaurants & hotels stabilized at 5.1%.

Table 1: Total Visitor Arrivals Nine Months to September 2020

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2019	2020	2019	2020	2019	2020
Arrivals						
Air	15.6	-71.1	-14.7	-81.5	3.3	-75.5
Sea	17.2	-72.4	-15.5	-75.7	9.9	-56.1
Total	16.7	-72.0	-15.4	-76.3	8.9	-58.9

Sources: Ministry of Tourism

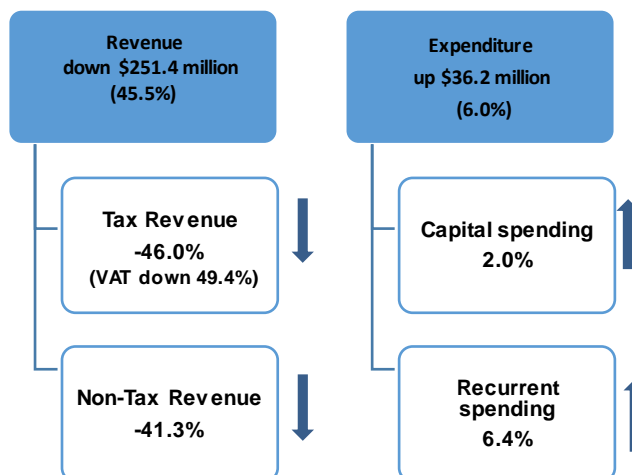
Fiscal

Preliminary data on the Government's budgetary operations for the first quarter of FY2020/2021, revealed an increase in the deficit to \$336.3 million, from \$48.8 million in the comparable FY2019/2020 period, reflective of a notable falloff in revenue collections and a rise in spending, mainly for social welfare related to the COVID-19 pandemic. Specifically, total revenue contracted markedly by \$251.4 million (45.5%) to \$300.9 million, while aggregate expenditure rose by \$36.2 million (6.0%) to \$637.2 million.

The reduction in total revenue was led by a \$229.3 million (46.0%) decline in tax revenue to \$269.5 million. In particular, taxes on goods and services decreased by \$197.3 million (52.2%) to \$180.6 million, largely attributed to the falloff in value added tax (VAT) receipts, to \$134.7 million from \$266.2 million in the previous fiscal year. In addition, taxes on international trade and transactions fell by \$31.2 million (28.3%), given the reduction in departure taxes. Further, non-tax revenue reduced by \$22.0 million (41.3%) to \$31.4 million, underpinned by a \$10.3 million retrenchment in receipts from the sale of goods & services, led by declines in immigration and customs fees.

Expenditure growth was owed primarily to a \$35.1 million (6.4%) rise in recurrent outlays to \$579.8 million, reflective of a surge in disbursements for social assistance benefits, to \$80.5 million from \$37.9 million a year earlier. Likewise, increases were registered for subsidies (\$11.0 million) and interest payments (\$5.0 million). In contrast, payments for employee compensation contracted by \$10.7 million to \$166.5 million, primarily reflecting a \$10.1 million decline in allowances, whilst outlays for goods and services moderated by an equivalent amount to \$98.9 million. Capital expenditure edged up by \$1.1 million (2.0%) to \$57.4 million, as the acquisition of non-financial assets rose by \$2.8 million (7.4%), led by a rise in spending on bridge repairs and maintenance and machinery & equipment. Conversely, capital transfers fell by \$1.7 million (9.3%) to \$16.6 million.

Chart 2: Budgetary Operations at a Glance
Provisional Quarter I FY2020/2021



Source: The Ministry of Finance

2. Domestic Monetary Trends

October 2020 vs. 2019

Liquidity

Monetary developments for the month of October featured a build-up in bank liquidity, as the contraction in domestic credit outpaced the decline in the deposit base. In particular, excess reserves—a narrow measure of liquidity—grew by \$16.3 million to \$1,311.1 million, a turnaround from the \$39.7 million reduction a year earlier. Conversely, excess liquid assets—the broad measure of liquidity—edged down by \$0.1 million to \$2,151.6 million, a moderation from the \$65.9 million falloff in 2019.

External Reserves

During the month of October, external reserves expanded by \$207.9 million, to \$2,314.1 million, compared to growth of \$2.6 million last year, inclusive of net proceeds from the Government's \$600.0 million external bond issue. Contributing to this outturn, the Central Bank's transactions with the public sector reversed to a net purchase of \$302.7 million, from a net sale of \$33.2 million in the preceding year. In contrast, the Bank recorded a net sale of \$94.9 million to commercial banks, vis-à-vis a net intake of \$18.8 million in the previous year, as commercial banks' transactions with their customers shifted to a net sale of \$90.1 million, from a net purchase of \$26.1 million in 2019.

Exchange Control Sales

Provisional data on foreign currency sales for current account transactions showed a \$108.0 million decline in outflows, to \$342.3 million in October, relative to the same period of 2019, owing to decreases across almost all categories. Specifically, "other" current items—primarily purchases of foreign goods and services by credit and debit card transactions—reduced by \$39.8 million, while oil imports and travel related payments fell by \$27.5 million and \$22.5 million, respectively. In addition, foreign currency sales were lower for factor income payments (\$13.6 million) and non-oil imports (\$8.1 million). Providing a modest offset, foreign currency sales for transfer payments rose by \$3.4 million.

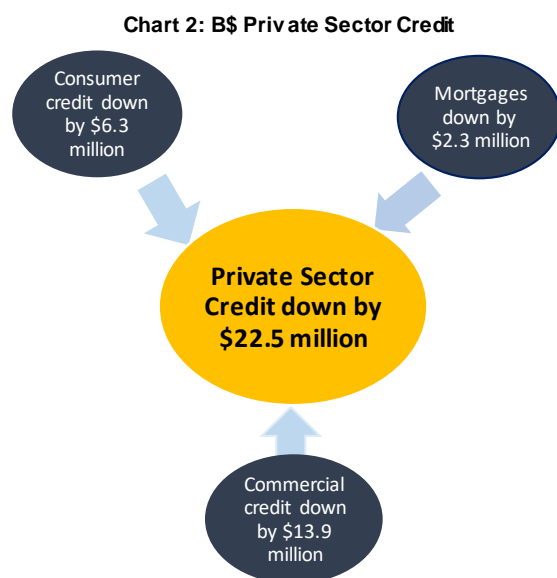
Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit contracted by \$201.3 million in October, a reversal from the \$54.2 million expansion recorded in the comparable period of 2019. Underpinning this outcome, refinancing transactions related to the external bond issue reduced net claims on the Government by \$177.5 million, contrasting with a \$47.3 million accumulation in the preceding year. Similarly, credit to the private sector decreased by \$22.5 million, a turnaround from the \$8.2 million gain a year earlier, reflecting broad based declines across loan categories. Specifically, commercial credit fell by \$13.9 million, while consumer credit and mortgages were lower by \$6.3 million and by \$2.3 million, respectively. Meanwhile, the decrease in credit to public corporations stabilized at \$1.3 million.

Foreign Currency Credit

The growth in domestic foreign currency credit slowed to \$2.4 million in October, from \$8.3 million in the prior year. In underlying developments, credit to public corporations reduced by \$63.6 million, following a flat outturn in 2019. In contrast, net claims on the Government advanced by \$62.9 million, extending the \$13.3 million gain in the previous year. In addition, private sector credit grew by \$3.1 million, vis-à-vis a \$4.9 million



Source: Central Bank of The Bahamas

reduction last year. Underlying to this outturn, commercial credit and mortgages rose, by \$2.7 million and by \$0.4 million, reversing respective decreases of \$4.4 million and \$0.5 million in 2019.

Credit Quality

Banks' credit quality indicators weakened during the month of October, underpinned by a rise in short-term delinquencies, due to the adverse effects stemming from the ongoing COVID-19 pandemic. Total private sector arrears rose by \$51.4 million (7.4%), to \$748.7 million, elevating the corresponding ratio by 99 basis points, to 13.3%.

Disaggregated by the average age of delinquency, short term arrears (31-90 days) increased by \$60.0 million (25.9%) to \$292.1 million, resulting in a 1.1 percentage point uptick in the attendant ratio, to 5.2%. In contrast, non-performing loans (NPLs) reduced by \$8.6 million (1.9%), to \$456.6 million, lowering the accompanying ratio by 11 basis points, to 8.1%.

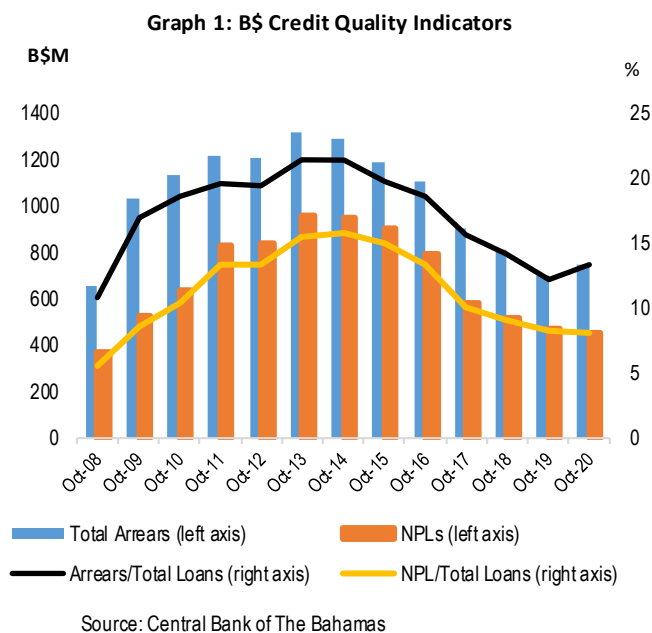
Across the major claims categories, mortgage delinquencies advanced by \$39.0 million (9.8%) to \$438.6 million, as both the short and long-term components rose, by \$36.4 million (29.3%) and by \$2.6 million (1.0%), respectively. Similarly, consumer arrears grew by \$18.8 million (8.3%), to \$246.8 million, owing to respective growth in short-term arrears and non-accrual loans, of \$15.6 million (16.8%) and \$3.2 million (2.4%). In contrast, commercial loan delinquencies fell by \$6.5 million (9.3%), to \$63.4 million, as the \$14.4 million (26.0%) retrenchment in non-performing loans eclipsed the \$8.0 million (55.5%) rise in short-term arrears.

As a result of the uncertainty surrounding the pandemic, banks increased their total provisions for loan losses by \$38.2 million (7.4%), to \$551.7 million in October. Consequently, the ratio of total provisions to arrears firmed by 5 basis points to 73.7%. Further, the ratio of total provisions to non-performing loans rose by 10.4 percentage points to 120.8%. During the review month, banks wrote-off approximately \$12.1 million in bad loans, and recovered an estimated \$2.6 million.

In comparison to October 2019, the total private sector arrears rate firmed by 1.1 percentage points, as the short-term segment rose by 1.2 percentage points, overshadowing the 15 basis points decrease in the non-accrual component. Further, by loan type, increases were recorded for consumer and mortgage delinquency rates, of 2.1 and 0.9 percentage points, respectively. In contrast, the commercial loan rate declined by a 1.1 percentage point.

Deposits

During the review month, the contraction in total Bahamian dollar deposits deepened to \$12.5 million, from \$7.8 million in the same period of 2019, partly attributed to a falloff in foreign currency inflows from real sector



activities. Specifically, demand deposits fell by \$4.3 million, contrasting with the \$10.2 million rise in the preceding year. Similarly, savings balances edged down by \$2.0 million, vis-à-vis a \$20.2 million expansion last year. Further, the reduction in fixed deposits moderated to \$6.3 million from \$38.2 million a year earlier. In addition, the decline in residents' foreign currency deposits slowed to \$14.6 million from \$21.6 million in the previous year.

Interest Rates

In interest rate developments, banks' weighted average loan rate narrowed by 23 basis points to 11.04% in October. In addition, the weighted average deposit rate softened by 8 basis points to 0.39%, 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 contract significantly in 2020, dominated by the COVID-19 pandemic and the residual impact from Hurricane Dorian. In this environment, tourism output is anticipated to reduce to a historic low and the pace of the recovery in 2021 contingent on improvements on the international health front and the subsequent resumption in global travel. Nonetheless, new and ongoing foreign investment-led projects, combined with post-hurricane rebuilding works, are projected to provide stimulus to the construction sector.

In terms of the labour market, the unemployment rate is projected to remain elevated over the near-term, with any job gains concentrated primarily in the construction sector and the measured re-employment of tourism sector employees. With regard to prices, inflationary pressures are anticipated to remain contained, excluding any shocks to international oil prices.

On the fiscal front, costs related to the reconstruction of lost infrastructure, following the major hurricane, and rising spending for health and social welfare, associated with COVID-19, alongside revenue losses, are expected to weigh heavily on the Government's fiscal outturn. The budgetary gap, projected near 11.6% of GDP, is estimated to be financed largely by external borrowings. Financing needs are forecasted to remain expanded during the next fiscal year.

Monetary sector developments will continue to be marked by high levels of liquidity within the banking sector, as commercial banks maintain their cautious lending posture. Further, although private sector net foreign currency drawdowns are expected to continue through the end of the year, external reserves are forecasted to end the year at a higher level than in 2019, largely supported by the front loading of Government's external financing operations. However, the cumulative decrease in external reserves is expected to be delayed to 2021. Nevertheless, 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 sector credit, while enacting policy measures that maintain a favourable outcome for external reserves and mitigate financial sector disruptions. Further, the Bank will remain diligent in its monitoring of foreign exchange developments, and if required, will adopt appropriate measures to ensure a positive outturn for external reserves.

APPENDIX

International Developments

During the review month, global economic developments continued to be dominated by the spread of the Novel Coronavirus (COVID-19) and lackluster economic performance. Accordingly, outcomes within the major markets varied over the review period. In this environment, all of the key central banks affirmed their highly accommodative policy posture, in an attempt to encourage economic growth.

Economic indicators in the United States registered a positive outturn during the review period. Specifically, real GDP expanded by 33.1% during the third quarter, a turnaround from a 31.4% contraction during the second quarter, attributed to efforts to reopen businesses and the resumption of economic activity. In addition, in October industrial production grew 1.1% over the prior month, led by improvements in manufacturing and utilities, while retail sales firmed by 0.3%, albeit lower than the previous month's 1.6% gain. In external developments, the trade deficit narrowed by \$3.2 billion (4.7%) to \$63.9 billion, on account of a 2.6% increase in exports, which surpassed the 0.5% rise in imports. Further, the jobless rate edged down by 1.0 percentage point to 6.9% during the review period, as total non-farm payroll employment rose by 638,000, with notable job gains in leisure & hospitality, professional & business services, retail trade and construction. In terms of prices, the consumer price index remained flat, following a 0.2% firming in the previous month. Owing to these developments, the Federal Reserve maintained its benchmark interest rate at a range of 0.00% - 0.25%.

Performance indicators for the major European economies were mixed during the review period. The United Kingdom's real economic output grew by 15.5%, during the three months to September, extending the 8.0% growth in the prior quarter, owing to increases across most of the major sectors, amid relaxed restrictions related to the COVID-19. In addition, retail sales rose by 1.5% in September over the previous month, owing to higher food, non-food and online sales; while total production output firmed by 0.5% bolstered by a rise in manufacturing, electricity and gas, mining and quarrying, and water supply. In the external sector, the trade surplus declined by £3.4 billion (44.7%) to £4.2 billion during the three months to September, as the £17.3 billion growth in imports outstripped the £13.8 billion expansion in exports. In addition, the annual inflation rate firmed by 20 basis points to 0.9% in October from the previous month, reflecting an uptick in transport and restaurant & café prices. Further, the unemployment rate rose by 70 basis points to 4.8% during the three months to September from the previous quarter, as the number of unemployed individuals grew by 181,000. In the euro area, real GDP recorded a growth of 12.6% in the third quarter, rebounding from the 11.8% decrease in the second quarter, underpinned by robust expansions in France, Spain and Italy. Notwithstanding, retail trade fell by 2.0% in September, contrasting with a 4.2% gain in August, led by decreases in sales for non-food products. Similarly, industrial production moved lower by 0.4%, overturning the 0.6% increase recorded in the prior month, occasioned by a falloff in the production of durable goods and energy. In labor market developments, the unemployment rate stabilized at 8.3% in September, relative to the previous month, although the number of unemployed persons rose by 75,000. Further, due in large measure to lower energy costs, average consumer prices narrowed by 0.3% in October, following a similar decline in the prior month. With regard to international trade, the surplus expanded to €24.8 billion in September, relative to the previous month, underpinned by a 7.1% decrease in imports, which outweighed the 3.1% falloff in exports. Against this backdrop, the Bank of England retained its policy rate at 0.1% and increased its targeted bond purchases stock by £150 billion to £875 billion. Likewise, the European Central Bank affirmed its interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively.

In major Asian economies, economic indicators varied during the review month. In China, real GDP growth moderated to 2.7% in the three months to September, from 11.7% in the prior quarter. With regard to spending, retail sales rose by 0.7% in October, while industrial production increased by 0.8% over the preceding month. In terms of the labor market, the unemployment rate decreased by 10 basis points to 5.3% in September, over to the previous month. In price developments, the consumer price index fell by 0.3% in October from the preceding month, with the most notable declines in transport and communications. With regard to international trade, the trade surplus widened by US\$21.4 billion to US\$58.4 billion in September, due to an 11.8% falloff in imports, which outweighed the 1.1% decline in exports. In Japan, GDP rose by 5.0% in the three months to September, rebounding from the 8.2% decline the previous quarter. Likewise, industrial production moved higher by 3.9% in September from the prior month, due to a rise in the production of motor vehicles, while retail sales moderated by 0.1%, relative to the previous month. With regard to the labor market, the jobless rate remained unchanged at 3.0% in September, in comparison to the same month last year, although the number of unemployed individuals rose by 420,000. Further, average consumer prices for September edged down by 0.1 percentage points, in comparison to the prior month, reflecting reduced costs of fuel light & water, transport & communication, and culture & recreation. On the external front, Japan's trade surplus tapered to ¥268.1 billion in October, from ¥687.8 billion in the previous month, as the 33.9% decrease in exports exceeded the 30.4% reduction in imports. In this environment, the Bank Japan retained its policy rate at -0.1% and the People's Bank of China sustained its reverse repo rate at 2.20%.

During the review month, broad based declines were registered across almost all major global stock indices. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 fell by 4.6% and 2.8%, respectively. Similar trends were recorded in the European markets, as Germany's DAX decreased by 9.4%, the United Kingdom's FTSE 100, by 4.9% and France's CAC 40, by 4.36%. In the Asian markets, Japan's Nikkei 225 reduced by 0.9%, while China's SE Composite edged up by 0.2%.

Currency market developments revealed widespread depreciations against most major currencies during the month of October. Relative to the Chinese Renminbi and the Japanese Yen, the US dollar weakened by 1.5% and by 0.8% to CNY 6.6922 and ¥104.66, respectively. Likewise, the US dollar declined against the Swiss Franc, by 0.4% to CHF 0.9170 and the British Pound, by 0.2% to £0.7724. Conversely, the US dollar appreciated vis-à-vis the euro by 0.6% to €0.8586, while the dollar held steady at CAD\$1.3321 versus the Canadian dollar.

Commodity price trends were mixed during the month of October. Specifically, the price of crude oil stabilized at \$40.96 per barrel, amid an increase of 0.32 million barrels per day (mb/d) to average 24.39 mb/d. The cost of silver rose by 1.8% to \$23.66 per troy ounce, while the price of gold fell by 0.4% to \$1,878.81 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

October					
Value		Change		Change YTD	
2019	2020	2019	2020	2019	2020

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	855.06	1,311.09	-39.69	16.30	183.71	204.87
1.2 Excess Liquid Assets	1,719.62	2,151.62	-65.91	-0.07	187.83	186.25
1.3 External Reserves	1,561.79	2,314.11	2.61	207.92	362.61	555.89
1.4 Bank's Net Foreign Assets	152.49	68.92	-14.27	-15.43	95.38	-134.58
1.5 Usable Reserves	751.34	1,207.70	0.48	145.60	227.11	372.34

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,855.09	5,766.99	3.34	-19.40	0.03	-89.46
a. B\$ Credit	5,667.14	5,609.58	8.20	-22.48	19.84	-45.99
of which: Consumer Credit	2,086.95	2,054.55	1.85	-6.29	-30.96	-23.67
Mortgages	2,857.02	2,807.74	-6.62	-2.34	-9.20	-30.84
Commercial and Other Loans B\$	723.16	747.29	12.97	-13.85	59.99	8.53
b. F/C Credit	187.95	157.41	-4.86	3.08	-19.80	-43.48
of which: Mortgages	57.69	61.65	-0.48	0.39	-0.42	3.61
Commercial and Other Loans F/C	130.27	95.76	-4.37	2.69	-19.38	-47.09
2.2 Central Government (net)	2,584.90	2,650.66	60.41	-114.58	51.38	30.69
a. B\$ Loans & Securities	2,866.44	2,860.59	68.05	-78.69	120.94	11.34
Less Deposits	299.72	381.58	20.77	98.80	89.83	96.82
b. F/C Loans & Securities	22.00	174.13	15.00	63.63	15.00	117.13
Less Deposits	3.82	2.48	1.87	0.72	-5.27	0.96
2.3 Rest of Public Sector	444.63	323.55	-1.32	-64.93	-42.26	-120.25
a. B\$ Credit	278.40	275.20	-1.32	-1.30	-18.70	-3.29
b. F/C Credit	166.23	48.35	0.00	-63.63	-23.56	-116.96
2.4 Total Domestic Credit	8,884.62	8,741.20	62.43	-198.91	9.16	-179.03
a. B\$ Domestic Credit	8,512.26	8,363.79	54.16	-201.27	32.25	-134.76
b. F/C Domestic Credit	372.36	377.41	8.28	2.37	-23.09	-44.27

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,805.59	3,182.52	10.23	-4.25	348.43	228.82
a. Central Bank	97.21	70.68	42.00	-0.43	22.35	21.03
b. Banks	2,708.38	3,111.84	-31.77	-3.82	326.08	207.79
3.2 Savings Deposits	1,540.44	1,798.90	20.21	-1.95	119.70	162.45
3.3 Fixed Deposits	2,417.73	2,241.08	-38.21	-6.28	-144.53	-183.86
3.4 Total B\$ Deposits	6,763.75	7,222.50	-7.76	-12.48	323.60	207.41
3.5 F/C Deposits of Residents	592.38	549.12	-21.56	-14.60	74.31	-120.87
3.6 M2	7,079.15	7,597.98	-3.08	-20.22	335.39	245.79
3.7 External Reserves/M2 (%)	22.06	30.46	0.05	2.81	4.28	6.54
3.8 External Reserves/Base Money (%)	107.31	116.05	2.70	9.88	11.51	14.50
3.9 External Reserves/Demand Liabilities (%)	96.35	104.58	-0.09	3.72	7.52	9.32
	Value		Year To Date		Change	
	2019	2020	2019	2020	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-14.36	207.80	277.59	475.72	222.16	198.12
a. Net Purchase/(Sale) from/to Banks	18.83	-94.90	628.85	-224.65	-113.73	-853.50
i. Sales to Banks	16.00	95.68	75.25	642.98	79.68	567.73
ii. Purchase from Banks	34.83	0.78	704.10	418.32	-34.05	-285.77
b. Net Purchase/(Sale) from/to Others	-33.19	302.70	-351.25	700.37	335.89	1051.62
i. Sales to Others	55.15	300.21	785.43	1080.42	245.06	294.99
ii. Purchase from Others	21.96	602.92	434.18	1780.79	580.95	1346.61
4.2 Banks Net Purchase/(Sale)	26.13	-90.07	603.51	-290.31	-116.20	-893.82
a. Sales to Customers	385.07	326.74	4055.69	3498.63	-58.32	-557.07
b. Purchase from Customers	411.20	236.68	4659.20	3208.32	-174.52	-1450.89

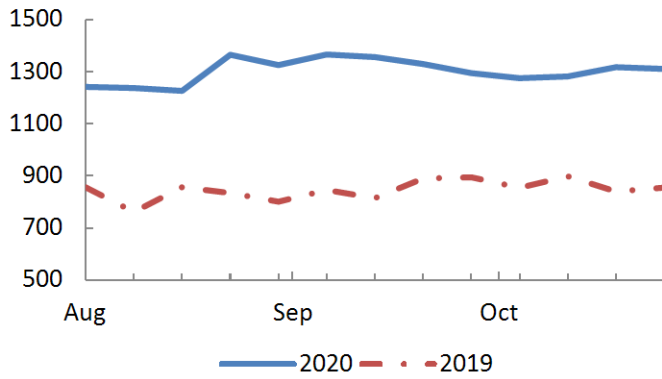
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	450.22	342.26	4,942.32	4,266.37	-107.97	-675.94
of which Public Sector	56.38	43.18	686.27	756.83	-13.20	70.56
a. Nonoil Imports	107.27	99.19	1,193.29	1,173.13	-8.07	-20.16
b. Oil Imports	46.98	19.49	512.69	310.13	-27.49	-202.56
c. Travel	28.40	5.91	282.04	89.44	-22.49	-192.60
d. Factor Income	32.60	19.04	301.27	390.89	-13.56	89.62
e. Transfers	15.11	18.55	209.42	139.35	3.44	-70.07
f. Other Current Items	219.87	180.07	2,443.62	2,163.44	-39.80	-280.18
5.2 Capital Items	9.62	296.49	229.83	495.50	286.87	265.67
of which Public Sector	1.11	283.87	133.38	423.26	282.76	289.89

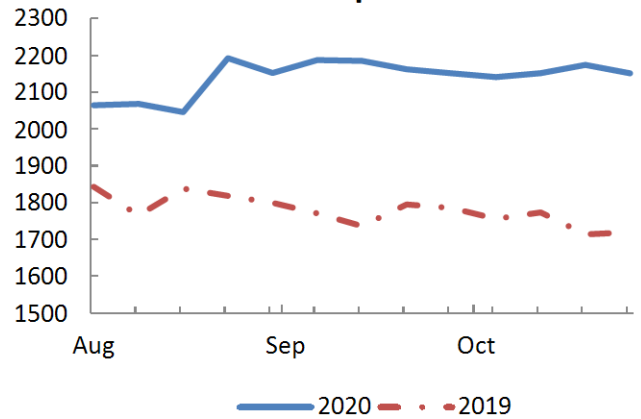
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

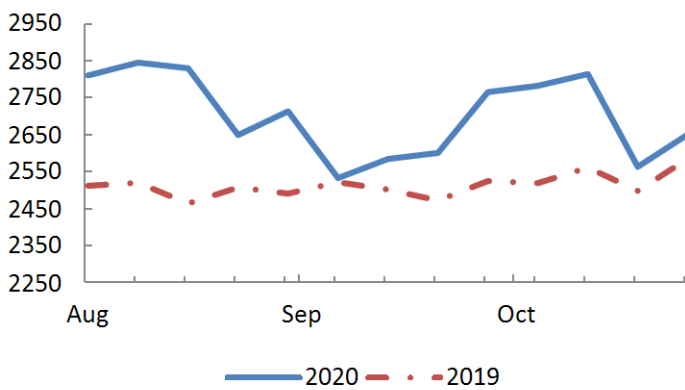
Excess Reserves



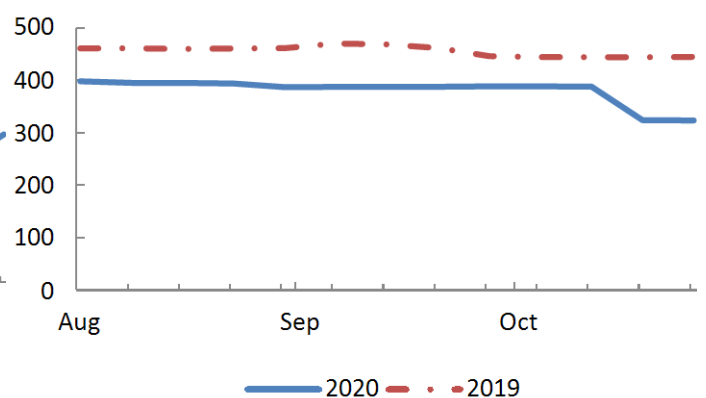
Excess Liquid Assets



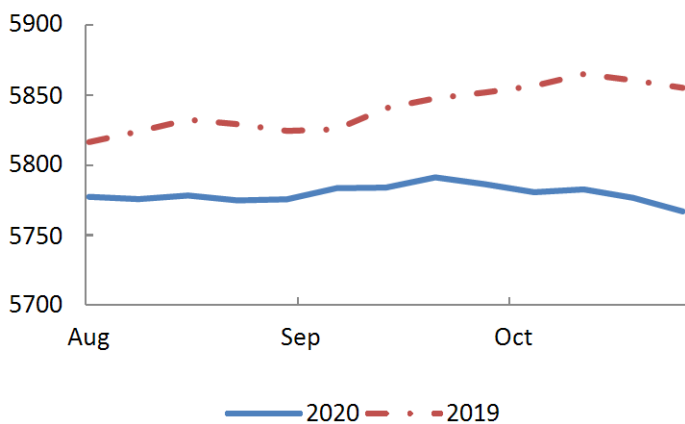
Central Govt. Credit (Net)



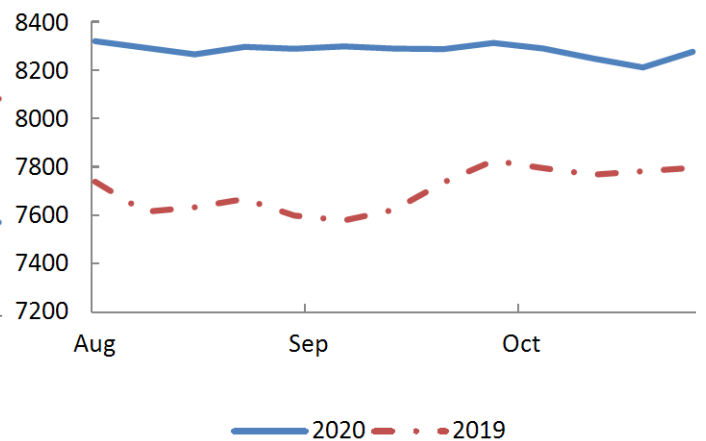
Rest of Public Sector Credit



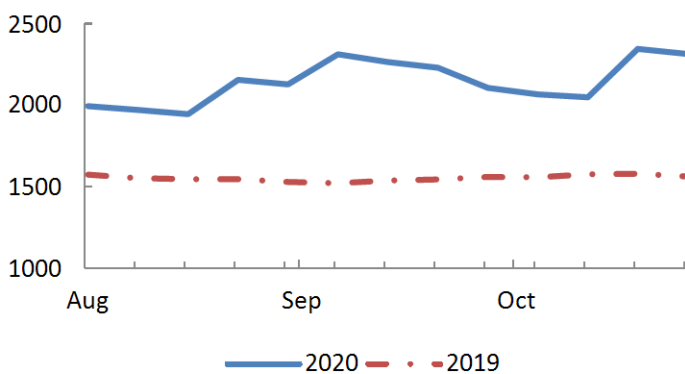
Private Sector Credit



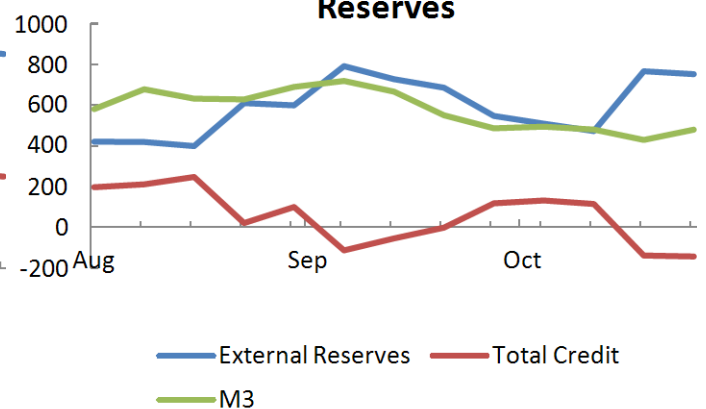
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

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
<i>Source: IMF World Economic Outlook October 2019, Department of Statistics May 2019*</i>						

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
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
September 2020	4.00	0.00	0.25	0.00-0.25	0.10
October 2020	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Oct-19	Sept-20	Oct-20	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8967	0.8532	0.8586	0.64	-3.72	-4.25
Yen	108.03	105.48	104.66	-0.78	-3.64	-3.12
Pound	0.7727	0.7740	0.7724	-0.21	-2.38	-0.04
Canadian \$	1.3163	1.3319	1.3321	0.02	-2.55	1.20
Swiss Franc	0.9864	0.9209	0.9170	-0.42	-5.23	-7.04
Renminbi	7.0387	6.7910	6.6922	-1.45	-3.89	-4.92

Source: Bloomberg as of October 30th, 2020

D. Selected Commodity Prices (\$)					
Commodity	Oct 2019	Sept 2020	Oct 2020	Mthly % Change	YTD % Change
Gold / Ounce	1512.94	1885.82	1878.81	-0.37	23.83
Silver / Ounce	18.11	23.24	23.66	1.81	32.51
Oil / Barrel	60.75	40.96	40.96	0.00	-40.10

Source: Bloomberg as of October 30, 2020

E. Equity Market Valuations – September 30th, 2020 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.58	-4.61	-2.77	-4.92	-4.36	-9.44	-0.90	0.20
3 month	-0.69	0.28	-0.04	-5.43	-3.96	-6.15	5.84	-2.58
YTD	-6.73	-7.14	1.21	-26.05	-23.15	-12.77	-2.87	5.72
12-month	-5.77	-2.01	7.65	-23.05	-19.82	-10.18	0.22	10.09

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.1150	0.0900	-0.5175
1 Month	0.1550	0.0900	-0.5300
3 Month	0.1950	0.1500	-0.5300
6 Month	0.3450	0.1500	-0.4900
9 Month	0.3750	0.2350	-0.4900
1 year	0.2800	0.1600	-0.3700

Source: Bloomberg as of October 30, 2020

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

	VALUE									CHANGE								
	Sep. 02	Sep. 09	Sep. 16	Sep. 23	Sep. 30	Oct. 07	Oct. 14	Oct. 21	Oct. 28	Sep. 02	Sep. 09	Sep. 16	Sep. 23	Sep. 30	Oct. 07	Oct. 14	Oct. 21	Oct. 28
I. External Reserves	2,127.68	2,312.42	2,264.75	2,229.78	2,106.19	2,066.35	2,048.32	2,345.52	2,314.11	(27.82)	184.74	(47.66)	(34.98)	(123.59)	(39.84)	(18.03)	297.20	(31.41)
II. Net Domestic Assets (A + B + C + D)	(111.90)	(270.65)	(234.87)	(224.75)	(122.43)	(115.70)	(94.62)	(356.87)	(320.13)	(8.25)	(158.75)	35.78	10.12	102.33	6.73	21.08	(262.25)	36.74
A. Net Credit to Gov't (I + ii + iii -iv)	352.73	199.92	217.67	233.37	340.00	342.48	383.53	101.44	228.48	11.88	(152.81)	17.75	15.71	106.63	2.48	41.05	(282.09)	127.04
i) Advances	124.90	124.90	124.90	124.90	124.90	124.90	124.90	124.90	84.90	-	-	-	-	-	-	-	-	(40.00)
ii) Registered Stock	249.20	254.00	242.80	242.35	226.34	226.44	265.09	226.67	226.69	0.35	4.80	(11.20)	(0.44)	(16.02)	0.11	38.64	(38.41)	0.02
iii) Treasury Bills	42.48	42.48	42.48	36.02	21.81	21.81	24.31	21.81	64.78	(3.98)	(0.00)	-	(6.47)	(14.20)	0.00	2.50	(2.50)	42.97
iv) Deposits	63.85	221.46	192.52	169.90	33.05	30.67	30.77	271.95	147.90	(15.51)	157.61	(28.95)	(22.62)	(136.85)	(2.37)	0.10	241.18	(124.05)
B. Rest of Public sector (Net) (i+ii-iii)	(67.17)	(71.34)	(55.24)	(62.89)	(64.31)	(60.47)	(59.93)	(44.50)	(63.88)	(19.31)	(4.17)	16.10	(7.65)	(1.41)	3.84	0.53	15.43	(19.38)
i) Loans	2.13	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	4.68	-	-	-	-	-	-	-	-	-
iii) Deposits	73.98	78.15	62.05	69.70	71.11	67.27	66.74	51.31	70.68	19.31	4.17	(16.10)	7.65	1.41	(3.84)	(0.53)	(15.43)	19.38
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(397.45)	(399.23)	(397.30)	(395.23)	(398.12)	(397.72)	(418.22)	(413.81)	(484.73)	(0.82)	(1.78)	1.93	2.07	(2.89)	0.41	(20.50)	4.41	(70.92)
III. Monetary Base	2,015.78	2,041.77	2,029.88	2,005.02	1,983.76	1,950.65	1,953.70	1,988.65	1,993.98	(36.07)	25.98	(11.89)	(24.85)	(21.26)	(33.11)	3.05	34.95	5.33
A. Currency in Circulation	513.09	503.71	503.44	499.01	511.83	503.44	506.42	490.49	501.65	(0.77)	(9.38)	(0.27)	(4.43)	12.82	(8.38)	2.97	(15.93)	11.16
B. Bank Balances with CBOB	1,502.69	1,538.05	1,526.44	1,506.01	1,471.94	1,447.20	1,447.28	1,498.16	1,492.33	(35.30)	35.36	(11.62)	(20.42)	(34.08)	(24.73)	0.07	50.88	(5.83)

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JUL-SEP																								YEAR TO DATE	
	2019/2020		2020/2021		2019/2020		2020/2021		2019/2020		2020/2021		2019/2020		2020/2021		2019/2020		2020/2021		2019/2020		2020/2021			
Fiscal Operations^P																										
1. Government Revenue & Grants					552.3	300.8																			552.3	300.8
% change; over previous quarter					-25.1%	-9.0%																			7.3%	-45.5%
2. Value Added Tax					266.2	134.7																			266.2	134.7
% change; over previous quarter					-13.5%	-2.8%																			33.5%	-49.4%
3. Import/Excise Duties					140.5	87.5																			140.5	87.5
% change; over previous quarter					-10.5%	18.7%																			-7.1%	-37.7%
4. Recurrent Expenditure					544.8	579.8																			544.8	579.8
% change; over previous quarter					-24.5%	-16.5%																			0.9%	6.4%
5. Capital Expenditure					56.3	57.4																			56.3	57.4
% change; over previous quarter					-41.0%	-66.2%																			45.0%	2.0%
6. Deficit/Surplus*					-48.8	-336.3																			-48.8	-336.3
% change; over previous quarter					-38.5%	-37.0%																			-24.8%	589.8%
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	8,558.6	7,548.9	8,812.4	7,585.7	8,904.0	7,638.7	9,159.1						
% 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%	3.0%	0.5%	1.0%	0.7%	2.9%						
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	3,280.3	2,559.8	3,387.1	2,560.2	3,737.0						
% change; over previous month	0.0%	-0.2%	-0.9%	1.4%	-0.4%	0.2%	-0.2%	1.7%	0.0%	0.1%	0.0%	9.5%	-0.1%	4.4%	-0.3%	8.3%	0.7%	3.3%	0.0%	10.3%						
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	180.4	0.0	180.4	0.0	180.4	15.0	180.4						
% change; over previous month				0.0%		0.0%		0.0%		0.0%		0.0%		260.9%		0.0%		0.0%	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	5,025.9	5,336.5	5,063.5	5,241.7						
% 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%	0.4%	-0.3%	0.7%	-1.8%						
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	49.5	129.5	173.1	443.9						
% 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%	318.0%	199.4%	249.6%	242.7%						
12. Total Public Sector F/C Debt	4,341.3	3,471.5	4,317.3	3,506.6	4,286.1	3,500.9	4,281.1	3,545.9	4,291.8	3,547.5	4,280.6	3,789.3	4,277.2	3,802.0	4,285.1	4,052.8	4,271.4	4,153.3	4,286.6	4,503.2						
% change; over previous month	29.6%	-0.1%	-0.6%	1.0%	-0.7%	-0.2%	-0.1%	1.3%	0.25%	0.04%	-0.26%	6.82%	-0.1%	0.3%	0.2%	6.6%	-0.3%	2.5%	0.4%	8.4%						
Real Sector Indicators																										
13. Retail Price Index	106.7	108.9	108.1	108.3	108.2	108.4	108.4	107.4	108.2	108.2	108.1	107.7	108.9	107.6	108.5	108.1										
% change; over previous month	0.70%	1.27%	1.26%	-0.54%	0.12%	0.10%	0.15%	-0.95%	1.2%	0.8%	-0.06%	-0.47%	0.7%	-0.1%	0.5%											
14. Tourist arrivals (000's)	636.9	687.2	608.4	711.7	749.0	302.1	657.6	0.0	589.1	0.0	641.4	3.9	650.4	23.8	553.5	5.4	351.5	4.9								
% change; over previous year	19.3%	7.9%	13.9%	17.0%	5.9%	-59.7%	11.9%	-100.0%	17.8%	-100.0%	18.8%	-99.4%	7.9%	-96.3%	7.2%	-99.0%	-12.24%	-98.6%								
15. Air arrivals (000's)	129.9	125.3	151.1	146.5	201.6	75.7	171.2	0.0	158.7	0.0	168.4	1.7	176.0	15.4	131.1	3.3	54.1	3.1								
% change; over previous year	28.8%	-3.5%	19.7%	-3.1%	9.5%	-62.3%	18.8%	-100.0%	16.6%	-100.0%	8.7%	-99.0%	7.7%	-91.3%	1.20%	-97.5%	-14.74%	-94.2%								
16. Occupied Room Nights																										
% change; over previous year																										
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																										
% change; over previous qtr.																										

^P Includes Net Lending to Public Corporations

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

p - provisional