



Monthly Economic and Financial Developments October 2021

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:

2021: December 29



OCTOBER 2021 SUMMARY

MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

The domestic economy continued a measured pace of recovery during the month of October, despite the ongoing spread of the Novel Coronavirus (COVID-19). Tourism output maintained a gradual strengthening, undergirded by gains in the high value-added air segment and an uptick in sea traffic, reflecting sustained progress in vaccination efforts, both locally and internationally.

Inflation & Unemployment

Inflationary pressures remain contained as pass-through effects from the United States were still delayed, although some firming is estimated, reflective of the uptick in international oil prices. With regard to the labour market, the unemployment rate is projected to remain elevated over the near-term, with any job gains concentrated largely in the construction sector and the full re-engagement of tourism sector employees.

Monetary Sector

Monetary developments registered a decrease in bank liquidity, owing to an expansion in domestic credit, which contrasted with a reduction in the deposit base. Similarly, external reserves declined during the review month, largely attributed to seasonal net foreign currency outflows through the public sector.

International Economies

Global economic performance varied, as the impact of the ongoing COVID-19 pandemic persisted. As a result, all of the major central banks maintained their highly accommodative monetary policy stances, in an effort to maintain financial stability and encourage economic growth.



Monthly Economic and Financial Developments (MEFD) October 2021

1. Domestic Economic Developments

Overview

The domestic economy continued a gradual pace of recovery during the month of October, despite the ongoing spread of the Novel Coronavirus (COVID-19). Tourism output maintained its strengthening, undergirded by gains in the high value-added air segment and uptick in sea traffic, reflecting sustained progress in vaccination efforts, both locally and internationally. Monetary developments registered a decrease in bank liquidity, owing to an expansion in domestic credit, which contrasted with a reduction in the deposit base. Similarly, external reserves declined during the review month, largely attributed to seasonal net foreign currency outflows through the public sector.

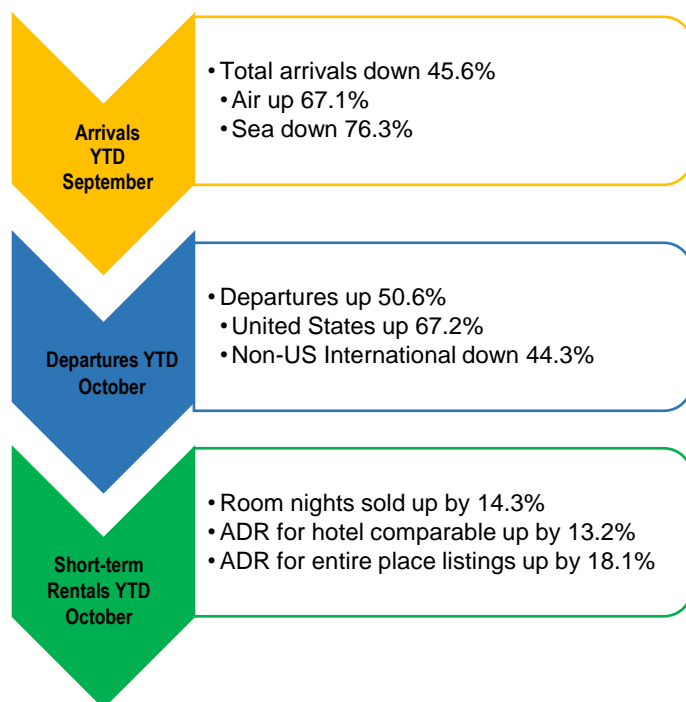
Real Sector

Tourism

Tourism metrics indicated that the sector's monthly output continued to gradually recover, although some challenges persisted, due to ongoing globally imposed travel restrictions related to the COVID-19. Further, support for the vacation rental market was provided by domestic demand.

The most recent data provided by the Ministry of Tourism (MOT) showed that total visitor arrivals, by first port of entry, strengthened to 158,660 in September, from 5,016 in the corresponding period of 2020. Leading this development, air arrivals rose to 43,348, from just 3,154 in the previous year—constituting 80.1% of the air passengers registered in 2019. In addition, sea traffic increased to 115,312, relative to a volume of 1,862 a year earlier. Disaggregated by major market, total arrivals to New Providence grew to 79,880 from a mere 1,128 in the preceding year. Contributing to this outturn, the air and sea segments measured 34,821 and 45,059, respectively. Further, total traffic to Grand Bahama advanced to 5,902, vis-à-vis just 231 a year earlier, as air and sea arrivals amounted to 1,151 and 4,751, respectively. Foreign arrivals to the Family Islands rebounded to 72,878, extending the volume of 3,657 in the prior year, owing to improvements in the air and sea segments, to 7,376 and 65,502, respectively.

Chart 1: Tourism Indicators at a Glance



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

On a year-to-date basis, total arrivals fell by 45.6%, decelerating from the 68.0% decline registered in 2020. Underlying this outturn, air arrivals recovered by 67.1%, a reversal from the 72.3% reduction in the previous year, as all major markets registered positive movements during the review period. However, sluggish performance persisted in the cruise segment, evidenced by a 76.3% decline in sea traffic, relative to 2020's contraction of 66.6% (Table 1).

The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—rose to 58,857 in October, from a modest 4,794 in the corresponding month of 2020. In particular, U.S. departures recovered to 51,941 from 3,629 in the prior year, while non-U.S. departures increased to 6,916, from 1,165. On a year-to-date basis, outward bound traffic expanded by 50.6%, following a decline of 70.0% last year. Underpinning this outturn, U.S. departures grew by 67.2%, a turnaround from a 72.7% falloff in the previous year. In addition, the decline in non U.S. departures slowed to 44.3%, from 64.8% in the comparative period of 2020.

In the vacation rental market, the latest data from AirDNA revealed that improvements persisted in the short-term rental market.

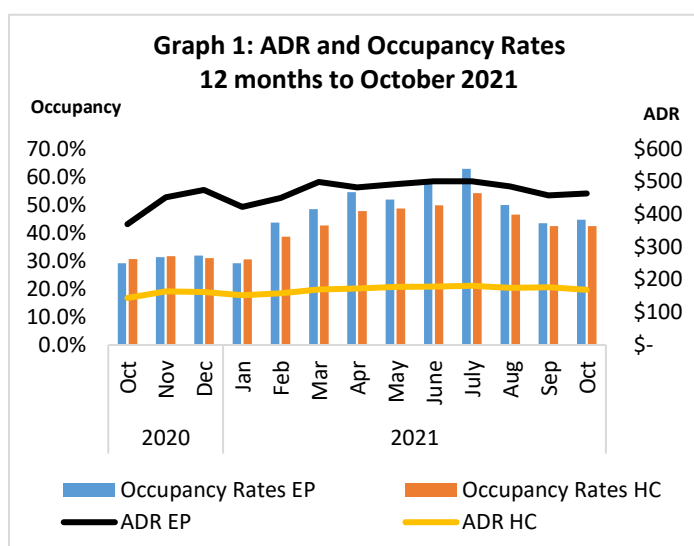
During October, total room nights sold more than doubled to 71,234 from 26,656 in the comparative 2020 period. Reflective of this outcome, occupancy rates moved higher for entire place listings and hotel comparable listings to 44.7% and 42.4% from 29.1% and 30.6%, respectively, a year earlier. As depicted in Graph 1, price indicators improved year-over-year, as the average daily room rate (ADR) increased for entire place listings and hotel comparable, by 25.4% and by 17.4%, to \$462.78 and \$168.65, respectively.

On a year-to-date basis, total room nights sold firmed by 50.3%, reflecting respective gains in bookings for entire place and hotel comparable listings, of 52.5% and 32.8%.

Table 1: Total Visitor Arrivals January- September 2021

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2020	2021	2020	2021	2020	2021
Arrivals						
Air	-71.1	50.0	-80.3	46.1	-75.5	150.1
Sea	-72.4	-80.9	-75.7	-66.6	-56.1	-73.7
Total	-72.0	-36.9	-76.2	-56.7	-58.9	-54.4

Source: Ministry of Tourism



Source: AirDNA

2. Monetary Trends

October 2021 vs. 2020

Liquidity

Monetary developments for the month of October were marked by a contraction in bank liquidity, as the expansion in domestic credit contrasted with the decline in the deposit base. In particular, excess reserves—a narrow measure of liquidity—decreased by \$156.5 million to \$1,373.5 million, a reversal from the \$16.3 million accumulation in 2020. Likewise, excess liquid assets—the broad measure of liquidity—reduced by \$139.2 million to \$2,284.3 million, deepening the marginal \$0.3 million falloff in the previous year.

External Reserves

During the month of October, external reserves contracted by \$129.3 million to \$2,588.4 million, a turnaround from a \$207.9 million growth last year. Underlying this development, the Central Bank's transactions with the public sector shifted to a net sale of \$71.9 million, from a net purchase of \$302.7 million in 2020. However, the Central Bank's net sale to commercial banks moderated to \$56.4 million from \$94.9 million a year earlier. Further, commercial banks net sale to their customers slowed to \$51.6 million from \$90.1 million in the prior year.

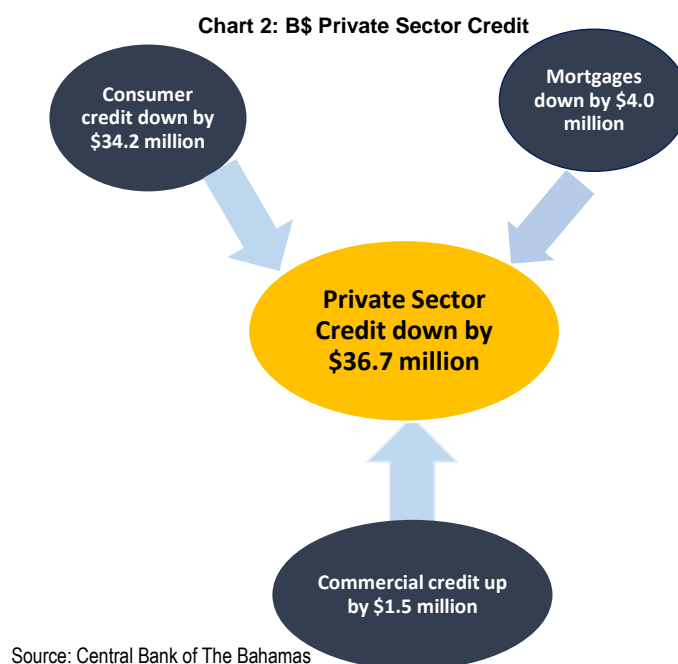
Exchange Control Sales

Provisional data on foreign currency sales for current account transactions revealed outflows rose by \$130.4 million to \$472.7 million during the month of October, owing to increases across almost all categories. Underpinned by a rise in payments for services and credit cards, within "other" current items, grew by \$50.5 million, while factor income payments and oil imports advanced by \$45.9 million and by \$20.5 million, respectively. In addition, foreign currency outflows were higher for travel related transactions (\$10.8 million) and non-oil imports (\$7.2 million). Providing a modest offset, foreign currency sales for transfer payments fell by \$4.5 million.

Domestic Credit

Bahamian Dollar Credit

Bahamian dollar credit grew by \$47.1 million in October, a switch from a \$214.4 million falloff in the comparable period of the preceding year. Contributing to this outturn, net claims on the Government expanded by \$83.8 million, a reversal from a \$177.4 million decrease a year earlier. In contrast, private sector credit reduced by \$36.7 million, extending the \$35.8 million decline in 2020. Underlying this development, consumer credit and mortgages decreased by \$34.2 million and by \$4.0 million, respectively; however, commercial credit increased by \$1.5 million. Similarly, credit to



public corporations edged down by \$0.1 million, a moderation from the \$1.3 million retrenchment in the prior year.

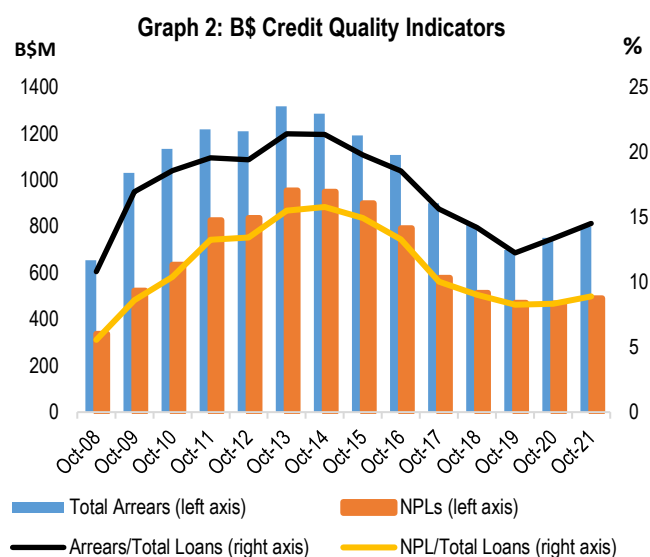
Foreign Currency Credit

Domestic foreign currency credit fell by \$3.2 million in October, vis-à-vis a \$13.0 million build up in the previous year. Specifically, private sector credit reduced by \$2.9 million, a turnaround from the \$13.7 million expansion in 2020, as commercial credit and mortgages decreased by \$2.6 million and by \$0.3 million, compared to gains of \$13.3 million and \$0.4 million, respectively, last year. In addition, net claims on the Government edged down by \$0.3 million, following a \$62.9 million accumulation last year. Further, credit to public corporations registered a flat outturn, after a \$63.6 million reduction in the prior year.

Credit Quality

During the month of October, banks' credit quality weakened, owing in large measure to a rise in short-term delinquencies. Specifically, total private sector arrears grew by \$24.9 million (3.2%) to \$800.1 million, elevating the corresponding ratio by 55 basis points to 14.5%. Underpinning this development was a \$40.9 million (15.2%) growth in short-term arrears (31-90 days) to \$309.7 million, resulting in a 78 basis points firming in the associated ratio to 5.6%. In contrast, non-performing loans (NPLs) reduced by \$16.1 million (3.2%) to \$490.4 million, lowering the accompanying ratio by 23 basis points to 8.9%—with reductions in NPL rates for mortgages, by 31 basis points to 11.1%, commercial loans, by 20 basis points to 5.1% and consumer loans, by 14 basis points to 7.8%.

A disaggregation by loan type revealed that, consumer arrears rose by \$48.8 million (19.7%) to \$297.3 million, as the \$55.1 million (66.4%) growth in the short-term category, outstripped the \$6.3 million (3.8%) retrenchment in the non-accrual component. In contrast, mortgage delinquencies declined by \$16.9 million (3.7 %) to \$441.0 million, owing to decreases in both the short and long-term segments, by \$8.6 million (5.2%) and by \$8.3 million (2.8%), respectively. Further, commercial loan delinquencies fell by \$7.1 million (10.3%) to \$61.8 million, undergirded by a \$5.6 million (26.8%) falloff in the short-term arrears and a \$1.5 million (3.1%) decline in NPLs.



In line with the decline in NPLs, banks reduced their total provisions for loan losses by \$39.5 million (7.0%) to \$526.2 million in October. Consequently, the ratio of total provisions to arrears narrowed by 7.2 percentage points to 65.8%. Similarly, the ratio for total provisions to non-performing loans decreased by 4.4 percentage points to 107.3%. Likewise, the coverage of specific provisions to non-accruals declined by 1.6 percentage points to 84.0%. During the review month, banks wrote-off an estimated \$45.4 million in bad loans, and recovered approximately \$2.7 million.

Over a 12-month basis since October 2020, the total private sector arrears rate firmed by 1.2 percentage points, as the short-term segment rose by 60 basis points, and the non-accrual component, by 56 basis points. Further, by loan type, increases were recorded for consumer loans and mortgage delinquency rates, of 3.2 and 0.4 percentage points, respectively. In contrast, the corresponding commercial loan rate declined by 0.8 percentage points.

Deposits

The reduction in Bahamian dollar deposits deepened to \$95.6 million from \$12.1 million in the preceding year. In terms of the components, respective demand and fixed deposit balances contracted by \$87.9 million and by \$17.2 million, extending the \$3.7 million and \$6.4 million falloff in the prior year. However, savings deposits grew by \$9.5 million, compared to the \$2.0 million decrease last year. In contrast, foreign currency deposits advanced by \$53.7 million, vis-à-vis a \$25.6 million contraction in 2020.

Interest Rates

In interest rates developments, banks' weighted average loan rate increased by 91 basis points to 10.49%. In contrast, the weighted average deposit rate fell by 9 basis points to 0.51%, with the highest rate of 3.75% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will record a marginal growth in 2021, supported by ongoing improvements in the tourism sector. In this environment, sustained gains in the tourism sector remain reliant upon more cemented progress at the global level in containing and reducing the spread of COVID-19. Further, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works, are anticipated to provide continued impetus via the construction sector.

In terms of the labor market, the unemployment rate is expected to remain elevated over the near-term, with measured job gains concentrated in the construction sector and re-engagement of tourism sector employees. With regard to prices, inflationary pressures are anticipated to remain contained, although some firming is estimated, due to the rise in international oil prices.

On the fiscal front, attributed to constraint revenue collections and higher outlays for health and social welfare related to COVID-19, along with costs still associated with the reconstruction of key infrastructure following the major 2019 storm, Government's net financing needs are forecasted to remain elevated. Projected revenue shortfall should continue, with expectations that taxable economic activity should remain below capacity, improving mostly in line with tourism recovery. Accordingly, the budgetary gap is expected to be financed with important use of external credit, but with a likely increased proportion of the total funding from domestic sources.

In monetary sector developments, banking sector liquidity is estimated to remain elevated, due to commercial banks sustaining their conservative lending stance. Further, external reserve balances are anticipated to surpass its 2020 level, notwithstanding some expected seasonal drawdowns over the remainder of 2021, with a greater share of foreign currency demand being satisfied by private sector receipts. Consequently, external balances are poised to remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

In light of the prevailing outlook, the Central Bank will maintain its accommodative stance for private sector credit and continue to pursue policies that ensure a favorable outcome for external reserves, and mitigate financial sector disruptions. In addition, the Bank will remain diligent in its monitoring of foreign exchange developments, and if necessary, adopt appropriate measures to support a positive outcome for external reserves.

APPENDIX

International Developments

During the month of October, global economic performance varied, as the impact of the ongoing Novel Coronavirus (COVID-19) pandemic persisted. As a result, all of the major central banks maintained their highly accommodative monetary policy stances, in an effort to maintain financial stability and encourage economic growth.

Economic indicators for the United States revealed mixed performance, as a resurgence of COVID-19 cases led to new restrictions and delayed re-openings in some parts of the country. In particular, the growth in annualized real GDP slowed to 2.0% during the third quarter, from 6.7% in the prior quarter. Meanwhile, retail sales grew by 1.7% in October, extending the 0.8% uptick in the previous month. Similarly, industrial production rose by 1.6%, a reversal from the 1.3% falloff registered in September. In labor market developments, the jobless rate decreased by 20 basis points, to 4.6% in October compared to prior month, as total non-farm payroll employment rose by 531,000, owing to widespread gains across key sectors. Further, average consumer prices firmed by 0.9% in October, following an increase of 0.4% in the previous month, reflecting broad-based gains across sub-components. On the external front, the trade deficit widened by \$8.1 billion (11.2%) to \$80.9 billion in September, reflecting a 3.0% decline in exports and a 0.6% increase in imports. In this environment, the Federal Reserve retained its benchmark interest rate at a range of 0.00%–0.25%.

Developments also varied in Europe, over the review period. In the United Kingdom, real GDP growth quickened by 40 basis points to 0.6% in September, relative to the previous month, owing to a recovery in the construction and services sectors. In the labour market, the unemployment rate reduced by 40 basis points to 4.5% during the three months to October, compared to the prior quarter. Average consumer prices rose by 3.8% in the twelve months to October, underpinned by a notable increase in costs for housing & household services, transport and restaurants & hotels. Meanwhile, retail sales fell by 0.2% in September, relative to August, while industrial production declined by 0.4% during the same period, owing to reductions in all four production sectors. In terms of the external sector, the trade deficit widened by £3.5 billion to £4.3 billion during the third quarter, as exports decreased by 3.4%, while imports grew by 2.5%. In the euro area, the growth in real output strengthened by 10 basis points to 2.2% during the third quarter, vis-à-vis the previous quarter. The annualized consumer price inflation accelerated by 70 basis points to 4.1% in October, compared to the previous month, as a result of higher energy costs. In addition, the unemployment rate tapered by 10 basis points to 7.4% in September, compared to the preceding month, reflecting the addition of 255,000 jobs to the labour market. Meanwhile, the volume of retail trade decreased by 0.3% in September, following an increase of 1.0% in August, as non-food products registered a decline. Further, industrial production reduced by 0.2%, albeit a slowdown from the 1.7% falloff registered a month earlier. In trade developments, the trade surplus expanded to €7.3 billion in September, from €4.8 billion in the previous month, as the 13.6% expansion in exports outpaced the 12.5% rise in imports. In line with these developments, the Bank of England maintained its interest rate at 0.1%, and the size of its Government bond purchase program at £895.0 billion. Further, the European Central Bank kept interest rates on its main refinancing operations, marginal lending facility and deposit facility at 0.00%, 0.25% and -0.50%, respectively.

Similar trends occurred within the Asian economies. In China, retail sales and industrial production both firmed by 0.4% in October, vis-à-vis September. Further, average consumer prices rose by 0.7% in October, following a flat outturn in the prior month, as prices of food, tobacco and alcohol grew. In terms of the labour market, the jobless rate held steady at 4.9% during the month, relative to the previous period. In external sector developments, the trade surplus widened by US\$8.4 billion (14.3%) to US\$66.8 billion in September, relative to August. In Japan, retail sales declined by 0.2%, while industrial production reduced by 5.4% in September. The unemployment rate was unchanged at 2.8% in September, compared to the prior month. Average consumer prices increased by 0.4% from in the previous month, largely reflecting higher food prices. Meanwhile, Japan trade deficit moderately sharply to ¥67.4 billion in October 2021, from ¥624.1 billion a month earlier, as exports moved higher by 5.0%, while imports decreased by 2.9%. In this environment, the People's Bank of China left its reverse repo rate unchanged at 2.20%, while the Bank of Japan sustained its policy rate at -0.1%.

Most of the major equity markets registered positive movements in October. In the United States the S&P 500 and the Dow Jones Industrial Average (DJIA) rose by 6.9% and 5.8%, respectively. Similarly, the French CAC 40 grew by 4.8%, the German DAX, by 2.8% and the United Kingdom's FTSE 100, by 2.1%. Conversely, China's SE Composite and Japan's Nikkei 225 decreased by 1.9% and 0.6%, respectively.

Developments within the currency market were mixed during the reviewed month. In particular, the US dollar depreciated against the Canadian Dollar, by 2.3% to CAD\$1.2388; the Swiss Franc, by 1.7%, to CHF0.9161; the British Pound by 1.5% to £0.7309; and the Chinese Renminbi, by 0.6% to CNY6.4056. In contrast, the US dollar strengthened against the Japanese Yen and the euro, by 2.4% to ¥113.95 and 0.2% to €0.8652, respectively.

As it relates to commodities, all markets registered increases over the period. Specifically, the cost of crude oil grew by 7.6% to \$78.49 per barrel; although OPEC's crude oil production rose by 0.22 million barrels per day, to average 27.45 million barrels per day. Similarly, the prices of silver and gold both moved higher, by 7.8% to \$23.90 per troy ounce and by 1.5% to \$1,783.38 and per troy ounce, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

October					
Value		Change		Change YTD	
2020	2021	2020	2021	2020	2021

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,311.09	1,373.54	16.30	-156.52	204.87	-62.72
1.2 Excess Liquid Assets	2,151.85	2,284.29	-0.31	-139.23	186.48	54.58
1.3 External Reserves	2,314.11	2,588.35	207.92	-129.27	555.89	207.76
1.4 Bank's Net Foreign Assets	-21.30	129.91	-21.66	55.15	-224.80	227.83
1.5 Usable Reserves	1,207.70	1,435.31	145.60	-48.63	372.34	180.12

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,766.99	5,616.49	-22.06	-39.53	-89.46	-117.56
a. B\$ Credit	5,609.58	5,484.56	-35.78	-36.65	-45.99	-104.32
of which: Consumer Credit	2,054.55	1,916.70	-4.99	-34.15	-23.67	-120.16
Mortgages	2,807.74	2,764.43	-2.34	-4.02	-30.84	-30.42
Commercial and Other Loans B\$	747.29	803.44	-28.45	1.52	8.53	46.25
b. F/C Credit	157.41	131.92	13.72	-2.88	-43.48	-13.24
of which: Mortgages	61.65	70.00	0.39	-0.27	3.61	6.73
Commercial and Other Loans F/C	95.76	61.92	13.33	-2.61	-47.09	-19.97
2.2 Central Government (net)	2,650.66	2,846.46	-114.45	83.54	30.69	317.83
a. B\$ Loans & Securities	2,860.59	3,079.97	-78.46	95.56	11.34	349.39
Less Deposits	381.58	402.29	98.90	11.74	96.82	30.00
b. F/C Loans & Securities	174.13	169.96	63.63	-4.17	117.13	-4.14
Less Deposits	2.48	1.18	0.72	-3.88	0.96	-2.57
2.3 Rest of Public Sector	323.55	321.47	-64.93	-0.11	-120.25	-1.77
a. B\$ Credit	275.20	291.47	-1.30	-0.11	-3.29	15.31
b. F/C Credit	48.35	30.00	-63.63	0.00	-116.96	-17.08
2.4 Total Domestic Credit	8,741.20	8,784.42	-201.44	43.90	-179.03	198.50
a. B\$ Domestic Credit	8,363.79	8,453.72	-214.44	47.07	-134.76	230.38
b. F/C Domestic Credit	377.41	330.71	13.00	-3.17	-44.27	-31.88

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,182.53	3,297.70	-3.70	-87.87	228.83	189.45
a. Central Bank	70.69	34.33	-0.42	-11.00	21.04	-17.90
b. Banks	3,111.84	3,263.37	-3.28	-76.87	207.79	207.36
3.2 Savings Deposits	1,798.90	1,881.22	-1.95	9.49	162.45	96.62
3.3 Fixed Deposits	2,241.08	2,214.06	-6.43	-17.19	-183.86	-36.30
3.4 Total B\$ Deposits	7,222.51	7,392.98	-12.09	-95.57	207.42	249.77
3.5 F/C Deposits of Residents	503.21	592.50	-25.61	53.68	-166.78	165.17
3.6 M2	7,597.99	7,775.57	-19.82	-94.08	245.80	255.19
3.7 External Reserves/M2 (%)	30.46	33.29	2.81	-1.24	6.54	1.63
3.8 External Reserves/Base Money (%)	116.06	124.94	9.88	2.94	14.51	12.57
3.9 External Reserves/Demand Liabilities (%)	104.58	112.24	3.72	2.10	9.32	6.47
	Value		Year To Date		Change	
	2020	2021	2020	2021	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	207.80	-129.30	475.72	-50.90	-337.10	-526.61
a. Net Purchase/(Sale) from/to Banks	-94.90	-57.36	-224.65	-82.58	37.54	142.07
i. Sales to Banks	95.68	64.00	642.98	372.38	-31.68	-270.60
ii. Purchase from Banks	0.78	6.64	418.32	289.80	5.86	-128.53
b. Net Purchase/(Sale) from/to Others	302.70	-71.93	700.37	31.69	-374.64	-668.68
i. Sales to Others	300.21	102.58	1080.42	740.01	-197.63	-340.41
ii. Purchase from Others	602.92	30.65	1780.79	771.70	-572.27	-1009.09
4.2 Banks Net Purchase/(Sale)	-90.07	-51.60	-290.31	-24.55	38.47	265.76
a. Sales to Customers	326.74	408.42	3498.63	4260.71	81.67	762.08
b. Purchase from Customers	236.68	356.81	3208.32	4236.16	120.14	1027.84

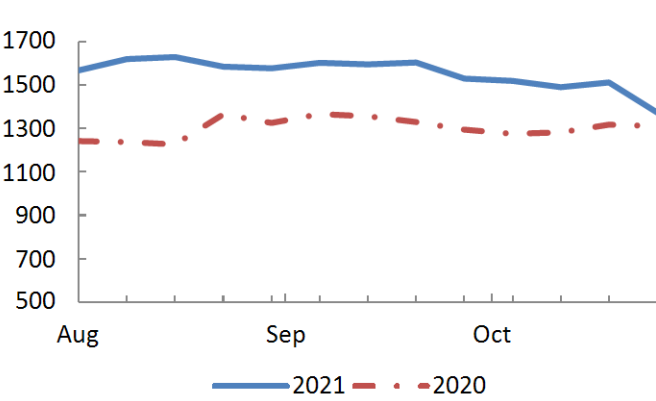
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	342.26	472.67	4,270.94	4,675.24	130.41	404.30
of which Public Sector	43.18	93.25	756.83	644.55	50.07	-112.27
a. Nonoil Imports	99.19	106.40	1,173.27	1,302.47	7.20	129.19
b. Oil Imports	19.49	39.94	310.16	338.93	20.45	28.77
c. Travel	5.91	16.70	89.49	122.94	10.79	33.45
d. Factor Income	19.04	64.95	390.90	449.75	45.91	58.85
e. Transfers	18.55	14.11	139.41	157.55	-4.45	18.14
f. Other Current Items	180.07	230.57	2,167.70	2,303.60	50.50	135.90
5.2 Capital Items	296.49	16.86	495.50	220.55	-279.63	-274.95
of which Public Sector	283.87	5.00	423.26	139.57	-278.87	-283.69

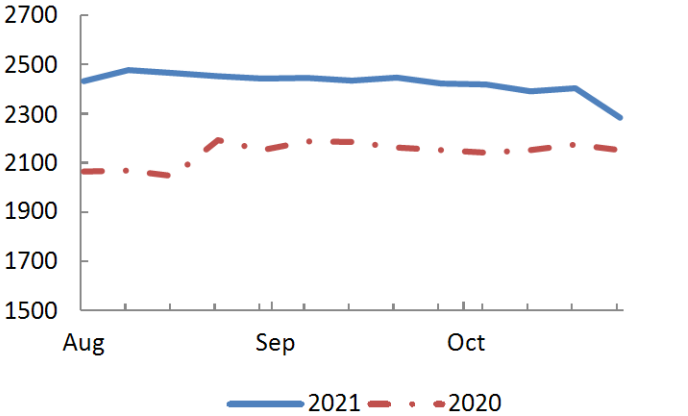
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

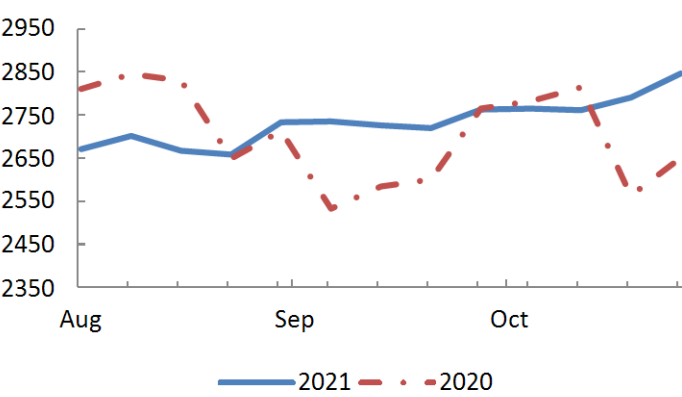
Excess Reserves



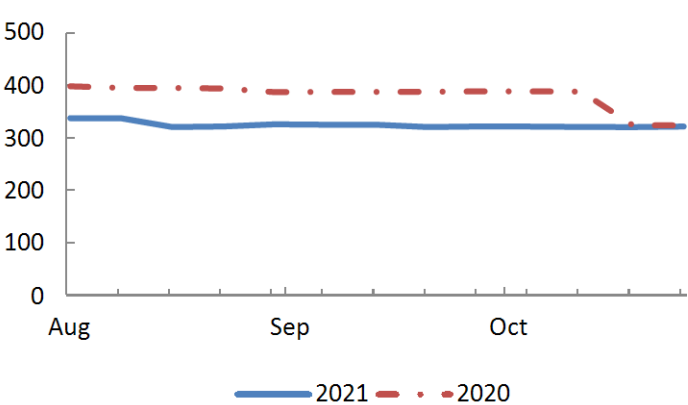
Excess Liquid Assets



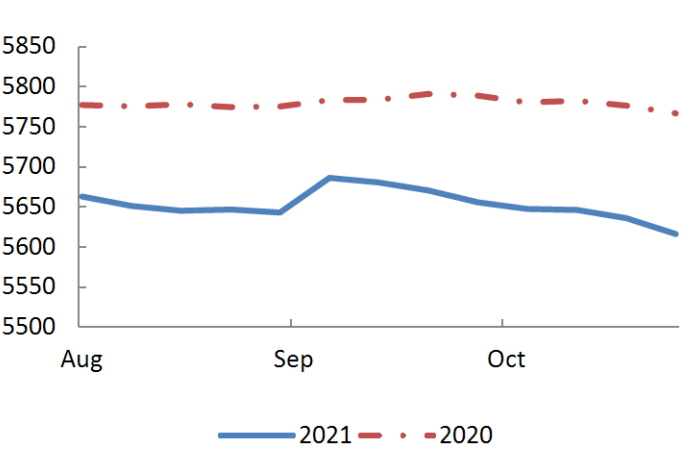
Central Govt. Credit (Net)



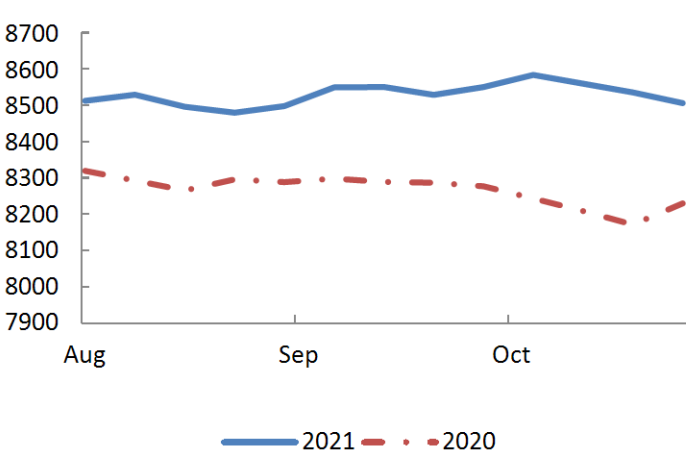
Rest of Public Sector Credit



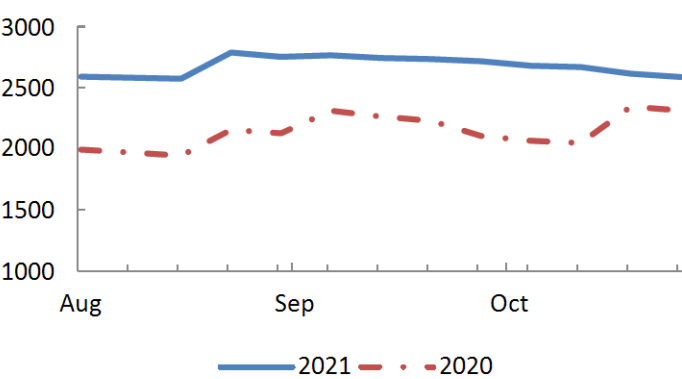
Private Sector Credit



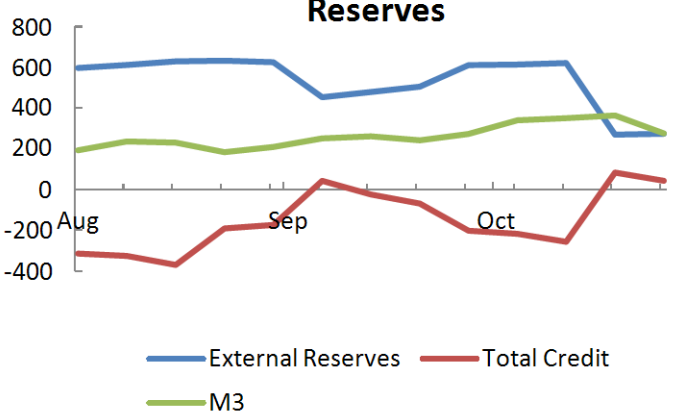
M3



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	
	2020	2021	2020	2021	2020	2021
Bahamas	-14.5	2.0	1.2	5.0	25.6	21.5
United States	-3.5	6.4	1.2	4.3	8.1	5.8
Euro-Area	-6.3	5.0	0.3	2.2	7.9	8.0
Germany	-4.6	3.1	0.4	2.9	3.8	3.7
Japan	-4.6	2.4	0.0	-0.2	2.8	2.8
China	2.3	8.0	2.4	1.1	4.2	3.8
United Kingdom	-9.8	6.8	0.9	2.2	4.5	5.0
Canada	-5.3	5.7	0.7	3.2	9.6	7.7
<i>Source: IMF World Economic Outlook October 2021.</i>						

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
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
November 2020	4.00	0.00	0.25	0.00-0.25	0.10
December 2020	4.00	0.00	0.25	0.00-0.25	0.10
January 2021	4.00	0.00	0.25	0.00-0.25	0.10
February 2021	4.00	0.00	0.25	0.00-0.25	0.10
March 2021	4.00	0.00	0.25	0.00-0.25	0.10
April 2021	4.00	0.00	0.25	0.00-0.25	0.10
May 2021	4.00	0.00	0.25	0.00-0.25	0.10
June 2021	4.00	0.00	0.25	0.00-0.25	0.10
July 2021	4.00	0.00	0.25	0.00-0.25	0.10
August 2021	4.00	0.00	0.25	0.00-0.25	0.10
September 2021	4.00	0.00	0.25	0.00-0.25	0.10
October 2021	4.00	0.00	0.025	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Oct-20	Sept-21	Oct-21	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8532	0.863558	0.865202	0.19	5.70	0.77
Yen	104.66	111.29	113.95	2.39	10.36	8.88
Pound	0.7724	0.74217	0.730887	-1.52	-0.09	-5.37
Canadian \$	1.3321	1.268	1.2388	-2.30	-2.65	-7.00
Swiss Franc	0.917	0.9317	0.9161	-1.67	3.49	-0.10
Renminbi	6.6922	6.4448	6.4056	-0.61	-1.86	-4.28
<i>Source: Bloomberg as of October 31, 2021</i>						

D. Selected Commodity Prices (\$)					
Commodity	Oct-2020	Sep-2021	Oct- 2021	Mthly % Change	YTD % Change
Gold / Ounce	1878.81	1756.95	1783.38	1.504311	-6.05681
Silver / Ounce	23.66	22.1710	23.903	7.812007	-9.46622
Oil / Barrel	40.96	72.94	78.49	7.608994	53.12134
<i>Source: Bloomberg as of October 31, 2021</i>					

E. Equity Market Valuations – October 31, 2021 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.17	5.84	6.91	2.13	4.76	2.81	-1.90	-0.58
3 month	5.93	2.53	4.78	2.92	3.29	0.93	5.90	4.41
YTD	-0.36	17.03	22.61	12.03	23.04	14.36	5.28	2.14
12-month	0.16	35.16	40.84	29.77	48.67	35.76	25.75	10.01
<i>Sources: Bloomberg and BISX</i>								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.1350	0.0900	-0.5150
1 Month	0.0900	0.1650	-0.5300
3 Month	0.1700	0.2570	-0.5600
6 Month	0.2850	0.5580	-0.4775
9 Month	0.2400	0.7900	-0.4675
1 year	0.3100	0.8250	-0.4800
<i>Source: Bloomberg as of October 31, 2021</i>			

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

	VALUE									CHANGE								
	Sep. 01	Sep. 08	Sep. 15	Sep. 22	Sep. 29	Oct. 06	Oct. 13	Oct. 20	Oct. 27	Sep. 01	Sep. 08	Sep. 15	Sep. 22	Sep. 29	Oct. 06	Oct. 13	Oct. 20	Oct. 27
I. External Reserves	2,753.38	2,766.14	2,744.07	2,735.31	2,717.62	2,680.55	2,669.87	2,615.28	2,588.35	(35.35)	12.77	(22.07)	(8.77)	(17.69)	(37.07)	(10.68)	(54.58)	(26.93)
II. Net Domestic Assets (A + B + C + D)	(485.22)	(477.75)	(463.99)	(445.27)	(490.14)	(474.97)	(496.33)	(416.96)	(516.74)	42.84	7.46	13.76	18.73	(44.87)	15.17	(21.36)	79.38	(99.78)
A. Net Credit to Gov't (I + ii + iii -iv)	250.61	266.68	255.45	278.69	226.80	238.43	226.57	282.21	323.48	48.23	16.06	(11.22)	23.24	(51.89)	11.63	(11.87)	55.65	41.27
i) Advances	160.00	160.00	160.00	160.00	160.00	160.00	160.00	235.00	235.00	-	-	-	-	-	-	-	75.00	-
ii) Registered Stock	226.38	226.46	228.88	229.09	230.10	232.31	232.41	233.83	237.15	9.90	0.08	2.41	0.21	1.02	2.20	0.10	1.42	3.32
iii) Treasury Bills	38.08	62.29	54.27	54.27	31.00	31.00	31.00	31.00	51.22	-	24.22	(8.03)	(0.00)	(23.27)	(0.00)	0.00	(0.00)	20.22
iv) Deposits	173.84	182.08	187.69	164.66	194.30	184.87	196.84	217.62	199.89	(38.33)	8.24	5.61	(23.03)	29.65	(9.43)	11.97	20.77	(17.72)
B. Rest of Public sector (Net) (i+ii-iii)	(59.82)	(63.01)	(39.31)	(44.34)	(38.36)	(37.59)	(43.06)	(22.62)	(27.37)	(4.32)	(3.19)	23.70	(5.04)	5.98	0.77	(5.46)	20.44	(4.74)
i) Loans	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	1.88	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.09	5.09	5.09	5.09	5.09	5.09	5.09	5.09	5.09	-	-	-	-	-	-	-	-	-
iii) Deposits	66.78	69.97	46.27	51.31	45.33	44.56	50.02	29.59	34.33	4.32	3.19	(23.70)	5.04	(5.98)	(0.77)	5.46	(20.44)	4.74
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(676.01)	(681.42)	(680.14)	(679.62)	(678.57)	(675.81)	(679.85)	(676.55)	(812.85)	(1.07)	(5.41)	1.28	0.53	1.05	2.76	(4.03)	3.30	(136.30)
III. Monetary Base	2,268.16	2,288.39	2,280.08	2,290.04	2,227.48	2,205.58	2,173.53	2,198.33	2,071.62	7.49	20.23	(8.31)	9.96	(62.55)	(21.91)	(32.04)	24.79	(126.71)
A. Currency in Circulation	509.25	518.81	507.53	510.38	517.93	517.99	519.89	504.99	519.39	(0.03)	9.56	(11.29)	2.86	7.54	0.07	1.89	(14.90)	14.40
B. Bank Balances with CBOB	1,758.91	1,769.58	1,772.55	1,779.66	1,709.56	1,687.59	1,653.65	1,693.34	1,552.23	7.52	10.67	2.98	7.10	(70.10)	(21.97)	(33.94)	39.69	(141.11)

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

				JUL-SEP						OCT-DEC				JAN-MAR				APR-JUN		YEAR TO DATE	
				2019/2020	2020/2021					2019/2020	2020/2021			2019/2020	2020/2021			2019/2020	2020/2021	2019/2020	2020/2021
Fiscal Operations ^P																				(Over previous year)	
1. Government Revenue & Grants				554.3	300.9					547.1	372.5			657.6	556.6			327.9	642.7	2,086.9	1872.7
% change; over previous quarter				-24.8%	-8.2%					-1.3%	-24.8%			20.2%	49.4%			-50.1%	15.5%	-14.0%	-10.3%
2. Value Added Tax				266.2	134.7					249.1	151.7			223.6	183.5			140.8	271.8	879.7	741.7
% change; over previous quarter				-13.5%	-4.4%					-6.4%	12.6%			-10.2%	21.0%			-37.0%	48.1%	-1.9%	-15.7%
3. Import/Excise Duties				140.5	55.5					133.1	92.1			130.0	88.5			31.5	159.8	435.0	395.9
% change; over previous quarter				-10.5%	76.3%					-5.3%	66.1%			-2.3%	-3.9%			-75.8%	80.5%	-17.4%	-9.0%
4. Recurrent Expenditure				544.8	585.6					634.0	712.7			639.3	642.6			708.3	910.4	2,526.4	2851.3
% change; over previous quarter				-24.5%	-17.3%					16.4%	21.7%			0.8%	-9.8%			10.8%	41.7%	4.3%	12.9%
5. Capital Expenditure				56.2	60.4					60.5	49.0			82.1	58.6			173.4	201.5	372.2	369.5
% change; over previous quarter				-41.0%	-65.2%					7.7%	-18.8%			35.6%	19.5%			111.1%	244.0%	66.6%	-0.7%
6. Deficit/Surplus*				-46.7	-345.1					-147.4	-389.2			-63.8	-144.5			-553.7	-469.2	-811.7	-1348.0
% change; over previous quarter				-41.1%	-37.7%					216.0%	12.8%			-56.7%	-62.9%			767.7%	224.7%	270.2%	66.1%

JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
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																							

JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
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.																							

* Includes Net Lending to Public Corporations

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

p - provisional