



Monthly Economic and Financial Developments October 2023

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:

2023: December 27



OCTOBER 2023 SUMMARY

MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

Indications are that during the month of October, the domestic economy maintained its growth trajectory, albeit at a moderated pace, with economic indicators returning closer to the expected medium-term potential, as the recovery from the COVID-19 pandemic neared completion. Tourism output remained buoyant, supported by gains in both the high value-added air traffic and sea passengers, as aggressive promotional efforts continue to capitalize on the elevated demand for travel in key source markets.

Inflation

Average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—moderated during the twelve months to August, 2023, as the rise in international oil prices slowed, vis-à-vis the same period last year.

Monetary Sector

Monetary trends for the month of October were marked by a contraction in banking sector liquidity, as the reduction in the deposit base, outpaced the decline in domestic credit. In addition, external reserves decreased during the review month, on account of net foreign currency outflows through the private and public sectors.

International Economies

During October, global economic performance varied, underpinned by the ongoing geopolitical tension in Eastern Europe and heightened inflation. Against this backdrop, the major central banks sustained their monetary policy tightening stances, in an effort to lower inflation and stimulate economic growth.



Monthly Economic and Financial Developments (MEFD)

October 2023

1. Domestic Economic Developments

Overview

Preliminary indications are that during October, the domestic economy maintained its growth trajectory, albeit at a moderated pace, with economic indicators returning closer to the expected medium-term potential, as the recovery from the COVID-19 pandemic neared completion. Tourism output remained buoyant, supported by gains in both the high value-added air traffic and sea passengers, on account of aggressive promotion of the destination, and the ongoing elevated demand for travel in key source markets. In price developments, average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—moderated during the twelve months to August, 2023, as the rise in international oil prices slowed, vis-à-vis the same period last year. Monetary trends for October were marked by a contraction in banking sector liquidity, as the reduction in the deposit base, outpaced the decline in domestic credit. In addition, external reserves decreased during the review month, on account of net foreign currency outflows through the private and public sectors.

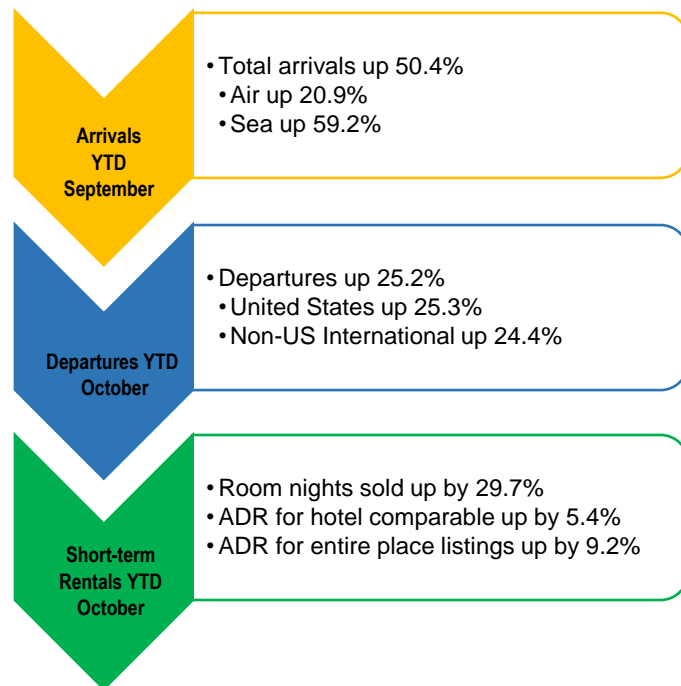
Real Sector

Tourism

Monthly data suggested that in October, tourism sustained its robust growth momentum, with healthy gains in both the high-value air component and sea traffic. The aggressive marketing efforts of The Bahamas, have reinforced, continued elevated demand for travel in the aftermath of the Pandemic.

Official data provided by the Ministry of Tourism (MOT) showed that total visitor arrivals rose to 0.57 million in September, from 0.47 million in the comparative period of 2022. Specifically, the dominant sea segment increased to 0.50 million, from 0.40 million passengers in the previous year. In addition, air traffic stabilised at 0.07 million—representing 130.2% of the pre-pandemic high that was recorded in 2019.

Chart 1: Tourism Indicators at a Glance



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

A breakdown by major port of entry showed that, total arrivals to New Providence expanded to 0.22 million visitors, from 0.20 million in the year prior. Supporting this outcome, sea passengers advanced to 0.16 million from 0.14 million a year earlier, while air traffic steadied at 0.06 million visitors. In addition, foreign arrivals to the Family Islands rose to 0.30 million, from 0.24 million in the prior year, as respective sea and air arrivals totalled 0.29 million and 8,823. Further, arrivals to Grand Bahama amounted to 0.04 million, surpassing the 0.03 million registered in the preceding year, as sea and air visitors measured 39,831 and 2,068, respectively.

On a year-to-date basis, total arrivals strengthened to 7.2 million visitors, vis-à-vis 4.8 million in the corresponding 2022 period. Contributing to this outcome, air arrivals increased to 1.3 million passengers, from 1.1 million in the prior year, reflecting gains in all major markets. Likewise, sea arrivals accelerated to 5.9 million, from 3.7 million visitors in the previous year (see Table 1).

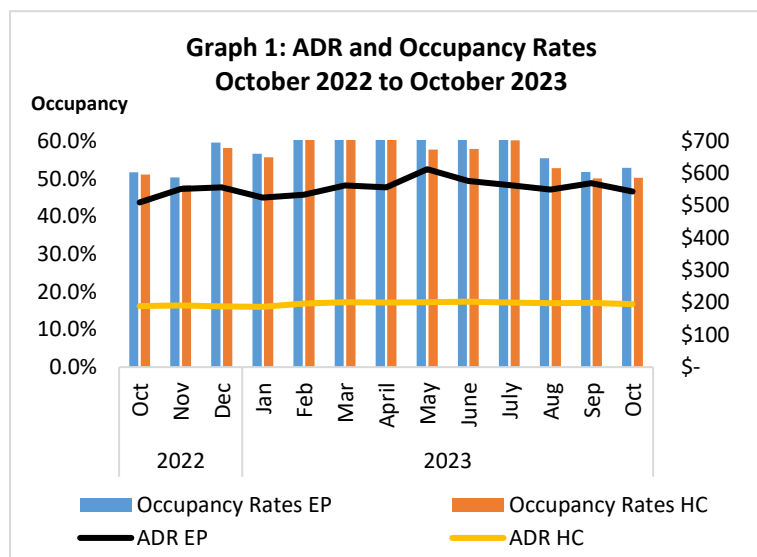
The most recent data provided by the Nassau Airport Development Company Limited (NAD) indicated that total departures in October—net of domestic passengers—grew by 19.6% to 0.10 million, compared to the same period last year. Specifically, U.S. departures increased by 20.2% to 0.09 million, while non-U.S. departures rose by 16.5% to 0.015 million, vis-à-vis the prior year. On a year-to-date basis, total outbound traffic advanced by 25.2% to approximately 1.3 million passengers. In particular, U.S. departures moved higher by 25.3% to 1.2 million visitors, relative to the same period in 2022. Likewise, non-U.S. departures increased by 24.4% to 0.2 million visitors, compared to the corresponding period last year.

Positive trends were affirmed in the short-term vacation rental market. The latest data provided by AirDNA showed that in October, total room nights sold moved higher to 149,549 from 115,152 in the corresponding 2022 period. Underlying this outturn, the occupancy rate for entire place listings firmed slightly to 52.9%, from 51.7% a year earlier. Conversely, the occupancy rate for hotel comparable listings fell marginally to 50.2% from 51.1% in the previous year. Further, as depicted in Graph 1, price indicators revealed that year-over-year, the average daily room rate (ADR) for entire place listings rose by 6.5% to \$543.08 and for hotel comparable listings, by 3.5% to \$195.16.

Table 1: Total Visitor Arrivals January – September 2023

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2022	2023	2022	2023	2022	2023
Arrivals						
Air	90.6	20.0	98.2	43.6	39.1	21.5
Sea	1171.1	58.0	580.4	67.4	1037.1	59.2
Total	307.4	43.8	438.5	64.8	566.3	55.5

Source: Ministry of Tourism



Sources: AirDNA

Prices

Average domestic consumer price inflation—as measured by the All Bahamas Retail Price Index—moderated to 4.4% during the twelve months to August, from 4.9% in the comparative 2022 period, as the rise in international oil prices slowed, relative to the same period last year. Specifically, average costs for transport declined notably to 2.3% from 14.7% and for communication, to 0.4% from 11.3% in the prior year. Further, average inflation moderated for restaurants & hotels (7.3%), clothing & footwear (2.7%) and education (1.0%). Providing some offset, average costs increased for recreation & culture (14.1%), alcohol beverages, tobacco & narcotics (7.1%) and housing, water, gas, electricity & other fuels (4.8%); and average prices for miscellaneous goods & services firmed to 1.7%, following a 1.3% falloff in 2022. In addition, average inflation quickened for food & non-alcoholic beverages (9.6%), health (6.0%) and furnishing, household equipment & routine household maintenance (3.9%).

2. Monetary Trends

October 2023 vs. 2022

Liquidity

Monetary trends for October were marked by a reduction in bank liquidity, attributed to a decline in the deposit base, which surpassed the contraction in domestic credit. Reflective of this outturn, excess liquid assets—a broad measure of liquidity—reduced by \$66.5 million to \$2,880.2 million, extending the \$51.4 million retrenchment a year earlier. Similarly, excess reserves—the narrow measure of liquidity—decreased by \$88.7 million to \$1,837.8 million, although a slowdown from the \$162.9 million falloff in 2022.

External Reserves

During October, external reserves declined by \$90.7 million to \$2,494.9 million, albeit a moderation from the \$187.9 million contraction in the previous year. Contributing to this development, the Central Bank's net foreign currency outflows to commercial banks narrowed to \$77.7 million, from \$96.1 million last year, as commercial banks net sales to their customers reduced to \$64.1 million, from \$99.7 million in 2022. Further, the Central Bank's net sales to the public sector slowed to \$19.4 million, from \$95.0 million in the preceding year.

Exchange Control Sales

Preliminary data on foreign currency sales for current account transactions revealed that monthly outflows widened by \$34.6 million to \$787.4 million in October, in comparison to the same period last year. Leading this outturn, payments for “other” current items—primarily credit and debit card financed imports—increased by \$51.2 million. Further, outflows for oil imports and travel related remittances grew by \$33.3 million and by \$3.4 million, respectively. Conversely, reductions were noted for non-oil imports, by \$45.5 million, transfer payments, by \$5.8 million and factor income payments, by \$1.9 million.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit contracted by \$22.0 million in October, a switch from a \$128.9 million growth in the previous year. Notably, net claims on the Government decreased by \$25.9 million, a reversal from a \$141.9 million buildup in 2022. Further, the decline in credit to public corporations continued at \$2.4 million, vis-à-vis \$1.5 million in the prior year. Providing some offset, private sector credit grew by \$6.3 million, a

turnaround from an \$11.6 million falloff in the preceding year. Specifically, commercial loans rose by \$17.7 million, vis-à-vis a \$1.6 million retrenchment in the previous year. Consumer credit also firmed by \$0.6 million, a shift from a \$14.3 million reduction a year earlier. In contrast, mortgages fell by \$12.0 million, contrasting with a \$4.4 million gain in the prior year.

Foreign Currency Credit

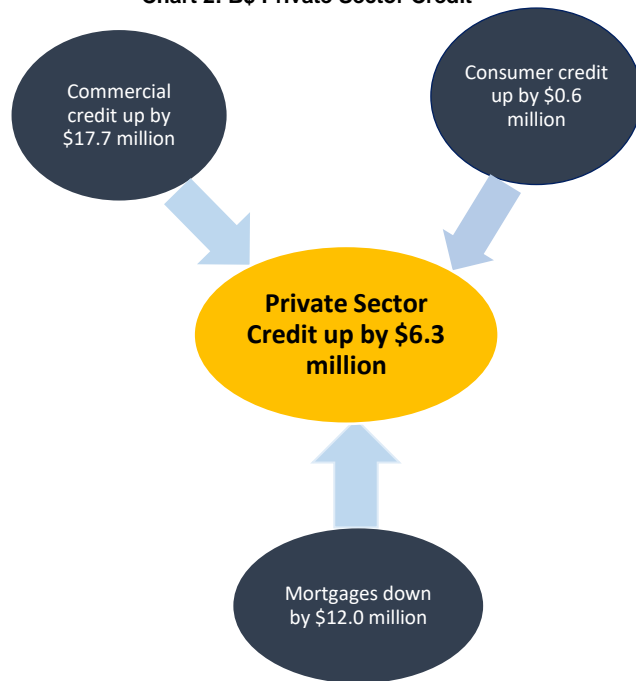
Domestic foreign currency credit reduced by \$12.9 million during the review month, a reversal from a \$10.4 million accumulation last year. Underlying this outturn, net claims on the Government fell by \$7.6 million, extending the \$4.4 million falloff a year earlier. Further, private sector credit decreased by \$5.3 million, a switch from a \$14.7 million growth in the preceding year. In particular, commercial credit declined by \$5.3 million, as opposed to the \$10.4 million buildup a year earlier; while mortgages were unchanged, relative to the \$4.3 million gain in 2022. Meanwhile, foreign currency credit to the rest of the public sector was also unchanged, similar to the prior year.

Credit Quality

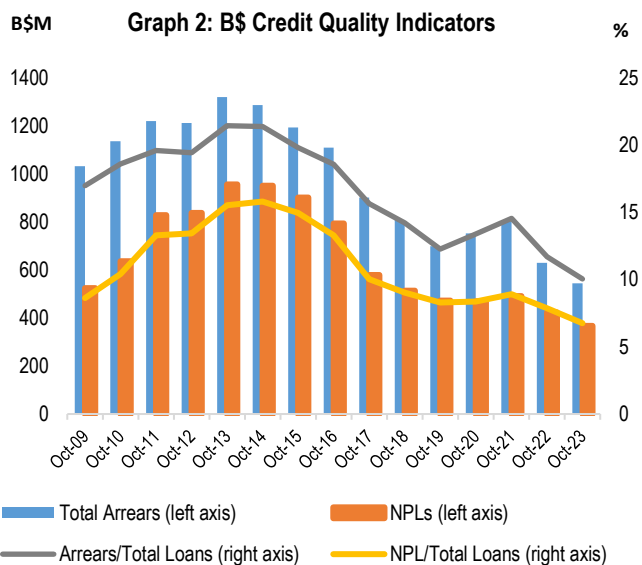
During the month of October, commercial banks' credit quality indicators improved, underpinned by decreases in both short-term arrears and non-performing loans (NPLs). Total private sector arrears declined by \$16.3 million (2.9%) to \$544.5 million, with the associated ratio narrowing by 30 basis points to 10.04% of total private sector loans.

A disaggregation by the average age of delinquency showed that short-term arrears (31-90 days) reduced by \$11.5 million (6.1%) to \$178.3 million, while the accompanying ratio decreased by 21 basis points to 3.29%. Likewise, NPLs fell by \$4.7 million (1.3%) to \$366.3 million, with the relevant ratio moving lower by 8 basis points to 6.75%—with declines

Chart 2: B\$ Private Sector Credit



Source: Central Bank of The Bahamas



Source: Central Bank of The Bahamas

in NPL rates for mortgages, by 11 basis points to 8.85% and for commercial loans, by 20 basis points to 4.88%; while the rate for consumer loans, held steady at 5.01%.

An analysis by loan type revealed that, the reduction in total delinquencies was led by a contraction in mortgages, by \$10.1 million (2.9%) to \$334.8 million, as short-term arrears decreased by \$7.3 million (6.0%) and NPLs by \$2.9 million (1.3%). Similarly, commercial credit arrears fell by \$5.0 million (8.4%) to \$54.6 million, owing to declines in both the short and long-term components by \$2.8 million (29.1%) and by \$2.2 million (4.4%), respectively. Further, consumer credit delinquencies reduced by \$1.2 million (0.7%) to \$155.1 million, on account of a \$1.5 million (2.6%) retrenchment in the short-term segment, which overshadowed the \$0.4 million (0.4%) uptick in non-accrual loans.

Meanwhile, banks' loan loss provisions stabilized at \$335.4 million in October. However, the ratio of total provisions to arrears moved higher by 1.8 percentage points to 61.60% and the ratio of total provisions to NPLs by 1.2 percentage points to 91.58%. During October, banks wrote-off an estimated \$7.8 million in overdue loans and recovered approximately \$4.5 million.

Relative to October 2022, the total private sector arrears rate moved lower by 1.7 percentage points. Specifically, rates declined for non-performing loans by 1.1 percentage points and the short-term segment by 0.6 percentage points. By component, rates fell for mortgages, by 2.0 percentage points, consumer loans, by 1.5 percentage points and commercial loans, by 1.0 percentage point.

Deposits

During the review month, the contraction in total Bahamian dollar deposits extended to \$143.1 million, from \$28.8 million in 2022. By category, demand deposit balances reduced by \$92.0 million, surpassing the \$5.5 million falloff a year prior. Similarly, savings deposits declined by \$30.4 million, a reversal from a \$1.9 million accumulation last year. Further, fixed deposits fell by \$20.7 million, albeit lower than the \$25.2 million decrease in the previous year. Meanwhile, residents' foreign currency deposits fell by \$37.9 million, exceeding the \$25.4 million retrenchment in the preceding year.

Interest Rates

In interest rates developments for October, banks' weighted average loan rate rose by 68 basis points to 11.48%. However, the weighted average deposit rate fell by 9 basis points to 0.50%, with the highest rate of 3.75% offered on fixed balances of over 12 months.

3. Domestic Outlook

The domestic economy is anticipated to maintain its growth momentum in 2023, supported by robust gains in tourism output. However, the pace of expansion is projected to slow, as the economy converges closer to its medium-term growth potential. Meanwhile, downside risks to tourism persist, related mainly to exogenous factors, such as elevated global oil prices, which could disrupt travel sector activity. Moreover, major central banks' counter-inflation policies could weaken the travel spending capacity of key source market consumers. Nevertheless, new and ongoing foreign investment-led projects are expected to provide support to the construction sector, which would contribute to the growth matrix.

In the labor market, ongoing improvement in employment conditions is projected, with additional job gains concentrated largely in the construction and tourism sectors. In price developments, inflation is estimated to

remain high in the near-term, although trending downward over the medium term, with a lag, attributed to slowing price trajectories in the major trading markets and delayed fuel cost pass-through in domestic energy costs. Nonetheless, upside risks to inflation revolves around uncertainty in global oil prices and supply chain shortages, related to geopolitical tensions in Eastern Europe.

On the fiscal front, as conditions become favorable for more consolidation, the Government's net financing gap is anticipated to sustain its downward trend. The expected recovery in revenue remains significantly linked to tourism-led improving trends in taxable economic activities. Meanwhile, financing of the estimated budgetary gap is expected to require a combination of domestic and external borrowings, but with a higher proportion of the total funding from domestic sources.

Monetary sector developments will feature high levels of banking sector liquidity, as commercial banks maintain their conservative lending posture. In addition, external reserves are forecasted to remain buoyant in 2023, remaining above international benchmarks, supported by anticipated foreign currency inflows from tourism and other net private sector receipts. Consequently, external balances should remain more than adequate to maintain the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

Given the prevailing outlook, the Central Bank will retain its accommodative policy stance for private sector credit and pursue policies that ensure a favorable outturn for external reserves, and mitigate financial sector disruptions. Further, the Bank will continue to monitor developments within the foreign exchange market, and if necessary, adopt appropriate measures to support a positive outcome for the foreign reserves.

APPENDIX

International Developments

During the month of October, global economic performance varied, underpinned by the ongoing geopolitical tension in Eastern Europe and heightened inflation. Against this backdrop, the major central banks sustained their monetary policy tightening stances, in an effort to lower inflation and stimulate economic growth.

Economic developments in the United States were mixed during the review month. In particular, real GDP increased by an annualized rate of 4.9% in the third quarter of 2023, exceeding the 2.1% growth in the previous quarter, attributed to gains in consumer spending, private inventory investment, exports, residential fixed investment and Government spending. However, industrial production decreased by 0.6% in October, a turnaround from a 0.1% uptick in September, underpinned by declines in utilities and manufacturing output. Similarly, retail sales fell by 0.1% in October, a shift from the 0.9% rise a month earlier. In the labour market, total non-farm payroll employment increased by 150,000 in October, due to job gains in health care, Government and social assistance; however, the jobless rate edged up to 3.9% in October, from 3.8% in September. Meanwhile, the consumer price index recorded a flat outturn in October, after a 0.4% increase in September. On the external front, the trade deficit widened by \$2.9 billion (4.9%) to \$61.5 billion in September, reflecting a 2.7% rise in imports, which outpaced the 2.2% growth in exports. In this environment, the Federal Reserve retained its target range for the Federal funds rate at 5.25%-5.50%, in an effort to curb inflation.

In Europe, economic indicators were mostly subdued during the month of October. In the United Kingdom, real GDP growth strengthened to 0.2% in September, from 0.1% in the preceding month, attributed to a rise in services output. Meanwhile, retail sales declined by 0.3% in October, albeit lower than the 1.1% falloff a month earlier, owing to reductions in automotive fuel and food & non-food store sales. Further, industrial production registered a flat outturn in September, vis-à-vis a 0.5% decrease a month earlier, as the increase in the water supply and sewerage and manufacturing sectors were offset by declines in the mining and quarrying and electricity and gas sectors. Likewise, the consumer price index was unchanged in September, following a 0.5% rise in August. In the labour market, the jobless rate held steady at 4.2% in the three months to September. In external developments, the trade in goods and services deficit narrowed by £1.1 billion to £1.6 billion, as the 3.7% reduction in imports outstripped the 2.2% decline in exports. In the euro area, real GDP decreased by 0.1% in the third quarter of 2023, contrasting with a 0.2% expansion in the previous quarter. Further, industrial production reduced by 1.1% in September, a reversal from a 0.6% gain in the previous month, explained by declines in energy, intermediate goods and the production of durable and non-durable consumer goods. Similarly, retail sales fell by 0.3% in September, although below than the 0.7% retrenchment a month earlier, occasioned by reductions in automotive fuels, food, drinks, tobacco and non-food products. The annual inflation rate moderated to 2.9% in October, from 4.3% in the previous month; while the unemployment rate stood at 6.5%, an uptick from the 6.4% in the prior month. On the external front, the euro area recorded a trade surplus of €10.0 billion in September, a turnaround from a €36.6 billion deficit in the same period last year, reflecting a 23.9% contraction in imports, which overshadowed the 9.3% falloff in exports. Given these developments, the Bank of England maintained its key policy rate at 5.25%. The European Central Bank also left its interest rates on its main refinancing operations at 4.50%, marginal lending facility, at 4.75% and deposit facility, at 4.00%.

Outcomes varied in the Asian economies in the review month. In China, retail sales expanded by an annualized 7.6% in October, extending the 5.5% increase in the preceding month, as most of the main sectors recorded gains. Similarly, industrial production moved higher by 4.6% in October, from 4.5% in the previous month, owing to increases in mining and manufacturing. Meanwhile, the annual consumer price index decreased by 0.2% in October, following a flat outturn in the prior month, supported by reductions in food and transport prices; while the jobless rate stabilized at 5.0% in October. In the external sector, China's trade surplus reduced to \$56.5 billion in October, from \$82.3 billion a month prior, as exports declined by 6.4%, while imports moved higher by 3.0%. In Japan, real GDP contracted by an annualized rate of 2.1% in the third quarter of 2023—the largest reduction since the third quarter of 2021—following a 4.5% expansion in the previous quarter. Further, industrial production grew by 0.5% in September, a turnaround from a 0.7% falloff in the previous month, underpinned by gains in the production of motor vehicles, general-purpose and business-oriented machinery, and ceramics, stones and clay products. In addition, retail sales rose by 5.8% in September, albeit a slowdown from a 7.0% gain in August, on account of higher sales of fuel, food and beverages, automobiles and miscellaneous retailers. In price developments, the annual inflation rate decreased to 3.0% in September, from 3.2% in the previous month, as prices fell for furniture & household utensils, clothes, culture & recreation, fuel, light and water. On the external front, Japan's trade deficit reduced to ¥662.5 billion in October, from ¥2,205.9 billion in the year prior, explained by a 12.5% contraction in imports, combined with a 1.6% growth in exports. Against this backdrop, the People's Bank of China kept its reverse repo rate at 1.8%, while the Bank of Japan held its policy rate at -0.1%.

During the month of October, all of the major equity markets reported negative movements. Specifically, in the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) declined by 2.2% and by 1.4%, respectively. In Europe, the United Kingdom's FTSE 100 and the German DAX, both weakened by 3.8%, while the French CAC 40 decreased by 3.5%. In Asia, Japan's Nikkei 225 fell by 3.1%, and China's SE Composite, by 3.0%.

In foreign exchange market developments, the US dollar appreciated against most of the major currencies during the review month. Specifically, the US dollar strengthened relative to the Canadian dollar, by 2.2% to CAD\$1.3875 and the British Pound, by 0.4% to £0.8228. In Asian markets, the US dollar rose against the Japanese Yen, by 1.5% to ¥151.68, and the Chinese Renminbi, by 0.3% to CNY7.3164. However, the US dollar weakened vis-à-vis the Swiss Franc, by 0.5% to CHF0.9104 and the euro, by 0.02% to €0.9456.

In the commodity markets, prices trended upward during the review month. Specifically, the cost of crude oil grew by 9.7% to \$95.26 per barrel in October, as OPEC's crude oil production increased by 80,000 barrels per day, to average 27.90 million barrels per day. Similarly, the price of gold moved higher by 7.3% to \$1,983.88 per troy ounce and the cost of silver, by 3.0% to \$22.85 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

October					
Value		Change		Change YTD	
2022	2023	2022	2023	2022	2023

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	2,091.66	1,837.76	-162.88	-88.67	551.36	-90.36
1.2 Excess Liquid Assets	2,918.05	2,880.21	-51.42	-66.49	479.21	107.38
1.3 External Reserves	3,017.58	2,494.87	-187.85	-90.71	558.43	-99.81
1.4 Bank's Net Foreign Assets	93.92	-98.35	-51.01	-2.89	126.25	-0.57
1.5 Usable Reserves	1,509.53	1,128.22	-136.78	-35.24	244.18	-22.79

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,504.36	5,655.18	3.19	0.97	-83.97	41.08
a. B\$ Credit	5,320.11	5,373.23	-11.55	6.30	-140.81	40.24
of which: Consumer Credit	1,906.00	1,907.45	-14.33	0.58	-96.52	3.84
Mortgages	2,705.16	2,650.48	4.39	-11.97	-16.38	-56.92
Commercial and Other Loans B\$	708.95	815.31	-1.62	17.69	-27.91	93.32
b. F/C Credit	184.25	281.95	14.74	-5.33	56.84	0.84
of which: Mortgages	90.40	153.07	4.30	0.00	21.38	1.79
Commercial and Other Loans F/C	93.85	128.88	10.44	-5.34	35.46	-0.95
2.2 Central Government (net)	2,833.29	3,311.06	137.51	-33.45	-112.09	105.36
a. B\$ Loans & Securities	3,046.20	3,350.43	155.09	-14.56	-106.12	166.51
Less Deposits	302.23	334.19	13.19	11.35	-70.90	27.79
b. F/C Loans & Securities	92.72	298.73	-6.63	-6.99	-77.25	-34.63
Less Deposits	3.41	3.91	-2.24	0.56	-0.37	-1.28
2.3 Rest of Public Sector	351.90	334.67	-1.48	-2.35	35.28	-13.99
a. B\$ Credit	321.90	309.17	-1.48	-2.35	35.28	-10.24
b. F/C Credit	30.00	25.50	0.00	0.00	0.00	-3.75
2.4 Total Domestic Credit	8,689.54	9,300.90	139.22	-34.84	-160.78	132.46
a. B\$ Domestic Credit	8,385.98	8,698.64	128.87	-21.96	-140.75	168.72
b. F/C Domestic Credit	303.56	602.27	10.35	-12.87	-20.03	-36.27

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,857.44	3,805.83	-5.50	-92.03	474.86	-68.50
a. Central Bank	104.09	18.52	60.70	-25.96	42.73	-74.66
b. Banks	3,753.35	3,787.31	-66.20	-66.07	432.13	6.16
3.2 Savings Deposits	2,054.36	2,201.08	1.91	-30.36	173.55	98.01
3.3 Fixed Deposits	2,086.13	2,024.78	-25.19	-20.74	-92.05	-49.38
3.4 Total B\$ Deposits	7,997.93	8,031.69	-28.79	-143.12	556.36	-19.87
3.5 F/C Deposits of Residents	582.07	490.31	-25.40	-37.86	140.22	22.20
3.6 M2	8,394.32	8,462.39	-24.39	-129.96	563.51	-28.79
3.7 External Reserves/M2 (%)	35.95	29.48	-2.13	-0.61	4.54	-1.08
3.8 External Reserves/Base Money (%)	106.67	95.67	-0.53	-0.02	-7.27	-0.26
3.9 External Reserves/Demand Liabilities (%)	100.05	91.28	-2.75	0.37	-2.95	1.41
	Value		Year To Date		Change	
	2022	2023	2022	2023	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

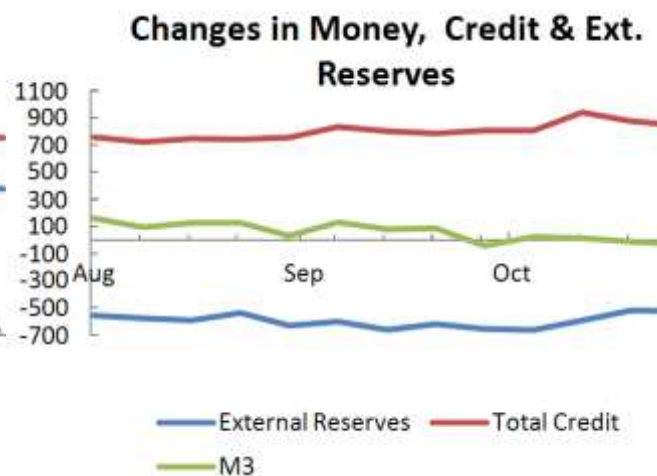
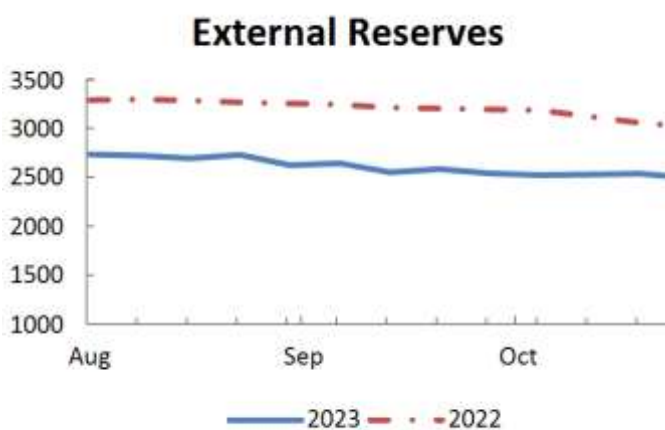
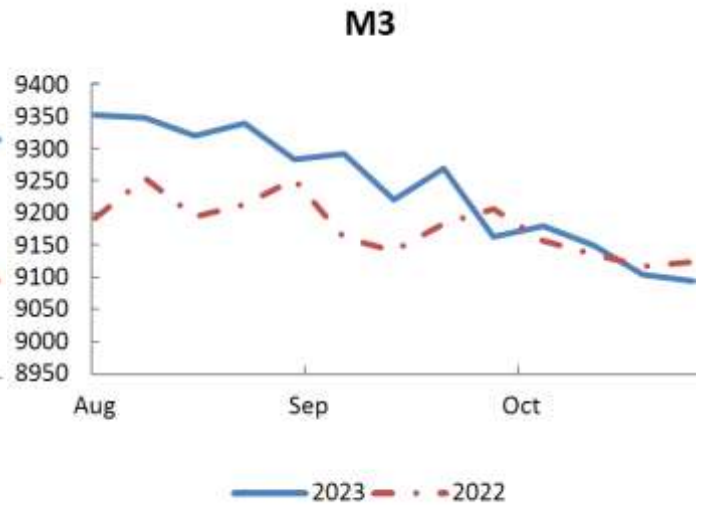
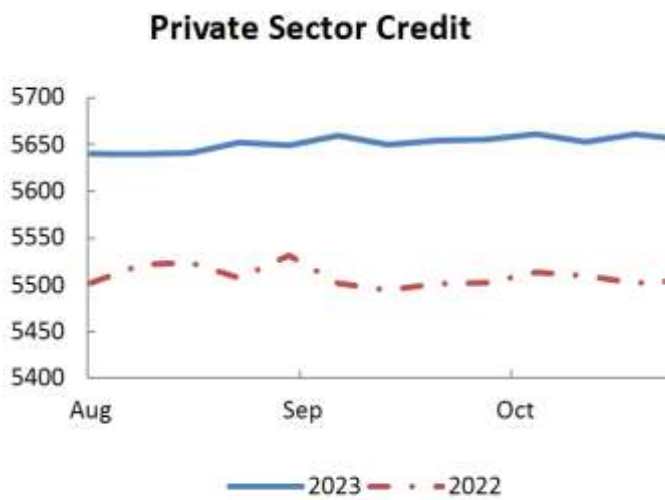
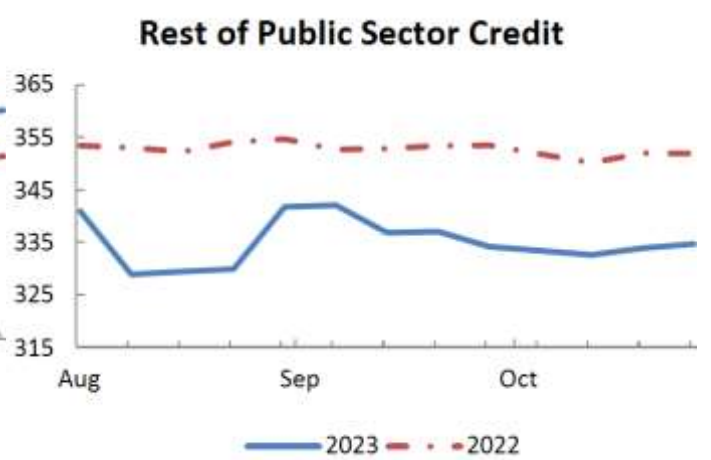
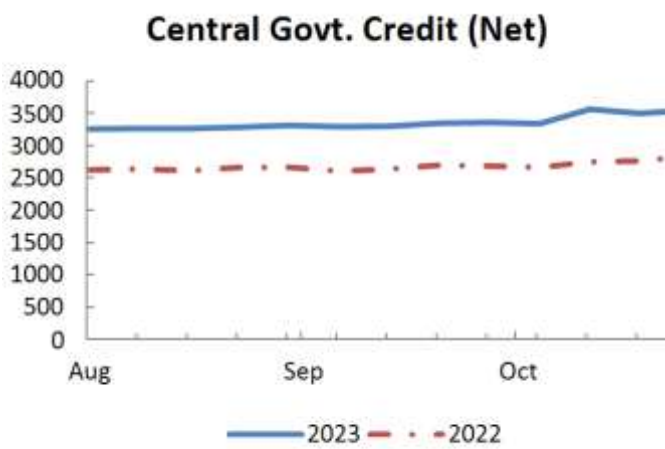
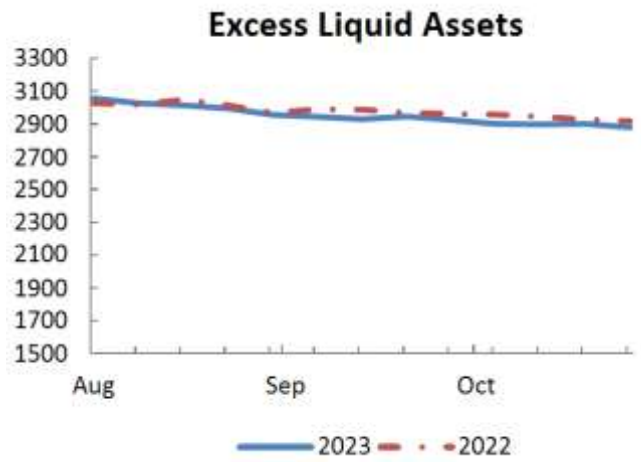
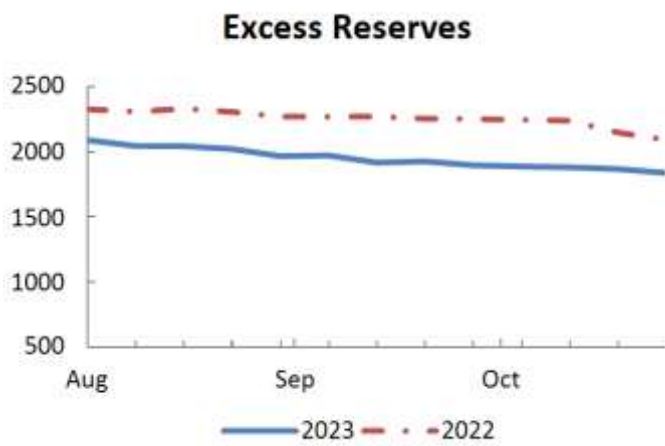
4.1 Central Bank Net Purchase/(Sale)	-191.18	-97.09	560.74	-128.99	94.08	-689.73
a. Net Purchase/(Sale) from/to Banks	-96.14	-77.70	271.43	177.25	18.44	-94.18
i. Sales to Banks	141.65	109.80	575.20	550.48	-31.85	-24.72
ii. Purchase from Banks	45.51	32.10	846.63	727.73	-13.41	-118.91
b. Net Purchase/(Sale) from/to Others	-95.04	-19.39	289.31	-306.24	75.65	-595.55
i. Sales to Others	155.02	173.30	1,098.23	1,389.23	18.29	290.99
ii. Purchase from Others	59.98	153.92	1,387.55	1,082.99	93.93	-304.56
4.2 Banks Net Purchase/(Sale)	-99.67	-64.09	298.60	130.75	35.58	-167.85
a. Sales to Customers	744.34	676.95	5,755.07	6,023.33	-67.39	268.26
b. Purchase from Customers	644.67	612.86	6,053.67	6,154.08	-31.81	100.41

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	752.79	787.43	5,972.75	6,447.92	34.64	475.16
of which Public Sector	130.46	155.15	780.63	946.99	24.69	166.37
a. Nonoil Imports	185.09	139.60	1,569.69	1,505.09	-45.49	-64.60
b. Oil Imports	82.54	115.80	724.35	729.11	33.26	4.76
c. Travel	20.29	23.64	149.09	180.68	3.35	31.59
d. Factor Income	68.82	66.94	493.14	411.00	-1.88	-82.14
e. Transfers	21.32	15.57	142.34	180.48	-5.76	38.14
f. Other Current Items	374.73	425.88	2,894.15	3,441.54	51.15	547.39
5.2 Capital Items	104.95	41.28	655.42	864.62	-63.68	209.20
of which Public Sector	23.61	24.31	323.01	606.53	0.70	283.53

SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2022	2023	2022	2023	2022	2023
Bahamas	14.4	4.3	5.6	3.9	10.8	8.8
United States	2.1	2.1	8.0	4.1	3.6	3.6
Euro-Area	3.3	0.7	8.4	5.6	6.7	6.6
Germany	1.8	-0.5	8.7	6.3	3.1	3.3
Japan	1.0	2.0	2.5	3.2	2.6	2.5
China	3.0	5.0	1.9	0.7	5.5	5.3
United Kingdom	4.1	0.5	9.1	7.7	3.7	4.2
Canada	3.4	1.3	6.8	3.6	5.3	5.5

Source: IMF World Economic Outlook October 2023

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	Target Funds	Repo Rate
October 2021	4.00	0.00	0.25	0.00-0.25	0.10
November 2021	4.00	0.00	0.25	0.00-0.25	0.10
December 2021	4.00	0.00	0.25	0.00-0.25	0.25
January 2022	4.00	0.00	0.25	0.00-0.25	0.25
February 2022	4.00	0.00	0.25	0.00-0.25	0.50
March 2022	4.00	0.00	0.50	0.25-0.50	0.75
April 2022	4.00	0.00	1.00	0.75-1.00	1.00
May 2022	4.00	0.00	1.75	1.50-1.75	1.25
June 2022	4.00	0.00	1.75	1.50-1.75	1.25
July 2022	4.00	0.50	2.50	2.25-2.50	1.25
August 2022	4.00	1.25	2.50	2.25-2.50	1.75
September 2022	4.00	1.50	3.25	3.00-3.25	2.25
October 2022	4.00	2.00	4.00	3.75-4.00	2.25
November 2022	4.00	2.00	4.00	3.75-4.00	3.00
December 2022	4.00	2.50	4.50	4.25-4.50	3.50
January 2023	4.00	2.50	4.50	4.25-4.50	4.00
February 2023	4.00	3.00	4.75	4.50-4.75	4.00
March 2023	4.00	3.50	5.00	4.75-5.00	4.25
April 2023	4.00	3.50	5.00	4.75-5.00	4.25
May 2023	4.00	3.75	5.25	5.00-5.25	4.50
June 2023	4.00	4.00	5.25	5.00-5.25	5.00
July 2023	4.00	4.25	5.50	5.25-5.50	5.00
August 2023	4.00	4.50	5.50	5.25-5.50	5.25
September 2023	4.00	4.50	5.50	5.25-5.50	5.25
October 2023	4.00	4.50	5.50	5.25-5.50	5.25

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	October-22	September-23	October-23	Mthly % Change	YTD % Change	12-Mth% Change
Euro	1.0119	0.9458	0.9456	-0.02	-11.66	-6.55
Yen	148.71	149.37	151.68	1.55	15.68	2.00
Pound	0.8719	0.8197	0.8228	0.38	-11.00	-5.63
Canadian \$	1.3624	1.3577	1.3875	2.19	2.37	1.84
Swiss Franc	1.0013	0.9153	0.9104	-0.54	-1.53	-9.08
Renminbi	7.3050	7.2980	7.3164	0.25	6.06	0.16

Source: Bloomberg as of 31st October 2023

D. Selected Commodity Prices (\$)					
Commodity	October-22	September-23	October-23	Mthly % Change	YTD % Change
Gold / Ounce	1633.56	1848.63	1983.88	7.3162	8.7642
Silver / Ounce	19.1600	22.1795	22.8451	3.0010	-4.6313
Oil / Barrel	87.91	86.84	95.26	9.6960	15.7191

Source: Bloomberg as of 31st October 2023

E. Equity Market Valuations – October 31, 2023 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	4.06	-1.36	-2.20	-3.76	-3.50	-3.75	-3.14	-2.95
3 month	6.06	-7.05	-8.61	-4.91	-8.16	-9.95	-6.97	-8.27
YTD	5.69	-0.28	9.23	-1.74	6.36	6.37	18.26	-2.28
12-month	8.13	0.98	8.31	3.20	9.88	11.74	11.86	4.33

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	5.6875	5.2751	3.9850
1 Month	5.4344	5.2750	3.9750
3 Month	5.7413	5.5250	4.0350
6 Month	5.8700	5.6300	4.0800
9 Month	5.9100	5.6550	4.0603
1 year	5.9600	5.7200	4.0650

Source: Bloomberg as of 31st October 2023

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

	VALUE								CHANGE							
	Sep. 13	Sep. 20	Sep. 27	Oct. 04	Oct. 11	Oct. 18	Oct. 25	Nov. 01	Sep. 13	Sep. 20	Sep. 27	Oct. 04	Oct. 11	Oct. 18	Oct. 25	Nov. 01
I. External Reserves	2,643.78	2,552.36	2,585.58	2,540.98	2,523.98	2,529.95	2,538.78	2,494.87	18.26	(91.42)	33.22	(44.59)	(17.01)	5.97	8.83	(43.91)
II. Net Domestic Assets (A + B + C + D)	86.12	123.86	116.57	121.18	125.43	112.32	80.24	113.01	(25.62)	37.74	(7.29)	4.61	4.25	(13.11)	(32.08)	32.77
A. Net Credit to Gov't (I + ii + iii -iv)	755.75	734.04	763.55	762.52	761.69	755.69	710.23	751.53	(11.28)	(21.70)	29.50	(1.03)	(0.83)	(6.00)	(45.47)	41.30
i) Advances	573.02	573.02	573.02	573.02	573.02	573.02	573.02	573.02	14.40	-	-	-	-	-	-	-
ii) Registered Stock	291.10	291.27	291.18	288.54	288.57	288.69	288.32	287.98	8.84	0.17	(0.08)	(2.64)	0.03	0.12	(0.37)	(0.34)
iii) Treasury Bills	9.49	11.17	1.70	1.70	2.17	2.17	2.17	2.17	(0.00)	1.68	(9.47)	(0.00)	0.47	(0.00)	0.00	0.00
iv) Deposits	117.85	141.41	102.36	100.74	102.07	108.19	153.29	111.64	34.52	23.55	(39.05)	(1.62)	1.33	6.11	45.10	(41.64)
B. Rest of Public sector (Net) (i+ii-iii)	(12.73)	(15.88)	(37.71)	(29.07)	(18.14)	(32.28)	(6.46)	(11.75)	16.57	(3.16)	(21.83)	8.65	10.93	(14.14)	25.82	(5.30)
i) Loans	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.14	5.14	5.14	5.14	5.14	5.14	5.14	5.14	-	-	-	-	-	-	-	-
iii) Deposits	19.50	22.65	44.48	35.83	24.90	39.05	13.22	18.52	(16.57)	3.16	21.83	(8.65)	(10.93)	14.14	(25.82)	5.30
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(656.90)	(594.30)	(609.26)	(612.28)	(618.12)	(611.10)	(623.53)	(626.77)	(30.92)	62.60	(14.96)	(3.01)	(5.85)	7.03	(12.43)	(3.24)
III. Monetary Base	2,729.90	2,676.22	2,702.14	2,662.16	2,649.41	2,642.27	2,619.02	2,607.88	(7.36)	(53.68)	25.93	(39.98)	(12.75)	(7.14)	(23.25)	(11.15)
A. Currency in Circulation	559.75	551.88	562.27	567.01	573.15	561.80	562.00	568.29	(4.34)	(7.88)	10.39	4.75	6.13	(11.34)	0.20	6.28
B. Bank Balances with CBOB	2,170.14	2,124.34	2,139.88	2,095.15	2,076.27	2,080.47	2,057.02	2,039.59	(3.02)	(45.80)	15.54	(44.73)	(18.88)	4.20	(23.45)	(17.43)

FISCAL/REAL SECTOR INDICATORS

(BS MILLIONS)

(% change represents current period from previous period)

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

	JUL-SEP				OCT-DEC				JAN-MAR				APR-JUN				YEAR TO DATE	
	2021/2022	2022/2023			2021/2022	2022/2023			2021/2022	2022/2023			2021/2022	2022/2023			2021/2022	2022/2023
	596.4	654.7			537.3	603.6			711.7	820.7							1,845.4	2,079.0
% change: over previous quarter	-12.1%	-13.9%			-9.9%	-7.8%			32.5%	36.0%							50.0%	12.7%
	295.4	331.0			249.2	267.8			290.5	336.6							835.1	935.41
% change: over previous quarter	9.4%	10.1%			-15.6%	-19.1%			16.6%	25.7%							77.6%	12.0%
	131.8	127.0			107.6	116.6			104.3	121.9							343.8	365.5
% change: over previous quarter	0.4%	87.0%			-18.4%	-8.2%			-3.0%	4.6%							20.0%	6.3%
	668.5	621.3			642.9	797.0			710.2	716.5							2,021.5	2,134.8
% change: over previous quarter	-28.3%	-39.2%			-3.8%	28.3%			10.5%	-10.1%							4.2%	5.6%
	64.3	55.3			39.4	62.5			56.4	76.1							160.1	193.9
% change: over previous quarter	-68.3%	-55.3%			-38.8%	13.0%			43.3%	21.7%							-4.7%	21.1%
	-136.37	-21.93			-144.90	-255.88			-54.89	28.09							-336.16	-249.73
% change: over previous quarter	-70.1%	-94.3%			6.3%	1066.6%			-62.1%	-111.0%							-61.7%	-25.7%

Debt ^{p **}	
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	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	10,182.8	11,039.9	10,157.6	11,125.1	10,532.4	11,104.3	10,383.4	11,053.7	10,389.1	11,340.2	10,792.8	11,260.1	10,786.3	11,298.2	10,785.1	11,282.0	10,776.7	11,214.5	10,829.1	11,168.5				
% change: over previous month	-1.3%	0.0%	-0.2%	0.8%	3.6%	-0.2%	-1.4%	-0.5%	0.1%	2.59%	3.9%	-0.7%	-0.1%	0.3%	0.0%	-0.1%	-0.1%	-0.6%	0.5%	-0.4%				
	4,327.4	4,839.8	4,308.3	4,912.2	4,732.8	4,846.4	4,616.1	4,840.1	4,625.6	5,083.8	4,997.1	5,004.8	5,024.2	4,998.0	4,993.9	4,970.1	4,975.3	4,839.2	4,965.6	4,826.4				
% change: over previous month	-0.4%	-0.1%	-0.4%	1.5%	9.0%	-1.4%	-2.5%	-0.1%	0.2%	5.0%	8.0%	-1.6%	0.5%	-0.1%	-0.6%	-0.6%	-0.4%	-2.6%	-0.2%	-0.3%				
	112.6	329.5	112.6	326.1	112.6	328.9	108.5	321.6	108.5	318.1	108.5	318.6	105.0	317.3	105.0	315.0	105.0	312.4	97.3	304.6				
% change: over previous month	-36.1%	-0.1%	0.0%	-1.1%	0.0%	0.9%	-3.8%	-2.3%	0.0%	-1.1%	0.0%	0.1%	-3.2%	-0.4%	0.0%	-0.7%	0.0%	-0.8%	-7.3%	-2.5%				
	5,742.8	5,870.6	5,736.7	5,886.9	5,686.9	5,929.0	5,658.8	5,892.1	5,655.0	5,938.3	5,687.3	5,936.6	5,657.2	5,982.9	5,686.2	5,996.9	5,696.4	6,062.9	5,766.2	6,037.5				
% change: over previous month	-0.9%	0.1%	-0.1%	0.3%	-0.9%	0.7%	-0.5%	-0.6%	-0.1%	0.8%	0.6%	0.0%	-0.5%	0.8%	0.5%	0.2%	0.2%	1.1%	1.2%	-0.4%				
	482.2	268.8	112.8	142.5	210.7	262.5	293.5	278.2	111.8	161.8	223.0	237.3	225.4	320.3	74.8	129.6	87.5	201.7	425.7	442.2				
% change: over previous month	372.7%	-15.6%	-327.4%	-88.7%	46.5%	45.7%	28.2%	5.7%	-61.9%	-41.8%	99.5%	46.7%	1.1%	34.9%	-66.8%	-59.5%	17.0%	55.6%	386.3%	119.3%				
	4,952.3	5,648.4	4,933.2	5,717.3	5,351.1	5,644.9	5,230.2	5,631.2	5,239.6	5,871.5	5,602.7	5,780.7	5,626.3	5,772.6	5,596.0	5,742.4	5,569.7	5,598.1	5,552.2	5,577.5				
% change: over previous month	-1.6%	-0.1%	-0.4%	1.2%	7.8%	-1.3%	-2.3%	-0.2%	0.18%	4.27%	6.93%	-1.55%	0.4%	-0.1%	-0.5%	-0.5%	-0.5%	-2.5%	-0.3%	-0.4%				

Real Sector Indicators	
13. Retail Price Index	
% change: over previous month	
14. Tourist arrivals (000's)	
% change: over previous year	
15. Air arrivals (000's)	
% change: over previous year	
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (BSMillions)	
% change: over previous qtr.	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	113.9	119.4	114.0	119.3	115.1	119.8	115.9	120.6	116.9	121.1	117.5	121.1	119.25	121.97										
% change: over previous month	3.8%	4.8%	3.78%	4.65%	4.72%	4.11%	5.12%	4.04%	5.51%	0.4%	6.23%	0.0%	7.13%	0.7%										
	318.3	846.6	414.5	820.6	627.2	951.3	588.7	865.4	506.6	756.3	567.4	794.9	683.3	860.6	619.9	744.1	467.4	569.4						
% change: over previous year	1247.8%	165.9%	1304.8%	97.9%	899.3%	51.7%	755.8%	47.0%	439.6%	49.3%	320.0%	40.1%	272%	25.9%	226.3%	20.0%	-37.19%	22%						
	74.1	132.5	104.5	150.7	151.1	186.8	147.1	170.6	130.0	149.8	144.6	167.8	161.9	175.6	119.2	128.5	70.053	70.433						
% change: over previous year	256.2%	78.9%	306.1%	44.3%	168.13%	23.57%	143.9%	16.0%	60.1%	15.2%	27.8%	16.1%	21%	8.5%	38.3%	7.8%	-45%	0.5%						
					11.51	15.27					22.6	19.4												
% change: over previous qtr.					-31.58%	-9.18%					96.6%	27.2%												

YEAR TO DATE	
2021/2022	2022/2023
(Over previous year)	
1,845.4	2,079.0
50.0%	12.7%
835.1	935.41
77.6%	12.0%
343.8	365.5
20.0%	6.3%
2,021.5	2,134.8
4.2%	5.6%
160.1	193.9
-4.7%	21.1%
-336.16	-249.73
-61.7%	-25.7%

YEAR TO DATE	
2022	2023
(Over previous year)	
116.1	120.5
5.2%	3.8%
4,793.5	7,209.2
406.8%	50.4%
1,102.5	1,332.7
77.5%	20.9%
34.12	34.70
21.30%	1.70%

* Includes Net Lending to Public Corporations

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

p - provisional