Monthly Economic and Financial Developments
March 2016

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:

2016: May 30, July 4, August 8, August 29, October 3, October 31, November 28, December 19.

Monthly Economic and Financial Developments
March 2016

1. Domestic Economic Developments

Preliminary economic indicators suggest that economic conditions remained relatively subdued over the review period, amid tempered tourism sector activity, while several varied-scale foreign investment projects supported construction sector output. In line with the sustained weakness in global oil prices, domestic inflation remained mild. The fiscal deficit narrowed over the eight months of FY2015/16, as the value-added tax (VAT) led gain in revenue outpaced the increase in spending. On the monetary front, both liquidity and external reserves firmed over the review month, supported by net foreign currency inflows from real sector activities.

Preliminary data from the Bahamas Hotel & Tourism Association and the Ministry of Tourism indicated that the tourism sector's performance was relatively weak over the first two months of the year, as total room revenue for a sample of hotels in New Providence decreased by 9.0%. Reflecting this development, the average occupancy rate contracted by 2.3 percentage points to 68.2% and the average daily room rate fell by 7.2% ($19.42) to $248.69. There is potential for near-term improvement in the sector, as the hosting of a number of international events during the second quarter of the year, should provide impetus to the key stopover segment of the visitor market.

Buoyed by a VAT-led $198.7 million (20.2%) expansion in total receipts to $1,184.7 million, which eclipsed the $171.8 million (13.7%) upturn in expenditure to $1,427.3 million, the fiscal deficit narrowed by $26.9 million (10.0%) to $242.7 million during the eight months of FY2015/16, relative to the corresponding period last year. This improved outturn reflected the impact of the Government's fiscal consolidation plan, which resulted in tax revenue growing by $210.4 million (24.6%) to $1,065.9 million, with VAT inflows totalling $423.7 million. In contrast, the adjustment in several tariff rates to compensate for the introduction of the VAT, resulted in broad-based declines in most of the remaining revenue categories. Specifically, taxes on international trade fell by $48.1 million (12.8%) to $328.8 million, as import and excise taxes reduced by $29.4 million (14.5%) and $20.0 million (11.9%), respectively. In addition, receipts from "other taxes" contracted, by $74.4 million (21.9%) to $264.7 million, owing mainly to a shift in stamp taxes from property sales to VAT. In the same vein, the elimination of the hotel occupancy tax resulted in a two-thirds ($20.3 million) decline in selective taxes on services to $10.3 million, while revenue from business and professional fees narrowed by $35.9 million (43.5%) to $46.7 million, due to a differed payment-related reduction in "other miscellaneous license" inflows. Similarly, non-tax revenues declined by $8.8 million (6.9%) to $118.7 million, owing to a $9.6 million (10.4%) reduction in fines, forfeits and administrative fees.

In terms of expenditure, current outlays grew by $219.1 million (20.2%) to $1,305.3 million over the review period. In particular, transfer payments firmed by $170.3 million (34.9%), as the reclassification of public corporations' subventions from "net lending" to transfers, contributed to a $157.5 million (47.7%) rise in subsidies and other transfers to $487.8 million. In addition, interest payments firmed by $12.7 million (8.1%) to $170.7 million, reflecting the increase in the Government's debt obligations. In addition, gains were also noted for spending on goods & services and wages & salaries by $34.9 million (20.7%) to $203.3 million, and $13.9 million (3.2%) to $443.5 million, respectively. In contrast, as a result of the reclassification exercise, net lending plunged by $45.9 million to a mere $3.0 million. Further, capital expenditure declined by $1.4 million (1.2%) to $119.1 million, as growth in the Government's infrastructure development programme, offset declines in asset acquisitions.

Reflecting the pass-through effects of the persistent softness in international oil prices, domestic energy costs sustained their downward trajectory, with the Bahamas Electricity Corporation's fuel charge decreasing by 6.0% on a monthly basis to 7.88 cents per kilowatt hour (kWh) in March and by 61.0% year-on-year.

2. International Developments

Indications are that conditions in the global economy remained challenging over the review period, resulting in the International Monetary Fund (IMF) revising downwards its forecast for global growth in 2016 by 20 basis points to 3.2%. This assessment was due mainly to a combination of decelerated growth in China—as the country transitions to a consumer and services based economy—ongoing weakness in several commodity based exporting nations, as well as the impact of the United State's gradual monetary tightening.

Economic conditions in the United States were relatively subdued over the review period, with industrial production declining by 0.6% for the second consecutive month in March, amid reduced mining activity and electricity generation. In addition, preliminary data suggests that retail sales fell by 0.3%, after a similar contraction in the prior month. Developments in the housing sector were mixed in March, with building permits and housing starts falling by 7.7% and 8.8%, respectively; however, the number of completions rose by 3.6%. In terms of trade, the deficit rose by $1.2 billion in February, as a $3.0 billion expansion in imports—mainly of consumer goods—outpaced a $1.8 billion gain in exports. Consumer prices firmed slightly by 0.1% in March, a reversal from a 0.2% decline a month earlier, reflecting gains in energy prices, which countered a decline in food costs. Labour market conditions remained positive, as the jobless rate edged-up by 10 basis points to 5.0% at end-March—the first increase in 10 months—despite a 215,000 rise in nonfarm payrolls, due to gains in the retail, construction, and healthcare sectors. On the monetary front, the Federal Reserve left its Federal Funds Rate unchanged at the 0.25%-0.5% range.

The major European economies continued to face significant headwinds over the review period. In the United Kingdom, industrial output declined by 0.3% in February, vis-à-vis a 0.2% uptick a month earlier, owing mainly to a contraction in manufacturing output. Similarly, broad-based reductions in consumer spending for a variety of items, led to a 1.3% fall in retail sales in March, following a 0.7% slowdown a month earlier. In the external sector, the trade deficit narrowed on a monthly basis by £0.4 billion to £4.8 billion in February, owing to a reduction in the trade in goods deficit—which benefitted from higher chemical exports and a widening in the services account surplus. The unemployment rate was stable at 5.1% over the three-months to February, reflecting the balance between the increase in the labour force and job gains. With regard to prices, the inflation rate firmed to an annualised 0.5% in March, from 0.3% in the prior period, due to increased airfares and clothing prices. Further, euro area developments continued to reflect the tepid on-going recovery in consumer demand, resulting in the volume of retail trade rising by 0.2%, although a slight slowdown from an increase of 0.3% in the prior month, as higher food, drinks and tobacco costs were partly offset by falloffs in non-food products and automotive fuel. In contrast, decreases in non-durable consumer goods and energy output led to a decline in industrial production by 0.8% in February, a reversal from the previous month's 1.9% gain. External sector outcomes were positive, as the trade surplus advanced on a monthly basis by €12.8 billion to €19.0 billion in February, buoyed by an €18.2 billion rise in exports, which outpaced a €5.3 billion uptick in imports. Further, labour market conditions continued to improve, as the jobless rate declined by 10 basis points to 10.3% in February, the lowest recorded level since August 2011, while annual inflation was flat in March, following a 0.2% decline in the prior month. Given the challenges facing European economies in terms of weak growth rates, the Bank of England maintained its highly accommodative monetary stance, and the European Central Bank lowered the rates for its main refinancing operations and marginal lending facility both by 5 basis points to 0.0% and 0.25% respectively.

Developments in Asia remained dominated by the restrained performance of the Chinese economy, which grew by an annualised 6.7% during the first quarter, in line with the previous period's advance, reflecting gains in the real estate market and construction activity, which offset the slowdown in financial services' output growth. In addition, the trade surplus narrowed on a monthly basis by US$2.1 billion to US$29.9 billion in March, amid a 40.0% expansion in imports, which overshadowed a 27.5% gain in exports. On a positive note, the monthly Purchasing Manager's Index (PMI), a measure of private sector business conditions, rose by 1.2 percentage points to 50.2 percent in March, in contrast to the prior month's 40 basis point contraction, buoyed by broad-based gains in the major indices. With regard to inflation, a decrease in the prices of food, tobacco and liquor, contributed to a 0.4% softening in consumer prices in March, reversing the month-earlier gain of 1.6%. Similarly, economic developments in Japan were mixed, with industrial production falling by 6.2% on a monthly basis in February—the largest decline since 2011—after rising by 3.7% in the previous month, owing in part to a contraction in domestic automobile production. In addition, retail sales fell by a further 2.3%, extending January's 0.4% reduction, as job gains in excess of the 290,000 person rise in the labour force, resulted in the unemployment rate rising by 10 basis points to 3.3%. In contrast, the trade surplus surged by more than three-fold to ¥755.0 billion—the highest level in more than five years—underpinned by a 13.2% gain in exports, which eclipsed a 4.4% uptick in imports. Consumer prices rose on a monthly basis, by 0.1% in February, vis-à-vis a 0.4% decrease in the previous month, owing in part to higher food costs. In terms of monetary policy, the People's Bank of China sustained its efforts to support the banking system, by providing a US$3.1 billion liquidity injection via seven-day reverse bond repurchase agreements, while the Bank of Japan retained its highly accommodative monetary policy stance.

Amid signs that two of the world's largest producers had reached an agreement to freeze production at current levels, oil prices firmed by 10.5% to $39.76 per barrel in March—while OPEC's oil production grew marginally by 10,000 barrels per day (bpd) to 32.3 million bpd. Precious metals developments were mixed, as the price of gold softened by 0.5% to $1,232.71 per troy ounce, while silver costs rose by 3.6% to $15.44 per troy ounce.

Buoyed by the Federal Reserve's signal that an increase in interest rates was unlikely in the near-term, most of the major equity markets recorded gains in March. In the United States, the Dow Jones Industrial Average (DJIA) firmed by 7.1%, while the S&P 500 index rose by 6.6%. More tempered gains were registered among European bourses, with Germany's DAX, the United Kingdom's FTSE 100 and France's CAC 40, posting respective gains of 5.0%, 1.3% and 0.7%. In Asia, China's SE Composite surged by 11.8%, supported by the central bank's accommodative policy measures, while Japan's Nikkei 225 rose by 4.6%.

Reflecting in part the easing of concerns over the pace of future interest rate hikes, the US dollar weakened relative to other major currencies. The dollar depreciated by 4.5% and 4.0% against the euro and the Canadian dollar to €0.8787 and CAD$1.3004, respectively. The dollar also recorded declines versus the Swiss Franc, by 3.7% to CHF0.9617 and the British pound by 3.1% to £0.6964. Further, the dollar fell modestly vis-à-vis the Chinese Yuan, by 1.6% to CNY6.4492 and stabilised relative to the Japanese Yen at ¥112.57.

3. Domestic Monetary Trends March 2016 vs. 2015

Buttressed mainly by net foreign currency inflows from real sector activities, monetary developments for the month of March featured modest gains in both bank liquidity and external reserves. Specifically, excess liquid assets expanded by $14.9 million to $1,470.4 million, slightly lower than the $18.6 million increase in the prior year, while excess reserves—a narrow measure of liquidity—rose by $9.2 million to $633.9 million, a reversal from a sharp $66.9 million contraction during the comparable period of 2015.

External reserves expanded by $28.6 million to $980.5 million during the review month, in line with the $27.1 million growth registered in the previous year. In the underlying transactions, the Bank's net sale to the public sector decreased by $12.2 million to $27.3 million, benefitting from the reduction in global oil prices, while net purchases from commercial banks totaled $56.1 million, albeit $8.6 million less than in 2015, as banks' net intake from clients narrowed modestly by $2.5 million to $63.9 million.

The contraction in total Bahamian dollar credit narrowed to $5.2 million from $24.3 million last year. Underpinning this outturn, net claims on the Government rose by $9.1 million, a turnaround from the $4.3 million falloff the year before, reflecting mainly an increase in short-term funding. Similarly, credit to the rest of the public sector firmed slightly by $0.6 million, a reversal from a $4.1 million falloff in 2015. In addition, the contraction in credit to the private sector slowed by $1.0 million to $14.9 million, with commercial and consumer loans falling by $9.9 million and $5.0 million, respectively; however, in a slight offset, the mortgage component rose marginally by $0.03 million.

Banks' credit quality indicators deteriorated further over the review month; although the rise in delinquencies was not broad-based. Total private sector loan arrears expanded by $30.2 million (2.6%) to $1,198.0 million, raising the corresponding ratio of arrears to total loans by 55 basis points to 20.0%. A breakdown by the average age of delinquencies revealed that the deterioration was due solely to an increase in the short-term (31-90 day) segment, which firmed by $37.7 million (14.8%) to $292.2 million, with the attendant ratio rising by 64 basis points to 4.9% of the total. In contrast, the non-performing segment—arrears in excess of 90 days and on which banks have stopped accruing interest—declined by $7.5 million (0.8%) to $905.8 million and by 9 basis points to 15.1% of total loans.

In terms of the main categories, the increase in loan delinquencies was led by the mortgage component, which expanded by $18.3 million (2.8%), as short-term arrears rose by $26.1 million (17.6%), countering the $7.7 million (1.5%) increase in the non-performing segment. In addition, commercial arrears grew by $10.5 million (4.8%), with both the short-term and non-accrual components firming by $8.3 million (41.9%) and $2.2 million (1.1%), respectively. Further, consumer arrears edged up by $1.4 million (0.5%), as the short-term segment grew by $3.3 million (3.8%), outpacing the $2.0 million (1.0%) falloff in non-performing loans.

Despite the rise in delinquencies, banks decreased their total provisions for loan losses by a modest $2.2 million (0.4%) to $543.1 million in March, with specific provisions against losses falling by $2.3 million (0.5%), outpacing the $0.2 million (0.2%) rise in the general category. As a consequence, the ratio of provisions to arrears softened by 1.4 percentage points to 45.3%; however, given the fall in the non-performing segment, the relevant ratio firmed by 26 basis points to 60.0%. During the period, banks also wrote-off a total of $1.8 million and recovered approximately $2.0 million in bad debts.

Domestic foreign currency credit grew by $6.7 million in March, a slight slowdown from the $7.4 million expansion recorded in the corresponding period of 2015. In the underlying developments, net claims on the Government rose by $9.4 million, a reversal from a $0.2 million reduction in the previous year. In addition, after a $9.6 million decline in the prior period, private sector foreign currency credit firmed marginally by $0.1 million, as the increase in mortgages overshadowed the fall in commercial loans. Conversely, credit to the rest of the public sector softened by $2.8 million, vis-a-vis a $16.8 million gain in the previous year, when a health care operator increased its outstanding loans.

Growth in total Bahamian dollar deposits accelerated to $17.5 million from $9.0 million during the review month, owing mainly to a $23.0 million expansion in savings deposits, vis-à-vis the previous year's $1.9 million contraction, while the reduction in fixed balances tapered by $4.4 million to $20.4 million. In a slight offset, accretions to demand deposits waned by $21.0 million to $14.8 million.

In interest rate developments, the weighted average deposit rate fell by 21 basis points to 1.34%, with the highest rate of 5.00% offered on fixed balances of over 12 months. In contrast, the weighted average loan rate rose by 36 basis points to 12.10%.

January- March 2016 vs. 2015

The significant build-up in banking sector liquidity during the first quarter, reflected mainly Government's external foreign currency borrowing and to a lesser extent, net foreign currency inflows from the tourism sector. As a result, the banks' excess liquid assets firmed by $156.0 million, outpacing the prior year's $69.1 million gain, while excess reserves strengthened by $144.5 million, vis-à-vis a slight $4.8 million contraction in 2015.

Buoyed by the receipt of net proceeds from the Government's US$100 million loan, external reserves expanded by $171.6 million over the three-month period to $980.5 million, following a modest $51.8 million gain in the previous year. Given the loan inflows and lower expenditures for fuel, the Bank's net transactions with the public sector reversed from an $81.7 million net sale to a $41.6 million net purchase; however, the net foreign currency receipt from the commercial banks fell by $8.1 million to $56.1 million, despite a gain in their net purchase from clients by $17.0 million to $63.9 million.

Total Bahamian dollar credit contracted by $48.2 million during the quarter, a slowdown from the $59.4 million decline recorded in 2015. In the underlying developments, the reduction in private sector credit narrowed by over one half to $19.6 million, from $41.7 million a year ago, as mortgages were relatively flat compared to a $24.1 million decline in the prior period and the falloff in consumer credit tapered to $13.3 million from $17.6 million in 2015; however, commercial loans, which were unchanged in the previous year, fell by $6.2 million over the quarter. Further, credit to the rest of the public sector rose marginally by $0.7 million, a reversal from a $0.4 million contraction. In a slight offset, the decline in net claims on the Government deepened to $29.3 million from $17.3 million in 2015.

Banks' credit quality indicators showed broad-based improvements over the first quarter, as private sector loan arrears fell by $21.6 million (1.8%) to $1,198.0 million and by 30 basis points to 20.0% of total loans. This outturn was led by a $20.8 million (6.6%) falloff in the short-term component to $292.2 million, with the corresponding ratio of arrears to total loans decreasing by 33 basis points to 4.9%, while the non-performing segment softened by $0.9 million (0.1%) to $905.8 million, although the attendant arrears to loans ratio rose by 3 basis points to 15.1%.

In terms of the breakdown, the dominant mortgage component—at 57.1% of the total—fell by $12.6 million (1.8%), owing to a $10.5 million (2.0%) contraction in the non-performing category, and a $2.2 million (1.2%) decrease in the short-term segment. Similarly, consumer arrears decreased by $11.3 million (3.8%), amid respective declines in both the short and long-term components of $6.2 million (6.5%) and $5.1 million (2.5%). In contrast, a $14.7 million (8.0%) hike in the non-performing category, which exceeded the $12.4 million (30.7%) falloff in short-term delinquencies, led to commercial arrears increasing by $2.3 million (1.0%).

Despite the improvement in credit quality, banks maintained their conservative risk stance by raising their total provisions for loan losses by $12.7 million (2.4%) to $543.1 million. As a result, the coverage ratios of provisions to total arrears and non-performing loans advanced by 1.9 and 1.5 percentage points to 45.3% and 60.0%, respectively. Over the review period, banks also wrote-off a total of $13.8 million in bad debts and recovered $6.2 million.

Domestic foreign currency credit contracted by $4.4 million during the first three months of the year, compared to a slight $1.5 million uptick a year earlier, due solely to a falloff in claims on the public corporations by $5.7 million, a reversal from a $14.5 million growth in 2015. In contrast, the reduction in the private sector component eased by $5.4 million to $13.4 million, while net claims on the Government firmed by $14.6 million, outpacing the prior year's $5.1 million expansion.

During the review period, total Bahamian dollar deposits strengthened by $116.4 million, outstripping the $36.9 million gain in the prior year, reflecting a $102.2 million expansion in demand deposits, compared to a $78.4 million gain in the previous year. However, accretions to savings balances slowed by $3.3 million to $28.3 million, while the contraction in fixed deposits tapered by $58.9 million to $14.1 million.

4. Outlook and Policy Implications

The domestic economy is expected to experience some growth over the year, underpinned by modest gains in tourism sector output and foreign investment-led construction activity. The completion of work on the Baha Mar project would elevate the current growth forecasts and positively affect employment conditions. Inflation is anticipated to remain subdued for an extended period, given the persistence of relatively low global oil prices.

In the fiscal sector, the deficit should sustain its downward trajectory, reflecting further VAT-led gains in revenue, which, in combination with measures aimed at restraining expenditure growth, should result in an eventual improvement in the corresponding debt indicators.

Bank liquidity should remain elevated over the year, due to the on-going weakness in private sector credit and institutions' conservative lending stance given the high level of loan arrears. Moreover, banks are poised to remain well capitalized, thereby mitigating any financial sector stability concerns. Further, external reserve developments will be heavily influenced by the performance of the real sector and the demand for foreign currency to facilitate current payments—a large percentage of which relate to oil imports.

Recent Monetary and Credit Statistics

(B$ Millions)

	MARCH					
	Value		Change		Change YTD	
	2015	2016	2015	2016	2015	2016
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	488.43	633.91	-66.88	9.16	-4.84	144.54
1.2 Excess Liquid Assets	1,210.98	1,470.38	18.55	14.90	69.09	155.97
1.3 External Reserves	838.55	980.47	27.09	28.63	51.79	171.56
1.4 Bank's Net Foreign Assets	-398.36	-420.27	5.06	9.40	35.62	33.04
1.5 Usable Reserves	324.50	392.61	48.53	23.39	64.38	97.48
2.0 DOMESTIC CREDIT						
2.1 Private Sector	***6,292.57***	***6,248.57***	***-25.51***	***-14.77***	***-60.39***	***-32.96***
a. B$ Credit	5,988.18	5,986.19	-15.89	-14.85	-41.66	-19.60
of which: Consumer Credit	2,133.04	2,155.52	-9.98	-5.02	-17.62	-13.33
Mortgages	3,074.93	3,072.71	-13.05	0.03	-24.13	-0.04
Commercial and Other Loans B$	780.21	757.97	7.14	-9.86	0.09	-6.23
b. F/C Credit	304.39	262.38	-9.61	0.08	-18.73	-13.36
of which: Mortgages	103.24	82.06	-0.34	0.20	1.02	0.24
Commercial and Other Loans F/C	201.15	180.33	-9.27	-0.12	-19.75	-13.60
2.2 Central Government (net)	***2,019.01***	***2,199.84***	***-4.47***	***18.53***	***-12.25***	***-14.70***
a. B$ Loans & Securities	2,260.75	2,475.78	-3.05	33.41	-12.23	9.04
Less Deposits	239.66	320.26	1.20	24.30	5.11	38.32
b. F/C Loans & Securities	0.00	50.00	-0.21	13.39	0.00	13.39
Less Deposits	2.08	5.68	0.01	3.98	-5.09	-1.19
2.3 Rest of Public Sector	***334.94***	***302.13***	***12.66***	***-2.19***	***14.17***	***-4.99***
a. B$ Credit	96.88	78.70	-4.14	0.58	-0.35	0.69
b. F/C Credit	238.07	223.43	16.79	-2.77	14.52	-5.68
2.4 Total Domestic Credit	***8,647.16***	***8,750.67***	***-16.89***	***1.56***	***-57.87***	***-52.53***
a. B$ Domestic Credit	8,106.15	8,220.42	-24.28	-5.15	-59.35	-48.18
b. F/C Domestic Credit	541.01	530.26	7.38	6.71	1.47	-4.35
3.0 DEPOSIT BASE						
3.1 Demand Deposits	1,857.26	1,933.98	35.75	14.81	78.39	102.23
a. Central Bank	22.48	7.55	9.04	-7.69	-1.08	-5.48
b. Banks	1,834.78	1,926.43	26.70	22.50	79.47	107.71
3.2 Savings Deposits	1,099.36	1,179.63	-1.94	23.01	31.54	28.27
3.3 Fixed Deposits	3,066.06	3,001.90	-24.82	-20.37	-73.02	-14.12
3.4 Total B$ Deposits	6,022.68	6,115.51	8.99	17.45	36.91	116.38
3.5 F/C Deposits of Residents	273.90	260.27	10.30	27.91	31.85	24.67
3.6 M2	***6,251.48***	***6,361.06***	***25.43***	***47.87***	***34.30***	***125.39***
3.7 External Reserves/M2 (%)	***13.41***	***15.41***	***0.38***	***0.34***	***0.76***	***2.44***
3.8 Reserves/Base Money (%)	***85.97***	***85.85***	***6.73***	***-0.37***	***5.78***	***3.80***
3.9 External Reserves/Demand Liabilites (%)	***81.56***	***83.39***	***5.80***	***1.71***	***6.87***	***4.67***

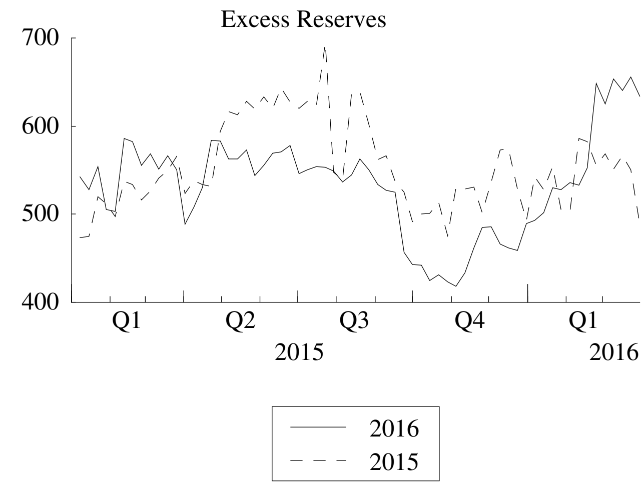
	Value		Year to Date		Change	
	2015	2016	2015	2016	Month	*YTD*
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	***25.06***	***28.71***	***51.29***	***166.54***	***3.65***	***115.25***
a. Net Purchase/(Sale) from/to Banks	64.63	56.05	133.03	124.94	-8.58	-8.10
i. Sales to Banks	4.30	0.00	19.10	15.34	-4.30	-3.76
ii. Purchases from Banks	68.93	56.05	152.13	140.28	-12.88	-11.85
b. Net Purchase/(Sale) from/to Others	-39.57	-27.34	-81.74	41.60	12.23	123.35
i. Sales to Others	67.49	69.83	209.63	172.60	2.34	-37.03
ii. Purchases from Others	27.92	42.49	127.89	214.20	14.57	86.32
4.2 Banks Net Purchase/(Sale)	***66.34***	***63.88***	***132.16***	***149.19***	***-2.46***	***17.03***
a. Sales to Customers	420.42	290.08	1,040.21	944.88	-130.34	-95.34
b. Purchases from Customers	486.76	353.96	1,172.37	1,094.07	-132.80	-78.31
4.3 B$ Position (change)	***-24.35***	***-30.40***				
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***
of which Public Sector	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***
a. Nonoil Imports	ND	ND	ND	ND	ND	ND
b. Oil Imports	ND	ND	ND	ND	ND	ND
c. Travel	ND	ND	ND	ND	ND	ND
d. Factor Income	ND	ND	ND	ND	ND	ND
e. Transfers	ND	ND	ND	ND	ND	ND
f. Other Current Items	ND	ND	ND	ND	ND	ND
5.2 Capital Items	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***
of which Public Sector	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***
5.3 Bank Remittances	***ND***	***ND***	***ND***	***ND***	***ND***	***ND***

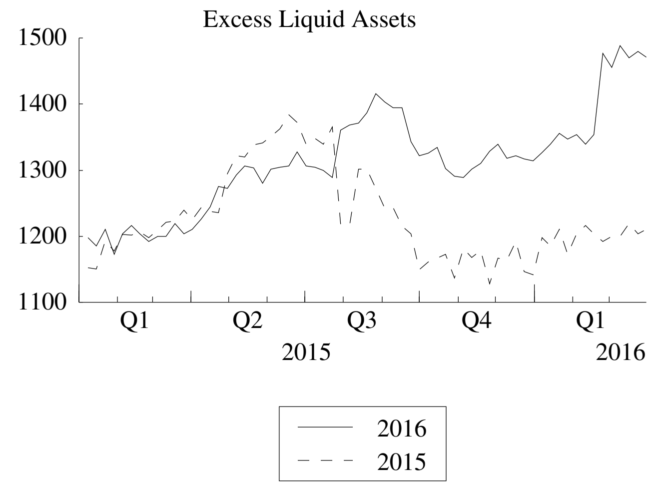
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending:APRIL 01, 2015 and MARCH 30, 2016
Exchange Control Sales figures are as at month end.

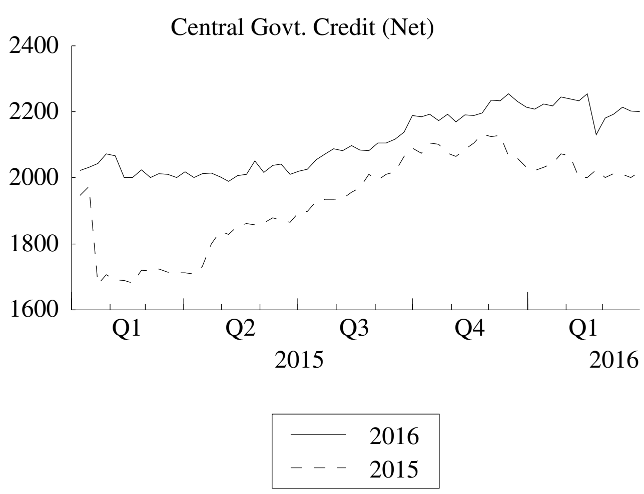
Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

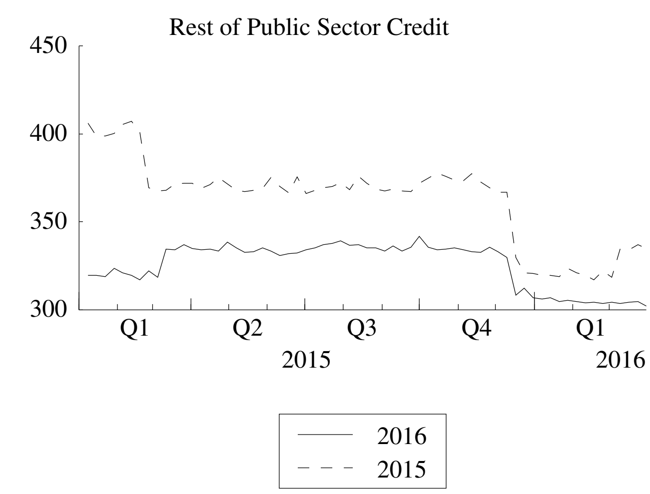
SELECTED MONEY AND CREDIT INDICATORS

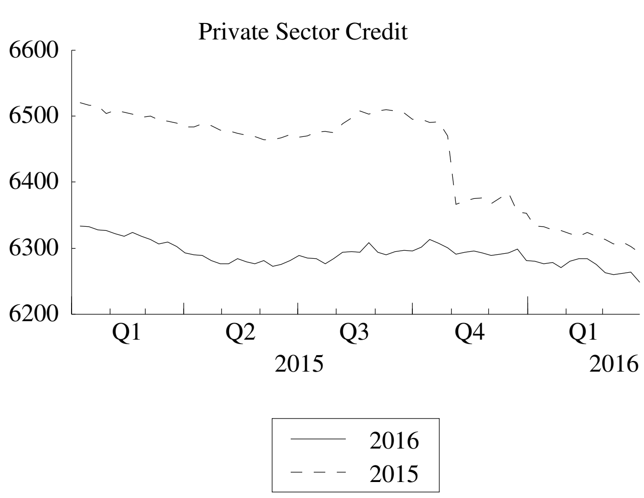
(B$ Millions)

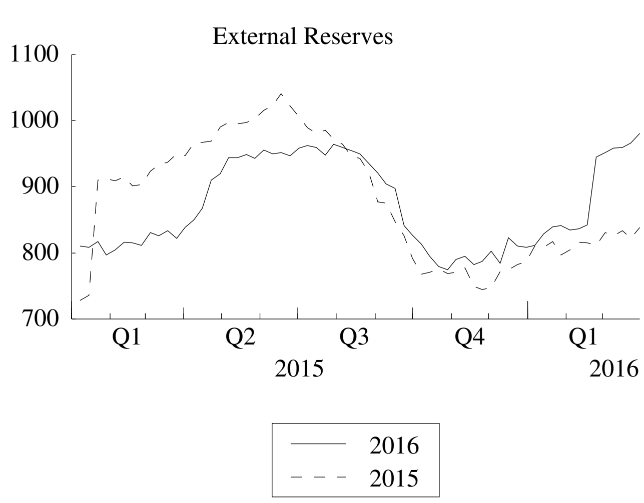


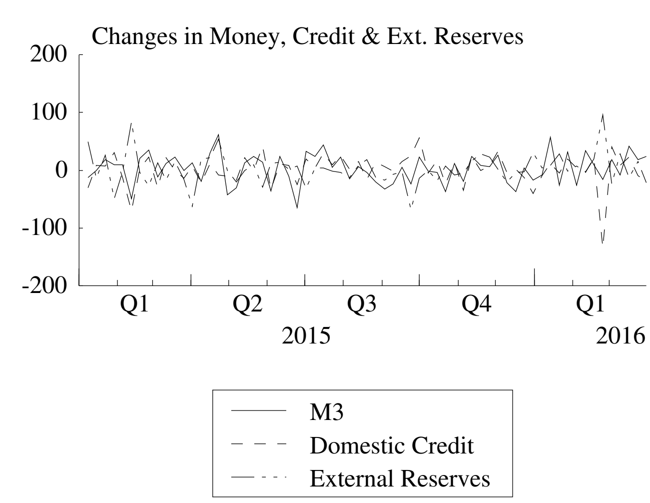












Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		**Inflation Rate**		**Unemployment**	
	2015	**2016**	**2015**	**2016**	**2015**	**2016**
Bahamas	0.5	1.5	1.9	0.8	12.0	N/A
United States	2.4	2.4	0.1	0.8	5.3	4.9
Euro-Area	1.6	1.5	0.0	0.4	10.9	10.3
Germany	*1.5*	*1.5*	*0.1*	*0.5*	*4.6*	*4.6*
Japan	0.5	0.5	0.8	-0.2	3.4	3.3
China	6.9	6.5	1.4	1.8	4.1	4.1
United Kingdom	2.2	1.9	0.1	0.8	5.4	5.0
Canada	1.2	1.5	1.1	1.3	6.9	7.3
Source: IMF World Economic Outlook April 2016, Department of Statistics						

B: Official Interest Rates – Selected Countries (%)					
With effect from	**CBOB**	**ECB (EU)**	**Federal Reserve (US)**		**Bank of England**
	Bank Rate	**Refinancing Rate**	**Primary Credit Rate**	**Target Funds Rate**	**Repo Rate**
March 2014	4.50	0.25	0.75	0-0.25	0.50
April 2014	4.50	0.25	0.75	0-0.25	0.50
May 2014	4.50	0.25	0.75	0-0.25	0.50
June 2014	4.50	0.15	0.75	0-0.25	0.50
July 2014	4.50	0.15	0.75	0-0.25	0.50
August 2014	4.50	0.15	0.75	0-0.25	0.50
September 2014	4.50	0.05	0.75	0-0.25	0.50
October 2014	4.50	0.05	0.75	0-0.25	0.50
November 2014	4.50	0.05	0.75	0-0.25	0.50
December 2014	4.50	0.05	0.75	0-0.25	0.50
January 2015	4.50	0.05	0.75	0-0.25	0.50
February 2015	4.50	0.05	0.75	0-0.25	0.50
March 2015	4.50	0.05	0.75	0-0.25	0.50
April 2015	4.50	0.05	0.75	0-0.25	0.50
May 2015	4.50	0.05	0.75	0-0.25	0.50
June 2015	4.50	0.05	0.75	0-0.25	0.50
July 2015	4.50	0.05	0.75	0-0.25	0.50
August 2015	4.50	0.05	0.75	0-0.25	0.50
September 2015	4.50	0.05	0.75	0-0.25	0.50
October 2015	4.50	0.05	0.75	0-0.25	0.50
November 2015	4.50	0.05	0.75	0-0.25	0.50
December 2015	4.50	0.05	1.00	0.25-0.50	0.50
January 2016	4.50	0.05	1.00	0.25-0.50	0.50
February 2016	4.50	0.05	1.00	0.25-0.50	0.50
March 2016	4.50	0.00	1.00	0.25-0.50	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	**Mar-15**	**Feb-16**	**Mar-16**	**Mthly % Change**	**YTD % Change**	**12-Mth% Change**
Euro	0.9319	0.9197	0.8787	-4.46	-4.60	-5.70
Yen	120.12	112.69	112.57	-0.11	-6.24	-6.29
Pound	0.6749	0.7185	0.6964	-3.08	2.62	3.19
Canadian $	1.2686	1.3540	1.3004	-3.96	-5.99	2.51
Swiss Franc	0.9726	0.9984	0.9617	-3.68	-4.02	-1.12
Renminbi	6.1999	6.5540	6.4492	-1.60	-0.68	4.02
Source: Bloomberg as of March 31, 2016						

D. Selected Commodity Prices ($)					
Commodity	**March 2015**	**February 2016**	**March 2016**	**Mthly % Change**	**YTD % Change**
Gold / Ounce	1183.68	1238.74	1232.71	-0.49	16.14
Silver / Ounce	16.66	14.90	15.44	3.59	11.40
Oil / Barrel	55.60	35.98	39.76	10.51	8.84
Source: Bloomberg as of March 31, 2016					

E. Equity Market Valuations – March 31, 2016 (% chg)								
	BISX	**DJIA**	**S&P 500**	**FTSE 100**	**CAC 40**	**DAX**	**Nikkei 225**	**SE**
1 month	3.86	7.08	6.60	1.28	0.72	4.95	4.57	11.75
3 month	2.74	1.49	0.77	-1.08	-5.43	-7.24	-11.95	-15.12
YTD	2.74	1.49	0.77	-1.08	-5.43	-7.24	-11.95	-15.12
12-month	11.96	-0.51	-0.39	-8.83	-12.88	-16.72	-12.75	-19.85
Sources: Bloomberg and BISX								

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	**GBP**	**EUR**
o/n	0.39	0.23	-0.30
1 Month	0.46	0.57	-0.27
3 Month	0.83	0.67	-0.24
6 Month	1.10	0.77	-0.16
9 Month	1.19	0.88	-0.07
1 year	1.30	0.98	-0.04
Source: Bloomberg as of March 31, 2016			

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B$ Millions)

	VALUE									CHANGE								
	Feb. 03	Feb. 10	Feb. 17	Feb. 24	Mar. 02	Mar. 09	Mar. 16	Mar. 23	Mar. 30	Feb. 03	Feb. 10	Feb. 17	Feb. 24	Mar. 02	Mar. 09	Mar. 16	Mar. 23	Mar. 30
I. External Resrves	***834.69***	***836.45***	***842.14***	***945.24***	***951.84***	***957.95***	***959.66***	***965.98***	***980.06***	***-6.61***	***1.76***	***5.68***	***103.10***	***6.60***	***6.11***	***1.71***	***6.32***	***14.08***
II. Net Domestic Assets (A + B + C + D)	***179.39***	***170.99***	***184.03***	***176.96***	***152.12***	***158.42***	***156.67***	***176.98***	***161.98***	***15.61***	***-8.40***	***13.03***	***-7.07***	***-24.84***	***6.30***	***-1.75***	***20.32***	***-15.00***
A. Net Credit to Gov't(i + ii + iii - iv)	***501.73***	***491.91***	***496.18***	***485.98***	***476.15***	***489.96***	***490.51***	***499.01***	***486.37***	***19.14***	***-9.82***	***4.27***	***-10.20***	***-9.83***	***13.81***	***0.54***	***8.50***	***-12.64***
i) Advances	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	257.79	257.82	257.89	257.90	258.06	258.07	258.07	258.08	258.14	0.08	0.03	0.06	0.01	0.16	0.01	0.00	0.00	0.06
iii) Treasury Bills	136.14	136.14	136.11	124.09	124.09	124.09	124.09	124.09	114.07	9.60	0.00	-0.03	-12.02	0.00	0.00	0.00	0.00	-10.02
iv) Deposits	26.86	36.71	32.47	30.66	40.65	26.85	26.31	17.81	20.49	-9.46	9.86	-4.24	-1.82	10.00	-13.80	-0.54	-8.50	2.67
B. Rest of Public Sector (Net) (i + ii - iii)	***-11.16***	***-10.88***	***-0.44***	***0.32***	***-11.53***	***-11.67***	***-12.31***	***-3.22***	***-3.92***	***-5.65***	***0.28***	***10.44***	***0.75***	***-11.85***	***-0.13***	***-0.64***	***9.08***	***-0.70***
i) BDB Loans	3.70	3.70	3.70	3.70	3.70	3.70	3.63	3.63	3.63	0.00	0.00	0.00	0.00	0.00	0.00	-0.08	0.00	0.00
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii) Deposits	14.86	14.58	4.14	3.38	15.23	15.37	15.93	6.85	7.55	5.65	-0.28	-10.44	-0.75	11.85	0.13	0.56	-9.08	0.70
C. Loans to/Deposits with Banks	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
D. Other Items (Net)*	***-311.18***	***-310.03***	***-311.71***	***-309.34***	***-312.50***	***-319.88***	***-321.53***	***-318.80***	***-320.47***	***2.12***	***1.15***	***-1.68***	***2.37***	***-3.16***	***-7.38***	***-1.65***	***2.73***	***-1.67***
III. Monetary Base	***1,014.08***	***1,007.45***	***1,026.16***	***1,122.20***	***1,103.96***	***1,116.37***	***1,116.32***	***1,142.96***	***1,142.04***	***9.00***	***-6.64***	***18.72***	***96.03***	***-18.24***	***12.40***	***-0.04***	***26.64***	***-0.92***
A. Currency in Circulation	343.16	338.62	332.02	335.13	345.62	339.50	334.98	339.72	353.07	11.53	-4.53	-6.60	3.11	10.49	-6.12	-4.53	4.75	13.35
B. Bank Balances with CBOB	670.93	668.82	694.14	787.07	758.34	776.87	781.35	803.24	788.96	-2.53	-2.10	25.32	92.92	-28.72	18.52	4.48	21.89	-14.27

* Includes capital, provisions and surplus account, fixed and other assets, and other demand liabilities of Bank