

Monthly Economic and Financial Developments February 2013

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:

2013: April 29, June 3, July 1, July 29, September 2, September 30, November 4, December 2, December 23.

Monthly Economic and Financial Developments

February 2013

1. Domestic Economic Developments

Preliminary indicators suggest that domestic economic conditions remained relatively subdued over the review month, amid sustained foreign investment-led construction activity, although some signs of softness were evident in the key tourism sector. Consumer price developments featured an incremental rise in domestic energy costs, as international oil prices remained elevated. On the fiscal side, the overall deficit widened over the seven months of FY2012/13, reflecting a combination of tax-revenue related declines and higher spending. For the monetary outcome, both banking sector liquidity and external reserves contracted, in response to heightened foreign currency demand to facilitate import payments.

As an early indicator of tourism activity, data from a sample of large hotels in New Providence and Paradise Island showed total room revenues lower by 6.3% in February, as a decrease in room stock at one property combined with a one day reduction in the number of available room nights relative to last year, contributed to a 4.1 percentage point contraction in the occupancy rate to 65.9%. In contrast, the average daily room rate firmed by 5.5%, reflecting increases in over half of the hotel properties. For the performance over the first two months of the year, hotel receipts decreased by 4.1%, as the contraction in the average occupancy rate, by 2.8 percentage points to 61.7%, eclipsed the 4.5% rise in the average daily room rate to \$246.10.

Consumer price movements for February featured average price gains for both gasoline and diesel, by 4.9% and 1.6% over the previous month, and by 0.2% and 1.2% year-on-year, to \$5.32 and \$5.21 per gallon, respectively. However, the monthly Bahamas Electricity Corporation's fuel charge stabilized at 25.34¢ per kilowatt hour, and declined by 2.7% from the previous year's level.

Preliminary data on the fiscal outcome for the seven months to January 2013 of FY2012/13 showed continued deterioration in the overall deficit which widened by over two-thirds vis-à-vis the comparative fiscal period, to \$313.1 million. Total revenue declined by \$50.0 million (6.0%) to \$787.9 million, which represented an estimated 51.3% of the budget projections, while aggregate expenditure, at \$1,101.0 million was higher by \$74.8 million (7.3%) and equivalent to nearly 53.0% of approved estimates. The fall-off in revenue was primarily explained by an \$80.7 million (18.3%) decline in taxes on international trade, as excise taxes receded by over one-third back to trend levels, following a significant one-time inflow in the previous period. In a partial offset, a one-off arrears payment contributed to a \$37.9 million gain in departure taxes. Comparatively, non-tax receipts grew by \$6.2 million (7.2%) to \$91.9 million, supported by increases in collections of fines, forfeits & administrative fees.

Growth in expenditure was mainly attributed to a \$48.5 million (5.8%) expansion in recurrent spending to \$889.1 million—roughly 53% of budget estimates—buoyed by higher consumption outlays of \$25.1 million (4.8%), amid increases in both personal emoluments and purchases of goods & services. In addition, transfer payments rose by \$23.3 million (7.3%), due in large measure to increased subsidies for public health-related activities. Capital outlays were also higher, by \$24.1 million (21.0%) to \$138.8 million, primarily attributed to a \$27.4 million (30.7%) rise in infrastructure-related spending, while Government's net lending to public entities increased by \$2.3 million (3.2%) to \$73.1 million.

The deficit was financed mainly from domestic sources, and comprised Registered Stock (\$325.0 million), Treasury bills (\$54.9 million) and short-term advances (\$53.0 million). External financing totalled \$214.9 million and included a US\$180.0 million loan, as well as draw downs from project-based borrowings.

2. International Developments

During February, the global economy maintained a modest pace of expansion, supported by sustained improvements in the dominant United States economy and robust export-led gains in Asian economies. However, conditions in Europe remained depressed, as several countries in the southern cone remained mired in recession. Against this backdrop, all of the major economies kept their accommodative monetary policy stance, to support growth in output.

Economic activity in the United States improved during the month of February, as industrial production, which was flat in January, advanced by 0.7%, and retail sales firmed by 1.1%, following a 0.2% increase in the prior month. The key housing sector also recorded monthly gains in building permits issued and housing starts, of 4.6% and 0.8%, respectively, although housing completions fell by 0.6% relative to January. As a consequence, conditions in the labour market were more positive, with an additional 236,000 nonfarm payroll jobs created in February, and the unemployment rate fell by 20 basis points to 7.7%. Average consumer price inflation firmed to an annualized 2.0% from 1.6% in January, owing mainly to higher energy costs. Amid the modest increase in domestic demand, the trade deficit expanded by \$6.3 billion to \$44.4 billion, reflecting higher imports and a contraction in exports. In monetary developments, the Federal Reserve continued its accommodative policy stance, with the key policy rate unchanged within the 0.0%-0.25% range.

European economies continued to face strong headwinds in February, as the unfolding banking crisis in the island of Cyprus—one of the region's smallest economies—reignited concerns over the fiscal challenges facing larger countries. The United Kingdom economy remained fragile, as real GDP contracted by 0.3% in the fourth quarter of 2012, a reversal from a 0.9% gain in the prior three-month period, attributed in large measure to declines in the agriculture and production industries. Further, occasioned by a slump in oil and gas output, industrial production fell by 1.2% in January, a reversal from a 1.1% advance recorded in December. In the external sector, the trade deficit narrowed by £0.4 billion to £2.4 billion, as the improvement in the goods deficit eclipsed the reduction in the services account surplus. February's average consumer price inflation firmed slightly to 2.8% from a steady 2.7% for four previous consecutive months, reflecting higher fuel and energy related costs, while the jobless rate stabilized at 7.8% for the three months to January. In the euro zone, reduced output of consumer durable and capital goods led to a 0.4% decline in industrial production for January, a reversal from a 0.9% gain in the previous month; however, retail sales rebounded by 1.2% from a 0.8% contraction in December. The jobless rate rose by 10 basis points to 11.9%, as the number of unemployed persons advanced by 201,000 in January, while the inflation rate narrowed slightly to 1.8% from 2.0%. On the external side, the trade balance reversed to a €3.9 billion deficit in January, from the prior month's €10.8 billion surplus, reflecting a 3.1% rise in imports which surpassed a 2.0% gain in exports. Given the challenging economic environment, both the Bank of England and the European Central Bank kept their key interest rates unchanged.

In Asia, gains in China's industrial production slowed to 9.9% year-on-year during the first two months of 2013, from 11.4% a year earlier; while the improvement in retail sales tapered to 12.3% from 14.7%. On the external side, the trade surplus was up by 1.0% to \$15.3 billion in February, buoyed by a 21.8% surge in exports, which outpaced a 15.2% contraction in imports. Higher food costs caused a slight increase in

consumer price inflation, by 10 basis points to 1.1%, with the overall economic outcome resulting in no change in the monetary policy stance. In Japan, economic activity remained lacklustre, as growth in industrial output slowed to 0.3% in January from 2.4% in the previous month which, in combination with weak external demand, led to a 9.4% reduction in exports. In contrast, heightened demand for fuel to supply the country's energy needs underpinned an 8.2% increase in imports. With private consumption remaining anaemic, the consumer price index fell by a further 0.3% in January, following a decrease of 0.1% in the prior month, while the unemployment rate softened by 10 basis points month-on-month to 4.2% in January. The Bank of Japan, under the direction of the new Government, initiated plans to intensify its asset purchase programme, in a bid to reduce the value of the currency and achieve a targeted inflation rate of 2.0%.

Amid concerns over Europe's continuing economic weakness, crude oil prices contracted by 1.9% to \$112.75 per barrel. OPEC's production increased slightly by about 74,000 barrels per day, and averaged 30.3 million barrels per day. Similar trends were noted in the precious metals market, as the price of gold and silver declined, by 5.1% and 4.3%, to \$1,579.61 and \$28.54 per troy ounce, respectively.

Major stock market developments were mixed during the review month. In the United States, both the Dow Jones Industrial Average (DJIA) and the S&P 500 advanced by 1.4%, while in Asia, Japan's Nikkei 225 firmed by 3.8%, but China's SE composite narrowed by 0.8%. Reflecting a reduction in investors' risk appetite, due to Cyprus' economic crisis, European exchanges reported broad-based declines; France's CAC 40 decreased by 0.3% and Germany's DAX, by 0.4%. In a modest offset, the United Kingdom's FTSE 100 grew by 1.3%.

Given the heightened uncertainty in the market, investors increased their holdings of relatively "safe" US dollar denominated assets, elevating demand for the currency. In particular, the US dollar strengthened against the British Pound, by 4.6% to £0.6595; the euro, by 4.0% to €0.7659 and the Swiss Franc, by 2.9% to CHF0.9367. In addition, the US dollar firmed vis-à-vis the Canadian dollar, by 3.4% to CDN\$1.0307. The US dollar also rose by 0.9% against the Japanese Yen to ¥92.56 and stabilized at CNY6.2211 vis-à-vis the Chinese Yuan.

3. Domestic Monetary Trends

February 2013 vs. 2012

Monetary developments during the month of February featured contractions in both liquidity and external reserves, reflecting heightened demand for foreign currency to facilitate current payments, amid modest new receipts from real sector activities. Excess reserves declined by \$90.1 million to \$322.4 million, outpacing last year's \$17.8 million reduction, as banks utilised cash balances to increase their holdings of short-term Government securities. As a consequence, the broader excess liquid assets were lower by a more modest \$4.1 million, although reversing the prior year's \$10.4 million expansion.

External reserves contracted by \$35.0 million to \$755.0 million, a turnaround from a \$16.1 million gain in 2012, reflecting the Bank's net foreign currency sale of \$35.7 million vis-à-vis a year-earlier net purchase of \$12.8 million. To accommodate the public's demand for foreign exchange, the Bank made a \$9.9 million net sale to commercial banks, in contrast to last year's \$26.9 million net purchase. Further, the net foreign currency sale to the public sector was higher by \$11.7 million at \$25.9 million.

Government's borrowings were the sole factor behind the \$29.2 million boost in Bahamian dollar credit, which more than doubled last year's \$14.2 million gain. The hike in net claims on the Government was extended to \$55.8 million from \$20.8 million, and took the form of advances and Treasury bills. By contrast, the persistent weakness in consumer demand extended the decline in private sector credit, to \$26.1 million from \$11.2 million in 2012. This outcome reflected broad-based and elevated decreases in the major categories; commercial and 'other' loans fell further by \$18.4 million, and consumer credit and mortgages, by \$6.6 million and \$1.2 million, respectively. Claims on public corporations contracted slightly, by \$0.5 million, a reversal from a \$4.6 million increase a year earlier.

Reflecting an improvement in one entity's loan portfolio, banks' credit quality indicators posed a decrease in February. Total private sector loan arrears contracted by \$27.6 million (2.3%) to \$1,197.7 million, which corresponded to 19.36% of total loans—for a 37 basis point reduction in the ratio. A breakdown of the average age of delinquencies showed that the decline was concentrated in the short-term (31-90 day) segment, which fell by \$29.9 million (8.6%) to \$315.7 million, and narrowed by 46 basis points to 5.10% of total loans. In contrast, non-performing loans—delinquencies exceeding 90 days and on which banks have ceased accruing interest—rose by \$2.4 million (0.3%) to \$882.1 million, with the attendant arrears to loan ratio firming by 9 basis points to 14.26%.

An analysis by loan categories revealed that the improvement in credit quality during the month was led by a \$38.2 million (5.6%) contraction in mortgages, split between decreases in the short-term segment of \$37.8 million (20.3%) and in the non-performing component of \$0.4 million (0.1%). Similarly, consumer loan arrears narrowed by \$9.8 million (3.7%) to \$256.8 million, as 31-90 day delinquencies were reduced by \$7.8 million (8.7%), while non-accrual loans waned by \$1.9 million (1.1%). Conversely, commercial delinquencies rose by \$20.4 million (7.6%) to \$290.2 million, as both the short-term and non-performing components grew by \$15.6 million (22.6%) and \$4.8 million (2.4%), respectively.

Amid the decline in total arrears, banks reduced their total provisions for loan losses by a marginal \$0.2 million (0.1%) to \$392.6 million. As the decrease in total delinquencies outpaced the reduction in provisions, the corresponding ratio of provisions to arrears firmed by 72 basis points to 32.78%, while the attendant non-performing ratio softened by 15 basis points to 44.51%. Banks wrote-off an estimated \$6.4 million in overdue loans in February, and had loan recoveries of approximately \$2.0 million.

Domestic foreign currency credit contracted by \$21.5 million in February, a reversal from a \$29.1 million build-up a year earlier. This outturn reflected a \$20.3 million decrease in private sector credit, in contrast to the previous year's \$29.8 million growth, as a local utility reduced outstanding liabilities. Similarly, net claims on the Government fell slightly by \$0.4 million vis-à-vis a marginal \$0.1 million uptick in 2012 and foreign currency claims on the rest of the public sector fell by \$0.8 million, which was in line with the prior year's contraction.

In contrast to 2012's \$18.7 million build-up, total Bahamian dollar deposits fell by \$16.6 million over February. Demand deposits contracted by \$25.2 million, a turnaround from growth of \$13.1 million last year, whereas fixed balances recovered by \$4.1 million from the year-earlier drop of \$1.8 million. Growth in savings deposits was lower at \$4.5 million, from \$7.3 million in 2012.

In interest rate developments, the weighted average deposit rate at banks firmed by 27 basis points to 2.15%, with the highest rate of 5.50% offered on fixed balances of over 6-12 months. Similarly, the weighted average loan rate rose slightly by 8 basis points to 10.70%.

4. Outlook and Policy Implications

Expectations are that the mild pace of the domestic recovery will be sustained over the remainder of the year. Overall tourism output is also projected to remain positive, despite the weakness in occupancy levels over the first two months, supported by improving growth fundamentals in the key United States market, alongside the joint public/private sector incentive programmes. Foreign investment-led projects will continue to add to the domestic capital stock, but the incremental growth from this and other real sector activities are unlikely to bring about any major near-term improvement in employment conditions. In terms of prices, domestic inflation should remain subdued, despite the volatility in international oil prices.

In the fiscal sector, containing the deterioration in the overall deficit is directly dependent on the strength and durability of the domestic recovery, as well as the effectiveness of Government's announced measures in enhancing revenue administration, widening the tax base and curtailing spending.

The near-term monetary sector outturn will continue to feature above trend bank liquidity levels, as private sector demand is likely to remain constrained by the mild economic growth momentum, and commercial banks' conservative lending practises, and the high consumer indebtedness. External reserves are expected to remain at comfortable levels—above international benchmarks—although demand for foreign currency to facilitate import payments is likely to lead to some erosion in balances over the year. With employment and business conditions expected to remain challenging, banking sector loan arrears are poised to stay elevated in the near-term. Nonetheless, banks are forecasted to maintain capital levels above the Central Bank's requirements, thereby minimising risks to financial stability.

Recent Monetary and Credit Statistics

(B\$ Millions)

FEBRUARY						
Value		Change		Change YTD		
2012	2013	2012	2013	2012	2013	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	427.35	322.36	-17.83	-90.12	-7.51	-127.66
1.2 Excess Liquid Assets	912.03	951.27	10.38	-4.06	14.88	-20.21
1.3 External Reserves	903.61	754.98	16.05	-34.98	11.62	-57.13
1.4 Bank's Net Foreign Assets	-586.96	-547.02	-13.29	54.27	22.09	74.77
1.5 Usable Reserves	457.37	354.61	22.84	4.35	18.67	6.32

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,634.07	6,543.76	18.57	-46.37	19.70	-72.60
a. B\$ Credit	6,250.44	6,170.98	-11.19	-26.08	-9.70	-49.49
of which: Consumer Credit	2,133.92	2,103.51	-3.78	-6.58	-12.73	-17.33
Mortgages	3,091.46	3,097.53	-0.34	-1.15	4.86	-5.53
Commercial and Other Loans B\$	1,025.05	969.94	-7.07	-18.35	-1.83	-26.63
b. F/C Credit	383.63	372.77	29.77	-20.29	29.41	-23.11
of which: Mortgages	129.84	146.12	1.01	1.64	0.69	1.38
Commercial and Other Loans F/C	253.79	226.65	28.76	-21.93	28.71	-24.49
2.2 Central Government (net)	1,485.11	1,713.56	20.88	55.38	48.12	120.16
a. B\$ Loans & Securities	1,617.95	1,837.50	30.45	58.50	53.61	120.77
Less Deposits	131.83	122.71	9.68	2.72	6.20	0.59
b. F/C Loans & Securities	0.00	0.00	0.00	0.00	0.00	0.00
Less Deposits	1.01	1.24	-0.11	0.40	-0.71	0.02
2.3 Rest of Public Sector	416.41	398.48	3.83	-1.27	8.86	-8.57
a. B\$ Credit	116.47	114.05	4.63	-0.49	13.05	-4.80
b. F/C Credit	299.94	284.43	-0.80	-0.78	-4.19	-3.77
2.4 Total Domestic Credit	8,535.63	8,655.80	43.30	7.75	76.71	38.44
a. B\$ Domestic Credit	7,853.08	7,999.84	14.23	29.22	50.79	65.33
b. F/C Domestic Credit	682.56	655.97	29.08	-21.47	25.93	-26.89

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,287.27	1,335.38	13.14	-25.15	51.95	-22.58
a. Central Bank	10.24	14.70	4.16	9.27	2.02	2.62
b. Banks	1,277.03	1,320.67	8.98	-34.41	49.94	-25.20
3.2 Savings Deposits	1,062.71	1,076.61	7.33	4.47	-3.30	8.93
3.3 Fixed Deposits	3,592.61	3,441.12	-1.78	4.12	-14.18	18.92
3.4 Total B\$ Deposits	5,942.59	5,853.10	18.69	-16.55	34.47	5.27
3.5 F/C Deposits of Residents	241.49	264.75	22.53	26.22	48.62	41.61
3.6 M2	6,121.66	6,052.23	12.64	-13.78	15.25	-0.76
3.7 External Reserves/M2 (%)	14.76	12.47	0.23	-0.55	0.15	-0.94
3.8 Reserves/Base Money (%)	105.38	98.04	4.66	5.83	4.49	8.11
3.9 External Reserves/Demand Liabilities (%)	101.25	94.29	3.29	4.46	2.86	6.74
	Value		Year to Date		Change	
	2012	2013	2012	2013	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	12.78	-35.73	7.49	-59.08	-48.51	-66.57
a. Net Purchase/(Sale) from/to Banks	26.91	-9.87	56.46	-17.16	-36.78	-73.61
i. Sales to Banks	5.05	32.55	14.33	79.78	27.50	65.45
ii. Purchases from Banks	31.96	22.68	70.78	62.62	-9.28	-8.16
b. Net Purchase/(Sale) from/to Others	-14.13	-25.86	-48.97	-41.93	-11.73	7.05
i. Sales to Others	46.10	42.98	107.14	83.53	-3.13	-23.61
ii. Purchases from Others	31.98	17.12	58.17	41.60	-14.86	-16.56
4.2 Banks Net Purchase/(Sale)	15.43	-5.93	57.94	-17.04	-21.36	-74.98
a. Sales to Customers	277.43	322.90	602.37	625.99	45.46	23.62
b. Purchases from Customers	292.86	316.97	660.31	608.95	24.11	-51.36
4.3 B\$ Position (change)	-4.13	-9.73				

5.0 EXCHANGE CONTROL SALES

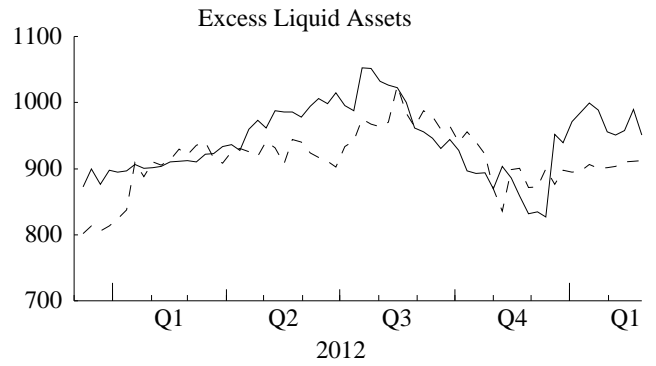
5.1 Current Items	250.51	ND	446.86	ND	ND	ND
of which Public Sector	1.02	ND	1.02	ND	ND	ND
a. Nonoil Imports	115.37	ND	209.22	ND	ND	ND
b. Oil Imports	37.97	ND	64.45	ND	ND	ND
c. Travel	14.35	ND	26.89	ND	ND	ND
d. Factor Income	2.15	ND	2.59	ND	ND	ND
e. Transfers	7.67	ND	13.22	ND	ND	ND
f. Other Current Items	73.00	ND	130.48	ND	ND	ND
5.2 Capital Items	8.78	ND	15.16	ND	ND	ND
of which Public Sector	2.20	ND	3.82	ND	ND	ND
5.3 Bank Remittances	0.00	ND	0.00	ND	ND	ND

SELECTED MONEY AND CREDIT INDICATORS

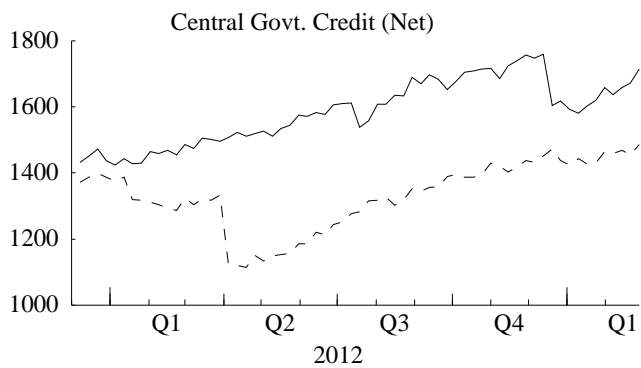
(B\$ Millions)



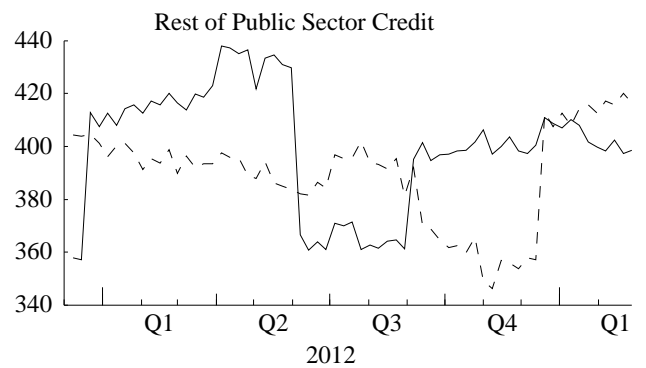
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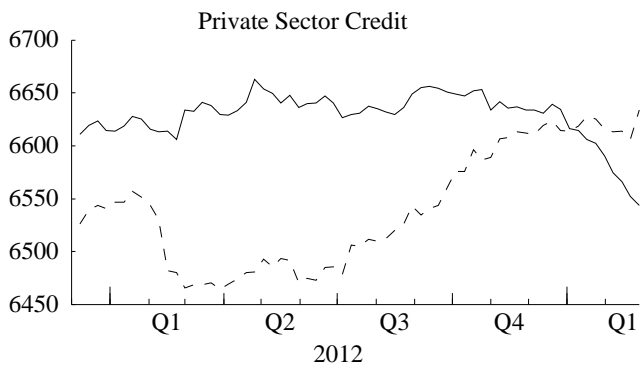
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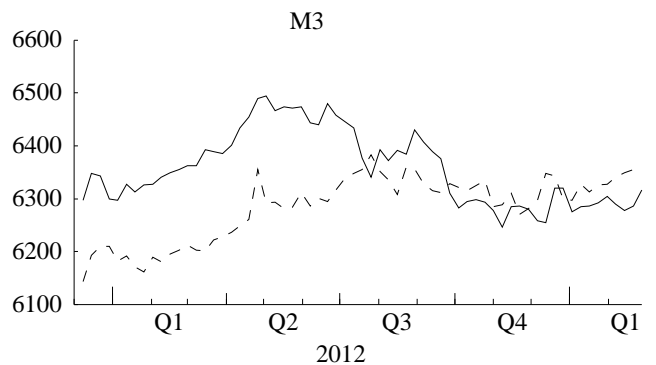
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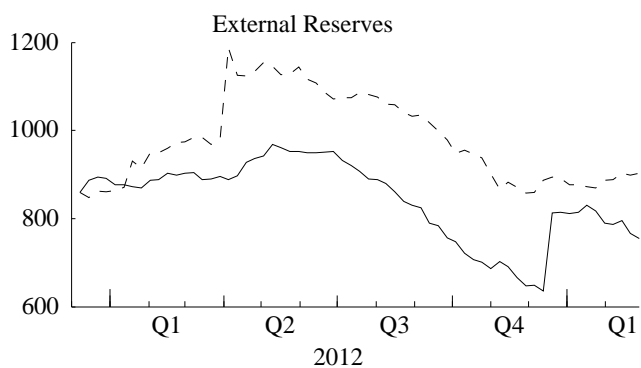
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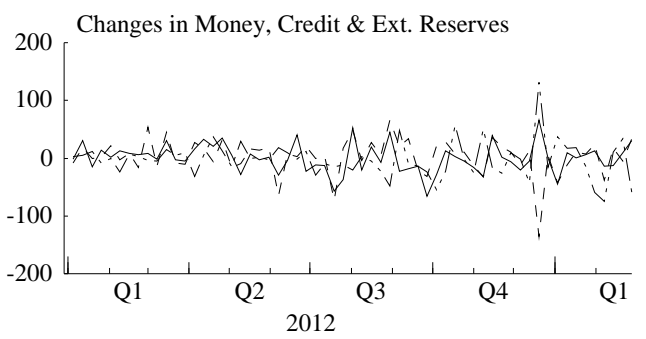
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— M3
- - - Domestic Credit
- · - · External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2012	2013	2012	2013	2012	2013
Bahamas	3.2	3.9	2.0	2.0	14.0	N/A
United States	2.3	2.0	2.0	1.8	8.2	8.1
Euro-Area	-0.4	-0.2	2.3	1.6	11.2	11.5
<i>Germany</i>	<i>0.9</i>	<i>0.6</i>	<i>2.2</i>	<i>1.9</i>	<i>5.2</i>	<i>5.3</i>
Japan	2.0	1.2	0.0	-0.2	4.5	4.4
China	7.8	8.2	3.0	3.0	4.1	4.1
United Kingdom	-0.2	1.0	2.7	1.9	8.1	8.1
Canada	2.0	1.8	1.8	2.0	7.3	7.3

Source: IMF World Economic Outlook October 2012, IMF World Economic Outlook Update, January 2013

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
January 2011	5.25	1.00	0.75	0-0.25	0.50
February 2011	5.25	1.00	0.75	0-0.25	0.50
March 2011	5.25	1.00	0.75	0-0.25	0.50
April 2011	5.25	1.25	0.75	0-0.25	0.50
May 2011	5.25	1.25	0.75	0-0.25	0.50
June 2011	4.50	1.25	0.75	0-0.25	0.50
July 2011	4.50	1.50	0.75	0-0.25	0.50
August 2011	4.50	1.50	0.75	0-0.25	0.50
September 2011	4.50	1.50	0.75	0-0.25	0.50
October 2011	4.50	1.50	0.75	0-0.25	0.50
November 2011	4.50	1.25	0.75	0-0.25	0.50
December 2011	4.50	1.00	0.75	0-0.25	0.50
January 2012	4.50	1.00	0.75	0-0.25	0.50
February 2012	4.50	1.00	0.75	0-0.25	0.50
March 2012	4.50	1.00	0.75	0-0.25	0.50
April 2012	4.50	1.00	0.75	0-0.25	0.50
May 2012	4.50	1.00	0.75	0-0.25	0.50
June 2012	4.50	1.00	0.75	0-0.25	0.50
July 2012	4.50	0.75	0.75	0-0.25	0.50
August 2012	4.50	0.75	0.75	0-0.25	0.50
September 2012	4.50	0.75	0.75	0-0.25	0.50
October 2012	4.50	0.75	0.75	0-0.25	0.50
November 2012	4.50	0.75	0.75	0-0.25	0.50
December 2012	4.50	0.75	0.75	0-0.25	0.50
January 2013	4.50	0.75	0.75	0-0.25	0.50
February 2013	4.50	0.75	0.75	0-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Feb-12	Jan-13	Feb-13	Mthly % Change	YTD % Change	12-Mth % Change
Euro	0.7505	0.7365	0.7659	3.99	1.04	2.06
Yen	81.15	91.72	92.56	0.92	6.70	14.06
Pound	0.6284	0.6306	0.6595	4.58	7.15	4.94
Canadian \$	0.9900	0.9972	1.0307	3.36	3.88	4.11
Swiss Franc	0.9044	0.9101	0.9367	2.92	2.30	3.57
Renminbi	6.2959	6.2188	6.2211	0.04	-0.17	-1.19

Source: Bloomberg as of February 28, 2013

D. Selected Commodity Prices (\$)					
Commodity	February 2012	January 2013	February 2013	Mthly % Change	YTD % Change
Gold / Ounce	1696.76	1663.70	1579.61	-5.05	-5.71
Silver / Ounce	34.68	31.46	28.54	-9.28	-5.94
Oil / Barrel	123.16	114.93	112.72	-1.92	1.90

Source: Bloomberg as of February 28, 2013

E. Equity Market Valuations – February 28, 2013 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	2.13	1.40	1.39	1.34	-0.26	-0.44	3.78	-0.83
3 month	4.70	7.90	6.44	8.42	4.66	4.54	22.37	19.47
YTD	2.30	7.25	5.69	7.85	2.25	1.70	11.20	4.25
12-month	6.64	8.51	10.38	8.33	7.84	12.92	18.88	-2.59

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.18	0.41	0.02
1 Month	0.17	0.40	0.04
3 Month	0.26	0.44	0.05
6 Month	0.51	0.54	0.17
9 Month	0.65	0.65	0.28
1 year	0.76	0.80	0.38

Source: Bloomberg as of February 28, 2013

SUMMARY ACCOUNTS OF THE CENTRAL BANK
(B\$ Millions)

	VALUE												CHANGE											
	Jan. 02	Jan. 09	Jan. 16	Jan. 23	Jan. 30	Feb. 06	Feb. 13	Feb. 20	Feb. 27	Jan. 02	Jan. 09	Jan. 16	Jan. 23	Jan. 30	Feb. 06	Feb. 13	Feb. 20	Feb. 27						
I. External Reserves	812.11	815.60	831.62	818.50	789.95	786.90	796.53	767.05	754.98	-3.48	3.49	16.02	-13.12	-28.55	-3.06	9.63	-29.48	-12.07						
II. Net Domestic Assets (A + B + C + D)	-114.02	-100.56	-97.94	-98.86	-129.42	-199.95	-199.44	-136.20	-183.79	37.62	13.47	2.62	-0.92	-30.56	-70.54	0.51	63.24	-47.59						
A. Net Credit to Gov't (i + ii + iii - iv)	395.33	391.83	394.69	394.57	366.57	297.88	300.10	355.52	324.91	8.55	-3.50	2.86	-0.12	-28.00	-68.69	2.22	55.43	-30.61						
i) Advances	105.66	105.66	105.66	105.66	105.66	105.66	105.66	105.66	105.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	169.49	169.20	169.10	169.05	168.99	168.80	168.71	168.72	168.73	0.99	-0.29	-0.10	-0.05	-0.07	-0.18	-0.10	0.02	0.01						
iii) Treasury Bills	129.69	129.69	129.69	129.69	105.19	37.01	37.01	91.97	61.98	0.00	0.00	0.00	0.00	-24.50	-68.18	0.00	54.96	-29.99						
iv) Deposits	9.50	12.71	9.76	9.82	13.26	13.59	11.27	10.83	11.46	-7.56	3.21	-2.96	0.07	3.43	0.33	-2.31	-0.45	0.63						
B. Rest of Public Sector (Net) (i + ii - iii)	-7.33	-8.14	-9.68	-0.73	-0.68	-7.99	-12.47	-2.92	-9.95	-3.37	-0.80	-1.55	8.95	0.05	-7.31	-4.48	9.55	-7.03						
i) BDB Loans	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	12.08	12.89	14.43	5.48	5.43	12.74	17.22	7.67	14.70	3.37	0.80	1.55	-8.95	-0.05	7.31	4.48	-9.55	7.03						
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)*	-502.03	-484.25	-482.95	-492.70	-495.30	-489.84	-487.06	-488.81	-498.75	32.45	17.78	1.31	-9.75	-2.61	5.46	2.78	-1.74	-9.95						
III. Monetary Base	698.08	715.04	733.69	719.64	660.54	586.94	597.09	630.85	571.19	34.14	16.96	18.64	-14.04	-59.11	-73.60	10.15	33.76	-59.66						
A. Currency in Circulation	128.76	125.93	110.01	107.11	97.13	103.45	101.82	99.93	95.13	35.44	-2.83	-15.93	-2.89	-9.98	6.31	-1.62	-1.90	-4.79						
B. Bank Balances with CBOB	569.32	589.11	623.68	612.53	563.40	483.49	495.27	530.92	476.05	-1.30	19.79	34.57	-11.15	-49.13	-79.91	11.77	35.66	-54.87						

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

FISCAL/REAL SECTOR INDICATORS

(\$5 MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE		
	2012	2013	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2013	2012	
Fiscal Operations:																											
1. Government Revenue & Grants	94.9	107.3	93.4	97.1	96.3	92.5	82.0	94.6	122.1	117.5	228.1	155.8	121.2	123.1													
% change	-42.45%	-8.83%	-1.64%	-5.50%	3.12%	-4.74%	-14.87%	2.36%	48.93%	24.16%	86.86%	32.61%	-46.86%	-21.01%													
2. Import/Excise Duties	44.0	50.4	44.9	48.2	54.8	47.8	43.3	50.4	53.7	48.7	135.2	45.8	48.2	51.8													
% change	-56.71%	-3.11%	2.66%	-4.35%	22.09%	-0.89%	-20.87%	5.57%	23.95%	-3.45%	151.64%	-5.95%	-64.34%	13.21%													
3. Recurrent Expenditure	111.4	117.4	110.3	123.5	123.8	128.7	124.9	123.2	133.0	130.5	108.5	122.3	128.7	143.4													
% change	-49.83%	-45.90%	-0.98%	5.25%	12.24%	4.19%	0.85%	-4.25%	6.53%	5.93%	-18.41%	-6.28%	17.34%														
4. Capital Expenditure	3.7	13.8	12.2	25.3	9.8	23.2	18.3	8.3	16.5	14.5	39.3	30.1	14.9	23.7													
% change	-92.34%	-72.25%	224.55%	83.21%	-19.60%	-8.24%	87.51%	-64.42%	-9.83%	75.14%	137.77%	108.14%	-62.19%	-21.21%													
5. Deficit/Surplus*	-20.8	-24.5	-33.8	-57.1	-40.3	-62.8	-68.9	-45.5	13.2	-30.9	-12.7	-45.2	25.0	-47.0													
% change	-84.40%	-84.15%	62.81%	133.43%	19.15%	9.98%	71.00%	-27.45%	-119.19%	-32.09%	-196.29%	-46.23%	96.09%	4.02%													

	2012	2013
837.9		787.9
9.65%		-5.96%
424.1		343.1
32.97%		-19.11%
840.6		889.1
3.87%		5.77%
114.7		138.8
21.80%		20.99%
-188.3		-313.1
11.88%		66.28%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC			
	2012	2013	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012		
6. Total Debt	3,804.5	4,364.5																								
% change	2.3%	-0.7%																								
7. External Debt	788.4	1,037.2																								
% change	9.7%	0.0%																								
8. Internal F/C Debt	0.0	0.0																								
% change																										
9. Bahamian Dollar Debt	3,006.1	3,327.3																								
% change	2.9%	-0.9%																								
10. Total Amortization	0.3	30.2																								
% change	2677.4%	-58.2%																								
11. Total Public Sector F/C Debt	1,450.1	1,862.4																								
% change	3.0%	0.0%																								

* Includes Net Lending to Public Corporations

** Debt figures pertain to central government only unless otherwise indicated
p - provisional