

Monthly Economic and Financial Developments October 2012

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:

2012: December 24.

Monthly Economic and Financial Developments (October 2012)

1. Domestic Economic Developments

Domestic economic activity continued to benefit from mildly positive developments in the tourism and construction sectors; however, the narrow base limited improvements in general employment conditions and the debt profile of the private sector. Price developments remained relatively benign over the twelve-months to August, while the fiscal situation moved further into deficit during the first quarter of FY2012/13, as capital spending-led growth in total expenditure outpaced gains in aggregate revenue. In the monetary sector, bank liquidity contracted in October, in line with seasonal increases in demand for foreign exchange and other current payments, which correspondingly led to a contraction in external reserves.

Preliminary data for the nine months to September showed total visitor arrivals improving by 8.4% to 4.5 million, with the high value-added air segment higher by 9.3% at 1.1 million, and sea traffic, by 8.1% to 3.4 million. By first port of entry, arrivals to New Providence gained 11.8% to number 2.4 million, reflecting robust expansions in both sea and air visitors, by 12.5% and 10.6%, respectively. A similar outcome was registered in the Family Islands, where the 6.6% hike in visitors, to 1.4 million, was occasioned by improvements in both sea (7.2%) and air (1.8%) traffic. More muted growth was evident in arrivals to Grand Bahama, of 0.7% to 0.6 million, as the 0.9% contraction in the dominant sea segment offset the 12.9% upturn in the air component.

Anecdotal information suggests that the impact of the hurricane on hotel performance indicators in October was relatively mild and temporary, as the majority of properties were unaffected by the severe weather conditions, and all of the main ports reopened relatively quickly after the storm had passed.

Inflation for the twelve-months to August—as measured by the Bahamas Retail Price Index—firmed by 8 basis points to 2.63%, as average costs increased for housing, water, gas, electricity & other fuels—the largest component in the Index—by 3.23%. Significant price gains were also noted for transport (3.87%), furnishings, household equipment & maintenance (3.54%), food & non-alcoholic beverages (3.17%), education (2.51%) and restaurant & hotels (2.42%). However, the majority of the other categories recorded average increases of under 2.0%, with the exception of communication costs, which declined by 0.18%.

Reflecting the general uptrend in international crude oil prices, average domestic energy costs increased in October, as both gasoline and diesel prices rose by 5.3% and 3.7% over the month, and by 14.0% and 7.0% year-on-year to \$5.79 and \$5.36 per gallon, respectively. In addition, the Bahamas Electricity Corporation's fuel charge moved higher by 4.8%, month-on-month, to 27.25¢ per kilowatt hour (kWh), and relative to the same period in the previous year, the price advanced by 19.8%.

Preliminary data on Government's budgetary operations for the first three months of FY2012/13 showed a deterioration in the overall deficit, by over 50% (\$49.4 million) to \$144.3 million, as aggregate expenditure growth of \$61.6 million (16.2%) to \$441.1 million outweighed the \$12.3 million (4.3%) increase in total revenue to \$296.8 million. On the spending side, current outlays rose by \$24.0 million (7.0%) to \$369.6 million, led by an \$11.8 million rise in personal emoluments, along with an \$8.3 million (6.5%) gain in transfer payments. Capital expenditure more than doubled to \$62.3 million from \$25.7 million, linked to increases in outlays for infrastructure projects, while net lending to support the operations of public entities was modestly up by \$1.0 million to \$9.2 million. In terms of revenue, tax receipts grew by \$13.4 million (5.2%) to \$272.7 million, supported by a \$9.2 million (39.8%) timing-related rise in departure tax collections, and with more muted growth in miscellaneous and trade-related taxes, of \$4.1 million (34.2%) and \$3.3 million (2.2%), respectively. Non-tax collections, however, were lower by \$1.1 million (4.4%) at \$24.1 million, due mainly to a \$3.3 million (14.0%) falloff in fines, forfeits & administrative fees, which overshadowed the \$1.5 million increase in income receipts to \$2.9 million.

2. International Developments

During the review period, the extended euro zone debt crisis continued to exert a drag on the global economy, while the severe weather conditions caused by Hurricane Sandy adversely affected key service sectors on the east coast of the United States. In this environment, labour market conditions remained weak, and the major central banks either maintained or increased their accommodative monetary policy posture, in an effort to stimulate growth.

Economic conditions in the United States were subdued during the month of October, as industrial production and retail sales fell by 0.4% and 0.3%, in contrast to gains of 0.2% and 1.3%, respectively, in the previous month. Leading indicators of housing market activity were mixed, with residential starts and completions rising by 3.6% and 14.5% on a monthly basis, but the more forward looking building permits fell by 2.7%. Conditions in the job market remained challenging, as a slight uptick in the labour force negated a 171,000 rise in nonfarm payrolls, for a relatively unchanged unemployment rate of 7.9%. Consumer price inflation rose by 20 basis points to 2.2%, owing mainly to higher costs for energy. In the external sector, the goods and services trade deficit contracted to \$41.5 billion in September from \$43.8 billion in the prior month, as a \$5.6 billion expansion in exports eclipsed the \$3.4 billion advance in imports. Given the softness in the economy, the Federal Reserve maintained its "quantitative easing" measures, and retained the key interest rate within the 0.0%-0.25% range.

European economies remained mired in an environment of weak consumer demand and declining production over the review period, particularly in the southern states where harsh austerity measures led to prolonged recessions. Contrary to these trends, the United Kingdom's economy expanded by 1.0% in the third quarter, buoyed by increased activity associated with hosting the Olympics in August. The most significant expansions were noted in the services industry, which grew by 1.3%, and both the production and manufacturing sectors rose by 0.9%. Consumer price inflation was elevated to 2.7% in October from 2.2% in September, mainly on account of higher education costs; however, the jobless rate narrowed by 0.2 of a percentage point to 7.8% in the three months to September, as the number of unemployed persons declined by 49,000. In the external sector, the trade deficit decreased by £1.6 billion to £8.5 billion during the third quarter of the year, in comparison to the previous three-month period, supported by a 4.1% expansion in

goods exports and a 0.3% contraction in imports. In light of the relatively weak economic conditions, the Bank of England left the size of its asset purchase programme at £375 billion and the official bank rate at a historic low of 0.5%.

With several economies in deep recession, real GDP in the euro area contracted by 0.1% in the third quarter, after decreasing by 0.2% in the prior three months. Reflecting the challenging environment, industrial output and retail sales fell by 2.5% and 0.2% in September, in contrast to gains of 0.9% and 0.2% a month earlier. The unemployment rate firmed by 10 basis points to a high of 11.6%, with several economies recording double digit jobless rates, while inflation softened by 0.1 of a percentage point to 2.5% in October. On the external side, the monthly trade surplus strengthened by €4.6 billion to €9.8 billion in September, owing to a €2.4 billion increase in exports and a €2.1 billion reduction in imports. With inflation remaining relatively benign, the European Central Bank decided to keep its key interest rates unchanged.

During October, Asian economies' growth momentum continued to evidence some slowing from the robust rates achieved in prior periods. In China, the economic momentum maintained real output growth at some 7.7% in the third quarter, with higher growth in industrial output of 9.6% year-on-year in October, and retail sales strengthening by 14.5%, following September's 14.2% expansion. The country's trade surplus widened by 15.6% to US\$32.0 billion in October, supported by an 11.6% expansion in exports, which outpaced a 2.4% increase in imports. Inflation narrowed slightly to an annualized 1.7% from 1.9% in September, reflecting a decline in meat, poultry and related products costs. Faced with relatively low inflation, the People's Bank of China maintained its accommodative monetary policy stance to support the growth momentum.

Japan's economy remained lacklustre over the review period, with GDP contracting by 0.9% in the third quarter, a turnaround from the previous quarter's slight 0.1% growth. The fall-off in industrial output was extended to 4.1% in September, from 1.3% a month earlier, and growth in retail sales declined by 0.4% after a 1.7% increase in August. Reflecting higher costs for clothing and footwear, consumer prices rose marginally by 0.1% in September, while the jobless rate stabilised at 4.2%. In the external sector, the trade deficit almost doubled to ¥561.7 billion year-on-year, as the recent territorial dispute with China, combined with weakness in key European markets, led to a 3.0% decline in exports, and increased purchases of fuel for energy generation contributed to a 4.1% gain in imports. In this environment, the Bank of Japan continued to loosen monetary policy—increasing the size of its asset-purchase programme by ¥11 trillion to ¥91 trillion in October.

Oil prices fell by 1.9% in October to \$109.40 per barrel, amid heightened concerns regarding global growth prospects, and as OPEC held its crude oil production relatively steady at 31.0 million barrels per day. In terms of precious metals, the price of gold fell by 2.9% to \$1,720.65 per troy ounce, and silver costs retreated by 6.5% to \$32.24 per troy ounce.

Stock market developments were mixed over the review month, as investors remained cautious ahead of elections in the United States. As a consequence, both the Dow Jones Industrial Average (DJIA) and the S&P 500 Indices decreased by 2.5% and 1.9%, respectively. In contrast, European bourses registered broad-based improvements, with France's CAC 40, the United Kingdom's FTSE 100 and Germany's DAX rising by 2.2%, 0.7%, and 0.6%, respectively. In Asia, Japan's Nikkei 225 index grew by 0.7%; however, China's SE Composite fell by 0.8%.

In the foreign currency market, the performance of the US dollar was mixed. The dollar declined against the Swiss Franc, by 0.9% to CHF0.9315, and by 0.8% vis-à-vis both the euro and the Chinese Yuan, to €0.7716 and CNY6.2372, respectively. In contrast, the dollar strengthened relative to the Japanese Yen (2.4% to ¥79.77), the Canadian dollar (1.6% to CND\$0.9995) and the British pound (0.2% to £0.6200).

3. Domestic Monetary Trends

October 2012 vs. 2011

Money and credit trends for the month of October featured a contraction in liquidity, mainly in line with the seasonal increases in demand. Both excess reserves and excess liquid assets decreased by \$46.4 million and \$74.5 million, respectively, although below last year's corresponding reductions of \$99.1 million and \$95.1 million.

The contraction in external reserves—net of a significant financial transaction—of \$68.9 million to \$687.7 million, was slightly below the \$77.4 million of last year, and continued to be dominated by public sector demand for foreign currency to meet oil payments. Of the \$74.3 million in net sales by the Central Bank, approximately \$51.9 million (69.9%) was channelled to the public sector. The Bank's net sale to commercial banks at \$22.4 million was some \$16.2 million below the 2011 level, as their net sale to customers was also reduced by \$19.2 million to \$21.3 million.

Occasioned mainly by increased lending to the Government, total Bahamian dollar credit grew by \$55.2 million (0.7%), following a gain of \$62.4 million a year earlier. Specifically, the system's net claims on the Government was higher by \$62.6 million (3.8%), exceeding 2011's \$42.2 million expansion, and was buoyed by a rise in short-term bank advances. Credit to the rest of the public sector also rose by \$10.0 million (9.3%), a turnaround from a repayment of \$1.9 million in 2011. Private sector credit trends continued to reflect the weakness in economic activity and the high unemployment situation, which have exerted a dampening impact on domestic demand. Credit to the sector contracted by \$17.4 million (0.3%), in comparison to the prior year's \$21.8 million expansion which was largely earmarked for commercial activities, and with all the major segments registering declines. Mortgage and consumer lending was lower by \$9.7 million and \$7.1 million, respectively, extending the year-earlier reductions of \$5.2 million and \$3.7 million. Commercial and other loans fell by \$0.6 million, in comparison to a \$30.7 million gain in 2011, linked to borrowings by a local port company.

A disaggregation of consumer lending for the month of September—the latest available data—revealed net decreases in outstanding loans for land purchases (\$2.5 million), debt consolidation (\$1.1 million), and furniture/domestic appliances (\$0.8 million). In a modest offset, lending for miscellaneous purposes rose by \$3.9 million, and travel and private car credit was up by \$0.7 million each.

Banks' credit quality indicators deteriorated in October, although not broadly based across institutions. Total private sector delinquencies rose by \$48.6 million (4.2%) to \$1,211.4 million and by 83 basis points to 19.4% of total private sector loans. Much of this was concentrated in short-term (31-90 day) arrears, which advanced by \$47.9 million (14.7%) to \$373.7 million, elevating the corresponding ratio to total loans, by 78 basis points to 6.0%. Non-performing loans—arrears in

excess of 90 days and on which banks have stopped accruing interest—increased slightly by \$0.7 million (0.1%) to \$837.7 million, with the attendant loan ratio up by 5 basis points to 13.4%.

A breakdown of the components showed that the deterioration in delinquencies was led by a \$37.3 million (5.7%) expansion in mortgage arrears to \$697.3 million, as the short-term category grew by \$29.8 million (16.7%), while the non-performing component rose by \$7.5 million (1.6%). Consumer arrears were higher by \$23.8 million (9.3%) at \$280.9 million; attributed to a \$15.1 million (16.4%) advance in the 31-90 day segment, while arrears in excess of 90 days firmed by \$8.7 million (5.3%). In contrast, commercial loan arrears improved by \$12.6 million (5.1%) to \$233.2 million, as a \$15.6 million (8.2%) reduction in the non-accrual segment outweighed the \$3.0 million (5.4%) rise in short-term delinquencies.

Given the rise in arrears, banks increased their total provisions for loan losses by \$19.9 million (5.8%) to \$364.5 million, elevating the ratio of provisions to total delinquencies and non-accrual loans, by 0.5 of a percentage point and 2.3 percentage points, to 30.1% and 43.5%, respectively. Further, banks wrote-off an estimated \$36.0 million in bad debts and recovered approximately \$5.3 million.

In October, total domestic foreign currency credit was virtually unchanged at \$704.1 million, following an \$8.0 million contraction in 2011. Claims on the public corporations fell by a mere \$0.5 million, after a \$13.6 million decline a year ago, while net credit to the Government grew marginally by \$0.4 million, to reverse the prior year's \$0.9 million net repayment. In addition, accretions to private sector claims slowed by \$6.5 million to \$0.1 million, as growth in commercial loans tapered to \$0.3 million from \$6.5 million.

The reduction in total Bahamian dollar deposits moderated by \$5.4 million to \$39.2 million in 2011, as the contraction in fixed deposits slowed to \$9.8 million from \$30.7 million last year. In contrast, the decline in savings deposits more than doubled to \$25.8 million from \$10.5 million, and the fall-off in demand deposits stabilized at \$3.6 million.

In interest rate developments, the weighted average deposit rate at banks softened by 1 basis point to 1.83%, with the highest rate of 5.25% offered on fixed balances of over 12 months. Similarly, the weighted average loan rate narrowed by 2 basis points to 10.88%.

4. Outlook and Policy Implications

Expectations are that the modest growth in economic output noted over the year will be sustained into 2013, although significant headwinds persist, amid the potential adverse effects of the United States Government's fiscal consolidation efforts on its economy and the general malaise in global economic conditions. Mild growth impulses will continue to be derived from the steady gains in tourism and foreign investment related construction activity; however, the narrowness in the recovery is likely to limit any near-term improvements in employment conditions. Consumer price inflation is expected to remain subdued, but exhibit some volatility arising from the impact of movements in crude oil prices on domestic fuel costs.

The outlook for the fiscal sector over the near-term continues to be constrained by the mildness of the domestic recovery, which has direct implications for revenue performance. This scenario could

improve, to the extent that the Government is able to implement measures to enhance revenue collections and curtail expenditure growth.

In the monetary sector, liquidity is poised to remain relatively buoyant, given the weakness in private sector demand. However, should foreign currency inflows from the productive sectors remain subdued, the steady demand for foreign currency by the public sector—dominated by oil payments—will exert further downward pressure on external reserves. Banks' loan arrears are projected to stay elevated until economic growth becomes more broad-based, although not posing any immediate risks to financial stability because of their high levels of capital.

Recent Monetary and Credit Statistics

(B\$ Millions)

OCTOBER						
Value		Change		Change YTD		
2011	2012*	2011	2012	2011	2012	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	428.95	323.42	-99.05	-46.44	39.46	-111.44
1.2 Excess Liquid Assets	869.16	869.49	-95.10	-74.48	55.64	-27.67
1.3 External Reserves	901.33	687.70	-77.43	-68.94	40.28	-204.29
1.4 Bank's Net Foreign Assets	-549.64	-626.18	6.52	1.19	140.12	-17.14
1.5 Usable Reserves	450.38	288.04	-40.08	-48.92	15.98	-151.94

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,589.38	6,633.72	28.45	-17.34	48.73	19.35
a. B\$ Credit	6,229.69	6,218.22	21.84	-17.43	83.88	-41.92
of which: Consumer Credit	2,124.63	2,113.52	-3.68	-7.13	-12.41	-33.14
Mortgages	3,077.94	3,101.08	-5.18	-9.74	17.14	14.48
Commercial and Other Loans B\$	1,027.12	1,003.62	30.71	-0.57	79.16	-23.27
b. F/C Credit	359.69	415.50	6.61	0.09	-35.15	61.27
of which: Mortgages	129.86	144.53	0.09	-0.22	1.25	15.38
Commercial and Other Loans F/C	229.83	270.97	6.51	0.32	-36.40	45.89
2.2 Central Government (net)	1,430.01	1,716.33	41.22	62.99	43.51	279.34
a. B\$ Loans & Securities	1,566.03	1,847.41	48.94	59.28	106.72	283.07
Less Deposits	134.10	130.11	6.72	-3.36	-5.30	4.48
b. F/C Loans & Securities	0.00	0.00	-0.05	0.00	-70.00	0.00
Less Deposits	1.92	0.98	0.96	-0.35	-1.49	-0.74
2.3 Rest of Public Sector	349.19	406.31	-15.51	9.43	-51.93	-1.24
a. B\$ Credit	91.87	116.70	-1.91	9.95	-22.07	13.28
b. F/C Credit	257.32	289.61	-13.60	-0.52	-29.86	-14.52
2.4 Total Domestic Credit	8,368.76	8,756.36	54.38	55.08	40.31	297.44
a. B\$ Domestic Credit	7,753.68	8,052.23	62.37	55.16	173.83	249.94
b. F/C Domestic Credit	615.09	704.13	-8.00	-0.08	-133.52	47.50

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,224.40	1,308.62	-3.44	-3.62	84.73	73.30
a. Central Bank	14.77	9.04	4.21	-0.73	6.77	0.82
b. Banks	1,209.63	1,299.58	-7.65	-2.89	77.95	72.49
3.2 Savings Deposits	1,030.99	1,091.49	-10.48	-25.77	14.92	25.48
3.3 Fixed Deposits	3,637.33	3,437.30	-30.70	-9.77	29.24	-169.49
3.4 Total B\$ Deposits	5,892.72	5,837.41	-44.62	-39.17	128.88	-70.71
3.5 F/C Deposits of Residents	210.53	236.49	-9.34	-2.10	-42.13	43.62
3.6 M2	6,074.44	6,041.40	-34.51	-30.12	116.57	-65.02
3.7 External Reserves/M2 (%)	14.84	11.38	-1.18	-1.08	0.39	-3.22
3.8 Reserves/Base Money (%)	104.18	87.99	1.58	-4.39	0.56	-12.90
3.9 External Reserves/Demand Liabilities (%)	99.67	85.93	-0.29	-4.14	-0.56	-12.45
	Value		Year to Date		Change	
	2011	2012	2011	2012	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-80.06	-74.27	18.42	-219.92	5.79	-238.34
a. Net Purchase/(Sale) from/to Banks	-38.54	-22.35	94.06	120.74	16.19	26.68
i. Sales to Banks	47.86	34.90	296.37	200.05	-12.96	-96.32
ii. Purchases from Banks	9.32	12.55	390.43	320.79	3.23	-69.64
b. Net Purchase/(Sale) from/to Others	-41.52	-51.92	-75.64	-340.66	-10.39	-265.02
i. Sales to Others	100.61	82.80	619.02	611.43	-17.82	-7.59
ii. Purchases from Others	59.09	30.88	543.38	270.77	-28.21	-272.61
4.2 Banks Net Purchase/(Sale)	-40.57	-21.34	113.77	123.49	19.22	9.72
a. Sales to Customers	342.17	307.23	2,998.37	2,931.77	-34.94	-66.61
b. Purchases from Customers	301.60	285.89	3,112.15	3,055.26	-15.72	-56.89
4.3 B\$ Position (change)	2.06	-5.40				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	250.12	201.34	2,465.66	2,577.96	-48.78	112.30
of which Public Sector	2.71	1.69	134.58	19.78	-1.02	-114.81
a. Nonoil Imports	106.20	85.56	1,041.21	1,129.76	-20.63	88.55
b. Oil Imports	27.92	36.62	347.65	370.25	8.70	22.59
c. Travel	16.55	12.57	172.23	180.74	-3.98	8.51
d. Factor Income	19.40	3.83	96.74	88.74	-15.57	-8.00
e. Transfers	7.46	4.66	109.40	65.67	-2.80	-43.73
f. Other Current Items	72.58	58.09	698.43	742.80	-14.49	44.36
5.2 Capital Items	6.07	2.07	162.38	48.44	-4.00	-113.93
of which Public Sector	1.00	0.03	5.53	10.87	-0.97	5.34
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

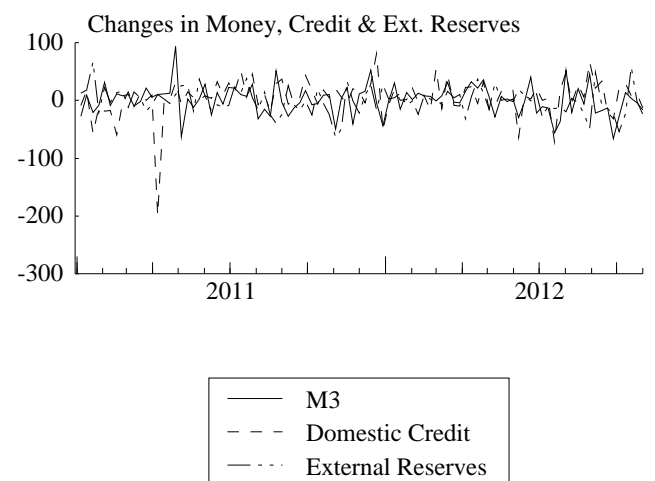
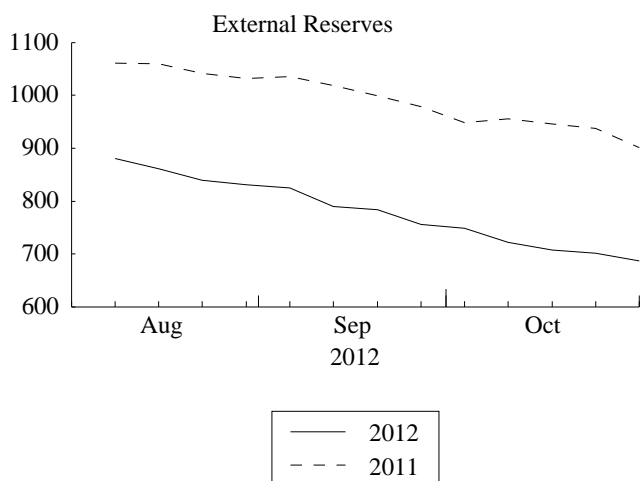
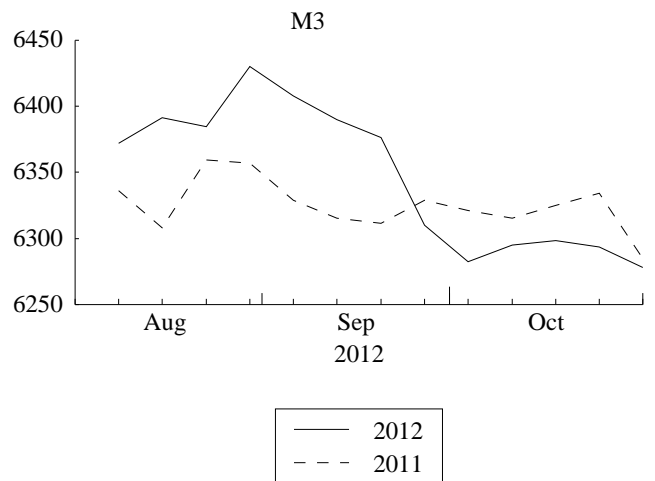
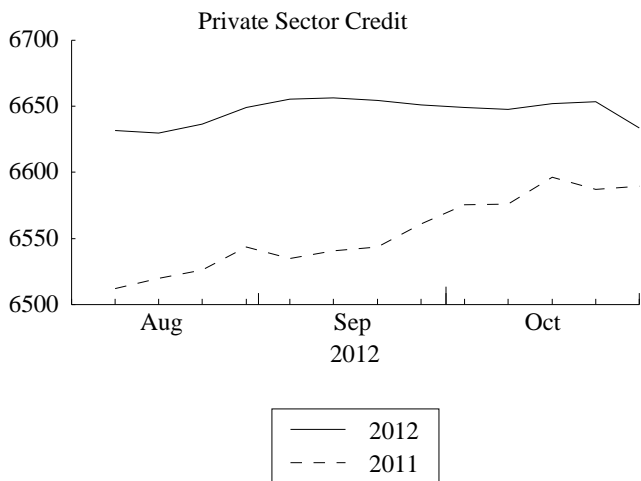
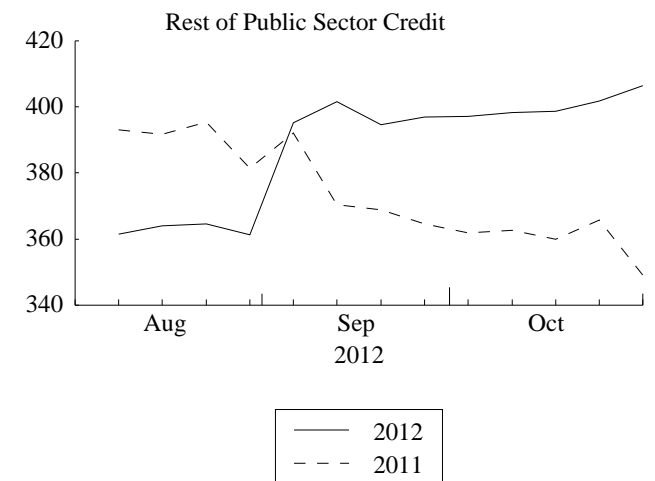
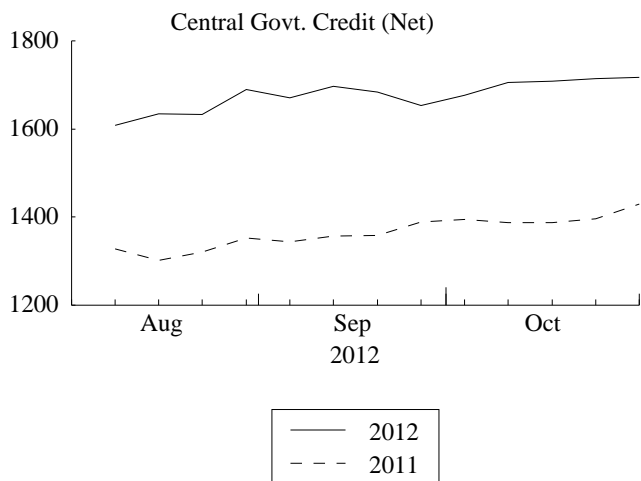
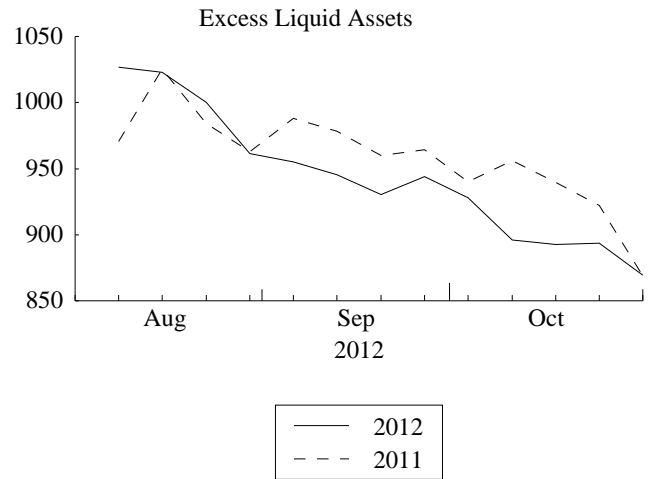
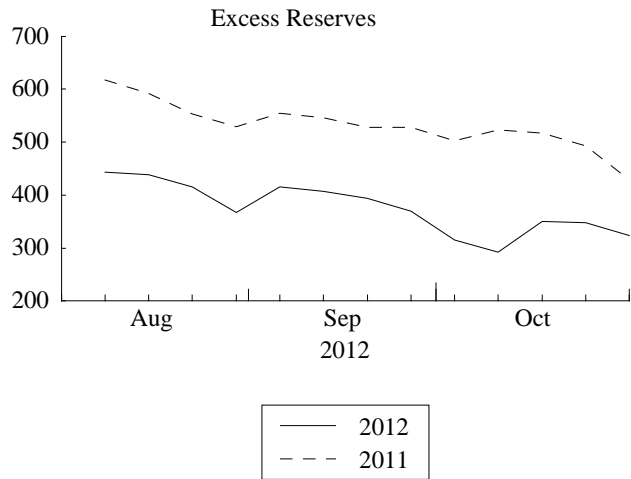
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: NOVEMBER 02, 2011 and OCTOBER 31, 2012

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.

* External reserves shown net of a \$150 million repurchase agreement

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	
	2011	2012	2011	2012	2011	2012
Bahamas	1.6	2.5	2.5	2.0	15.9	14.7
United States	1.8	2.2	3.1	2.0	9.0	8.2
Euro-Area	1.4	-0.4	2.7	2.3	10.2	11.2
<i>Germany</i>	<i>3.1</i>	<i>0.9</i>	<i>2.5</i>	<i>2.2</i>	<i>6.0</i>	<i>5.6</i>
Japan	-0.8	2.2	-0.3	0.0	4.6	4.5
China	9.2	7.8	5.4	3.0	4.1	4.1
United Kingdom	0.8	-0.4	4.5	2.7	8.0	8.1
Canada	2.4	1.9	2.9	1.8	7.5	7.3
<i>Source: IMF World Economic Outlook, October 2012</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	<i>from</i>	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate
August 2010	5.25	1.00	0.75	0.00-0.25	0.50
September 2010	5.25	1.00	0.75	0.00-0.25	0.50
October 2010	5.25	1.00	0.75	0-0.25	0.50
November 2010	5.25	1.00	0.75	0-0.25	0.50
December 2010	5.25	1.00	0.75	0-0.25	0.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Oct-11	Sep-12	Oct-12	Mthly % Change	YTD % Change	12-Mth % Change
Euro	0.7217	0.7777	0.7716	-0.78	-0.01	6.92
Yen	78.17	77.94	79.77	2.35	3.73	2.05
Pound	0.6216	0.6185	0.6200	0.23	-3.60	-0.27
Canadian \$	1.0008	0.9835	0.9995	1.63	-2.12	-0.13
Swiss Franc	0.8769	0.9398	0.9315	-0.88	-0.65	6.23
Renminbi	6.3595	6.2858	6.2372	-0.77	-1.04	-1.92

Source: Bloomberg as of October 31, 2012

D. Selected Commodity Prices (\$)					
Commodity	October 2011	September 2012	October 2012	Mthly % Change	YTD % Change
Gold / Ounce	1714.85	1772.25	1720.65	-2.91	10.04
Silver / Ounce	34.30	34.49	32.24	-6.51	15.80
Oil / Barrel	110.61	111.53	111.53	-1.91	1.65

Source: Bloomberg as of October 31, 2012

E. Equity Market Valuations – October 31, 2012 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.44	-2.53	-1.91	0.71	2.22	0.62	0.66	-0.83
3 month	0.48	0.67	2.87	2.62	4.18	7.21	2.68	-1.65
YTD	-3.75	7.19	11.86	3.78	8.53	23.10	5.59	-5.94
12-month	-3.91	9.55	12.25	4.30	5.75	18.23	-0.67	-16.18

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.12	0.25	0.01
1 Month	0.17	0.40	0.02
3 Month	0.31	0.44	0.00
6 Month	0.65	0.55	0.10
9 Month	0.63	0.67	0.36
1 year	0.79	0.82	0.47

Source: Bloomberg as of October 31, 2012

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

	VALUE												CHANGE											
	Sep. 05	Sep. 12	Sep. 19	Sep. 26	Oct. 03	Oct. 10	Oct. 17	Oct. 24	Oct. 31	Sep. 05	Sep. 12	Sep. 19	Sep. 26	Oct. 03	Oct. 10	Oct. 17	Oct. 24	Oct. 31						
I. External Reserves	825.63	790.48	784.36	756.65	748.74	722.48	708.17	701.33	687.70	-5.45	-35.14	-6.13	-27.71	-7.91	-26.26	-14.31	-6.84	-13.63						
II. Net Domestic Assets (A + B + C + D)	-154.93	-128.78	-136.62	-132.21	-178.80	-175.29	-103.82	-98.85	-109.79	50.53	26.15	-7.84	4.41	-46.59	3.51	71.47	4.97	-10.94						
A. Net Credit to Gov^h(i + ii + iii - iv)	340.41	357.75	351.16	358.25	320.11	322.43	389.78	388.87	392.89	35.09	17.34	-6.58	7.09	-38.14	2.31	67.35	-0.91	4.02						
i) Advances	122.69	135.66	135.66	135.66	135.66	135.66	135.66	135.66	135.66	0.00	12.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	169.34	169.30	169.35	169.39	169.27	169.24	169.25	169.44	169.62	-5.13	-0.04	0.04	0.04	-0.12	-0.03	0.01	0.19	0.18						
iii) Treasury Bills	58.53	63.45	63.45	63.45	28.38	28.46	96.05	96.05	96.05	44.98	4.93	-0.00	0.00	-35.07	0.08	67.59	0.00	0.00						
iv) Deposits	10.15	10.67	17.29	10.24	13.19	10.93	11.17	12.28	8.43	4.76	0.52	6.62	-7.05	2.95	-2.27	0.24	1.10	-3.84						
B. Rest of Public Sector (Net) (i + ii - iii)	-5.13	-8.64	-10.54	-4.81	-11.44	-12.20	-14.54	-3.61	-4.09	10.41	-3.51	-1.90	5.73	-6.62	-0.76	-2.35	10.94	-0.48						
i) BDB Loans	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	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	10.08	13.59	15.49	9.76	16.39	17.15	19.49	8.56	9.04	-10.41	3.51	1.90	-5.73	6.62	0.76	2.35	-10.94	0.48						
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)*	-490.20	-477.88	-477.24	-485.65	-487.48	-485.52	-479.06	-484.12	-498.60	5.03	12.32	0.65	-8.41	-1.83	1.96	6.46	-5.06	-14.48						
III. Monetary Base	670.70	661.70	647.74	624.44	569.94	547.19	604.35	602.48	577.91	45.08	-9.00	-13.97	-23.30	-54.50	-22.74	57.16	-1.87	-24.57						
A. Currency in Circulation	103.30	105.64	100.66	97.36	101.01	102.82	105.78	96.13	93.37	7.65	2.33	-4.98	-3.31	3.65	1.81	2.96	-9.65	-2.77						
B. Bank Balances with CBOB	567.40	556.06	547.07	527.08	468.93	444.37	498.57	506.34	484.54	37.43	-11.33	-8.99	-19.99	-58.15	-24.55	54.20	7.77	-21.80						

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

