



Monthly Economic and Financial Developments July 2010

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 Date:

2010: October 4, November 1, November 29, December 28.

Monthly Economic and Financial Developments

July 2010

1. Domestic Economic Developments

Domestic economic activity remained relatively subdued over the review month, as continued signs of stabilisation in tourism activity—although still significantly below pre-crisis levels—occurred alongside broad-based weakness in domestic demand. Consumer price inflation, however, remained relatively benign over the first five months of the year, while monetary conditions featured a modest expansion in bank liquidity and a contraction in external reserves.

Initial data suggests that tourism sector output expanded modestly over the first half of the year as incentive programmes, alongside the soft economic recovery in the main source markets, supported improvements in the key stopover visitor segment. Total arrivals advanced by 10.7%, extending last year's 2.9% growth, reflecting a 13.8% rise in sea passengers and a 3.0% revival in the air component. Disaggregated by port of entry, arrivals to New Providence grew by 5.0%, occasioned by a 6.2% increase in sea traffic and a more modest 2.8% firming in air passengers. In addition, the rerouting of one cruise line along with increased visits by other carriers, buoyed sea visitors to Grand Bahama by 52.7%, which outstripped a 7.1% reduction in air visitors, for an overall 37.8% advance in that market. Similarly, visitors to the Family Islands expanded by 11.4%, based on double-digit gains in both air (10.9%) and sea (11.5%) traffic.

Hotel performance indicators for the January to July period showed total revenues from a sample of hotels in Nassau and Paradise Island firming by 7.6% to \$250.6 million, in contrast to the year-earlier 17.3% plunge. The outcome benefitted from an upturn in average occupancy by 3.0 percentage points to 69.2%, and a more modest advance in average daily room rates of 2.7% to \$244.21.

2. International Developments

Economic indicators suggest that the pace of the global recovery slowed in recent months, reflecting the fragility in both the United States and European markets. In contrast, Asian countries registered sustained improvements, buoyed by growth in domestic consumer spending and exports.

During the second quarter of 2010, economic growth in the United States moderated to an estimated 1.6% from 3.7% in the previous three-month period, due to a slowdown in private inventory growth and higher imports. In addition, retail sales—a key gauge of consumer spending—rose marginally by 0.4% in July, following a 0.3% drop in the previous month. Conditions remained depressed in the housing market, as evidenced by declines in both housing starts (7.0%) and building permits (3.7%) over the previous year. As private firms remained cautious in their hiring practises and temporary Government Census workers were laid-off, non-farm payroll fell by 131,000, although the unemployment rate steadied at 9.5%. Inflation was relatively mild, with higher gasoline and household energy prices leading to a marginal 0.3% advance in consumer prices. On the monetary front, there were no Federal Open Market

Committee meetings in July; however, the release of the minutes from the June meeting showed the Committee's concern over the slowdown in the recovery's momentum, due to softness in consumer spending, combined with a gradual reduction in the fiscal stimulus and subdued levels of residential construction activity.

Economic conditions in the United Kingdom improved during the second quarter, with an upturn in services, manufacturing and construction output securing a 1.1% gain in real GDP, up from a 0.3% increase in the previous three-month period. In June, the deficit on trade in goods and services narrowed by £0.5 billion to £3.3 billion, as gains in exports exceeded the rise in imports; while the jobless rate softened in the second quarter, by 0.2 percentage points to 7.8% over the previous period. Preliminary estimates showed that output growth in the euro zone firmed to 1.0% in the second quarter from 0.2% in the first three months attributed, in large measure, to a 2.2% acceleration in German output. However, as a sign of the continuing challenges facing individual economies, industrial production fell, on a monthly basis, by 0.1% in June, while the index of retail trade held steady over the same period. In terms of monetary policy, the persistent softness in European economies prompted both the Bank of England and the European Central Bank to maintain their key policy rates at historic lows.

Growth fundamentals remained buoyant in China—which passed Japan to become the world's second largest economy in June—although the pace of the expansion moderated during the review month. In July, industrial output expanded by 13.4% over the previous year, the lowest pace in 11 months, and retail sales growth slowed to 17.9% from 18.3% in June. In contrast, the trade surplus accelerated to a record \$28.7 billion, propelled by a 38.1% surge in exports to \$145.5 billion, which outstripped a 22.7% rise in imports to \$116.8 billion. The annual inflation rate firmed over the previous month by 0.4 percentage points to 3.3% in July, occasioned by higher wage and food costs. In Japan, economic activity was subdued, as output gains slowed by 3.1 percentage points to 1.9% in the second quarter. In addition, industrial production declined by 1.5% in June vis-à-vis a gain of 0.1% in May, owing to a reduction in demand for motor vehicles and electronics. Consumer prices steadied in June relative to the previous month, but fell by 0.7% year-on-year; while a slight uptick in the labour force resulted in a 0.1% increase in the unemployment rate to 5.3%. In monetary developments, the Peoples Bank of China retained its accommodative monetary policy stance and the Bank of Japan kept the uncollateralized overnight call rate at around 0.1%.

Buoyed by the depreciation in the US dollar, oil prices rose by 1.4% to \$76.76 per barrel in July. In addition, OPEC's crude oil production averaged 29.2 million barrels per day (bpd), an increase of approximately 120,000 bpd from the previous month. Consistent with investors' increased demand for more risky assets, gold prices fell by 4.9% to \$1,181.00 per troy ounce, and the cost of silver dropped by 3.3% to \$18.01 per troy ounce.

All of the major market indices registered gains during the month of July, reflecting heightened investor demand fuelled by companies' improving earnings performance. In the United States, the Dow Jones Industrial Average (DJIA) advanced by 7.1% and the S&P 500 index rose by 7.0%. In European markets, the United Kingdom's FTSE 100 firmed by 6.9%, the CAC 40, by 5.8% and Germany's DAX, by 3.1%. Asian bourses also trended upwards, with China's SE Composite and Japan's Nikkei 225 index advancing by 10.0% and 1.7%, respectively.

Amid concerns over the strength of the recovery in the US market, the dollar depreciated against all of its major counterparts during the month of July. The dollar declined against the euro and pound, by 6.2% and 4.7% to €0.7662 and £0.6374, respectively. Similarly, it weakened relative to the Swiss Franc by 3.4% to CHF1.0412 and the Canadian dollar by 3.2% to CND\$1.0296. In addition, the Japanese Yen appreciated by 2.2% to ¥86.47 vis-a-vis the dollar; while the Chinese Yuan remained relatively stable at CNY6.78.

3. Domestic Monetary Trends

July 2010 vs. 2009

Money and credit trends for the month of July featured a rebound in banks' broadest measure of liquidity, which contrasted with a decline in external reserves, amid net foreign currency outflows for profit remittances and trade transactions.

In July, excess cash balances rose by \$3.9 million, a turnaround from a \$29.6 million decline a year-earlier; while excess liquid assets rebounded by \$16.4 million from a \$38.7 million decrease in 2009, due to increased holdings of Government securities.

Reflecting the seasonal, although more tempered, increase in foreign currency demand and moderated tourism sector earnings, external reserves fell by \$38.7 million, which was below last year's \$50.8 million contraction. In terms of underlying transactions, the Central Bank's net sale to the public sector—mainly for fuel purchases—was lower by \$11.7 million at \$16.9 million. The Bank also sold a net of \$22.3 million to commercial banks to bridge the \$31.7 million short-fall in their net sale to customers.

Bahamian dollar credit fell by \$11.8 million, a turnaround from last year's \$98.0 million expansion. The key driver was the \$13.3 million contraction in banks' net claim on the Government, in contrast to an \$80.4 million expansion a year earlier, as proceeds from a \$100 million Registered Stock issue were utilized to repay advances. Claims on the private sector fell by \$0.5 million, vis-à-vis a \$23.4 million gain in 2009. Consumer credit and commercial loans contracted by \$3.3 million and \$4.5 million, contrasting with respective increases of \$4.0 million and \$6.2 million in 2009; and mortgage growth also narrowed by \$5.9 million to \$7.3 million. Credit to public corporations rose by \$2.0 million, a reversal from last year's \$6.7 million contraction.

A disaggregation of consumer lending for the month of June—the latest available data—showed net repayments for most categories, as borrowers continued to reduce outstanding liabilities. Significant reductions were evident in loans for home improvement (\$2.9 million), credit cards (\$1.4 million) and travel (\$0.9 million), following respective declines of \$1.0 million, \$0.3 million and \$0.9 million a year earlier. Conversely, increases were reported for land purchases (\$1.9 million) and "miscellaneous" loans (\$1.2 million), compared to gains of \$0.7 million and \$4.0 million in 2009. In addition, growth in debt consolidation loans—which comprised restructured loans—firmed by \$0.3 million to \$4.0 million.

Buoyed by sustained high unemployment levels and a challenging business environment, banks' credit quality indicators deteriorated further in July. Total private sector loan arrears rose by \$22.4 million (2.0%) to \$1,163.6 million, with a corresponding increase of 49 basis points in the arrears rate to 18.6% of total loans. In terms of the average age of delinquencies, arrears in the short-term

31-90 day segment grew by \$13.3 million (2.6%) to \$534.2 million, resulting in a nearly 30 basis point expansion in the corresponding loan ratio to 8.6%. In addition, non-performing loans—those more than 90 days in arrears and on which banks have ceased accruing interest—rose by \$9.1 million (1.5%) to \$629.5 million, with a 22 basis point firming in the ratio to total loans to 10.1%.

With regard to the main components, the expansion in total arrears was due primarily to a rise in the dominant mortgage segment, which accounts for 52.0% of delinquencies. Smaller gains were noted for the commercial and consumer categories, which comprise 23.3% and 24.6% of arrears, respectively. Mortgage delinquencies expanded by \$20.0 million (3.4%) to \$606.8 million, owing to growth in both the 31-90 day, and non-performing segments of \$11.3 million (3.5%) and \$8.7 million (3.2%), respectively. Commercial delinquencies moved higher by \$2.1 million (0.8%) to \$270.6 million, as a \$1.4 million (1.7%) decrease in short-term arrears was outweighed by a \$3.5 million (1.9%) firming in non-accrual loans. Consumer loan arrears grew marginally by \$0.3 million (0.1%) to \$286.2 million, due to a \$3.5 million (2.9%) increase in 31-90 day delinquencies, which offset a \$3.1 million (1.9%) reduction in the non-performing category.

Given the deterioration in loan portfolios, banks boosted their provisions for loan losses by \$6.0 million (2.6%) to \$238.4 million. As a result, the ratio of provisions to total arrears and non-performing loans firmed by 13 and 42 basis points to 20.5% and 37.9%, respectively.

Foreign currency credit fell by \$3.6 million, reversing the \$9.1 million expansion recorded a year earlier, explained by a \$3.4 million decrease in credit to the private sector following the previous year's \$0.7 million downturn. In addition, claims on public corporations declined by \$2.5 million, following 2009's \$8.6 million build-up. Credit to the private sector contracted by \$3.4 million, whereas the net claim on the Government moved higher by \$2.3 million, after a \$1.2 million increase in 2009.

Total Bahamian dollar deposits contracted by \$6.5 million, a turnaround from the previous year's \$51.9 million expansion. The outturn was attributed to drawdowns in demand and fixed deposits, by \$4.1 million and \$15.9 million, compared to respective year-earlier accumulations of \$49.8 million and \$3.2 million. Conversely, savings deposits grew by \$13.5 million vis-à-vis a \$1.0 million falloff.

Regarding interest rates, the weighted average deposit rate at banks fell by 4 basis points to 3.34% in July, with the highest rate of 6.00% offered on fixed deposits of 1-3 months and over 12 months. In contrast, the weighted average loan rate appreciated by 29 basis points to 11.13%.

4. Outlook and Policy Implications

Domestic economic conditions are expected to remain mild over the remaining months of 2010, although the outlook for 2011 is less certain than in prior months, due to mounting evidence of increased fragility in the US growth momentum. This could dampen the short to medium-term performance of the tourism sector, and the timing for a turnaround in domestic demand and an improvement in employment conditions. However, upside benefits could accrue to the economy, if the proposed large-scale hotel investment projects gain traction in the coming months.

Government's fiscal performance in the near to medium-term will hinge on the strength of the rebound in the domestic economy, as well as the benefits which would accrue from its privatization

programme and other announced revenue initiatives to address the fiscal gap and contain the growth of the debt stock.

On the monetary front, bank liquidity is projected to remain at healthy levels over the balance of the year, as anaemic demand conditions are likely to persist, thereby moderating the fall-off in external reserves.

In this context, the Bank will sustain its monitoring of the economic environment and will continue to adopt appropriate policies, to ensure the soundness of the financial sector and the stability of the exchange rate regime.

Recent Monetary and Credit Statistics

(B\$ Millions)

JULY					
Value		Change		Change YTD	
2009	2010	2009	2010	2009	2010

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	356.86	335.19	-29.61	3.89	149.56	73.10
1.2 Excess Liquid Assets	472.27	661.62	-38.65	16.35	210.32	155.23
1.3 External Reserves	713.43	822.86	-50.79	-38.67	150.70	-2.52
1.4 Bank's Net Foreign Assets	-808.97	-602.05	21.53	-0.73	-87.16	68.16
1.5 Usable Reserves	308.93	428.87	-22.83	-39.95	75.35	-30.00

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,510.58	6,490.86	22.62	-3.85	7.42	-64.92
a. B\$ Credit	6,072.62	6,070.87	23.36	-0.47	8.83	-59.20
of which: Consumer Credit	2,183.79	2,137.47	4.01	-3.26	-31.13	-35.24
Mortgages	2,819.03	2,890.16	13.17	7.32	67.79	18.67
Commercial and Other Loans B\$	1,069.79	1,043.25	6.18	-4.53	-27.82	-42.62
b. F/C Credit	437.96	419.99	-0.74	-3.39	-1.41	-5.72
of which: Mortgages	93.25	105.50	-0.71	3.08	7.92	9.56
Commercial and Other Loans F/C	344.71	314.49	-0.02	-6.47	-9.33	-15.28
2.2 Central Government (net)	1,097.49	1,216.88	81.57	-11.07	198.54	226.57
a. B\$ Loans & Securities	1,114.79	1,362.98	79.23	-18.84	81.56	196.14
Less Deposits	180.08	146.30	-1.14	-5.47	43.67	-28.53
b. F/C Loans & Securities	164.80	2.56	0.05	-0.00	160.89	-1.15
Less Deposits	2.01	2.36	-1.15	-2.31	0.24	-3.06
2.3 Rest of Public Sector	362.28	385.59	1.93	-0.48	-39.55	19.47
a. B\$ Credit	82.05	98.66	-6.69	2.04	-2.82	17.30
b. F/C Credit	280.23	286.93	8.62	-2.52	-36.73	2.17
2.4 Total Domestic Credit	7,971.41	8,093.45	107.10	-15.40	167.47	181.19
a. B\$ Domestic Credit	7,090.43	7,386.33	98.01	-11.80	44.96	182.82
b. F/C Domestic Credit	880.98	707.12	9.09	-3.60	122.51	-1.64

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,147.12	1,171.67	49.76	-4.11	65.68	81.28
a. Central Bank	2.62	11.94	-13.74	-0.26	-6.33	-0.67
b. Banks	1,144.50	1,159.73	63.49	-3.84	72.01	81.95
3.2 Savings Deposits	1,037.89	1,025.63	-1.04	13.51	17.86	30.83
3.3 Fixed Deposits	3,482.37	3,625.36	3.17	-15.89	49.97	88.18
3.4 Total B\$ Deposits	5,667.37	5,822.66	51.89	-6.49	133.51	200.29
3.5 F/C Deposits of Residents	225.62	223.71	24.35	6.97	56.64	6.88
3.6 M2	5,856.47	6,006.73	50.49	-6.32	116.80	186.01
3.7 External Reserves/M2 (%)	12.18	13.70	-0.98	-0.63	2.38	-0.48
3.8 Reserves/Base Money (%)	91.17	107.40	-2.43	-6.14	3.92	-10.73
3.9 External Reserves/Demand Liabilities (%)	87.97	104.41	-0.20	-5.04	2.68	-7.81
	Value		Year to Date		Change	
	2009	2010	2009	2010	Month	YTD

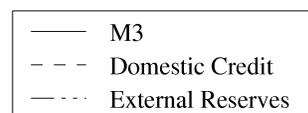
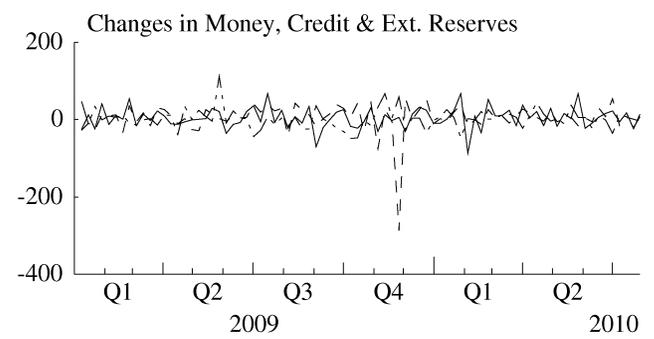
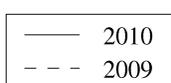
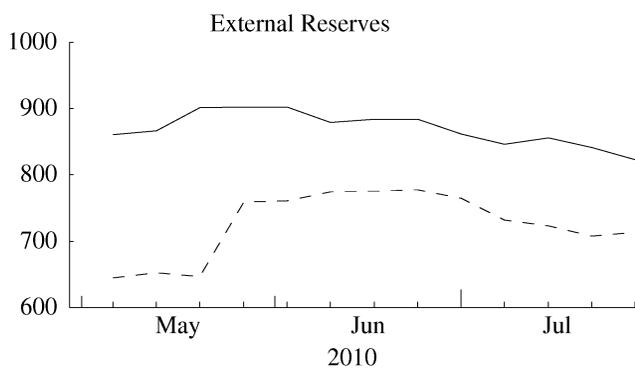
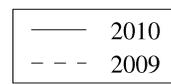
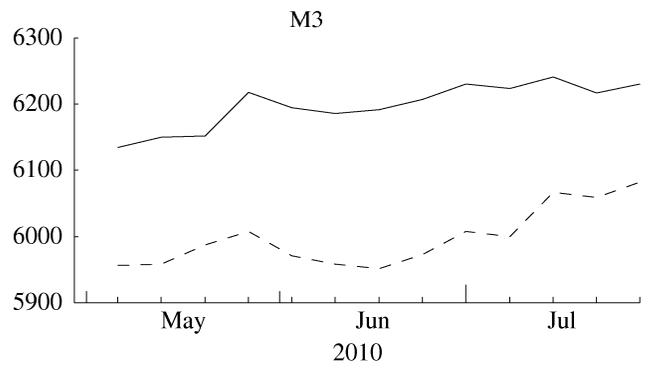
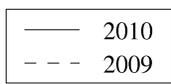
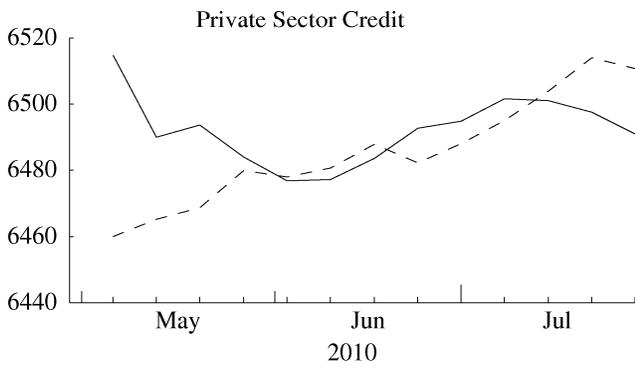
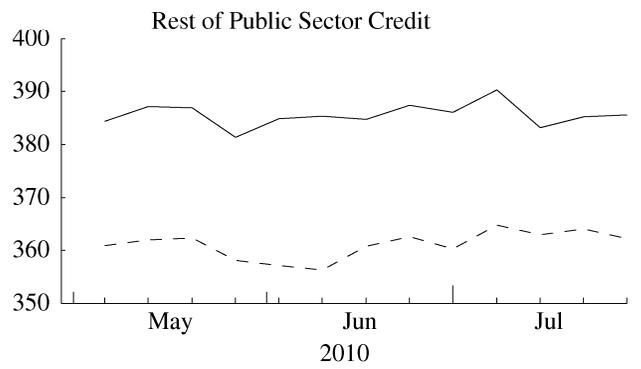
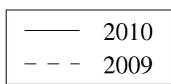
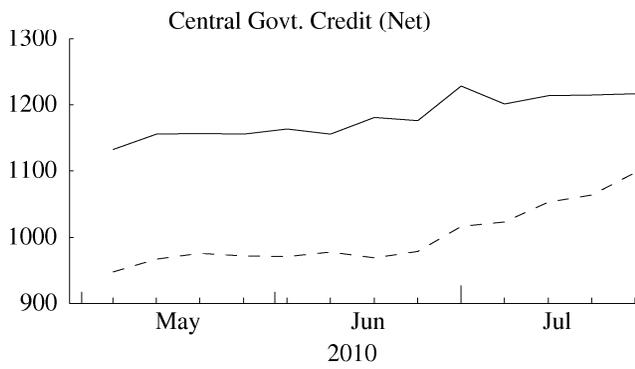
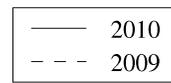
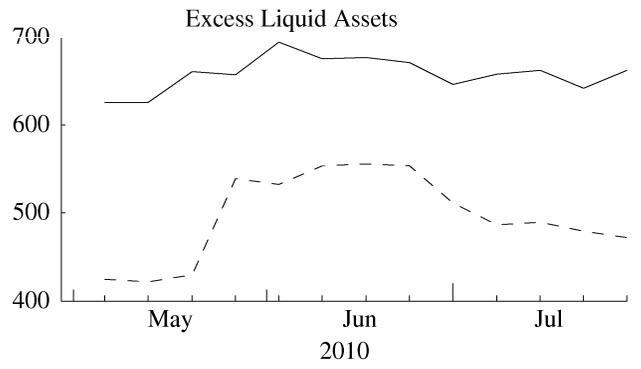
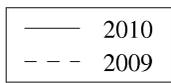
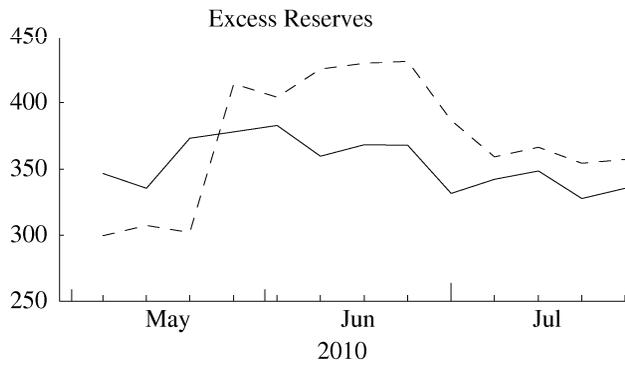
4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-51.20	-39.16	140.00	-7.41	12.04	-147.41
a. Net Purchase/(Sale) from/to Banks	-22.61	-22.25	120.27	152.88	0.36	32.61
i. Sales to Banks	47.12	35.50	101.35	155.76	-11.62	54.40
ii. Purchases from Banks	24.51	13.25	221.62	308.63	-11.27	87.01
b. Net Purchase/(Sale) from/to Others	-28.59	-16.91	19.73	-160.29	11.68	-180.02
i. Sales to Others	43.45	41.02	280.52	296.25	-2.43	15.72
ii. Purchases from Others	14.86	24.12	300.25	135.96	9.26	-164.30
4.2 Banks Net Purchase/(Sale)	1.48	-31.67	127.02	155.27	-33.15	28.25
a. Sales to Customers	281.08	316.77	2,258.51	1,914.52	35.69	-344.00
b. Purchases from Customers	282.56	285.11	2,385.54	2,069.79	2.55	-315.75
4.3 B\$ Position (change)	-12.44	-0.93				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	261.67	0.00	1,342.63	0.00	0.00	0.00
of which Public Sector	45.68	0.00	208.25	0.00	0.00	0.00
a. Nonoil Imports	88.83	0.00	559.70	0.00	0.00	0.00
b. Oil Imports	34.11	0.00	146.36	0.00	0.00	0.00
c. Travel	15.87	0.00	83.51	0.00	0.00	0.00
d. Factor Income	5.02	0.00	55.22	0.00	0.00	0.00
e. Transfers	4.93	0.00	32.57	0.00	0.00	0.00
f. Other Current Items	112.91	0.00	465.28	0.00	0.00	0.00
5.2 Capital Items	6.24	0.00	45.44	0.00	0.00	0.00
of which Public Sector	1.54	0.00	5.71	0.00	0.00	0.00
5.3 Bank Remittances	0.00	0.00	27.80	0.00	0.00	0.00

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	
	2009	2010	2009	2010	2009	2010
Bahamas	-5.0	-0.5	2.1	1.7	14.2*	n/a
United States	-2.4	3.1	-0.3	2.1	9.3	9.4
Euro-Area	-4.1	1.0	0.3	1.1	9.4	10.5
<i>Germany</i>	<i>-5.0</i>	<i>1.2</i>	<i>0.1</i>	<i>0.9</i>	<i>7.4</i>	<i>8.6</i>
Japan	-5.2	1.9	-1.4	-1.4	5.1	5.1
China	8.7	10.0	-0.7	3.1	n/a	n/a
United Kingdom	-4.9	1.3	2.2	2.7	7.5	8.3
Canada	-2.6	3.1	0.3	1.8	8.3	7.9

Sources: IMF World Economic Outlook, April 2010, IMF World Economic Outlook, October 2009 & () The Bahamas Department of Statistics.*

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
June 2008	5.25	4.00	2.25	2.00	5.00
July 2008	5.25	4.25	2.25	2.00	5.00
August 2008	5.25	4.25	2.25	2.00	5.00
September 2008	5.25	4.25	2.25	2.00	5.00
October 2008	5.25	3.75	1.25	1.00	4.50
November 2008	5.25	3.25	1.25	1.00	3.00
December 2008	5.25	2.50	0.50	0.00-0.25	2.00
January 2009	5.25	2.00	0.50	0.00-0.25	1.50
February 2009	5.25	2.00	0.50	0.00-0.25	1.00
March 2009	5.25	1.50	0.50	0.00-0.25	0.50
April 2009	5.25	1.25	0.50	0.00-0.25	0.50
May 2009	5.25	1.00	0.50	0.00-0.25	0.50
June 2009	5.25	1.00	0.50	0.00-0.25	0.50
July 2009	5.25	1.00	0.50	0.00-0.25	0.50
August 2009	5.25	1.00	0.50	0.00-0.25	0.50
September 2009	5.25	1.00	0.50	0.00-0.25	0.50
October 2009	5.25	1.00	0.50	0.00-0.25	0.50
November 2009	5.25	1.00	0.50	0.00-0.25	0.50
December 2009	5.25	1.00	0.50	0.00-0.25	0.50
January 2010	5.25	1.00	0.50	0.00-0.25	0.50
February 2010	5.25	1.00	0.75	0.00-0.25	0.50
March 2010	5.25	1.00	0.75	0.00-0.25	0.50
April 2010	5.25	1.00	0.75	0.00-0.25	0.50
May 2010	5.25	1.00	0.75	0.00-0.25	0.50
June 2010	5.25	1.00	0.75	0.00-0.25	0.50
July 2010	5.25	1.00	0.75	0.00-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jul-09	Jun-10	Jul-10	Mthly % Change	YTD % Change	12-Mth % Change
Euro	0.7014	0.8172	0.7662	-6.24	9.77	9.24
Yen	94.69	88.44	86.47	-2.23	-7.03	-8.68
Pound	0.5983	0.6691	0.6374	-4.74	3.08	6.53
Canadian \$	1.0775	1.0638	1.0296	-3.21	-2.25	-4.45
Swiss Franc	1.0685	1.0774	1.0412	-3.36	0.54	-2.55
Renminbi	6.8321	6.7814	6.7750	-0.09	-0.76	-0.84

Source: Bloomberg as at July 31, 2010

D. Selected Commodity Prices (\$)					
Commodity	July 2009	June 2010	July 2010	Mthly % Change	YTD % Change
Gold / Ounce	954.00	1242.25	1181.00	-4.93	7.7
Silver / Ounce	13.92	18.62	18.01	-3.25	6.7
Oil / Barrel	68.57	75.70	76.76	1.40	-1.4

Source: Bloomberg as at July 31, 2010

E. Equity Market Valuations – July 31, 2010 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.24	7.08	6.98	6.94	5.82	3.06	1.65	9.97
3 month	-4.41	3.25	0.82	1.34	3.87	3.08	-2.37	1.75
YTD	-5.06	0.36	-1.51	-2.86	-7.45	3.20	-9.57	-19.52
12-month	-5.50	14.11	11.22	14.10	6.33	15.30	-7.91	-22.70

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.15	0.25	0.20
1 Month	0.24	0.50	0.44
3 Month	0.40	0.71	0.80
6 Month	0.63	1.01	1.08
9 Month	0.80	1.25	1.23
1 year	1.01	1.46	1.36

Source: Bloomberg as at July 31, 2010

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

	VALUE												CHANGE											
	Jun. 02	Jun. 09	Jun. 16	Jun. 23	Jun. 30	Jul. 07	Jul. 14	Jul. 21	Jul. 28	Jun. 02	Jun. 09	Jun. 16	Jun. 23	Jun. 30	Jul. 07	Jul. 14	Jul. 21	Jul. 28						
I. External Reserves	902.03	878.61	884.06	883.81	861.53	845.57	855.88	840.99	822.86	-0.42	-23.42	5.46	-0.26	-22.28	-15.96	10.31	-14.89	-18.14						
II. Net Domestic Assets (A + B + C + D)	-275.43	-275.37	-271.99	-272.39	-286.37	-256.51	-260.56	-266.17	-240.49	6.95	0.06	3.39	-0.40	-13.98	29.85	-4.05	-5.61	25.68						
A. Net Credit to Gov't (i + ii + iii - iv)	186.37	178.59	180.22	181.41	186.25	210.10	207.92	198.86	230.37	0.23	-7.79	1.63	1.19	4.85	23.85	-2.18	-9.06	31.51						
i) Advances	96.99	96.99	96.99	96.99	96.99	116.99	116.99	116.99	91.99	0.00	0.00	0.00	0.00	0.00	20.00	0.00	0.00	-25.00						
ii) Registered Stock	96.89	96.82	96.64	96.32	96.17	95.97	95.78	95.78	125.80	-0.34	-0.07	-0.18	-0.32	-0.14	-0.20	-0.20	0.01	30.02						
iii) Treasury Bills	0.00	0.00	0.00	0.00	7.25	7.25	7.25	7.25	22.18	0.00	0.00	0.00	0.00	7.25	0.00	0.00	0.00	14.92						
iv) Deposits	7.50	15.22	13.41	11.90	14.16	10.12	12.10	21.17	9.60	-0.57	7.72	-1.81	-1.51	2.27	-4.05	1.98	9.07	-11.57						
B. Rest of Public Sector (Net) (i + ii - iii)	-3.19	-1.46	4.00	-0.73	-6.25	-7.78	-9.25	-4.05	-6.19	6.74	1.74	5.45	-4.72	-5.52	-1.53	-1.47	5.20	-2.14						
i) BDB Loans	5.95	5.95	5.95	5.95	5.95	5.75	5.75	5.75	5.75	0.00	0.00	0.00	0.00	0.00	-0.20	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	9.14	7.41	1.95	6.68	12.20	13.53	15.00	9.80	11.94	-6.74	-1.74	-5.45	4.72	5.52	1.33	1.47	-5.20	2.14						
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)*	-458.61	-452.51	-456.20	-453.07	-466.37	-458.84	-459.24	-460.98	-464.67	-0.02	6.10	-3.69	3.13	-13.30	7.53	-0.40	-1.74	-3.69						
III. Monetary Base	626.59	603.23	612.08	611.42	575.16	589.06	595.32	574.82	582.37	6.54	-23.36	8.85	-0.66	-36.26	13.90	6.26	-20.50	7.54						
A. Currency in Circulation	93.70	100.23	91.91	91.26	92.31	97.19	93.79	92.25	86.68	4.63	6.53	-8.31	-0.66	1.05	4.88	-3.41	-1.54	-5.57						
B. Bank Balances with CBOB	532.89	503.00	520.16	520.16	482.85	491.86	501.53	482.58	495.69	1.91	-29.89	17.16	-0.00	-37.31	9.01	9.67	-18.96	13.11						

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

FISCAL/REAL SECTOR INDICATORS

(\$\$ MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE				
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010			
Fiscal Operations:																													
1. Government Revenue & Grants	100.1	100.2	116.5	127.4	87.8	140.2	110.8	93.5	117.6	110.8	91.5	111.6	100.7	99.6	150.1	96.2	120.5	107.8	120.7	120.5	107.8	120.5	107.8	120.5	107.8	120.7	1154.9	1154.9	-3.89%
% change	-27.00%	-17.17%	16.45%	8.68%	-16.10%	10.80%	26.30%	-33.32%	6.08%	18.52%	-22.19%	0.70%	10.09%	-10.71%	49.00%	-3.40%	-19.68%	12.02%	10.09%	-19.68%	12.02%	-19.68%	12.02%	-19.68%	12.02%	1201.7	1154.9	-6.09%	
2. Import/Excise Duties	39.5	53.6	51.3	42.1	51.1	40.6	48.7	38.8	38.2	43.0	44.6	43.2	46.1	45.3	45.5	42.6	41.6	42.2	41.6	41.6	42.2	41.6	42.2	41.6	42.2	513.5	478.8	8.52%	-6.75%
% change	-48.41%	0.68%	29.26%	-21.41%	-0.39%	5.26%	16.93%	-2.19%	-2.19%	-5.06%	3.35%	0.48%	3.37%	4.79%	-1.31%	-5.97%	-8.55%	-0.77%	3.37%	-8.55%	-0.77%	-8.55%	-0.77%	-8.55%	-0.77%	513.5	478.8	8.52%	
3. Recurrent Expenditure	116.7	115.1	100.0	96.8	114.7	108.9	114.8	108.6	128.3	121.0	100.7	111.5	129.5	118.3	126.4	127.2	105.6	123.7	105.6	105.6	123.7	105.6	123.7	105.6	123.7	1256.4	1267.6	5.32%	0.89%
% change	-24.22%	-30.83%	-14.32%	-16.72%	14.68%	13.65%	0.07%	-2.42%	18.19%	11.39%	-2.150%	-7.84%	28.64%	6.09%	-2.43%	-16.45%	-2.77%	123.7	105.6	-16.45%	-2.77%	105.6	123.7	105.6	123.7	1256.4	1267.6	5.32%	
4. Capital Expenditure	8.2	5.2	10.8	11.7	9.5	20.6	9.2	18.8	10.0	10.3	13.8	11.2	13.8	10.3	8.4	15.0	9.3	6.2	9.3	9.3	6.2	9.3	6.2	9.3	6.2	111.9	128.3	-5.91%	14.66%
% change	-75.94%	-82.14%	32.58%	12.85%	-12.40%	75.56%	-2.71%	12.85%	8.58%	-45.09%	11.81%	-34.22%	34.22%	-13.22%	28.99%	78.19%	-32.36%	-27.06%	9.3	-32.36%	-27.06%	9.3	6.2	9.3	6.2	111.9	128.3	-5.91%	
5. Deficit/Surplus*	-29.4	-21.2	1.4	-25.2	-32.4	-54.4	-43.0	-40.2	-43.0	4.3	-13.6	-37.5	-24.1	-24.1	-21.0	-44.2	1.8	-28.0	-21.0	1.8	-28.0	1.8	-28.0	-21.0	-47.2	-219.3	-327.1	-174.61%	49.11%
% change	-56.81%	-85.22%	-104.07%	-116.02%	-20.93%	-35.12%	-35.12%	-35.12%	-35.12%	91.66%	-66.23%	-972.95%	77.17%	-24.1	-21.0	-44.2	1.8	-28.0	-21.0	1.8	-28.0	1.8	-28.0	-21.0	-47.2	-219.3	-327.1	-174.61%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC					
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010				
Debt: **																												
6. Total Debt	2,874.0	3,320.3	2,884.5	3,304.3	2,947.4	3,303.4	2,953.9	3,350.4	3,059.0	3,390.4	3,084.8	3,393.7	3,085.2	3,393.7	3,085.2	3,393.7	3,085.2	3,393.7	3,085.2	3,393.7	3,085.2	3,393.7	3,085.2	3,393.7	3,085.2	3,393.7	3,085.2	3,393.7
% change	5.01%	0.054%	0.37%	-0.48%	2.18%	-0.03%	0.22%	1.42%	3.56%	1.19%	0.84%	0.10%	0.01%	0.01%	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%	
7. External Debt	383.7	703.1	394.3	703.1	393.3	702.1	390.8	699.5	415.9	699.5	421.6	699.5	422.0	699.5	422.0	699.5	422.0	699.5	422.0	699.5	422.0	699.5	422.0	699.5	422.0	699.5	422.0	699.5
% change	0.19%	0.073%	2.74%	0.00%	-0.24%	-0.13%	-0.66%	-0.38%	6.42%	0.00%	1.38%	0.00%	0.10%	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%	
8. Internal F/C Debt	3.6	1.8	3.6	1.8	53.6	1.8	52.7	1.8	142.7	1.8	162.7	1.8	162.7	1.8	162.7	1.8	162.7	1.8	162.7	1.8	162.7	1.8	162.7	1.8	162.7	1.8	162.7	1.8
% change	158.00%	0.00%	0.00%	0.00%	1384.27%	0.00%	-1.68%	0.00%	170.75%	0.00%	14.01%	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%	
9. Bahamian Dollar Debt	2,486.6	2,615.5	2,486.6	2,599.5	2,500.5	2,599.5	2,510.5	2,646.2	2,500.5	2,689.2	2,500.5	2,692.5	2,500.5	2,692.5	2,500.5	2,692.5	2,500.5	2,692.5	2,500.5	2,692.5	2,500.5	2,692.5	2,500.5	2,692.5	2,500.5	2,692.5	2,500.5	2,692.5
% change	4.51%	0.00%	0.00%	-0.61%	0.56%	0.00%	0.40%	1.91%	-0.40%	1.31%	0.00%	0.12%	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%	
10. Total Amortization	0.0	0.1	0.0	16.0	0.9	18.5	12.7	60.0	0.0	14.0	0.0	14.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% change	-100.00%	847.27%	#DIV/0!	14931.23%	6105.80%	-94.30%	1868.38%	1292.64%	-100.00%	-100.00%	-100.00%	-100.00%	#DIV/0!	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	

11. Total Public Sector F/C Debt																													
856.8	1,186.4	856.6	1,184.8	846.0	1,175.2	841.3	1,172.0	954.3	1,169.9	992.4	1,162.8	989.6	1,161.9	989.6	1,161.9	989.6	1,161.9	989.6	1,161.9	989.6	1,161.9	989.6	1,161.9	989.6	1,161.9	989.6	1,161.9	989.6	1,161.9
55.93%	0.39%	-27.04%	36.86%	-28.59%	38.92%	-28.41%	39.31%	-18.58%	22.60%	-15.17%	17.42%	-14.88%	17.42%	-14.88%	17.42%	-14.88%	17.42%	-14.88%	17.42%	-14.88%	17.42%	-14.88%	17.42%	-14.88%	17.42%	-14.88%	17.42%	-14.88%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC						
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010					
Real Sector Indicators																													
12. Retail Price Index	130.1	131.2	130.0	131.2	130.0	131.3	130.3	131.3	130.4	131.5	130.4	131.5	130.4	131.5	130.4	131.5	130.4	131.5	130.4	131.5	130.4	131.5	130.4	131.5	130.4	131.5	130.4	131.5	
% change over previous month	4.77%	5.39%	-0.06%	0.02%	0.00%	0.10%	0.23%	0.10%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%		
13. Tourist arrivals (000's)	410.8	424.0	389.2	419.2	466.0	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2	414.7	469.2
% change over previous year	10.21%	3.22%	-8.21%	7.71%	-6.91%	15.81%	4.50%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%	13.14%		
14. Air arrivals (000's)	90.0	91.7	103.1	103.0	134.4	149.4	131.2	125.0	134.4	149.4	131.2	125.0	134.4	149.4	131.2	125.0	134.4	149.4	131.2	125.0	134.4	149.4	131.2	125.0	134.4	149.4	131.2	125.0	
% change over previous year	-18.74%	1.89%	12.43%	-0.05%	20.05%	12.02%	-4.99%	-4.26%	12.02%	20.05%	12.02%	-4.99%	-4.26%	12.02%	20.05%	12.02%	-4.99%	-4.26%	12.02%	20.05%	12.02%	-4.99%	-4.26%	12.02%	20.05%	12.02%	-4.99%		
15. Occupied Room Nights																													
% change over previous year																													
16. Res. Mortgage Commitments-New Const.																													
% change over previous qtr.																													

** Includes Net Lending to Public Corporations
 ** Data figures pertain to central government only unless otherwise indicated
 p - provisional
 Annual FY-FY Real Price data are averages.