



Monthly Economic and Financial Developments October 2009

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:

2009: December 29.

Monthly Economic and Financial Developments

October 2009

1. Domestic Economic Developments

Despite signs of a modest pickup in the pace of the global recovery, domestic economic conditions remained relatively subdued during October, reflecting anemic consumer spending and sustained weakness in tourism output and foreign investment led construction activity. However, indications are that the softening in domestic prices, noted since the latter half of 2008, was sustained during the period. On the fiscal side, Government's deficit expanded during the first three months of FY2009/10, as sluggish private sector demand adversely impacted revenue collections, amid a marginal decline in total expenditure. In monetary developments, the seasonal, although more constrained, rise in foreign currency demand resulted in a contraction in both liquidity and external reserves.

Tourism activity for the nine month period showed cruise-led 5.5% gains in overall arrivals to 3.3 million, reversing last year's 6.1% decrease. However, preliminary indications are that real output contracted, based on the sustained weakening in the higher value added stopover segment of the market, as evidenced by the 12.8% decline in air traffic. Disaggregated by ports of entry, visitors to New Providence grew by 7.4%, with the 19.2% expansion in sea arrivals offsetting the 8.2% reduction in air passengers. Similarly, Family Island tourists rose by 4.4%, associated with a 10.7% advance in the dominant sea segment, which negated a 23.4% falloff in air arrivals. In contrast, an 11.6% gain in sea arrivals was broadly countered by a 27.0% downturn in the air segment, resulting in visitors to the Grand Bahama market declining marginally by 0.4%.

Government's fiscal position deteriorated further during the first quarter of FY2009/10, as the deficit widened by 67.1% (\$40.6 million) to \$101.0 million, over the previous period. Total revenue contracted by 14.8% to \$267.8 million, owing to a 15.7% decline in tax receipts, which was broad-based among the categories. Occasioned by lower collections from fines, forfeitures and administrative fees, non-tax revenues also fell by 4.8%. Aggregate expenditure was 1.6% lower at \$368.7 million, due to a 3.5% reduction in current outlays linked to reduced consumption spending and transfer payments. Conversely, infrastructure investments boosted capital spending by 31.5% to \$37.5 million.

2. International Developments

The global economy continued to show sustained, although unbalanced, signs of improvement during the month of October, as monetary authorities' "stimulus" programmes were the major catalyst for economic growth. Indications are that these policies will be maintained in the near-term, given the slow pace of recovery experienced in many economies, and particularly for the United States and Europe.

Output in the United States grew by a revised 2.8% during the third quarter, the first expansion in over a year, as the authorities' fiscal initiatives supported gains in consumer spending and residential construction activity. Retail sales rebounded by 1.4% during October, following a 2.3%

decline a month earlier, associated mainly with increased demand for automobiles. However, as a sign of the “softness” of the recovery, consumer sentiment decreased, with the index falling to 70.6 in October from 73.5 in September. In addition, the unemployment rate moved upwards by 0.4 percentage points to 10.2%, as a further 190,000 jobs were lost. Conditions in the housing sector remained anemic, with foreclosures rising on a yearly basis by 19%, while building permits issued, as well as housing starts and completions, fell by 24.3%, 30.7% and 29.9%, respectively. The trade deficit moved higher in September to \$36.5 billion—the largest increase in a decade—as a 5.8% hike in imports to \$168.4 billion outpaced a 2.9% advance in exports to \$132.0 billion. Inflation remained benign in October, with average consumer prices rising by a mere 0.3%, led by modest accretions to energy and automobile costs. Given these developments, the Federal Reserve left its benchmark interest rates at record low levels.

The United Kingdom’s economy showed modest signs of improvement, with industrial production rising by 1.6% in September, supported by higher mining and oil & gas production. The deficit on trade in goods and services widened to £7.2 billion from £6.1 billion in August, as increased automobile demand resulted in the growth in imports doubling that of exports. However, domestic economic conditions remained weak, as retail sales stagnated in September compared to the previous month. The unemployment rate increased by 0.1 percentage point to 7.8% for the third quarter, following a 0.7 percentage points rise in the previous three-month period. In monetary developments, faced with low inflation and subdued economic activity, the Bank of England kept its key rate at 0.5% and maintained its Government bond-buying programme at £175 billion.

The Euro Area emerged from recession during the third quarter, as real GDP expanded by 0.4%, buoyed by improvements in Germany and France—the two largest economies in the zone. Amid increased demand for exports, industrial production rose by an additional 0.3% in September, after expanding by 1.2% in the prior month. However, rising unemployment and tight credit conditions contributed to the 0.7% fall in retail sales, following a 0.1% decline in August. Inflation rose by 0.2% in October; while the unemployment rate firmed to a seasonally adjusted 9.7%, the highest in more than a decade. On the monetary front, the European Central Bank decided to keep its policy rates unchanged at its October meeting, in an effort to sustain the recovery in the area.

Economic growth in China returned to pre-crisis levels during the third quarter, as the Government’s large-scale fiscal “stimulus” programme continued to buttress domestic demand and investment. Reflective of these developments, industrial production and retail sales surged by annualised rates of 16.1% and 16.2%, respectively, in October; and average consumer prices fell by 0.3% from the previous month.

Evidenced by a turnaround in domestic demand and robust export growth, economic output in Japan expanded at a stronger annual rate of 4.8% in the third quarter, compared to 2.7% in the previous period. Industrial production increased by 1.4% in September, as companies boosted output in response to an upturn in overseas demand—particularly in China. Supported by improvements in domestic conditions, Japan’s jobless rate narrowed by 0.2 percentage points to 5.3% in September; and at its October meeting, the Monetary Policy Committee of the Bank of Japan decided to discontinue purchases of corporate debt by year-end.

Despite a 0.4 million increase in OPEC’s crude oil production, to approximately 30.0 million barrels per day, several factors—including the persistent decline in the US dollar—supported an 18.1%

advance in global oil prices to \$77.11 per barrel. In terms of other commodities, the price of gold rose by 3.7% to \$1,045.40 per troy ounce, owing to increased holdings by investors seeking a hedge against the falling US dollar. Silver prices retreated, however, by 2.0% to \$16.0 per troy ounce.

Concerns over the durability of the global recovery, in light of significant Government support and weak private sector demand, resulted in nearly all of the major equity markets recording declines during the month of October. In the United States, the Dow Jones Industrial Average (DJIA) stabilized at 9,712.7 points, while the S&P 500 index fell by 1.9% to 1,033.0 points. With regard to the European markets, France's CAC 40 decreased by 5.0% to 3,607.7 points, Germany's DAX index tapered by 4.6% to 5,415.0 points, and the United Kingdom's FTSE 100 index narrowed by 1.7% to 5,044.6 points. In Asia, Japan's Nikkei index contracted by 1.0% to 10,034.7 points; however, China's SE Composite index advanced by 7.8% to 2,995.9 points.

3. Domestic Monetary Trends

Reflecting seasonal, though tempered, net foreign currency outflows largely associated with current payments, domestic monetary conditions for the month of October featured a significant decline in both liquidity and external reserves. However, trends for the ten months of the year continued to show robust levels of liquidity and external reserves, bolstered in large measure by Government's foreign currency borrowings and the mild credit conditions.

October 2009 vs. 2008

In October, bank liquidity—as measured by excess cash reserves—contracted by a substantially higher level of \$113.3 million, compared to the previous year's \$6.4 million. However, overall liquidity—which includes, inter alia, the cash positions and investments in government paper—decreased by a more moderate \$64.8 million, although exceeding the \$15.0 million decline in 2008.

During the month, the fall-off in external reserves was comparatively higher at \$69.0 million, relative to \$23.4 million a year ago, as the more than three-fold rise in the Central Bank's net foreign currency sale to \$70.1 million was primarily absorbed by a 45.6% hike in the net sales to the public sector to \$60.6 million—mainly for fuel and other current payments. Transactions with commercial banks were reversed from a net purchase of \$19.2 million to a net sale of \$9.6 million, in order to support banks' increased net sale to their clients.

Amid the downturn in private sector demand, accretions to Bahamian dollar credit tapered by 3.6% from the year-earlier position to \$64.3 million. Growth in claims on the private sector was sharply reduced to \$0.5 million from \$25.5 million, with consumer credit registering a net repayment of \$8.0 million, following last year's \$8.3 million gain; and growth in mortgages slackened by \$4.0 million to \$10.4 million. In contrast, net claims on the Government advanced by \$68.3 million, almost double the previous year's expansion, in the form of higher advances and Treasury bill holdings. Claims on the rest of the public sector registered a modest repayment of \$4.5 million, a turnaround from a \$4.9 million increase in the preceding year.

The weakened economic conditions and elevated unemployment levels also precipitated further deterioration in credit quality throughout the month of October. Private sector loan arrears rose by \$42.8 million (4.3%) to \$1,032.0 million, with a corresponding increase in the arrears rate by 0.7

percentage points to 16.98% of total loans. A disaggregation of arrears by average age showed that the growth was due solely to gains in the short-term 31-90 day segment, which advanced by \$51.6 million (11.3%) to \$507.5 million, elevating the corresponding arrears ratio by 86 basis points to 8.4%. In contrast, non-performing loans, those more than 90 days in arrears and on which banks have stopped accruing interest, fell by \$8.7 million (1.6%) to \$524.5 million, resulting in a 13 basis points reduction in the relevant ratio to 8.6%.

In terms of loan classification, the monthly growth in total arrears was broadly based. Consumer loan delinquencies expanded by \$15.9 million (5.4%) to \$309.4 million, reflecting gains in the 31-90 day and, to a lesser extent, the non-performing loan segments. Mortgage delinquencies advanced by \$15.7 million (3.4%) to \$480.1 million, attributed solely to increases in short-term arrears, which surpassed a fall-off in the non-performing component. In contrast, commercial delinquencies rose by \$11.3 million (4.9%) to \$242.6 million, as gains in the average age of arrears resulted in more loans migrating to the non-performing category.

Banks overall level of provisioning for bad debt fell by 1.5% (\$3.2 million) to \$207.5 million, resulting in the ratio of provisions to arrears contracting by 1.2 percentage points to 20.1%. Reflecting loan write-offs, however, the ratio of provisions to non-performing loans moved higher by 5 basis points to 39.6%.

During the review month, the contraction in domestic foreign currency credit was more than halved to \$3.6 million, mainly on account of a \$2.8 million upturn in private sector credit which reversed the \$3.1 million repayment recorded a year ago. Public corporations registered a slightly higher net repayment of \$5.9 million, while the contraction in net credit to Government was almost a third of last year's \$1.7 million.

The decline in total Bahamian dollar deposits widened to \$21.3 million from \$5.9 million. The falloff in demand deposits moved slightly higher by \$2.7 million to \$35.1 million, owing mainly to the drawdown in public sector balances; and accretions to fixed and saving deposits slowed by 42.2% and 66.1%, to \$11.6 million and \$2.2 million, respectively.

In interest rate developments, the weighted average deposit rate at banks softened by 4 basis points to 3.55%, with the highest rate of 6.00% offered on fixed deposits of over 12 months. Similarly, the weighted average loan rate registered a slight 2 basis points drop to 10.48%.

January - October 2009

For the year-to-date October, liquidity conditions remained relatively buoyant, although below last year's levels, amid generally less favourable foreign currency conditions. Partly reflecting shifts into government paper, banks' free cash reserves contracted by \$46.9 million, a turnaround from last year's gain of \$21.5 million. Growth in excess liquid assets, however, was lower by 17.9% at \$137.2 million.

Although supported by the injection of US\$178.7 million in SDRs under the global IMF initiative, as well as foreign currency borrowings by the Government, a broad-based slump in the foreign exchange earning sectors resulted in accretions to external reserves waning by \$50.3 million to \$121.1 million. In the underlying foreign currency transactions, the Central Bank recorded a net sale of \$72.7 million, in contrast to a net purchase of \$161.1 million a year ago. Specifically, the

net receipt from commercial banks was markedly lower at \$18.6 million from \$224.8 million, occasioned by a \$189.2 million falloff in their net purchase from clients. In addition, the Bank's net sale to the public sector firmed by \$27.6 million to \$91.3 million.

During the review period, Bahamian dollar credit growth slackened by 36.2% to \$226.4 million, amid sustained weakness in domestic demand. Private sector credit growth at \$51.1 million was less than one-sixth the year-earlier level, led by a turnaround in the consumer credit component, to a net repayment of \$35.3 million from a year-earlier increment of \$110.0 million. Accretions to mortgages also slowed by 43.5% to \$100.9 million. Credit to the public corporations fell by \$6.0 million, in contrast to last year's \$24.1 million advance; however, as banks increased their holdings of government paper, growth in their net claim on the Government accelerated to \$181.3 million from \$12.0 million in 2008.

An analysis of consumer lending for the first three quarters of the year revealed net repayments for almost all categories, with the exception of debt consolidation which grew at a more moderate pace of \$43.7 million. Notable net repayments were recorded for private cars (\$23.6 million), "miscellaneous" (\$18.3 million), credit cards (\$16.9 million), travel (\$9.9 million), home improvement (\$7.5 million) and medical (\$1.5 million) loans.

Buoyed by commercial banks' short-term advances to Government, domestic foreign currency credit increased by \$99.9 million, in contrast to a net repayment of \$24.7 million in 2008. Meanwhile, the contraction in the private sector credit component slowed by \$74.3 million to \$20.0 million, and public corporations repaid \$41.2 million of their outstanding claims, compared to a \$93.5 million expansion in the previous period.

Growth in Bahamian dollar deposits slackened by over 80% to \$54.8 million during the review period, with the accretion in fixed balances lower at \$87.6 million from \$267.2 million last year. Further, demand and savings deposits declined by \$20.8 million and \$12.0 million, in contrast to respective increases of \$3.4 million and \$20.8 million last year.

4. Outlook and Policy Implications

Given ongoing concerns about the durability of the recovery underway in the global economy and particularly in the United States, economic activity in the Bahamian economy is anticipated to remain relatively subdued for the remainder of the year, with signs of improvement not anticipated until the latter half of 2010. In these circumstances, tourism output and construction activity related to debt financed foreign investment projects, are expected to maintain their downward trajectory in the short-term.

On the fiscal side, anemic demand conditions are expected to continue to negatively impact Government's revenue performance, resulting in elevated deficit positions and corresponding debt indicators over the medium term.

In the monetary sector, both liquidity and external reserves are forecasted to remain relatively healthy over the rest of 2009 and into 2010, although further deterioration in banks' loan portfolios could occur during 2009, given the persistence of unfavourable economic and employment prospects.

Recent Monetary and Credit Statistics

(B\$ Millions)

OCTOBER					
Value		Change		Change YTD	
2008	2009	2008	2009	2008	2009

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	263.21	160.39	-6.43	-113.27	21.52	-46.92
1.2 Excess Liquid Assets	322.00	399.18	-15.01	-64.76	167.16	137.23
1.3 External Reserves	626.22	683.84	-23.35	-69.02	171.42	121.11
1.4 Bank's Net Foreign Assets	-718.79	-748.36	-6.78	11.86	-29.94	-26.55
1.5 Usable Reserves	262.61	379.43	-16.78	-8.18	158.12	145.85

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,434.26	6,534.26	22.42	3.32	224.31	31.10
a. B\$ Credit	5,996.72	6,114.85	25.49	0.50	318.58	51.07
of which: Consumer Credit	2,211.76	2,179.60	8.30	-7.97	110.04	-35.32
Mortgages	2,718.85	2,852.15	14.37	10.37	178.62	100.91
b. F/C Credit	437.53	419.41	-3.07	2.81	-94.27	-19.96
of which: Mortgages	80.48	93.13	0.56	-2.07	26.46	7.80
2.2 Central Government (net)	845.17	1,241.29	34.55	67.67	-11.86	342.34
a. B\$ Loans & Securities	993.75	1,245.97	37.29	66.61	30.15	212.73
Less Deposits	146.29	167.85	1.01	-1.66	18.12	31.44
b. F/C Loans & Securities	3.39	164.61	0.00	-0.47	-19.77	160.71
Less Deposits	5.68	1.43	1.73	0.13	4.12	-0.34
2.3 Rest of Public Sector	396.74	354.68	1.28	-10.36	117.55	-47.16
a. B\$ Credit	87.16	78.88	4.87	-4.51	24.07	-5.99
b. F/C Credit	309.58	275.79	-3.59	-5.85	93.48	-41.17
2.4 Total Domestic Credit	7,676.17	8,130.29	58.25	60.62	330.00	326.35
a. B\$ Domestic Credit	6,931.35	7,271.91	66.64	64.26	354.68	226.44
b. F/C Domestic Credit	744.82	858.38	-8.39	-3.64	-24.68	99.91

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,091.97	1,060.67	-32.41	-35.09	3.38	-20.77
a. Central Bank	18.50	10.81	-11.21	3.34	8.68	1.86
b. Banks	1,073.46	1,049.86	-21.20	-38.42	-5.30	-22.63
3.2 Savings Deposits	1,012.18	1,008.01	6.34	2.15	20.82	-12.02
3.3 Fixed Deposits	3,422.69	3,520.01	20.13	11.64	267.16	87.61
3.4 Total B\$ Deposits	5,526.83	5,588.69	-5.94	-21.30	291.36	54.83
3.5 F/C Deposits of Residents	151.11	256.10	-18.99	6.81	-48.57	87.12
3.6 M2	5,727.06	5,769.39	1.24	-24.62	278.51	29.72
3.7 External Reserves/M2 (%)	10.93	11.85	-0.41	-1.14	2.59	2.05
3.8 Reserves/Base Money (%)	89.95	117.34	-3.43	9.69	22.39	30.09
3.9 External Reserves/Demand Liabilities (%)	86.02	112.22	-1.65	9.20	21.23	26.93

Value		Year to Date		Change	
2008	2009	2008	2009	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-22.35	-70.13	161.09	-72.71	-47.78	-233.80
a. Net Purchase/(Sale) from/to Banks	19.24	-9.56	224.81	18.56	-28.80	-206.25
i. Sales to Banks	2.76	22.56	183.04	240.73	19.80	57.69
ii. Purchases from Banks	22.00	13.00	407.86	259.29	-9.01	-148.57
b. Net Purchase/(Sale) from/to Others	-41.59	-60.56	-63.72	-91.27	-18.98	-27.55
i. Sales to Others	55.09	70.74	590.93	436.89	15.65	-154.04
ii. Purchases from Others	13.51	10.18	527.21	345.62	-3.33	-181.59
4.2 Banks Net Purchase/(Sale)	-1.13	-4.26	202.95	13.72	-3.12	-189.23
a. Sales to Customers	336.27	304.63	3,770.84	3,326.76	-31.65	-444.09
b. Purchases from Customers	335.14	300.37	3,973.79	3,340.48	-34.77	-633.31
4.3 B\$ Position (change)	3.17	10.37				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	289.08	253.35	2,910.96	2,187.87	-35.73	-723.09
of which Public Sector	45.54	30.39	520.22	348.47	-15.15	-171.75
a. Nonoil Imports	124.76	100.22	1,094.89	857.14	-24.54	-237.75
b. Oil Imports	65.79	39.17	606.63	244.44	-26.61	-362.19
c. Travel	14.25	15.25	192.52	140.12	1.00	-52.39
d. Factor Income	4.18	11.02	58.84	129.35	6.84	70.51
e. Transfers	8.52	3.20	64.65	49.26	-5.32	-15.39
f. Other Current Items	71.59	84.49	893.44	767.57	12.90	-125.87
5.2 Capital Items	7.31	2.09	74.18	67.45	-5.22	-6.73
of which Public Sector	1.11	0.02	24.26	18.24	-1.09	-6.02
5.3 Bank Remittances	0.00	9.10	3.05	91.20	9.10	88.15

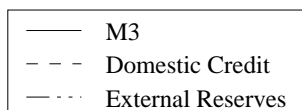
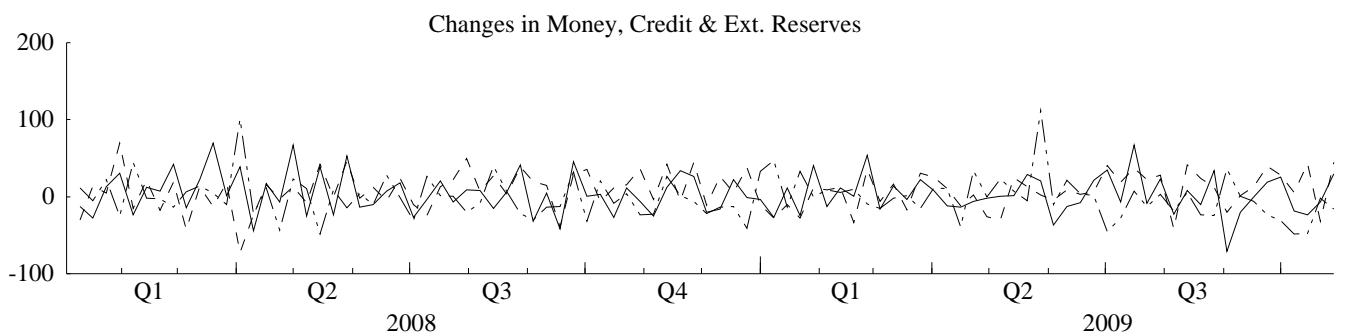
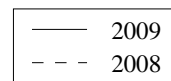
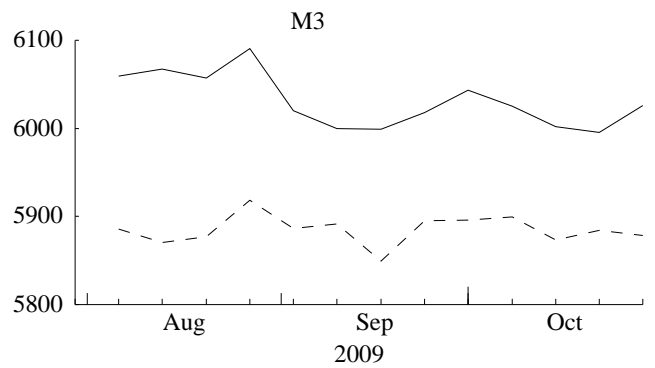
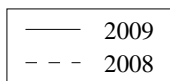
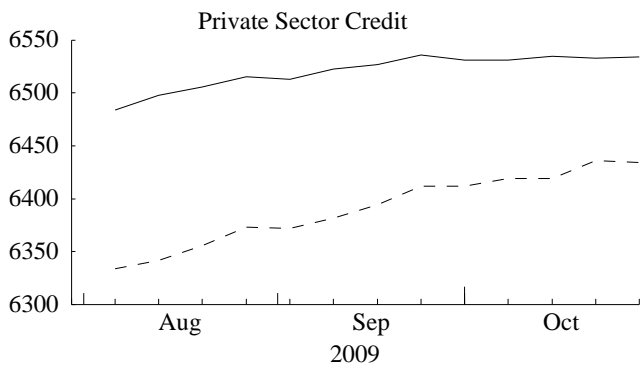
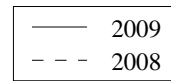
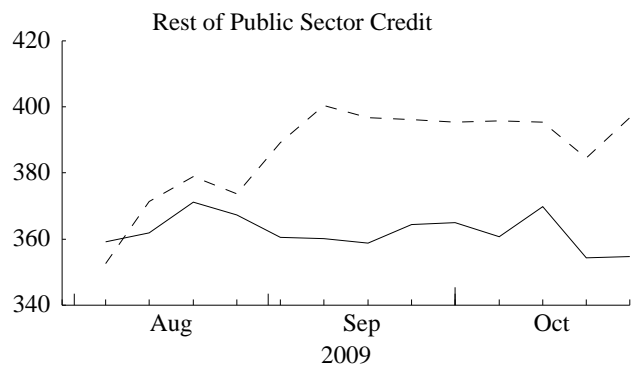
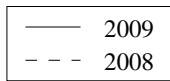
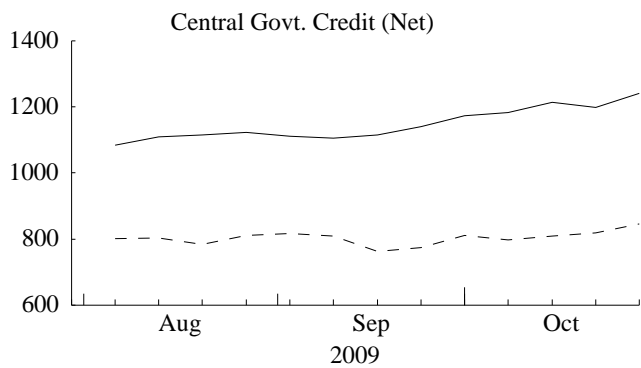
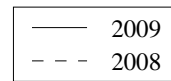
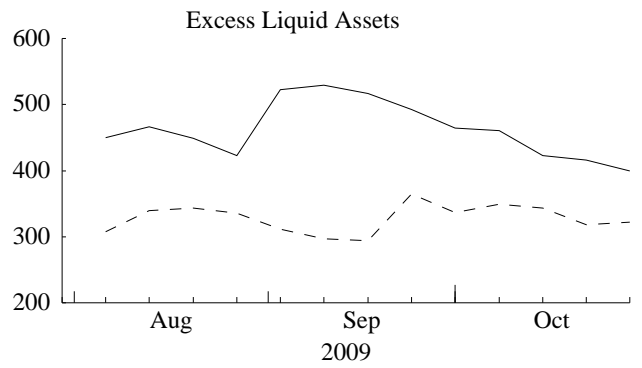
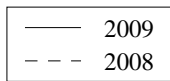
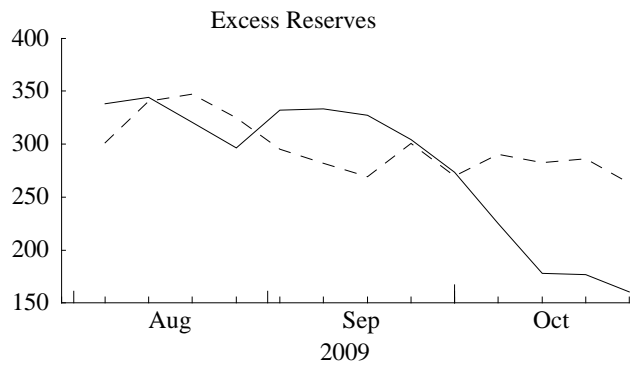
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: OCTOBER 29, 2008 and OCTOBER 28, 2009

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. Page 7

Components may not sum to totals due to round-off error.

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	
	2008	2009	2008	2009	2008	2009
Bahamas	-1.7	-4.5	4.5	1.8	8.7*	n/a
United States	0.4	-2.7	3.8	-0.4	5.8	8.9
Euro-Area	0.7	-4.2	3.3	0.3	7.6	10.1
<i>Germany</i>	<i>1.2</i>	<i>-5.3</i>	<i>2.8</i>	<i>0.1</i>	<i>7.3</i>	<i>9.0</i>
Japan	-0.7	-5.4	1.4	-1.1	4.0	4.6
United Kingdom	0.7	-4.4	3.6	1.9	5.5	7.4
Canada	0.4	-2.5	2.4	0.1	6.2	8.4

Sources: IMF World Economic Outlook, October 2009, IMF World Economic Outlook, April 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
August 2007	5.25	4.00	5.75	5.25	5.75
September 2007	5.25	4.00	5.25	4.75	5.75
October 2007	5.25	4.00	5.00	4.50	5.75
November 2007	5.25	4.00	5.00	4.50	5.75
December 2007	5.25	4.00	4.75	4.25	5.50
January 2008	5.25	4.00	3.50	3.00	5.50
February 2008	5.25	4.00	3.50	3.00	5.25
March 2008	5.25	4.00	2.50	2.25	5.25
April 2008	5.25	4.00	2.25	2.00	5.00
May 2008	5.25	4.00	2.25	2.00	5.00
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Oct-08	Sep-09	Oct-09	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7859	0.6832	0.6794	-0.5	-5.1	-13.5
Yen	98.46	89.69	90.10	0.5	-0.6	-8.5
Pound	0.6220	0.6257	0.6080	-2.8	-11.1	-2.3
Canadian \$	1.2124	1.0696	1.0848	1.4	-11.1	-10.5
Swiss Franc	1.1579	1.0362	1.264	-0.9	-4.0	-11.4

Source: Bloomberg as at October 31, 2009

D. Selected Commodity Prices (\$)					
Commodity	October 2008	September 2009	October 2009	Mthly % Change	YTD % Change
Gold / Ounce	724.55	1007.70	1045.40	3.7	18.5
Silver / Ounce	9.85	16.65	16.31	-2.0	43.2
Oil / Barrel	63.95	65.27	77.11	18.1	95.1

Source: Bloomberg as at October 31, 2009

E. Equity Market Valuations –October 31, 2009 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.70	0.00	-1.89	-1.74	-4.95	-4.58	-0.97	7.79
3 month	-6.32	2.28	1.30	2.76	-1.25	-0.91	-4.36	12.30
YTD	-13.79	10.67	14.77	13.77	12.11	12.57	13.26	64.53
12-month	-18.28	4.16	6.79	15.24	3.46	8.56	17.00	73.29

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.16	0.30	0.24
1 Month	0.18	0.53	0.37
3 Month	0.28	0.45	0.67
6 Month	0.59	0.84	0.97
9 Month	0.83	1.04	1.07
1 year	1.02	0.90	1.17

Source: Bloomberg as at October 31, 2009

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

	VALUE												CHANGE											
	Sep. 02	Sep. 09	Sep. 16	Sep. 23	Sep. 30	Oct. 07	Oct. 14	Oct. 21	Oct. 28	Sep. 02	Sep. 09	Sep. 16	Sep. 23	Sep. 30	Oct. 07	Oct. 14	Oct. 21	Oct. 28						
I. External Reserves	803.64	816.06	789.65	763.44	752.86	729.09	697.90	699.78	683.84	155.13	12.42	-26.41	-26.21	-10.58	-23.77	-31.19	1.88	-15.94						
II. Net Domestic Assets (A + B + C + D)	-47.00	-63.85	-44.34	-46.81	-53.48	-87.04	-105.25	-110.05	-101.06	-110.29	-16.85	19.50	-2.47	-6.67	-33.56	-18.21	-4.81	9.00						
A. Net Credit to Gov¹(i + ii + iii - iv)	221.68	225.39	243.98	245.77	245.93	216.75	202.38	197.73	202.16	11.58	3.71	18.59	1.79	0.16	-29.18	-14.36	-4.65	4.43						
i) Advances	96.99	96.99	96.99	96.99	96.99	96.99	96.99	96.99	96.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	128.55	123.06	121.76	121.56	120.12	119.70	116.53	114.47	114.16	14.94	-5.50	-1.30	-0.19	-1.44	-0.43	-3.17	-2.06	-0.31						
iii) Treasury Bills	52.17	52.17	52.17	52.17	52.17	15.88	5.96	5.96	5.96	22.36	0.00	0.00	0.00	0.00	-36.29	-9.93	0.00	0.00						
iv) Deposits	56.03	46.82	26.94	24.96	23.36	15.82	17.09	19.68	14.94	25.72	-9.21	-19.89	-1.98	-1.60	-7.54	1.27	2.59	-4.74						
B. Rest of Public Sector (Net) (i + ii - iii)	-0.38	2.51	2.54	-1.40	-1.33	-8.07	-11.15	-9.23	-4.66	30.15	2.89	0.03	-3.94	0.08	-6.74	-3.08	1.93	4.56						
i) BDB Loans	6.15	6.15	6.15	6.15	6.15	6.15	6.15	6.15	6.15	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	6.53	3.64	3.61	7.55	7.48	14.22	17.30	15.38	10.81	-30.15	-2.89	-0.03	3.94	-0.08	6.74	3.08	-1.93	-4.56						
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)*	-268.30	-291.75	-290.86	-291.18	-298.08	-295.72	-296.48	-298.56	-298.56	-152.02	-23.45	0.89	-0.31	-6.90	2.36	-0.76	-2.08	0.00						
III. Monetary Base	756.64	752.21	745.30	716.63	699.38	642.06	592.65	589.73	582.79	44.85	-4.43	-6.91	-28.68	-17.25	-57.32	-49.40	-2.92	-6.94						
A. Currency in Circulation	277.41	272.55	262.95	261.81	271.66	268.42	267.45	259.53	263.84	2.30	-4.86	-9.59	-1.14	9.85	-3.24	-0.97	-7.91	4.31						
B. Bank Balances with CBOB	479.23	479.67	482.35	454.82	427.73	373.64	325.21	330.20	318.94	42.55	0.44	2.68	-27.54	-27.09	-54.09	-48.43	4.99	-11.25						

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

FISCAL/REAL SECTOR INDICATORS

(US 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 % change	101.1	100.2	118.5	87.6	97.8	80.0																					314.3	267.8
	-27.00%		17.21%	-12.56%	-17.50%	-8.67%																					7.02%	-14.82%
2. Import/Excise Duties % change	30.8	53.6	32.1	42.1	33.3	44.3																					141.9	140.1
	-48.41%		4.23%	-21.41%	3.62%	5.27%																					16.14%	-1.31%
3. Recurrent Expenditure % change	116.7	115.3	100.0	95.8	114.6	108.9																					331.5	320.0
	-24.22%		-14.31%	-16.87%	14.60%	13.65%																					9.20%	-3.50%
4. Capital Expenditure % change	8.2	5.2	10.8	11.7	9.5	20.6																					28.5	37.5
	-75.94%		31.71%	127.85%	-12.04%	75.56%																					-6.66%	31.54%
5. Deficit/Surplus* % change	-28.4	-21.4	3.4	-25.2	-32.4	-54.4																					-60.4	-101.0
	-56.81%		-111.97%	17.51%	-1051.76%	116.02%																					18.93%	67.13%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		YEAR TO DATE								
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009							
Debt: **																													
6. Total Debt % change	2,635.5	2,874.0	2,635.7	2,884.5	2,625.0	2,947.4	2,688.2	2,953.9	2,679.3	3,059.0	2,679.2	3,084.8	2,681.7	3,085.2	2,682.8	3,237.6	2,766.9	3,236.7	2,755.0	3,213.1									
	0.00%	5.01%	0.01%	0.37%	-0.41%	2.18%	2.41%	0.22%	-0.43%	3.56%	0.00%	0.84%	0.10%	0.01%	0.04%	4.94%	3.15%	-0.03%	-0.43%	-0.73%									
7. External Debt % change	273.0	383.7	273.2	394.3	272.4	393.3	371.5	390.8	371.5	415.9	371.4	421.6	374.0	422.0	375.0	424.4	374.1	423.5	372.2	420.8									
	0.21%	0.19%	0.08%	2.74%	-0.27%	-0.24%	36.36%	-0.66%	0.00%	6.42%	-0.03%	1.38%	0.69%	0.10%	0.28%	0.56%	-0.25%	-0.20%	-0.49%	-0.64%									
8. Internal F/C Debt % change	23.2	3.6	23.2	3.6	23.2	53.6	52.7	52.7	3.4	142.7	3.4	162.7	3.4	162.7	3.4	162.7	3.4	162.7	3.4	161.8									
	-0.17%	158.00%	0.00%	0.00%	0.00%	1384.27%	-90.25%	-1.68%	50.01%	170.75%	0.00%	14.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.55%									
9. Bahamian Dollar Debt % change	2,339.4	2,486.6	2,339.4	2,486.6	2,329.4	2,500.5	2,314.4	2,510.5	2,304.4	2,500.5	2,304.4	2,500.5	2,304.4	2,500.5	2,304.4	2,650.5	2,389.4	2,650.5	2,379.4	2,630.5									
	-0.02%	4.51%	0.00%	0.00%	-0.43%	0.56%	-0.64%	0.40%	-0.43%	-0.40%	0.00%	0.00%	0.00%	0.00%	0.00%	6.00%	3.69%	0.00%	-0.42%	-0.75%									
10. Total Amortization % change	0.5	0.0	0.1	0.0	10.7	0.9	37.7	18.5	10.0	60.0	0.1	0.0	0.0	0.1	0.0	0.0	15.9	15.9	11.8	23.6									
	391.80%	-100.00%	-80.46%		1107.67%		250.76%	1868.38%	-73.40%	224.72%	-98.94%	-100.00%	-100.00%	0.0	0.0	0.0	0.0	0.0	-23.70%	48.68%									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		YEAR TO DATE								
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009							
11. Total Public Sector F/C Debt	702.5	858.3	701.0	867.0	694.6	918.2	771.6	914.2	770.6	1,027.2	782.9	1,045.7	782.2	1,045.4	781.4	1,044.9	843.2	1,046.1	840.1	1,041.3									
	27.85%	31.16%	-18.33%	23.69%	-19.89%	32.19%	-15.97%	18.48%	-15.71%	33.30%	-23.78%	33.57%	-25.20%	33.66%	-25.25%	33.72%	7.90%	24.06%	-0.36%	23.94%									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		YEAR TO DATE											
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009										
Real Sector Indicators																														
12. Retail Price Index % change; over previous month	124.2	129.9	124.6	129.8	124.7	130.0	126.6	130.2	128.1	130.4	128.5	130.7	129.3	130.9	130.0	130.9	130.1	131.1												
	0.09%	0.12%	0.32%	-0.05%	0.09%	0.15%	1.56%	0.18%	1.2%	0.1%	0.5%	0.6%	0.1%	0.5%	0.0%	0.0%	0.1%	0.1%												
13. Tourist arrivals (000's) % change; over previous year	372.7	410.8	430.9	386.8	500.6	466.0	396.9	414.7	399.3	384.5	335.9	379.2	341.5	386.5	345.0	366.8	366.8	366.8												
	-6.19%	10.21%	14.39%	-10.25%	29.43%	-6.90%	14.85%	4.50%	-18.2%	13.3%	-12.9%	12.9%	-9.9%	13.2%	-10.7%	6.3%	6.3%	6.3%												
14. Air arrivals (000's) % change; over previous year	110.8	90.0	125.8	103.1	166.8	133.4	138.1	131.2	128.5	113.5	138.8	119.9	142.8	130.2	122.2	103.1	103.1	103.1												
	7.08%	-18.74%	6.49%	-18.04%	61.83%	-20.03%	3.50%	-4.95%	-2.1%	-11.7%	22.3%	-13.6%	19.1%	-8.8%	-6.1%	-15.6%	-15.6%	-15.6%												
15. Occupied Room Nights % change; over previous year	212.9	169.7	211.8	168.3	262.7	213.1	232.2	231.0	216.0	220.4																				
	7.01%	-20.30%	2.85%	-20.52%	0.81%	-18.87%	-9.72%	-0.55%	-2.01%	2.0%																				
16. Res. Mortgage Commitments-New Const. % change; over previous qtr.						44.4	49.2				49.8	46.4					51.2	31.2										145.37	126.79	
						44.63%	22.99%				12.1%	-5.8%					2.9%	-32.8%										151.88%	-12.78%	

* Includes Net Lending to Public Corporations
 ** Debt figures pertain to central government only unless otherwise indicated
 P - Provisional
 Annual/3-D Retail Price data are averages.