



Monthly Economic and Financial Developments January 2016

In an effort to provide the public with more frequent information on its economic surveillance activities, the Central Bank has decided to release monthly reports on economic and financial sector developments in The Bahamas. The Bank monitors these conditions as part of its monetary policy mandate, to assess whether money and credit trends are sustainable relative to levels of external reserves required to protect the value of the Bahamian dollar and, if not, the degree to which credit policies ought to be adjusted. The main data source for this surveillance is financial institutions' daily reports on foreign exchange transactions and weekly balance sheet statements. Therefore, monthly approximations may not coincide with calendar estimates reported in the Central Bank's quarterly reports. The Central Bank will release its "Monthly Economic and Financial Developments" report on the Monday following its monthly Monetary Policy Committee Meeting.

Future Release Dates:

2016: April 4, May 2, May 30, July 4, August 8, August 29, October 3, October 31, November 28, December 19.

Monthly Economic and Financial Developments

January 2016

1. Domestic Economic Developments

Buoyed mainly by the growth in tourism sector output and positive impulses from foreign investment-related construction activity, indications are that the domestic economy sustained its growth trajectory in January. Inflation remained relatively subdued over the twelve months to October, reflecting the pass-through effects of the persistent decline in global oil prices. A Value Added Tax (VAT) led expansion in revenue, which outpaced a moderate gain in spending, resulted in a significant narrowing of the Government's deficit over the first six months of FY2015/16, while monetary sector developments were dominated by net inflows from real sector activities, which supported gains in both bank liquidity and external reserves.

Preliminary data from the Bahamas Hotel & Tourism Association and the Ministry of Tourism for a sample of hotels in New Providence, indicated that the improvement in hotel sector performance was sustained over 2015, as total room revenue firmed by 3.0%. This outturn reflected gains in the average occupancy rate by 2.5 percentage points to 69.2%, as the recovery in the key group segment led to rates exceeding their comparable 2014 levels in 8 of the 12 months. Similarly, the average daily room rate (ADR) firmed by 6.0% (\$14.41) to \$253.88.

Indications are that the positive trends noted in the tourism sector in 2015 were maintained over the review period, reflecting in part the hosting of several international sporting events, along with sustained economic growth in several of the main visitor markets.

Compared to the year prior, domestic consumer price inflation—as measured by the Retail Price Index (RPI) of The Bahamas—firmed by 44 basis points to 1.64% in the twelve months to October 2015. This included accelerated rises in average prices for health care (12.6%) recreation & culture (9.2%) and furnishing, household items (6.1%). Also noteworthy were increases for alcoholic beverages tobacco & narcotics (7.9%), restaurant & hotels (5.3%), education (5.0%), food & non-alcoholic beverages (4.7%), and communication (4.2%). However a more tempered advance was recorded for miscellaneous goods and services (0.8%), while the index of housing, water, gas, electricity & other fuels—the largest component of the RPI—contracted further by 0.8%. Likewise, amid the sharp falloff in global crude oil prices, transport costs fell by 4.9%, reversing a similar increase in the prior year.

With respect to domestic fuel costs, in January, the Bahamas Electricity Corporation's fuel charge rose by 3.8% over the previous month to 10.41 cents per kilowatt hour (kWh); however, in comparison to 2015, the pass-through was 54.7% lower.

Data on the Government's budgetary operations for the first half of FY2015/16, showed that the deficit narrowed by \$110.9 million (42.6%) to \$149.3 million. Supported by a series of revenue enhancement measures and the widening of the tax base following the introduction of the VAT, total receipts rose by \$209.6 million (30.6%) to \$895.6 million, outpacing a \$98.8 million (10.4%) gain in aggregate expenditure to \$1,044.9 million. Tax revenues firmed by \$213.2 million (36.3%) to \$800.9 million—with a VAT yield of \$317.0 million. However, on account of tariff rate reductions which were applied to offset the VAT related increases, taxes on international trade declined by \$41.9 million (13.9%) to \$259.4 million, as the import and excise tax components decreased by \$26.2 million (16.3%) and \$17.0 million (12.4%), respectively.

The elimination of the hotel occupancy tax displaced \$14.9 million in receipts from selective taxes on services, while a timing-related reduction in “other miscellaneous inflows” contributed to business and professional fees declining by \$17.6 million (58.1%). Receipts from “other taxes” contracted by \$25.1 million (10.8%) to \$207.3 million, reflecting a \$38.3 million (71.2%) reduction in stamp taxes from property sales, as most of the corresponding revenue had shifted in composition to the VAT. Meanwhile, non-tax revenue fell marginally by \$0.7 million to \$94.5 million.

Driven mostly by reclassification of subventions to public enterprises, current outlays firmed by \$141.2 million (17.4%) to \$953.1 million. The most significant increase was recorded for transfer payments, which expanded by \$105.7 million (28.7%) to \$474.2 million, with the reclassification of “net lending” resulting in an eight-fold (\$42.3 million) rise in transfers to public corporations. Subsidies and transfers to households also rose by \$19.7 million and \$10.2 million, respectively. In addition, consumption expenditure grew by \$35.4 million (8.0%) to \$479.0 million, as spending on goods and services climbed by \$23.6 million (19.4%) and disbursements for wages and salaries rose by \$11.9 million (3.7%) amid some public sector union-negotiated payments. In contrast, capital outlays contracted by \$4.5 million (4.7%) to \$89.3 million, mainly attributed to a \$9.9 million decline in “other” asset purchases, which offset respective increases in land and financial asset acquisitions by \$3.7 million and \$2.8 million.

2. International Developments

Economic conditions in the major economies were mixed over the review period, as both the United States and Europe maintained their modestly positive growth trajectories; however, Asian markets remained weak. Against this backdrop, global central banks either maintained or enhanced their highly accommodative monetary policy measures over the review period.

Reflecting the improving economic environment, industrial production in the United States firmed by 0.9% in January, a reversal from a 0.7% decline in the prior month, due to higher weather-related utilities output. Similarly, the low jobless rate—alongside reduced fuel costs—supported a 0.2% gain in retail sales, month on month, as consumers increased their purchases primarily of motor vehicles, groceries and building materials. The trade deficit rose by \$1.2 billion to \$43.4 billion in December, amid a combination of increased imports and a decline in exports of mainly automotive goods. Housing market developments varied during January, as building permits issued fell by 0.2% and severe weather conditions in the mid-Atlantic and the Northeast during the latter part of the month, contributed to a 2.8% drop in housing starts; however, the number of completions firmed by 2.0%. In the labour markets, unemployment rate narrowed on a monthly basis by 10 basis points to 4.9%, due to increased hiring in the retail trade, food services, health care and manufacturing sectors. Inflationary pressures were well contained, as average prices were unchanged in January over the previous month, compared to a 0.1% ebbing in December. Following its 25 basis point rate rise in December 2015, the Federal Reserve held its benchmark rate at the 0.25-0.50% range.

European economies continued to gradually expand over the review period, supported by the ongoing recovery in consumer demand. In the United Kingdom, despite a monthly fall in industrial output by 1.1% in December, labour market conditions continued to improve, as the jobless rate fell by 20 basis points to 5.1% in the three-months ending December—representing an estimated 205,000 net new hirings. On the external front, the trade deficit narrowed by £1.3 billion to £2.7 billion in December, over the prior month, reflecting a falloff in goods imports. In addition, consumer prices declined by 0.8% in January, vis-à-vis a 0.1% advance in the previous month, partly attributed to a reduction in air fare costs. In the euro area,

output firmed by 0.3% in the fourth quarter, following a similar increase in the preceding three-month period, owing largely to both manufacturing and consumer spending-led gains in the economies of several member states. Similarly, the volume of retail trade rose by 0.3% in December, after remaining flat in the prior month, while lower energy generation resulted in a 1.0% reduction in industrial production, extending the prior month's 0.5% contraction. Reflecting a 4.5% fall in imports, which outpaced the 3.5% decline in exports, the trade surplus firmed by €0.7 billion to €24.3 billion in December. Inflation remained relatively tame, as the rate rose by a mere 20 basis points to 0.4% in January, led by gains in the services, and food, alcohol & tobacco components. With the improvement in economic conditions, the jobless rate fell by 10 basis points to 10.4% in December—the lowest rate since September 2011. Given the headwinds that continue to challenge their economies, both the Bank of England and the European Central Bank maintained their highly accommodative stances, leaving their key bank rates unchanged.

Asian economies continued to be adversely affected by China's slowing growth and financial sector instability during the review period. In January, the country's Purchasing Managers Index (PMI) eased to 49.4% from 49.7% in the previous month, reflecting broad-based declines in the majority of the sub-categories. In contrast, the trade surplus expanded by US\$6.0 billion to US\$60.1 billion in December, as the depreciation of the Yuan contributed to export growth. Japan's output fell by 0.4% in the fourth quarter, a reversal from a 0.3% gain recorded in the prior three-month period, due mainly to declines in consumer spending and private investment. In addition, the mild weather conditions—which negatively impacted the sale of winter goods—and lower fuel prices occasioned a 0.2% decline in retail sales during December, following the prior month's 2.5% reduction, while industrial production fell by 1.4%, extending November's 0.9% contraction. On a positive note, the country's trade balance reversed to a surplus of ¥140.3 billion from a deficit of ¥384.6 billion, reflecting a 6.0% increase in exports, combined with a fuel-led, 2.5% decline in imports. Further, average consumer prices remained relatively unchanged in December, after declining slightly by 0.1% a month earlier, and the unemployment rate steadied at 3.3%. Given the challenging economic conditions in the region, the People's Bank of China injected an estimated US\$20 billion into its financial system in an effort to stabilise the sector, while the Bank of Japan extended its monetary policy loosening measures, by reducing its key policy rate to -0.1%.

Reflecting attempts by member states to retain market share in the face of falling prices, OPEC's average daily oil production rose by 131,000 barrels per day (bpd) to 32.3 million bpd in January. As a consequence, average crude oil prices fell by a further 6.7% to \$34.09 per barrel; the lowest level since 2004. Given the uncertainty in the global financial markets, the price of gold firmed by 5.4% to \$1,118.17 per troy ounce, while silver costs grew by 2.9% to \$14.26 per troy ounce.

The volatility in China's financial markets, as a result of the economic slowdown, spilled-over into most of the major equity exchanges, leading to steep declines in stock indices. The largest losses were recorded in China, as the SE composite plunged by 22.7%, while Japan's Nikkei 225 decreased by 8.0%. More muted contractions occurred in Europe, with Germany's DAX, France's CAC 40 and the United Kingdom's FTSE 100 falling by 8.8%, 4.8% and 2.5%, respectively. In the United States, declines were also noted for the Dow Jones Industrial Average (5.5%) and the S&P 500 (5.1%).

In the foreign currency markets, the dollar firmed against most of the major currencies, buoyed by expectations that the Federal Reserve will continue to gradually raise interest rates. The dollar appreciated the most relative to the British pound, by 3.5% to £0.7020 and rose versus the Swiss Franc, by 2.1% to CHF1.0232. In addition, the dollar recorded gains vis-à-vis the Chinese Yuan, of 1.3% to

CNY6.5754, the Canadian dollar, of 1.1% to CAD\$1.3977, the Japanese Yen, of 0.9% to ¥121.14, and the Euro, of 0.2% to €0.9232.

3. Domestic Monetary Trends January 2016 vs. 2015

Buttressed by net foreign currency inflows from real sector activities, both bank liquidity and external reserves expanded over the review period. Excess liquid assets—a broad measure of liquidity—advanced by \$32.8 million to \$1,347.2 million, slightly higher than the \$30.5 million build-up a year earlier, while excess reserves grew by \$38.5 million to \$527.8 million, outpacing the modest \$12.2 million increase recorded in the same period of 2015.

External reserves firmed by \$31.9 million to \$840.8 million during the review month, exceeding the modest \$10.0 million increase in the prior period. Underpinning this outturn, the Bank's transactions with the public sector reversed to a \$4.7 million net purchase from a \$22.0 million net sale last year, amid a significant reduction in the value of fuel imports. In contrast, the Bank's net purchase from commercial banks fell by \$7.7 million to \$25.2 million, despite an \$8.9 million increase in their net purchase from clients to \$38.1 million.

Growth in Bahamian dollar credit slowed by \$5.6 million to \$17.5 million, as net claims on the Government expanded by a reduced \$25.7 million, from \$36.4 million last year. Further, credit to the rest of the public sector contracted marginally by \$0.7 million, a reversal from the \$4.0 million uptick in 2015. In a modest offset, the decline in private sector credit tapered by \$9.7 million to \$7.6 million, as mortgages recovered by \$3.6 million from the \$10.0 million reduction in 2015, while consumer credit fell further by \$4.9 million commercial and other loans, by \$6.3 million.

Reflecting the combination of mild domestic growth and banks' loan write-off activity, total private sector arrears contracted marginally by 0.3% to \$1,201.0 million, resulting in the ratio of arrears to total loans narrowing by 9 basis points to 20.0%. An analysis by average age showed that the decline in delinquencies was due solely to a fall in the short-term (31-90 days) category, by 5.2% to \$299.4 million, and by 28 basis points, to 5.0% of total loans. In contrast, the non-performing segment (90+ days) firmed by 1.4% to \$901.8 million, for a 19 basis point increase in the attendant ratio to 15.0%.

The decrease in total private sector delinquencies was largely attributed to a 3.6% reduction in the commercial component to \$217.3 million, as the \$17.1 million (42.3%) slump in the short-term segment, eclipsed an \$8.9 million (4.8%) rise in non-accrual loans. Similarly, consumer loan arrears softened by 0.5% to \$305.3 million, reflecting a \$2.9 million (2.9%) falloff in 31-90 day delinquencies, which offset the \$1.4 million (0.7%) uptick in the non-performing component. In contrast, mortgage arrears firmed by 0.9% to \$678.6 million, amid respective gains in short and long-term delinquencies of \$3.5 million (2.0%) and \$2.3 million (0.5%).

Banks maintained their conservative approach to addressing the high level of loan arrears, and therefore increased their loan loss provisions by 2.3% to \$542.5 million. As a consequence, the ratio of provisions to both total arrears and loans advanced by 115 and 51 basis points to 45.2% and 60.2%, respectively. Banks also wrote-off an estimated \$6.2 million in delinquencies and recovered approximately \$2.4 million in bad debt.

Domestic foreign currency credit remained relatively unchanged at \$534.8 million over the review period, in contrast to a \$6.3 million reduction recorded in the prior year. The decline in private sector credit slowed to \$3.1 million, from \$9.2 million in the previous year, with smaller reductions in both commercial loans and mortgages of \$2.9 million and \$0.2 million, respectively. Further, a reduction in deposits led to net claims on the Government firming by \$3.8 million, in line with the \$4.0 million rise in the prior year, while credit to the rest of the public sector showed a marginal downturn of \$0.8 million.

Growth in total Bahamian dollar deposits more than doubled to \$74.4 million from \$33.1 million in the preceding year, as accretions to demand deposits accelerated by \$54.6 million to \$76.6 million. In contrast, the growth in savings balances was almost halved to \$10.9 million, while the decline in fixed deposits widened moderately to \$13.1 million.

In interest rate developments, both the weighted average loan rate and the weighted average deposit rate fell by 68 and 10 basis points to 11.66% and 1.18%, respectively. The highest rate was offered on fixed balances of over 12 months, which steadied at 5.00%.

4. Outlook and Policy Implications

The domestic economy is expected to continue to expand at a mild pace in 2016, primarily supported by gains in tourism, and construction activity related to foreign investment projects. Resumption of work on the Baha Mar project could also provide some upside potential. In this environment, the jobless rate is anticipated to remain elevated, with near-term opportunities linked to the tourism and construction sectors. Inflationary pressures are projected to remain well contained, given the persistence of relatively low international oil prices.

In the fiscal sector, the deficit should sustain its downward trajectory, reflecting the VAT-related increase in revenue, and the Government's efforts to restrain expenditure growth.

The trends in the monetary sector—which have persisted over the last eight years—are likely to be maintained in the current period, characterised by robust levels of bank liquidity, subdued private sector credit growth and elevated loan delinquencies. Nonetheless, commercial banks' capital levels are anticipated to remain well above regulatory requirements, mitigating any financial stability concerns. The outturn for external reserves will depend mainly on the performance of the foreign exchange earning sectors, and the demand for foreign currency to facilitate international payments, including fuel imports.

Recent Monetary and Credit Statistics

(B\$ Millions)

JANUARY						
Value		Change		Change YTD		
2015	2016	2015	2016	2015	2016	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	505.48	527.83	12.21	38.47	12.21	38.47
1.2 Excess Liquid Assets	1,172.36	1,347.18	30.47	32.77	30.47	32.77
1.3 External Reserves	796.73	840.81	9.96	31.90	9.96	31.90
1.4 Bank's Net Foreign Assets	-428.28	-461.16	5.71	-7.84	5.71	-7.84
1.5 Usable Reserves	273.30	313.37	13.18	18.24	13.18	18.24

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,326.46	6,270.80	-26.50	-10.73	-26.50	-10.73
a. B\$ Credit	6,012.53	5,998.16	-17.32	-7.62	-17.32	-7.62
of which: Consumer Credit	2,145.30	2,163.93	-5.36	-4.91	-5.36	-4.91
Mortgages	3,089.10	3,076.31	-9.96	3.56	-9.96	3.56
Commercial and Other Loans B\$	778.13	757.93	-1.99	-6.27	-1.99	-6.27
b. F/C Credit	313.93	272.64	-9.18	-3.11	-9.18	-3.11
of which: Mortgages	101.38	81.63	-0.84	-0.18	-0.84	-0.18
Commercial and Other Loans F/C	212.55	191.01	-8.35	-2.92	-8.35	-2.92
2.2 Central Government (net)	2,071.68	2,244.04	40.41	29.50	40.41	29.50
a. B\$ Loans & Securities	2,312.67	2,505.47	39.69	38.73	39.69	38.73
Less Deposits	237.81	294.92	3.26	12.99	3.26	12.99
b. F/C Loans & Securities	0.00	36.62	0.00	0.00	0.00	0.00
Less Deposits	3.19	3.12	-3.98	-3.76	-3.98	-3.76
2.3 Rest of Public Sector	323.68	305.66	2.90	-1.46	2.90	-1.46
a. B\$ Credit	101.15	77.35	3.92	-0.66	3.92	-0.66
b. F/C Credit	222.53	228.31	-1.02	-0.80	-1.02	-0.80
2.4 Total Domestic Credit	8,721.83	8,820.81	16.79	17.60	16.79	17.60
a. B\$ Domestic Credit	8,188.54	8,286.06	23.04	17.46	23.04	17.46
b. F/C Domestic Credit	533.29	534.75	-6.25	0.14	-6.25	0.14

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,800.82	1,908.34	21.96	76.59	21.96	76.59
a. Central Bank	19.69	9.20	-3.87	-3.82	-3.87	-3.82
b. Banks	1,781.13	1,899.14	25.83	80.41	25.83	80.41
3.2 Savings Deposits	1,087.20	1,162.25	19.39	10.89	19.39	10.89
3.3 Fixed Deposits	3,130.82	3,002.96	-8.26	-13.06	-8.26	-13.06
3.4 Total B\$ Deposits	6,018.85	6,073.56	33.08	74.42	33.08	74.42
3.5 F/C Deposits of Residents	237.11	235.52	-4.94	-0.08	-4.94	-0.08
3.6 M2	6,236.45	6,289.97	19.27	54.30	19.27	54.30
3.7 External Reserves/M2 (%)	12.78	13.37	0.12	0.40	0.12	0.40
3.8 Reserves/Base Money (%)	81.18	83.66	0.98	1.61	0.98	1.61
3.9 External Reserves/Demand Liabilities (%)	76.11	79.71	1.41	0.99	1.41	0.99
	Value		Year to Date		Change	
	2015	2016	2015	2016	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	10.83	29.87	10.83	29.87	19.04	19.04
a. Net Purchase/(Sale) from/to Banks	32.82	25.17	32.82	25.17	-7.65	-7.65
i. Sales to Banks	14.80	15.34	14.80	15.34	0.54	0.54
ii. Purchases from Banks	47.62	40.51	47.62	40.51	-7.11	-7.11
b. Net Purchase/(Sale) from/to Others	-21.99	4.70	-21.99	4.70	26.69	26.69
i. Sales to Others	66.10	31.67	66.10	31.67	-34.43	-34.43
ii. Purchases from Others	44.11	36.37	44.11	36.37	-7.74	-7.74
4.2 Banks Net Purchase/(Sale)	29.22	38.13	29.22	38.13	8.90	8.90
a. Sales to Customers	309.37	290.77	309.37	290.77	-18.59	-18.59
b. Purchases from Customers	338.59	328.90	338.59	328.90	-9.69	-9.69
4.3 B\$ Position (change)	-21.92	-18.11				

5.0 EXCHANGE CONTROL SALES

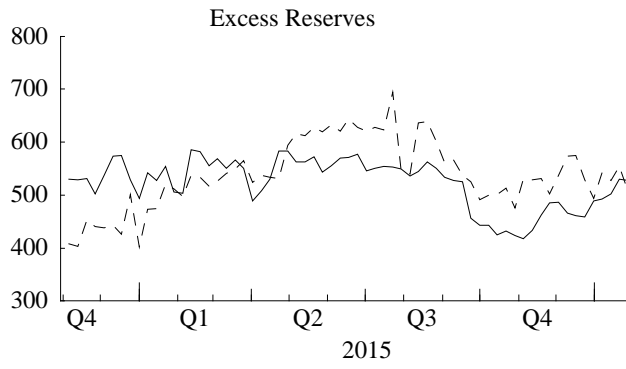
5.1 Current Items	ND	ND	ND	ND	ND	ND
of which Public Sector	ND	ND	ND	ND	ND	ND
a. Nonoil Imports	ND	ND	ND	ND	ND	ND
b. Oil Imports	ND	ND	ND	ND	ND	ND
c. Travel	ND	ND	ND	ND	ND	ND
d. Factor Income	ND	ND	ND	ND	ND	ND
e. Transfers	ND	ND	ND	ND	ND	ND
f. Other Current Items	ND	ND	ND	ND	ND	ND
5.2 Capital Items	ND	ND	ND	ND	ND	ND
of which Public Sector	ND	ND	ND	ND	ND	ND
5.3 Bank Remittances	ND	ND	ND	ND	ND	ND

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: JANUARY 28, 2015 and JANUARY 27, 2016

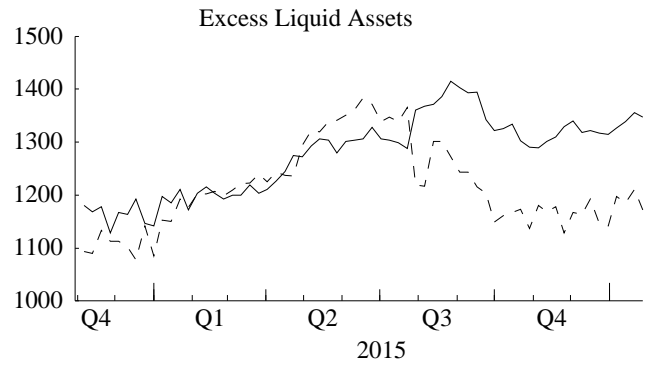
Exchange Control Sales figures are as at month end.

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

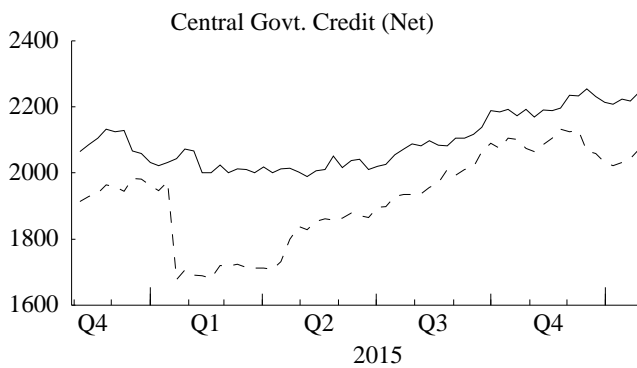
SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



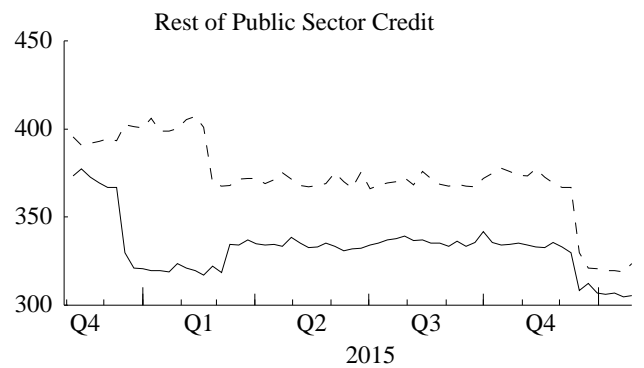
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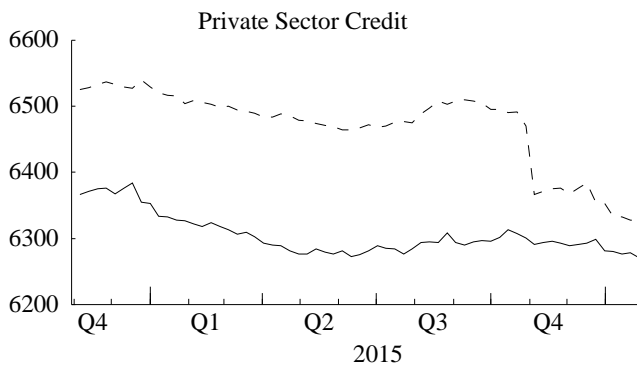
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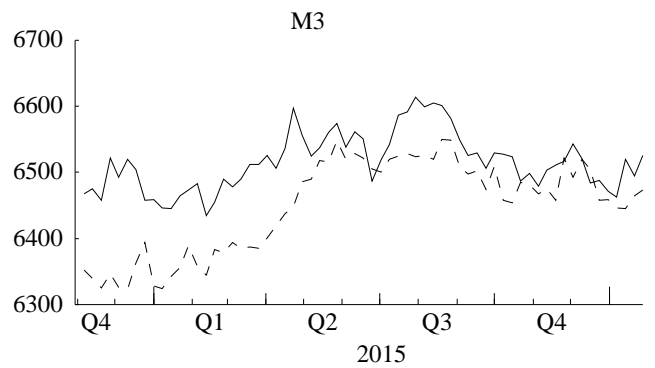
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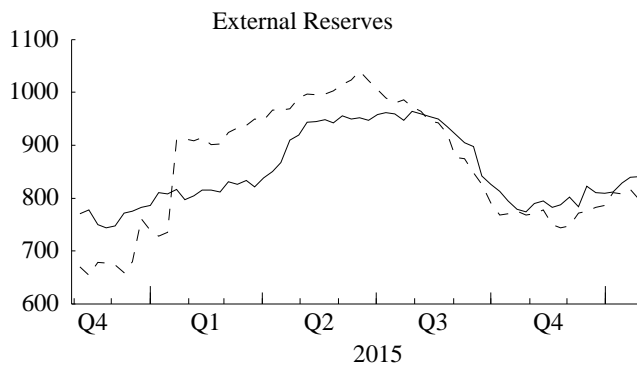
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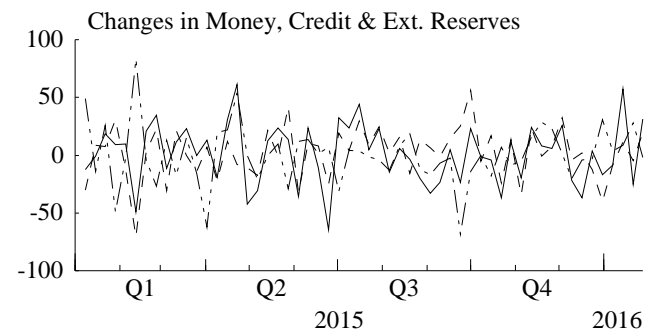
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— M3
- - - Domestic Credit
- · - External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2015	2016	2015	2016	2015	2016
Bahamas	1.2	2.2	1.7	1.3	12.0	N/A
United States	2.6	2.8	0.1	1.1	5.3	4.9
Euro-Area	1.5	1.6	0.2	1.0	11.0	10.5
<i>Germany</i>	<i>1.5</i>	<i>1.6</i>	<i>0.2</i>	<i>1.2</i>	<i>4.7</i>	<i>4.7</i>
Japan	0.6	1.0	0.7	0.4	3.5	3.5
China	6.8	6.3	1.5	1.8	4.1	4.1
United Kingdom	2.5	2.2	0.1	1.5	5.6	5.5
Canada	1.0	1.7	1.0	1.6	6.8	6.8
<i>Source: IMF World Economic Outlook October 2015, Department of Statistics</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	Repo Rate
January 2014	4.50	0.25	0.75	0-0.25	0.50
February 2014	4.50	0.25	0.75	0-0.25	0.50
March 2014	4.50	0.25	0.75	0-0.25	0.50
April 2014	4.50	0.25	0.75	0-0.25	0.50
May 2014	4.50	0.25	0.75	0-0.25	0.50
June 2014	4.50	0.15	0.75	0-0.25	0.50
July 2014	4.50	0.15	0.75	0-0.25	0.50
August 2014	4.50	0.15	0.75	0-0.25	0.50
September 2014	4.50	0.05	0.75	0-0.25	0.50
October 2014	4.50	0.05	0.75	0-0.25	0.50
November 2014	4.50	0.05	0.75	0-0.25	0.50
December 2014	4.50	0.05	0.75	0-0.25	0.50
January 2015	4.50	0.05	0.75	0-0.25	0.50
February 2015	4.50	0.05	0.75	0-0.25	0.50
March 2015	4.50	0.05	0.75	0-0.25	0.50
April 2015	4.50	0.05	0.75	0-0.25	0.50
May 2015	4.50	0.05	0.75	0-0.25	0.50
June 2015	4.50	0.05	0.75	0-0.25	0.50
July 2015	4.50	0.05	0.75	0-0.25	0.50
August 2015	4.50	0.05	0.75	0-0.25	0.50
September 2015	4.50	0.05	0.75	0-0.25	0.50
October 2015	4.50	0.05	0.75	0-0.25	0.50
November 2015	4.50	0.05	0.75	0-0.25	0.50
December 2015	4.50	0.05	1.00	0.25-0.50	0.50
January 2016	4.50	0.05	1.00	0.25-0.50	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jan-15	Dec-15	Jan-16	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8858	0.9211	0.9232	0.22	0.22	4.22
Yen	117.49	120.06	121.14	0.90	0.90	3.11
Pound	0.6641	0.6786	0.7020	3.45	3.45	5.71
Canadian \$	1.2732	1.3832	1.3977	1.05	1.05	9.78
Swiss Franc	0.9207	1.0020	1.0232	2.12	2.12	11.13
Renminbi	6.2543	6.4935	6.5754	1.26	1.26	5.13

Source: Bloomberg as of January 31, 2016

D. Selected Commodity Prices (\$)					
Commodity	January 2015	December 2015	January 2016	Mthly % Change	YTD % Change
Gold / Ounce	1283.77	1061.42	1118.17	5.35	5.35
Silver / Ounce	17.26	13.86	14.26	2.91	2.91
Oil / Barrel	48.40	36.53	34.09	-6.68	-6.68

Source: Bloomberg as of January 31, 2016

E. Equity Market Valuations – January 31, 2016 (% chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.30	-5.50	-5.07	-2.54	-4.75	-8.80	-7.96	-22.65
3 month	-0.33	-6.78	-6.69	-4.36	-9.81	-9.70	-8.20	-19.07
YTD	-0.30	-5.50	-5.07	-2.54	-4.75	-8.80	-7.96	-22.65
12-month	9.28	-4.07	-2.74	-9.86	-4.07	-8.38	-0.88	-14.73

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.37	0.33	-0.29
1 Month	0.56	0.50	-0.21
3 Month	0.71	0.58	-0.15
6 Month	0.93	0.77	-0.09
9 Month	1.09	0.87	-0.06
1 year	1.27	1.03	0.11

Source: Bloomberg as of January 31, 2016

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

	VALUE												CHANGE											
	Dec. 02	Dec. 09	Dec. 16	Dec. 23	Dec. 30	Jan. 06	Jan. 13	Jan. 20	Jan. 27	Dec. 02	Dec. 09	Dec. 16	Dec. 23	Dec. 30	Jan. 06	Jan. 13	Jan. 20	Jan. 27						
I. External Reserves	802.18	784.53	823.04	810.25	808.91	811.60	829.13	839.89	841.30	14.67	-17.65	38.51	-12.79	-1.33	2.69	17.53	10.76		1.41					
II. Net Domestic Assets (A + B + C + D)	171.42	159.03	127.24	156.82	176.99	160.53	152.95	164.50	163.78	-5.91	-12.39	-31.79	29.58	20.17	-16.46	-7.57	11.54		-0.71					
A. Net Credit to Gov^t(i + ii + iii - iv)	494.17	478.23	482.13	472.74	492.59	486.75	477.44	476.98	482.60	4.07	-15.94	3.89	-9.39	19.86	-5.85	-9.31	-0.46		5.61					
i) Advances	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00					
ii) Registered Stock	260.39	260.22	260.20	258.38	258.21	257.70	257.60	257.63	257.71	-0.22	-0.17	-0.02	-1.83	-0.16	-0.52	-0.10	0.03		0.09					
iii) Treasury Bills	101.36	101.36	101.36	101.36	126.54	126.54	126.54	126.54	126.54	0.00	0.00	0.00	0.00	25.18	0.00	0.00	0.00		0.00					
iv) Deposits	2.24	18.01	14.10	21.66	26.82	32.14	41.35	41.84	36.31	-4.30	15.77	-3.91	7.56	5.16	5.33	9.20	0.49		-5.53					
B. Rest of Public Sector (Net) (i + ii - iii)	-10.77	-8.50	-4.26	-4.66	-9.32	-16.99	-14.67	-2.33	-5.50	-8.14	2.27	4.24	-0.40	-4.66	-7.67	2.32	12.34		-3.18					
i) BDB Loans	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	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	14.47	12.20	7.96	8.36	13.02	20.69	18.37	6.03	9.20	8.14	-2.27	-4.24	0.40	4.66	7.67	-2.32	-12.34		3.18					
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00					
D. Other Items (Net)*	-311.99	-310.70	-350.62	-311.26	-306.29	-309.23	-309.82	-310.16	-313.31	-1.85	1.28	-39.92	39.37	4.97	-2.95	-0.59	-0.33		-3.15					
III. Monetary Base	973.60	943.56	950.28	967.07	985.90	972.13	982.09	1,004.39	1,005.08	8.76	-30.04	6.72	16.79	18.83	-13.77	9.95	22.30		0.69					
A. Currency in Circulation	351.20	351.40	355.43	384.65	385.26	366.88	351.74	346.54	331.62	7.46	0.20	4.03	29.23	0.61	-18.38	-15.15	-5.20		-14.92					
B. Bank Balances with CBOB	622.40	592.16	594.86	582.41	600.64	605.25	630.35	657.85	673.46	1.29	-30.23	2.69	-12.44	18.22	4.61	25.10	27.50		15.61					

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

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE		
	2015/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	2016/2016	
Fiscal Operations:																											
1. Government Revenue & Grants	117.8	176.9	94.5	127.9	104.2	132.8	120.3	161.1	89.5	136.6																526.2	735.5
% change: over previous month	-4.5%	5.3%	-19.7%	-27.7%	10.2%	3.79%	15.44%	21.52%	-25.57%	-15.11%																2.19%	39.76%
2. Import/Excise Duties	48.4	39.7	46.9	43.4	47.8	41.8	47.8	43.4	47.8	43.7																238.6	212.0
% change: over previous month	-26.8%	-31.1%	-3.1%	0.0%	1.84%	-3.64%	0.16%	3.85%	-0.11%	0.31%																3.57%	-11.15%
3. Recurrent Expenditure	132.1	157.9	128.8	137.6	127.1	164.2	148.8	167.5	152.8	166.8																689.7	794.0
% change: over previous month	-20.5%	-16.2%	-2.5%	-12.8%	-1.35%	19.27%	17.07%	2.05%	2.73%	-0.43%																8.63%	15.13%
4. Capital Expenditure	9.8	15.2	21.5	12.4	28.0	12.1	10.0	15.9	9.3	18.1																78.6	73.6
% change: over previous month	-77.7%	-90.5%	119.6%	-18.8%	35.09%	-1.95%	-65.57%	31.01%	-7.15%	13.82%																40.40%	-7.48%
5. Deficit/Suplus*	-25.2	3.8	-62.8	-22.0	-63.9	-43.5	-47.1	-23.3	-79.4	-49.1																-278.4	-134.1
% change: over previous month	-75.0%	-101.9%	148.3%	-685.8%	1.72%	97.24%	-26.26%	-46.44%	68.49%	110.71%																37.95%	-51.83%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC				
	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016			
Debt:**																											
6. Total Direct Debt	5,668.5	5,933.8																									
% change: over previous month	1.2%	0.0%																									
7. External Debt	1,603.9	1,673.0																									
% change: over previous month	0.7%	0.1%																									
8. Internal F/C Debt	0.0	36.6																									
% change: over previous month																											
9. Bahamian Dollar Debt	4,064.7	4,224.2																									
% change: over previous month	1.4%	0.0%																									
10. Total Amortization	15.4	0.6																									
% change: over previous month	-545.2%	-96.5%																									
11. Total Public Sector F/C Debt	2,483.5	2,606.5																									
% change: over previous month	0.4%	0.0%																									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC				
	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016			
Real Sector Indicators																											
12. Retail Price Index																											
% change: over previous month																											
13. Tourist arrivals (000's)																											
% change: over previous year																											
14. Air arrivals (000's)																											
% change: over previous year																											
15. Occupied Room Nights																											
% change: over previous year																											
16. Res. Mortgage Commitments Value of New Const. & Rehab. (B\$Millions)																											
% change: over previous year																											

* Includes Not Lending to Public Corporations
 ** Debt figures include Central Government only unless otherwise indicated
 p: provisional