



Monthly Economic and Financial Developments July 2015

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:

2015: September 28, November 2, November 30, December 21.

Monthly Economic and Financial Developments

July 2015

1. Domestic Economic Developments

The pace of domestic economic growth continued to be relatively mild over the review period, underpinned by the favourable tourism performance and on-going foreign investment-led construction activity. Temporary hiring for cultural events helped to secure gains in employment conditions over the six months to May, and the sustained contraction in global oil prices kept domestic inflation subdued. In a positive development, the fiscal deficit narrowed over the eleven (11) months of FY2014/15, as the receipt of Value Added Taxes (VAT) buoyed gains in revenues. Meanwhile, monetary sector developments reported strengthened positions for both liquidity and external reserves, on account of foreign currency inflows from real sector activities.

In a continuation of the recovery evidenced over the first half of the year, tourism sector activity was supported by the sustained growth in several key source markets, especially the United States, and the addition of both room and airlift capacity in several Family Islands. Foreign investment in the industry gained impetus with the commencement of construction on the multi-million dollar “Pointe” hotel and marina project in New Providence, while the opening of the large-scale Baha Mar development continued to be delayed by on-going legal and financial challenges.

On the employment front, the Department of Statistics’ most recent Labour Force Survey showed a 3.7 percentage point decline in the jobless rate, to 12.0% in the six months to May 2015, mainly reflecting short-term hiring for cultural events and the on-boarding of employees at the Baha Mar resort in anticipation of its opening. Signs of improving job prospects also contributed to a 13.0% (590 persons) reduction in the number of discouraged workers; however the number of workers in the financial services, insurance, real estate and other business sector fell by 36.0%. A breakdown by major labour market showed broad-based declines in the jobless rate in New Providence, Grand Bahama and Abaco, by 4.0, 5.7 and 8.1 percentage points, to 12.0%, 12.9% and 12.2%, respectively. Unemployment among young people (ages 15-24 years) remained well above other age groups at 25.3%, although this represented a fall of 5.7 percentage points from the prior period.

Domestic inflation—as measured by the Department of Statistics’ revised Retail Price Index—firmed by 52 basis points to 1.34% in the twelve months to May. This outturn was associated with gains in average prices for recreation and culture, and furnishing, household equipment and routine household maintenance, of 5.98% and 4.14%, a reversal from respective declines of 0.27% and 0.97% in 2014. Significant rate increases were also noted for health (by 4.48 percentage points to 5.64%), alcohol beverages tobacco and narcotics (by 3.47 percentage points to 5.97%), and education (by 2.07 percentage points to 3.88%), while food and non-alcoholic beverages, communication, and housing, water, gas electricity and other fuels—the largest component in the Index—recorded increases of less than two percentage points. In contrast, the rate of inflation for miscellaneous goods & services, clothing and footwear, and restaurant and hotels slowed, from 4.33%, 4.19% and 3.04% to 0.23%, 2.97% and 2.37%, respectively. The downward trajectory in crude oil prices led to a 1.16% fall in average transportation costs, although not erasing last year’s comparative 3.66% advance.

Government's overall deficit narrowed by \$124.7 million (32.9%) to \$254.3 million over the eleven (11) months of FY2014/15, explained by a tax-related \$206.2 million (15.5%) uplift in total revenues to \$1,533.6 million, which outpaced an \$81.4 million (4.8%) rise in aggregate expenditure to \$1,787.8 million. Specifically, tax receipts surged by \$209.9 million (18.3%) to \$1,359.9 million, as VAT inflows totalled \$182.0 million in the first five (5) months of implementation and other non-trade stamp taxes firmed by \$30.2 million (23.1%) to \$161.1 million. In addition, departure taxes grew by \$16.2 million (14.6%) to \$127.3 million, while the payment of back taxes by the "web shop" industry contributed to selected taxes on services rising by \$2.4 million (5.1%) to \$49.9 million. In a partial offset, declines were reported for taxes on international trade, of \$8.2 million (1.6%) to \$518.5 million, as a \$23.8 million (7.9%) contraction in import tax inflows outstripped the \$16.4 million (7.5%) increase in excise tax receipts. Similarly, business & professional fees fell by \$10.5 million (5.9%) to \$169.4 million. Non-tax revenues declined by \$6.7 million (3.8%) to \$170.3 million, led by a \$15.0 million (30.2%) reduction in income from "other" sources, which was partly countered by an \$8.1 million (6.6%) rise in fines, forfeits & administrative fees.

On the spending side, current expenditure rose by \$92.7 million (6.5%), occasioned by a \$78.0 million (12.9%) increase in transfer payments to \$681.7 million—with nearly three-fourths attributed to subsidies and other transfers due to the reclassification of items from other expense categories. In addition, increased external debt servicing obligations pushed interest payments higher by \$22.1 million (10.9%) to \$223.5 million. Consumption spending also grew, by \$14.7 million (1.8%) to \$841.5 million, as a \$33.8 million (6.1%) expansion in wages and salary payments overshadowed the \$19.1 million (7.1%) reduction in goods & services outlays. In contrast, capital expenditure narrowed by \$23.1 million (11.1%) to \$185.4 million, as asset acquisitions fell by almost 50% following the purchase of defense vessels last year and outpaced a \$20.4 million (17.0%) gain in infrastructure-related spending.

2. International Developments

In July, global economic developments were dominated by concerns over the signs of a slowdown in China's economy, which led to sharp declines in raw material prices and negatively impacted several major commodity-exporting countries. Despite the uncertainty caused by the Greek debt crisis, the euro zone continued to recover at a modest pace, while improving economic and labour market conditions in the United States market prompted the Federal Reserve to signal that it could potentially raise its key policy rate in the near-term.

Leading economic indicators in the United States remained positive over the review period, as output growth quickened by 3.1 percentage points to a revised 3.7% in the second quarter, supported by robust gains in exports and consumer spending. An increase in motor vehicle output aided the 0.6% rise in industrial production in July, following the prior month's 0.1% advance, while retail sales rose by 0.6%, after a flat outturn in June. In the external sector, the trade deficit expanded by \$2.9 billion to \$43.8 billion in June, due mainly to higher imports of consumer and industrial goods. Developments in the housing sector were mixed, with new residential starts up marginally by 0.2% to an annual rate of 1.2 million units—its highest level in almost eight years—and housing completions firming by 2.4%. In contrast, after several months of sustained gains, the number of building permits issued contracted sharply, by 16.3%, mainly owing to a slump in the multi-family segment. Labour market conditions continued to improve at a modest pace; the economy added an estimated 215,000 jobs in the areas of retail trade, health care, professional & technical services and financial activities, and the unemployment rate stabilised at a six year low of 5.3%. Reflecting the persistent downturn in global oil prices, inflation remained relatively tame, with the rate for the 12 months ending July increasing by a mere 10 basis points to 0.2%, linked to food costs. Given the

prevailing environment, the Federal Reserve left its benchmark rate unchanged within the 0-0.25% range, and continued to indicate that further improvements in key economic indicators could result in a gradual upward adjustment in its policy rate.

European economies sustained their modest, although uneven, recovery over the review period. Increased output in the services sector supported a 0.7% rise in the United Kingdom's real GDP, outpacing the 0.4% gain recorded in the prior three-month period. However, the Conference Board's Index of Leading Economic Indicators (LEI) decreased by 0.2% in June, extending the 0.4% reduction a month earlier, and industrial output fell by 0.4%, to reverse May's 0.3% gain, behind a decline in oil, gas and mining production. Similarly, retail sales decreased by 0.2%, vis-à-vis a 0.3% rise in the prior month, amid contractions in purchases of food, household goods and petrol. On the external front, the trade deficit grew by £0.7 billion in June to £1.6 billion, due mainly to increased commodity imports and lower exports of fuel, which overshadowed the higher surplus on the services account. The number of unemployed persons increased marginally, by 25,000 in the second quarter, relative to the January to March period, steadying the jobless rate at 5.6%. Mild inflationary impulses persisted, as consumer prices edged up by 0.1% in July, after stabilising in the preceding month. The euro area continued to grapple with the adverse effects of the Greek debt crisis, although the near-term impact appeared to be well contained. As a consequence, output in the region firmed by 0.3% in the second quarter, in line with the 0.4% rise secured in the prior three-month period, while improved consumer expectations supported a 0.4% increase in the Conference Board's LEI, building on May's 0.3% expansion. In a modest offset, a decline in consumer and capital goods led to a 0.4% decrease in industrial production, after the prior month's 0.2% falloff, while lower purchases of food, drinks, tobacco and non-food products reduced retail sales by 0.6%, following a slight 0.1% advance in May. In this environment, the unemployment rate stabilised at 11.1% month-on-month in June, and consumer prices rose marginally by 0.2% in July, in line with the preceding month's rate. Faced with these challenges, both the Bank of England and the European Central Bank maintained their highly accommodative monetary policy stance.

In Asia, the slowdown in China's economic growth continued to adversely affect the domestic equity market, as well as several commodity-based exporters in the region. During the month of July, China's Purchasing Managers Index (PMI) softened by 20 basis points over the prior month, owing to reductions in the production of new orders and raw materials inventory sub-indices. By contrast, robust domestic demand supported a year-on-year expansion in retail sales, by 10.5%, following a similar gain in the previous month. Increased production of agricultural, textile, and raw chemical products underpinned a 6.0% expansion in industrial production, relative to a 6.8% rise in June. Inflationary pressures were contained, as average consumer prices firmed slightly by 0.3%, after remaining flat a month earlier. In Japan, higher building starts and reduced company failures supported a 0.4% uptick in the Conference Board's LEI in June, in contrast to a slight 0.2% reduction in May. External sector developments were dominated by the sharp depreciation of the Yen, which contributed to the 5.4% rise in import costs and an extension in the monthly trade deficit by ¥197.6 billion to ¥268.1 billion in July—the highest level in 5 months. In addition, the jobless rate advanced by 10 basis points to 3.4% in June, while lower fuel, light and water charges caused average consumer prices to recede by 0.2%—a turnaround from the prior period's 0.3% gain. Given the a sharp deterioration in the main stock indices, the People's Bank of China announced its intention to provide liquidity to the financial markets, while the Bank of Japan maintained its highly accommodative stance.

The cost of crude oil plunged further by 12.5% to \$53.52 per barrel in July, partly due to a rise in OPEC's average daily oil production, by 101,000 barrels per day (bpd) to 31.5 million bpd, and softening demand in

Asia. Similar trends were noted in the precious metals market, as the price of gold decreased by 6.5% to a five-year low of \$1,095.82 per troy ounce, and silver costs fell by 6.1% to \$14.78 per troy ounce.

Broad-based gains were reported among most of the major equity markets during the review month. In the United States, the Dow Jones Industrial Average (DJIA) firmed by 0.4% and the S&P 500 index advanced by 2.0%. European bourses also moved moderately higher, with France's CAC 40, Germany's DAX and the United Kingdom's FTSE rising by 6.1%, 3.3% and 2.7%, respectively. Asian markets were mixed, as Japan's Nikkei increased by 1.7%; however, China's SE Composite plunged by 14.3%, amid concerns over the pace of the slowdown in the country's growth rate.

The US dollar recorded gains against most of the major currencies in July, rising vis-à-vis the Canadian dollar, by 4.8% to CAD\$1.3091, and the Swiss Franc, by 3.3% to CHF0.9663. The dollar also increased relative to the euro (by 1.5% to €0.9102), the British pound (by 0.6% to £0.6400), and the Japanese Yen (by 1.1% to ¥123.90), but fell marginally against the Chinese Yuan (by 0.01% to CNY6.2077) as the authorities intervened in the market to support the currency.

3. Domestic Monetary Trends July 2015 vs. 2014

Monetary trends for the month of July featured modest gains in both bank liquidity and external reserves, mainly associated with net foreign currency inflows from tourism sector activities. Reflecting a modest shift in banks' portfolios to Treasury Notes from cash, excess liquid assets firmed by \$53.9 million, while excess reserves rose by a mere \$2.8 million, reversing the previous year's declines of \$120.5 million and \$72.9 million—when the Bank temporarily held proceeds from the Government's syndicated loan.

External reserves improved by \$6.0 million to \$964.1 million at end-July, a turnaround from a \$33.3 million drawdown in the same period of 2014 that was boosted by capital repatriation activity within the banking sector. With regard to the public sector, the Central Bank's net sale was sharply lower, by \$29.0 million at \$6.4 million, while the net purchase from commercial banks expanded by \$9.8 million to \$12.4 million.

Bahamian dollar credit growth firmed to \$61.9 million from \$50.9 million in the prior year, as the issue of new short-term Treasury Notes occasioned a \$21.5 million acceleration in accretions to net claims on the Government to \$58.9 million, while credit to the rest of the public sector softened by \$0.6 million, to reverse the previous year's gain of \$6.6 million. Reflecting mild domestic demand impulses, private sector credit growth was more than halved to \$3.5 million, as commercial loans decreased by \$4.4 million, vis-à-vis a \$2.6 million gain in 2014, and the decline in mortgages widened to \$3.0 million from \$0.1 million. In a modest offset, accretions to consumer credit were higher by \$6.5 million at \$10.9 million.

Banks' credit quality indicators deteriorated during July, with total private sector loan arrears firming by \$7.4 million (0.6%) to \$1,198.9 million and by 8 basis points to 20.0% of total private sector loans. This outturn solely reflected a rise in short-term delinquencies (31 to 90 days), by \$14.7 million (5.4%) to \$290.1 million, which equated to a 24 basis point advance to 4.8% of total private sector loans. In contrast, the non-performing component fell by \$7.3 million (0.8%) to \$908.8 million and by 15 basis points to 15.2% of the total private sector loan portfolio.

By loan type, the increase in total delinquencies was led by the consumer credit segment, which advanced by \$5.5 million (1.9%) to \$298.0 million, with the 31-90 day component rising by \$7.1 million (8.5%) to \$91.0 million—offsetting the \$1.6 million (0.8%) fall in non-accrual loans to \$207.0 million. Similarly,

mortgage arrears firmed by \$2.8 million (0.4%) to \$660.8 million, comprising a \$6.4 million (4.3%) expansion in the short-term segment, which countered the \$3.6 million (0.7%) contraction in the nonperforming category. In contrast, commercial delinquencies decreased by \$0.9 million (0.4%) to \$240.1 million, with a \$2.1 million (1.1%) falloff in the nonperforming segment eclipsing the \$1.2 million (2.8%) rise in the short-term category.

Against this backdrop, banks increased their loan loss provisions by \$11.6 million (2.3%) to \$513.6 million, bringing the ratio of provisions to both arrears and nonperforming loans higher, by 70 and 170 basis points to 42.8% and 56.5%, respectively. Banks also wrote-off \$10.0 million in overdue loans and recovered \$3.6 million.

Domestic foreign currency credit expanded by \$5.9 million over the review period—a reversal from the \$0.5 million decline posted in the corresponding period of 2014. In particular, net claims on the Government grew by \$9.2 million, outpacing the \$1.3 million increase a year ago, while credit to the rest of the public sector firmed by \$5.6 million, vis-à-vis a \$0.4 million falloff in 2014. In contrast, private sector credit contracted by \$9.0 million, versus a relatively flat position in the prior year, owing mainly to an \$18.9 million reduction in mortgages. In a modest offset, accretions to commercial loans strengthened to \$9.9 million from \$0.8 million a year earlier.

The expansion in Bahamian dollar deposits accelerated to \$80.3 million from a mere \$6.5 million in 2014. Fixed balances expanded by \$16.4 million, to reverse last year's \$30.2 million reduction, and the accretion to demand deposits more than doubled to \$46.9 million from \$20.5 million. Meanwhile, growth in savings deposits was relatively stable at \$16.9 million.

In interest rate developments, the weighted average deposit rate firmed by 28 basis points to 1.74%, with the highest rate of 4.75% offered on fixed balances of one month. The weighted average loan rate rose by 67 basis points to 13.27%.

4. Outlook and Policy Implications

The domestic economy is expected to maintain its modest growth pace over the balance of 2015, as ongoing strengthening in the key source markets supports a positive tourism outcome, and several medium-scale foreign investment projects drive construction sector activity. However, the delayed opening of the Baha Mar resort, due to the unfolding financial and legal challenges, is poised to temper near-term growth and employment forecasts. Inflationary pressures are likely to remain relatively subdued, as the earlier VAT-led increases in costs soften over time and international oil prices remain low.

On the fiscal side, expectations are that the overall deficit will continue to narrow over the near-term, reflecting the impact of the VAT on tax revenues, alongside efforts to strengthen tax administration and curtail expenditure growth. As a result, the outlook is for an incremental improvement in the corresponding debt indicators, over time.

In the monetary sector, bank liquidity is poised to remain elevated on account of anaemic private sector demand, as households continue to deleverage and banks maintain their conservative lending practices given the high level of loan arrears. Despite these challenges, the positive outlook for banks' capital levels, continue to mitigate financial stability concerns. On the external account, external reserves are projected to

decline moderately over the coming months, consistent with the traditional increase in foreign currency demand; however, the relevant reserve indicators should remain above international benchmarks.

In this environment, the Bank will continue to monitor both domestic and international economic conditions, and make appropriate changes to monetary policy, as warranted.

Recent Monetary and Credit Statistics

(B\$ Millions)

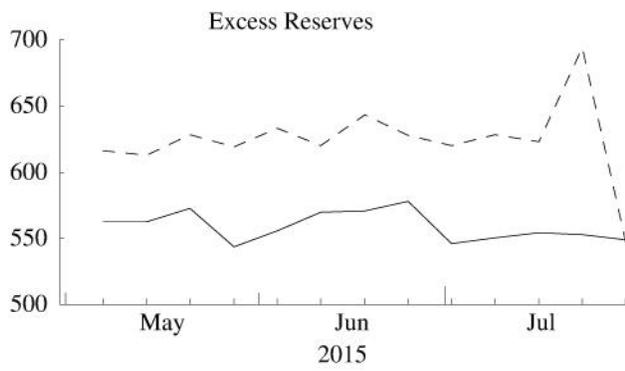
	JULY					
	Value		Change		Change YTD	
	2014	2015	2014	2015	2014	2015
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	547.36	549.09	-72.86	2.82	145.65	55.82
1.2 Excess Liquid Assets	1,218.57	1,360.38	-120.50	53.89	133.67	218.49
1.3 External Reserves	972.12	964.11	-33.30	6.02	232.35	177.34
1.4 Bank's Net Foreign Assets	-549.38	-437.37	7.13	-17.84	137.63	-3.38
1.5 Usable Reserves	385.07	416.76	-49.13	-1.00	138.71	156.64
2.0 DOMESTIC CREDIT						
2.1 Private Sector	6,475.26	6,284.06	6.87	-5.43	-53.93	-68.90
a. B\$ Credit	6,117.29	5,985.99	6.81	3.54	-27.33	-43.86
of which: Consumer Credit	2,124.90	2,149.50	4.38	10.92	12.93	-1.16
Mortgages	3,143.08	3,066.83	-0.13	-2.97	-7.84	-32.23
Commercial and Other Loans B\$	849.31	769.66	2.57	-4.40	-32.41	-10.47
b. F/C Credit	357.97	298.08	0.06	-8.97	-26.60	-25.04
of which: Mortgages	131.53	83.57	-0.70	-18.91	-10.72	-18.65
Commercial and Other Loans F/C	226.44	214.51	0.76	9.94	-15.89	-6.39
2.2 Central Government (net)	1,936.08	2,087.73	38.71	68.16	-25.38	56.46
a. B\$ Loans & Securities	2,141.98	2,346.64	129.67	68.91	117.80	73.66
Less Deposits	271.13	266.69	92.23	9.99	85.08	32.13
b. F/C Loans & Securities	66.00	11.49	0.00	11.49	-59.00	11.49
Less Deposits	0.78	3.72	-1.28	2.26	-0.90	-3.45
2.3 Rest of Public Sector	372.26	339.15	6.20	5.03	-28.13	18.38
a. B\$ Credit	107.48	98.88	6.64	-0.57	-19.11	1.66
b. F/C Credit	264.79	240.27	-0.44	5.60	-9.03	16.72
2.4 Total Domestic Credit	8,783.66	8,710.97	50.35	67.77	-108.58	5.94
a. B\$ Domestic Credit	8,095.62	8,164.83	50.88	61.89	-13.71	-0.67
b. F/C Domestic Credit	688.04	546.15	-0.53	5.87	-94.87	6.61
3.0 DEPOSIT BASE						
3.1 Demand Deposits	1,561.39	1,938.18	20.54	46.94	126.67	159.31
a. Central Bank	15.95	29.04	1.97	10.68	7.54	5.47
b. Banks	1,545.44	1,909.14	18.56	36.26	119.13	153.84
3.2 Savings Deposits	1,159.58	1,146.48	16.08	16.92	48.29	78.67
3.3 Fixed Deposits	3,295.67	3,043.19	-30.17	16.39	-23.10	-95.90
3.4 Total B\$ Deposits	6,016.64	6,127.85	6.45	80.25	151.86	142.09
3.5 F/C Deposits of Residents	295.28	260.02	13.32	13.49	44.29	17.97
3.6 M2	6,228.48	6,353.71	10.23	81.37	150.81	136.53
3.7 External Reserves/M2 (%)	15.61	15.17	-0.56	-0.10	3.44	2.52
3.8 Reserves/Base Money (%)	95.51	93.06	2.88	0.23	15.53	12.87
3.9 External Reserves/Demand Liabilities (%)	82.80	88.07	-5.21	-0.59	7.83	13.38
	Value		Year to Date		Change	
	2014	2015	2014	2015	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	-32.78	6.04	224.53	174.16	38.82	-50.37
a. Net Purchase/(Sale) from/to Banks	2.59	12.43	268.12	323.13	9.85	55.01
i. Sales to Banks	25.20	18.40	84.20	44.50	-6.80	-39.70
ii. Purchases from Banks	27.79	30.83	352.32	367.63	3.05	15.31
b. Net Purchase/(Sale) from/to Others	-35.36	-6.39	-43.59	-148.97	28.97	-105.38
i. Sales to Others	54.45	36.70	524.90	400.62	-17.76	-124.28
ii. Purchases from Others	19.09	30.30	481.31	251.65	11.21	-229.66
4.2 Banks Net Purchase/(Sale)	6.57	8.99	266.61	302.64	2.42	36.03
a. Sales to Customers	302.26	331.08	2,099.01	2,354.57	28.82	255.56
b. Purchases from Customers	308.83	340.07	2,365.62	2,657.21	31.24	291.59
4.3 B\$ Position (change)	-4.31	-6.84				
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: JULY 30, 2014 and JULY 29, 2015

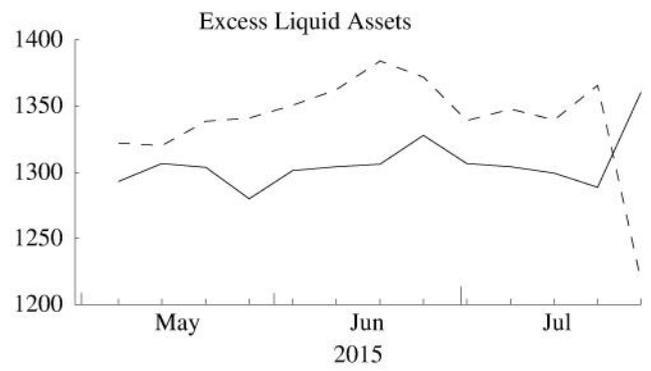
Exchange Control Sales figures are as at month end.

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.

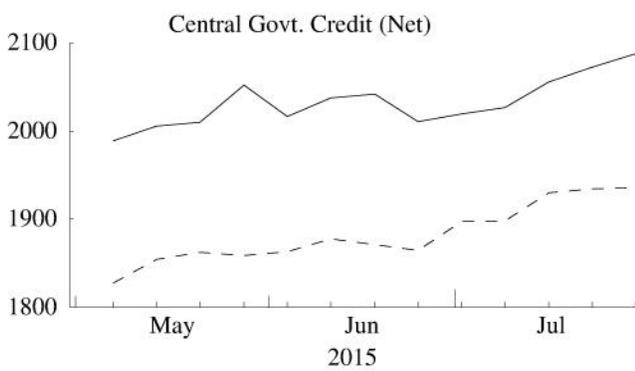
SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



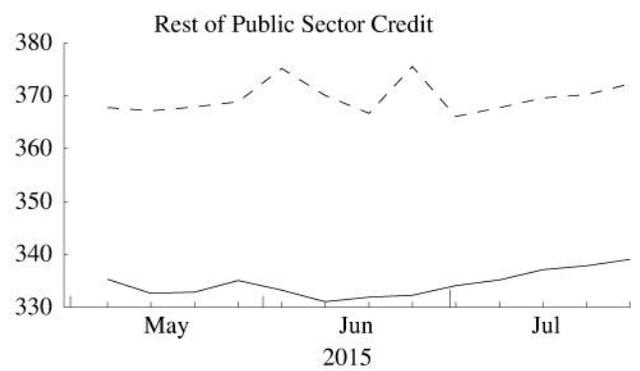
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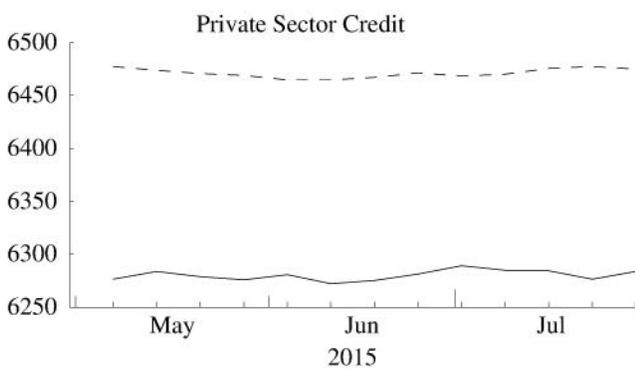
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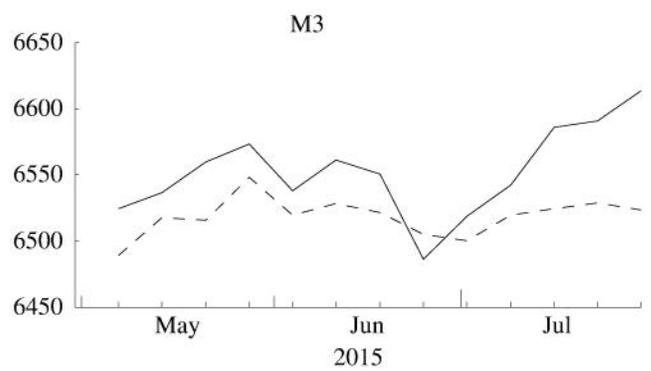
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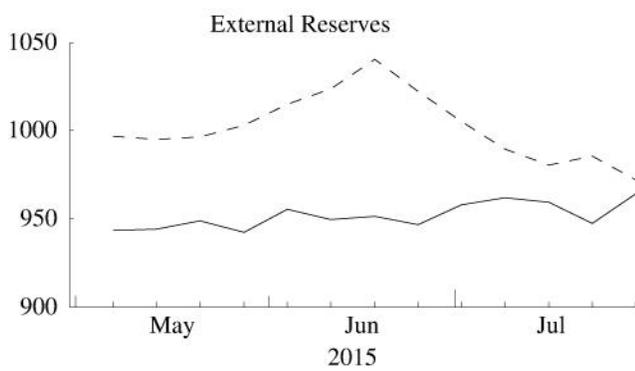
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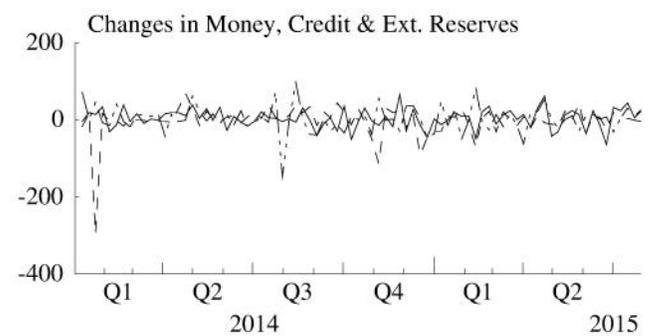
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— M3
- - - Domestic Credit
... External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2014	2015	2014	2015	2014	2015
Bahamas	1.3	2.3	1.2	2.3	15.7	12.0
United States	2.4	3.1	1.6	0.1	6.2	5.5
Euro-Area	0.9	1.5	0.4	0.1	11.6	11.1
<i>Germany</i>	<i>1.6</i>	<i>1.6</i>	<i>0.8</i>	<i>0.2</i>	<i>5.0</i>	<i>4.9</i>
Japan	-0.1	1.0	2.7	1.0	3.6	3.7
China	7.4	6.8	2.0	1.2	4.1	4.1
United Kingdom	2.6	2.7	1.5	0.1	6.2	5.4
Canada	2.5	2.2	1.9	0.9	6.9	7.0
<i>Source: IMF World Economic Outlook April 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
July 2013	4.50	0.50	0.75	0-0.25	0.50
August 2013	4.50	0.50	0.75	0-0.25	0.50
September 2013	4.50	0.50	0.75	0-0.25	0.50
October 2013	4.50	0.50	0.75	0-0.25	0.50
November 2013	4.50	0.25	0.75	0-0.25	0.50
December 2013	4.50	0.25	0.75	0-0.25	0.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	July-14	June-15	July-15	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7468	0.8971	0.9104	1.48	10.14	21.90
Yen	102.80	122.50	123.90	1.14	3.53	20.53
Pound	0.5922	0.6364	0.6400	0.58	-0.29	8.08
Canadian \$	1.0906	1.2494	1.3091	4.78	12.67	20.03
Swiss Franc	0.9088	0.9355	0.9663	3.29	-2.83	6.33
Renminbi	6.1739	6.2081	6.2077	-0.01	0.04	0.55

Source: Bloomberg as of July 31, 2015

D. Selected Commodity Prices (\$)					
Commodity	July 2014	June 2015	July 2015	Mthly % Change	YTD % Change
Gold / Ounce	1282.59	1172.42	1095.82	-6.53	-7.48
Silver / Ounce	20.40	15.74	14.78	-6.06	-5.91
Oil / Barrel	107.07	61.18	53.52	-12.52	-6.65

Source: Bloomberg as of July 31, 2015

E. Equity Market Valuations – July 31, 2015 (% chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.74	0.40	1.97	2.69	6.10	3.33	1.73	-14.34
3 month	3.50	-0.84	0.88	-3.80	0.72	-1.27	5.46	-17.51
YTD	5.05	-0.75	2.18	1.98	18.95	15.33	17.96	13.26
12-month	12.34	6.80	8.97	-0.50	19.70	20.21	31.78	66.41

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.17	0.33	-0.14
1 Month	0.21	0.50	-0.07
3 Month	0.40	0.57	-0.04
6 Month	0.60	0.83	0.04
9 Month	0.75	0.89	0.06
1 year	0.82	1.05	0.13

Source: Bloomberg as of July 31, 2015

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE										CHANGE									
	Jun. 03	Jun. 10	Jun. 17	Jun. 24	Jul. 01	Jul. 08	Jul. 15	Jul. 22	Jul. 29	Jun. 03	Jun. 10	Jun. 17	Jun. 24	Jul. 01	Jul. 08	Jul. 15	Jul. 22	Jul. 29		
I. External Reserves	955.43	949.76	951.52	947.01	958.09	961.92	959.50	947.60	964.09	12.77	-5.67	1.75	-4.50	11.08	3.84	-2.42	-11.90	16.49		
II. Net Domestic Assets (A + B + C + D)	ND																			
A. Net Credit to Gov¹(i + ii + iii - iv)	400.25	401.82	399.24	407.78	397.49	397.49	397.39	404.89	404.68	-2.72	1.57	-2.58	8.55	-10.29	0.00	-0.10	7.50	-0.21		
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	267.97	267.82	267.56	267.40	267.00	266.74	266.67	276.27	274.56	0.04	-0.15	-0.27	-0.16	-0.40	-0.25	-0.07	9.60	-1.70		
iii) Treasury Bills	31.17	31.17	31.17	31.17	22.88	22.88	22.88	22.88	22.88	0.00	0.00	0.00	0.00	-8.29	0.00	0.00	0.00	0.00		
iv) Deposits	33.54	31.83	34.15	25.44	27.05	26.79	26.82	28.92	27.42	2.76	-1.71	2.32	-8.71	1.61	-0.25	0.03	2.09	-1.49		
B. Rest of Public Sector (Net) (i + ii - iii)	-16.63	-15.92	-7.86	-10.16	-14.33	-22.04	-19.83	-17.42	-25.01	-9.38	0.71	8.06	-2.30	-4.18	-7.70	2.21	2.41	-7.59		
i) BDB Loans	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	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	20.65	19.94	11.88	14.18	18.36	26.06	23.86	21.44	29.04	9.38	-0.71	-8.06	2.30	4.18	7.70	-2.21	-2.41	7.59		
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)*	ND																			
III. Monetary Base	ND																			
A. Currency in Circulation	ND																			
B. Bank Balances with CBOB	686.85	692.13	697.32	697.87	684.66	686.46	683.52	691.20	692.06	-2.25	5.29	5.19	0.55	-13.22	1.81	-2.94	7.67	0.86		

* 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 (Over previous year)		
	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	
Fiscal Operations:																											
1. Government Revenue & Grants	112.7	117.8	104.1	104.2	105.8	120.3	103.8	89.5	146.5	146.5	159.7	137.4	137.4	143.9	112.3	156.1	141.6	188.4	129.4	208.8	145.3	149.4	149.4	1327.4	1533.6		
% change: over previous month	8.1%	-4.5%	-7.6%	-19.7%	15.4%	15.4%	-1.9%	-25.5%	4.1%	0.0%	78.4%	-6.2%	-6.2%	-9.8%	-1.6%	8.4%	26.0%	20.6%	-8.6%	11.3%	12.3%	-28.7%	-28.7%	6.1%	15.5%		
2. Import/Excise Duties	44.0	48.4	49.7	42.0	47.8	47.8	49.0	47.8	47.8	47.8	47.8	46.0	46.0	32.5	45.4	40.8	48.4	48.2	47.9	50.4	52.6	41.6	41.6	518.5	511.1		
% change: over previous month	-9.3%	-26.8%	12.9%	0.0%	1.8%	0.1%	7.3%	-0.1%	-2.5%	0.0%	0.0%	-3.5%	-3.5%	-45.0%	-1.4%	25.5%	6.6%	18.1%	-1.4%	4.6%	9.8%	-17.5%	-17.5%	-2.1%	-1.4%		
3. Recurrent Expenditure	122.9	132.1	112.9	128.8	145.3	148.8	128.8	152.8	129.1	129.1	122.3	150.9	150.9	158.8	112.5	115.3	124.7	138.8	154.0	149.1	124.4	149.1	149.1	1430.5	1523.2		
% change: over previous month	-19.1%	-20.5%	-8.2%	-2.5%	10.7%	17.0%	-11.3%	2.7%	0.2%	0.2%	-19.9%	16.8%	16.8%	29.8%	-25.4%	-27.3%	10.8%	20.4%	23.5%	7.3%	-19.2%	0.0%	0.0%	2.6%	6.4%		
4. Capital Expenditure	4.5	9.8	16.8	21.5	17.6	10.0	8.9	9.3	19.7	19.7	14.2	10.4	10.4	12.2	14.4	14.5	13.9	19.9	75.3	27.8	18.1	17.1	17.1	208.5	185.4		
% change: over previous month	-90.6%	-77.7%	27.5%	19.6%	-35.0%	-63.7%	-49.7%	-7.1%	12.2%	35.4%	-35.4%	-47.0%	-47.0%	-14.3%	38.5%	19.2%	-3.9%	36.8%	44.2%	39.9%	-75.9%	-38.4%	-38.4%	-10.1%	-11.0%		
5. Deficit/Suplus*	-15.7	-25.2	-28.2	-62.8	-62.8	-47.1	-42.2	-79.4	-7.3	-7.3	18.2	-32.8	-32.8	-33.2	-17.8	23.8	1.2	17.9	-110.0	22.3	-10.4	-24.9	-24.9	-379.0	-254.3		
% change: over previous month	-84.5%	-75.0%	78.9%	148.8%	17.2%	-26.2%	-32.7%	68.5%	-82.7%	-82.7%	-122.9%	34.0%	34.0%	-282.3%	-45.7%	-171.7%	-106.9%	-24.9%	-90.3%	24.5%	-90.5%	-211.7%	-211.7%	-14.7%	-32.9%		

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC				
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015			
Debt, **																											
6. Total Debt	5,008.7	5,668.6	5,022.7	5,603.6	5,023.6	5,602.5	5,135.5	5,603.8	5,155.8	5,602.5	5,158.4	5,685.1	5,382.3	5,684.8	5,382.3	5,684.8	5,382.3	5,684.8	5,382.3	5,684.8	5,382.3	5,684.8	5,382.3	5,684.8	5,382.3	5,684.8	
% change: over previous month	0.5%	1.2%	0.3%	-1.1%	0.0%	0.0%	2.2%	0.0%	0.4%	0.0%	0.1%	0.9%	3.8%	0.5%	3.8%	0.5%	3.8%	0.5%	3.8%	0.5%	3.8%	0.5%	3.8%	0.5%	3.8%	0.5%	
7. External Debt	1,488.0	1,604.0	1,492.0	1,604.0	1,492.9	1,602.9	1,489.8	1,604.1	1,490.2	1,612.9	1,487.8	1,610.5	1,487.7	1,610.5	1,487.7	1,610.5	1,487.7	1,610.5	1,487.7	1,610.5	1,487.7	1,610.5	1,487.7	1,610.5	1,487.7	1,610.5	
% change: over previous month	25.2%	0.9%	0.3%	0.0%	0.1%	-0.1%	-0.2%	0.1%	0.0%	0.5%	-0.2%	-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%	
8. Internal F/C Debt	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
% change: over previous month																											
9. Bahamian Dollar Debt	3,520.7	4,064.7	3,530.7	3,998.7	3,530.7	3,998.7	3,579.7	3,998.7	3,599.7	3,989.7	3,604.7	4,044.7	3,798.7	4,063.7	3,798.7	4,063.7	3,798.7	4,063.7	3,798.7	4,063.7	3,798.7	4,063.7	3,798.7	4,063.7	3,798.7	4,063.7	
% change: over previous month	-4.1%	1.4%	0.3%	-1.6%	0.0%	0.0%	1.4%	0.0%	0.6%	-0.3%	0.1%	1.4%	5.4%	0.5%	5.4%	0.5%	5.4%	0.5%	5.4%	0.5%	5.4%	0.5%	5.4%	0.5%	5.4%	0.5%	
10. Total Amortization	275.4	15.4	10.0	65.0	1.1	1.7	14.1	3.8	10.0	10.0	2.4	2.4	25.4	65.0	25.4	65.0	25.4	65.0	25.4	65.0	25.4	65.0	25.4	65.0	25.4	65.0	
% change: over previous month	425.6%	545.2%	-96.4%	320.9%	-89.2%	-97.3%	1204.9%	179.3%	-29.3%	164.0%	-76.1%	-76.1%	962.7%	267.9%	962.7%	267.9%	962.7%	267.9%	962.7%	267.9%	962.7%	267.9%	962.7%	267.9%	962.7%	267.9%	

11. Total Public Sector F/C Debt	2,309.5	2,476.5	2,318.7	2,475.7	2,317.7	2,492.9	2,377.5	2,494.1	2,376.6	2,501.5	2,377.9	2,501.7	2,380.9	2,512.3	2,380.9	2,512.3	2,380.9	2,512.3	2,380.9	2,512.3	2,380.9	2,512.3	2,380.9	2,512.3	2,380.9	2,512.3
% change: over previous month	8.0%	2.8%	0.4%	0.0%	0.0%	0.7%	2.6%	0.0%	0.0%	0.3%	0.1%	0.0%	0.1%	0.4%	0.1%	0.4%	0.1%	0.4%	0.1%	0.4%	0.1%	0.4%	0.1%	0.4%	0.1%	0.4%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC			
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015		
Real Sector Indicators																										
12. Retail Price Index	99.8	102.1	100.1	101.9	100.4	102.0	100.4	102.0	100.4	102.0	100.4	102.0	100.4	102.0	100.4	102.0	100.4	102.0	100.4	102.0	100.4	102.0	100.4	102.0	100.4	102.0
% change: over previous month	0.75%	2.79%	0.29%	-0.68%	0.30%	0.07%	0.30%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
13. Tourist arrivals (000's)	555.2	570.5	566.4	550.2	637.1	651.5	637.1	651.5	637.1	651.5	637.1	651.5	637.1	651.5	637.1	651.5	637.1	651.5	637.1	651.5	637.1	651.5	637.1	651.5	637.1	651.5
% change: over previous year	3.16%	2.70%	0.22%	-2.87%	5.48%	2.27%	-5.48%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%	2.27%
14. Air arrivals (000's)	88.6	101.7	107.7	116.7	149.0	157.6	149.0	157.6	149.0	157.6	149.0	157.6	149.0	157.6	149.0	157.6	149.0	157.6	149.0	157.6	149.0	157.6	149.0	157.6	149.0	157.6
% change: over previous year	2.88%	14.80%	2.85%	8.1%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%	-3.0%	5.75%
15. Occupied Room Nights																										
% change: over previous year																										
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																										
% change: over previous year																										
** Debt figures pertain to central government only unless otherwise indicated																										

2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
100.1	102.0	2.93%	1.84%	1758.7	1772.2	0.76%	0.77%	345.3	376.0	0.24%	8.87%	28.63	12.84	26.88%	-55.13%												

** Debt figures pertain to central government only unless otherwise indicated

p - provisional