



## **Monthly Economic and Financial Developments January 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: March 30, May 4, June 1, June 29, August 10, August 31, September 28, November 2, November 30, December 21.

# Monthly Economic and Financial Developments

## January 2015

### 1. Domestic Economic Developments

Indications are that the domestic economy maintained its positive growth momentum during the review month, buoyed by gains in tourism output and foreign direct investment-led construction activity. Amid broad-based increases in the prices of several categories of goods and services, domestic inflation firmed during 2014—although energy costs declined in January, reflecting the pass-through effects of the recent sharp fall in global oil prices. The overall fiscal deficit deteriorated over the first half of FY2014/15, as the expansion in spending outpaced revenue gains. Monetary sector developments featured a build-up in both bank liquidity and external reserves, supported by net foreign currency inflows from real sector activities.

Benefitting from improving conditions in several key source markets, preliminary data from a sample of hotels in Nassau and Paradise Island showed sustained growth in the tourism sector in December 2014. Hotel room revenue firmed by 5.0% over the prior year, reflecting gains in both the average occupancy (by 4.6 percentage points to 63.4%) and the average daily (by 7.0% to \$300.61) rates.

Domestic inflation—as measured by changes in the Retail Price Index—firmed to 1.19% in 2014, from a mere 0.35% a year earlier. Specifically, average price increases for alcoholic beverages, tobacco & narcotics and transportation accelerated by 3.6 percentage points to 7.1% and 3.8%, respectively. The rate of inflation also moved higher for recreation & culture (by 3.4 percentage points to 3.6%), food & non-alcoholic beverages (by 1.2 percentage points to 1.7%) and furnishing, household equipment & maintenance (by 1.1 percentage points to 1.6%). More muted accretions to inflation rates, of under 1.0 percentage point, were noted for health, education and miscellaneous goods & services, while communications costs rose by 0.4%, a reversal from a 2.3% decline a year ago. In a modest offset, average price gains for the restaurants & hotels category slowed by 1.7 percentage points to 2.0% and clothing and footwear costs were unchanged, following the prior year's 0.5% upturn. In addition, average costs for housing, water, gas, electricity & fuels—the most heavily weighted component—softened by 0.3%, in line with the prior year's 0.4% contraction.

Reflecting the sharp reduction in global oil prices over the last six months, the cost of gasoline contracted by 9.0% to \$4.06 per gallon in January, and was 20.9% lower when compared to the previous year. Similarly, diesel prices fell by 13.6% over the month and by 24.7%, year-on-year, to \$3.81 per gallon.

In the fiscal sector, the overall deficit widened by \$45.0 million (21.5%) to \$254.1 million during the first half of FY2014/15, relative to the corresponding period a year earlier. In the underlying developments, aggregate expenditure advanced by \$69.4 million (8.0%) to \$940.0 million, to exceed the \$24.4 million (3.7%) rise in revenue to \$685.9 million. Current spending was higher by \$41.9 million (5.5%) at \$805.9 million, partly explained by a reclassification of tourism expenditures as transfers, which posted a gain of \$44.5 million (14.0%). In a partial offset, consumption expenses softened by \$2.6 million (0.6%), as the reduction in goods & services purchases outpaced the increase in personal emoluments. Capital spending grew by \$17.4 million (22.8%) to \$93.8 million, with \$15.8 million of the increment for asset acquisitions associated with the purchase of new Defense Force ships. Net lending to public entities also firmed, by one-third to \$40.3 million. Under revenue, tax receipts expanded by \$34.6 million (6.3%) to \$587.7 million,

supported by gains in collections from international trade (\$15.9 million), selective taxes on services (\$6.7 million), business & professional fees (\$6.0 million) and other “miscellaneous” taxes (\$5.1 million), and capital revenue firmed by \$3.0 million. In a slight offset, non-tax revenue contracted by \$13.0 million (12.0%) to \$95.3 million, as the \$16.4 million (36.5%) decrease in income from other sources, overshadowed the \$3.0 million (4.7%) expansion in fines, forfeits & administrative fees.

## 2. International Developments

Preliminary evidence suggests that the growth in the global economy was sustained during the review month, supported by a modest expansion in the United States market, strong gains in Asian economies, and the ongoing gradual recovery in Europe—although the election of an “anti-austerity” party in Greece raised concerns about the stability of the euro region. In this environment, most of the developed market central banks kept their key policy rates at historic lows.

In the United States, the Conference Board’s Index of Leading Economic Indicators rose by 0.3% in January, extending the 0.4% advance in the prior month; and, supported by an increase in utilities output, industrial production firmed by 0.2%, to reverse December’s 0.3% contraction. Developments in the housing market remained mixed, as harsh weather conditions impacted construction activity; the number of building starts and permits issued declined by 2.0% and 0.7%, respectively, although completions firmed by 1.3%. Labour market conditions continued to improve, with the addition of 257,000 non-farm payroll jobs—mainly in retail trade, construction, health care, financial services and manufacturing; however, a slight rise in the labour force led to a marginal uptick in January’s unemployment rate, to 5.7%. With inflation staying well below its target rate, and given the gradual increase in labour demand, the Federal Reserve decided to keep its key policy rates within the 0.00%-0.25% range.

Among the European economies, developments in the United Kingdom were modestly positive. The Conference Board’s Index of Leading Economic Indicators firmed by 0.8% in January, after the prior month’s 0.4% expansion, notwithstanding a 0.3% decline in retail trade, as contractions in the food and clothing sectors negated gains in fuel sales. Annualized inflation softened by 20 basis points to a mere 0.3%—its lowest level in over a decade. For the euro area, the leading economic indicators index firmed by 0.3% in January, in line with the previous month’s growth, buoyed by gains in the manufacturing and services sectors. Average prices fell in January, reflecting the pass-through effects of the recent decline in global oil prices. Faced with relatively weak growth and benign inflation, the Bank of England left its key interest rate unchanged, while the European Central Bank launched its “expanded asset purchase programme” in January, which will facilitate it purchasing up to €60 billion per month, in both public and private sector securities, through end-September, 2016.

Within Asia, China’s purchasing managers’ survey showed that output expanded in January—although the rate of growth slowed to the lowest level in eight months, reflecting an easing in service sector gains. The monthly trade surplus widened by 21.0% to a record US\$60 billion, as weak domestic demand and lower fuel prices underpinned a 21.2% falloff in imports, which outpaced the 12.0% reduction in exports. The monthly gain in average inflation steadied at 0.3% in January, with food accounting for the largest cost increases. In Japan, economic conditions continued to strengthen, based on gains in both the services and manufacturing sectors. As a consequence, employers continued to add to their payrolls, leading to the jobless rate declining by 10 basis points to 3.4%, while the slide in the value of the yen vis-à-vis other major currencies, contributed to a modest rise in the prices of manufactured goods. On the monetary front, the People’s Bank of China sustained its efforts to stabilise the country’s banking sector, by providing US\$8.0

billion in short-term liquidity to commercial banks, while the Bank of Japan kept its ¥80 trillion economic stimulus programme.

Against the backdrop of soft demand and excess capacity, crude oil prices fell below US\$50 per barrel during January—the first time in over six years. Although OPEC cut supply by 50,000 barrels per day (bpd) to 30.2 million bpd, the price of oil declined by 15.6% to \$48.40 per barrel. In contrast, the price of precious metals strengthened, with gold and silver rising, by 8.4% and by 9.8%, to \$1,283.77 and \$17.26 per troy ounce, respectively.

The volatility in major equity markets over the review period was mainly attributed to domestic factors. In the United States, declines in the share prices of several large utility and energy companies contributed to reductions in both the Dow Jones Industrial Average and the S&P 500 indices, by 3.7% and 3.1%, respectively. Buoyed by the announcement of the ECB's "quantitative easing programme", key European bourses moved higher, with Germany's DAX, France's CAC 40 and the United Kingdom's FTSE 100, firming by 9.1%, 7.8% and 2.8%, respectively. In Asian markets Japan's Nikkei 225 advanced by 1.3%; whereas, China's SE Composite decreased marginally by 0.8%.

Supported by the improving economic conditions in the United States, compared to the other developed markets, the dollar rose against most major currencies. In particular, the dollar strengthened by 9.6% vis-à-vis the Canadian dollar, to CAD\$1.2732, and relative to the euro and the British pound, by 7.2% to €0.8858 and by 3.5% to £0.6641, respectively. The dollar also increased marginally against the Chinese Yuan, by 0.8% to CNY6.2543. In contrast, the decision by the Swiss central bank to unpeg its undervalued currency from the euro, led to its sharp appreciation against the dollar, by 7.4% to CHF0.9207, and the Japanese Yen also gained by 1.8% versus the dollar, to ¥117.49.

### 3. Domestic Monetary Trends January 2015 vs. 2014

Monetary trends for the month of January featured a modest gain in liquidity, supported by net foreign currency inflows related to real sector activities. In particular, excess reserves—the narrow measure of liquidity—was higher by \$12.2 million at \$505.5 million, although a significant slowdown from the previous year's \$110.5 million build-up, associated with proceeds from the Government's external bond issue. Similarly, accretions to excess liquid assets tapered by \$61.8 million to \$30.5 million, for an ending balance of \$1,172.4 million.

As with bank liquidity, the growth in external reserves was lower at \$10.0 million from a year-earlier \$172.3 million, to stand at \$796.7 million at end-January. In the underlying developments, the Bank's transactions with the public were reversed from a \$149.8 million net purchase, to a net sale of \$22.0 million. However, the net receipt from commercial banks grew by one-half to \$32.8 million, as their net foreign currency intake from customers firmed by \$2.4 million to \$29.2 million.

Underpinned by increased lending to the Government, total Bahamian dollar credit expanded by \$33.0 million—a significant turnaround from the \$146.2 million reduction a year ago. Specifically, banks' net claims on the Government advanced by \$36.4 million, after a \$129.5 million contraction in 2014, when proceeds from the US Dollar bond issue were utilized to repay short-term borrowings, and claims on the rest of the public sector rebounded by \$3.9 million. Private sector credit remained lackluster, although the contraction slowed to \$7.3 million from \$16.5 million, reflecting an \$8.0 million hike to commercial related

loans, vis-a-vis the year-earlier \$13.4 million contraction. While the decline in consumer credit was slightly lower at \$5.4 million, mortgages fell by \$10.0 million, a reversal from last year's \$3.2 million growth.

Reflecting broad-based improvements across all major loan categories, private sector arrears fell by \$25.6 million (2.0%) to \$1,261.7 million and by 35 basis points to 21.0% of total loans. By average age, short-term delinquencies (31 to 90 days) were reduced by \$14.9 million (4.7%) to \$300.3 million, to represent a 23 basis points reduction in the relevant loan ratio, to 5.0%. Similarly, nonperforming loans (NPLs)—arrears in excess of 90 days and on which banks have stopped accruing interest—declined by \$10.7 million (1.1%) to \$961.4 million, and the attendant loan ratio narrowed by 12 basis points to 16.0%.

In terms of the main categories, the decrease in total delinquencies mainly reflected a reduction in the mortgage segment, by \$13.2 million (1.9%) to \$698.5 million, as both 31-90 day arrears and NPLs contracted by \$6.9 million (3.9%) and \$6.4 million (1.2%), respectively. Commercial delinquencies also receded by \$7.1 million (2.7%) to \$256.4 million, owing to a \$4.5 million (10.8%) falloff in the short-term segment and a \$2.6 million (1.2%) decline in NPLs. Similarly, consumer arrears fell by \$5.3 million (1.7%) to \$306.7 million, as both short-term arrears and NPLs fell by \$3.5 million (3.7%) and \$1.7 million (0.8%), respectively.

Despite the reduction in arrears, banks maintained their conservative stance by increasing their total provisions for loan losses by \$2.3 million (0.5%) to \$498.1 million in January. Consequently, the ratio of provisions to arrears firmed by 54 basis points to 39.5%, and the ratio of provisions to non-performing loans advanced by 24 basis points to 51.8%. Banks also wrote-off a total of \$16.0 million in overdue loans and recovered \$1.6 million.

The contraction in domestic foreign currency credit slackened to \$6.3 million from \$134.2 million a year earlier. In particular, net credit to the Government advanced by \$4.0 million, following on the previous year's significant \$125.5 million contraction, when part proceeds from its external bond issue were utilized to repay short-term advances. Private sector credit decreased by \$9.2 million, in line with the prior year's \$8.8 million reduction, as commercial and other loans and mortgages fell by \$8.4 million and \$0.8 million, respectively. Credit to the rest of the public sector softened by \$1.0 million, after a marginal \$0.1 million uptick in 2014.

Growth in total Bahamian dollar deposits was slightly lower at \$33.1 million from \$38.7 million last year. This included a near halving of the gains in demand deposits to \$22.0 million, while fixed balances narrowed by \$8.3 million, following 2013's \$5.5 million reduction. In contrast, savings deposits grew by \$19.4 million, a turnaround from the prior period's \$3.4 million falloff.

In interest rates developments, the weighted average deposit rate contracted by 3 basis points to 1.25%, with the highest rate of 5.00% offered on fixed balances of over 12 months. In contrast, the weighted average loan rate rose by 50 basis points to 12.05%.

#### 4. Outlook and Policy Implications

The pace of domestic economic activity is expected to improve steadily in 2015, as positive developments in the United States economy, combined with the opening of the multi-billion dollar Baha Mar Resort in the first quarter, support gains in tourism output. Construction sector activity is also poised for stable gains, arising from ongoing and prospective foreign investment projects in the tourism sector, leading to an enhanced outlook for employment conditions. Consumer price inflation is expected to rise modestly from

its current low levels, reflecting broad-based price gains resulting from the implementation of the Value-Added Tax (VAT)—although the decline in global oil prices should provide a partial offset.

In the fiscal sector, the implementation of the VAT raises near-term prospects for reductions in the deficit and corresponding debt indicators, together with the success of measures geared towards enhancing revenue collections and curtailing expenditure growth.

On the monetary front, bank liquidity should remain at robust levels, in the context of moderate growth momentum which, combined with the high level of indebtedness and banks' conservative lending stance, has a dampening impact on private sector credit demand. No significant decrease is expected in loan delinquencies over the year; although banks should maintain capital positions in excess of regulatory requirements. With the anticipated strengthening in the key foreign exchange earning sectors, the outlook for external reserves remains stable.

The Central Bank will continue to monitor both domestic and international conditions to assess the need for changes in its monetary policy stance.

# Recent Monetary and Credit Statistics

(B\$ Millions)

<b>JANUARY</b>						
Value		Change		Change YTD		
2014	2015	2014	2015	2014	2015	

## 1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	512.22	505.48	110.51	12.21	110.51	12.21
1.2 Excess Liquid Assets	1,177.19	1,172.37	92.29	30.48	92.29	30.48
1.3 External Reserves	912.11	796.73	172.34	9.96	172.34	9.96
1.4 Bank's Net Foreign Assets	-517.40	-428.28	169.61	5.71	169.61	5.71
1.5 Usable Reserves	406.87	273.30	160.51	13.18	160.51	13.18

## 2.0 DOMESTIC CREDIT

<b>2.1 Private Sector</b>	<b>6,503.87</b>	<b>6,336.46</b>	<b>-25.32</b>	<b>-16.50</b>	<b>-25.32</b>	<b>-16.50</b>
a. B\$ Credit	6,128.11	6,022.53	-16.51	-7.32	-16.51	-7.32
of which: Consumer Credit	2,105.74	2,145.30	-6.24	-5.36	-6.24	-5.36
Mortgages	3,103.71	3,089.10	3.15	-9.96	3.15	-9.96
Commercial and Other Loans B\$	918.66	788.13	-13.43	8.01	-13.43	8.01
b. F/C Credit	375.76	313.93	-8.81	-9.18	-8.81	-9.18
of which: Mortgages	140.06	101.38	-2.19	-0.84	-2.19	-0.84
Commercial and Other Loans F/C	235.71	212.55	-6.62	-8.35	-6.62	-8.35
<b>2.2 Central Government (net)</b>	<b>1,706.44</b>	<b>2,071.68</b>	<b>-255.02</b>	<b>40.41</b>	<b>-255.02</b>	<b>40.41</b>
a. B\$ Loans & Securities	1,859.56	2,312.67	-164.62	39.69	-164.62	39.69
Less Deposits	150.96	237.81	-35.08	3.26	-35.08	3.26
b. F/C Loans & Securities	0.00	0.00	-125.00	0.00	-125.00	0.00
Less Deposits	2.16	3.19	0.48	-3.98	0.48	-3.98
<b>2.3 Rest of Public Sector</b>	<b>400.38</b>	<b>323.68</b>	<b>-0.01</b>	<b>2.90</b>	<b>-0.01</b>	<b>2.90</b>
a. B\$ Credit	126.49	101.15	-0.10	3.92	-0.10	3.92
b. F/C Credit	273.90	222.53	0.08	-1.02	0.08	-1.02
<b>2.4 Total Domestic Credit</b>	<b>8,611.89</b>	<b>8,731.83</b>	<b>-280.36</b>	<b>26.79</b>	<b>-280.36</b>	<b>26.79</b>
a. B\$ Domestic Credit	7,963.19	8,198.54	-146.15	33.04	-146.15	33.04
b. F/C Domestic Credit	648.70	533.29	-134.21	-6.25	-134.21	-6.25

## 3.0 DEPOSIT BASE

3.1 Demand Deposits	1,482.28	1,800.82	47.56	21.96	47.56	21.96
a. Central Bank	13.58	19.69	5.18	-3.87	5.18	-3.87
b. Banks	1,468.69	1,781.13	42.38	25.83	42.38	25.83
3.2 Savings Deposits	1,107.92	1,087.20	-3.36	19.39	-3.36	19.39
3.3 Fixed Deposits	3,313.23	3,130.82	-5.54	-8.26	-5.54	-8.26
3.4 Total B\$ Deposits	5,903.43	6,018.85	38.65	33.08	38.65	33.08
3.5 F/C Deposits of Residents	284.50	237.11	33.51	-4.94	33.51	-4.94
<b>3.6 M2</b>	<b>6,104.96</b>	<b>6,236.45</b>	<b>27.29</b>	<b>19.27</b>	<b>27.29</b>	<b>19.27</b>
<b>3.7 External Reserves/M2 (%)</b>	<b>14.94</b>	<b>12.78</b>	<b>2.77</b>	<b>0.12</b>	<b>2.77</b>	<b>0.12</b>
<b>3.8 Reserves/Base Money (%)</b>	<b>94.67</b>	<b>81.18</b>	<b>14.69</b>	<b>0.98</b>	<b>14.69</b>	<b>0.98</b>
<b>3.9 External Reserves/Demand Liabilities (%)</b>	<b>90.26</b>	<b>76.11</b>	<b>15.30</b>	<b>1.41</b>	<b>15.30</b>	<b>1.41</b>
	Value		Year to Date		Change	
	2014	2015	2014	2015	Month	YTD

## 4.0 FOREIGN EXCHANGE TRANSACTIONS

<b>4.1 Central Bank Net Purchase/(Sale)</b>	<b>172.57</b>	<b>10.83</b>	<b>172.57</b>	<b>10.83</b>	<b>-161.73</b>	<b>-161.73</b>
a. Net Purchase/(Sale) from/to Banks	22.74	32.82	22.74	32.82	10.08	10.08
i. Sales to Banks	20.40	14.80	20.40	14.80	-5.60	-5.60
ii. Purchases from Banks	43.14	47.62	43.14	47.62	4.48	4.48
b. Net Purchase/(Sale) from/to Others	149.83	-21.99	149.83	-21.99	-171.82	-171.82
i. Sales to Others	175.45	66.10	175.45	66.10	-109.35	-109.35
ii. Purchases from Others	325.28	44.11	325.28	44.11	-281.17	-281.17
<b>4.2 Banks Net Purchase/(Sale)</b>	<b>26.79</b>	<b>29.22</b>	<b>26.79</b>	<b>29.22</b>	<b>2.43</b>	<b>2.43</b>
a. Sales to Customers	270.02	309.37	270.02	309.37	39.35	39.35
b. Purchases from Customers	296.81	338.59	296.81	338.59	41.78	41.78
<b>4.3 B\$ Position (change)</b>	<b>-12.85</b>	<b>-21.92</b>				

## 5.0 EXCHANGE CONTROL SALES

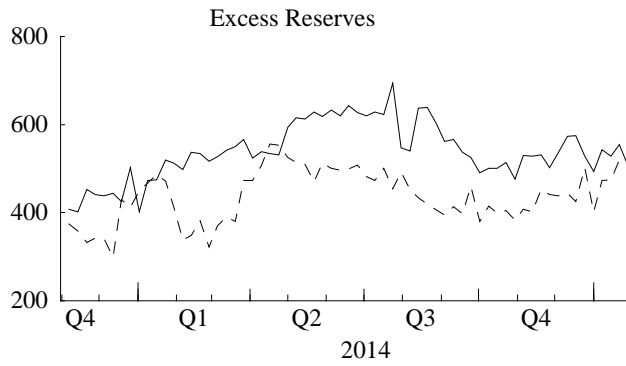
<b>5.1 Current Items</b>	<b>0.00</b>	<b>ND</b>	<b>0.00</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
<b>of which Public Sector</b>	<b>0.00</b>	<b>ND</b>	<b>0.00</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
a. Nonoil Imports	0.00	ND	0.00	ND	ND	ND
b. Oil Imports	0.00	ND	0.00	ND	ND	ND
c. Travel	0.00	ND	0.00	ND	ND	ND
d. Factor Income	0.00	ND	0.00	ND	ND	ND
e. Transfers	0.00	ND	0.00	ND	ND	ND
f. Other Current Items	0.00	ND	0.00	ND	ND	ND
<b>5.2 Capital Items</b>	<b>0.00</b>	<b>ND</b>	<b>0.00</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
<b>of which Public Sector</b>	<b>0.00</b>	<b>ND</b>	<b>0.00</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>
<b>5.3 Bank Remittances</b>	<b>0.00</b>	<b>ND</b>	<b>0.00</b>	<b>ND</b>	<b>ND</b>	<b>ND</b>

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: JANUARY 29, 2014 and JANUARY 28, 2015

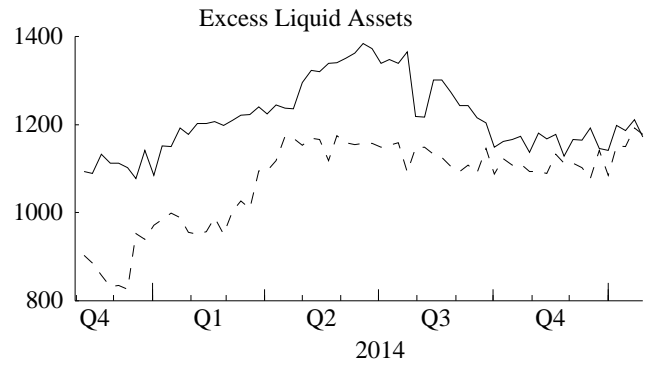
Exchange Control Sales figures are as at month end.

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.

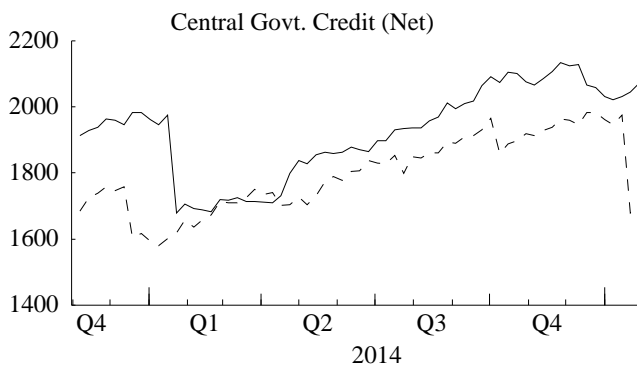
## SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



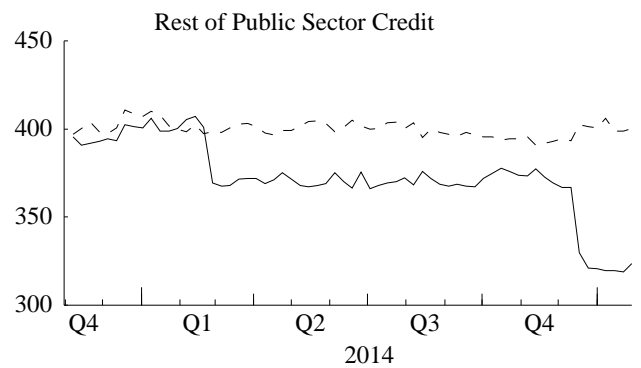
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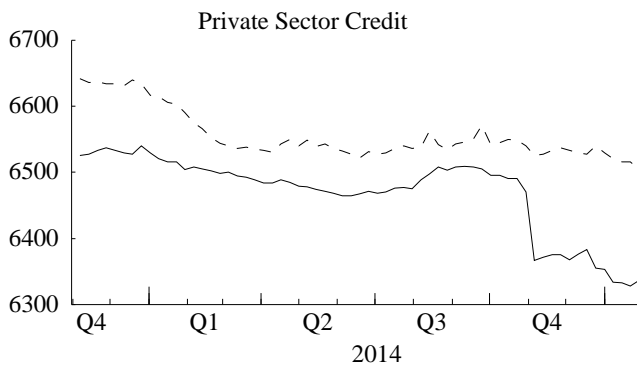
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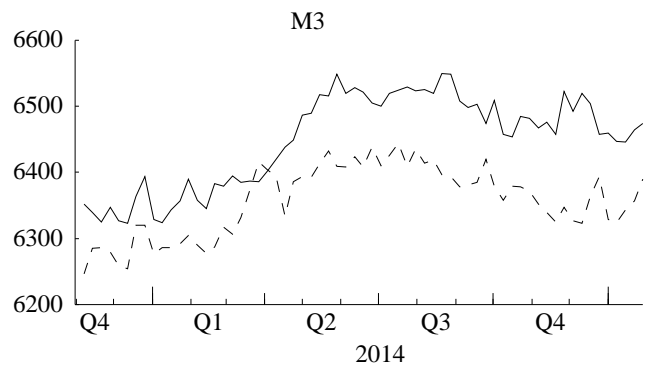
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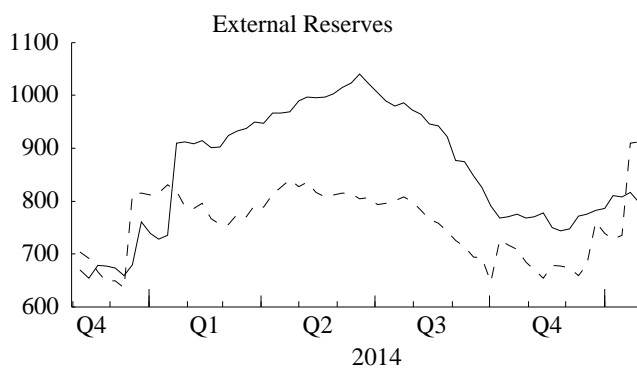
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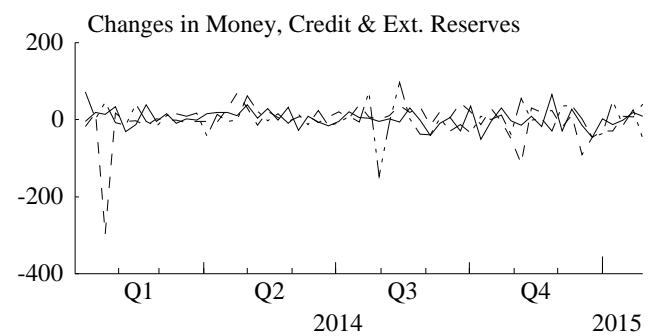
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— M3  
- - - Domestic Credit  
- · - External Reserves



## Selected International Statistics

<b>A: Selected Macroeconomic Projections</b> (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2014	2015	2014	2015	2014	2015
Bahamas	1.2	2.1	1.4	4.4	14.3	N/A
United States	2.2	3.1	2.0	2.1	6.3	5.9
Euro-Area	0.8	1.3	0.5	0.9	11.6	11.2
<i>Germany</i>	<i>1.4</i>	<i>1.5</i>	<i>0.9</i>	<i>1.2</i>	<i>5.3</i>	<i>5.3</i>
Japan	0.9	0.8	2.7	2.0	3.7	3.8
China	7.4	7.1	2.3	2.5	4.1	4.1
United Kingdom	3.2	2.7	1.6	1.8	6.3	5.8
Canada	2.3	2.4	1.9	2.0	7.0	6.9
<i>Source: IMF World Economic Outlook October 2014, Department of Statistics</i>						

<b>B: Official Interest Rates – Selected Countries (%)</b>					
<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
January 2013	4.50	0.75	0.75	0-0.25	0.50
February 2013	4.50	0.75	0.75	0-0.25	0.50
March 2013	4.50	0.75	0.75	0-0.25	0.50
April 2013	4.50	0.75	0.75	0-0.25	0.50
May 2013	4.50	0.50	0.75	0-0.25	0.50
June 2013	4.50	0.50	0.75	0-0.25	0.50
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

## Selected International Statistics

<b>C. Selected Currencies (Per United States Dollars)</b>						
Currency	Jan-14	Dec-14	Jan-15	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7414	0.8266	0.8858	7.17	7.17	19.48
Yen	102.04	119.68	117.49	-1.83	-1.83	15.14
Pound	0.6082	0.6419	0.6641	3.45	3.45	9.18
Canadian \$	1.1128	1.1619	1.2732	9.58	9.58	14.41
Swiss Franc	0.9064	0.9944	0.9207	-7.41	-7.41	1.58
Renminbi	6.0607	6.2052	6.2543	0.79	0.79	3.19

*Source: Bloomberg as of January 31, 2015*

<b>D. Selected Commodity Prices (\$)</b>					
Commodity	January 2014	December 2014	January 2015	Mthly % Change	YTD % Change
Gold / Ounce	1244.55	1184.37	1283.77	8.39	8.39
Silver / Ounce	19.77	15.71	17.26	9.83	9.83
Oil / Barrel	108.15	57.33	48.40	-15.58	-15.58

*Source: Bloomberg as of January 31, 2015*

<b>E. Equity Market Valuations – January 31, 2015 (% chg)</b>								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.29	-3.69	-3.10	2.79	7.76	9.06	1.28	-0.75
3 month	3.53	-1.30	-1.14	3.10	8.77	14.66	7.68	32.65
YTD	0.29	-3.69	-3.10	2.79	7.76	9.06	1.28	-0.75
12-month	9.57	9.34	13.15	3.67	10.53	14.91	18.50	57.91

*Sources: Bloomberg and BISX*

<b>F: Short Term Deposit Rates in Selected Currencies (%)</b>			
	USD	GBP	EUR
<b>o/n</b>	0.17	0.45	0.10
<b>1 Month</b>	0.21	0.50	0.04
<b>3 Month</b>	0.31	0.55	0.07
<b>6 Month</b>	0.47	0.70	0.10
<b>9 Month</b>	0.65	0.84	0.12
<b>1 year</b>	0.63	0.99	0.21

*Source: Bloomberg as of January 31, 2015*

# SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE											
	Dec. 03	Dec. 10	Dec. 17	Dec. 24	Dec. 31	Jan. 07	Jan. 14	Jan. 21	Jan. 28	Dec. 03	Dec. 10	Dec. 17	Dec. 24	Dec. 31	Jan. 07	Jan. 14	Jan. 21	Jan. 28						
<b>I. External Reserves</b>	747.70	771.46	775.02	782.24	786.76	810.61	808.30	817.07	796.73	3.52	23.76	3.56	7.22	4.52	23.84	-2.31	8.77	-20.35						
<b>II. Net Domestic Assets (A + B + C + D)</b>	259.99	265.72	276.23	246.89	194.29	192.99	188.11	195.91	184.76	32.39	5.73	10.51	-29.34	-52.60	-1.31	-4.87	7.80	-11.15						
<b>A. Net Credit to Gov't (i + ii + iii - iv)</b>	566.18	585.97	586.21	565.43	520.89	531.06	511.51	512.09	506.63	-0.89	19.80	0.24	-20.79	-44.54	10.17	-19.55	0.59	-5.46						
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	314.34	312.24	313.31	313.14	312.96	312.17	297.10	296.89	296.78	0.01	-2.10	1.08	-0.17	-0.18	-0.79	-15.07	-0.21	-0.10						
iii) Treasury Bills	143.52	163.49	163.49	163.49	119.54	119.54	119.54	119.54	119.54	0.00	19.97	0.00	0.00	-43.95	0.00	0.00	0.00	0.00						
iv) Deposits	26.34	24.41	25.25	45.86	46.27	35.32	39.79	38.99	44.35	0.90	-1.93	0.84	20.62	0.41	-10.96	4.48	-0.80	5.36						
<b>B. Rest of Public Sector (Net) (i + ii - iii)</b>	-0.64	-11.09	-5.40	-10.13	-19.41	-15.84	-17.85	-10.89	-15.54	0.61	-10.45	5.70	-4.73	-9.29	3.58	-2.02	6.96	-4.65						
i) BDB Loans	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	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	4.79	15.24	9.55	14.28	23.56	19.99	22.00	15.04	19.69	-0.61	10.45	-5.70	4.73	9.29	-3.58	2.02	-6.96	4.65						
<b>C. Loans to/Deposits with Banks</b>	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						
<b>D. Other Items (Net)*</b>	-305.54	-309.16	-304.59	-308.41	-307.18	-322.24	-305.54	-305.29	-306.33	32.67	-3.62	4.58	-3.82	1.23	-15.06	16.69	0.25	-1.04						
<b>III. Monetary Base</b>	1,007.69	1,037.18	1,051.25	1,029.13	981.06	1,003.59	996.41	1,012.98	981.49	35.92	29.49	14.07	-22.12	-48.08	22.54	-7.18	16.57	-31.49						
A. Currency in Circulation	345.47	340.36	361.57	367.61	375.45	344.67	340.42	321.71	328.72	12.74	-5.11	21.21	6.04	7.84	-30.78	-4.25	-18.71	7.01						
B. Bank Balances with CBOB	662.23	696.82	689.68	661.53	605.61	658.92	655.99	691.27	652.76	23.18	34.60	-7.14	-28.15	-55.92	53.31	-2.93	35.28	-38.51						

\* 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)

	YEAR TO DATE	
	2013/2014	2014/2015
(Over previous year)		
681.5	685.9	
-0.50%	3.70%	
278.2	287.8	
-4.48%	7.04%	
764.0	805.9	
1.92%	5.48%	
76.4	83.8	
-33.67%	22.85%	
-209.1	-254.1	
-22.54%	21.50%	

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		
	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	
<b>Fiscal Opportunities</b>																									
1. Government Revenue & Grants	112.7	117.8	104.1	104.2	106.8	120.3	103.8	88.5	146.5	159.7	146.5	88.5	146.5	159.7	146.5	88.5	146.5	159.7	146.5	88.5	146.5	159.7	146.5	88.5	146.5
% change over previous month	8.1%	-3.9%	-7.0%	10.21%	19.64%	15.44%	-15.03%	-25.57%	41.12%	78.40%	41.12%	-25.57%	41.12%	78.40%	41.12%	-25.57%	41.12%	78.40%	41.12%	-25.57%	41.12%	78.40%	41.12%	-25.57%	41.12%
2. Import/Excise Duties	44.0	48.4	48.7	47.8	45.7	47.8	49.0	47.8	47.8	59.1	47.8	47.8	47.8	59.1	47.8	47.8	47.8	59.1	47.8	47.8	47.8	59.1	47.8	47.8	59.1
% change over previous month	-9.3%	4.0%	12.9%	-1.85%	-6.63%	0.15%	7.38%	-0.11%	-2.59%	23.75%	-2.59%	-0.11%	-2.59%	23.75%	-2.59%	-0.11%	-2.59%	23.75%	-2.59%	-0.11%	-2.59%	23.75%	-2.59%	-0.11%	-2.59%
3. Recurrent Expenditure	122.9	131.9	115.9	126.8	145.3	144.1	128.8	152.3	129.1	122.5	129.1	152.3	129.1	122.5	129.1	152.3	129.1	122.5	129.1	152.3	129.1	122.5	129.1	152.3	129.1
% change over previous month	-19.1%	7.40%	-8.2%	10.71%	16.25%	13.64%	-11.33%	5.71%	0.23%	-19.58%	0.23%	-19.58%	5.71%	0.23%	-19.58%	5.71%	0.23%	-19.58%	5.71%	0.23%	-19.58%	5.71%	0.23%	-19.58%	5.71%
4. Capital Expenditure	4.5	9.8	16.8	21.5	29.0	10.0	8.9	9.3	19.7	14.2	19.7	9.3	19.7	14.2	19.7	9.3	19.7	14.2	19.7	9.3	19.7	14.2	19.7	9.3	19.7
% change over previous month	-90.6%	44.4%	77.35%	19.6%	35.01%	-65.38%	-9.9%	-7.15%	122.35%	53.41%	122.35%	-9.9%	-7.15%	122.35%	53.41%	122.35%	-9.9%	-7.15%	122.35%	53.41%	122.35%	53.41%	122.35%	53.41%	122.35%
5. Deficit/Surplus*	-15.7	-25.1	-26.2	-62.3	-62.8	-42.4	-42.2	-78.8	-7.3	18.1	-7.3	-78.8	-7.3	18.1	-7.3	-78.8	-7.3	18.1	-7.3	-78.8	-7.3	18.1	-7.3	-78.8	-7.3
% change over previous month	-84.5%	-24.58%	78.9%	148.5%	1.04%	-33.32%	-32.72%	85.9%	-82.70%	-122.93%	-82.70%	85.9%	-82.70%	-122.93%	-82.70%	85.9%	-82.70%	-122.93%	-82.70%	85.9%	-82.70%	-122.93%	-82.70%	85.9%	-82.70%

	JUL		AUG		SEP		OCT		NOV		DEC	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
<b>Debt, **</b>												
6. Total Debt	4,389.9	5,008.2	4,413.6	5,022.2	4,577.8	5,134.9	4,600.2	5,155.3	4,689.3	5,157.9	4,689.3	5,157.9
% change over previous month	-0.6%	0.5%	-1.0%	0.3%	1.0%	2.2%	0.5%	0.4%	1.9%	0.1%	1.9%	0.1%
7. External Debt	1,042.6	1,487.5	1,046.3	1,491.5	1,050.5	1,489.3	1,057.9	1,489.6	1,057.8	1,487.2	1,057.8	1,487.2
% change over previous month	0.4%	25.3%	0.4%	0.3%	-0.2%	-0.2%	0.7%	0.0%	0.0%	-0.2%	0.0%	-0.2%
8. Internal FC Debt	0.0	0.0	0.0	0.0	0.0	66.0	0.0	66.0	0.0	66.0	0.0	66.0
% change over previous month												
9. Bahamian Dollar Debt	3,327.3	3,520.7	3,367.3	3,530.7	3,527.3	3,579.7	3,542.3	3,599.7	3,631.5	3,604.7	3,631.5	3,604.7
% change over previous month	-0.9%	-4.1%	1.2%	0.3%	-1.4%	1.4%	0.4%	0.6%	2.5%	0.1%	2.5%	0.1%
10. Total Amortization	30.2	275.4	10.0	10.0	2.5	14.1	25.0	10.0	2.3	2.4	2.3	2.4
% change over previous month	-58.2%	425.6%	-66.9%	-96.4%	-88.5%	1204.9%	902.0%	-29.3%	-90.6%	-76.1%	-90.6%	-76.1%

	JAN		FEB		MAR		APR		MAY		JUN		JUL	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
<b>Real Sector Indicators</b>														
11. Total Public Sector FC Debt	1,890.4	2,311.0	1,894.6	2,320.2	1,898.5	2,379.1	1,910.1	2,378.1	1,915.0	2,379.5	1,915.0	2,378.1	1,915.0	2,379.5
% change over previous month	0.1%	8.1%	0.2%	0.4%	-0.2%	2.6%	0.6%	0.0%	0.4%	0.1%	0.2%	0.0%	0.4%	0.1%
12. Retail Price Index	105.8	107.3	105.7	107.6	106.6	107.7	106.5	107.8	106.4	107.7	106.4	107.7	106.4	107.7
% change over previous month	0.22%	0.75%	-0.08%	0.28%	0.25%	-0.16%	-0.1%	0.03%	0.1%	-0.05%	0.0%	0.1%	0.0%	-0.05%
13. Tourist arrivals (000's)	538.1	555.2	533.2	566.4	554.4	567.4	447.6	481.9	477.2	507.0	497.5	513.4	477.2	507.0
% change over previous year	1.78%	3.16%	0.78%	6.22%	0.84%	2.35%	-4.20%	7.66%	8.61%	6.24%	2.26%	8.61%	8.61%	6.24%
14. Air arrivals (000's)	86.1	88.6	104.8	107.7	117.4	131.0	113.9	117.7	131.2	130.9	133.7	139.5	109.7	79.0
% change over previous year	-3.69%	2.88%	-5.56%	2.85%	-1.69%	11.62%	-4.11%	3.38%	-5.75%	-0.22%	-5.71%	4.4%	-7.30%	13.0%
15. Occupied Room Nights														
% change over previous year														
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)														
% change over previous year														
22.56	22.63	22.56	22.63	22.56	22.63	22.56	22.63	22.56	22.63	22.56	22.63	22.56	22.63	22.56
18.95%	10.53%	18.95%	10.53%	18.95%	10.53%	18.95%	10.53%	18.95%	10.53%	18.95%	10.53%	18.95%	10.53%	18.95%

	2013		2014	
	2013	2014	2013	2014
<b>Real Sector Indicators</b>				
12. Retail Price Index	106.3	107.6	106.3	107.6
% change over previous month	0.36%	1.19%	0.36%	1.19%
13. Tourist arrivals (000's)	4970.7	5144.8	4970.7	5144.8
% change over previous year	3.47%	3.50%	3.47%	3.50%
14. Air arrivals (000's)	1073.4	1122.1	1073.4	1122.1
% change over previous year	-6.33%	4.54%	-6.33%	4.54%
15. Occupied Room Nights				
% change over previous year				
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)	69.17	59.58	69.17	59.58
% change over previous year	-6.34%	-13.87%	-6.34%	-13.87%

\*\* Debt figures pertain to central government only unless otherwise indicated  
 \* Includes Net Lending to Public Corporations  
 p: provisional