



Monthly Economic and Financial Developments August 2012

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:

2012: October 29, December 3, December 24.

Monthly Economic and Financial Developments

August 2012

1. Domestic Economic Developments

Domestic economic conditions continued to be shaped by developments in tourism, foreign investment-led construction activity and public sector infrastructure works, although the momentum and depth of the recovery remained below the levels needed to achieve substantial gains in employment and a broadening of private sector demand. Inflation stayed relatively benign, as local transportation and energy costs declined in August, while the monetary sector outcome showed monthly contractions in both bank liquidity and external reserves, partly reflecting seasonal firming in foreign currency demand.

Indications are that tourism sector activity continued to improve during August, supported by joint public/private sector marketing campaigns, such as the “Two Fly Free” promotion and the “airfare credit” programme. When analysed over the eight month period, preliminary data for a sample of large hotels in New Providence and Paradise Island showed a 5.5% increase in room revenues, owing to a 6.4 percentage point gain in the average occupancy rate, to 74.7%, which eclipsed the 3.8% reduction in average daily rates to \$238.68, when compared to the prior year. However, the sector’s performance still appeared to trail its pre-recession levels, as room revenues were nearly 10.0% below their 2008 levels.

Reflecting the persistent sluggishness in economic activity, the Department of Statistics’ most recent Labour Force Survey for the six months to May 2012, showed only a 1.2 percentage point narrowing in the unemployment rate, to 14.7%, relative to November 2011, as an additional 3,145 jobs were created over the period, and in comparison to May 2011, the jobless rate was 1.0 percentage point higher. The underlying challenges in the labour market, were also evident in the number of discouraged workers, which declined by 3.0% over the six-month period, but remained 9.0% above May 2011’s level. With respect to the main labour markets, the unemployment rate in New Providence fell to 14.0% from 15.1% and for Grand Bahama, to 17.3% from 21.2%.

Domestic energy price movements were mixed in August, as gasoline prices declined marginally by 0.2% over the month and by 3.3% year-on-year to \$5.26 per gallon. In contrast, diesel costs moved higher by 1.2% to \$4.87 per gallon, but contracted by 4.1% relative to 2011. Further, the Bahamas Electricity Corporation’s fuel charge declined by 3.7% during the month, to 27.45¢ per kilowatt hour (kWh), but still exceeded the previous year’s level by 5.6%.

2. International Developments

The weakness in the global economy continued to reflect the effects of the ongoing debt crisis in Europe, anaemic growth in United States and increasing signs of a slowdown in Asia. As a result, labour market conditions remained slack, and monetary policy maintained an accommodative bias, in a bid to encourage economic growth.

Indications are that economic conditions in the United States remained subdued, as output disruptions associated with Hurricane Isaac led to a 1.2% reduction in industrial production, following a marginal rise of 0.5% in the prior month. However, the key retail sector showed signs of improvement, as store sales

firmed by 0.9%, exceeding the 0.6% gain in July. Housing market indicators were mixed; starts expanded by 2.3%, a reversal from the July 1.1% contraction; completions rose marginally by 0.7%, although below the earlier month's 7.1% gain, while building permits fell by 1.0%. In the external sector, the goods and services deficit deteriorated marginally by \$0.1 billion in July to \$42.0 billion, as the falloff in exports overshadowed the reduction in imports. Given the weakness of the recovery, the unemployment rate was only slightly lower, by 20 basis points to 8.1%, reflecting the addition of 96,000 nonfarm jobs to employers' payrolls. Consumer price inflation firmed by 0.3 of a percentage point to an annualised 1.7% in August, owing mainly to higher food costs. Given the low inflationary environment and relatively high unemployment rate, the Federal Reserve continued its "quantitative easing" programme and maintained its key interest rate within the 0.0%-0.25% range.

Harsh austerity programmes in the European economies, amid Governments' efforts to address significant fiscal imbalances, continued to exert a drag on output. In the United Kingdom, increased production in the mining & quarrying and water & waste management sectors, supported a rise in manufacturing output to 3.2% in July, a reversal from a 2.9% contraction a month earlier, while retail sales firmed marginally by 0.3% over the previous month. The country's trade deficit narrowed by £2.8 billion to £1.5 billion in July, reflecting a modest reduction in the goods deficit, which overshadowed a slight contraction in the services account surplus. In terms of employment, the number of unemployed persons lessened by 7,000 in the three months to July, lowering the jobless rate by 0.1 of a percentage point to 8.1%. In August, reduced costs for furniture, household equipment & maintenance, housing & household services and clothing & footwear, occasioned a slight softening in the inflation rate, by 0.1 of a percentage point to 2.5%. In its ongoing support for the economy, the Bank of England kept its main bank rate at 0.5% and sustained its £375 billion asset purchase programme.

Euro area economic indicators were mixed in August, as several southern states remained mired in recession. Industrial output firmed modestly by 0.6% in July, following a reduction of the same magnitude in June, while retail trade decreased by 0.2%, after a muted 0.1% improvement a month earlier. In the external sector, the trade deficit deteriorated by €2.0 billion to €15.6 billion, as the 2.0% falloff in exports outweighed the 1.2% decline in imports. Weak labour market conditions persisted, with the number of unemployed persons up by 88,000, although the jobless rate stabilised at 11.3% in July. Annual inflation rose slightly to 2.6% at end-August, from 2.4% a month earlier, due to higher costs for transport, alcohol & tobacco and housing. In this environment, the European Central Bank held its main financing operations and marginal lending facility rates unchanged, at 0.75% and 1.50%, respectively.

Asian economies' growth momentum remained relatively strong during the review period, although the region's exports continued to be adversely affected by weakness in Europe and the slow recovery in the United States. In China, year-on-year growth in industrial production moderated in August, by 0.3 of a percentage point to 8.9%, while retail sales grew by a relatively stable 13.2%. The country's trade surplus widened to \$26.7 billion from \$25.1 billion a month earlier, reflecting a combination of a 2.7% gain in exports and a similar fall in imports. Buoyed by rising food, tobacco & liquor and clothing prices, annual inflation edged up by 0.2 of a percentage point to 2.0% in August, over the prior month. Faced with below-trend growth and mild inflation, the People's Bank of China maintained its accommodative monetary policy posture, by leaving its key interest rates unchanged.

In Japan, the contraction in industrial production deepened to 1.2% in July from 0.1% a month earlier, and retail sales contracted on an annual basis by 0.8%, to reverse the 0.2% improvement in June. Due in part to the ongoing weakness in Europe, the trade deficit widened by ¥235.2 billion to ¥754.1 billion in August

over the prior month, as the contraction in exports outweighed the reduction in imports. Reflecting a decline in the cost of clothing & household items, consumer prices softened by 0.3% in July, extending the 0.5% contraction in June. In this environment, the Bank of Japan retained its uncollateralized overnight call rate within the range of 0.0% to 0.1%.

Despite the modest increase in OPEC's crude oil production by 250,000 barrels per day to average 31.41 million barrels per day, crude oil prices trended upward during August, by 6.4% to \$113.11 per barrel, reflecting renewed optimism regarding the near-term outlook for the global economy. Similarly, precious metal prices maintained their upward trajectory over the review month, with the cost of both gold and silver rising, by 4.8% and 13.4% to \$1,691.85 and \$31.74 per troy ounce, respectively.

Most of the major stock markets registered broad-based gains in August. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices grew marginally by 0.6% and 2.2%, respectively. Similarly, in Europe, gains were posted for France's CAC 40 (3.7%), Germany's DAX (2.9%) and the United Kingdom's FTSE 100 (1.4%). The outcome was mixed in Asia, when Japan's Nikkei 225 index grew by 1.7%, while China's SE Composite fell by 2.7%.

In the foreign exchange markets, the US dollar depreciated against most of the major currencies during August. The dollar weakened against the Swiss Franc (by 2.2% to CHF0.9549), the euro (by 2.2% to €0.7950) and the British pound (by 1.2% to £0.6303). Similarly, the dollar declined by 1.7% in relation to the Canadian dollar, to CND\$0.9863. With regard to key Asian currencies, the dollar depreciated against the Chinese Yuan (by 0.2% to CNY6.3497), but strengthened vis-à-vis the Japanese Yen (by 0.4% to ¥78.39).

3. Domestic Monetary Trends

August 2012 vs. 2011

Money and credit trends for the month of August featured contractions in both liquidity and external reserves, attributed to a combination of increased foreign currency outflows to facilitate the seasonal upturn in consumer demand and profit repatriations. Banks' excess cash holdings fell by \$72.7 million, after a \$92.1 million decrease in 2011, and the broader excess liquid assets declined by \$70.6 million to \$961.5 million, extending the previous year's \$4.6 million reduction.

The contraction in external reserves was higher by \$7.8 million at \$57.2 million in August, bringing the outstanding stock to \$831.1 million at month end. In the underlying transactions, the Central Bank's net foreign currency sale increased by \$3.2 million to \$55.3 million, of which almost 70% (\$38.3 million) was to meet public sector requirements, related mainly to fuel payments. The Bank's net sale to commercial banks advanced by \$2.6 million to \$17.0 million, to fund a similar increase in their net sale to customers.

Bahamian dollar credit expansion strengthened by \$33.0 million to \$77.5 million, associated mainly with increased net claims on the Government, which more than doubled to \$81.3 million. In contrast, credit to the private sector fell by \$2.4 million, a turnaround from a \$7.5 million gain in 2011. Although consumer credit advanced by \$6.2 million vis-à-vis a \$5.2 million year earlier decline, commercial and other loans decreased by \$8.2 million, in contrast to a comparative \$15.1 million gain, while the falloff in mortgages slowed by \$2.0 million to \$0.4 million. In addition, the contraction in claims on the public corporations was higher at \$1.5 million from \$1.2 million last year.

Commercial banks' credit quality indicators worsened over the review month, although the deterioration was not broad-based among the institutions. Total private sector loan arrears grew by \$43.4 million (3.7%) to \$1,234.0 million, elevating the corresponding ratio to total loans, by 68 basis points to 19.8%. The deterioration in the loan portfolio was concentrated in the short-term (31-90 day) segment, which rose by \$31.6 million (8.4%) to \$406.9 million, resulting in a 50 basis point firming in the attendant ratio to 6.5%. Similarly, non-performing loans—those exceeding 90 days and on which banks have stopped accruing interest—expanded by \$11.9 million (1.5%) to \$827.2 million, with the corresponding loan ratio widening by 18 basis points to 13.3%.

In terms of the main categories, the expansion in delinquencies was led by a \$38.4 million (14.4%) hike in the commercial segment, to \$305.7 million, as short-term arrears advanced by \$37.7 million (49.4%) and those in the 91 days and over category, by a more moderate \$0.7 million (0.4%). Similarly, consumer loan delinquencies moved higher by \$3.1 million (1.2%) to \$265.7 million, with those in the 31-90 day component up by \$3.3 million (3.3%), to eclipse the more muted \$0.1 million (0.1%) decline in the non-accrual segment. Mortgage arrears rose by \$1.9 million (0.3%) to \$662.7 million, comprising an \$11.3 million (2.5%) upturn in non-performing loans, which outpaced the \$9.4 million (4.7%) reduction in the short-term component.

Despite the rise in arrears, total provisions for loan losses fell marginally by \$0.2 million (0.1%) to \$341.7 million in August. Consequently, the ratio of total provisions to arrears and non-performing loans decreased by 1.0 and 0.6 percentage points, to 27.7% and 41.3%, respectively. Banks wrote-off an estimated \$25.7 million in delinquent loans, while recoveries amounted to \$4.4 million.

Following a net reduction of \$16.0 million in 2011, total domestic foreign currency credit grew by \$16.9 million during August. The private sector component firmed by \$16.4 million, after contracting by \$9.8 million a year earlier. In addition, net claims on the Government rose by \$0.5 million, vis-à-vis 2011's \$1.1 million decline; however, credit to the rest of the public sector was flat, compared with the prior year's \$5.2 million reduction.

The decrease in total Bahamian dollar deposits slackened to \$1.0 million from \$18.5 million in 2011. Underlying this outturn, growth in demand balances rose more than two-fold to \$39.5 million, and the falloff in savings deposits was significantly lower at \$0.7 million from \$17.4 million in 2011. However, fixed deposits contracted by \$39.7 million, extending 2011's \$19.6 million falloff.

In interest rate developments, the weighted average deposit rate at banks decreased by 36 basis points to 1.80%, with the highest rate of 5.25% offered on fixed balances of one month and over 12 months. Conversely, the weighted average loan rate firmed by 27 basis points to 11.45%.

4. Outlook and Policy Implications

The domestic economy is expected to maintain a mild growth momentum over the duration of the year, supported by activity in the key stopover segment of the tourism market and foreign investment projects. However, persistent headwinds in the global economy could constrain potential output in key overseas markets, with corresponding implications for domestic outcomes. The domestic price environment is expected to remain relatively subdued, although fuel and food prices are likely to exhibit volatility for an extended period.

In the fiscal sector, any potential improvement in the deficit and corresponding debt indicators will continue to hinge on the extent to which the domestic recovery deepens, as well as success of measures aimed at strengthening revenue collection and curtailing the growth in spending.

Monetary conditions are expected to feature a continuation of robust bank liquidity, although the seasonal increase in foreign currency demand, amid the slackened rate of foreign currency inflows from real sector activity, is anticipated to result in further declines in external reserves over the remainder of the year. With no significant near-term improvement in the employment situation, banking sector loan arrears are projected to stay elevated, although not generating any financial stability concerns, because of the adequacy of banks' existing capital levels.

Recent Monetary and Credit Statistics

(B\$ Millions)

AUGUST						
Value		Change		Change YTD		
2011	2012	2011	2012	2011	2012	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	528.75	367.61	-92.12	-72.75	139.25	-67.25
1.2 Excess Liquid Assets	962.96	961.54	-4.61	-70.56	149.44	64.38
1.3 External Reserves	1,032.23	831.08	-49.34	-57.17	171.19	-60.92
1.4 Bank's Net Foreign Assets	-527.74	-578.44	-0.40	29.45	162.03	30.61
1.5 Usable Reserves	527.86	404.55	-14.67	-19.10	93.46	-35.42

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,509.13	6,649.16	-2.34	13.99	-31.51	34.80
a. B\$ Credit	6,192.27	6,230.40	7.45	-2.41	46.46	-29.74
of which: Consumer Credit	2,121.51	2,123.23	-5.19	6.20	-15.53	-23.43
Mortgages	3,085.25	3,105.08	-2.43	-0.44	24.45	18.48
Commercial and Other Loans B\$	985.51	1,002.09	15.07	-8.17	37.55	-24.79
b. F/C Credit	316.86	418.76	-9.79	16.40	-77.98	64.54
of which: Mortgages	131.20	144.32	0.05	12.93	2.58	15.18
Commercial and Other Loans F/C	185.67	274.44	-9.84	3.47	-80.56	49.36
2.2 Central Government (net)	1,353.33	1,689.32	37.16	81.80	-33.17	252.33
a. B\$ Loans & Securities	1,484.14	1,814.60	41.08	69.68	24.83	250.25
Less Deposits	128.70	124.71	2.87	-11.65	-10.70	-0.92
b. F/C Loans & Securities	0.23	0.00	0.23	0.00	-69.77	0.00
Less Deposits	2.35	0.57	1.29	-0.46	-1.06	-1.16
2.3 Rest of Public Sector	395.70	361.34	-6.38	-1.47	-5.42	-46.21
a. B\$ Credit	119.22	105.41	-1.23	-1.46	5.28	1.98
b. F/C Credit	276.48	255.94	-5.15	-0.01	-10.70	-48.19
2.4 Total Domestic Credit	8,258.14	8,699.84	28.46	94.33	-70.32	240.92
a. B\$ Domestic Credit	7,666.91	8,025.71	44.46	77.48	87.06	223.42
b. F/C Domestic Credit	591.23	674.13	-16.00	16.85	-157.38	17.50

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,257.58	1,376.28	18.53	39.45	117.91	140.97
a. Central Bank	18.91	20.49	7.72	9.93	10.91	12.27
b. Banks	1,238.67	1,355.79	10.82	29.52	107.00	128.70
3.2 Savings Deposits	1,036.87	1,115.57	-17.42	-0.67	20.80	49.56
3.3 Fixed Deposits	3,644.99	3,485.30	-19.64	-39.73	36.90	-121.49
3.4 Total B\$ Deposits	5,939.44	5,977.15	-18.53	-0.95	175.60	69.03
3.5 F/C Deposits of Residents	222.34	251.12	-17.79	37.19	-30.33	58.25
3.6 M2	6,134.63	6,178.72	-8.17	-0.29	176.76	72.31
3.7 External Reserves/M2 (%)	16.83	13.45	-0.78	-0.92	2.37	-1.16
3.8 Reserves/Base Money (%)	105.68	100.51	3.30	1.70	2.06	-0.38
3.9 External Reserves/Demand Liabilities (%)	101.96	96.64	1.99	1.75	1.73	-1.75
	Value		Year to Date		Change	
	2011	2012	2011	2012	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

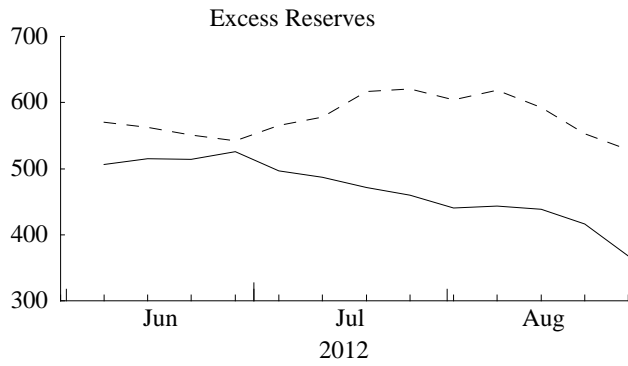
4.1 Central Bank Net Purchase/(Sale)	-52.11	-55.32	153.18	-69.56	-3.21	-222.74
a. Net Purchase/(Sale) from/to Banks	-14.37	-17.01	166.54	174.55	-2.64	8.01
i. Sales to Banks	25.13	26.28	201.38	120.82	1.15	-80.56
ii. Purchases from Banks	10.75	9.26	367.92	295.37	-1.49	-72.55
b. Net Purchase/(Sale) from/to Others	-37.74	-38.30	-13.36	-244.11	-0.56	-230.75
i. Sales to Others	57.11	57.39	480.59	464.46	0.28	-16.13
ii. Purchases from Others	19.37	19.09	467.23	220.35	-0.28	-246.88
4.2 Banks Net Purchase/(Sale)	-11.59	-14.61	182.72	169.79	-3.02	-12.93
a. Sales to Customers	317.59	283.97	2,380.63	2,344.95	-33.62	-35.68
b. Purchases from Customers	306.00	269.37	2,563.35	2,514.74	-36.63	-48.61
4.3 B\$ Position (change)	-0.48	2.10				

5.0 EXCHANGE CONTROL SALES

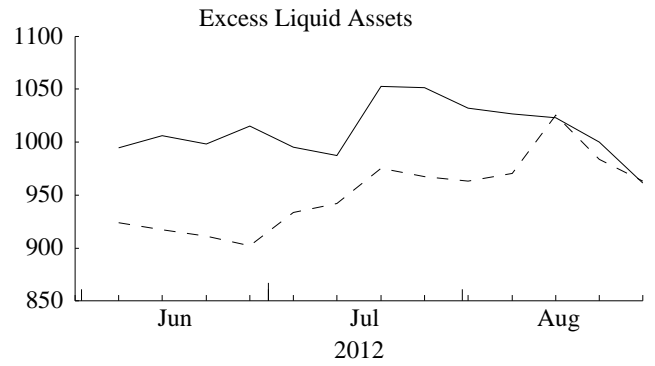
5.1 Current Items	239.32	ND	1,938.59	ND	ND	ND
of which Public Sector	93.49	ND	126.92	ND	ND	ND
a. Nonoil Imports	94.27	ND	817.12	ND	ND	ND
b. Oil Imports	27.65	ND	287.99	ND	ND	ND
c. Travel	23.06	ND	137.25	ND	ND	ND
d. Factor Income	5.93	ND	60.57	ND	ND	ND
e. Transfers	5.99	ND	93.93	ND	ND	ND
f. Other Current Items	82.42	ND	541.73	ND	ND	ND
5.2 Capital Items	6.51	ND	152.04	ND	ND	ND
of which Public Sector	0.00	ND	4.05	ND	ND	ND
5.3 Bank Remittances	0.00	ND	0.00	ND	ND	ND

SELECTED MONEY AND CREDIT INDICATORS

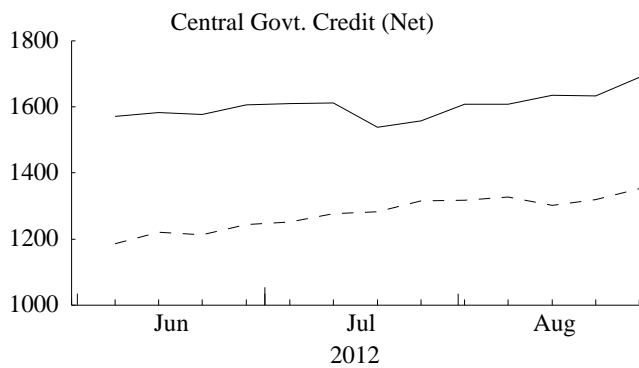
(B\$ Millions)



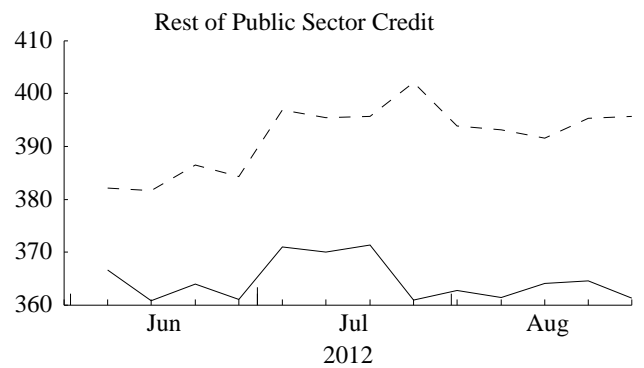
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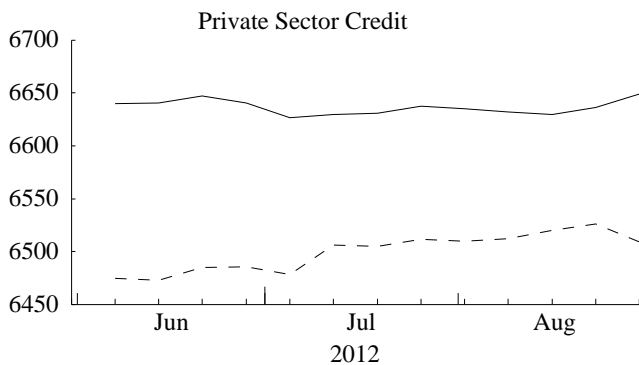
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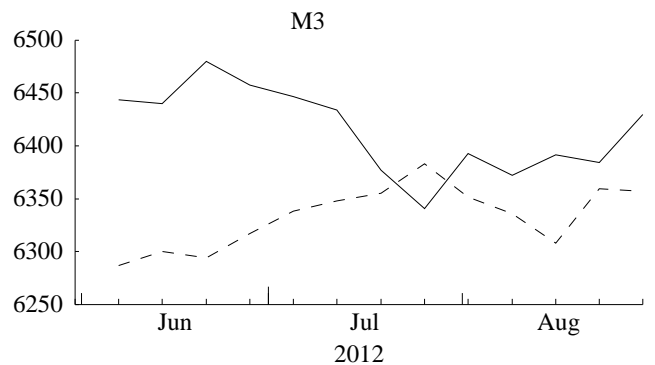
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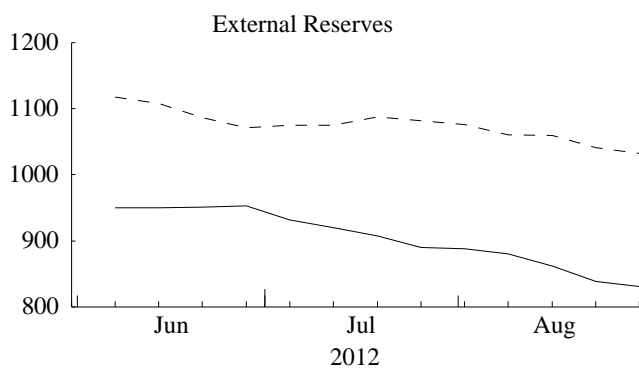
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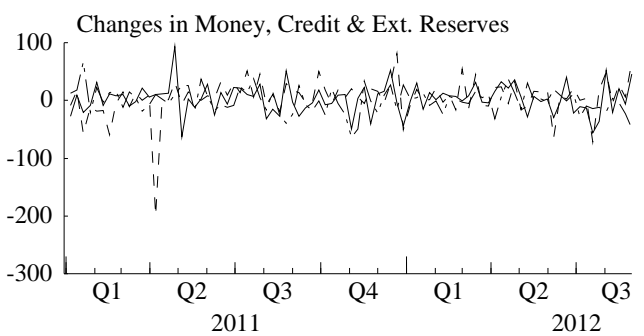
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— M3
- - - Domestic Credit
- · - · External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2011	2012	2011	2012	2011	2012
Bahamas	2.0	2.5	2.5	2.0	15.9	N/A
United States	1.7	2.0	3.1	2.1	9.0	8.2
Euro-Area	1.4	-0.3	2.7	2.0	10.1	10.9
<i>Germany</i>	<i>3.1</i>	<i>1.0</i>	<i>2.5</i>	<i>1.9</i>	<i>6.0</i>	<i>5.6</i>
Japan	-0.7	2.4	-0.3	0.0	4.5	4.5
China	9.2	8.0	5.4	3.3	4.0	4.0
United Kingdom	0.7	0.2	4.5	2.4	8.0	8.3
Canada	2.5	2.1	2.9	2.2	7.5	7.4

Source: IMF World Economic Outlook, April and July 2012

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
July 2010	5.25	1.00	0.75	0.00-0.25	0.50
August 2010	5.25	1.00	0.75	0.00-0.25	0.50
September 2010	5.25	1.00	0.75	0.00-0.25	0.50
October 2010	5.25	1.00	0.75	0-0.25	0.50
November 2010	5.25	1.00	0.75	0-0.25	0.50
December 2010	5.25	1.00	0.75	0-0.25	0.50
January 2011	5.25	1.00	0.75	0-0.25	0.50
February 2011	5.25	1.00	0.75	0-0.25	0.50
March 2011	5.25	1.00	0.75	0-0.25	0.50
April 2011	5.25	1.25	0.75	0-0.25	0.50
May 2011	5.25	1.25	0.75	0-0.25	0.50
June 2011	4.50	1.25	0.75	0-0.25	0.50
July 2011	4.50	1.50	0.75	0-0.25	0.50
August 2011	4.50	1.50	0.75	0-0.25	0.50
September 2011	4.50	1.50	0.75	0-0.25	0.50
October 2011	4.50	1.50	0.75	0-0.25	0.50
November 2011	4.50	1.25	0.75	0-0.25	0.50
December 2011	4.50	1.00	0.75	0-0.25	0.50
January 2012	4.50	1.00	0.75	0-0.25	0.50
February 2012	4.50	1.00	0.75	0-0.25	0.50
March 2012	4.50	1.00	0.75	0-0.25	0.50
April 2012	4.50	1.00	0.75	0-0.25	0.50
May 2012	4.50	1.00	0.75	0-0.25	0.50
June 2012	4.50	1.00	0.75	0-0.25	0.50
July 2012	4.50	0.75	0.75	0-0.25	0.50
August 2012	4.50	0.75	0.75	0-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Aug-11	Jul-12	Aug-12	Mthly % Change	YTD % Change	12-Mth % Change
Euro	0.6956	0.8127	0.7950	-2.19	3.02	14.29
Yen	76.66	78.12	78.39	0.35	1.94	2.26
Pound	0.6154	0.6379	0.6303	-1.19	-2.00	2.42
Canadian \$	0.9777	1.0031	0.9863	-1.67	-3.42	0.88
Swiss Franc	0.8058	0.9764	0.9549	-2.20	1.85	18.50
Renminbi	6.3781	6.3628	6.3497	-0.21	0.75	-0.45

Source: Bloomberg as of August 31, 2012

D. Selected Commodity Prices (\$)					
Commodity	August 2011	July 2012	August 2012	Mthly % Change	YTD % Change
Gold / Ounce	1825.72	1614.30	1691.85	4.80	8.20
Silver / Ounce	41.56	27.99	31.74	13.40	13.98
Oil / Barrel	112.93	106.34	113.11	6.37	5.10

Source: Bloomberg as of August 31, 2012

E. Equity Market Valuations – August 31, 2012 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.77	0.63	2.23	1.35	3.69	2.93	1.67	-2.67
3 month	-1.68	5.63	7.86	7.34	13.13	11.28	3.48	-13.69
YTD	-4.95	7.15	11.16	2.50	8.02	18.18	4.55	-6.91
12-month	-7.21	12.72	14.69	5.88	4.80	20.50	-1.29	-20.25

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.20	0.50	0.01
1 Month	0.17	0.40	0.13
3 Month	0.42	0.57	0.01
6 Month	1.10	0.81	0.17
9 Month	1.20	1.03	0.36
1 year	1.35	1.23	0.54

Source: Bloomberg as of August 31, 2012

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

	VALUE										CHANGE							
	Jul. 04	Jul. 11	Jul. 18	Jul. 25	Aug. 01	Aug. 08	Aug. 15	Aug. 22	Aug. 29	Jul. 04	Jul. 11	Jul. 18	Jul. 25	Aug. 01	Aug. 08	Aug. 15	Aug. 22	Aug. 29
I. External Reserves	932.02	920.46	907.72	890.29	888.25	880.27	861.54	839.09	831.08	-21.34	-11.57	-12.74	-17.42	-2.05	-7.98	-18.72	-22.45	-8.02
II. Net Domestic Assets (A + B + C + D)	-177.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-6.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. Net Credit to Gov¹(i + ii + iii - iv)	320.36	317.32	289.84	309.90	310.82	321.31	322.82	322.61	305.32	1.85	-3.04	-27.48	20.06	0.92	10.49	1.51	-0.21	-17.29
i) Advances	137.69	137.69	137.69	112.69	112.69	112.69	112.69	112.69	122.69	7.10	0.00	0.00	-25.00	0.00	0.00	0.00	0.00	10.00
ii) Registered Stock	173.96	174.10	179.10	179.15	178.96	178.89	178.87	178.87	174.47	0.11	0.14	5.01	0.05	-0.19	-0.07	-0.02	-0.00	-4.40
iii) Treasury Bills	13.55	13.55	38.53	38.53	38.53	38.53	38.53	38.53	13.55	-5.40	0.00	24.98	0.00	0.00	0.00	0.00	0.00	-24.98
iv) Deposits	4.84	8.02	65.48	20.47	19.36	8.80	7.26	7.47	5.38	-0.04	3.18	57.46	-45.01	-1.11	-10.56	-1.53	0.21	-2.09
B. Rest of Public Sector (Net) (i + ii - iii)	-10.80	-10.09	-4.61	-4.22	-5.61	-6.48	-2.77	-4.01	-15.54	-5.47	0.71	5.48	0.39	-1.39	-0.86	3.71	-1.25	-11.53
i) BDB Loans	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	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	15.75	15.04	9.56	9.17	10.56	11.43	7.72	8.96	20.49	5.47	-0.71	-5.48	-0.39	1.39	0.86	-3.71	1.25	11.53
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)*	-487.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III. Monetary Base	754.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-27.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. Currency in Circulation	101.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Bank Balances with CBOB	652.61	643.59	621.91	617.06	605.43	603.45	598.81	570.29	529.96	-39.87	-9.02	-21.68	-4.84	-11.63	-1.98	-4.63	-28.52	-40.33

* 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		
	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	
Fiscal Operations:																											
1. Government Revenue & Grants	90.2	94.9	93.0	93.4	88.0	96.3	81.9	82.0	113.3	113.3	122.1	122.1	185.6	121.2	138.7	117.5	125.2	125.2	119.8	121.4	120.2	126.8	126.8	126.8	126.8	1329.1	1329.1
%change	-25.46%	-35.68%	3.20%	-1.64%	-5.44%	3.12%	-6.80%	-14.87%	38.26%	38.26%	48.93%	48.93%	65.00%	-46.80%	-25.22%	-3.02%	-9.73%	-9.73%	-4.35%	-3.29%	0.31%	4.42%	4.42%	4.42%	4.42%	4.82%	4.82%
2. Import/Excise Duties	41.3	44.0	49.3	44.9	45.7	54.8	45.4	43.3	49.2	49.2	53.7	50.5	37.5	48.2	41.8	54.8	49.4	49.0	50.2	42.9	46.0	56.3	56.3	56.3	56.3	627.2	627.2
%change	-22.38%	-24.37%	19.37%	2.06%	-7.36%	22.09%	-0.78%	-20.87%	8.48%	8.48%	23.95%	23.95%	-25.72%	13.72%	-11.42%	13.72%	18.20%	-10.55%	1.61%	-12.46%	-8.36%	31.13%	31.13%	31.13%	23.88%	23.88%	
3. Recurrent Expenditure	110.2	111.4	103.1	110.3	117.5	123.8	117.5	124.9	123.4	123.4	133.0	115.3	108.5	128.7	121.7	118.8	119.8	126.5	119.1	123.7	132.0	119.6	119.6	119.6	1301.9	1329.1	
%change	-33.75%	-13.10%	-6.46%	-0.88%	14.01%	12.24%	-0.02%	0.85%	5.00%	5.00%	6.53%	-6.52%	-18.41%	18.62%	-0.49%	-7.67%	-1.50%	6.40%	-0.59%	2.19%	10.80%	-3.34%	-3.34%	-3.34%	2.09%	2.09%	
4. Capital Expenditure	9.7	3.7	18.5	12.2	8.6	9.8	18.3	18.3	12.6	12.6	16.5	15.5	39.3	11.0	9.4	12.7	26.3	25.9	12.1	10.6	15.5	31.7	31.7	31.7	157.4	195.6	
%change	-66.25%	-86.84%	90.36%	224.55%	-53.68%	-19.60%	112.86%	87.51%	-31.17%	-31.17%	-9.83%	23.03%	137.77%	-62.19%	-14.30%	-14.78%	179.23%	104.86%	-54.15%	-59.13%	28.39%	198.78%	198.78%	198.78%	24.22%	24.22%	
5. Deficit/Surplus*	-32.2	-20.8	-31.3	-33.8	-41.1	-40.3	-62.6	-68.9	-25.6	-25.6	-21.4	-21.4	-12.7	-25.0	4.5	-20.4	-26.0	-28.4	-16.1	-23.8	-31.1	-31.9	-31.9	-31.9	-237.0	-292.7	
%change	-77.61%	67.70%	-2.64%	62.81%	31.43%	19.15%	52.25%	71.00%	-59.20%	-59.20%	-119.19%	-119.19%	-196.29%	-314.69%	-90.20%	-18.37%	-677.93%	-677.93%	-38.04%	-16.39%	92.54%	34.35%	34.35%	34.35%	-27.54%	-27.54%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	
Debt:**																											
6. Total Debt	3,724.9	3,806.0	3,725.3	3,816.5	3,740.8	3,861.2	3,608.2	3,854.8	3,558.0	3,558.0	3,875.9	3,900.2	3,618.2	4,100.0	3,694.0	4,073.3											
%change	0.12%	2.30%	0.01%	0.28%	0.42%	1.17%	-3.54%	-0.16%	-1.39%	0.65%	-0.14%	0.52%	1.84%	5.12%	2.10%	-0.65%											
7. External Debt	732.4	799.9	732.8	810.4	746.3	815.1	748.7	818.7	756.5	756.5	823.8	823.8	763.8	823.6	768.0	823.9											
%change	0.63%	9.90%	0.05%	1.31%	2.12%	0.57%	0.65%	0.45%	1.04%	0.62%	0.00%	0.00%	0.96%	-0.02%	0.55%	0.04%											
8. Internal F/C Debt	70.0	0.0	70.0	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	0.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%											
9. Bahamian Dollar Debt	2,922.5	3,006.1	2,922.5	3,006.1	2,899.5	3,046.1	2,859.5	3,036.1	2,801.5	3,056.1	2,796.5	3,076.4	2,854.5	3,276.4	2,926.1	3,249.4											
%change	2.86%	2.86%	0.00%	0.00%	-0.09%	1.33%	-2.16%	-0.33%	-2.03%	0.66%	-0.18%	0.67%	2.07%	6.50%	2.57%	-0.82%											
10. Total Amortization	0.2	0.3	0.0	0.0	0.9	1.1	1.362	1.32	58.0	58.0	15.0	0.0	10.3	0.2	55.0	27.0											
%change	212.77%	267.37%	-100.00%	-100.00%	0.00%	0.00%	14845.89%	1126.04%	-57.43%	-100.00%	-74.12%		-31.01%	1792.73%	455.74%	14809.21%											

11. Total Public Sector F/C Debt	
2011	1,410.0
2012	1,432.7
%change	1.78%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE			
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012		
Real Sector Indicators																												
12. Retail Price Index	102.1	104.7	102.4	104.9	103.1	105.8	103.6	106.1	104.1	104.1	106.5	104.4	106.4	104.2	106.4													
%change; over previous month	0.47%	-0.16%	0.31%	0.26%	0.71%	0.78%	0.46%	0.31%	0.4%	0.4%	0.3%	-0.1%	0.0%	-0.2%	0.0%													
13. Tourist arrivals (000's)	487.4	531.5	484.8	529.1	555.4	632.4	539.3	549.7	413.5	413.5	467.3	421.8	473.3	488.7	486.4													
%change; over previous year	14.95%	9.05%	15.65%	9.13%	2.91%	13.86%	14.94%	1.03%	-2.87%	-2.87%	13.0%	-1.65%	12.2%	5.92%	-0.5%													
14. Air arrivals (000's)	81.3	89.4	99.1	110.9	140.3	158.2	129.1	139.0	108.2	108.2	118.8	124.8	139.1	140.3	141.8													
%change; over previous year	-11.30%	9.91%	-3.80%	11.95%	-6.12%	12.79%	-3.26%	7.69%	-4.32%	-4.32%	9.8%	-5.65%	11.5%	0.65%	1.1%													
15. Occupied Room Nights																												
%change; over previous year																												
16. Res. Mortgage Commitments-New Const.																												
%change; over previous year																												
2011	24.36																											
2012	17.49																											
%change	-30.99%																											

* Includes Net Lending to Public Corporations
 ** Debt figures pertain to central government only unless otherwise indicated
 p - provisional
 Annual/YTD Retail Price data are averages