

Monthly Economic and Financial Developments January 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: April 2, April 30, June 4, July 2, July 30, September 3, October 1, October 29, December 3, December 24.

Monthly Economic and Financial Developments

January 2012

1. Domestic Economic Developments

Indications are that domestic economic conditions maintained a positive trend during the review month, supported by modest gains in tourism output and ongoing foreign and public sector investment projects. However, the mild momentum of the recovery continued to limit job gains and rising energy costs exerted some upward pressure on domestic price levels. The fiscal situation registered an improvement in the overall deficit for the first half of FY2011/12, reflecting higher revenue collections and relatively flat spending. In the monetary sector, gains in bank liquidity were considerably below the year earlier levels and external reserves contracted, following on last year's outcome—which was boosted by extraordinary foreign currency inflows.

Initial reports suggest an improved tourism performance over the review month, as the ongoing expansion in the United States economy—the major market for visitors—and travel incentive programmes, braced ongoing gains in the key group segment of the market. Preliminary data from a sample of hotels in New Providence and Paradise Island showed total room revenue rising by 8.8% in January over the previous year, owing to a 5.1 percentage point rise in the average occupancy rate to 59.4%, which overshadowed a 0.6% decrease in the average daily room rate to \$232.51. Tourism-related foreign investment activity also continued at a brisk pace, led by two major projects in New Providence.

In the absence of a broad-based recovery, labour market conditions remained challenging. Recent data released by the Department of Statistics revealed an increase in the unemployment rate in The Bahamas, to 15.9% for the period ending November 2011 from 13.7% in May. The deterioration in the jobless rate, which contrasted with the previous downward trajectory, was mainly attributed to a shift in a significant number of persons who were either described as self-employed or engaged in the informal sector, to the unemployed category and, to some extent, seasonal factors, such as the entrance of recent high school and university graduates into the labour force.

Reflecting the upward trend in international oil prices, inflation for 2011—as measured by the Retail Price Index for The Bahamas—firmed by 1.9 percentage points to 3.2%. For 2011, transportation costs, which are directly impacted by fuel prices, rose strongly by 9.4%, outpacing the 4.0% advance in the previous period, while accelerated average price increases were also evident for furnishing, household equipment & maintenance (4.3%), restaurant & hotels (3.1%), education (3.1%), housing, utilities & fuels (3.1%)—the most heavily weighted component of the index—and recreation & culture (1.6%). After registering respective declines of 1.2% and 0.4% a year earlier, the average costs for food & non-alcoholic beverages turned upwards by 1.9% and for communication, by 1.3%. The other categories either recorded a slowdown in price gains or a decline in average costs over the period.

Recent indicators suggest a continued, although moderated, uptrend in domestic fuel prices. For the month of January, the price of gasoline rose by 0.6% to \$5.08 per gallon, while the average cost of diesel stabilised at \$5.14 per gallon. However, buoyed by higher global fuel costs, the average price per gallon of gasoline and diesel firmed by 9.0% and 23.3%, respectively, year-on-year. Further, The Bahamas Electricity Corporation's fuel charge decreased by 1.4% to 25.93 cents per kilowatt hour (kWh) over the review month, but rose by 37.1% over January, 2011.

Data on Government's budgetary operations for the first half of FY2011/12, showed an improvement in the overall deficit by \$50.6 million (23.6%) to \$163.6 million, relative to the same period in FY2010/11. Gains in total revenue, of \$50.3 million (8.7%) to \$628.9 million, were boosted mainly by capital receipts from investment-related securities, which caused total non-tax receipts to surge by 18.5% to \$78.8 million. In addition, proceeds from the sale of Government property led to a hike in capital revenue to \$17.7 million. Under the tax revenue component, higher collections were also registered for excise taxes (\$22.0 million), taxes on international trade (\$8.0 million) and business & professional fees (\$7.3 million). Aggregate expenditure decreased slightly by \$0.2 million (0.03%) to \$792.5 million, as the repayment of outstanding debts by a public corporation led to a \$42.1 million reduction in net lending. However, current outlays grew by \$25.2 million (3.7%) to \$712.2 million, mainly on account of a 36.6% rise in goods & services, linked to the procurement of various contractual services, alongside a 3.0% increase in wages & salaries and a decline in transfer payments by 4.2%, due to lower outlays for interest and subsidies. Reflecting ongoing infrastructure projects, capital expenditures grew by \$16.7 million (20.0%) to \$99.9 million.

2. International Developments

The recovery in the global economy was sustained during the review month—albeit at an uneven pace—as downside risks continued to emanate from the euro area debt crisis. Despite these developments, recent economic indicators showed continued, although tempered, expansions in real output for the United States and Asia.

Indications are that real GDP growth in the United States slackened to 1.7% in 2011 from 3.0% in the previous year, due primarily to a decline in private inventory investment, a reduction in Federal Government spending and decelerated export growth. Retail sales rose by 0.4% in January, exceeding the 0.1% gain in the prior month; and the real estate market, which remains depressed, showed building permits firming by an annual 7.8% and housing starts by 24.9% in December, over the previous year. In the external sector, the trade deficit widened by \$1.7 billion to \$48.8 billion over the same month, buoyed by a \$3.0 billion rise in imports, which outweighed a \$1.2 billion increase in exports. Labour market conditions improved in January, as the addition of 243,000 jobs to non-farm payrolls reigned in the unemployment rate by 0.2 of a percentage point to 8.3%. In an effort to undergird the recovery, the Federal Reserve maintained its accommodative stance—leaving interest rates unchanged and continuing its programme of reinvesting principal payments from its securities holdings and rolling over maturing Treasury securities at auction.

European economies continued to be adversely impacted by the fiscal austerity programmes implemented by several countries to curb their escalating debt levels. In the United Kingdom, real output contracted by 0.2% in the final quarter of 2011, following an expansion of 0.6% in the previous three-month period, reflecting declines in the production and construction sectors. The number of unemployed persons rose by 48,000 during the final quarter, pushing the jobless rate up by 0.1 of a percentage point to 8.4%. However, inflationary pressures eased slightly in January, with the annual inflation rate declining by 0.6 of a percentage point to 3.6% over the previous month. In this environment, the Bank of England retained its neutral monetary policy stance, keeping its Bank rate at 0.5% and its asset purchase programme at £275 billion.

Amid signs of the increasing economic dislocation caused by the debt crisis, two of the major ratings agencies downgraded the sovereign credit rating of several euro area countries and the region's stabilisation fund in early January, while most of the member states of the European Union signed a pact aimed at instituting fiscal restraint within the region. Economic indicators remained broadly depressed, as

real GDP in the euro zone declined by 0.3% in the fourth quarter, after a mere 0.1% rise in the prior three-month period. In addition, industrial output, which was flat in November, contracted by 1.1% in the following month, due to lower production of energy, capital and intermediate goods; while monthly retail trade fell by a further 0.4% in December. On the external side, the trade deficit for 2011 was halved to €7.7 billion, as the 13.0% increase in exports—fuelled in part by Germany's robust manufacturing-led growth—eclipsed the 12.0% rise in imports. Annual inflation steadied at 2.7% in January and the unemployment rate remained at a record high of 10.4% in the fourth quarter. Given the depressed economic climate, the European Central Bank held all of its key interest rates unchanged in January.

Asian economies' growth momentum remained relatively strong, although the region's exports continued to be negatively impacted by the weakness in Europe. In China, industrial production increased by 1.1% in December, exceeding the 0.9% growth recorded in the preceding month. In trade developments, the surplus widened by almost two-thirds on a monthly basis, to \$27.3 billion in January, as the 15.3% reduction in imports overshadowed the modest 0.5% falloff in exports. Rising food prices pushed annual inflation higher by 0.4 of a percentage point to 4.5% in January, over the prior month. Faced with the countervailing forces of higher inflation and slowing economic growth, the People's Bank of China left its key rates and bank reserve requirement ratio unchanged during the month.

Supported by signs of improvement in the automobile and electronics sectors, industrial output in Japan strengthened by 4.0% in December, a reversal from a 2.7% reduction in the prior period. Higher consumption expenditures fuelled modest month-on-month growth in retail sales, of 0.3%. However, as businesses continued to grapple with the effects of the temporary closure of several nuclear plants and some factories—as well as an appreciating currency—the country recorded its first annual deficit, of ¥2.49 trillion in 2011, in more than 30 years. Despite the increasing costs for fuel and light & water, consumer prices fell by 0.2% in December, following a 0.5% contraction in the previous month, while conditions in the labour market remained relatively healthy, with the unemployment rate rising by 0.1 of a percentage point to 4.6% in December. In monetary developments, the Bank of Japan left its overnight call rate for January at 0%-0.1%, in an attempt to support the frail recovery.

The price of crude oil rose by 3.2% to \$111.03 per barrel in January, as heightened geopolitical tensions in the Middle East and a depreciating US dollar negated the marginally positive effects from the growth in OPEC's crude oil production by 60,000 barrels per day (bpd) to average 30.9 million bpd. Faced with uncertainty in the global economy, investors increased their holdings of relatively "safe" assets, resulting in the prices of both gold and silver rising, by 11.1% and 18.9% to \$737.60 and \$33.12 per troy ounce, respectively.

With European leaders appearing to move towards a potential resolution to the region's debt crisis, and positive economic indicators in the United States, equity markets posted broad-based increases in January. In the United States, the Dow Jones Industrial Average (DJIA) moved higher by 3.4% and the S&P 500 advanced by 4.4%. Europe's bourses also registered increases; the United Kingdom's FTSE 100, France's CAC 40 and Germany's DAX firmed by 2.0%, 4.4% and 9.5%, respectively. In Asia, gains were recorded for both Japan's Nikkei 225 (4.1%) and China's SE Composite (4.2%).

In foreign exchange markets, the Dollar recorded broad-based declines against most of the major currencies. The Dollar fell against the Swiss Franc and the Canadian Dollar, by 1.9% and 1.8% to CHF0.9202 and CAD\$1.0026, respectively. It also weakened relative to the euro, by 1.0% to €0.7643, and

vis-à-vis the British Pound, by 1.3% to £0.6345. While depreciating relative to the Japanese Yen, by 0.8% to ¥76.27; the Dollar registered a 0.1% uptick against the Chinese Yuan, to CNY6.3087.

3. Domestic Monetary Trends

January 2012 vs. 2011

Monetary developments in January were relatively subdued, in comparison to 2011 when Government's receipt of stamp-tax proceeds from the sale of an oil company boosted bank liquidity and external reserves. Growth in banks' excess reserves and excess liquid assets moderated to \$10.3 million and \$4.2 million, respectively, from year-earlier gains of almost \$100 million each.

Similarly, external reserves, which grew by \$88.2 million last year, contracted by \$4.4 million to \$887.6 million in January. In particular, the Bank's transactions with the public sector reversed to a net sale of \$34.9 million—primarily for fuel purchases, from the year-earlier \$40.9 million net purchase which was linked to extraordinary inflows. Transactions with commercial banks showed a more than one-third reduction in the net purchase to \$29.5 million, as they in turn recorded a \$15.5 million (26.7%) decline in their net receipt from customers to \$42.5 million.

Reflecting a rebound in claims on the public sector, Bahamian dollar credit expanded by \$36.6 million, in contrast to the \$85.8 million decrease in 2011. Specifically, higher advances from commercial banks elevated net claims on the Government by \$26.6 million, following last year's \$75.6 million net repayment; and public corporations' liabilities rose by \$8.4 million, vis-à-vis a \$6.2 million falloff a year earlier. In a turnaround from last year's \$4.0 million decline, credit to the private sector, which represents some 79.9% of total Bahamian dollar credit, grew marginally by \$1.5 million. Growth in commercial loans, at \$5.2 million, represented a turnaround from an identical reduction in 2011, and consumer credit's net repayment position slackened by \$21.2 million to \$9.0 million. However, indications of a slowing mortgage activity continued, with growth lower at \$5.2 million from \$31.4 million a year earlier.

A disaggregation of consumer lending for the month of December, 2011—the latest data available—showed that almost all loan categories recorded contractions. Repayments were registered for 'miscellaneous' (\$1.4 million), land purchase (\$1.4 million) and travel (\$0.6 million) loans, while most of the remaining categories posted declines of under \$0.5 million. In contrast, as consumers and businesses continued to experience strains in their finances, the debt consolidation loan category continued its year-long upward trajectory, firming by \$3.8 million in December; while lending for home improvement and private cars rose marginally by less than \$1.0 million each.

Given the softness in the economy, banks' credit quality indicators remained elevated, although the rate of deterioration has petered off since its rapid climb between 2007 and 2009. Total private sector loan arrears increased marginally by \$0.5 million (0.04%) to \$1,208.6 million, for a stable 19.3% of total loans. Arrears in the short-term 31-90 day category declined by \$13.5 million (3.4%) to \$378.6 million, and equated to a reduction in the corresponding ratio by 23 basis points to 6.0%. However, non-performing loans—those in excess of 90 days and on which banks stopped accruing interest—grew by \$14.0 million (1.7%) to 13.2% of total loans.

By category, the marginal rise in total loan arrears was led by gains in the commercial segment, of \$10.6 million (3.7%) to \$297.3 million. Delinquencies in the 31-90 day component rose by \$5.2 million (5.9%) to \$92.7 million and arrears 91 days and over firmed by \$5.4 million (2.7%) to \$204.6 million. In contrast,

mortgage loan arrears, at 53.6% of the total, were slightly lower by \$2.4 million (0.4%) at \$647.7 million, as the \$7.1 million (3.6%) reduction in the short-term category outpaced the \$4.8 million (1.1%) expansion in the 91 days and over segment. Similarly, consumer loan arrears decreased by \$7.7 million (2.8%) to \$263.7 million, accounting for 21.8% of total arrears, with the \$11.5 million (11.0%) decrease in the short-term delinquencies, contrasting with the \$3.8 million (2.3%) rise in the non-accrual component.

During January, banks increased their loan loss provisions by \$24.4 million (8.1%) to \$324.9 million, resulting in the ratio of provisions to total arrears and non-performing loans rising by 2.0 and 2.3 percentage points, to 26.9% and 39.1%, respectively. In addition, banks wrote-off an estimated \$7.4 million in loans, while recoveries totalled \$4.7 million. In December—the latest month for which data is available—banks restructured an estimated \$17.6 million in private sector loans.

Domestic foreign currency credit contracted by \$3.2 million in January, vis-à-vis a \$5.3 million increase a year earlier. Underpinning this outturn was a \$3.4 million reduction in claims on public corporations, in line with the previous year's reduction, while credit to the private sector fell by \$0.4 million, in contrast to a \$7.2 million build-up in 2010. In a modest offset, a falloff in deposits led to net claims on the Government firming by \$0.6 million, a slowdown from 2011's \$1.7 million expansion.

During the month, accretions to Bahamian dollar deposits firmed modestly by \$1.3 million to \$15.8 million. A \$38.8 million upturn in demand balances contrasted with the year-earlier \$11.4 million reduction, which mirrored somewhat the \$12.4 million decline in fixed deposits, following a \$28.9 million accumulation in 2011. Savings deposits fell further by \$10.6 million, relative to \$3.1 million in the corresponding period of 2011.

In interest rate developments, the weighted average deposit rate increased by 12 basis points to 2.22%, with the highest rate of 5.50% offered on fixed balances over 12 months. By contrast, the weighted average loan rate declined by 30 basis points to 10.42%.

4. Outlook and Policy Implications

Indications are that the mild recovery momentum will be sustained through 2012. The outlook is favoured by the positive developments underway in the US economy, which should support continued gains in tourism output; alongside strengthened construction activity linked to foreign investment projects and to a lesser extent, the public sector's infrastructural improvement programmes. Price developments are likely to show some firming in the near-term, given the persistent volatility in oil prices, due in part to the ongoing geopolitical tensions in the crude oil market.

The extent of the improvements in the fiscal deficit and corresponding debt indicators will continue to depend on the strength of the domestic recovery, as well as Government's measures to maximize revenue intake and curtail growth in expenditures. However, unlike the previous period, extraordinary inflows are not poised to account for a significant portion of Government's overall financing for the balance of this fiscal year.

In the monetary sector, near-term prospects are for ongoing buoyancy in liquidity and external reserves, with growth more aligned with the expectations for more moderate inflows from real sector activities, although supported by relatively subdued consumer demand conditions. Given the broader economic assessment, and a continuation of the elevated unemployment levels, banks' credit quality indicators are

unlikely to show any notable improvement in the coming months. However, banks are expected to maintain healthy capital ratios to support the stability of the financial system.

Recent Monetary and Credit Statistics

(B\$ Millions)

JANUARY						
Value		Change		Change YTD		
2011	2012	2011	2012	2011	2012	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	486.41	445.18	96.91	10.32	96.91	10.32
1.2 Excess Liquid Assets	909.86	901.34	96.34	4.19	96.34	4.19
1.3 External Reserves	949.26	887.56	88.21	-4.43	88.21	-4.43
1.4 Bank's Net Foreign Assets	-718.68	-573.37	-28.92	35.67	-28.92	35.67
1.5 Usable Reserves	483.05	439.86	48.64	-0.12	48.64	-0.12

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,543.86	6,615.49	3.21	1.13	3.21	1.13
a. B\$ Credit	6,141.85	6,261.63	-3.96	1.49	-3.96	1.49
of which: Consumer Credit	2,106.90	2,137.70	-30.15	-8.95	-30.15	-8.95
Mortgages	3,092.23	3,091.80	31.43	5.21	31.43	5.21
Commercial and Other Loans B\$	942.72	1,032.13	-5.24	5.24	-5.24	5.24
b. F/C Credit	402.01	353.86	7.17	-0.36	7.17	-0.36
of which: Mortgages	127.86	128.83	-0.75	-0.32	-0.75	-0.32
Commercial and Other Loans F/C	274.15	225.04	7.92	-0.04	7.92	-0.04
2.2 Central Government (net)	1,312.59	1,464.23	-73.91	27.24	-73.91	27.24
a. B\$ Loans & Securities	1,376.61	1,587.50	-82.70	23.16	-82.70	23.16
Less Deposits	132.29	122.15	-7.11	-3.48	-7.11	-3.48
b. F/C Loans & Securities	70.00	0.00	0.00	0.00	0.00	0.00
Less Deposits	1.73	1.13	-1.68	-0.60	-1.68	-0.60
2.3 Rest of Public Sector	391.32	412.58	-9.80	5.03	-9.80	5.03
a. B\$ Credit	107.73	111.84	-6.21	8.41	-6.21	8.41
b. F/C Credit	283.59	300.74	-3.59	-3.38	-3.59	-3.38
2.4 Total Domestic Credit	8,247.97	8,492.33	-80.49	33.41	-80.49	33.41
a. B\$ Domestic Credit	7,494.09	7,838.85	-85.75	36.56	-85.75	36.56
b. F/C Domestic Credit	753.88	653.48	5.26	-3.15	5.26	-3.15

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,128.29	1,274.13	-11.39	38.82	-11.39	38.82
a. Central Bank	8.55	6.08	0.56	-2.14	0.56	-2.14
b. Banks	1,119.73	1,268.06	-11.95	40.96	-11.95	40.96
3.2 Savings Deposits	1,013.01	1,055.37	-3.06	-10.64	-3.06	-10.64
3.3 Fixed Deposits	3,636.98	3,594.40	28.89	-12.40	28.89	-12.40
3.4 Total B\$ Deposits	5,778.28	5,923.90	14.44	15.78	14.44	15.78
3.5 F/C Deposits of Residents	234.19	218.95	-18.47	26.08	-18.47	26.08
3.6 M2	5,959.41	6,109.02	1.54	2.61	1.54	2.61
3.7 External Reserves/M2 (%)	15.93	14.53	1.48	-0.08	1.48	-0.08
3.8 Reserves/Base Money (%)	104.03	100.72	0.41	-0.17	0.41	-0.17
3.9 External Reserves/Demand Liabilities (%)	101.33	97.96	1.10	-0.43	1.10	-0.43
	Value		Year to Date		Change	
	2011	2012	2011	2012	Month	YTD

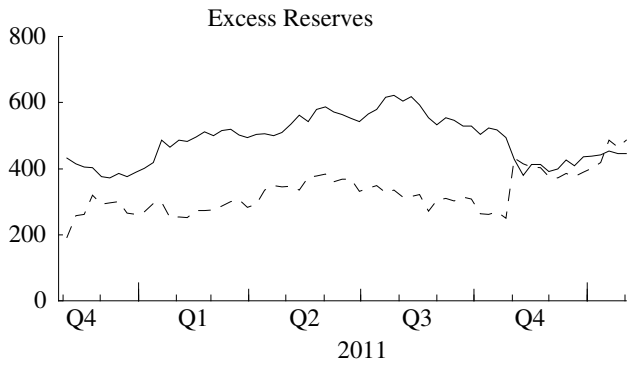
4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	85.78	-5.29	85.78	-5.29	-91.07	-91.07
a. Net Purchase/(Sale) from/to Banks	44.90	29.55	44.90	29.55	-15.34	-15.34
i. Sales to Banks	31.30	9.28	31.30	9.28	-22.03	-22.03
ii. Purchases from Banks	76.20	38.83	76.20	38.83	-37.37	-37.37
b. Net Purchase/(Sale) from/to Others	40.88	-34.85	40.88	-34.85	-75.73	-75.73
i. Sales to Others	55.05	61.04	55.05	61.04	5.98	5.98
ii. Purchases from Others	95.94	26.19	95.94	26.19	-69.75	-69.75
4.2 Banks Net Purchase/(Sale)	57.99	42.51	57.99	42.51	-15.48	-15.48
a. Sales to Customers	351.62	324.94	351.62	324.94	-26.68	-26.68
b. Purchases from Customers	409.61	367.45	409.61	367.45	-42.16	-42.16
4.3 B\$ Position (change)	-21.94	-15.61				

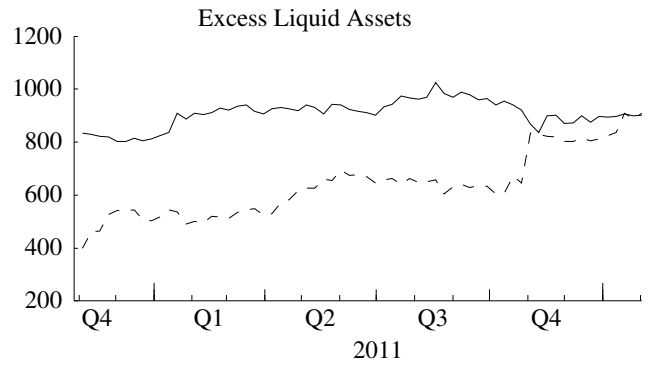
5.0 EXCHANGE CONTROL SALES

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

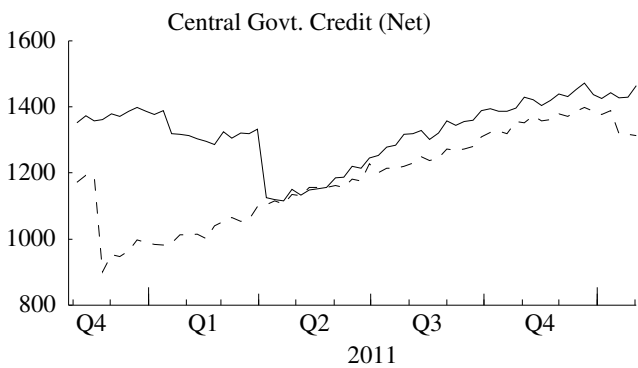
SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



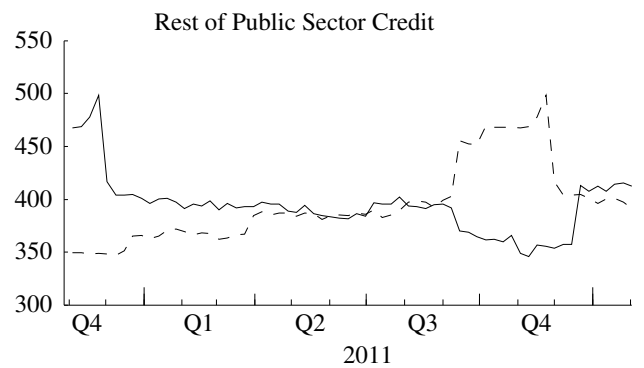
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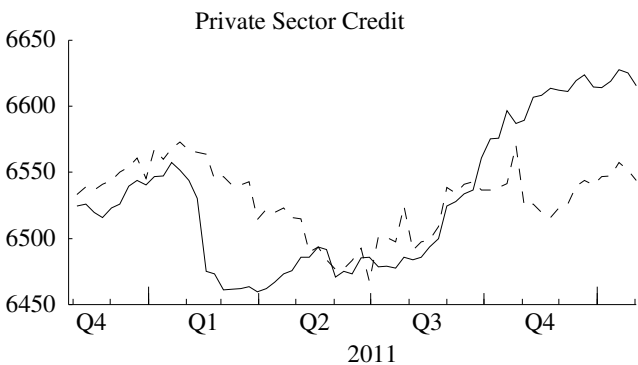
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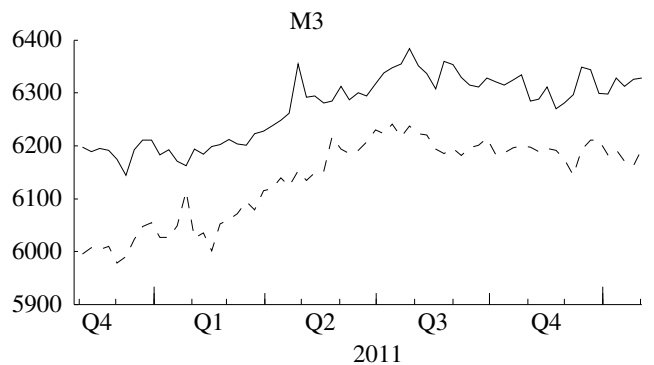
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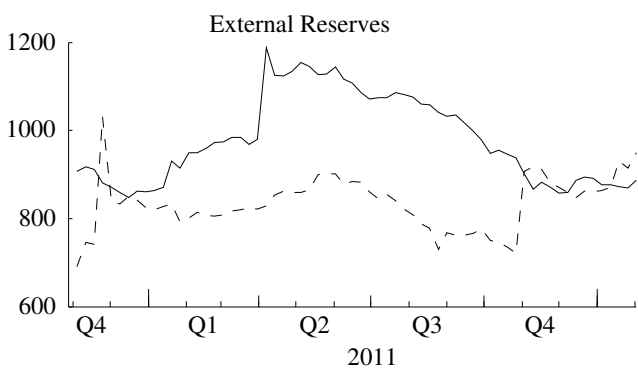
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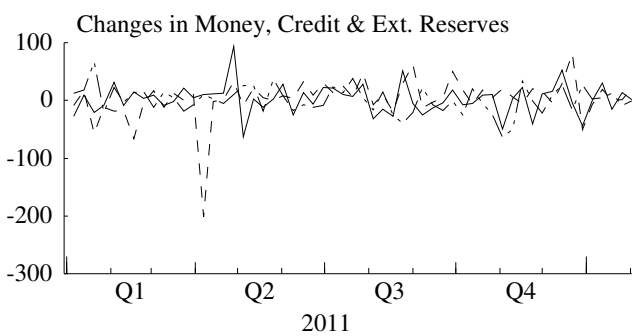
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— M3
- - - Domestic Credit
- · - External Reserves

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	1.5	1.8	3.0	1.2	8.5	9.0
Euro-Area	1.6	1.1	2.5	1.5	9.9	9.9
<i>Germany</i>	<i>2.7</i>	<i>1.3</i>	<i>2.2</i>	<i>1.3</i>	<i>6.0</i>	<i>6.2</i>
Japan	-0.5	2.3	-0.4	-0.5	4.9	4.8
China	9.5	9.0	5.5	3.3	4.0	4.0
United Kingdom	1.1	1.6	4.5	2.4	7.8	7.8
Canada	2.1	1.9	2.9	2.1	7.6	7.7
<i>Source: IMF World Economic Outlook, September 2011</i>						

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
February 2010	5.25	1.00	0.75	0.00-0.25	0.50
March 2010	5.25	1.00	0.75	0.00-0.25	0.50
April 2010	5.25	1.00	0.75	0.00-0.25	0.50
May 2010	5.25	1.00	0.75	0.00-0.25	0.50
June 2010	5.25	1.00	0.75	0.00-0.25	0.50
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	0.025	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jan-11	Dec-11	Jan-12	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7302	0.7717	0.7643	-0.96	-0.96	4.66
Yen	82.04	76.90	76.27	-0.82	-0.82	-7.03
Pound	0.6245	0.6431	0.6345	-1.34	-1.34	1.61
Canadian \$	1.0009	1.0212	1.0026	-1.82	-1.82	0.17
Swiss Franc	0.9440	0.9376	0.9202	-1.86	-1.86	-2.52
Renminbi	6.5950	6.3026	6.3087	0.10	0.10	-4.34

Source: Bloomberg as of January 31, 2012

D. Selected Commodity Prices (\$)					
Commodity	January 2011	December 2011	January 2012	Mthly % Change	YTD % Change
Gold / Ounce	1332.80	1563.70	1737.60	11.12	11.12
Silver / Ounce	28.06	27.84	33.12	18.94	18.94
Oil / Barrel	98.25	107.62	111.03	3.17	3.17

Source: Bloomberg as of January 31, 2012

E. Equity Market Valuations – January 31, 2012 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-2.05	3.40	4.36	1.96	4.39	9.50	4.11	4.24
3 month	-2.20	5.67	4.72	2.48	1.72	5.17	-2.07	-7.12
YTD	-2.05	3.40	4.36	1.96	4.39	9.50	4.11	4.24
12-month	-9.37	6.23	2.04	-3.09	-17.65	-8.74	-14.02	-17.85

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.12	0.57	0.15
1 Month	0.23	0.74	0.70
3 Month	0.53	1.09	1.08
6 Month	0.79	1.41	1.40
9 Month	0.94	1.67	1.60
1 year	1.88	1.90	1.72

Source: Bloomberg as of January 31, 2012

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

	VALUE												CHANGE											
	Nov. 30	Dec. 07	Dec. 14	Dec. 21	Dec. 28	Jan. 04	Jan. 11	Jan. 18	Jan. 25	Nov. 30	Dec. 07	Dec. 14	Dec. 21	Dec. 28	Jan. 04	Jan. 11	Jan. 18	Jan. 25						
I. External Reserves	858.87	859.77	887.33	894.85	891.99	877.90	877.76	872.83	869.87	-12.90	0.91	27.55	7.52	-2.86	-14.09	-0.15	-4.93	-2.95						
II. Net Domestic Assets (A + B + C + D)	-23.00	-20.39	-20.86	-21.31	-7.87	-4.73	-10.60	1.88	1.29	3.13	2.61	-0.47	-0.45	13.44	3.15	-5.88	12.48	-0.59						
A. Net Credit to Gov't (i + ii + iii - iv)	276.90	276.71	277.47	278.32	289.47	289.26	289.65	291.24	295.68	7.10	-0.19	0.76	0.84	11.15	-0.21	0.39	1.59	4.44						
i) Advances	110.59	110.59	110.59	110.59	110.59	110.59	110.59	110.59	110.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	164.13	164.21	164.22	164.15	164.11	163.98	165.91	165.89	165.94	-0.16	0.08	0.01	-0.07	-0.04	-0.12	1.93	-0.02	0.05						
iii) Treasury Bills	14.19	14.19	14.19	14.19	26.18	26.18	26.18	26.18	26.18	7.99	0.00	0.00	0.00	11.99	0.00	0.00	0.00	0.00						
iv) Deposits	12.01	12.27	11.52	10.61	11.41	11.50	13.03	11.43	7.03	0.73	0.27	-0.75	-0.91	0.80	0.08	1.54	-1.61	-4.39						
B. Rest of Public Sector (Net) (i + ii - iii)	-4.85	-3.32	-3.05	-5.18	-3.07	-1.03	-7.89	3.29	-2.60	-6.26	1.53	0.27	-2.13	2.11	2.04	-6.86	11.18	-5.89						
i) BDB Loans	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	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	10.00	8.47	8.20	10.33	8.22	6.18	13.04	1.86	7.75	6.26	-1.53	-0.27	2.13	-2.11	-2.04	6.86	-11.18	5.89						
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)*	-295.04	-293.78	-295.28	-294.45	-294.27	-292.96	-292.37	-292.65	-291.78	2.29	1.26	-1.50	0.83	0.18	1.31	0.59	-0.29	0.87						
III. Monetary Base	835.87	839.38	866.47	873.54	884.12	873.18	867.16	874.71	871.17	-9.77	3.51	27.09	7.07	10.58	-10.94	-6.02	7.55	-3.54						
A. Currency in Circulation	303.02	297.45	298.89	315.70	321.87	308.66	282.51	276.82	274.36	18.35	-5.57	1.44	16.81	6.17	-13.21	-26.15	-5.69	-2.46						
B. Bank Balances with CBOB	532.85	541.93	567.58	557.84	562.25	564.52	584.65	597.89	596.81	-28.13	9.08	25.65	-9.74	4.41	2.27	20.12	13.24	-1.08						

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

