



Monthly Economic and Financial Developments October 2011

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:

2011: December 19.

Monthly Economic and Financial Developments

October 2011

1. Domestic Economic Developments

Amid the heightened uncertainty surrounding the global economic outlook, domestic economic conditions were relatively subdued over the review month. Indications are that tourism output softened, as the downturn in the key air segment overshadowed the weather-related improvement in cruise ship visitors. However, foreign investment and public sector projects continued to support activity in the construction sector. On the fiscal side, the Government's overall deficit decreased during the first quarter of FY2011/12, as a hike in "non-trade" stamp taxes boosted revenue collections to offset the rise in expenditure. In monetary developments, both liquidity and external reserves contracted during the review month, reflecting a combination of the traditional increase in consumer demand in the latter half of the year and bank profit remittances.

Based on preliminary data, in October tourism sector activity was relatively mild. Total visitor arrivals fell by 0.2%, associated primarily with a 7.1% falloff in the high value-added air segment, as sea visitors grew by a modest 1.4%, due to the re-routing of several cruise ships from ports in the Yucatan peninsula during the passage of Hurricane Rina. Overall, visitors to New Providence firmed by 7.7%, as a 13.1% gain in sea passengers contrasted with the 7.5% contraction in air tourists. Despite a 9.3% hike in air passengers, Grand Bahama experienced a 7.0% decrease in total visitor count, owing to an 8.9% reduction in the larger sea segment. Visitors to the Family Islands also slumped by 12.2%, amid decreases in both the air and sea components, by 14.0% and 12.1%, respectively.

More positive tourism performance trends were noted over the ten-month to October period, as total visitors rose by 4.6%, buoyed by a 7.5% expansion in sea passengers which negated the 3.8% decline in the air component. Based on a sample of properties in Nassau and Paradise Island, hotel room revenues firmed by 1.8% over the January to October period. This was supported by a 2.0% rise in average daily room rate to \$236.44, and a stable average room occupancy rate of 64.5%.

Inflation for the twelve months to October—as measured by the Retail Price Index for The Bahamas—rose by 1.6 percentage points year-on-year to 2.9%, buoyed in part, by the uptrend in international oil prices. Accelerated average cost increases were recorded in almost all categories, led by a 6.3 percentage point hike in transportation costs to 8.7%. Other items registering gains were furnishing, household equipment & routine maintenance (3.7%), education (3.3%), housing, water, gas, electricity and other fuels (3.2%), restaurant & hotels (2.8%) and food & non-alcoholic beverages (1.2%). In contrast, inflation rates slowed for medical care & health (1.7%), alcohol, tobacco & narcotics (1.5%) and miscellaneous goods & services (0.2%); and contracted for clothing & footwear by 0.6%.

Despite the upward trajectory in global oil prices, the Bahamas Electricity Corporation's fuel charge decreased in October by 12.5% to 22.75 cents per kilowatt hour from the previous month, but remained 18.0% above 2010's level on an annual basis. Similarly, the average monthly cost of gasoline was reduced by 5.4% to \$5.08 per gallon; however, year-on-year the price surged by 20.1%. In contrast, diesel costs increased marginally in October, by 0.6% to \$5.01 per gallon, and advanced by 36.1% on an annual basis.

Government's overall deficit for the first three months of FY2011/12 narrowed by 8.7% (\$9.1 million) to \$95.5 million, as accretions to revenue outpaced the rise in expenditure. Total receipts expanded by 4.9% (\$13.4 million) to \$284.6 million over the comparative period last year, supported by an \$18.0 million (7.5%) gain in tax revenue, as realty transactions boosted "non-trade" stamp taxes by two-thirds. International trade taxes also grew by 5.4% (\$7.7 million), owing to a 26.2% increase in the excise tax component and business and professional taxes firmed by 62.5% (\$4.1 million), buoyed solely by growth in the general business segment. In contrast, other "miscellaneous" taxes fell by 44.2% (\$9.4 million) and taxes on selected services decreased by 13.7% (\$1.4 million), due to lower hotel occupancy tax collections. Non-tax revenues were lower by \$4.7 million (15.6%) at \$25.2 million, reflecting mainly a timing-related reduction in dividend payments. On the spending side, the 1.1% (\$4.3 million) increase in aggregate expenditure to \$380.1 million was occasioned by a \$15.3 million (4.6%) rise in current outlays to \$346.1 million, associated with gains in purchases of goods & services and personal emoluments, of 36.9% (\$20.5 million) and 1.2% (\$1.6 million), respectively. In addition, net lending to public sector entities rose by 1.9% to \$8.3 million, while capital spending decreased by \$11.2 million (30.3%), led by a \$7.9 million decline in asset acquisitions and a \$3.2 million reduction in infrastructure outlays.

2. *International Developments*

The negative effects of the unfolding European debt crisis and signs of further weakness in the United States economy dominated global economic developments in October. This contrasted with the buoyancy of the Asian economies, although the pace of the expansion was slightly reduced.

Weak economic conditions persisted in the United States over the review period, with real GDP growth in the third quarter revised downwards, from 2.5% to 2.0%, following a 1.4% gain in the prior period. In the manufacturing sector, industrial production rose by 0.7% in October, exceeding the previous month's 0.1% gain, while growth in retail sales slackened to 0.5% from 1.1% in September. Housing sector developments in October showed building permits—a forward looking indicator of residential construction activity—advancing by 10.9% to an annual rate of 628,000, in contrast to a 5.0% reduction in the prior month; however, housing starts fell marginally by 0.3%, after growing by 15.0% in September. Labour market conditions remained weak, with the unemployment rate narrowing marginally by 0.1 of a percentage point to 9.0%, as 100,000 non-farm payroll jobs were added in October. Reflecting a decline in energy-related costs, average consumer prices softened by 0.1% during October vis-à-vis a 0.3% increase in the September. In an effort to support a stronger economic recovery, the Federal Reserve kept its main interest rate within the 0.00-0.25% range and decided to continue its programme of reinvesting principal payments from its securities holdings and rolling over maturing Treasury securities at auction.

Heightened concerns over the potential for the Greek debt crisis to "spill-over" into other larger markets, such as Italy, dominated economic developments in Europe. In the United Kingdom, real GDP firmed by 0.5% in the third quarter, following growth of 0.1% in the prior three-months and was driven by higher output in the services and production sectors. Buttressed by a rise in the manufacture of equipment for the transport sector, industrial production rose by 0.2%, a turnaround from a 0.3% falloff in the prior month. However, the monthly trade deficit widened by £1.2 billion to £3.9 billion in September, owing mainly to a surge in imports of chemicals and oil. Reflecting the low job prospects given the sluggish economy, for the three months to September, the number of unemployed persons grew by 129,000 over the previous quarter, resulting in the jobless rate increasing by 20 basis points to 8.3%—its highest level since 1994. Accretions to annual consumer prices softened marginally by 0.2 of a percentage point to 5.0% in October, owing to declines in fuel, food and air fare costs. Despite inflation remaining well above its target level, the

Bank of England maintained its neutral monetary policy stance and kept the size of its “quantitative easing” programme unchanged.

As euro area leaders in the two largest economies attempted to address the worsening Greek debt crisis, the region's economy remained in the doldrums. Quarterly real GDP growth was flat, at 0.2%, while industrial production declined by 2.0% in September, a turnaround from a 1.4% increase a month earlier, owing to reductions in capital and consumer goods production. Similarly, the volume of retail trade fell by 0.7%, after a 0.1% gain in August. On the external side, the monthly trade balance reversed to a surplus of €2.9 billion in September, from the prior month's deficit of €4.4 billion, as export growth of 10.1% outpaced the 4.7% increase in imports. Further, the monthly unemployment rate increased by 10 basis points to 10.2% in September, while the inflation rate stabilized at 3.0%. In this environment, the European Central Bank decided to retain its neutral policy stance.

Indications are that Asian economies continued to expand robustly, although the pace of growth slowed in recent months. China's industrial output and retail sales rose by 0.9% and 1.3% in October, slightly below the 1.2% and 1.4% gains posted a month earlier. The trade surplus advanced by US\$2.5 billion to US\$17.0 billion, as the 9.5% falloff in imports exceeded the 7.2% decline in exports. Consumer prices firmed marginally by 0.1% from the prior month, occasioned by a general rise in non-food prices. In monetary developments, the People's Bank of China held its main interest rates unchanged in October, following earlier efforts to constrain credit growth by tightening monetary policy.

Real GDP in Japan expanded by 1.5% in the third quarter—the first expansion in twelve months—buoyed by a rise in industrial production and higher consumer spending. However, the trade balance reversed to a deficit of ¥273.8 billion in October, from an ¥812.6 billion surplus a year earlier, due to a 3.7% contraction in the key export sector, combined with a 17.9% increase in imports. The monthly unemployment rate narrowed by 0.2 of a percentage point to 4.1% in September, while the 0.3% firming in average consumer prices was in line with the previous month's growth. Monetary policy conditions remained accommodative, with the Bank of Japan maintaining its uncollateralized overnight call rate within the 0.0%-0.1% range.

Despite a slight rise in OPEC's crude oil production by approximately 10,000 barrels per day (bpd) to an average of 29.9 million bpd, crude oil prices moved higher by 5.2% to \$110.61 per barrel in October. This outcome was partly owing to the decline in the US dollar and an increase in demand for heating oil during the winter season. Among other commodity prices, the price of gold firmed by 5.6% to \$1,714.85 per troy ounce, reflecting increased demand for relatively “safe assets”, and silver prices grew by 14.6% to \$34.30 per troy ounce.

Although investors' concerns over the unfolding economic crisis in Europe resulted in significant volatility, all of the major stock indices registered gains in October, reflecting generally higher than expected company profits in the third quarter. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 indices advanced by 9.5% and 10.4%, respectively. Among the European markets, gains were registered for France's CAC 40 (8.8%), the United Kingdom's FTSE 100 (8.1%) and Germany's DAX (11.6%). Similarly, in Asia, Japan's Nikkei 225 index rose by 3.3% and China's SE Composite moved higher by 4.6%.

In foreign currency markets, the US dollar depreciated against almost all of the major currencies during October. Compared to the British pound and euro, the dollar weakened by 3.1% to £0.6216 and by 3.4% to €0.7217, respectively. Similarly, the dollar declined vis-à-vis the Canadian dollar (by 4.7% to CND1.0008),

the Swiss Franc (by 3.4% to CHF0.8769) and the Chinese Yuan (by 0.4% to CNY6.3595), but strengthened against the Japanese Yen (by 1.5% to ¥78.17).

3. Domestic Monetary Trends

Monetary developments for the month of October were marked by contractions in both liquidity and external reserves, reflecting foreign currency sales associated with the traditional increase in demand during the latter half of the year, fuel payments, and bank profit remittances. With the continuation of sluggish economic activity, banks' credit quality indicators were slightly more negative during the review month.

October 2011 vs. 2010

In October, excess reserves declined by \$99.1 million to \$429.0 million, to exceed the previous year's reduction of \$57.2 million. Similarly, excess liquid assets decreased by \$95.1 million to \$869.2 million, a turnaround from a \$13.5 million gain in 2010.

External reserves contracted by \$77.4 million to \$901.3 million, outpacing the \$55.6 million decrease registered a year earlier. Underpinning this outturn was a \$20.8 million rise in the Central Bank's net sale to commercial banks, to \$38.5 million, to support the \$21.3 million increase in their net sale to customers to \$34.5 million. The latter also included sales to facilitate the repatriation of bank profits. In contrast, the Bank's net sale to the public sector, primarily for fuel payments and property purchases, moderated by \$3.0 million to \$41.5 million.

In October, Bahamian dollar credit rose by \$62.4 million, after a similar \$61.0 million build-up in the prior year. The expansion in credit to the private sector strengthened to \$21.8 million from \$13.1 million in 2010, and largely reflected accelerated growth in commercial loans of \$35.1 million to \$38.9 million. However, consumer credit and mortgages, which represented 34.1% and 49.4% of private sector credit, fell by \$11.9 million and \$5.2 million, respectively. Higher advances from commercial banks elevated net claims on the Government by \$42.2 million, in line with the \$48.3 million growth registered last year. In contrast, the decline in credit to the rest of the public sector was extended to \$1.9 million from \$0.4 million in 2010.

A breakdown of consumer credit for the month of September—the latest information available—showed broad-based declines, with the most significant occurring for private cars (\$2.8 million), land purchases (\$2.1 million), credit cards (\$1.6 million) and household appliances (\$0.9 million). In contrast, gains were registered in the debt consolidation, miscellaneous and home improvement categories, of \$12.6 million, \$5.6 million and \$0.8 million, respectively.

During October, banks' credit quality indicators deteriorated slightly, reflecting the ongoing weakness in the job market and constrained business conditions. Total private sector loan arrears rose by \$6.1 million (0.5%) to \$1,219.6 million, placing the ratio of arrears to total loans higher by 6 basis points at 19.6%. This outturn primarily reflected a rise in short-term delinquencies (31-90 day), by \$6.6 million (1.7%) to \$392.1 million, elevating the corresponding ratio by 9 basis points to 6.3%. In contrast, non-performing loans—arrears in excess of 90 days and on which banks have ceased accruing interest—decreased marginally by \$0.5 million (0.1%) to \$827.5 million, with the attendant ratio declining by 3 basis points to 13.3%.

By major loan categories, the growth in total arrears was led by a \$16.1 million (5.7%) expansion in commercial loan delinquencies to \$300.8 million, with 31-90 day arrears increasing by \$10.1 million (14.4%) and those in excess of 90 days, by \$6.0 million (2.8%). Consumer arrears also moved higher, by

\$6.4 million (2.3%) to \$286.3 million, as gains in the short-term segment of \$7.5 million (6.9%) outweighed the \$1.1 million (0.6%) reduction in the non-accrual component. In contrast, mortgage arrears declined by \$16.4 million (2.5%) to \$632.6 million, attributed to decreases in both the short-term (31-90 days) and non-performing categories, of \$11.0 million (5.3%) and \$5.4 million (1.2%), respectively.

Given these developments, banks increased their provisions for loan losses by \$2.9 million (1.0%) to \$301.6 million by end-October, resulting in both the ratio of provisions to arrears and non-performing loans firming by 12 and 38 basis points to 24.7% and 36.4%, respectively. Banks also wrote-off approximately \$26.6 million in delinquent loans and recovered \$5.0 million in outstanding obligations.

Over the month, total domestic foreign currency credit fell by \$8.0 million, a reversal from a \$36.4 million accumulation last year. Reflecting the reclassification of one entity's accounts, claims on the public corporations declined by \$13.6 million, following the previous year's \$16.8 million build-up. Accretions to private sector credit abated by \$14.4 million to \$6.6 million, and the Government's net repayment moderated by \$0.3 million to \$1.0 million.

The contraction in total Bahamian dollar deposits was extended to \$44.7 million from \$33.0 million in 2010, due mainly to a \$30.8 million decline in fixed balances, which outpaced the \$5.2 million falloff a year earlier. Similarly, savings deposits fell by \$10.5 million, a turnaround from the \$6.2 million gain in 2010. In contrast, the decline in demand deposits slowed by almost 90.0% to \$3.4 million.

With regard to interest rates, the weighted average deposit rate at banks rose marginally by 2 basis points to 2.30%, with the highest rate of 5.25% offered on fixed balances over 12 months. Conversely, the weighted average loan rate decreased by 34 basis points to 10.52%.

4. Outlook and Policy Implications

Expectations are that the ongoing recovery in the domestic market will be maintained during 2012, although global headwinds, especially the tentative performance of the United States economy, could negatively affect this outlook. The recovery in the tourism sector remains central to the improved performance of the economy, and preliminary indicators suggest that the winter tourist season will improve modestly over prior years, with further gains in the high value-added group segment. In addition, foreign investment-led projects—which are less correlated with global events—are projected to sustain growth in construction sector output. As a result, labour market conditions are likely to continue to gradually improve over the medium-term, with the majority of the initial gains accruing to the construction and other related sectors. Domestic inflation is poised to maintain a firming trend in the coming months, amid continued volatility in global oil prices.

The prevailing mild economic momentum will continue to constrain near-term efforts at achieving an improvement in the overall fiscal position and the corresponding debt-to-GDP ratios; although Government's plans to enhance revenue collections and restrain growth in outlays could provide a positive impact.

On the monetary front, both liquidity and external reserves are projected to remain robust over the remainder of the year, however, recent oil payments and profit remittances, together with the seasonal increase in demand, will place external reserves near or slightly below last year's stock. Although elevated bank arrears are likely to remain a part of the financial landscape until the economic recovery becomes more broad-based—banks remain well capitalized, thereby muting any broader financial stability concerns.

Recent Monetary and Credit Statistics

(B\$ Millions)

OCTOBER						
Value		Change		Change YTD		
2010	2011	2010	2011	2010	2011	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	250.09	428.95	-57.22	-99.05	-12.00	39.46
1.2 Excess Liquid Assets	646.69	869.16	13.50	-95.10	142.83	55.64
1.3 External Reserves	722.13	901.33	-55.63	-77.43	-103.24	40.28
1.4 Bank's Net Foreign Assets	-801.81	-549.67	-17.58	6.50	-135.60	140.10
1.5 Usable Reserves	370.12	450.38	-25.74	-40.08	-88.75	15.98

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,570.53	6,589.38	34.05	28.45	25.09	48.73
a. B\$ Credit	6,111.57	6,229.69	13.06	21.84	-8.16	83.88
of which: Consumer Credit	2,130.69	2,124.63	-2.90	-11.92	-42.02	-12.41
Mortgages	3,052.80	3,077.94	12.13	-5.18	56.74	17.14
Commercial and Other Loans B\$	928.08	1,027.12	3.83	38.94	-22.88	79.16
b. F/C Credit	458.96	359.69	20.98	6.61	33.25	-35.15
of which: Mortgages	118.00	129.86	12.40	0.09	22.06	1.25
Commercial and Other Loans F/C	340.96	229.83	8.58	6.51	11.19	-36.40
2.2 Central Government (net)	1,355.95	1,430.01	46.96	41.22	365.64	43.51
a. B\$ Loans & Securities	1,425.19	1,566.03	48.76	48.94	258.34	106.72
Less Deposits	138.42	134.10	0.50	6.72	-36.42	-5.30
b. F/C Loans & Securities	70.90	0.00	-1.40	-0.05	67.19	-70.00
Less Deposits	1.73	1.92	-0.11	0.96	-3.69	-1.49
2.3 Rest of Public Sector	468.44	349.19	16.32	-15.51	102.32	-51.93
a. B\$ Credit	106.51	91.87	-0.43	-1.91	25.14	-22.07
b. F/C Credit	361.93	257.32	16.75	-13.60	77.18	-29.86
2.4 Total Domestic Credit	8,395.01	8,368.76	97.38	54.38	493.09	40.31
a. B\$ Domestic Credit	7,504.94	7,753.68	60.95	62.37	311.78	173.83
b. F/C Domestic Credit	890.06	615.09	36.44	-8.00	181.31	-133.52

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,145.74	1,224.40	-33.99	-3.44	55.35	84.73
a. Central Bank	11.71	14.77	-0.12	4.21	-0.89	6.77
b. Banks	1,134.02	1,209.63	-33.87	-7.65	56.24	77.95
3.2 Savings Deposits	1,013.36	1,030.99	6.18	-10.48	18.56	14.92
3.3 Fixed Deposits	3,645.69	3,637.33	-5.15	-30.75	91.61	29.24
3.4 Total B\$ Deposits	5,804.79	5,892.72	-32.96	-44.67	165.52	128.88
3.5 F/C Deposits of Residents	213.16	210.53	20.34	-9.34	-3.67	-42.13
3.6 M2	5,987.53	6,074.44	-33.71	-34.56	149.91	116.57
3.7 External Reserves/M2 (%)	12.06	14.84	-0.86	-1.18	-2.08	0.39
3.8 Reserves/Base Money (%)	106.24	104.18	0.92	1.58	-11.89	0.56
3.9 External Reserves/Demand Liabilities (%)	102.48	99.67	0.70	-0.29	-9.74	-0.56
	Value		Year to Date		Change	
	2010	2011	2010	2011	Month	YTD

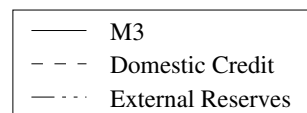
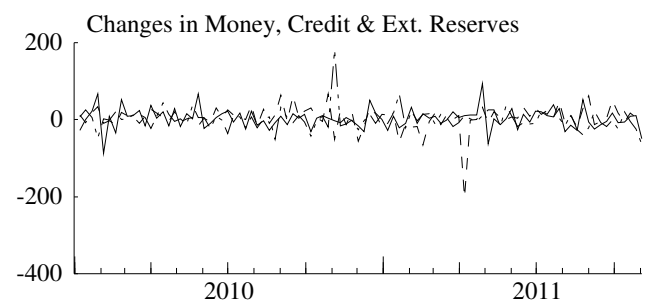
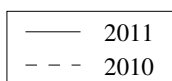
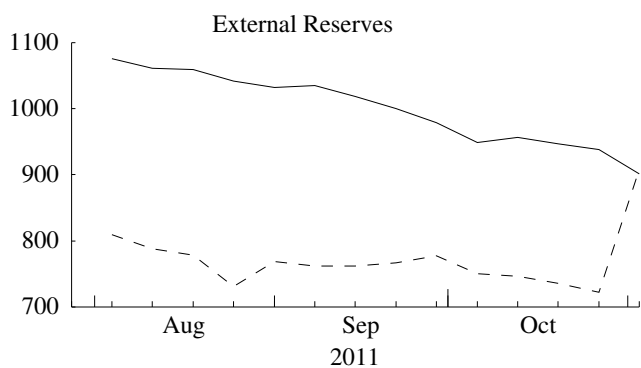
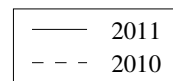
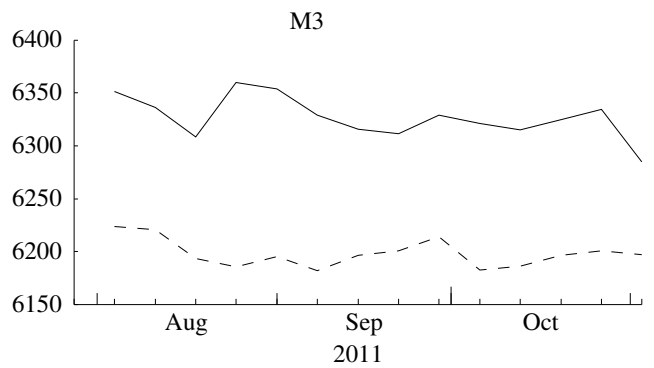
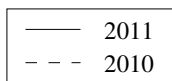
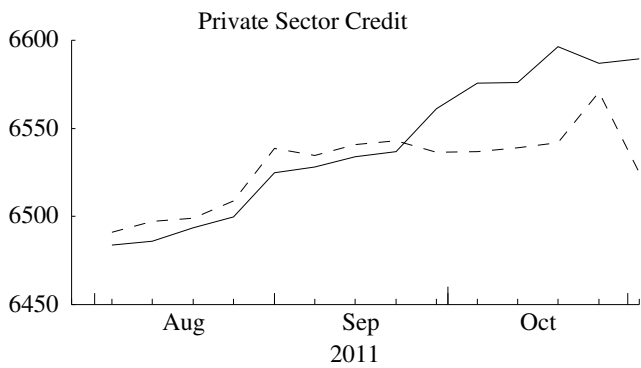
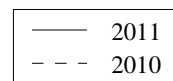
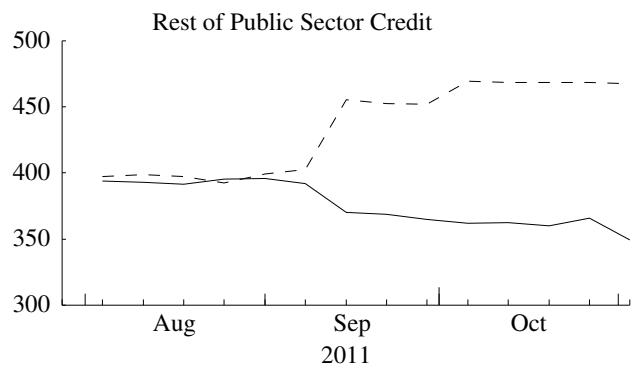
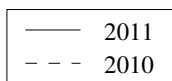
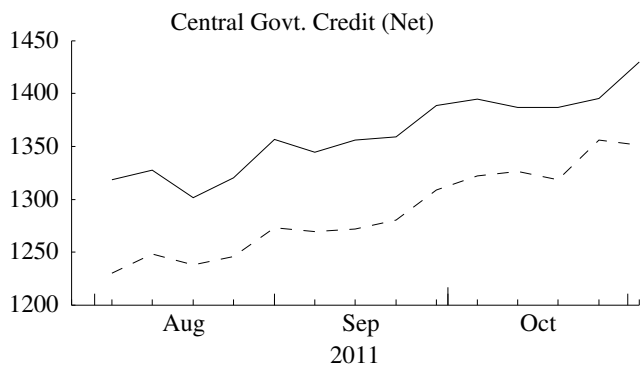
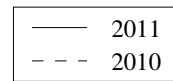
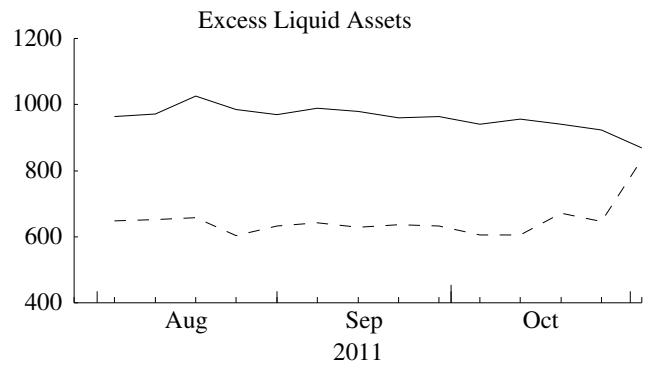
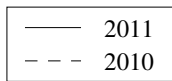
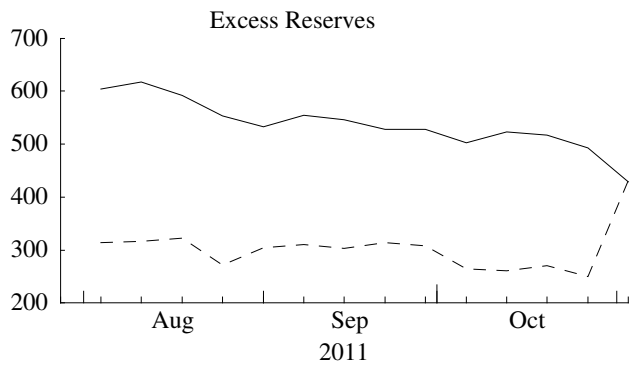
4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-62.31	-80.06	-112.44	18.42	-17.75	130.85
a. Net Purchase/(Sale) from/to Banks	-17.77	-38.54	59.21	94.06	-20.77	34.85
i. Sales to Banks	31.73	47.86	290.67	296.37	16.13	5.70
ii. Purchases from Banks	13.97	9.32	349.88	390.43	-4.64	40.55
b. Net Purchase/(Sale) from/to Others	-44.54	-41.52	-171.64	-75.64	3.02	96.00
i. Sales to Others	61.17	100.61	432.34	619.02	39.45	186.67
ii. Purchases from Others	16.62	59.09	260.70	543.38	42.47	282.68
4.2 Banks Net Purchase/(Sale)	-13.21	-34.54	68.24	119.80	-21.33	51.56
a. Sales to Customers	246.59	342.17	2,762.09	2,998.37	95.58	236.28
b. Purchases from Customers	233.38	307.63	2,830.33	3,118.17	74.25	287.84
4.3 B\$ Position (change)	-7.57	-9.96				

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)



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2010	2011	2010	2011	2010	2011
Bahamas	1.0	2.0	1.0	2.5	n/a	13.7
United States	3.0	1.5	1.6	3.0	9.6	9.1
Euro-Area	1.8	1.6	1.6	2.5	10.1	9.9
<i>Germany</i>	<i>3.6</i>	<i>2.7</i>	<i>1.2</i>	<i>2.2</i>	<i>7.1</i>	<i>6.0</i>
Japan	4.0	-0.5	-0.7	-0.4	5.1	4.9
China	10.3	9.5	3.3	5.0	4.1	4.0
United Kingdom	1.4	1.1	3.3	4.5	7.9	7.8
Canada	3.2	2.1	1.8	2.9	8.0	7.6
<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
January 2010	5.25	1.00	0.50	0.00-0.25	0.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Oct-10	Sept-11	Oct-11	Mthly % Change	YTD % Change	12-Mth % Change
Euro	0.7170	0.7469	0.7217	-3.38	-3.39	0.65
Yen	80.39	77.02	78.17	1.49	-3.68	-2.76
Pound	0.6234	0.6417	0.6216	-3.13	-2.95	-0.29
Canadian \$	1.0193	1.0503	1.0008	-4.71	0.25	-1.81
Swiss Franc	0.9825	0.9081	0.8769	-3.44	-6.17	-10.75
Renminbi	6.6730	6.3833	6.3595	-0.37	-3.49	-4.70

Source: Bloomberg as of October 31, 2011

D. Selected Commodity Prices (\$)					
Commodity	October 2010	September 2011	October 2011	Mthly % Change	YTD % Change
Gold / Ounce	1359.40	1623.97	1714.85	5.60	20.70
Silver / Ounce	24.75	29.93	34.30	14.59	10.93
Oil / Barrel	83.58	104.82	110.61	5.52	18.31

Source: Bloomberg as of October 31, 2011

E. Equity Market Valuations – October 31, 2011 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.65	9.54	10.42	8.11	8.75	11.62	3.31	4.62
3 month	-2.22	2.94	2.49	2.77	-0.43	6.16	0.37	-3.86
YTD	-8.83	3.26	-0.66	-6.03	-14.77	-11.18	-12.13	-12.10
12-month	-8.18	7.52	5.58	-2.31	-15.41	-6.97	-2.33	-17.14

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.06	0.50	0.75
1 Month	0.17	0.57	1.07
3 Month	0.39	0.97	1.39
6 Month	0.62	1.26	1.61
9 Month	0.77	1.55	1.82
1 year	0.94	1.75	2.00

Source: Bloomberg as of October 31, 2011

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE					
	Aug. 31	Sep. 07	Sep. 14	Sep. 21	Sep. 28	Oct. 05	Oct. 12	Oct. 19	Oct. 26	Aug. 31	Sep. 07	Sep. 14	Sep. 21	Sep. 28	Oct. 05	Oct. 12	Oct. 19	Oct. 26
I. External Reserves	1,032.23	1,035.00	1,018.60	999.68	978.76	948.75	956.13	946.54	938.03	-9.09	2.77	-16.40	-18.92	-20.92	-30.02	7.39	-9.59	-8.51
II. Net Domestic Assets (A + B + C + D)	-55.50	-51.27	-47.56	-46.79	-24.81	-15.79	-17.87	-14.40	-16.27	-4.16	4.23	3.71	0.77	21.97	9.03	-2.08	3.47	-1.87
A. Net Credit to Gov't (i + ii + iii - iv)	258.81	258.46	258.24	260.24	279.83	283.15	278.71	276.58	279.60	-2.13	-0.35	-0.22	2.01	19.59	3.32	-4.45	-2.12	3.02
i) Advances	90.59	90.59	90.59	90.59	110.59	110.59	110.59	110.59	110.59	0.00	0.00	0.00	0.00	20.00	0.00	0.00	0.00	0.00
ii) Registered Stock	161.17	161.17	161.18	161.13	161.19	160.93	161.07	161.03	160.87	-0.39	0.00	0.01	-0.05	0.06	-0.26	0.14	-0.05	-0.16
iii) Treasury Bills	19.86	19.86	19.86	19.86	19.86	19.86	19.86	19.86	19.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iv) Deposits	12.81	13.16	13.39	11.33	11.80	8.22	12.81	14.89	11.71	1.75	0.35	0.23	-2.06	0.47	-3.58	4.59	2.08	-3.18
B. Rest of Public Sector (Net) (i + ii - iii)	-13.56	-5.39	-6.34	-7.56	-5.22	-5.86	-2.65	3.00	-1.69	-0.77	8.18	-0.96	-1.21	2.34	-0.65	3.21	5.65	-4.69
i) BDB Loans	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	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	18.91	10.74	11.69	12.91	10.57	11.21	8.00	2.35	7.04	0.77	-8.18	0.96	1.21	-2.34	0.65	-3.21	-5.65	4.69
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)*	-300.75	-304.34	-299.45	-299.47	-299.43	-293.08	-293.93	-293.98	-294.18	-1.26	-3.60	4.89	-0.02	0.04	6.35	-0.85	-0.06	-0.19
III. Monetary Base	976.73	983.73	971.04	952.90	953.95	932.96	938.27	932.14	921.76	-13.26	7.00	-12.68	-18.15	1.05	-20.99	5.31	-6.12	-10.38
A. Currency in Circulation	289.87	289.66	278.43	275.98	277.73	283.11	278.91	277.70	276.37	8.63	-0.21	-11.24	-2.45	1.76	5.38	-4.20	-1.21	-1.33
B. Bank Balances with CBOB	686.86	694.06	692.62	676.92	676.22	649.85	659.35	654.45	645.39	-21.89	7.21	-1.45	-15.70	-0.70	-26.37	9.51	-4.91	-9.05

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

FISCAL/REAL SECTOR INDICATORS

(\$5 MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC						
	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	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011					
Fiscal Operations:																																									
1. Government Revenue & Grants	90.2	94.9	93.0	93.4	88.0	96.3																																			
% change	-25.40%	3.20%	-1.64%	3.12%	-5.44%	3.12%																																			
2. Import/Excise Duties	41.3	44.0	48.3	44.9	45.7	54.8																																			
% change	-22.50%	24.37%	19.37%	2.00%	-7.30%	22.09%																																			
3. Recurrent Expenditure	110.2	111.7	103.1	110.3	117.5	124.1																																			
% change	-33.75%	-12.80%	-6.46%	-1.27%	14.01%	12.51%																																			
4. Capital Expenditure	9.7	3.7	18.5	12.2	8.6	9.8																																			
% change	-66.25%	-86.84%	90.38%	224.53%	-33.67%	-19.60%																																			
5. Deficit/Surplus*	-32.2	-21.1	-31.3	-33.8	-41.1	-40.6																																			
% change	-77.61%	70.23%	-2.63%	60.29%	31.43%	20.04%																																			

YEAR TO DATE		YEAR TO DATE	
2012	2011	2012	2011
271.2	284.6	1.28%	4.93%
136.4	143.6	-2.63%	5.29%
330.8	346.1	3.46%	4.62%
36.9	25.7	-1.72%	-30.32%
-104.6	-95.5	3.79%	-8.72%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
Debt, etc																									
6. Total Debt	3,320.4	3,739.4	3,304.4	3,739.8	3,303.5	3,740.8	3,349.6	3,604.5	3,397.4	3,546.5	3,400.9	3,541.5	3,495.9	3,564.2	3,671.0	3,592.7	3,689.4	3,678.9	3,686.8						
% change	0.00%	0.98%	-0.48%	0.01%	-0.03%	0.03%	1.40%	-3.64%	1.43%	-1.61%	0.10%	-0.14%	2.79%	1.95%	1.99%	0.52%	0.50%	2.69%	-0.07%						
7. External Debt	703.1	746.9	703.1	747.3	702.2	748.3	696.5	745.1	707.3	745.1	707.5	745.0	707.5	710.8	744.9	714.3	743.3	721.4	740.7						
% change	0.00%	5.10%	0.00%	0.04%	-0.13%	0.14%	-0.38%	-0.43%	1.11%	0.00%	0.03%	0.00%	0.00%	0.47%	0.00%	0.49%	-0.21%	1.00%	-0.35%						
8. Internal F/C Debt	1.8	70.0	1.8	70.0	1.8	70.0	0.9	-	0.9	-	0.9	-	0.9	55.0710%	50.9	70.9	-	70.0	-						
% change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-50.00%	-100.00%	0.00%	-	0.00%	-	0.00%			39.29%	-	-1.27%	-						
9. Bahamian Dollar Debt	2,615.5	2,922.5	2,599.5	2,922.5	2,599.5	2,922.5	2,649.2	2,869.5	2,689.2	2,801.5	2,796.5	2,854.5	2,854.5	2,802.5	2,926.1	2,797.5	2,946.1	2,887.5	2,946.1						
% change	0.00%	0.00%	-0.61%	0.00%	0.00%	0.00%	1.91%	-2.16%	1.51%	-2.03%	0.12%	-0.18%	3.35%	0.54%	2.57%	-0.18%	0.68%	3.22%	0.00%						
10. Total Amortization	0.1	0.2	16.0	-	0.9	0.9	13.6	136.2	-	58.0	14.01	15.0	25.23	5.00	55.0	5.91	1.6	22.7	2.6						
% change	847.27%	2312.27%	14931.23%	-100.00%	-94.30%		1391.71%	14843.89%	-100.00%		-57.43%	-74.12%	801.33%	-801.9%	435.72%	18.21%	-97.16%	283.88%	66.23%						

11. Total Public Sector F/C Debt																									
1,186.5	1,419.2	1,184.7	1,417.8	1,208.4	1,418.2	1,201.7	1,310.6	1,204.7	1,207.3	1,310.6	1,204.7	1,318.1	1,202.6	1,255.9	1,315.6	1,371.9	1,335.4	1,251.2	1,332.0						
-0.26%	1.86%	-16.52%	19.67%	-14.77%	17.36%	-15.26%	8.56%	-8.08%	-7.89%	8.56%	-8.08%	9.41%	-8.76%	-4.54%	4.76%	4.27%	-2.66%	-8.79%	6.46%						

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
Real Sector Indicators																									
12. Retail Price Index	100.0	102.1	100.0	102.4	100.1	103.1	100.5	103.6	100.5	104.1	100.4	104.4	100.3	104.2	100.9	104.5	100.9	104.6							
% change; over previous month	-19.47%	3.39%	0.01%	0.37%	0.12%	0.71%	0.35%	0.46%	0.00%	0.4%	-0.1%	0.3%	-0.1%	-0.2%	0.6%	0.3%	0.0%	0.1%							
13. Tourist arrivals (000s)	424.0	487.4	419.2	484.8	539.7	555.4	469.2	539.3	425.7	413.5	428.9	421.8	461.4	488.7	430.6	390.0									
% change; over previous year	13.76%	14.95%	-13.96%	15.63%	15.80%	2.91%	13.14%	14.94%	-2.11%	-2.9%	3.7%	-1.6%	9.4%	5.9%	-11.9%	-9.4%									
14. Air arrivals (000s)	91.7	81.3	103.0	99.1	149.4	140.3	125.0	129.1	113.1	108.2	129.5	124.8	139.4	140.3	108.9	99.0									
% change; over previous year	-17.21%	-11.30%	26.63%	-3.86%	11.97%	-6.12%	-4.96%	3.26%	-12.4%	-4.3%	19.7%	-3.7%	11.7%	0.6%	-22.4%	-9.1%									
15. Occupied Room Nights																									
% change; over previous year																									
16. Res. Mortgage Commitments-New Const.					31.4	24.4					36.7	25.2													
% change; over previous qtr.					-6.23%	-27.32%					16.7%	3.4%													

* includes Net Lending to Public Corporations

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

P - provisional

Annual/3-T-D Retail Price data are averages.