



Monthly Economic and Financial Developments September 2009

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 Date:

2009: December 29.

Monthly Economic and Financial Developments

September 2009

1. Domestic Economic Developments

Although the global economy showed sustained signs of “bottoming out” during the review month, domestic economic conditions continued to be negatively impacted by the worsening of key economic indicators in several major markets. Consequently, tourism activity remained weak, and the downturn in foreign investment inflows depressed output in the construction sector. However, with global demand remaining relatively anaemic, domestic inflationary pressures continued to ease from the mid-2008 peak. Fiscal developments featured a widening in the deficit for the first two months of FY2009/10, as the ratcheting down of private sector demand translated into lower tax revenue collections. In the monetary sector, both liquidity and external reserves contracted over the month, occasioned by the seasonal, although tempered, rise in net foreign currency demand in the latter half of the year.

Preliminary indications are that tourism output contracted for the first three quarters of the year, owing mainly to double digit declines in the higher value added and longer stay stopover visitors. Broadly consistent with this outcome, initial data from the hotel sector showed that, from January to August, revenue receipts fell by 22.0%, reflecting the combined impact of a 7.4 percentage point reduction in average occupancy rates to 66.2%, and a 9.6% decrease in average daily room rates to \$234.55.

Buoyed by lower average energy costs, inflation for the twelve months to September softened by 0.83 percentage points to 3.07%, versus a 1.47 percentage point firming to 3.90% in 2008. Average price increases moderated for housing (1.1%), transport & communication (1.5%), recreation & entertainment services (1.7%), medical care & health (2.6%), furniture & household operation (4.1%), and “other” goods & services (5.2%). However, notable price gains were registered for food & beverages (7.0%), and education (3.6%). In terms of the cost of electricity, the average fuel surcharge for September rose by 13.3% to 11.24 cents per kilowatt hour (KWh), in comparison to the previous month; however, it remained some 51.8% lower than the previous year’s rate. Similarly, average prices for gasoline and diesel moved higher by 4.5% to \$4.19 per gallon and 5.0% to \$3.36 per gallon, respectively; but were below last year’s respective upturns of 21.7% and 36.5%.

Government’s budgetary operations for the first two months of FY2009/10 revealed that the deficit widened by \$17.3 million (61.6%) to \$45.3 million, relative to the corresponding period a year earlier, as the reduction in expenditures was overshadowed by the falloff in revenue receipts. Total expenditure fell by \$12.1 million (4.9%) to \$232.6 million, reflecting a 3.5% decrease in current outlays, which was linked to declines in subsidies & other transfers and purchases of goods & services. Similarly, capital expenditures narrowed by 11.2% to \$16.9 million, due mainly to lower spending on infrastructure projects. On the revenue side, aggregate collections contracted by \$29.4 million (13.6%) to \$187.2 million, mainly associated with a 19.7% decline in tax receipts to

\$137.9 million, as lower intakes from property and tourism-related taxes, as well as business and professional fees, eclipsed a timing-related increase in international trade taxes. In addition, non-tax revenue was reduced by \$1.1 million (6.5%) to \$15.7 million, occasioned by lower proceeds from fines, forfeits & administrative fees.

2. International Developments

The IMF, in the October edition of its World Economic Outlook, noted that the global economy showed signs of a return to growth, due mainly to the “stimulus” measures implemented by Governments worldwide and the central banks’ expansionary monetary policies. However, the report cautioned that the pace of recovery would be tempered, resulting in unemployment rates remaining elevated over the medium term. The report also signalled that, given the temporary nature of Government’s extraordinary fiscal programmes, the possibility remained of further downside risks once these measures are concluded.

In line with the IMF’s outlook, preliminary data showed that the United States economy expanded by 3.4% during the third quarter of 2009, the first increase since the second quarter of 2008, driven primarily by a number of one-off Government incentive programmes, which are set to expire by the end of 2009. The trade deficit also improved by \$1.2 billion to \$30.7 billion in August, on account of a \$0.2 billion increase in exports and a \$0.9 billion decline in imports. However, employment conditions continued to deteriorate, with the jobless rate firming by 0.1 percentage points to 9.8% in September, as a further 263,000 jobs were eliminated. The largest losses occurred in the construction, manufacturing, retail trade and government sectors. Meanwhile, with commodity prices remaining relatively low, the inflation rate fell, on a monthly basis, by 0.2 percentage points to 0.2% in September. Given the current environment, the Federal Reserve reiterated its commitment to maintain the federal funds rate at the 0%-0.25% target, while continuing with its previously announced quantitative easing practices.

Despite Government’s policy measures aimed at accelerating economic activity, preliminary data suggests that the United Kingdom’s economy contracted by a further 0.4% during the third quarter, following a decline of 0.6% in the previous three-month period, owing to lower output in the production and services sectors. In this context, the unemployment rate rose by 0.3 percentage points to 7.9% in the three months to August, over the previous quarter. On a positive note, the trade deficit narrowed to £2.3 billion in August from £2.6 billion a month earlier, supported by a 0.8% decline in imports to £34.5 billion, and stable exports of £32.2 billion; while consumer confidence rose by 6 points to 71 points in September, its highest level in over a year. Further, annual inflation at end-September stood at 1.1%, down from 1.6% a month earlier and well within the Bank of England’s 2.0% target. Consequently, the Bank maintained its key interest rate at 0.5% and sustained its £175 billion asset purchase programme, in an attempt to bolster the financial sector.

Activity in the Euro Area showed signs of recovery during the third quarter, as Germany and France—the two largest economies—recorded positive growth rates. In addition, industrial output expanded by 0.9% in August, up from the 0.2% gain in the previous month. However, weakness in exports caused the balance on the trade account to register a €4.0 billion deficit, compared to a €12.3 billion surplus in July; and the unemployment rate reached a 10 year high of 9.6%, up 0.1 percentage points from the previous month’s rate. The decline in consumer prices advanced to an

annualized 0.3% in September from 0.2% in August. Faced with relatively stable prices and tempered economic activity, the European Central Bank left its main interest rates unchanged in September.

The Chinese economy posted a strong performance during the first nine months of 2009, achieving an annualized growth rate of 8.9% at end-September. Business sentiment remained high during the third quarter, as several key indicators advanced. The country's US\$135.5 billion trade surplus over the first nine months, despite falling by 26.0% in comparison to the previous year, supported the \$141.0 billion growth in external reserves to a record high of \$2.3 trillion at end-September. Buoyed by the Government's US\$600 billion economic "stimulus" programme and accommodative monetary policy stance, domestic credit surged by 34.2% in the twelve-months to September, to reach 39.0 trillion Yuans.

The Japanese economy showed signs of a revival during the review period, amid a rise in public investment, exports and production. The unemployment rate fell to 5.5% in August, from 5.7% in July; while industrial production expanded by 1.8%—although the pace slowed for the fourth consecutive month. The goods & services surplus strengthened by ¥31.9 billion, as the ¥165.5 billion improvement in the services deficit offset the ¥133.6 billion deterioration in the goods surplus. Consumer prices firmed by 0.3% in August relative to the previous month, led by higher prices for reading and recreation (1.4%), and food (1.1%). In light of the tentativeness in economic conditions, the Bank of Japan left its uncollateralized overnight call rate unchanged at around 0.1%.

Despite the depreciation in the US dollar during the month, and signs of a gradual increase in demand, crude oil prices fell by 10.7% to \$65.27 per barrel in September, owing mainly to increased stockpiles. OPEC's crude oil production averaged 28.9 million barrels per day (bpd), an increase of 43,000 bpd over the previous month. With regard to other commodities, the price of gold and silver grew by 5.9% to \$1,007.7 per troy ounce and by 11.7% to \$16.65 per troy ounce, respectively.

Most major indices rallied in September, as signs of economic stabilization provided a boost to investor confidence. In the United States, the S&P 500 advanced by 3.7% to 1,052.9 points and the Dow Jones Industrial Average (DJIA) registered a smaller increase of 2.3% to 9,712.3 points. In Europe, the UK's FTSE 100 Index rose 4.6% to 5,133.9 points, while France's CAC 40 Index and Germany's DAX Index each improved by 3.9% to 3,795.4 and 5,675.2 points, respectively. Asian markets were mixed, as China's SE Index gained 4.2% to 2,779.4 points, whereas Japan's Nikkei 225 index reported a 3.4% loss to 10,133.2 points.

3. Domestic Monetary and Credit Trends

Monetary developments for the month of September featured contractions in both liquidity and external reserves, reflecting seasonal net foreign currency outflows for current payments. However, the outturn for the first nine months of 2009 continued to show buoyancy in liquidity conditions, amid depressed consumer demand and Government's foreign currency borrowing activities. The latter, along with the recent increase in Special Drawing Rights (SDRs), supported overall gains in external reserves.

September 2009 vs. 2008

During September, the contraction in excess reserves was moderately higher at \$58.5 million from \$55.5 million last year. However, excess liquid assets fell by \$58.7 million, compared to a growth of \$1.7 million in 2008.

External reserves, although benefitting from the receipt of an estimated \$27.6 million under the IMF's special SDR programme, contracted by \$50.8 million during the review month, to exceed last year's \$34.8 million decrease. The outcome reflected a more than two-fold increase in the Central Bank's net foreign currency sale to \$79.3 million. Specifically, the Bank sold a net of \$50.9 million to commercial banks, compared to a modest \$0.8 million last year, as they, in turn recorded a net sale of \$45.6 million to their customers, which was a turnaround from a net purchase of \$1.8 million a year earlier. However, the Bank's net foreign currency outflows to the public sector narrowed by \$8.5 million to \$28.3 million.

Supported by increased claims on the Government, accretions to Bahamian dollar credit firmed by \$19.5 million to \$72.5 million. Net credit to the Government rose by \$60.8 million compared to a \$0.4 million net repayment a year ago, owing mainly to a reduction in deposit balances. In contrast, claims on public corporations were reversed, to a net repayment of \$0.3 million from a \$22.9 million build-up in 2008. Private sector credit growth tapered by \$17.4 million (57.1%) to \$13.1 million, as accretions to consumer credit receded by \$9.2 million to a marginal \$0.2 million, while mortgage gains slowed by over 50% to \$7.6 million.

The expansion in domestic foreign currency credit was higher at \$10.1 million from \$6.8 million a year earlier, with claims on public corporations reversed to a \$4.8 million advance from a \$1.1 million contraction in 2008. In addition, credit to the Government rose by \$0.7 million, a turnaround from last year's \$0.3 million net repayment; while accretions to private sector credit were lower by 42.7% at \$4.7 million, partly occasioned by a reduction in mortgages.

Bahamian dollar deposit growth retreated by \$1.8 million to \$1.9 million. Fixed deposits, which rose by \$23.3 million last year, grew by only \$3.7 million. However, this was moderated by tapered declines in both savings and demand balances, by \$10.9 million and \$6.9 million, to \$1.6 million and \$0.2 million, respectively.

With regard to interest rates, the weighted average deposit rate at banks softened by 25 basis points to 3.59%, with the highest rate of 6.00% offered on fixed deposits of over 3-12 months. Similarly, the weighted average loan rate fell by 47 basis points to 10.50%.

January - September 2009

Buoyant liquidity conditions persisted during the first nine months of 2009, as excess reserves strengthened by \$66.4 million, surpassing the comparable \$28.0 million accumulation a year ago. Similarly, accretions to excess liquid assets firmed by 10.9% to \$202.0 million.

Growth in external reserves moderated slightly to \$190.2 million from \$194.8 million a year earlier, although inclusive of the receipt of approximately \$178.7 million in allocations under the IMF's SDR programmes. In terms of foreign currency transactions, the Bank recorded a net sale of \$2.6 million to its customers, compared to a net purchase of \$183.4 million last year. In line with the

downturn in economic activity, net inflows from commercial banks narrowed by \$177.5 million to \$28.1 million, reflecting the fall-off in their net purchase from customers, of \$186.1 million to \$18.0 million. In addition, the Bank's net sale to the public sector rose by \$8.6 million to \$30.7 million.

Amid the moderation in private sector demand, growth in Bahamian dollar credit slackened by 43.7% to \$162.2 million during the review period. Accretions to private sector loans decelerated by \$242.5 million to \$50.6 million; consumer credit contracted by \$27.4 million vis-à-vis a \$101.7 million advance a year ago, and mortgage growth was almost halved to \$90.5 million. Further, credit to public corporations declined by \$1.5 million, a turnaround from a \$19.2 million increase in 2008. Banks' net claim on the Government surged by \$113.0 million, compared with a year-earlier \$24.2 million net repayment, and was mainly in the form of increased holdings of Registered Stocks.

A disaggregation of consumer lending for the eight months through August showed contractions in the majority of the loan categories. The largest declines were posted for private vehicle (\$21.4 million), credit card (\$15.4 million), "miscellaneous" (\$11.8 million), travel (\$8.9 million) and home improvement (\$6.9 million) loans. In contrast, debt consolidation loans, comprising restructured credits, advanced by \$48.7 million, following a \$57.0 million expansion a year earlier.

In line with the ongoing weakness in economic condition, marked by increases in the jobless rate, there was a further deterioration in credit quality indicators during the month of September, reflecting borrowers ongoing difficulty with servicing their debt commitments. Private sector loan arrears increased by \$35.9 million (3.7%) to \$999.0 million, and the corresponding ratio of arrears to total loans firmed by 0.5 percentage points to 16.4%. In terms of the average age of delinquent loans, arrears in the 31 – 90 day segment rose by \$19.9 million (4.7%) to \$447.5 million, resulting in a 32 basis point hike in the corresponding arrears ratio to 7.4%. Likewise, non-performing loans—those more than 90 days in arrears and on which banks ceased accruing interest—advanced by \$16.0 million (3.0%) to \$551.5 million, for a 26 basis points increase in the loan arrears ratio to 9.1%.

With regard to the major components, growth in monthly arrears reflected a \$25.6 million (5.9%) rise in mortgage delinquencies to \$461.9 million and a \$13.1 million (5.7%) firming in the commercial segment to \$243.6 million. However, consumer loan arrears fell modestly by \$2.7 million (0.9%) to \$293.5 million. Banks' loan loss provisions remained relatively unchanged at \$210.1 million, resulting in the ratio of provisions to arrears and non-performing loans declining by 0.8 and 1.2 percentage points, to 21.0% and 38.1%, respectively.

Inclusive of elevated net claims on the Government, domestic foreign currency credit rebounded by \$103.6 million, following a \$16.3 million decrease a year earlier. In particular, Government's short-term borrowings pushed its net liabilities to banks higher by \$161.7 million, reversing the \$22.2 million falloff in 2008. In contrast, public corporations recorded a net repayment of \$35.3 million, a turnaround from the year-earlier \$97.1 million increase. Similarly, private sector credit fell further by \$22.8 million, vis-à-vis last year's contraction.

Accretions to Bahamian dollar deposits slackened by \$221.2 million to \$76.1 million. This development reflected moderations in fixed and demand deposits growth, to \$76.0 million and \$14.3 million from \$247.0 million and \$35.8 million, respectively. Saving deposits decreased by \$14.2 million, in contrast to a \$14.5 million advance in 2008.

4. Outlook and Policy Implications

The outlook for the Bahamian economy is expected to remain subdued over the near-term, with the prospects for a return to sustained growth not anticipated before late 2010. Developments remain heavily predicated on the performance of the US economy, particularly the timing of the recovery in consumer spending, which is expected to remain stressed for some time. These conditions will continue to constrain the upturn in the tourism sector. Similarly, despite the stable contributions from equity financed foreign investment projects, construction output is forecasted to remain moribund, due to the challenges being faced by external loan financed investments. In this environment, the unemployment rate is anticipated to remain elevated in the near-term.

Monetary developments should continue to show favourable liquidity levels, amid the weak private demand forces which, together with prospective public sector borrowing, should support relatively healthy levels of external reserves.

Recent Monetary and Credit Statistics

(B\$ Millions)

SEPTEMBER					
Value		Change		Change YTD	
2008	2009	2008	2009	2008	2009

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	269.64	273.66	-55.51	-58.53	27.95	66.35
1.2 Excess Liquid Assets	337.01	463.94	1.67	-58.69	182.17	202.00
1.3 External Reserves	649.57	752.86	-34.81	-50.78	194.77	190.13
1.4 Bank's Net Foreign Assets	-712.01	-772.49	-27.79	17.51	-23.17	-50.68
1.5 Usable Reserves	279.38	387.62	-17.92	-6.29	174.90	154.03

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,411.84	6,530.94	38.64	17.77	201.89	27.79
a. B\$ Credit	5,971.24	6,114.34	30.45	13.07	293.09	50.56
of which: Consumer Credit	2,203.45	2,187.57	9.38	0.16	101.74	-27.35
Mortgages	2,704.48	2,841.78	21.07	7.58	164.25	90.54
b. F/C Credit	440.60	416.60	8.19	4.69	-91.20	-22.78
of which: Mortgages	79.92	95.20	31.54	-0.33	25.90	9.87
2.2 Central Government (net)	810.62	1,173.63	-0.61	61.49	-46.41	274.67
a. B\$ Loans & Securities	956.47	1,179.36	-1.15	17.86	-7.13	146.12
Less Deposits	145.27	169.51	-0.80	-42.95	17.11	33.10
b. F/C Loans & Securities	3.39	165.08	0.00	0.28	-19.77	161.18
Less Deposits	3.96	1.30	0.26	-0.39	2.39	-0.47
2.3 Rest of Public Sector	395.45	365.04	21.80	4.41	116.27	-36.79
a. B\$ Credit	82.28	83.40	22.93	-0.34	19.19	-1.48
b. F/C Credit	313.17	281.64	-1.13	4.75	97.07	-35.32
2.4 Total Domestic Credit	7,617.92	8,069.67	59.83	82.65	271.75	265.73
a. B\$ Domestic Credit	6,864.71	7,207.65	53.02	72.53	288.04	162.18
b. F/C Domestic Credit	753.21	862.02	6.80	10.12	-16.29	103.55

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,124.38	1,095.76	-7.05	-0.22	35.79	14.32
a. Central Bank	29.71	7.48	18.81	0.95	19.89	-1.47
b. Banks	1,094.67	1,088.28	-25.86	-1.17	15.91	15.79
3.2 Savings Deposits	1,005.84	1,005.86	-12.51	-1.56	14.49	-14.17
3.3 Fixed Deposits	3,402.55	3,508.37	23.28	3.70	247.02	75.97
3.4 Total B\$ Deposits	5,532.77	5,609.99	3.72	1.91	297.30	76.12
3.5 F/C Deposits of Residents	170.09	237.02	-23.98	7.79	-29.58	68.04
3.6 M2	5,725.82	5,794.01	1.42	3.19	277.27	54.35
3.7 External Reserves/M2 (%)	11.34	12.99	-0.61	-0.88	3.00	3.19
3.8 Reserves/Base Money (%)	93.39	107.65	2.17	1.44	25.82	20.39
3.9 External Reserves/Demand Liabilities (%)	87.67	103.02	-0.69	4.97	22.88	17.73

Value		Year to Date		Change	
2008	2009	2008	2009	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-37.58	-79.25	183.44	-2.58	-41.67	-186.02
a. Net Purchase/(Sale) from/to Banks	-0.79	-50.92	205.57	28.13	-50.13	-177.45
i. Sales to Banks	34.48	58.37	180.28	218.17	23.89	37.89
ii. Purchases from Banks	33.68	7.44	385.86	246.30	-26.24	-139.56
b. Net Purchase/(Sale) from/to Others	-36.79	-28.33	-22.14	-30.71	8.46	-8.57
i. Sales to Others	54.64	39.49	535.84	366.15	-15.15	-169.69
ii. Purchases from Others	17.86	11.16	513.70	335.44	-6.69	-178.26
4.2 Banks Net Purchase/(Sale)	1.80	-45.57	204.08	17.98	-47.37	-186.10
a. Sales to Customers	440.48	319.67	3,434.57	3,022.13	-120.81	-412.44
b. Purchases from Customers	442.29	274.10	3,638.65	3,040.11	-168.19	-598.54
4.3 B\$ Position (change)	-1.85	3.48				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	377.35	247.93	2,621.88	1,934.52	-129.42	-687.36
of which Public Sector	106.84	19.95	474.69	318.08	-86.89	-156.60
a. Nonoil Imports	110.49	100.69	970.13	756.93	-9.80	-213.21
b. Oil Imports	77.59	24.54	540.84	205.26	-53.05	-335.58
c. Travel	32.46	23.48	178.27	124.88	-8.98	-53.39
d. Factor Income	3.82	14.13	54.66	118.33	10.31	63.67
e. Transfers	7.47	6.91	56.13	46.06	-0.56	-10.07
f. Other Current Items	145.53	78.18	821.85	683.07	-67.35	-138.77
5.2 Capital Items	9.29	5.35	66.87	65.36	-3.95	-1.51
of which Public Sector	3.70	2.20	23.15	18.22	-1.50	-4.94
5.3 Bank Remittances	0.00	10.00	3.05	82.10	10.00	79.05

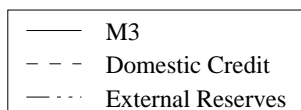
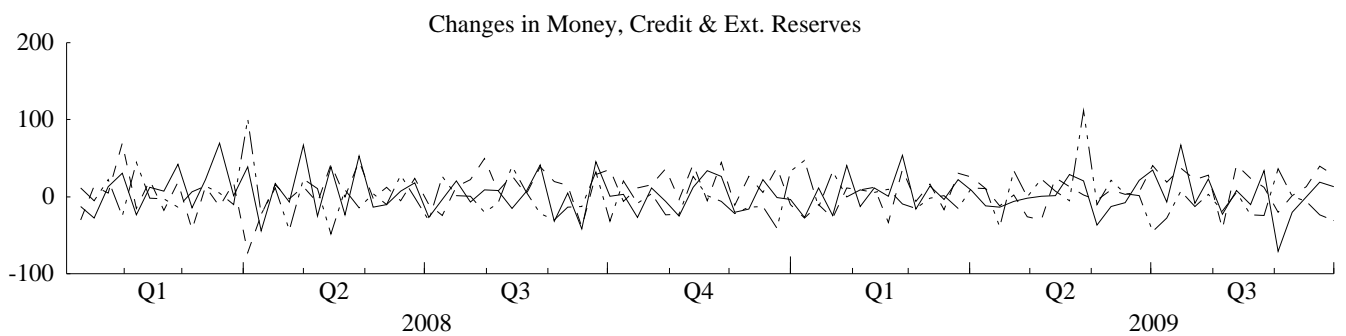
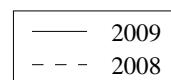
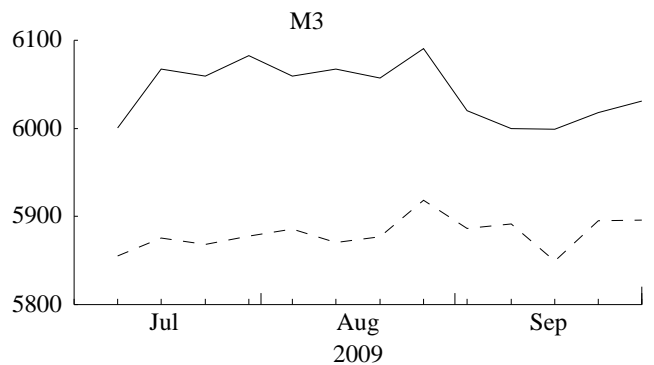
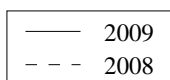
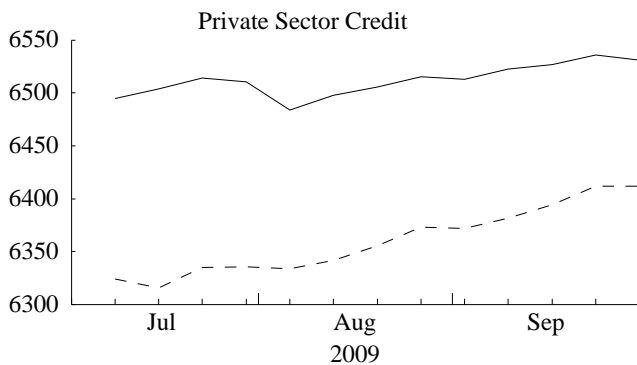
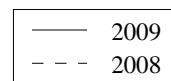
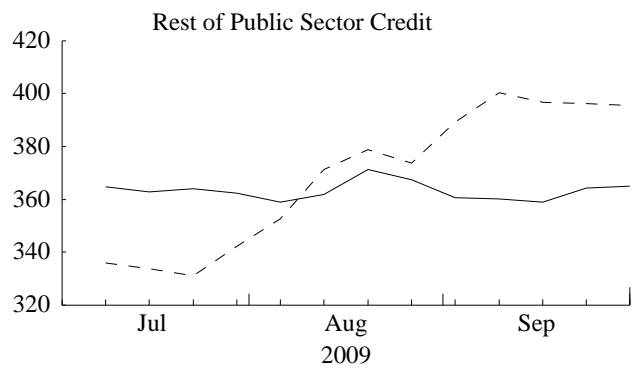
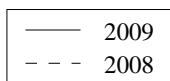
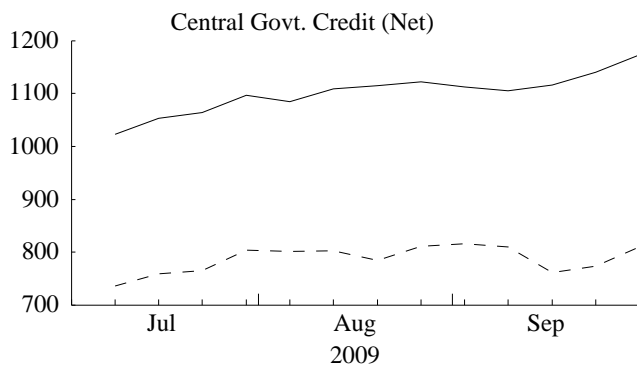
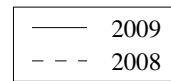
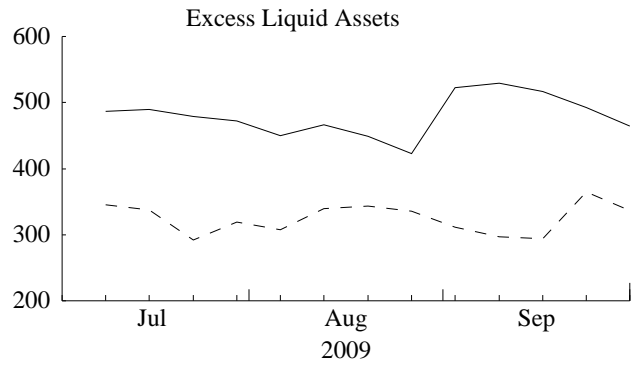
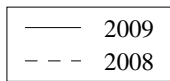
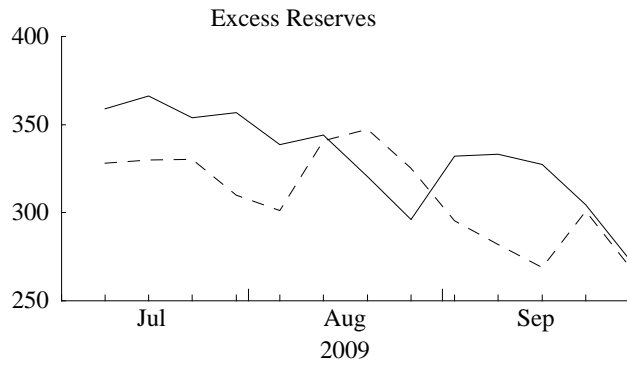
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: OCTOBER 01, 2008 and SEPTEMBER 30, 2009

Exchange Control Sales figures are as at month end.

Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

Components may not sum to totals due to round-off error.

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	
	2008	2009	2008	2009	2008	2009
Bahamas	-1.7	-4.5	4.5	1.8	8.7*	n/a
United States	0.4	-2.7	3.8	-0.4	5.8	8.9
Euro-Area	0.7	-4.2	3.3	0.3	7.6	10.1
<i>Germany</i>	<i>1.2</i>	<i>-5.3</i>	<i>2.8</i>	<i>0.1</i>	<i>7.3</i>	<i>9.0</i>
Japan	-0.7	-5.4	1.4	-1.1	4.0	4.6
United Kingdom	0.7	-4.4	3.6	1.9	5.5	7.4
Canada	0.4	-2.5	2.4	0.1	6.2	8.4

Sources: IMF World Economic Outlook, October 2009, IMF World Economic Outlook, April 2009 & () The Bahamas Department of Statistics.*

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 2007	5.25	4.00	6.25	5.25	5.75
August 2007	5.25	4.00	5.75	5.25	5.75
September 2007	5.25	4.00	5.25	4.75	5.75
October 2007	5.25	4.00	5.00	4.50	5.75
November 2007	5.25	4.00	5.00	4.50	5.75
December 2007	5.25	4.00	4.75	4.25	5.50
January 2008	5.25	4.00	3.50	3.00	5.50
February 2008	5.25	4.00	3.50	3.00	5.25
March 2008	5.25	4.00	2.50	2.25	5.25
April 2008	5.25	4.00	2.25	2.00	5.00
May 2008	5.25	4.00	2.25	2.00	5.00
June 2008	5.25	4.00	2.25	2.00	5.00
July 2008	5.25	4.25	2.25	2.00	5.00
August 2008	5.25	4.25	2.25	2.00	5.00
September 2008	5.25	4.25	2.25	2.00	5.00
October 2008	5.25	3.75	1.25	1.00	4.50
November 2008	5.25	3.25	1.25	1.00	3.00
December 2008	5.25	2.50	0.50	0.00-0.25	2.00
January 2009	5.25	2.00	0.50	0.00-0.25	1.50
February 2009	5.25	2.00	0.50	0.00-0.25	1.00
March 2009	5.25	1.50	0.50	0.00-0.25	0.50
April 2009	5.25	1.25	0.50	0.00-0.25	0.50
May 2009	5.25	1.00	0.50	0.00-0.25	0.50
June 2009	5.25	1.00	0.50	0.00-0.25	0.50
July 2009	5.25	1.00	0.50	0.00-0.25	0.50
August 2009	5.25	1.00	0.50	0.00-0.25	0.50
September 2009	5.25	1.00	0.50	0.00-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Sept-08	Aug-09	Sept-09	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7096	0.6976	0.6832	-2.1	-4.5	-3.7
Yen	106.11	93.12	89.69	-3.7	-1.1	-15.5
Pound	0.5616	0.6140	0.6257	1.9	-8.5	11.4
Canadian \$	1.0644	1.0937	1.0696	-2.2	-12.4	0.5
Swiss Franc	1.1221	1.0590	1.0362	-2.2	-3.1	-7.7

Source: Bloomberg as at September 30, 2009

D. Selected Commodity Prices (\$)					
Commodity	September 2008	August 2009	September 2009	Mthly % Change	YTD % Change
Gold / Ounce	870.95	951.25	1,007.70	5.9	14.2
Silver / Ounce	12.03	14.90	16.65	11.7	46.2
Oil / Barrel	97.83	73.10	65.27	-10.7	65.1

Source: Bloomberg as at September 30, 2009

E. Equity Market Valuations –August 31, 2009 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-4.70	2.27	3.26	4.58	3.88	3.85	-3.42	4.19
3 month	-4.51	5.90	6.96	11.40	10.77	6.43	-2.16	-18.54
YTD	-12.30	10.66	16.98	15.78	17.94	17.98	14.38	52.65
12-month	-18.23	-10.49	-9.93	4.72	-5.87	-2.67	-10.01	21.17

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.12	0.35	0.25
1 Month	0.20	0.44	0.34
3 Month	0.30	0.50	0.55
6 Month	0.85	0.50	0.93
9 Month	1.06	0.92	1.18
1 year	1.26	0.85	1.16

Source: Bloomberg as at September 30, 2009

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE											
	Aug. 05	Aug. 12	Aug. 19	Aug. 26	Sep. 02	Sep. 09	Sep. 16	Sep. 23	Sep. 30	Aug. 05	Aug. 12	Aug. 19	Aug. 26	Sep. 02	Sep. 09	Sep. 16	Sep. 23	Sep. 30						
I. External Reserves	700.49	692.54	658.60	648.51	803.64	816.06	789.65	763.44	752.86	-12.94	-7.95	-33.94	-10.09	155.13	12.42	-26.41	-26.21	-10.58						
II. Net Domestic Assets (A + B + C + D)	64.83	66.38	79.06	63.29	-47.00	-63.85	-44.34	-46.81	-53.48	-4.27	1.55	12.68	-15.77	-110.29	-16.85	19.50	-2.47	-6.67						
A. Net Credit to Gov^t(i + ii + iii - iv)	184.66	193.50	193.57	210.11	221.68	225.39	243.98	245.77	245.93	-4.43	8.84	0.07	16.54	11.58	3.71	18.59	1.79	0.16						
i) Advances	96.99	96.99	96.99	96.99	96.99	96.99	96.99	96.99	96.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	113.95	113.70	113.58	113.61	128.55	123.06	121.76	121.56	120.12	-1.70	-0.26	-0.11	0.03	14.94	-5.50	-1.30	-0.19	-1.44						
iii) Treasury Bills	0.01	0.01	0.01	29.82	52.17	52.17	52.17	52.17	52.17	0.00	0.00	0.00	29.81	22.36	0.00	0.00	0.00	0.00						
iv) Deposits	26.29	17.19	17.01	30.30	56.03	46.82	26.94	24.96	23.36	2.73	-9.09	-0.19	13.30	25.72	-9.21	-19.89	-1.98	-1.60						
B. Rest of Public Sector (Net) (i + ii - iii)	-3.46	-8.65	1.94	-30.54	-0.38	2.51	2.54	-1.40	-1.33	-6.99	-5.19	10.59	-32.47	30.15	2.89	0.03	-3.94	0.08						
i) BDB Loans	6.17	6.15	6.15	6.15	6.15	6.15	6.15	6.15	6.15	0.01	-0.01	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	9.63	14.80	4.21	36.69	6.53	3.64	3.61	7.55	7.48	7.01	5.17	-10.59	32.47	-30.15	-2.89	-0.03	3.94	-0.08						
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)*	-116.36	-118.47	-116.45	-116.29	-268.30	-291.75	-290.86	-291.18	-298.08	7.15	-2.11	2.02	0.16	-152.02	-23.45	0.89	-0.31	-6.90						
III. Monetary Base	765.32	758.92	737.66	711.79	756.64	752.21	745.30	716.63	699.38	-17.22	-6.40	-21.26	-25.86	44.85	-4.43	-6.91	-28.68	-17.25						
A. Currency in Circulation	283.27	275.17	276.42	275.11	277.41	272.55	262.95	261.81	271.66	5.31	-8.09	1.24	-1.31	2.30	-4.86	-9.59	-1.14	9.85						
B. Bank Balances with CBOB	482.06	483.75	461.24	436.68	479.23	479.67	482.35	454.82	427.73	-22.53	1.69	-22.51	-24.56	42.55	0.44	2.68	-27.54	-27.09						

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

FISCAL/REAL SECTOR INDICATORS

(\$ MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE		
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	
Fiscal Operations:																											
1. Government Revenue & Grants % change	100.1	99.8	116.5	87.4																						216.6	187.2
	-27.70%		16.45%	-12.38%																						5.23%	-13.55%
2. Import/Excise Duties % change	39.5	53.6	51.3	42.1																						90.8	95.7
	-33.78%		29.76%	-21.41%																						9.56%	5.39%
3. Recurrent Expenditure % change	116.7	114.5	100.0	94.8																						216.8	209.3
	-24.20%		-14.32%	-17.21%																						8.03%	-3.44%
4. Capital Expenditure % change	8.2	5.2	10.8	11.7																						19.0	16.9
	-76.02%		32.58%	125.00%																						-11.82%	-11.13%
5. Deficit/Surplus* % change	-29.4	-21.1	1.4	-24.3																						-28.1	-45.3
	-55.32%		-104.67%	15.24%																						27.36%	61.56%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP										
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009									
Debt: **																											
6. Total Debt % change	2,635.0	2,873.4	2,635.2	2,883.9	2,624.4	2,946.8	2,687.6	2,953.4	2,678.7	3,053.5	2,676.6	3,084.2	2,681.2	3,084.6	2,682.2	3,237.0	2,766.3	3,221.1									
	-0.02%	4.99%	0.01%	0.37%	-0.41%	2.18%	2.41%	0.22%	-0.43%	3.36%	0.00%	0.84%	0.10%	0.01%	0.04%	4.94%	3.15%	-0.49%									
7. External Debt % change	272.4	383.2	272.6	393.7	271.9	392.8	370.9	390.2	370.9	415.3	370.8	421.0	373.4	421.5	374.4	423.8	373.5	423.0									
	0.00%	0.04%	0.08%	2.75%	-0.27%	-0.24%	36.44%	-0.66%	0.00%	6.43%	-0.03%	1.38%	0.69%	0.10%	0.28%	0.56%	-0.25%	-0.20%									
8. Internal F/C Debt % change	23.2	3.6	23.2	3.6	23.2	53.6	2.3	52.7	3.4	142.7	3.4	162.7	3.4	162.7	3.4	162.7	3.4	162.7									
	-0.17%	158.00%	0.00%	0.00%	0.00%	138.427%	-90.25%	-1.08%	50.01%	170.75%	0.00%	14.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%									
9. Bahamian Dollar Debt % change	2,339.4	2,486.6	2,339.4	2,486.6	2,329.4	2,500.5	2,314.4	2,510.5	2,304.4	2,500.5	2,304.4	2,500.5	2,304.4	2,500.5	2,304.4	2,650.5	2,389.4	2,635.5									
	-0.02%	4.51%	0.00%	0.00%	-0.43%	0.56%	-0.64%	0.40%	-0.43%	-0.40%	0.00%	0.00%	0.00%	0.00%	0.00%	6.00%	3.69%	-0.57%									
10. Total Amortization % change	0.5	0.0	0.1	0.0	10.7	0.9	37.7	18.5	10.0	60.0	0.1	0.0	0.0	0.1	0.0	0.0	15.9	15.9									
	391.80%	-100.00%	-80.46%		1107.679%		250.76%	1868.38%	-73.40%	224.72%	-98.94%	-100.00%	-100.00%		-100.00%		0.00%	0.00%									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP										
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009									
11. Total Public Sector F/C Debt	692.0	842.6	690.5	851.4	684.1	903.6	761.1	899.6	760.1	1,012.6	773.5	1,033.1	772.8	1,032.8	772.1	1,032.3	894.9	1,030.8									
	25.94%	30.86%	-18.05%	23.30%	-19.64%	32.08%	-15.77%	18.20%	-15.51%	33.22%	-23.62%	33.56%	-25.19%	33.65%	-25.25%	33.71%	8.14%	23.46%									

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP										
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009									
Real Sector Indicators																											
12. Retail Price Index % change: over previous month	124.2	129.9	124.6	129.8	124.7	130.0	126.6	130.2	128.1	130.4	128.5	130.7	129.3	130.9	130.0	130.9											
	0.09%	0.12%	0.32%	-0.03%	0.09%	0.15%	1.56%	0.18%	1.2%	0.1%	0.3%	0.2%	0.6%	0.1%	0.5%	0.0%											
13. Tourist arrivals (000's) % change: over previous year	372.7	410.8	430.9	386.8	500.6	466.0	396.9	414.7	339.3	384.5																	
	-6.19%	10.31%	14.39%	-10.25%	29.43%	-6.90%	-14.85%	4.50%	-18.2%	13.3%																	
14. Air arrivals (000's) % change: over previous year	110.8	90.0	125.8	103.1	166.8	133.4	138.1	131.2	128.5	113.5																	
	7.08%	-18.74%	6.49%	-18.04%	61.83%	-20.03%	3.50%	-4.95%	-2.1%	-11.7%																	
15. Occupied Room Nights % change: over previous year	212.9	169.7	211.8	168.3	262.7	213.1	232.2	231.0	216.0	220.4																	
	7.01%	-20.30%	2.85%	-20.52%	0.81%	-18.87%	-9.72%	-0.55%	-2.01%	2.0%																	
16. Res. Mortgage Commitments-New Const. % change: over previous qtr.					44.4	49.2					49.8	46.4															
					44.63%	22.99%					12.1%	-5.8%															

* Includes Net Lending to Public Corporations
 ** Debt figures pertain to central government only unless otherwise indicated
 P - Provisional
 Annual/3-D Retail Price data are averages.