



Monthly Economic and Financial Developments July 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 Dates:

2009: September 28, November 2, December 29.

Monthly Economic and Financial Developments July 2009

1. Domestic Economic Developments

Domestic economic conditions remained challenging over the review month, amid sustained softening in key global consumer demand indicators. The consequential weakness in the local tourism sector, combined with recessed levels of foreign investment-related construction activity, contributed to a deterioration in employment conditions. Continued easing in demand pressures resulted in a moderation in the inflation rate despite a firming in fuel prices during July. Money and credit trends for the month featured a contraction in liquidity and external reserves, reflecting the seasonal increase in demand for foreign currency in the latter half of the year.

Indications are that tourism output continued to be adversely impacted by the significant falloff in stopover visitors. Detailed data for the first five months of 2009 showed a modest 1.2% increase in aggregate arrivals, supported by a 9.0% advance in the larger sea segment, which overshadowed a 14.7% reduction in air traffic. Disaggregated by port of entry, tourists to New Providence and Grand Bahama grew by 4.0% and 1.6% respectively, owing to a rise in cruise visitors which offset the downturn in air arrivals. Conversely, the Family Island market registered a 3.9% contraction, as the fall in air passengers outpaced the marginal gain in sea visitors.

As domestic prices continued to stabilize, inflation for the twelve months to July fell by 0.4 percentage points to 3.9% from the previous month; but was still above the 3.3% rate recorded a year ago. The most significant cost increases were recorded for food & beverages (8.1%), 'other' goods & services (6.7%) and furniture and household operations (4.7%); while more modest price gains of under 4.0% were registered for the remaining categories. In other price developments, the Bahamas Electricity Corporation's fuel surcharge for July rose on a monthly basis by 26.3% to 9.61 cents per kilowatt hour (KWh), but fell by 54.8% on a yearly basis. Similarly, average prices for diesel and gasoline firmed by 12.5% to \$3.16 per gallon and by 4.8% to \$4.16 per gallon in July, although still 47.9% and 27.5% below last year's level.

Preliminary data on Government's budgetary operations for the eleven months of FY2008/09 indicated that the overall deficit expanded by \$139.2 million to \$219.0 million from the previous year. Under weakened economic conditions, revenue collections fell by 6.1% to \$1,201.7 million, due primarily to a 25.5% contraction in tax receipts. The most significant declines were noted for international trade taxes (13.0%), other "miscellaneous" stamp taxes (22.8%), departure (15.6%) and motor vehicle taxes (3.8%). Aggregate expenditure firmed by 4.5% to \$1,420.7 million, associated mainly with a 5.3% rise in current outlays, as capital spending declined by 6.7%. The deficit was financed by a combination of Bahamian dollar and foreign currency borrowings.

2. International Developments

Indications are that the aggressive and expansionary policy actions taken by respective Governments and central banks worldwide since the start of the financial crisis have begun to positively impact global economic activity.

In the United States, the implementation of the Government's fiscal stimulus package offset weakness in the private sector and led to a slowdown in the rate of economic decline, to 1.0% in the second quarter from a contraction of 6.4% in the previous three-month period. The monthly trade deficit widened by 3.8% to \$27.0 billion in June, as the 2.3% rise in imports outweighed the 1.9% growth in exports. Despite the loss of an additional 247,000 jobs in July, the unemployment rate softened by 0.1 percentage points to 9.4%, occasioned by a significant increase in "discouraged" workers. Amid elevated unemployment levels, households restricted spending, resulting in a falloff in retail sales by 0.1% in July, and consumer confidence weakened by 2.7 points to 46.6 points. On the monetary front, the release of the minutes from the Federal Reserve's June meeting highlighted the authorities cautiously positive outlook on domestic economic conditions, and also reiterated the Bank's policy of purchasing private and Government securities to support the credit markets.

The United Kingdom's economy showed modest signs of improvement in the second quarter, as industrial production grew by 0.5% in June, following a 0.7% contraction in May, buttressed by heightened automobile production. Retail sales rose by 1.8% in July, on a yearly basis, in contrast to a 0.9% decline in the previous month. Despite these developments, the unemployment rate firmed by 0.7 percentage points to 7.8% in the second quarter, compared to the opening quarter. The Bank of England maintained its expansionary monetary policy stance over the review period, keeping its key rate at a historic low of 0.5% for the fifth consecutive month and continuing its £125 billion Asset Purchase Programme.

Economic indicators remained mixed in the euro area, as several economies showed signs of modest growth in the second quarter—securing an improvement in the contraction in overall output, to 0.1% from 2.5% in the previous quarter. Similarly, the volume of retail trade receded by 0.2% in June, compared to a 0.5% falloff in the previous month. Amid the softness in the domestic economy, the unemployment rate rose by 0.1 percentage point on a monthly basis, to 9.4% in June—its highest level in ten years; while clear signs of falling average prices, prompted the European Central Bank to keep its benchmark interest rates unchanged.

In China, boosted by the Government's US\$586 billion stimulus package and heightened commercial bank lending, GDP growth accelerated to 7.9% in the second quarter, after slowing to 6.1% in the first three months. In July, industrial production and retail sales firmed by 0.1% and 0.2%, respectively, over the previous month. External demand also supported economic activity within China, as the 10.4% expansion in exports, outpaced the 8.7% advance in imports, resulting in the trade surplus growing on a monthly basis, by 29.3% to US\$10.6 billion in July. Despite increased consumer demand, lower costs for food and non-food items contributed to a 0.1 percentage point softening in monthly consumer prices in July and by 1.8% year-on-year.

The Japanese economy continued to stabilize, as recovered exports and industrial output underpinned preliminary growth in second quarter GDP of 0.9% compared to a 3.5% decline in the previous period. Despite these positive developments, labour market conditions remained depressed, as the unemployment rate rose in June by 0.2 percentage points over the previous month to 5.4%—its highest level in six years. A worsening in employment prospects led to conservative spending patterns and contributed to a monthly 0.3% decline in retail sales. Similarly, weak domestic demand, along with lower fuel, light and water charges, led to a 0.2% decrease in consumer prices in June over the previous month. To aid the economic recovery, the Bank of

Japan left its key uncollateralized overnight rate at 0.1% and extended the length of its credit facilities, which are aimed at stimulating corporate lending.

For the month of July, OPEC's crude oil production averaged 28.7 million barrels per day, an increase of 160,000 barrels over the previous month. The boost in the supply of oil, along with tempered global demand pressures, led to a 2.0% easing in oil prices to \$68.57 per barrel in July. Conversely, gold and silver prices rose by 3.0% and 2.3% to \$954.00 and \$13.92 per troy ounce, respectively.

Favourable economic data and a better than expected corporate earnings performance in the United States and other key markets fostered positive investor sentiment, as all major equity indices registered advances in July. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 index increased by 8.5% and 7.5% to 9,171.6 points and 984.4 points, respectively. In European markets, Germany's DAX firmed by 10.9% to 5,332.1 points, France's CAC 40, by 9.1% to 3,426.3 points and the United Kingdom's FTSE 100 index, by 8.5% to 4,608.4 points. In Asia, China's SE Composite and Japan's NIKKEI 225 index advanced by 15.3% to 3,412.1 points and 4.0% to 10,306.8 points, respectively.

3. Domestic Monetary and Credit Trends

During the month of July, liquidity and external reserves contracted, reflecting mainly the seasonal trend of net foreign currency outflows during the latter half of the year. However, over the first seven months of 2009, an easing in consumer demand pressures along with foreign currency borrowings by the Government, led to growth in both liquidity and external reserves.

July 2009 vs. 2008

In July, excess reserves were reduced by \$29.6 million, following an \$8.0 million expansion a year earlier. Similarly, excess liquid assets fell by \$39.5 million, extending the \$2.9 million decline registered in 2008.

External reserves contracted by \$50.8 million, a turnaround from the modest \$8.4 million build-up last year, as the Central Bank's net foreign currency transaction was reversed, from a net purchase of \$8.0 million to a net sale of \$51.2 million. Reflective of these developments, the Bank's transactions with commercial banks switched to a net sale of \$22.6 million, from a net purchase of \$31.8 million a year ago. The latter outturn corresponded with a decline in commercial banks' net purchase from clients, by \$27.5 million to \$1.5 million, as a 40.2% reduction in purchases outweighed the 36.6% decline in sales. In addition, the Bank's net sale to the public sector was higher by \$4.8 million at \$28.6 million.

Buttressed by an expansion in net credit to Government, accretions to Bahamian dollar credit rose by \$35.3 million to \$97.0 million. Growth in net claims on the Government was extended to \$80.4 million, from the \$44.2 million a year earlier, and was mainly in the form of increased commercial bank advances. Private sector credit firmed by \$23.4 million relative to \$18.5 million a year ago, as consumer credit and mortgages improved by \$4.0 million and \$13.2 million, respectively. In contrast, claims on the public sector fell by \$6.7 million, following a \$0.9 million net repayment recorded a year ago.

Foreign currency credit expanded by \$9.1 million, compared to a \$0.6 million net repayment last year. Buoyed by increased borrowings by a public entity, growth in credit to public corporations was maintained at \$8.6 million vis-a-vis \$7.0 million in 2008. In addition, net claims on the Government rebounded by \$1.2 million, compared to a \$3.0 million reduction in 2008. In contrast, the contraction in private sector credit slowed to \$0.7 million, from the previous year's \$4.6 million.

Accretions to total Bahamian dollar deposits rose by \$25.9 million to \$57.6 million, attributable to gains in demand and fixed deposits. Supported by a build-up in deposit balances by a public corporation, demand deposits advanced by \$49.8 million, more than double the \$23.8 million expansion recorded a year earlier. Similarly, gains in fixed deposits firmed by \$2.9 million to \$8.9 million, whereas saving deposits fell marginally by \$1.0 million vis-à-vis a \$1.8 million build-up in 2008.

In interest rate developments, the weighted average deposit rate at banks softened by 16 basis points to 3.68%, with the highest rate of 6.00% offered on fixed deposit balances over 12 months. Similarly, the weighted average loan rate moved lower by 22 basis points to 10.60%.

January – July 2009

Money and credit trends for the first seven months of 2009 featured buoyant liquidity conditions, as excess reserves strengthened by \$149.6 million, more than double the \$68.2 million upturn recorded a year-earlier. Similarly, accretions to excess liquid assets accelerated by 27.4% to \$209.5 million.

The expansion in external reserves slowed by \$76.9 million (33.8%) to \$150.7 million, due to an \$81.0 million contraction in the Central Bank's net foreign currency purchase to \$140.0 million. Reflecting this development, the Bank's net purchase from commercial banks moved lower by \$76.0 million to \$120.3 million, as they in turn, recorded a \$75.8 million reduction in the net purchase from their clients to \$127.0 million. Similarly, the Bank's net purchase from the public sector fell by \$5.0 million to \$19.7 million.

Occasioned by a diminution of consumer demand pressures, growth in Bahamian dollar credit slackened to \$43.9 million, from \$191.1 million a year ago. Total private sector credit rose for the first time since the start of the year in July, although the \$8.8 million advance was significantly below last year's increase of \$217.3 million. Among the major categories, credit to consumers fell by \$31.1 million in contrast to 2008's \$74.9 million advance; while mortgage gains slowed by 46.3% to \$67.8 million. Credit to public corporations waned by \$2.8 million, relative to a \$3.3 million gain last year, while net claims on the Government firmed by \$37.9 million vis-à-vis a \$29.5 million net contraction in 2008.

A further breakdown of consumer lending for the first six months of the year revealed continued strains in the credit market, as the majority of the loan categories contracted, amid elevated levels of arrears. Significant declines were observed for credit cards (\$15.8 million), private vehicles (\$15.4 million), "miscellaneous" (\$11.6 million) travel (\$9.1 million) and home improvement (\$5.1 million); while loans with smaller contractions of less than \$5.0 million were recorded for most of the remaining categories. However, accretions to debt consolidation loans—loans which have been rewritten—rose to \$37.9 million, slightly higher than the previous year's expansion.

Led by an acceleration in Government's financing activities, domestic foreign currency credit expanded by \$122.5 million, in contrast to a \$55.2 million contraction last year. Net credit to the Government rebounded by \$160.7 million, a turnaround from a \$23.3 million decline in 2008, reflecting mainly the receipt of short-term advances from commercial banks. Conversely, claims on the public sector fell by \$36.7 million, reversing last year's \$59.9 million growth; and the falloff in private sector credit was markedly lower at \$1.4 million from \$91.8 million a year-earlier.

Asset quality indicators continued to deteriorate during the month of July, with the value of private sector loans in arrears rising by \$64.7 million (7.7%) to \$902.5 million and the associated ratio of arrears to total loans advancing by 0.8 percentage points to 14.5%. Broad-based increases were noted in the average age of delinquent loans, as the value of the 31–90 day segment rose by \$33.4 million (9.1%) to \$401.4 million, resulting in a 43 basis points increase in the corresponding loan ratio to 6.5%. Similarly, non-performing loans—those more than 90 days in arrears and on which banks have stop accruing interest—expanded by \$31.3 million (6.7%) to \$501.1 million; and constituted a 37 basis points hike in the loan ratio to 8.1%.

In terms of the components, the increase in total arrears was led by a \$30.0 million (8.2%) hike in mortgage delinquencies to \$396.1 million and a \$28.5 million (14.5%) elevation in the commercial segment to \$224.4 million. Consumer arrears also grew by \$6.3 million (2.3%) to \$282.0 million. In light of the downturn in asset quality, banks strengthened their loan loss provisions by \$3.8 million (1.9%) to \$205.2 million; however, amid accelerating delinquencies, the ratio of provisions to both arrears and non-performing loans declined by 1.3 and 1.9 percentage points, to 22.7% and 41.0%, respectively.

During the review period, Bahamian dollar deposit growth slowed to \$139.3 million from \$252.3 million a year earlier, occasioned by a more than three-fold decrease in accretions to fixed deposits to \$55.7 million. In contrast, demand deposit growth more than doubled to \$65.7 million, compared to an increase of \$31.9 million last year, while gains in savings deposits abated by 35.4% to \$17.9 million.

4. Outlook

Domestic economic conditions are expected to remain subdued over the remainder of the year, with a return to trend growth not anticipated to occur until the latter half of 2010—although conditions will continue to be significantly influenced by the pace of recovery in the US economy. Consequently, stopover arrivals and occupancy levels seen in the first half of the year are projected to stay relatively weak in the near-term as is the case for foreign investment and construction-related activities.

A modest offset is expected to be provided from domestic private sector projects, as well as the public sector's capital work programmes; however, given the decline in Government's revenue—due to reduced consumer demand—the overall fiscal deficit, along with the corresponding debt to GDP ratios are projected to expand over the medium term.

With regards to the external trade accounts, the improvement noted during the first half of the year is likely to be sustained for the balance of 2009, given restrained import demand levels. The overall balance, measured by the country's external reserves, is projected to remain relatively

robust, although some downward momentum is anticipated in the traditional inventory rebuilding period, over the near-term, buoyed by depressed demand conditions and Government's foreign currency borrowing activities.

The Central Bank will continue to monitor the domestic environment to ensure the stability of the financial sector.

Recent Monetary and Credit Statistics

(B\$ Millions)

JULY						
Value		Change		Change YTD		
2008	2009	2008	2009	2008	2009	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	309.90	356.86	7.98	-29.61	68.21	149.56
1.2 Excess Liquid Assets	319.30	472.27	-2.91	-38.65	164.45	210.32
1.3 External Reserves	682.37	713.43	8.39	-50.79	227.57	150.70
1.4 Bank's Net Foreign Assets	-640.14	-808.97	-19.30	21.53	48.71	-87.16
1.5 Usable Reserves	294.30	308.93	4.12	-22.83	189.81	75.35

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,335.47	6,510.58	13.84	22.62	125.52	7.42
a. B\$ Credit	5,895.42	6,072.62	18.46	23.36	217.28	8.83
of which: Consumer Credit	2,176.63	2,183.79	16.99	4.01	74.92	-31.13
Mortgages	2,666.48	2,819.03	18.49	13.17	126.26	67.79
b. F/C Credit	440.04	437.96	-4.62	-0.74	-91.76	-1.41
of which: Mortgages	49.99	93.25	-1.90	-0.71	-4.04	7.92
2.2 Central Government (net)	804.23	1,097.49	41.17	81.57	-52.80	198.54
a. B\$ Loans & Securities	951.09	1,114.79	44.46	79.23	-12.51	81.56
Less Deposits	145.15	180.08	0.30	-1.14	16.98	43.67
b. F/C Loans & Securities	3.39	164.80	0.00	0.05	-19.77	160.89
Less Deposits	5.10	2.01	2.99	-1.15	3.53	0.24
2.3 Rest of Public Sector	342.39	362.28	6.12	1.93	63.20	-39.55
a. B\$ Credit	66.39	82.05	-0.92	-6.69	3.30	-2.82
b. F/C Credit	276.00	280.23	7.04	8.62	59.90	-36.73
2.4 Total Domestic Credit	7,482.08	7,971.41	61.13	107.10	135.92	167.47
a. B\$ Domestic Credit	6,767.75	7,090.43	61.70	98.01	191.09	44.96
b. F/C Domestic Credit	714.33	880.98	-0.57	9.09	-55.17	122.51

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,120.44	1,147.12	23.83	49.76	31.86	65.68
a. Central Bank	19.97	2.62	-1.35	-13.74	10.15	-6.33
b. Banks	1,100.47	1,144.50	25.18	63.49	21.71	72.01
3.2 Savings Deposits	1,019.00	1,037.89	1.81	-1.04	27.65	17.86
3.3 Fixed Deposits	3,348.34	3,482.37	6.06	3.17	192.81	49.97
3.4 Total B\$ Deposits	5,487.78	5,667.37	31.70	51.89	252.31	133.51
3.5 F/C Deposits of Residents	192.36	225.62	-16.16	24.35	-7.31	56.64
3.6 M2	5,685.34	5,856.47	35.70	50.49	236.78	116.80
3.7 External Reserves/M2 (%)	12.00	12.18	0.07	-0.98	3.66	2.38
3.8 Reserves/Base Money (%)	92.59	91.17	-0.41	-2.43	25.02	3.92
3.9 External Reserves/Demand Liabilities (%)	87.87	87.97	0.26	-0.20	23.09	2.68

Value		Year to Date		Change	
2008	2009	2008	2009	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	7.97	-51.20	221.00	140.00	-59.16	-81.00
a. Net Purchase/(Sale) from/to Banks	31.78	-22.61	196.27	120.27	-54.38	-76.00
i. Sales to Banks	13.50	47.12	124.65	101.35	33.62	-23.30
ii. Purchases from Banks	45.28	24.51	320.92	221.62	-20.76	-99.30
b. Net Purchase/(Sale) from/to Others	-23.81	-28.59	24.74	19.73	-4.78	-5.00
i. Sales to Others	53.15	43.45	406.50	280.52	-9.70	-125.97
ii. Purchases from Others	29.34	14.86	431.23	300.25	-14.48	-130.98
4.2 Banks Net Purchase/(Sale)	28.93	1.48	202.84	127.02	-27.45	-75.81
a. Sales to Customers	443.40	281.08	2,598.43	2,258.51	-162.32	-339.92
b. Purchases from Customers	472.33	282.56	2,801.27	2,385.54	-189.77	-415.73
4.3 B\$ Position (change)	-13.22	-12.44				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	321.89	0.00	1,816.27	1,080.96	-321.89	-735.31
of which Public Sector	47.65	0.00	272.42	162.57	-47.65	-109.85
a. Nonoil Imports	122.54	0.00	738.05	470.87	-122.54	-267.18
b. Oil Imports	82.97	0.00	333.90	112.25	-82.97	-221.65
c. Travel	18.43	0.00	117.68	67.63	-18.43	-50.04
d. Factor Income	4.64	0.00	43.67	50.20	-4.64	6.53
e. Transfers	6.06	0.00	37.91	27.64	-6.06	-10.27
f. Other Current Items	87.25	0.00	545.06	352.37	-87.25	-192.69
5.2 Capital Items	13.03	0.00	49.52	39.20	-13.03	-10.32
of which Public Sector	6.63	0.00	18.31	4.17	-6.63	-14.14
5.3 Bank Remittances	0.01	0.00	3.04	27.80	-0.01	24.76

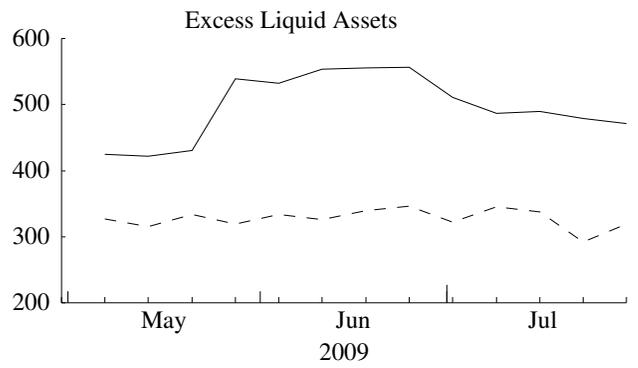
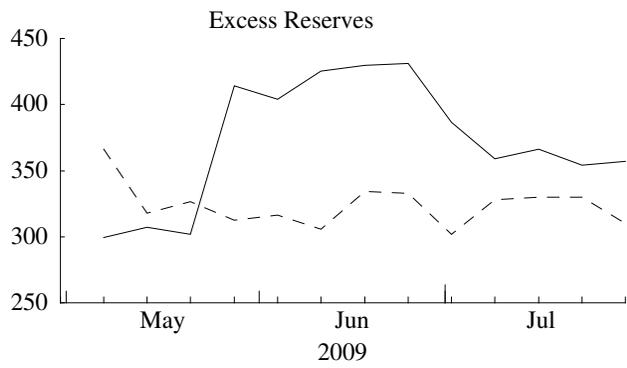
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: JULY 30, 2008 and JULY 29, 2009

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.

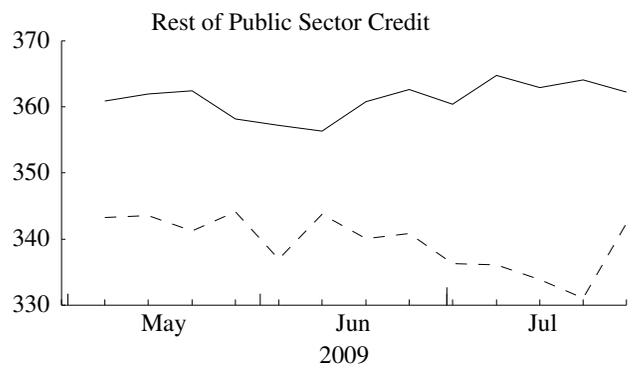
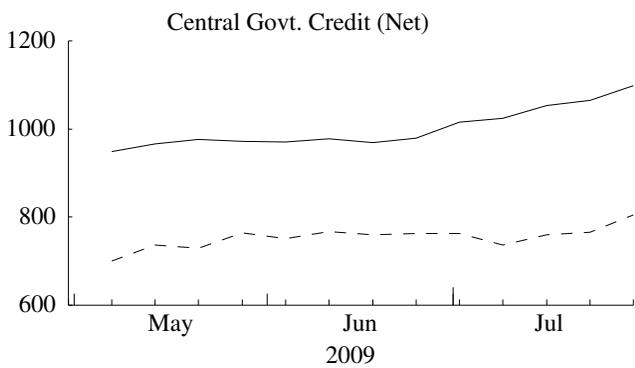
Components may not sum to totals due to round-off error.

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



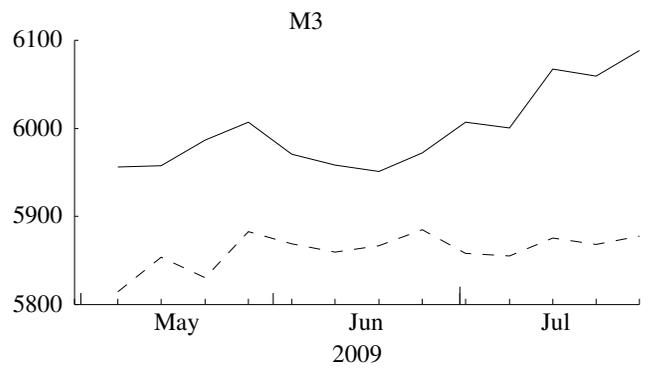
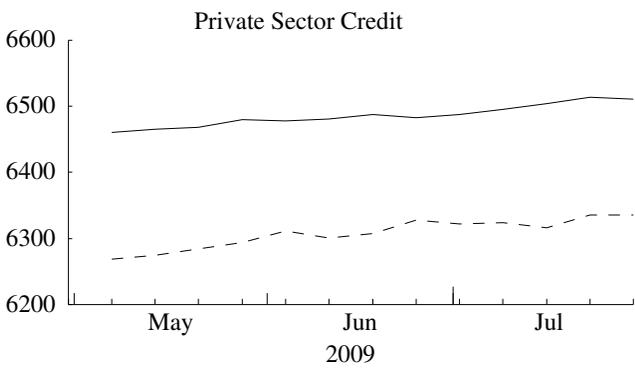
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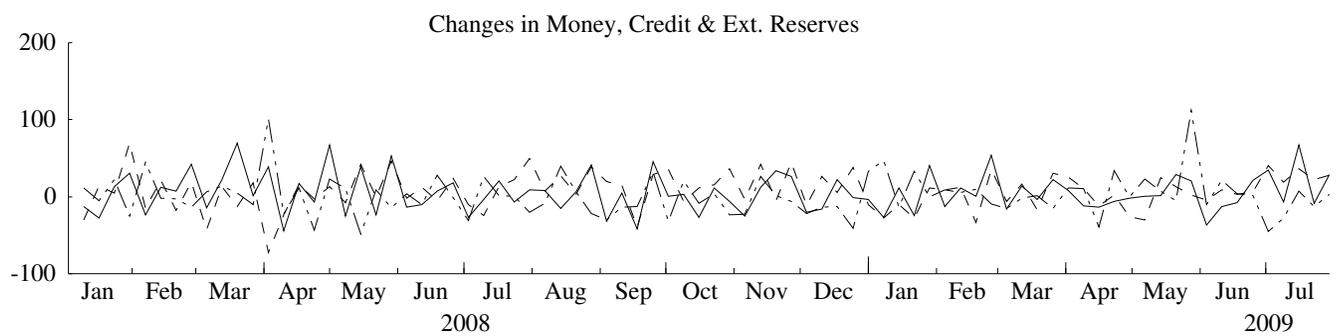
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— M3
- - - Domestic Credit
- · - External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2008	2009	2008	2009	2008	2009
Bahamas	-1.7*	-4.5	4.5	1.8	8.7*	n/a
United States	1.1	-2.6	3.8	-0.9	5.8	8.9
Euro-Area	0.9	-4.8	3.3	0.4	7.6	10.1
<i>Germany</i>	<i>1.3</i>	<i>-6.2</i>	<i>2.8</i>	<i>0.1</i>	<i>7.3</i>	<i>9.0</i>
Japan	-0.6	-6.0	1.4	-1.0	4.0	4.6
United Kingdom	0.7	-4.2	3.6	1.5	5.5	7.4
Canada	0.5	-2.3	2.4	0.0	6.2	8.4

Sources: IMF World Economic Outlook, April 2009, IMF World Economic Outlook Update, July 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
May 2007	5.25	3.75	6.25	5.25	5.50
June 2007	5.25	4.00	6.25	5.25	5.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jul-08	Jun-09	Jul-09	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.6409	0.7126	0.7014	-1.6	-2.0	9.4
Yen	107.91	96.36	94.69	-1.7	4.4	-12.3
Pound	0.5040	0.6076	0.5983	-1.5	-12.5	18.7
Canadian \$	1.0247	1.1623	1.0775	-7.3	-11.7	5.2
Swiss Franc	1.0471	1.0864	1.0685	-1.6	-0.1	2.0

Source: Bloomberg as at July 31, 2009

D. Selected Commodity Prices (\$)					
Commodity	July 2008	June 2009	July 2009	Mthly % Change	YTD % Change
Gold / Ounce	914.07	926.6	954	3.0	8.2
Silver / Ounce	17.75	13.61	13.92	2.3	22.2
Oil / Barrel	123.43	69.99	68.57	-2.0	73.5

Source: Bloomberg as at July 31, 2009

E. Equity Market Valuations –July 31, 2009 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.42	8.58	7.53	8.45	9.10	10.89	4.00	15.30
3 month	-1.58	7.90	7.75	4.31	4.53	7.92	8.76	29.59
YTD	-8.16	4.50	9.37	3.93	6.47	10.85	16.90	87.39
12-month	-12.31	-19.39	-22.31	-14.85	-21.99	-17.71	-22.58	22.93

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.16	0.45	0.20
1 Month	0.28	0.50	0.50
3 Month	0.82	0.85	0.79
6 Month	0.72	0.88	1.11
9 Month	1.20	1.35	1.18
1 year	1.51	1.30	1.35

Source: Bloomberg, as at July, 31, 2009

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

	VALUE												CHANGE											
	Jun. 03	Jun. 10	Jun. 17	Jun. 24	Jul. 01	Jul. 08	Jul. 15	Jul. 22	Jul. 29	Jun. 03	Jun. 10	Jun. 17	Jun. 24	Jul. 01	Jul. 08	Jul. 15	Jul. 22	Jul. 29						
I. External Reserves	760.77	774.39	775.62	777.50	764.22	732.00	722.75	707.90	713.43	2.14	13.62	1.23	1.88	-13.28	-32.22	-9.25	-14.85	5.53						
II. Net Domestic Assets (A + B + C + D)	71.90	71.93	70.20	70.76	52.23	49.12	62.62	67.78	69.11	-10.21	0.03	-1.73	0.56	-18.53	-3.11	13.50	5.16	1.33						
A. Net Credit to Gov't (i + ii + iii - iv)	194.37	195.09	192.86	186.84	181.67	172.59	184.90	186.90	189.09	-1.22	0.72	-2.23	-6.02	-5.17	-9.08	12.32	2.00	2.18						
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	117.66	117.23	117.09	116.86	116.52	116.10	115.91	115.90	115.66	-0.30	-0.43	-0.14	-0.24	-0.34	-0.42	-0.19	-0.01	-0.24						
iii) Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00						
iv) Deposits	20.27	19.13	21.22	27.00	31.84	40.50	28.00	25.99	23.56	0.91	-1.15	2.09	5.78	4.83	8.67	-12.50	-2.01	-2.43						
B. Rest of Public Sector (Net) (i + ii - iii)	-7.14	-8.15	-5.88	-1.41	-10.14	-6.48	-5.06	-2.26	3.53	2.08	-1.01	2.27	4.47	-8.74	3.66	1.42	2.79	5.79						
i) BDB Loans	6.21	6.21	6.21	6.21	6.21	6.21	6.15	6.15	6.15	0.00	0.00	0.00	0.00	0.00	0.00	-0.06	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	13.35	14.36	12.09	7.62	16.36	12.69	11.21	8.41	2.62	-2.08	1.01	-2.27	-4.47	8.74	-3.66	-1.49	-2.79	-5.79						
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)*	-115.33	-115.01	-116.78	-114.67	-119.30	-116.99	-117.23	-116.86	-123.51	-11.07	0.32	-1.77	2.11	-4.62	2.31	-0.24	0.36	-6.65						
III. Monetary Base	832.67	846.32	845.82	848.26	816.45	781.12	785.37	775.68	782.54	-8.06	13.65	-0.50	2.44	-31.81	-35.33	4.25	-9.69	6.86						
A. Currency in Circulation	282.79	280.69	272.97	272.76	279.46	280.77	277.95	271.85	277.96	10.00	-2.10	-7.73	-0.21	6.70	1.31	-2.82	-6.11	6.11						
B. Bank Balances with CBOB	549.88	565.63	572.86	575.50	536.99	500.35	507.42	503.83	504.58	-18.06	15.75	7.22	2.65	-38.51	-36.64	7.06	-3.59	0.75						

* 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)

	YEAR TO DATE	
	2007/2008	2008/2009
(Over previous year)	1279.7	1201.7
	6.66%	-6.09%
	473.1	513.5
	5.66%	8.52%
	1192.9	1256.2
	5.35%	5.31%
	118.9	110.9
	-10.01%	-6.77%
	-79.9	-219.2
	-32.08%	-174.40%

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		
	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	
Fiscal Operations:																									
1. Government Revenue & Grants	111.5	100.1	94.3	116.5	87.9	112.1	108.3	107.0	108.3	112.1	87.8	96.9	110.8	134.2	117.6	129.5	91.5	111.5	100.7	163.3	150.1	120.5	120.5	120.5	
% change	-19.47%	-27.75%	-15.45%	16.45%	-6.78%	4.80%	10.80%	21.70%	10.80%	4.80%	-18.98%	-13.61%	26.30%	38.61%	6.08%	-3.53%	-22.19%	-13.93%	10.09%	46.46%	49.00%	-19.68%	-19.68%		
2. Import/Excise Duties	42.9	39.5	40.0	51.3	39.3	46.6	59.8	46.6	59.8	46.6	47.1	37.6	48.7	50.8	38.2	40.4	44.6	40.8	46.1	47.5	45.5	41.6	41.6		
% change	-28.09%	-33.78%	-6.90%	29.76%	-1.68%	-0.04%	16.93%	18.50%	16.93%	-0.04%	-2.119%	-19.23%	3.33%	35.01%	-21.60%	-20.48%	16.93%	1.04%	3.37%	16.49%	-1.31%	-8.55%	-8.55%		
3. Recurrent Expenditure	101.6	116.7	99.1	100.0	103.0	114.8	106.9	114.7	106.9	114.8	111.2	105.8	108.5	130.4	128.3	95.9	100.7	112.7	129.5	113.1	126.2	105.6	105.6		
% change	-34.02%	-24.19%	-2.50%	-14.32%	3.94%	14.77%	3.82%	-0.07%	3.82%	-0.07%	-3.04%	-0.60%	-2.42%	23.28%	18.19%	-26.45%	-21.50%	17.52%	28.64%	0.24%	-2.55%	-16.34%	-16.34%		
4. Capital Expenditure	7.6	8.2	14.0	10.8	9.0	9.0	8.4	9.2	8.4	14.6	10.0	10.5	11.2	12.1	6.5	10.5	8.4	10.2	14.0	12.2	13.7	9.9	9.3		
% change	-77.81%	-76.01%	85.10%	32.58%	-35.84%	-12.40%	-6.32%	-2.21%	-6.32%	73.11%	8.58%	-27.95%	11.81%	15.34%	-41.82%	-13.07%	28.99%	-2.95%	66.04%	19.29%	-1.98%	-18.83%	-18.83%		
5. Deficit/Surplus*	0.8	-29.4	-23.9	1.4	-27.7	-32.4	-12.1	-21.0	-32.4	-14.4	-40.2	-22.1	-13.6	-13.8	-24.1	20.5	-21.0	-16.4	-44.2	31.6	3.5	-2.2	1.8		
% change	-101.20%	-55.22%	-3127.59%	-104.67%	15.74%	-2451.67%	-35.15%	-56.15%	-35.15%	-18.98%	91.66%	-52.88%	-66.23%	-37.46%	-77.17%	-248.21%	-12.85%	-180.27%	-110.59%	-292.79%	-107.87%	-106.97%	-47.15%		

	JAN		FEB		MAR		APR		MAY		JUN		JUL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Debt, **														
6. Total Debt	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	3,058.5	2,676.6	3,084.2	2,681.2	3,084.6
% change	-0.02%	4.99%	0.01%	0.37%	-0.41%	2.18%	2.41%	0.22%	-0.43%	3.56%	0.00%	0.84%	0.10%	0.01%
7. External Debt	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
% change	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%
8. Internal F/C Debt	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
% change	-0.17%	158.00%	0.00%	0.00%	0.00%	1384.27%	-90.25%	-1.68%	50.01%	170.75%	0.00%	14.01%	0.00%	0.00%
9. Bahamian Dollar Debt	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
% change	-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%
10. Total Amortization	0.5	0.0	0.1	0.0	10.7	0.9	37.7	18.5	10.1	60.0	0.1	0.0	0.0	0.1
% change	391.80%	-100.00%	-80.46%	-11076.79%	11076.79%	0.9	250.76%	1868.38%	-73.18%	224.72%	-98.95%	-100.00%	-100.00%	#DIV/0!

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	JAN		FEB		MAR		APR		MAY		JUN		JUL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
11. Total Public Sector F/C Debt	692.0	846.5	690.5	855.3	684.1	907.5	761.1	903.5	760.1	1,016.5	773.5	1,036.9	1,139.1	1,037.4
% change	25.94%	31.47%	-18.43%	23.87%	-20.01%	32.65%	-16.14%	18.22%	-15.87%	33.73%	-23.91%	34.06%	9.85%	-8.93%

	YEAR TO DATE	
	2008	2009
(Over previous year)	126.1	130.2
	3.61%	3.22%
	2040.3	2065.3
	-0.86%	1.23%
	670.0	571.3
	1.47%	-14.73%
	441.6	338.0
	9.08%	-23.46%

	JAN		FEB		MAR		APR		MAY		JUN			
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009		
Real Sector Indicators														
12. Retail Price Index	124.2	129.8	124.6	129.8	124.7	130.0	126.6	130.2	128.1	130.4	128.5	130.7	130.7	130.2
% change: over previous month	0.22%	4.81%	0.32%	-0.03%	0.09%	0.15%	1.56%	0.18%	1.2%	0.1%	0.3%	0.2%	0.2%	3.22%
13. Tourist arrivals (000's)	372.7	410.8	430.9	389.3	500.6	466.0	396.9	414.7	339.3	384.5	384.5	384.5	2040.3	2065.3
% change: over previous year	-6.24%	10.21%	14.34%	-9.65%	28.58%	-6.90%	-14.85%	4.50%	-18.2%	13.3%	13.3%	13.3%	-0.86%	1.23%
14. Air arrivals (000's)	110.8	90.0	125.8	103.1	166.8	133.4	138.1	131.2	128.5	113.5	113.5	113.5	670.0	571.3
% change: over previous year	7.07%	-18.74%	6.47%	-18.04%	61.83%	-20.03%	3.50%	-4.95%	-2.1%	-11.7%	-11.7%	-11.7%	1.47%	-14.73%
15. Occupied Room Nights	212.9	169.7	228.7	168.3									441.6	338.0
% change: over previous year	7.01%	-20.30%	11.07%	-26.41%									9.08%	-23.46%

	YEAR TO DATE	
	2008	2009
16. Res. Mortgage Commitments-New Const.	94.16	95.61
% change: over previous qtr.	63.14%	1.54%

* Includes Net Lending to Public Corporations

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

P - Provisional

Annually F/D Retail Price data are averages.