



Monthly Economic and Financial Developments March 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: June 1, June 29, August 4, August 31, September 28, November 2, December 29.

Monthly Economic and Financial Developments

March 2009

1. Domestic Economic Developments

Preliminary data revealed that the global economic recession continued to adversely affect domestic economic activity during March, with persistent weakness in tourism and foreign investment-related construction activity. Demand stimulus from private sector credit expansion also remained soft. Inflationary pressures were sustained at significantly elevated levels, as earlier global price increases continued to be transmitted to the local economy. In monetary developments, the seasonal rebuilding of liquidity was more subdued, given less support to Bahamian dollar deposit growth from tourism and foreign investment inflows, relative to firmer public sector-led expansion in credit.

In a continuation of the weak trends started in the second half of 2008, indications are that tourism output contracted during the first quarter of 2009. Despite signs of growth in cruise visitor activity, a significantly negative trend in air arrivals during January to March, as signalled by the Ministry of Tourism, underscored a projected reduction in stopover traffic. In the hotel sector, the projected outcome featured lower room night sales and effectively discounted average room rates. Despite the sales falloff, preliminary assessments indicate that average occupancy rates exceeded early bookings expectations due to favourable last minute travel decisions. Nevertheless, major properties remained under significant operating strains and continued to make staffing and other adjustments.

Inflation for the twelve-month period ending March 2009 stood at 4.9%, unchanged from the previous month; albeit, strongly elevated in comparison to 2.4% a year earlier. Except for the slightly moderated rise in average transportation costs (3.0%) and a steadied increase for furniture and household operations (6.6%), other components of the Retail Price Index rose at an accelerated pace. Of particular note were the average cost run-ups for food & beverages (7.8%) housing (3.6%), recreation & entertainment services (4.3%) and medical & healthcare (4.1%). With regard to energy, local fuel costs subsided further in the first quarter, attributed to the easing in international oil prices which began in the latter half of 2008. On a 12-month basis, the average cost of gasoline and diesel declined by 27.7% and 37.1% to \$3.35 and \$2.73 per gallon, respectively. In addition, the average fuel surcharge in residential electricity bills retreated by 32.8% to 10.72 cents per kilowatt hour (KWH) in the first quarter, vis-à-vis the same period in 2008.

Preliminary estimates of the Government's budgetary operations for the first eight months of FY 2008/09 revealed that the deficit almost doubled to \$173.4 million, amid a 4.6% firming in expenditure, which contrasted to the 4.2% downturn in revenue collections. In particular, tax receipts fell by 5.5% to \$758.7 million, owing primarily to a 10.0% reduction in international trade taxes. Declines were also noted in stamp taxes on financial and other transactions (18.7%) and in departure taxes (12.1%). These outweighed the improvements for business & professional taxes (15.9%), property taxes (5.2%) and increased yields under "other" unclassified revenue sources. A 10.8% gain was also recorded under non-tax revenues, at \$78.4 million, reflecting a timing-related increase in income receipts. On the expenditure side, current spending firmed by 5.4% to \$894.8 million, led by higher payments for wages & salaries (5.0%), contractual services (17.4%), interest

costs on debt (6.9%) and subsidies (7.4%), mainly to quasi-public entities. Although capital spending fell by 14.7% to \$73.9 million, related to a decline in the acquisition of assets, outlays continued to increase for public works and infrastructure projects (4.2%). Meanwhile, budgetary assistance (net lending) to public enterprises expanded by 36.8% to \$41.8 million.

2. International Developments

The IMF, in its April edition of the World Economic Outlook, projected that global GDP would contract by an estimated 1.3% in 2009, the worst economic outcome in over 50 years, with only a modest recovery anticipated in 2010. This forecast reflected evidence of sustained deteriorations in developed and emerging market economies, due to lower industrial production, declining world trade and heightened unemployment. Measures taken by governments and central banks to stimulate the economy and restore credit markets have assisted in mitigating the effects of the crisis; however, the report also noted that these initiatives needed to be sustained and, in some instances, intensified to buttress the recovery.

In the US, real GDP fell by a preliminary 6.1% in the first three-months, following a 6.3% contraction in the fourth quarter, reflecting, in part, negative contributions from exports, inventories and residential fixed investments. However, consumer spending rose by 2.2% compared to a decline of 4.3% in the previous quarter. Residential sector indicators for March 2009 suggest that the weakness in the key housing sector persisted, with building permits issued and housing starts declining on a monthly basis by 9.0% and 10.8%, respectively; however, housing completions increased by 3.5%. The unemployment rate deteriorated further by 0.4 percentage points to 8.5% in March, representing a loss of another 663,000 jobs across all major industry sectors. On a positive note, consumer prices fell by 0.1%, led by lower energy and transportation costs, and modest improvement was noted in the external sector in February, as the trade deficit narrowed by \$10.2 billion to \$26.0 billion. This was mainly due to weakened domestic demand, which led to the decline in imports (by \$8.2 billion to \$152.7 billion), while exports increased by (\$2.0 billion to \$126.8 billion). Consumer confidence—as measured by the Consumer Confidence Index—edged up marginally in March, by 0.7 points to 26.0, reflecting improved expectations.

In light of the challenging economic conditions, the Federal Reserve announced that it would continue its efforts to stimulate renewed credit flows to the private sector by expanding the size of its lending facilities. The Fed also noted that it would purchase an estimated \$300 billion in longer-term Treasury securities over a six-month period, as part of its “quantitative easing measures”.

The UK’s economy contracted by 1.6% in the fourth quarter of 2008, led by declines in production, construction and household expenditure. The falloff in output continued into 2009, with industrial production weakening by 5.8% in the three-months to February, compared to the previous quarter. Occasioned by a contraction in the goods and services surplus, which outpaced the improvement in the trade balance, the deficit on the goods and services account deteriorated by £0.1 billion in February to £3.2 billion over the previous month. As the economy worsened, the unemployment rate for the three-months to January 2009 increased by 0.5 percentage points to 6.5% over the previous quarter. Despite recording an annual inflation rate of 3.2% in February, above the Government’s 2.0% target rate, policy makers at the Bank of England reduced the bank rate by 0.5 percentage points to an historic low of 0.5% in March. Additionally, the Bank announced a plan to

purchase—using central bank reserves—an estimated £75 billion in private sector assets, as well as medium- to long-term Government debt.

Reflecting declines in household consumption, exports and investments, economic activity in the Euro area contracted by 1.6% in the fourth quarter, following a 0.3% downturn in the previous period. In January, the trade deficit worsened to €10.5 billion from €1.7 billion in December, owing to a fall in exports, which overshadowed the decrease in imports. Moreover, the deterioration in employment conditions contributed to a 0.6% decline in retail sales, compared to a slight 0.1% increase in the previous month. Faced with signs of a deepening recession and an inflation rate which stood at 1.2% in February—well below the Bank’s 2% target rate—the European Central Bank lowered its key policy rates by 50 basis points in March.

Supported by the US \$585 billion fiscal “stimulus” package, data for the first quarter indicated that China’s economy grew by 6.1%, although lower than the 10.6% advance registered a year earlier, on account of a tempering in industrial production. However, the country’s trade surplus rose by 50.5% to US\$62.3 billion, occasioned by a 30.9% decline in imports to US\$183.2 billion, which surpassed the 19.7% contraction in exports to US\$245.5 billion. In Japan, revised estimates showed that the economy contracted by 3.2% in the fourth quarter, following a reduction of 0.4% in the previous three-months period, due to a deterioration in the trade balance and decreased residential investments. In addition, the goods and services surplus fell by ¥876.8 billion to ¥53.0 billion, reflecting a contraction in net trade receipts as well as lower net income inflows. As domestic demand weakened, the annual consumer price index declined by 0.1% during the month of February.

Crude oil production by OPEC averaged 27.9 million barrels per day in March, 0.5% lower than the previous month. This, combined with improved investor sentiments about the global economy, pushed oil prices higher for the second straight month, by 9.4% to \$49.84 per barrel at end-March. In contrast, gold and silver prices decreased by 2.5% and 1.1% to \$919.15 and \$12.97 per ounce, respectively.

During the review month, global stock markets showed modest signs of improvement, reflecting general optimism that the pace of the global economic recession had slowed. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 increased by 7.7% and 2.9%, respectively. Similarly, stock markets in Europe registered gains, with the UK’s FTSE 100 rising by 2.5%, France’s CAC 40, by 3.9% and Germany’s DAX, by 6.37%. In Asia, where positive sentiment appeared to be strongest, Japan’s Nikkei 225 index and China’s SE composite index firmed by 14.0% and 13.9%, respectively.

3. Domestic Monetary and Credit Trends

Money and credit trends for the month of March featured less robust seasonal gains in bank liquidity and external reserves, mainly reflecting diminished support for Bahamian dollar deposit growth from tourism and foreign investment inflows. The outcome also corresponded to a net

outflow of funds via the public sector as opposed to the sizeable net inflow in 2008, on account of the Government's external bond issue.¹

March 2009 vs. 2008

During the review period, excess reserves contracted by \$18.1 million to \$270.9 million, a reversal from the \$115.5 million expansion registered a year ago, which was influenced by the Government's external bond proceeds. However, as banks increased their holdings of Treasury bills, excess liquid assets rose by \$22.1 million to \$400.0 million; albeit, trailing the \$116.6 million accretion in 2008.

External reserves grew by \$1.3 million during March, significantly lower than the \$147.1 million gain in the previous year. For the Central Bank, this reflected a net foreign currency sale of \$19.5 million to the public sector, as opposed to the net inflow of \$93.6 million in 2008. Further, the net purchase from commercial banks slumped by 64.6% to \$19.2 million, largely associated with a fall in banks' net purchase from private sector customers, by 20.6% to \$44.8 million.

Propelled by an expansion in net claims on the Government, Bahamian dollar credit rebounded by \$40.4 million during the month, following a \$51.8 million contraction in 2008. The Government's net liabilities rose by \$55.9 million, in contrast to a \$100.9 million net repayment last year. However, credit to the rest of the public sector fell by \$4.4 million, partly reversing the \$16.0 million expansion registered in the previous period. Private sector credit contracted by \$11.1 million, as opposed to the \$33.1 million advance in 2008, mainly owing to the \$11.4 million downturn in consumer credit, and the 59.1% moderation in residential mortgage growth to \$7.0 million.

Domestic foreign currency credit rose by \$9.4 million, following a \$43.9 million contraction a year ago, due to the accelerated growth in the Government's net liabilities to \$52.8 million from \$5.8 million a year earlier. Partly offsetting, the contraction in claims on the public corporations widened to \$37.7 million from \$3.2 million in 2008; albeit, the reduction in private sector credit was sharply moderated to \$5.7 million from \$46.5 million.

Bahamian dollar deposits growth slowed by \$68.9 million to \$18.7 million, with fixed deposits contracting by \$16.9 million following a \$22.0 million gain in the previous year. Also, accretions to demand deposits slowed by more than one-third to \$46.3 million, while the drawdown in savings deposits continued at \$10.8 million.

In interest rate developments, commercial banks' weighted average deposit rate declined by 21 basis points to 3.92%, with the maximum rate of 6.75% offered on fixed placements of 6-12 months. In contrast, the weighted average loan rate increased by 94 basis points to 10.90%.

January – March 2009

During the first quarter of 2009, the growth in excess reserves was more than halved to \$63.6 million from \$146.1 million in the comparable period of 2008. However, the pace of accretion to excess liquid assets was only incrementally lowered to \$138.0 million.

¹ The proceeds from the \$100 million bond issue were realized on April 2nd 2008, the last weekly period analysed for March 2008.

External reserves rose by \$57.9 million, significantly below the previous year's buildup of \$186.4 million. In particular, the Central Bank's net foreign currency purchase narrowed by \$130.8 million to \$54.6 million, owing to the reversal in transactions with the public sector--to a net sale of \$37.6 million from a net purchase of \$94.0 million in 2008. In contrast, the net purchase from commercial banks was approximately stable at \$92.2 million, with banks' net purchase from the private sector extended by \$9.2 million to \$115.1 million. Meanwhile, the latest Exchange Control data, for the first two months of the year, indicate a more than halving in net foreign currency outflows for oil imports and a 24.5% slowdown in payments for other goods imports. Expenditures on travel and "other" foreign services were also significantly curtailed.

Total Bahamian dollar credit firmed by \$16.9 million over the review quarter, in contrast to a \$3.2 million contraction in the previous year. Developments were dominated by the \$60.3 million increase in net claims on Government, after a \$108.8 million reduction in 2008. Conversely, credit to the public corporations declined by \$4.4 million, compared to a \$24.2 million advance in the previous period. Claims on the private sector were also reduced by \$39.0 million, relative to an \$81.4 million expansion in 2008, reflecting an almost 50% curtailment in mortgage growth (\$29.3 million), and a contraction in both consumer credit (\$36.2 million) and other (mainly commercial) loans (\$6.9 million).

A disaggregated analysis of consumer credit trends for the first two months of the year revealed net repayments in most categories. The largest decrease occurred for the "miscellaneous" component (\$9.6 million), followed by claims under private cars (\$3.7 million), travel (\$3.4 million) and credit cards (\$2.2 million). In contrast, amid deteriorating employment and business conditions, banks accommodated further debt consolidation at a firmed pace of \$5.8 million.

The deterioration in commercial banks' asset quality indicators resumed during March, with the total value of private sector loan arrears increasing by \$81.0 million (10.7%) to \$832.5 million, and representing an expanded 13.66% of the corresponding portfolio, compared to 12.48% in February and 12.80% in January. Of the total, the fraction of arrears in the 31 – 90 days past due category increased by 77 basis points to 6.61% of the portfolio, while the non-performing ratio (for payments over 90 days past due) advanced to 7.11% of total loans, from 6.66% in February.

By aggregated loan type, the monthly rise in the arrears rate was led by the large shift in commercial segment, up by 3.37 percentage points to 18.9%. Similarly, the residential mortgage arrears rate rose by 98 basis points to 13.7% and the consumer loans rate, by 61 basis points to 11.7%, respectively. While banks maintained a fairly stable rate of loss provisioning against total loans, these trailed the pace of increase in arrears, resulting in declines of 2.1 percentage point in the ratio of provisions to total arrears to 21.7%; and 2.8 percentage points in provisions relative to non-performing loans, to 42.4%.

Foreign currency credit expanded by \$2.9 million during the first three months of the year, versus a contraction of \$25.6 million in 2008. Net claims on the Government rose by \$48.8 million, after a nearly flat outcome last year; albeit, credit to the rest of the public sector declined by \$38.8 million offsetting a nearly equivalent expansion a year ago. Meanwhile, the private sector's net repayment tapered by \$58.6 million to \$7.1 million.

During the first quarter, Bahamian dollar deposit growth slowed by 43.5% to \$86.9 million, reflecting the \$84.6 million narrowing in fixed deposit gains to \$23.5 million. This outweighed accelerated accretions to demand and saving deposits, at \$54.5 million and \$8.9 million, respectively.

Outlook

The prospects for the Bahamian economy remain weak, with an expected contraction in real GDP during 2009, and continued rise in the unemployment rate. Developments in the domestic sector are heavily dependent on the responsiveness of the global economy to the stimulus measures implemented by monetary and fiscal authorities in the advanced countries. In particular, the IMF projects that the advanced economies—particularly the US—will contract in 2009 and experience no growth in 2010. Consequently, tourism and foreign investment inflows will remain moribund in 2009.

The public sector's increased social spending and the acceleration of several large-scale infrastructure developments should partially cushion the downturn; however, given the slowdown in revenue collection, these are expected to cause a widening in the fiscal deficit and an increase in financing needs.

In the external sector, scaled back consumer demand and decreased capital goods imports are expected to counteract any significant deterioration the current account deficit.

On the monetary front, liquidity conditions are expected to remain buoyant, supported by less expansionary private sector credit trends, as commercial banks maintain a very conservative posture against increased borrower risks, and as the demand for credit further subsides. This environment, together with prospective inflows from public sector foreign currency borrowing activities, should cushion negative pressure on the external reserves.

The Central Bank will continue to actively monitor developments, to ensure the stability of the financial sector and the sustainability of balance of payments trends.

Recent Monetary and Credit Statistics

(B\$ Millions)

	MARCH					
	Value		Change		Change YTD	
	2008	2009	2008	2009	2008	2009
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	387.74	270.91	115.49	-18.05	146.05	63.60
1.2 Excess Liquid Assets	295.20	399.95	116.60	22.11	140.35	138.01
1.3 External Reserves	641.18	620.64	147.06	1.30	186.37	57.91
1.4 Bank's Net Foreign Assets	-636.90	-686.20	70.00	15.88	51.94	35.62
1.5 Usable Reserves	212.61	257.21	83.15	8.24	108.12	23.63

2.0 DOMESTIC CREDIT						
2.1 Private Sector	6,225.71	6,457.00	-13.41	-16.78	15.76	-46.15
a. B\$ Credit	5,759.59	6,024.77	33.12	-11.11	81.44	-39.01
of which: Consumer Credit	2,122.62	2,178.77	10.51	-11.41	20.91	-36.16
Mortgages	2,594.65	2,780.57	17.02	6.96	54.42	29.33
b. F/C Credit	466.13	432.23	-46.53	-5.67	-65.68	-7.14
of which: Mortgages	50.48	86.90	-5.36	1.47	-3.55	1.57
2.2 Central Government (net)	748.46	1,008.07	-95.14	108.71	-108.57	109.12
a. B\$ Loans & Securities	865.37	1,118.06	-102.49	58.06	-98.23	84.83
Less Deposits	138.76	160.93	-1.57	2.17	10.59	24.52
b. F/C Loans & Securities	23.16	55.25	-0.01	51.64	0.00	51.35
Less Deposits	1.32	4.31	-5.78	-1.18	-0.25	2.54
2.3 Rest of Public Sector	343.14	358.63	12.85	-42.18	63.96	-43.21
a. B\$ Credit	87.26	80.45	16.04	-4.44	24.17	-4.42
b. F/C Credit	255.89	278.18	-3.19	-37.74	39.79	-38.79
2.4 Total Domestic Credit	7,317.31	7,823.70	-95.70	49.75	-28.85	19.76
a. B\$ Domestic Credit	6,573.46	7,062.35	-51.76	40.35	-3.21	16.88
b. F/C Domestic Credit	743.86	761.35	-43.94	9.41	-25.64	2.88

3.0 DEPOSIT BASE						
3.1 Demand Deposits	1,125.82	1,135.94	75.36	46.33	37.23	54.50
a. Central Bank	20.95	6.71	-0.23	-4.92	11.13	-2.24
b. Banks	1,104.87	1,129.23	75.59	51.25	26.10	56.74
3.2 Savings Deposits	999.88	1,028.92	-9.69	-10.78	8.53	8.89
3.3 Fixed Deposits	3,263.56	3,455.87	21.95	-16.85	108.03	23.48
3.4 Total B\$ Deposits	5,389.26	5,620.74	87.61	18.70	153.79	86.88
3.5 F/C Deposits of Residents	217.15	173.70	23.66	-0.50	17.47	4.72
3.6 M2	5,589.70	5,815.05	94.32	25.63	141.15	75.39
3.7 External Reserves/M2 (%)	11.47	10.67	2.48	-0.02	3.12	0.87
3.8 Reserves/Base Money (%)	79.10	88.67	6.95	1.22	11.53	1.41
3.9 External Reserves/Demand Liabilities (%)	74.76	84.41	7.04	0.83	9.97	-0.87

	Value		Year to Date		Change	
	2008	2009	2008	2009	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	147.83	-0.27	185.41	54.56	-148.10	-130.85
a. Net Purchase/(Sale) from/to Banks	54.25	19.20	91.40	92.15	-35.06	0.75
i. Sales to Banks	6.80	15.50	48.53	20.30	8.70	-28.23
ii. Purchases from Banks	61.05	34.70	139.93	112.45	-26.36	-27.48
b. Net Purchase/(Sale) from/to Others	93.58	-19.46	94.02	-37.59	-113.05	-131.61
i. Sales to Others	41.00	49.51	158.51	126.42	8.51	-32.09
ii. Purchases from Others	134.58	30.05	252.53	88.83	-104.54	-163.69
4.2 Banks Net Purchase/(Sale)	56.39	44.80	105.89	115.06	-11.59	9.17
a. Sales to Customers	348.62	457.96	967.38	1,035.26	109.34	67.88
b. Purchases from Customers	405.01	502.76	1,073.27	1,150.32	97.75	77.05
4.3 B\$ Position (change)	-16.00	-25.22				

5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	253.15	180.82	586.84	401.64	-72.34	-185.20
of which Public Sector	27.51	16.16	72.40	40.17	-11.35	-32.23
a. Nonoil Imports	109.72	83.47	249.55	188.37	-26.26	-61.17
b. Oil Imports	45.45	13.76	107.48	26.87	-31.69	-80.61
c. Travel	20.07	11.58	43.35	28.14	-8.49	-15.21
d. Factor Income	3.27	15.59	11.92	28.64	12.33	16.72
e. Transfers	4.80	5.89	13.52	9.07	1.09	-4.45
f. Other Current Items	69.84	50.53	161.02	120.55	-19.31	-40.46
5.2 Capital Items	3.67	3.04	10.12	7.41	-0.63	-2.71
of which Public Sector	0.08	0.00	1.24	1.16	-0.08	-0.08
5.3 Bank Remittances	301.00	11.40	370.00	22.80	-289.60	-347.20

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: APRIL 02, 2008 and APRIL 01, 2009

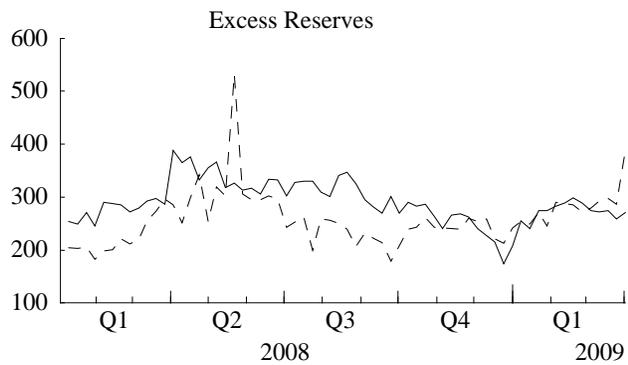
Exchange Control Sales figures are as at month end.

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.

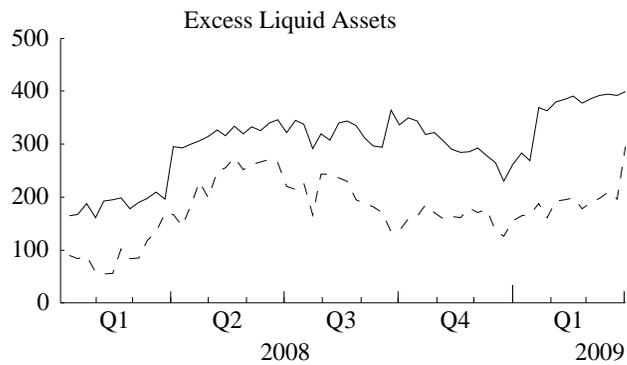
Components may not sum to totals due to round-off error.

SELECTED MONEY AND CREDIT INDICATORS

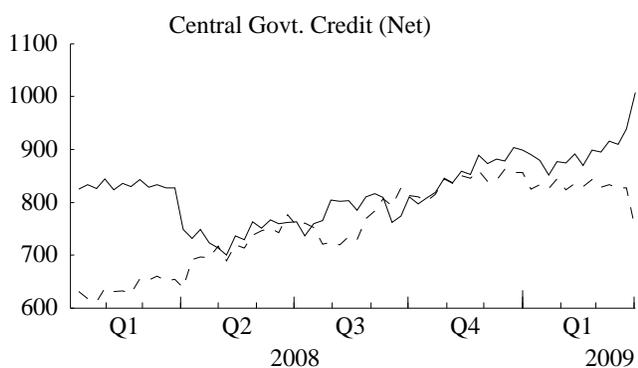
(B\$ Millions)



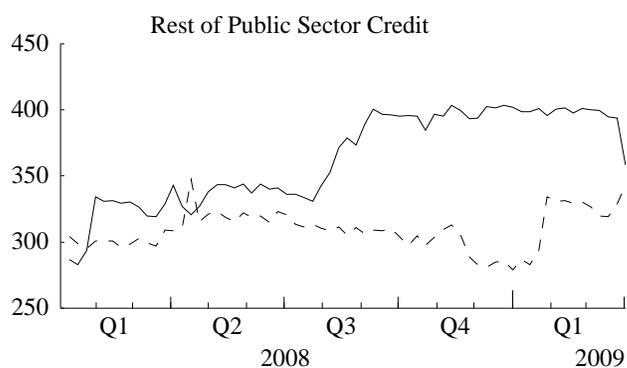
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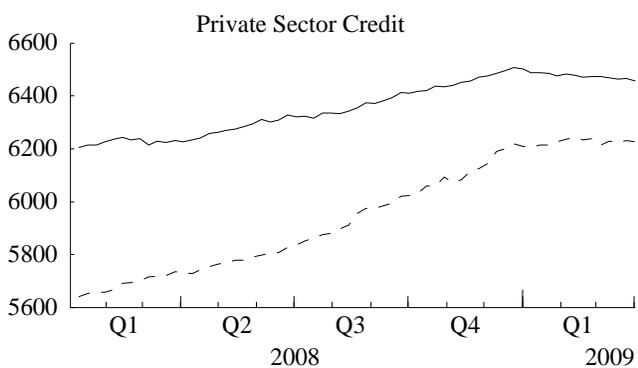
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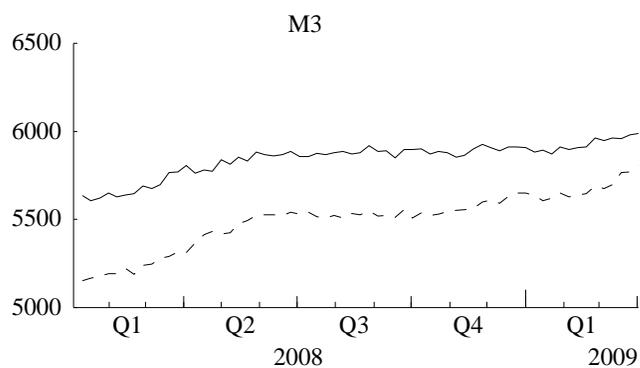
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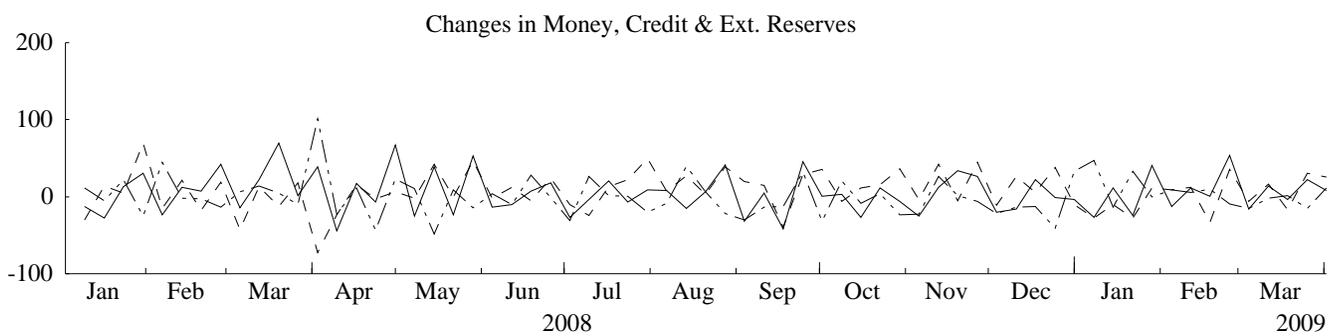
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— M3
- - - Domestic Credit
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Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2008	2009	2008	2009	2008	2009
Bahamas	-1.3	-4.5	4.5	1.8	8.7*	n/a
United States	1.1	-2.8	3.8	-0.9	5.8	8.9
Euro-Area	0.9	-4.2	3.3	0.4	7.6	10.1
<i>Germany</i>	<i>1.3</i>	<i>-5.6</i>	<i>2.8</i>	<i>0.1</i>	<i>7.3</i>	<i>9.0</i>
Japan	-0.6	-6.2	1.4	-1.0	4.0	4.6
United Kingdom	0.7	-4.1	3.6	1.5	5.5	7.4
Canada	0.5	-2.5	2.4	0.0	6.2	8.4
<i>Sources: IMF World Economic Outlook, April 2009 & (*) The Bahamas Department of Statistics.</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
February 2007	5.25	3.50	6.25	5.25	5.25
March 2007	5.25	3.75	6.25	5.25	5.25
April 2007	5.25	3.75	6.25	5.25	5.25
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Mar-08	Feb-09	Mar-09	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.6334	0.7894	0.7546	-4.4	5.4	19.1
Yen	99.69	97.62	98.98	1.4	9.2	-0.7
Pound	0.5041	0.6985	0.6982	0.0	2.1	38.5
Canadian \$	1.0254	1.2759	1.2602	-1.2	3.3	22.9
Swiss Franc	0.9931	1.1695	1.1395	-2.6	6.5	14.7

Source: Bloomberg as at March 31, 2009

D. Selected Commodity Prices (\$)					
Commodity	March 2008	February 2009	March 2009	Mthly % Change	YTD % Change
Gold / Ounce	916.88	942.35	919.15	-2.5	4.2
Silver / Ounce	17.24	13.12	12.97	-1.1	13.9
Oil / Barrel	104.17	45.57	49.84	9.4	26.1

Source: Bloomberg as at March 31, 2009

E. Equity Market Valuations – March 31, 2009 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.84	7.73	8.73	2.51	3.88	6.27	7.15	13.94
3 month	-3.26	-4.90	-2.95	-5.39	-5.60	-5.85	1.44	19.22
YTD	-4.30	-13.30	-11.70	-11.46	-12.76	-15.08	-8.47	30.34
12-month	-16.53	-37.95	-39.97	-31.15	-40.36	-37.49	-35.26	-31.66

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.15	0.35	0.55
1 Month	0.80	0.92	1.17
3 Month	1.05	1.40	1.42
6 Month	1.29	1.59	1.67
9 Month	1.51	1.70	1.68
1 year	1.86	1.70	1.86

Source: Bloomberg, as at March 31, 2009

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

	VALUE										CHANGE									
	Feb. 04	Feb. 11	Feb. 18	Feb. 25	Mar. 04	Mar. 11	Mar. 18	Mar. 25	Feb. 04	Feb. 11	Feb. 18	Feb. 25	Mar. 04	Mar. 11	Mar. 18	Mar. 25				
I. External Reserves	596.11	598.44	613.79	619.34	616.66	618.00	623.64	619.51	7.05	2.33	15.35	5.55	-2.68	1.34	5.64	-4.13				
II. Net Domestic Assets (A + B + C + D)	105.54	101.61	98.07	88.91	78.44	66.27	64.69	53.58	-2.41	-3.93	-3.54	-9.16	-10.47	-12.17	-1.58	-11.11				
A. Net Credit to Gov't (i + ii + iii - iv)	229.76	219.97	207.64	205.32	195.31	185.74	182.58	191.33	3.07	-9.79	-12.33	-2.32	-10.00	-9.58	-3.16	8.76				
i) Advances	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
ii) Registered Stock	124.30	122.60	122.27	121.80	121.65	121.37	121.04	120.85	-0.22	-1.70	-0.33	-0.47	-0.14	-0.29	-0.33	-0.19				
iii) Treasury Bills	39.08	32.11	32.11	32.11	18.05	9.93	9.93	19.98	0.00	-6.98	0.00	0.00	-14.06	-8.11	0.00	10.05				
iv) Deposits	5.61	6.72	18.72	20.57	16.37	17.55	20.38	21.49	-3.29	1.12	12.00	1.85	-4.20	1.18	2.83	1.11				
B. Rest of Public Sector (Net) (i + ii - iii)	-11.83	-9.24	-0.85	-5.22	-3.58	-6.72	-4.21	-27.77	-3.91	2.59	8.39	-4.37	1.64	-3.14	2.50	-23.55				
i) BDB Loans	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41	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				
iii) Deposits	18.24	15.65	7.26	11.63	9.99	13.13	10.63	34.18	3.91	-2.59	-8.39	4.37	-1.64	3.14	-2.50	23.55				
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				
D. Other Items (Net)*	-112.39	-109.12	-108.72	-111.18	-113.30	-112.75	-113.67	-109.99	-1.57	3.27	0.40	-2.47	-2.11	0.54	-0.92	3.69				
III. Monetary Base	701.65	700.05	711.86	708.25	695.10	684.27	688.33	673.10	4.64	-1.60	11.81	-3.61	-13.15	-10.83	4.07	-15.24				
A. Currency in Circulation	273.32	272.95	268.20	273.36	278.91	272.53	270.21	267.37	6.67	-0.37	-4.75	5.16	5.55	-6.37	-2.32	-2.85				
B. Bank Balances with CBOB	428.33	427.10	443.66	434.89	416.19	411.73	418.12	405.73	-2.03	-1.23	16.56	-8.77	-18.70	-4.46	6.38	-12.39				

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

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current month from previous month)

	YEAR TO DATE	
	2007/2008	2008/2009
	873.4	837.1
(Over previous year)	0.99%	-4.16%
	344.1	251.5
	9.62%	-26.91%
	836.7	894.8
	3.50%	6.95%
	90.7	73.9
	-1.51%	-18.45%
	-92.8	-173.5
	-23.36%	-86.90%

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		
	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	100.2	94.3	117.8	87.9	99.0	107.0	108.3	112.1	88.6	96.9	111.8	134.2	118.6	129.5	92.7	
% change	-19.47%	-27.64%	-15.46%	17.59%	-6.77%	-15.98%	21.70%	9.42%	4.80%	-1.819%	-13.61%	26.16%	38.61%	6.07%	-3.53%	-21.87%	
2. Import Duties	42.9	30.8	40.0	32.1	39.3	33.3	46.6	35.6	46.6	30.6	37.6	34.0	50.8	27.5	40.4	27.6	
% change	-28.09%	-48.41%	-6.90%	4.23%	-1.68%	3.62%	18.50%	6.99%	-0.04%	-1.406%	-19.23%	11.17%	35.01%	-19.09%	-20.48%	0.47%	
3. Recurrent Expenditure	101.6	116.7	99.1	100.0	90.7	114.7	107.3	114.8	106.0	111.2	105.8	108.5	130.4	128.2	95.9	100.7	
% change	-34.02%	-24.19%	-2.50%	-14.32%	-8.47%	14.68%	18.36%	0.07%	-1.21%	-3.12%	-0.22%	-2.43%	23.28%	18.12%	-26.45%	-21.45%	
4. Capital Expenditure	7.6	8.2	14.0	10.8	13.0	9.5	8.4	9.2	14.6	10.0	10.5	11.2	12.1	6.5	10.5	8.4	
% change	-77.81%	-76.01%	85.10%	32.58%	-7.15%	-12.40%	-35.27%	-2.21%	73.11%	8.58%	-27.95%	11.81%	15.34%	-41.82%	-13.07%	28.99%	
5. Deficit/Surplus*	0.8	-29.3	-23.9	2.7	-27.7	-31.1	-12.6	-21.0	-14.0	-39.4	-22.1	-12.6	-13.8	-23.0	20.5	-19.8	
% change	-101.20%	-55.44%	-3127.59%	-109.21%	15.73%	-1253.15%	-54.66%	-32.54%	11.80%	87.58%	-57.35%	-67.98%	-37.50%	82.25%	-248.29%	-13.79%	

	FEB		MAR		
	2008	2009	2007	2009	
Debt: **					
6. Total Debt	2,635.0	2,871.0	2,635.2	2,881.0	2,880.0
% change	-0.02%	4.90%	0.01%	0.35%	-0.03%
7. External Debt	272.4	383.0	272.6	393.0	392.1
% change	0.00%	0.01%	0.08%	2.61%	-0.24%
8. Internal F/C Debt	23.2	1.4	23.2	1.4	1.4
% change	-0.17%	-3.27%	0.00%	0.00%	0.00%
9. Bahamian Dollar Debt	2,339.4	2,486.6	2,339.4	2,486.6	2,486.6
% change	-0.02%	4.51%	0.00%	0.00%	0.00%
10. Total Amortization	0.5	0.0	0.1	0.0	1.0
	391.809%	-100.00%	-80.46%	11076.79%	

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	FEB		MAR		
	2008	2009	2007	2009	
11. Total Public Sector F/C Debt	692.0	752.6	690.5	760.8	758.8
	25.94%	16.88%	-8.25%	10.18%	-10.08%

	YEAR TO DATE	
	2008	2009
	124.4	129.8
(Over previous year)	2.50%	4.40%
	803.7	n.a
	3.78%	n.a
	236.6	n.a
	6.75%	n.a
	422.66	n.a
	4.92%	n.a

	FEB		MAR		
	2008	2009	2007	2009	
Real Sector Indicators					
12. Retail Price Index	124.2	129.8	124.6	129.8	129.8
% change: over previous month	0.22%	4.81%	0.32%	-0.03%	4.40%
13. Tourist arrivals (000's)	372.7	n.a	430.9	n.a	n.a
% change: over previous year	-6.24%				
14. Air arrivals (000's)	110.8	n.a	125.8	n.a	n.a
% change: over previous year	7.07%		6.48%		
15. Occupied Room Nights	211.2	n.a	211.5	n.a	n.a
% change: over previous year	7.26%		2.74%		

	FEB		MAR		
	2008	2009	2007	2009	
16. Res. Mortgage Commitments-New Const.					
% change: over previous qtr.					

* Includes Net Lending to Public Corporations

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

P - Provisional

Annually F-C-D Retail Price data are averages.