



Monthly Economic and Financial Developments July 2019

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:

2019: September 30, November 4



Monthly Economic and Financial Developments (MEFD) July 2019

1. Domestic Economic Developments

Overview

Preliminary indications are that the domestic economy maintained its modest upward trajectory during the review period. In particular, gains in tourism sector output continued to be supported by the rise in the high value-added stopover visitor segment, while activity in the construction sector was fueled by a number of varied-scale foreign investment-related projects. In this environment, employment conditions continued to improve gradually, as the jobless rate fell to a decade low of 9.5%. Monetary sector developments were dominated by the growth in deposits, which outpaced the expansion in credit and resulted in an increase in bank liquidity, while external reserves expanded, buoyed by net foreign currency inflows from real sector activities.

Real Sector

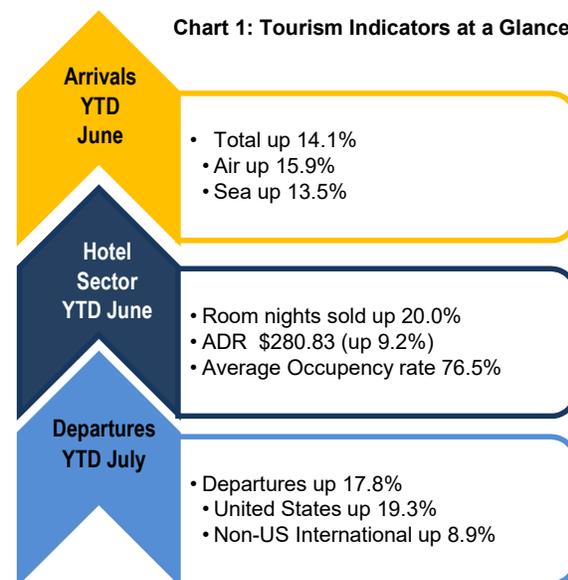
Tourism

Preliminary evidence suggests that the tourism sector continued to strengthen during the review period, led by broad-based stopover gains in the New Providence market, while the expansions in Grand Bahama and the Family Islands were isolated within the cruise segment.

The latest official data from the Ministry of Tourism (MOT), showed that total visitor arrivals firmed by 18.8% in June, extending the 9.6% growth recorded in the prior year. In the underlying developments, the high volume, sea traffic segment expanded by 22.9%, outpacing the 7.3% uptick in the prior year, while the increase in the high value-added air component slowed to 8.7%, from 15.7% in 2018.

A breakdown by island, revealed that the improvement in aggregate arrivals was anchored by a rebound in the New Providence market, to a 20.5% increase, vis-à-vis the previous year's 2.4% contraction, attributed to gains in both air and sea arrivals by 14.3% and 24.6%, respectively. In contrast, the growth in visitors to the Family Islands slowed to 20.1%, from 28.1% in the prior period, amid a deceleration in gains in sea traffic to 24.9% and a 1.3% falloff in air arrivals. Similarly, the increase in total arrivals to Grand Bahama narrowed to 7.4% from 19.8% a year ago, as the 23.4% decline in air traffic, eclipsed an 11.7% improvement in sea visitors.

On a year-to-date to basis, total arrivals rose by 14.1%, outstripping the 4.1% growth last year, as gains in air and sea visitors quickened to 15.9% and 13.5%, from 15.2% and 0.8%, respectively. A breakdown by market, revealed a 22.9% increase in arrivals to New Providence, as the completion of the phased opening



Sources: Ministry of Tourism, Nassau Airport Development Co. & AirDNA

of a major foreign investment project, contributed to the rise in air arrivals, while the sea segment also strengthened. A smaller gain of 8.7% was reported for the Family Islands, owing to reduced growth in both the air and cruise segments. Meanwhile, Grand Bahama traffic contracted by 12.6%, on account of a weakening in both market segments.

Buoyed by the sustained improvement in the key stopover segment, data from The Bahamas Hotel & Tourism Association (BHTA) and the MOT for the month of June, showed positive indicators for the hotel sector, as the average daily room rate (ADR) increased by 4.3% to \$243.32, while the number of room nights sold firmed by 13.4%. As a consequence, the average hotel occupancy rate advanced by 6.9 percentage points to 75.0%, while total room revenue rose by 18.0%. On a year-to-date basis, the average occupancy rate climbed by 10.6 percentage points to 76.5%, and the number of room nights sold strengthened by 20.0%. Further, a 9.2% increase in the ADR to \$280.83, contributed to the modest 3.0% expansion in room revenue over the six-month period.

Indications are that the positive tourism trends were sustained in July, as the latest data from the Nassau Airport Development Company Ltd. (NAD), showed that total departures—net of domestic traffic—firmed by 10.3%, outpacing the 8.8% increase recorded in the prior period. Specifically, the growth in the dominant U.S. segment quickened to 11.4% from 8.5%, while gains in non-U.S. departures slowed notably from 11.9% to a mere 1.1%. Similarly, during the seven-month period, total departures expanded by 17.8%, extending the 11.8% growth recorded over the same period of 2018. In particular, U.S. departures rose by 19.3%, vis-à-vis an 11.0% advance a year earlier; however, the growth in the non-U.S. component slowed to 8.9%, decelerating from 16.5% in the prior period.

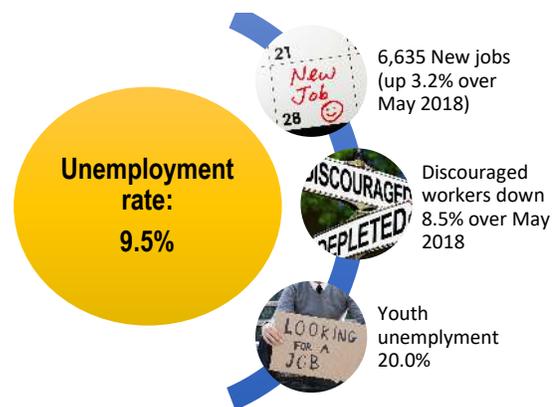
The short-term rental market benefitted from gains in the stopover visitor segment, as the latest data from AirDNA showed that the total number of room nights sold rose by approximately 29.3% in July over the same period last year, as bookings for hotel comparable and entire place listings firmed by 45.3% and 28.0%, respectively. In terms of pricing, the ADRs for both hotel comparable and entire place listings contracted by 12.8% to \$154.42 and by 8.9% to \$404.67, respectively, reflecting broad-based decreases in most of the major markets.

Employment

The latest employment data from the Department of Statistics' Labour Force Survey, revealed a notable improvement in conditions, with the number of employed persons advancing by 3.2% relative to May 2018, and by 1.9% vis-à-vis November 2018, due to increased private sector employment. As a result, the unemployment rate fell by 50 and 120 basis points, when compared to May and November 2018, respectively, to 9.5%—the lowest rate recorded since 2008.

A breakdown by island, showed that the unemployment rate in New Providence declined by 1.6 percentage points to 9.4% over the six-month period, and fell by 0.6 percentage points vis-à-vis the prior year. Similarly, the jobless rate in Grand Bahama declined by 1.0 and 1.5 percentage points over the rates recorded in May and November, respectively, to 10.9%; although it remained above the pre-recession level. In Abaco, the unemployment rate fell by 1.4

Chart 2: Labour Market Highlights



Source: Department of Statistics

percentage points to 9.3% vis-à-vis last May, but stood 1.6 percentage points higher when compared to the November 2018 survey.

2. Domestic Monetary Trends July 2019 vs. 2018

Liquidity

Monetary developments for the month of July featured an expansion in banking sector liquidity, due mainly to a rise in the deposit base, which outpaced the increase in domestic credit. Specifically, excess reserves—a narrow measure of liquidity—increased by \$38.9 million to \$870.0 million, a reversal from a \$69.4 million contraction in the previous year, while the broader excess liquid assets firmed by \$18.0 million to \$1,855.2 million, vis-à-vis an \$83.5 million decline in 2018.

External Reserves

External reserves strengthened by \$20.6 million to \$1,583.5 million during the review period, a turnaround from a \$63.9 million contraction a year earlier. Underlying this development, the Central Bank's net transactions with commercial banks reversed to a \$32.5 million net purchase, from a \$31.7 million net sale in the prior period, as banks purchased a net of \$30.6 million from their customers, vis-à-vis a \$31.5 million net sale a year earlier. In addition, the Central Bank's net sale to the public sector narrowed by \$20.3 million to \$17.2 million.

Exchange Control Sales

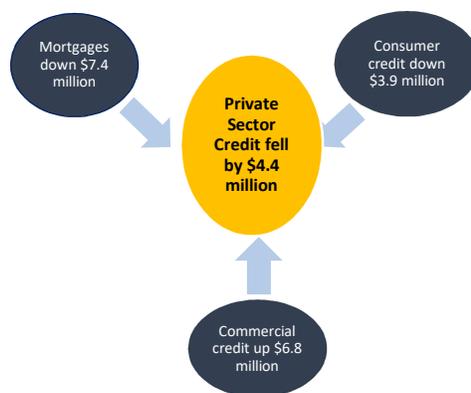
Preliminary data on foreign currency sales for current account transactions, showed that outflows contracted by \$131.4 million to \$452.5 million in July, vis-à-vis the previous month. In particular, factor income transactions (1.1% of the total), narrowed by \$68.7 million and “other” current items (47.6% of the total)—comprising mainly insurance services, remittances, royalties and credit card financed imports—declined by \$57.9 million, while a more tempered reduction of \$5.2 million was noted for oil imports (9.0% of the total). Further, non-oil imports (30.8% of the total) and transfer payments (3.9% of the total), eased by \$0.1 million each; however, travel-related sales (7.5% of the total) edged-up by \$0.7 million.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit grew by \$19.7 million in July, vis-a-vis a \$28.9 million contraction in 2018. This outturn was attributed mainly to a \$25.2 million increase in net claims on the Government, in contrast to a \$35.0 million reduction in the prior period. In addition, the contraction in credit to the private sector slowed to \$4.4 million, vis-a-vis an \$18.8 million falloff in the preceding year, as commercial and “other” loans firmed by \$6.8 million, outpacing 2018's marginal \$0.5 million gain, while the reductions in mortgages and consumer loans narrowed to \$7.4 million and \$3.9 million, from the year-earlier declines of \$7.9 million and \$11.5 million, respectively. In a

Chart 3: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

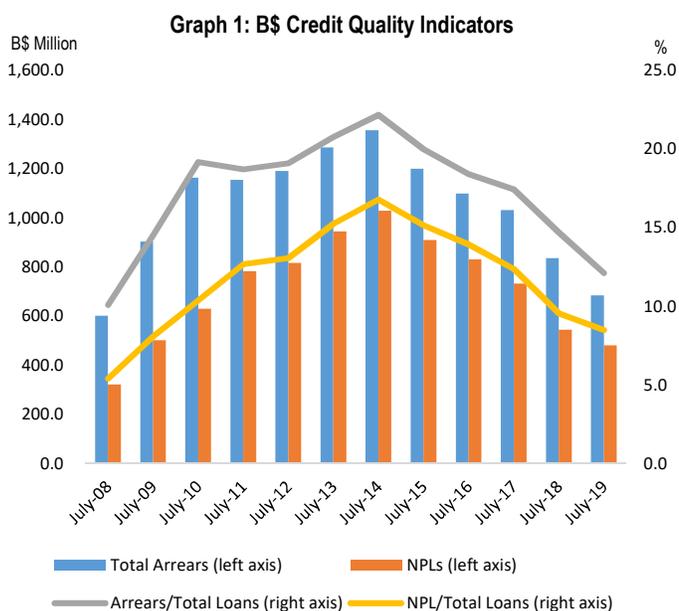
slight offset, credit to public corporations decreased by \$1.1 million, reversing the previous year's \$24.9 million expansion, related to short-term borrowing by a major utility company.

Foreign Currency Credit

Domestic foreign currency credit decreased by \$6.9 million during the review month, in contrast to a \$27.9 million expansion recorded during the corresponding period a year earlier. In particular, private sector claims declined by \$3.9 million, extending 2018's \$1.8 million reduction, amid contractions in both the commercial and "other" loans, and mortgage categories. In addition, net credit to the Government decreased by \$2.7 million, a turnaround from the prior year's \$0.3 million uptick, while claims on the rest of the public sector remained unchanged, after the previous year's \$29.5 million accretion, when a major utility company borrowed in foreign currency.

Credit Quality

The improvement in banks' credit quality indicators was sustained during the month of July, with total private sector arrears decreasing by \$7.4 million (1.1%) to \$683.7 million, and moderating by 14 basis points as a proportion of total private sector loans, to 12.1%. A breakdown by length of delinquency, revealed that the contraction was attributed to an \$11.8 million (2.4%) falloff in non-performing loans (NPLs)—arrears in excess of 90 days and on which banks have stopped accruing interest—to \$480.0 million, with the corresponding ratio softening by 21 basis points to 8.5% of total private sector loans. In contrast, short-term arrears—31-90 days—rose by \$4.3 million (2.2%) to \$203.7 million, elevating the attendant ratio by 7 basis points to 3.6%.



Source: Central Bank of The Bahamas

A further breakdown of arrears showed that the overall decline was led by a \$7.0 million (1.6%) reduction in the mortgage component to \$431.8 million, as the \$10.9 million (3.4%) decrease in NPLs, outstripped the \$3.9 million (3.2%) increase in the short-term segment. Further, total consumer arrears softened by \$1.3 million (0.7%) to \$194.2 million, as short-term arrears and NPLs each fell by \$0.7 million. In contrast, the commercial component increased marginally by \$0.9 million (1.6%) to \$57.7 million, on account of a \$1.1 million (14.5%) rise in short-term arrears, which eclipsed a \$0.3 million (0.5%) reduction in non-accrual loans.

In this environment, banks reduced their total provisions by \$7.7 million (1.8%) to \$417.8 million in July, with the ratio of total provisions to arrears contracting by 46 basis points to 61.1%, while the corresponding NPL ratio rose by 51 basis points to 87.0%. Further, banks wrote-off an estimated \$10.7 million during the review month, and recovered approximately \$3.1 million.

On a year-on-year basis, the arrears ratio decreased by 2.6 percentage points, as both short-term arrears and NPLs contracted by 1.5 and 1.1 percentage points, respectively. Improvements were recorded for all major loan categories, as the relevant ratios for commercial, mortgage and consumer delinquencies declined by 4.6, 2.5 and 2.0 percentage points, respectively.

Deposits

Bahamian dollar deposits grew by \$16.1 million in July, a reversal from the prior year's \$41.2 million drawdown. Specifically, demand deposits advanced by \$46.0 million, vis-à-vis a \$10.8 million decline a year earlier, while the reduction in fixed balances narrowed to \$37.8 million from \$42.9 million. In a slight offset, the growth in savings deposits slowed by \$4.7 million to \$7.8 million. In addition, the foreign currency deposits of residents rose by \$7.2 million, compared to the previous year's \$98.4 million build-up.

Interest rates

In interest rate developments, the weighted average deposit rate at banks decreased by 4 basis points to 0.56%, with the highest rate of 4.00% offered on fixed balances of over 12 months. In contrast, the weighted average loan rate rose by 95 basis points to 11.91%.

3. Domestic Outlook

Medium-term growth prospects are still positive for The Bahamas. However, the unprecedented devastation caused by hurricane Dorian to the northern islands of The Bahamas and the disruption in travel itineraries to many airports during this period, will negatively impact the economy in the short-term. Rebuilding efforts in the aftermath of the storm and the return to normal conditions in several tourism markets which were not severely impacted, will temper these overall adverse effects. The pace of recovery of hotel room inventory will impact the speed at which the economy returns to normal.

In the coming months, the measures implemented to rebuild and replace vital infrastructure, combined with efforts to assist those residents and businesses adversely affected by the storm, could hamper the Government's fiscal position. However, financing needs are likely to be met in part by inflows from several multilateral lending facilities; thereby mitigating the pressure on domestic funding sources. In the private sector external re-insurance inflows are anticipated to cushion business and household financing needs, however recovery gaps are likely for impacted persons and entities without adequate insurance protection.

The hurricane's near-term impact on external reserves will materialize over the remainder of 2019 and most of 2020. Balances could still experience a net accumulation in 2019, as re-insurance and other external proceeds are placed on deposit for drawdown during rebuilding efforts. More of the net outflows against reserves are anticipated over the course of 2020, cushioned by the seasonal upturn in performance on other tourism assets. Nevertheless, reserve indicators are expected to remain above international benchmarks.

4. Monetary Policy Implications

Given the adverse effects of the hurricane on the domestic economy and the need to support the recovery effort in affected islands, the Central Bank has relaxed lending conditions on facilities extended to distressed households and businesses. For these impacted borrowers, commercial banks will be permitted to waive the Central Bank's mandated 15 percent equity or down payment requirement on consumer loans, and to waive

the threshold debt service range of 40% to 45% on new credit, that accommodates hurricane recovery. In these instances, lending institutions have been encouraged to adopt flexible, but prudent credit assessment criteria, tailored to the particular financial circumstances of distressed borrowers. The Central Bank has also endorsed moderation on collection efforts against delinquent credit facilities of borrowers displaced by the hurricane, even if such accommodation is tempered from the more aggressive resolution posture that the Central Bank urges more generally.

The Bank will continue to closely monitor the situation and take appropriate measures to support the economy's recovery and ensure the stability of the financial sector.

APPENDIX

International Developments

Reflecting the increased uncertainty caused by the ongoing trade disputes between the United States and other major markets, as well as concerns surrounding the negative effects of a potential “no-deal BREXIT” on the global economy, the IMF lowered its projections for global growth for 2019, by 10 basis points to 3.2% in its World Economic Outlook report for July, in comparison to its April forecasts. In addition, the Federal Reserve Bank reduced its key policy rate, while other major central banks, such as the European Central Bank and the Bank of Japan, signaled their intention to also increase the level of monetary accommodation in the near-term.

Conditions in the United States remained mildly positive during the review period, despite the ongoing tensions with its major trading partners. Real GDP increased by 2.1% in the second quarter of 2019, albeit a slowdown from the 3.1% expansion recorded in the prior three-month period, supported by gains in personal consumption expenditure and Government spending, which eclipsed the reduction in inventory investment, exports and non-residential fixed investments. In addition, the goods and services deficit narrowed by \$0.2 billion in June, relative to the prior month to \$55.2 billion, as the increase in exports outpaced the decline in imports. In July, industrial production contracted by 0.2%, while retail sales advanced by 0.7%. In this environment, the unemployment rate remained unchanged at 3.7% in July, despite the rise in total non-farm employment by 164,000. In terms of prices, the Consumer Price Index (CPI) in the United States rose by 0.3% in July, due mainly to gains in the energy and shelter sectors, following a slight 0.1% increase a month earlier. Against this backdrop, the Federal Reserve lowered its benchmark interest rate by 25 basis points to a range of 2.00% - 2.25%.

Economic indicators in the European markets were lackluster over the review period, reflecting the persistent “BREXIT” uncertainties. In the UK, real GDP contracted for the first time in six and a half years, by 0.2% during the second quarter, due to declines in the manufacturing and construction sectors. Further, output growth in the euro area slowed from 0.4% to 0.2% over the same period, with Germany—the largest economy within the bloc—contracting during the quarter. Further, industrial output in the UK softened by 0.1% in June, while industrial production in the euro zone decreased by 1.6%. With regard to spending, the UK’s retail sales growth decreased to 0.5% from 0.7% in May, while sales in the euro area firmed by 1.1%, a reversal from a 0.6% decrease recorded in the prior month. In terms of prices, the euro area’s inflation rate narrowed by 20 basis points to 1.1% in July; however, the UK’s inflation rate rose by 10 basis points to 2.0% over the review month. Labor market conditions in the euro area continued to improve gradually, as the unemployment rate eased by 10 basis points to 7.5% in June, while the UK’s rate rose marginally by 10 basis points to 3.9% during the three months June, higher than the rate recorded in the three months to May. In this environment, the Bank of England and the European Central Bank sustained their highly accommodative monetary policy stances, with the latter signaling the possibility of further “Quantitative Easing” in the near-term.

Economic indicators in the Asian markets also varied during the review period. In the second quarter, Japan’s real GDP grew by 1.8%, a reversal from a 2.8% decline recorded in the prior period, reflecting gains in household consumption and business investment. Meanwhile, China’s real GDP firmed by 1.6%, outpacing the 1.4% advance in the first quarter. Reflecting in part the effects of the sustained tariff war with the US, China’s trade surplus contracted by 11.6% to US\$45.1 billion in July over the prior month, amid a 9.0% expansion in imports, which eclipsed the 4.1% increase in exports. Meanwhile, Japan’s trade balance reversed from a ¥970.2 billion deficit in May, to a surplus of ¥589.6 billion in June, as increased trade with the US supported a 12.9% expansion in exports and reduced imports from China contributed to the 11.9% falloff in imports. In labor market developments, the unemployment rate in Japan fell by 10 basis points to 2.3% in June, in comparison to a 20 basis point increase to 5.3% in China during the month of July. In terms of pricing, Japan’s inflation rate was flat for the third consecutive month in June, while in China, average consumer prices rose by 0.4% in July. In light of these developments, the Bank of Japan maintained its policy rate of -0.1%, and the People’s Bank of China kept its reverse repo rate at 2.55%, while also sustaining its reserve requirements for large and small institutions at 13.5% and 11.5%, respectively.

The major global stock indices were mixed in July, reflecting mainly domestic developments. In the United States, the S&P 500 index and the Dow Jones Industrial Average (DJIA) firmed by 1.31%, and by 1.0%, respectively, supported by the Federal Reserve’s decision to loosen monetary policy. In Europe, the United Kingdom’s FTSE advanced by 2.17%, while France’s CAC 40 and Germany’s DAX declined by 0.36% and 1.69%, respectively. Similar trends were noted in Asia, as Japan’s Nikkei 225 firmed by 1.15%; however, China’s SE Composite fell by 1.56%.

In light of the Federal Reserve’s Bank rate cut and expectations that the policy sustain US growth over the near-term, the U.S. dollar rallied relative to other major currencies during the month of July. Specifically, the dollar appreciated against the British Pound (by 4.39% to £0.8223), the euro (by 2.65% to €0.9029) and the Swiss Franc (by 1.81% to CHF 0.994). Smaller gains were recorded versus the Japanese Yen, the Canadian dollar and the Chinese Renminbi by 0.8%, 0.7% and 0.3% to ¥108.77, CAD\$1.3191 and CNY 6.8842, respectively.

Reflecting in part ongoing tensions in the Persian Gulf, along with the fall in OPEC’s crude production by 246 thousand barrels per day (tb/d) to 29.61 million barrels per day (mb/d), the price of crude oil firmed by 3.2% to \$66.50 per barrel in July. Further, in anticipation of additional monetary easing by the major central banks, gold and silver costs advanced by 0.32% and 6.18% to \$1,413.9 and \$16.26 per troy ounce, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

JULY						
Value		Change		Change YTD		
2018	2019	2018	2019	2018	2019	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	926.09	869.95	-69.35	38.93	68.53	198.60
1.2 Excess Liquid Assets	1,903.09	1,855.18	-83.46	18.03	104.81	323.25
1.3 External Reserves	1,524.09	1,583.53	-63.88	20.58	115.80	386.17
1.4 Bank's Net Foreign Assets	-56.16	103.84	94.38	19.67	114.84	41.81
1.5 Usable Reserves	745.78	799.72	-30.90	-5.27	76.88	277.37

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,906.27	5,811.73	-20.64	-8.34	-70.20	-43.24
a. B\$ Credit	5,669.04	5,624.84	-18.82	-4.41	-83.03	-22.47
of which: Consumer Credit	2,145.61	2,075.44	-11.50	-3.87	-51.92	-42.46
Mortgages	2,869.05	2,852.68	-7.86	-7.38	-12.95	-13.55
Commercial and Other Loans B\$	654.38	696.72	0.54	6.83	-18.16	33.54
b. F/C Credit	237.23	186.89	-1.82	-3.93	12.82	-20.78
of which: Mortgages	66.36	56.53	-1.09	-1.41	4.17	-1.58
Commercial and Other Loans F/C	170.86	130.37	-0.73	-2.52	8.66	-19.20
2.2 Central Government (net)	2,376.27	2,517.56	-34.69	22.56	-1.74	-11.92
a. B\$ Loans & Securities	2,601.83	2,784.66	-40.47	25.40	-7.13	42.74
Less Deposits	221.94	269.51	-5.50	0.18	-4.20	59.14
b. F/C Loans & Securities	0.00	7.00	0.00	0.00	0.00	-0.00
Less Deposits	3.62	4.59	-0.29	2.65	-1.19	-4.49
2.3 Rest of Public Sector	317.25	291.58	54.41	-1.07	46.36	-26.53
a. B\$ Credit	123.49	114.44	24.89	-1.07	23.29	-13.89
b. F/C Credit	193.76	177.15	29.52	0.00	23.07	-12.64
2.4 Total Domestic Credit	8,599.81	8,622.13	-1.01	12.83	-25.57	-80.53
a. B\$ Domestic Credit	8,172.42	8,254.43	-28.91	19.73	-62.66	-52.76
b. F/C Domestic Credit	427.39	367.70	27.90	-6.89	37.10	-27.76

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,504.53	2,729.81	-10.75	45.98	144.06	272.54
a. Central Bank	25.72	47.58	1.79	7.20	11.66	-27.39
b. Banks	2,478.81	2,682.23	-12.55	38.78	132.40	299.93
3.2 Savings Deposits	1,442.49	1,518.12	12.47	7.84	74.82	97.39
3.3 Fixed Deposits	2,608.12	2,479.61	-42.89	-37.75	-134.53	-82.65
3.4 Total B\$ Deposits	6,555.15	6,727.54	-41.17	16.07	84.36	287.28
3.5 F/C Deposits of Residents	453.67	536.32	98.43	7.15	151.65	18.25
3.6 M2	6,847.09	7,031.11	-43.37	17.20	69.29	287.23
3.7 External Reserves/M2 (%)	22.26	22.52	-0.79	0.24	1.48	4.77
3.8 Reserves/Base Money (%)	101.29	108.39	0.40	-1.80	3.68	12.73
3.9 External Reserves/Demand Liabilities (%)	97.91	101.01	0.04	-2.09	2.68	12.32

Value		Year to Date		Change	
2018	2019	2018	2019	Month	YTD

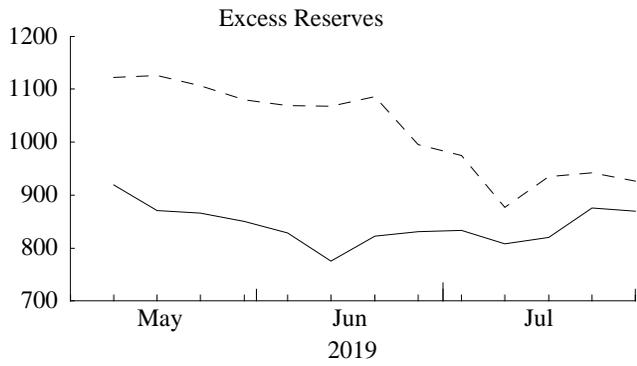
4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-69.14	15.34	95.38	359.37	84.48	263.99
a. Net Purchase/(Sale) from/to Banks	-31.67	32.51	209.63	586.46	64.17	376.83
i. Sales to Banks	70.37	16.70	205.44	25.85	-53.67	-179.59
ii. Purchases from Banks	38.71	49.21	415.07	612.31	10.50	197.24
b. Net Purchase/(Sale) from/to Others	-37.47	-17.16	-114.25	-227.09	20.31	-112.84
i. Sales to Others	78.58	77.98	426.03	543.39	-0.60	117.35
ii. Purchases from Others	41.11	60.82	311.79	316.30	19.71	4.52
4.2 Banks Net Purchase/(Sale)	-31.45	30.61	145.04	562.11	62.05	417.07
a. Sales to Customers	601.11	474.13	3,206.39	2,847.58	-126.99	-358.81
b. Purchases from Customers	569.67	504.73	3,351.43	3,409.69	-64.94	58.26
4.3 B\$ Position (change)	-8.68	-12.57				

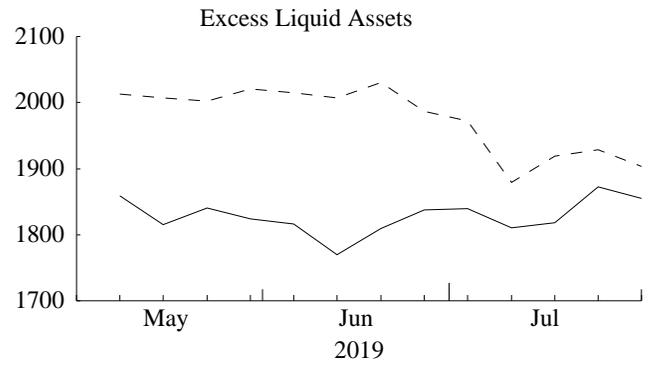
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	583.87	452.52	3,307.67	3,164.79	-131.35	-142.89
of which Public Sector	51.55	6.20	306.46	139.79	-45.35	-166.66
a. Nonoil Imports	139.60	139.47	955.66	832.53	-0.12	-123.12
b. Oil Imports	45.94	40.74	272.22	280.02	-5.20	7.80
c. Travel	33.45	34.13	172.95	173.87	0.68	0.92
d. Factor Income	73.54	4.82	272.48	132.34	-68.72	-140.14
e. Transfers	17.86	17.80	127.36	132.97	-0.06	5.61
f. Other Current Items	273.49	215.55	1,507.00	1,613.05	-57.93	106.05
5.2 Capital Items	17.74	6.85	160.01	111.41	-10.88	-48.59
of which Public Sector	7.98	0.00	101.53	44.99	-7.98	-56.54
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

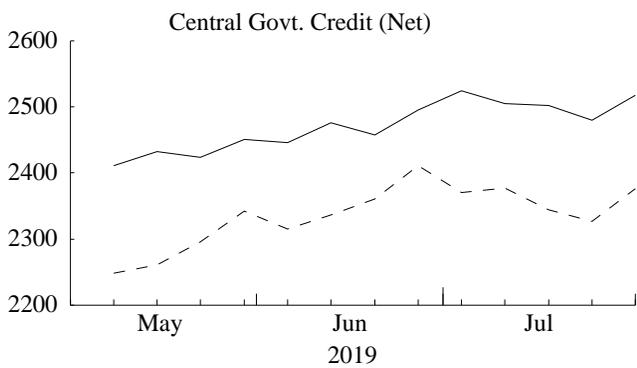
SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



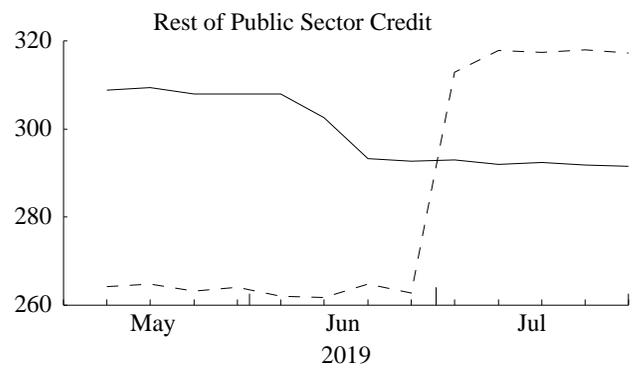
— 2019
- - - 2018



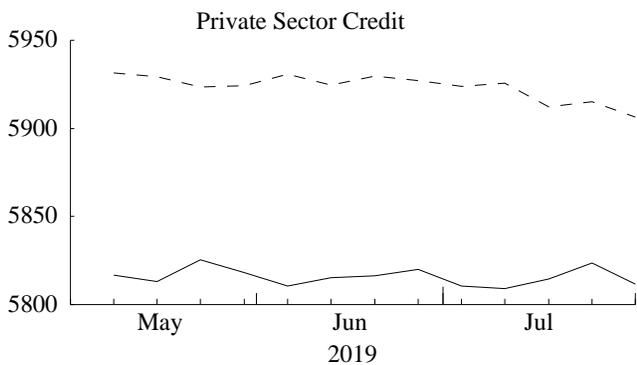
— 2019
- - - 2018



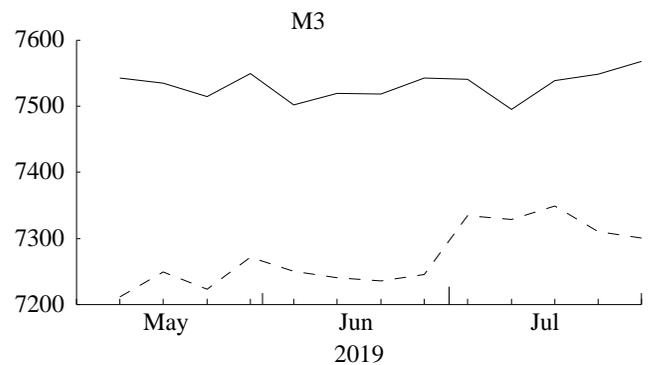
— 2019
- - - 2018



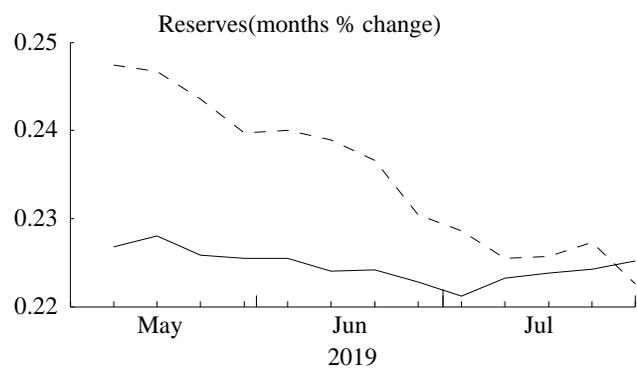
— 2019
- - - 2018



— 2019
- - - 2018



— 2019
- - - 2018



— 2019
- - - 2018

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2017	2018	2017	2018	2017	2018
Bahamas	1.4	2.3	1.4	2.5	10.1	10.7
United States	2.2	2.9	2.1	2.4	4.4	3.8
Euro-Area	2.4	2.0	1.5	1.7	9.1	8.3
<i>Germany</i>	<i>2.5</i>	<i>1.9</i>	<i>1.7</i>	<i>1.8</i>	<i>3.8</i>	<i>3.5</i>
Japan	1.7	1.1	0.5	1.2	2.9	2.9
China	6.9	6.6	1.6	2.2	3.9	4.0
United Kingdom	1.7	1.4	2.7	2.7	4.4	4.1
Canada	3.0	2.1	1.6	2.6	6.3	6.1
<i>Source: IMF World Economic Outlook October 2018, Department of Statistics</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	<i>from</i>	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate
June 2017	4.00	0.00	1.75	1.00-1.25	0.25
July 2017	4.00	0.00	1.75	1.00-1.25	0.25
August 2017	4.00	0.00	1.75	1.00-1.25	0.25
September 2017	4.00	0.00	1.75	1.00-1.25	0.25
October 2017	4.00	0.00	1.75	1.00-1.25	0.25
November 2017	4.00	0.00	1.75	1.00-1.25	0.25
December 2017	4.00	0.00	1.75	1.00-1.25	0.50
January 2018	4.00	0.00	2.00	1.25-1.50	0.50
February 2018	4.00	0.00	2.00	1.25-1.50	0.50
March 2018	4.00	0.00	2.00	1.25-1.50	0.50
April 2018	4.00	0.00	2.25	1.50-1.75	0.50
May 2018	4.00	0.00	2.25	1.50-1.75	0.50
June 2018	4.00	0.00	2.50	1.75-2.00	0.50
July 2018	4.00	0.00	2.50	1.75-2.00	0.50
August 2018	4.00	0.00	2.50	1.75-2.00	0.50
September 2018	4.00	0.00	2.50	1.75-2.00	0.75
October 2018	4.00	0.00	2.75	2.00-2.25	0.75
November 2018	4.00	0.00	2.75	2.00-2.25	0.75
December 2018	4.00	0.00	2.75	2.00-2.25	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75
May 2019	4.00	0.00	3.00	2.25-2.50	0.75
June 2019	4.00	0.00	3.00	2.25-2.50	0.75
July 2019	4.00	0.00	3.00	2.00-2.25	0.75

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	July-18	June-19	July-19	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8553	0.8797	0.9029	2.65	3.56	5.57
Yen	111.87	107.89	108.77	0.82	-0.85	-2.77
Pound	0.7618	0.7877	0.8223	4.39	4.93	7.94
Canadian \$	1.3006	1.3095	1.3191	0.73	-3.30	1.42
Swiss Franc	0.9902	0.9763	0.994	1.81	1.26	0.38
Renminbi	6.8112	6.8668	6.8842	0.25	0.08	1.07

Source: Bloomberg as of July 31st, 2019

D. Selected Commodity Prices (\$)					
Commodity	July 2018	June 2019	July 2019	Mthly % Change	YTD % Change
Gold / Ounce	1224.09	1409.45	1413.90	0.32	10.25
Silver / Ounce	15.52	15.31	16.26	6.18	4.94
Oil / Barrel	79.41	64.45	66.50	3.18	27.20

Source: Bloomberg as of July 31, 2019

E. Equity Market Valuations – July 31, 2019 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	2.65	0.99	1.31	2.17	-0.36	-1.69	1.15	-1.56
3 month	2.97	1.02	1.17	2.27	-1.21	-1.26	-3.31	-4.74
YTD	8.72	2.73	5.54	0.71	0.67	-7.59	-6.83	-15.75
12-month	12.49	10.68	9.64	-0.66	3.67	-0.95	-3.51	2.99

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	2.45	0.68	-0.42
1 Month	2.23	0.75	-0.41
3 Month	2.27	0.76	-0.42
6 Month	2.20	0.83	-0.38
9 Month	2.18	0.99	-0.39
1 year	2.38	0.98	-0.35

Source: Bloomberg as of July 31st, 2019

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

	VALUE												CHANGE					
	Jun. 05	Jun. 12	Jun. 19	Jun. 26	Jul. 03	Jul. 10	Jul. 17	Jul. 24	Jul. 31	Jun. 05	Jun. 12	Jun. 19	Jun. 26	Jul. 03	Jul. 10	Jul. 17	Jul. 24	Jul. 31
I. External Reserves	1,575.47	1,562.84	1,565.29	1,562.95	1,553.86	1,556.86	1,567.63	1,574.84	1,583.53	-11.17	-12.63	2.45	-2.34	-9.09	3.00	10.77	7.21	8.69
II. Net Domestic Assets (A + B + C + D)	-160.63	-207.38	-163.64	-144.58	-126.33	-161.97	-162.00	-117.26	-122.56	-8.82	-46.75	43.74	19.06	18.25	-35.64	-0.03	44.74	-5.30
A. Net Credit to Gov't (i + ii + iii - iv)	234.33	235.83	237.58	255.50	297.09	300.25	277.84	282.66	289.08	1.17	1.50	1.75	17.92	41.59	3.16	-22.41	4.82	6.42
i) Advances	34.66	34.66	14.96	14.96	14.96	14.96	14.96	14.96	14.96	0.00	0.00	-19.70	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	226.63	226.77	226.91	220.03	260.79	260.89	260.76	257.59	257.77	0.02	0.13	0.14	-6.87	40.76	0.09	-0.12	-3.17	0.17
iii) Treasury Bills	27.64	27.64	57.62	77.44	77.44	80.43	80.43	79.31	75.17	0.00	0.00	29.98	19.81	0.00	3.00	0.00	-1.13	-4.13
iv) Deposits	54.59	53.23	61.90	56.93	56.10	56.03	78.32	69.20	58.82	-1.15	-1.37	8.67	-4.97	-0.83	-0.07	22.29	-9.12	-10.38
B. Rest of Public Sector (Net) (i + ii - iii)	-32.70	-56.85	-36.53	-38.00	-38.39	-36.39	-18.73	-28.05	-45.21	-4.73	-24.15	20.32	-1.47	-0.39	2.00	17.67	-9.33	-17.15
i) BDB Loans	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii) Deposits	35.07	59.23	38.91	40.38	40.77	38.77	21.10	30.43	47.58	4.73	24.15	-20.32	1.47	0.39	-2.00	-17.67	9.33	17.15
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)*	-362.27	-386.37	-364.69	-362.08	-385.02	-425.82	-421.11	-371.87	-366.43	-5.26	-24.10	21.68	2.61	-22.95	-40.80	4.71	49.24	5.43
III. Monetary Base	1,414.84	1,355.45	1,401.65	1,418.37	1,427.53	1,394.89	1,405.63	1,457.58	1,460.97	-19.99	-59.39	46.19	16.72	9.16	-32.64	10.74	51.94	3.40
A. Currency in Circulation	432.65	432.85	420.48	430.81	433.42	435.11	429.45	423.91	436.13	8.48	0.20	-12.37	10.33	2.61	1.69	-5.66	-5.54	12.22
B. Bank Balances with CBOB	982.19	922.61	981.16	987.56	994.11	959.78	976.18	1,033.66	1,024.84	-28.47	-59.59	58.56	6.39	6.55	-34.33	16.41	57.48	-8.83

* 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 period from previous period)

	YEAR TO DATE	
	2017/2018	2018/2019
1689.1	1689.9	1689.1
0.8%	14.9%	
490.2	588.9	588.9
5.4%	20.1%	
392.7	369.3	369.3
0.1%	-6.0%	
1550.2	1691.9	1691.9
2.6%	9.1%	
183.5	126.7	126.7
-19.3%	-31.0%	
-263.8	-129.5	-129.5
-5.8%	-50.9%	

	JAN-MAR		APR-JUN	
	2017/2018	2018/2019	2017/2018	2018/2019
677.4	677.4	677.4	677.4	
36.1%	36.1%	36.1%	36.1%	
203.6	203.6	203.6	203.6	
9.5%	9.5%	9.5%	9.5%	
103.7	103.7	103.7	103.7	
-9.4%	-9.4%	-9.4%	-9.4%	
590.7	590.7	590.7	590.7	
4.7%	4.7%	4.7%	4.7%	
46.8	46.8	46.8	46.8	
13.7%	13.7%	13.7%	13.7%	
-11.9	-11.9	-11.9	-11.9	
-137.2%	-137.2%	-137.2%	-137.2%	

	OCT-DEC		JAN-MAR		APR-JUN	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
427.1	427.1	427.1	427.1	427.1	427.1	
-5.9%	-5.9%	-5.9%	-5.9%	-5.9%	-5.9%	
149.5	149.5	149.5	149.5	149.5	149.5	
-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	-1.4%	
127.6	127.6	127.6	127.6	127.6	127.6	
-5.3%	-5.3%	-5.3%	-5.3%	-5.3%	-5.3%	
517.2	517.2	517.2	517.2	517.2	517.2	
5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
56.7	56.7	56.7	56.7	56.7	56.7	
-3.8%	-3.8%	-3.8%	-3.8%	-3.8%	-3.8%	
-146.8	-146.8	-146.8	-146.8	-146.8	-146.8	
-72.8%	-72.8%	-72.8%	-72.8%	-72.8%	-72.8%	

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
453.8	513.8	513.8	453.8	497.8	453.8	453.8	453.8	
-24.7%	-9.0%	-9.0%	-24.7%	-3.1%	-24.7%	-24.7%	-24.7%	
168.8	198.4	198.4	168.8	185.9	168.8	168.8	168.8	
-2.3%	-1.8%	-1.8%	-2.3%	-6.8%	-2.3%	-2.3%	-2.3%	
135.0	151.2	151.2	135.0	114.4	135.0	135.0	135.0	
-25.8%	-5.6%	-5.6%	-25.8%	-24.3%	-25.8%	-25.8%	-25.8%	
484.5	537.2	537.2	484.5	564.0	484.5	484.5	484.5	
-1.6%	-15.4%	-15.4%	-1.6%	5.0%	-1.6%	-1.6%	-1.6%	
74.4	38.8	38.8	74.4	41.1	74.4	74.4	74.4	
-54.3%	-54.6%	-54.6%	-54.3%	6.0%	-54.3%	-54.3%	-54.3%	
-105.1	-62.1	-62.1	-105.1	-107.3	-105.1	-105.1	-105.1	
-73.0%	-59.1%	-59.1%	-73.0%	-72.8%	-73.0%	-73.0%	-73.0%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC				
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019			
7,209.3	7,514.2	7,198.9	7,476.9	7,205.4	7,476.9	7,205.4	7,175.1	7,473.4	7,217.2	7,465.2	7,243.2	7,527.0	7,243.2	7,527.0	7,243.2	7,527.0	7,243.2	7,527.0	7,243.2	7,527.0	7,243.2	7,527.0	7,243.2	7,527.0	7,243.2	7,527.0	
0.4%	0.2%	-0.1%	0.1%	0.1%	0.0%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.4%	0.8%	0.4%	0.8%	0.4%	0.8%	0.4%	0.8%	0.4%	0.8%	0.4%	0.8%	0.4%	0.8%	0.4%	0.8%	
2,675.9	2,592.5	2,662.4	2,588.6	2,661.2	2,557.1	2,651.3	2,552.4	2,652.4	2,552.4	2,552.4	2,637.1	2,553.2	2,637.1	2,553.2	2,637.1	2,553.2	2,637.1	2,553.2	2,637.1	2,553.2	2,637.1	2,553.2	2,637.1	2,553.2	2,637.1	2,553.2	
2.3%	0.0%	-0.5%	-0.9%	0.0%	-0.4%	-0.4%	0.0%	-0.3%	0.0%	0.0%	-0.2%	0.0%	-0.2%	0.0%	-0.2%	0.0%	-0.2%	0.0%	-0.2%	0.0%	-0.2%	0.0%	-0.2%	0.0%	-0.2%	0.0%	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
4,533.4	4,921.7	4,536.5	4,908.3	4,544.2	4,919.7	4,523.8	4,921.3	4,574.1	4,912.8	4,606.1	4,973.9	4,606.1	4,973.9	4,606.1	4,973.9	4,606.1	4,973.9	4,606.1	4,973.9	4,606.1	4,973.9	4,606.1	4,973.9	4,606.1	4,973.9	4,606.1	4,973.9
-0.7%	0.3%	0.1%	-0.3%	0.2%	0.2%	-0.4%	0.0%	0.0%	-0.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%	0.7%	1.2%
34.7	41.4	29.0	36.3	91.8	112.5	100.4	133.5	0.1	33.8	21.0	27.7	21.0	27.7	21.0	27.7	21.0	27.7	21.0	27.7	21.0	27.7	21.0	27.7	21.0	27.7	21.0	27.7
4.9%	-1.8%	-1.7%	1.1%	217.1%	209.9%	9.3%	18.7%	-99.9%	-74.7%	-40.6%	-18.0%	-40.6%	-18.0%	-40.6%	-18.0%	-40.6%	-18.0%	-40.6%	-18.0%	-40.6%	-18.0%	-40.6%	-18.0%	-40.6%	-18.0%	-40.6%	-18.0%
(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
3,364.4	3,508.8	3,528.8	3,484.9	3,526.7	3,482.0	3,516.8	3,457.0	3,506.6	3,457.3	3,497.5	3,455.6	3,497.5	3,455.6	3,497.5	3,455.6	3,497.5	3,455.6	3,497.5	3,455.6	3,497.5	3,455.6	3,497.5	3,455.6	3,497.5	3,455.6	3,497.5	3,455.6
-3.4%	4.8%	4.2%	-0.7%	-0.1%	-0.7%	-0.3%	-0.1%	-0.2%	0.0%	-0.3%	-0.05%	-0.3%	-0.05%	-0.3%	-0.05%	-0.3%	-0.05%	-0.3%	-0.05%	-0.3%	-0.05%	-0.3%	-0.05%	-0.3%	-0.05%	-0.3%	-0.05%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	
103.9	106.7	104.3	108.1	104.0	108.2	104.0	108.2	104.0	108.2	104.0	108.2	104.0	108.2	104.0	108.2	104.0	108.2	104.0	108.2	104.0	108.2	104.0	108.2	104.0	108.2
0.00%	0.70%	0.35%	1.26%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%	-0.30%	0.12%
533.7	636.9	534.2	608.4	707.5	749.0	587.8	657.6	500.0	589.1	641.4	539.8	641.4	539.8	641.4	539.8	641.4	539.8	641.4	539.8	641.4	539.8	641.4	539.8	641.4	539.8
4.7%	19.3%	-0.08%	13.85%	3.63%	5.87%	0.94%	11.88%	6.59%	17.83%	18.83%	9.62%	18.83%	9.62%	18.83%	9.62%	18.83%	9.62%	18.83%	9.62%	18.83%	9.62%	18.83%	9.62%	18.83%	9.62%
100.9	129.9	126.3	151.1	184.1	201.6	144.0	171.2	136.1	158.7	168.4	154.9	168.4	154.9	168.4	154.9	168.4	154.9	168.4	154.9	168.4	154.9	168.4	154.9	168.4	154.9
6.95%	28.58%	16.73%	19.65%	20.09%	9.45%	4.32%	18.83%	18.94%	16.61%	8.71%	15.22%	8.71%	15.22%	8.71%	15.22%	8.71%	15.22%	8.71%	15.22%	8.71%	15.22%	8.71%	15.22%	8.71%	15.22%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25
-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%	-5.88%

	YEAR TO DATE	
	2017/2018	2018/2019
1689.1	1689.9	1689.1
0.8%	14.9%	
490.2	588.9	588.9
5.4%	20.1%	
392.7	369.3	369.3
0.1%	-6.0%	
1550.2	1691.9	1691.9
2.6%	9.1%	
183.5	126.7	126.7
-19.3%	-31.0%	
-263.8	-129.5	-129.5
-5.8%	-50.9%	

	JAN-MAR		APR-JUN	
	2017/2018	2018/2019	2017/2018	2018/2019
677.4	677.4	677.4	677.4	
36.1%	36.1%	36.1%	36.1%	
203.6	203.6	203.6	203.6	
9.5%	9.5%	9.5%	9.5%	
103.7	103.7	103.7	103.7	
-9.4%	-9.4%	-9.4%	-9.4%	
590.7	590.7	590.7	590.7	
4.7%	4.7%	4.7%	4.7%	
46.8	46.8	46.8	46.8	
13.7%	13.7%	13.7%	13.7%	
-11.9	-11.9	-11.9	-11.9	