



Monthly Economic and Financial Developments May 2020

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:

2020: August 4, August 31, September 28, November 2, November 30, December 21,



Monthly Economic and Financial Developments (MEFD) May 2020

1. Domestic Economic Developments

Overview

During the month of May, developments in the domestic economy were dominated by the spread of the Novel Coronavirus (COVID-19), which led to a contraction in economic activity. Specifically, globally imposed travel restrictions impeded tourism sector activity, as the high value-added air and sea segments grounded to a halt. Nevertheless, the partial restart of foreign investment-led projects and post-hurricane rebuilding works, provided impetus to the construction sector. Monetary developments featured a modest expansion in bank liquidity, as the notably rise in domestic credit, was offset by the growth in the deposit base. However, external reserves decreased, largely reflecting the reduction in foreign currency inflows from real sector activities.

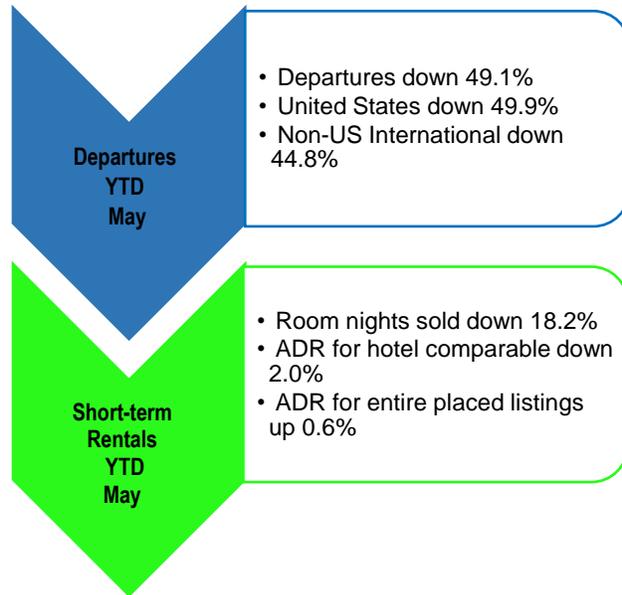
Real Sector

Tourism

Preliminary evidence suggests that activity in tourism output contracted during the month of May, as both air and sea arrivals came to a standstill, due to the ongoing COVID-19 global pandemic.

As the borders remained closed, the latest data provided by the Nassau Airport Development Company Limited (NAD) showed that total international departures were just 238 during the month of May, in comparison to the 15.8% growth, to 139,376 recorded same period last year. During the first five months of the year, aggregate departures reduced by 49.1%, reversing the 19.9% expansion, in the same period of 2019. Underlying this outturn, the U.S. segment decreased by 49.9%, contrasting with a 21.6% growth in the prior year. Similarly, the non-U.S. segment fell by 44.8%, vis-à-vis an 11.2% increase a year earlier.

Chart 1: Tourism Indicators at a Glance



Sources: Nassau Airport Development Co. and AirDNA

Data provided by AirDNA on the vacation rental market revealed similar trends for the month of May. Specifically, total room nights sold contracted by 61.9%, reflecting reductions of 62.7% and 53.6% in bookings for entire place listings and hotel comparable listings, respectively. In contrast, the average daily room rate (ADR) for entire place listings and hotel comparable listings firmed by 7.0% and by 5.6% to \$421.31 and \$160.20, respectively. On a year-to-date basis, total room nights sold reduced by 18.2%. In particular, bookings for entire place listings fell by 19.9%, while bookings for hotel comparable listings were lower by 3.2%. Pricing indicators varied, as the ADR for entire place listings edged up by 0.6% to \$399.00, while the ADR decreased by 2.0% to \$156.15 for hotel comparable listings.

2020/2021 Budget Communications Highlights

The Government's Budget Communication for FY2020/2021, entitled "Resilient Bahamas: A Plan for Restoration", which was presented in Parliament on May 27, 2020, overarching objectives are to maintain economic stability during the COVID-19 pandemic and to pursue policies that will accelerate the recovery of the economy.

Given the current economic environment, the Government expects that the fiscal deficit will surge to an estimated \$1.3 billion in FY2020/2021, or 11.6% of GDP, the largest projected deficit in history. Correspondingly, the National Debt is anticipated to rise to approximately 82.8% of GDP.

Chart 2: FY2020/2021 Budget Highlights

Revenue Measures	Expenditure Measures
<ul style="list-style-type: none"> •Duty reduction on fishing materials, building materials, green technology, and farming equipment for the purpose of backyard farming. •Duty reduction on personal protective equipment for healthcare workers. •Expansion of tax free land transfer initiative. •Extension of Special Economic Recovery Zone. •VAT "holiday" on back-to-school supplies, clothing and select food items purchased domestically. •Increase in customs storage fees. •Introduction of customizable license plates. 	<ul style="list-style-type: none"> • Increase in public health allocations. •Increase in funding for unemployment assistance. •Increase in funding for food assistance. •Temporary increase in the Old Age Pension. •Increase in funding for NHI. •Increase in support for small and medium sized businesses. •Reduction in recurrent spending across all Ministries. •Allocation to business support programs.

Source: Bahamas Government Budget Communication

Reflective of the contraction in the tax base, alongside extensive tax relief measures and limited revenue enhancements, the Government forecasts a significantly reduced revenue intake of \$1.8 billion compared to a projected outturn of \$2.6 billion in FY2019/20. The reduction is broadly across revenue categories with tax receipts (86.0% of the forecast) expected to fall by 28.2% and non-tax collections (14.0% of the forecast) receding by 13.7%. Under socially targeted reliefs, the Government announced its intention to provide tax reductions in several areas, including the implementation of a "back-to-school" VAT holiday on school supplies, clothing and selected food items purchased domestically, in the two weeks preceding the reopening of schools. The Government also announced the extension of previous relief measures, such as the Special Economic Recovery Zone to continue to support the ongoing restoration of the islands impacted by Hurricane Dorian. Specifically, Abaco and Grand Bahama will continue to receive VAT and duty exemptions until the end of the year, with a planned scale-back from January 1, 2021 to June 30, 2021 to just building materials. To stimulate domestic economic production, tax relief measures also included the reduction of import duty on fishing materials from 45% to 20% and on farming equipment for use in backyard farming from 25% to 10%. Additionally, the duty on building materials decreased to 20%, to encourage increased construction activity. Meanwhile, revenue enhancement measures included an increase in customs storage fees, and a fee structure to facilitate custom-ordered license plates.

The expenditure budget targeted a mix of stabilisation, social support, and stimulus measures. In particular, capital spending is budgeted to rise sharply to \$515.5 million, approximately \$190.0 million (58.4%) higher than the FY2020/19 projected outturn, while recurrent outlays are estimated at \$2.6 billion, some \$35.3 million (1.4%) above last year's revised budgeted outcome. The former provided for investments in public infrastructure works, health facilities, energy conservation projects, digital infrastructure, housing and small

business lending. Meanwhile, reprioritisation and cuts provisions for most agencies supported elevated recurrent allocations for social services, unemployment and a range of public health interventions.

2. Domestic Monetary Trends

May 2020 vs. 2019

Liquidity

Monetary developments for the month of May were marked by an expansion in banking sector liquidity, as the increase in domestic credit was offset by a rise in the deposit base. Specifically, the broader measure, excess liquid assets, grew by \$34.0 million to \$2,070.1 million, a reversal from a \$4.2 million decline in the previous year. Similarly, excess reserves—the narrow measure of liquidity—rose by \$14.8 million to \$1,245.1 million, a turnaround from a \$44.7 million decrease a year earlier.

External Reserves

Reflective of the ongoing COVID-19 pandemic and international travel restrictions, external reserves declined by \$62.6 million to \$1,972.0 million during the month of May, contrasting with a \$3.1 million accumulation in the prior year. Contributing to this development, the Central Bank’s transaction with commercial banks reversed to a net sale of \$63.0 million, following a net purchase of \$56.0 million in the preceding year. Further, commercial banks recorded a net sale of \$96.9 million to their customers, vis-à-vis a net purchase of \$22.3 million last year. Providing some offset, the Central Bank’s net sale to the public sector narrowed sharply to \$2.0 million from \$53.1 million in 2019.

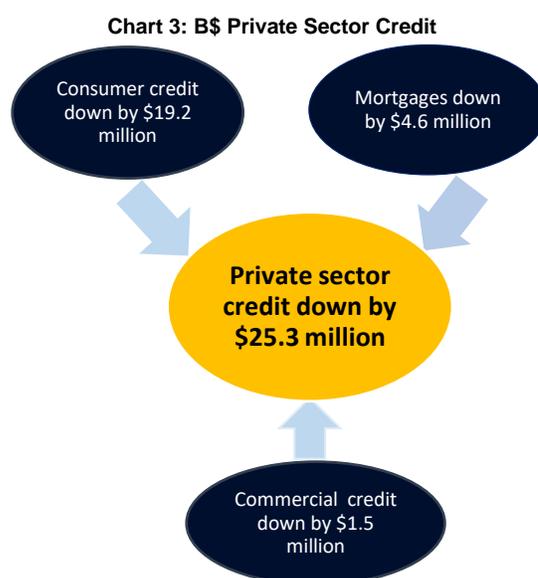
Exchange Control Sales

During the month of May, data on foreign currency sales for current account transactions revealed a \$75.4 million falloff in outflows to \$370.6 million, relative to the same period last year, amid reductions across almost all categories. In particular, “other” current items outflows, largely services and credit-financed imports, fell by \$32.2 million and sales to facilitate oil imports decreased by \$30.1 million. Similarly, travel-related sales declined by \$20.0 million. Further, foreign currency sales for non-oil imports were lower by \$4.7 million and transfer payments by \$3.5 million. Conversely, factor income payments rose by \$15.1 million.

Domestic Credit

Bahamian Dollar Credit

The growth in total Bahamian dollar credit widened to \$84.3 million in May, from \$22.6 million a year earlier. Underpinning this outcome, net claims on the Government rose by \$107.8 million, extending the \$17.3 million increase in 2019. Further, credit to public corporations firmed by \$1.8 million, a



Source: Central Bank of The Bahamas

turnaround from a \$0.4 million falloff in the prior year. In contrast, credit to the private sector reduced by \$25.3 million, vis-à-vis a \$5.6 million accumulation in the preceding year, as consumer credit contracted by \$19.2 million, a reversal from a muted \$0.1 million uptick in 2019. Similarly, mortgages declined by \$4.6 million, a reversal from a \$5.5 million growth last year; and commercial credit decreased by \$1.5 million, after a relatively flat outturn in the previous year.

Foreign Currency Credit

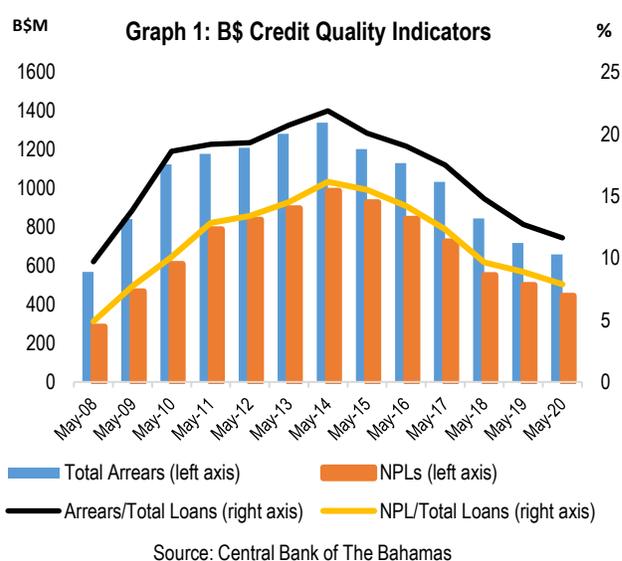
Domestic foreign currency credit grew by \$18.1 million in May, in contrast to a \$6.8 million falloff a year earlier, as net claims on the Government edged up by \$1.1 million, vis-à-vis a \$5.5 million reduction in the prior year. Likewise, credit to the private sector rose by \$18.2 million, a reversal from a \$0.4 million decline in the previous year, led by an \$18.5 million rise in commercial credit, a turnaround from a \$0.7 million decrease in the prior year. In contrast, mortgages fell by \$0.3 million, after an uptick of a similar magnitude in 2019. Further, the falloff in credit to the public corporations extended to \$1.3 million, from \$0.9 million a year earlier.

Credit Quality

During the month of May, total private sector arrears decreased by \$37.7 million (5.4%) to \$659.0 million, moderating by 63 basis points as a proportion of total private sector loans, to 11.63%. A breakdown by length of delinquency, revealed that short-term arrears (31-90 days) declined by \$22.8 million (9.7%) to \$212.8 million, with the accompanying ratio reducing by 39 basis points to 3.8%. Similarly, non-performing loans (NPLs) fell by \$14.9 million (3.2%) to \$446.2 million, corresponding with a 24 basis point narrowing in the relevant ratio to 7.9%.

An analysis by loan category showed that the falloff in arrears was led by consumer delinquencies, which decreased by \$24.1 million (11.7%) to \$182.5 million, due to respective reductions of \$20.3 million (25.9%) and \$3.8 million (3.0%) in both the short and long-term segments. Similarly, the commercial loan component fell by \$9.4 million (12.5%) to \$66.0 million, as non-accruals loans reduced by \$14.2 million (24.3%), outstripping the \$4.8 million (28.5%) rise in short-term arrears. Further, mortgage delinquencies contracted by \$4.1 million (1.0%) to \$410.5 million, on account of a \$7.3 million (5.2%) decline in short-term arrears, which outweighed the \$3.2 million (1.2%) growth in the long-term portion.

In this environment, banks reduced their total provisions for loan losses by \$8.5 million (1.7%) to \$491.8 million during the review month. Nevertheless, the ratio of total provisions to both arrears and NPLs firmed by 2.8 and 1.7 percentage points, to 74.6% and 110.2%, respectively. During the month, banks also wrote off approximately \$10.5 million in bad loans and recovered an estimated \$1.0 million.



In comparison to the corresponding period in 2019, the total private sector arrears rate narrowed by 1.1 percentage points, as both the NPLs and short-term rates moved lower by 1.0 and 0.1 percentage points, respectively. Broad-based reductions were registered across all loan segments as mortgage, consumer and commercial components contracted by 1.2, 0.9 and 0.5 percentage points, respectively.

Box: COVID-19 Impact on Credit Quality

As a result of the COVID-19 pandemic, commercial banks implemented loan payment deferral schemes ranging between 3 - 6 months to assist customers whose debt servicing capacity had been adversely impacted. The Central Bank implemented a monthly reporting template to facilitate monthly monitoring and analysis of these facilities, including impacts on non-performing loans (NPLs). The first reporting commenced for the period ended March 2020 and on a monthly basis thereafter.

As at April 2020, the total loans under COVID-19 impacted deferral stood at \$1.9 billion, representing 32.8% of total private sector credit. Of this amount, consumer loans accounted for \$832.4 million (45.0%) of the deferred facilities; residential mortgages, \$725.0 million (39.2%); and commercial loans, \$292.3 million (15.8%).

Commercial banks are continuing to provide accommodations beyond the initial three-month period of deferral.

As impacted businesses and households develop more certainty around their financial circumstances, lenders may be required to cease interest accrual on some exposures. This would shift such balances to non-performing status. The Central Bank is preparing tailored guidance for supervised financial institutions that would graduate the starting rate at which loan loss provisioning would be required, although those COVID-19 generated non-accruals that persist beyond the completion of the economic recovery would need to be provisioned at 100 percent.

Deposits

Total Bahamian dollar deposits expanded by \$31.3 million, surpassing the \$25.1 million accumulation recorded during the same period a year earlier. In particular, demand balances rose considerably by \$71.8 million, outpacing the \$4.4 million increase in the prior year. However, the growth in savings deposits moderated to \$5.1 million from \$16.0 million in the preceding year. Further, fixed deposits declined by \$45.6 million, vis-à-vis a \$4.8 million rise in 2019. In addition, foreign currency deposits contracted by \$49.4 million, extending the \$21.1 million falloff registered in the previous year.

Interest Rates

In interest rates developments, banks' weighted average loan rate firmed by 1.8 percentage points to 10.38% in May. Similarly, the weighted average deposit rate rose by 12 basis points to 0.43%, with the highest rate of 2.75% offered on fixed balances of over 12 months.

3. Domestic Outlook

The domestic economy is projected to experience a negative outturn in 2020, due to the combined effects of the COVID-19 pandemic and the fallout from Hurricane Dorian. In this regard, a significant contraction in tourism output is anticipated, with prospects for a recovery dependent on progress on the international health front and the removal of globally imposed travel restrictions. However, the partial resumption of foreign investment-led projects, along with post-hurricane reconstruction works are expected to provide stimulus to the construction sector. In this environment, a surge in the unemployment rate is projected over the near term, with job gains concentrated largely within the construction sector, and the limited re-engagement of tourism sector employees. Meanwhile, inflationary pressures are expected to remain subdued, barring no shocks to international oil prices.

In terms of the fiscal sector, outlays associated with the rebuilding of damaged infrastructure and replacement of fixed assets following the storm, along with revenue losses and increased health and social welfare spending related to COVID-19, are expected to weigh heavily on the Government's budget. Some of shortfall in revenue is anticipated to be alleviated by re-insurance receipts and donations from local and international sources. However, the remaining budgetary gaps will require increased external borrowing, in an effort to provide balance of payments support arising from the decline in foreign currency inflows.

Monetary sector developments will continue to be underpinned by healthy banking sector liquidity, due to commercial banks upholding their conservative lending stance. However, external reserve balances are projected to contract during the year, on account of a decline in foreign currency inflows, related to tourism sector activity and a rise in imports to aid reconstruction work. Nevertheless, external balances are estimated to remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy Implications

Based on the current outlook, the Central Bank will maintain its accommodative stance, and remain committed to policy measures that foster economic growth, financial stability and overall recovery. Further, the Bank will continue to monitor developments within the international and domestic environment and, if necessary implement the appropriate measures to support a favorable outcome for the foreign reserves.

APPENDIX

International Developments

Global economic developments continued to be dominated by the spread of the Novel Coronavirus (COVID-19), which led to the International Monetary Fund (IMF), in its April 2020 Edition of the World Economic Outlook Report, downgrading its real GDP projection for 2020 to a 3.0% contraction for the global economy. Against this backdrop, all major central banks either maintained or enhanced their highly accommodative policy stance, in an effort to stimulate their economies.

Conditions in the United States were relatively mild during the review month. Specifically, owing to the partial resumption of economic activity in the country, following the COVID-19 lockdown, total non-farm employment rose by 2.5 million, with the majority of these employment gains concentrated in the leisure and hospitality sector (1.2 million). As a result, the jobless rate decreased by 1.4 percentage points to 13.3% in May. Further, average consumer prices fell by 0.1% in May, as the 1.8% decline in the energy index, outweighed the 0.7% increase in the food index. In external sector developments, the trade deficit widened by \$7.1 billion (16.7%) to \$49.4 billion in April, as the 20.5% decline in exports outstripped the 13.7% falloff in imports. In this environment, the Federal Reserve maintained its benchmark interest rate at a range of 0.00% – 0.25%, while introducing a new program to provide additional funding for small and medium sized businesses.

Economic indicators in Europe were volatile over the review period, due to the COVID-19 pandemic. In the United Kingdom, the inflation rate, as measured by the Consumer Price Index, declined to an annualized 0.7% in May from 0.9% in the prior month. With regard to the labour market, the unemployment rate steadied at 3.9% over the three-months to April. Meanwhile, production output contracted by 20.3% in April, owing to significant reductions in the manufacturing sector (24.3%) and mining & quarrying (12.2%). On the external front, the trade deficit narrowed by £3.2 billion (72.7%) to £1.2 billion for the quarter ended-April, as the £29.9 billion decrease in imports overshadowed the £33.1 billion falloff in exports. Further, in the euro area, the inflation rate fell to 0.1% in May from 0.3% in the prior month, as energy cost reduced by 12.0%; while the jobless rate rose by 20 basis points to 7.3% in April, as the number of unemployed persons grew by 211,000. Further, industrial production continued to be adversely impacted by COVID-19 containment measures, declining by 17.1% in April, led by a 28.9% retrenchment in the production of durable consumer goods. In addition, retail trade contracted by 11.7% in April, as fuel purchases reduced by 27.7%. In external sector developments, the trade surplus fell considerably to €2.9 billion in April from €28.2 billion in March, as the falloff in exports outweighed the decline in imports. Against this backdrop, the Bank of England left its bank rate unchanged at 0.1%. In addition, the European Central Bank elected to extend its emergency stimulus package by €600 billion to a total of €1,350 billion, while maintaining the interest rates on the main refinancing operations, at 0.00%, the marginal lending facility, at 0.25% and the deposit facility, at -0.50%.

The major Asian market indicators varied during the review month. In terms of international trade, China's trade surplus widened to \$62.9 billion in May, exceeding the \$45.34 billion surplus recorded one month earlier, as the 16.7% contraction in imports, outpaced the 3.3% falloff in exports. Further, average consumer prices fell by 0.8% during the month of May, while the unemployment rate rose by 10 basis points to 6.0% in April. Meanwhile, China's retail sales reduced by 7.5% in April. In addition, Japan registered a trade deficit of ¥930 billion in April, a reversal from a ¥5.4 billion surplus a month earlier, as exports contracted by 21.9%, outstripping the 7.1% decline in imports. Further, the industrial production index fell by 9.8% in April, owing to the cutbacks in the production of vehicles and iron, while retail sales reduced by 13.7% from a year earlier. With regard to the labor market, the number of unemployed people in Japan increased by 130,000 in April, with the jobless rate firming by 10 basis points to 2.6%, while the consumer price index fell by 0.2% over the prior month. In this environment, the People's Bank of China retained its reverse repo rate at 2.20%, while announcing its commitment to purchase approximately US\$56.3 billion in bank loans made to micro and small enterprises by end-2020. Similarly, the Bank of Japan continued to engage in monetary easing measures to subsidize banks, while sustaining its policy rate at -0.1%.

During the month of May, almost all of the major stock market indices recorded positive movements. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) grew by 4.5% and by 4.3%, respectively. Similar trends were noted in Europe, as Germany's DAX, the United Kingdom's FTSE 100 and France's CAC 40, rose by 6.7%, 3.0% and 2.7%, respectively. In Asia, Japan's Nikkei increased by 8.4%. In contrast, China's SE Composite edged down by 0.3%.

Developments within the currency markets revealed that the US dollar strengthened relative to most of the major currencies during the review month. Specifically, the US dollar appreciated against the euro, by 8.4% to €0.9128, the British pound, by 2.0% to £0.8102, the Chinese Renminbi, by 1.0% to CNY 7.1364 and the Japanese Yen, by 0.6% to ¥107.83. In contrast, the US dollar depreciated against the Canadian dollar, by 1.2% to CAD\$1.3780 and the Swiss Franc, by 0.4% to CHF 0.9616.

Amid a reduction in OPEC's crude oil production by 6.30 thousand barrels per day to 24.19 million barrels per day, crude oil prices rose by 11.1% to \$25.29 per barrel in May. Similarly, the costs of silver and gold grew by 19.3% and 2.6% to \$17.87 and \$1,730.27 per troy ounce, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

May					
Value		Change		Change YTD	
2019	2020	2019	2020	2019	2020

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	850.05	1,245.07	-44.70	14.76	178.71	138.85
1.2 Excess Liquid Assets	1,825.94	2,070.11	-4.15	34.04	294.15	100.42
1.3 External Reserves	1,586.43	1,972.04	3.10	-62.59	387.26	213.83
1.4 Bank's Net Foreign Assets	57.92	111.77	-11.10	-99.98	0.82	398.37
1.5 Usable Reserves	825.86	958.98	35.34	-61.48	301.63	123.62

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,819.60	5,799.02	5.21	-7.04	-35.46	-57.43
a. B\$ Credit	5,627.48	5,648.75	5.64	-25.26	-19.82	-6.82
of which: Consumer Credit	2,082.25	2,094.68	0.14	-19.16	-35.66	16.45
Mortgages	2,865.69	2,817.07	5.54	-4.61	-0.53	-21.51
Commercial and Other Loans B\$	679.54	737.00	-0.03	-1.49	16.37	-1.76
b. F/C Credit	192.12	150.27	-0.43	18.21	-15.63	-50.62
of which: Mortgages	57.53	62.78	0.26	-0.25	-0.58	4.74
Commercial and Other Loans F/C	134.59	87.49	-0.70	18.46	-15.06	-55.35
2.2 Central Government (net)	2,453.03	2,752.68	11.82	108.92	-80.49	132.70
a. B\$ Loans & Securities	2,716.99	2,959.14	2.31	59.65	-28.51	109.89
Less Deposits	261.52	259.19	-14.97	-48.14	51.63	-25.58
b. F/C Loans & Securities	7.00	57.00	0.00	0.00	0.00	0.00
Less Deposits	9.43	4.27	5.46	-1.13	0.35	2.76
2.3 Rest of Public Sector	477.33	443.93	-1.29	0.53	-9.55	0.13
a. B\$ Credit	290.19	281.18	-0.37	1.80	-6.91	2.69
b. F/C Credit	187.14	162.76	-0.92	-1.28	-2.64	-2.56
2.4 Total Domestic Credit	8,749.97	8,995.63	15.74	102.40	-125.50	75.40
a. B\$ Domestic Credit	8,373.14	8,629.88	22.55	84.33	-106.88	131.33
b. F/C Domestic Credit	376.83	365.75	-6.82	18.07	-18.62	-55.93

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,701.10	3,195.17	4.38	71.77	243.95	241.47
a. Central Bank	30.34	74.13	-1.87	20.98	-44.51	24.48
b. Banks	2,670.76	3,121.05	6.25	50.79	288.46	217.00
3.2 Savings Deposits	1,496.22	1,784.95	16.01	5.05	75.49	148.50
3.3 Fixed Deposits	2,531.95	2,256.35	4.75	-45.57	-30.31	-168.59
3.4 Total B\$ Deposits	6,729.27	7,236.47	25.14	31.25	289.12	221.38
3.5 F/C Deposits of Residents	512.60	592.76	-21.08	-49.41	-5.47	-77.23
3.6 M2	7,036.48	7,603.15	25.73	35.23	292.72	250.97
3.7 External Reserves/M2 (%)	22.55	25.94	-0.04	-0.95	4.76	2.02
3.8 External Reserves/Base Money (%)	110.57	102.92	3.51	-4.22	14.76	1.37
3.9 External Reserves/Demand Liabilities (%)	104.29	97.33	4.44	-2.98	15.46	2.07
	Value		Year To Date		Change	
	2019	2020	2019	2020	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	2.92	-64.99	376.05	144.89	-67.91	-231.16
a. Net Purchase/(Sale) from/to Banks	55.99	-63.01	530.17	224.67	-118.99	-305.49
i. Sales to Banks	0.00	65.59	4.35	179.12	65.59	174.77
ii. Purchase from Banks	55.99	2.58	534.52	403.79	-53.40	-130.72
b. Net Purchase/(Sale) from/to Others	-53.06	-1.98	-154.12	-79.79	51.08	74.33
i. Sales to Others	74.60	67.13	385.11	398.29	-7.47	13.18
ii. Purchase from Others	21.54	65.15	230.99	318.50	43.61	87.52
4.2 Banks Net Purchase/(Sale)	22.33	-96.89	514.96	160.25	-119.23	-354.70
a. Sales to Customers	373.56	307.12	1980.67	1818.49	-66.44	-162.18
b. Purchase from Customers	395.90	210.23	2495.63	1978.75	-185.67	-516.88

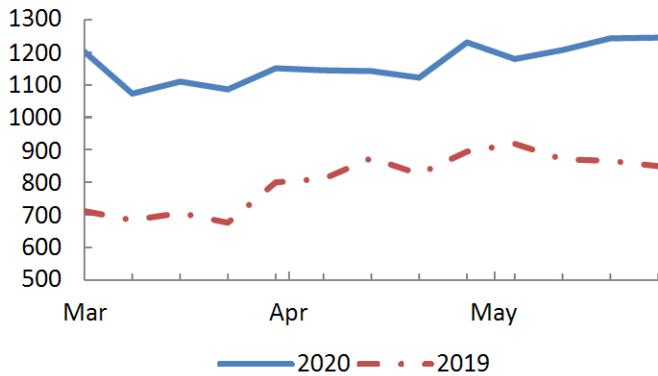
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	446.00	370.64	2,454.47	2,251.46	-75.36	-203.01
of which Public Sector	77.15	70.34	332.83	362.14	-6.81	29.31
a. Nonoil Imports	113.23	108.59	580.22	582.82	-4.64	2.60
b. Oil Imports	50.25	20.19	237.82	194.16	-30.06	-43.66
c. Travel	22.59	2.55	120.60	55.54	-20.04	-65.06
d. Factor Income	51.17	66.23	157.50	184.37	15.06	26.87
e. Transfers	13.19	9.71	106.26	58.94	-3.48	-47.32
f. Other Current Items	195.57	163.37	1,252.07	1,175.63	-32.20	-76.44
5.2 Capital Items	6.75	5.95	104.46	120.48	-0.80	16.02
of which Public Sector	0.92	1.28	62.95	78.82	0.36	15.87

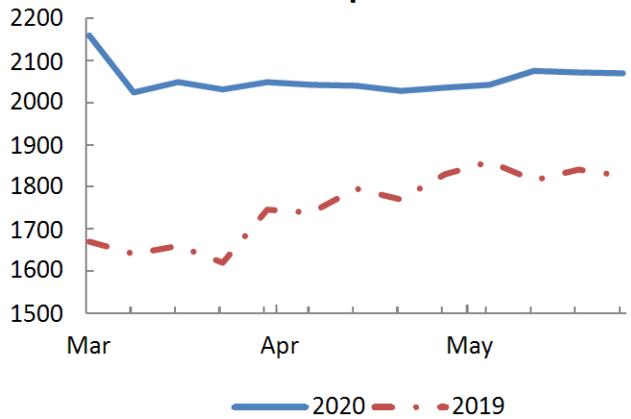
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

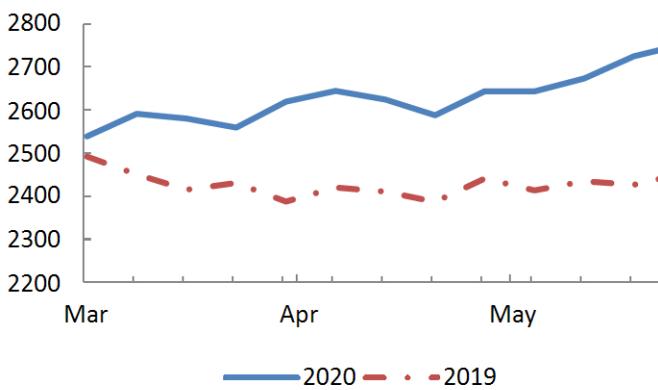
Excess Reserves



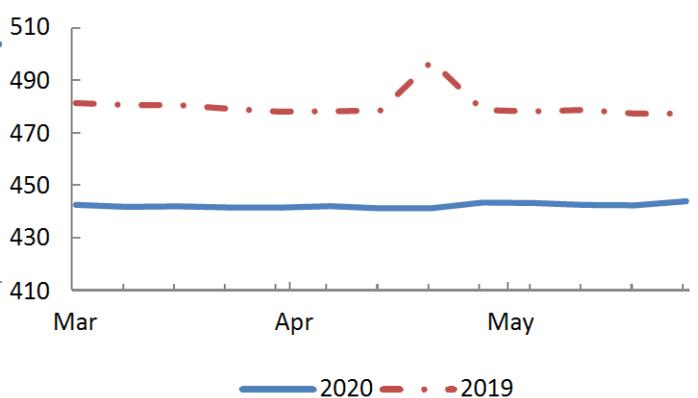
Excess Liquid Assets



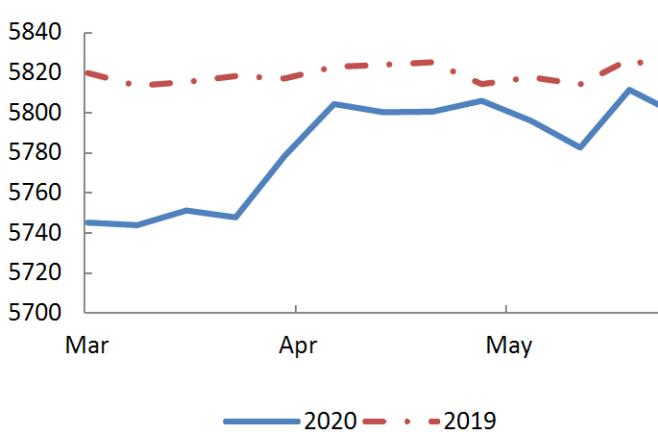
Central Govt. Credit (Net)



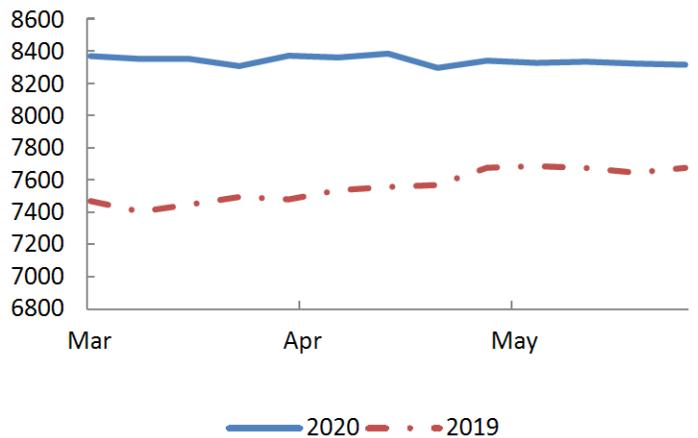
Rest of Public Sector Credit



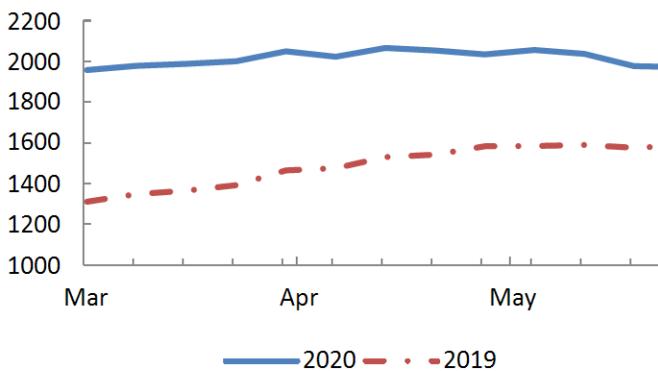
Private Sector Credit



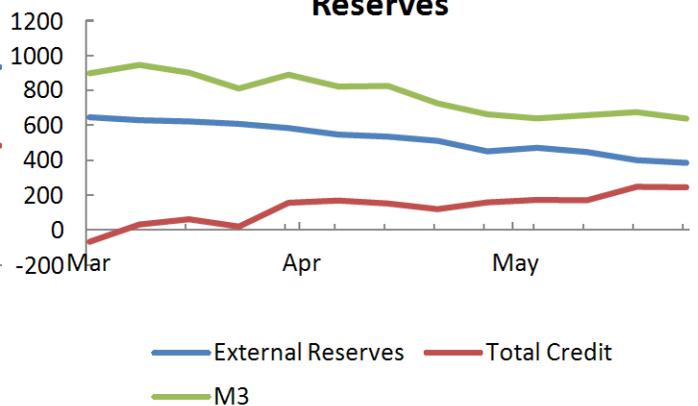
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2018	2019	2018	2019	2018	2019
Bahamas	1.6	0.9	2.2	1.8	10.7	9.5*
United States	2.9	2.4	2.4	1.8	3.9	3.7
Euro-Area	1.9	1.2	1.8	1.2	8.2	7.7
Germany	1.5	0.5	1.9	1.5	3.4	3.2
Japan	0.8	0.9	1.0	1.0	2.4	2.4
China	6.6	6.1	2.1	2.3	3.8	3.8
United Kingdom	1.4	1.2	2.5	1.8	4.1	3.8
Canada	1.9	1.5	2.2	2.0	5.8	5.8
<i>Source: IMF World Economic Outlook October 2019, Department of Statistics May 2019*</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
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
August 2019	4.00	0.00	2.75	2.00-2.25	0.75
September 2019	4.00	0.00	2.50	1.75-2.00	0.75
October 2019	4.00	0.00	2.25	1.50-1.75	0.75
November 2019	4.00	0.00	2.25	1.50-1.75	0.75
December 2019	4.00	0.00	2.25	1.50-1.75	0.75
January 2020	4.00	0.00	2.25	1.50-1.75	0.75
February 2020	4.00	0.00	2.25	0.00-0.25	0.25
March 2020	4.00	0.00	1.02	0.00-0.25	0.10
April 2020	4.00	0.00	0.25	0.00-0.25	0.10
May 2020	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	May-19	Apr-20	May-20	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8953	0.9128	0.9891	8.36	10.92	10.48
Yen	108.28	107.18	107.83	0.61	-0.72	-0.42
Pound	0.7916	0.7940	0.8102	2.03	7.39	2.34
Canadian \$	1.3509	1.3945	1.3780	-1.18	6.08	2.01
Swiss Franc	1.0007	0.9653	0.9616	-0.38	-0.62	-3.91
Renminbi	6.9051	7.0632	7.1364	1.04	2.49	3.35

Source: Bloomberg as of May 29, 2020

D. Selected Commodity Prices (\$)					
Commodity	May 2019	April 2020	May 2020	Mthly % Change	YTD % Change
Gold / Ounce	1305.45	1686.50	1730.27	2.60	14.04
Silver / Ounce	14.57	14.97	17.87	19.34	0.07
Oil / Barrel	72.79	22.76	25.29	11.12	63.02

Source: Bloomberg as of May 29, 2020

E. Equity Market Valuations – May 29th, 2020 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.09	4.26	4.53	2.97	2.70	6.68	8.39	-0.27
3 month	-3.17	-0.10	3.05	-7.66	-11.57	-2.55	3.52	-0.97
YTD	-4.07	-11.06	-5.77	-19.43	-21.46	-12.55	-7.48	-6.48
12-month	-1.35	2.29	10.62	-15.15	-9.84	-1.19	6.25	-1.60

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.0700	0.0850	-0.4025
1 Month	0.3850	0.1350	-0.3325
3 Month	0.2145	0.2150	-0.3050
6 Month	0.5350	0.3450	-0.2000
9 Month	0.5700	0.5100	-0.1500
1 year	0.5200	0.5900	-0.1400

Source: Bloomberg as of May 29, 2020

**Summary Accounts of the Central Bank
(B\$ Millions)**

	VALUE										CHANGE							
	Apr. 01	Apr. 08	Apr. 15	Apr. 22	Apr. 29	May. 06	May. 13	May. 20	May. 27	Apr. 01	Apr. 08	Apr. 15	Apr. 22	Apr. 29	May. 06	May. 13	May. 20	May. 27
I. External Reserves	2,049.59	2,023.16	2,066.11	2,053.88	2,034.63	2,056.27	2,037.34	1,977.18	1,972.04	48.57	(26.44)	42.96	(12.23)	(19.25)	21.64	(18.93)	(60.16)	(5.14)
II. Net Domestic Assets (A + B + C + D)	(246.21)	(225.60)	(264.23)	(274.87)	(135.70)	(212.33)	(174.54)	(74.20)	(56.02)	35.83	20.62	(38.63)	(10.64)	139.17	(76.63)	37.79	100.34	18.19
A. Net Credit to Gov't (I + ii + iii - iv)	217.14	221.21	182.99	187.39	304.47	254.15	266.79	374.93	397.86	47.42	4.07	(38.23)	4.41	117.08	(50.33)	12.64	108.14	22.93
i) Advances	14.90	14.90	14.90	14.90	14.90	14.90	14.90	14.90	14.90	-	-	-	-	-	-	-	-	-
ii) Registered Stock	266.48	261.54	261.54	261.58	264.23	262.12	262.46	258.09	261.03	26.85	(4.94)	-	0.04	2.66	(2.11)	0.33	(4.37)	2.93
iii) Treasury Bills	9.91	9.91	9.91	9.91	101.35	43.58	43.58	137.68	157.65	(0.00)	(0.00)	0.00	0.00	91.43	(57.77)	0.00	94.10	19.97
iv) Deposits	74.15	65.14	103.36	98.99	76.01	66.45	54.15	35.75	35.72	(20.57)	(9.01)	38.23	(4.37)	(22.99)	(9.55)	(12.30)	(18.40)	(0.03)
B. Rest of Public sector (Net) (i+ii-iii)	(70.40)	(49.07)	(50.69)	(44.93)	(46.22)	(78.40)	(46.01)	(61.12)	(67.19)	(1.55)	21.33	(1.61)	5.76	(1.29)	(32.19)	32.40	(15.11)	(6.08)
i) Loans	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	-	-	-	-	-	-	-	-	-
iii) Deposits	77.33	56.00	57.62	51.86	53.15	85.34	52.94	68.05	74.13	1.55	(21.33)	1.61	(5.76)	1.29	32.19	(32.40)	15.11	6.08
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(392.95)	(397.74)	(396.53)	(417.34)	(393.96)	(388.07)	(395.32)	(388.01)	(386.68)	(10.04)	(4.78)	1.21	(20.80)	23.38	5.88	(7.25)	7.31	1.33
III. Monetary Base	1,803.38	1,797.56	1,801.89	1,779.01	1,898.93	1,843.94	1,862.80	1,902.97	1,916.02	84.40	(5.82)	4.32	(22.87)	119.92	(54.99)	18.86	40.17	13.05
A. Currency in Circulation	478.75	487.46	487.48	489.04	487.17	478.37	477.10	476.91	481.29	13.91	8.71	0.02	1.55	(1.87)	(8.80)	(1.27)	(0.19)	4.38
B. Bank Balances with CBOB	1,324.63	1,310.10	1,314.40	1,289.97	1,411.76	1,365.57	1,385.70	1,426.06	1,434.73	70.49	(14.53)	4.30	(24.43)	121.79	(46.19)	20.12	40.36	8.67

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Fiscal Operations*																										
1. Government Revenue & Grants																										
% change: over previous quarter																										
2. Value Added Tax																										
% change: over previous quarter																										
3. Import/Excise Duties																										
% change: over previous quarter																										
4. Recurrent Expenditure																										
% change: over previous quarter																										
5. Capital Expenditure																										
% change: over previous quarter																										
6. Deficit/Surplus*																										
% change: over previous quarter																										
7. Total Direct Debt																										
% change: over previous month																										
8. External Debt																										
% change: over previous month																										
9. Internal F/C Debt																										
% change: over previous month																										
10. Bahamian Dollar Debt																										
% change: over previous month																										
11. Total Amortization																										
% change: over previous month																										
12. Total Public Sector F/C Debt																										
% change: over previous month																										
Real Sector Indicators																										
13. Retail Price Index																										
% change: over previous month																										
14. Tourist arrivals (000's)																										
% change: over previous year																										
15. Air arrivals (000's)																										
% change: over previous year																										
16. Occupied Room Nights																										
% change: over previous year																										
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																										
% change: over previous qtr.																										
% change: over previous year																										

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Debt**																										
7. Total Direct Debt	7,514.2	7,735.6	7,476.9	7,780.2	7,476.9	7,891.3	7,473.5	7,917.8	7,465.2	7,977.9	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8	7,917.8
% change: over previous month	0.2%	0.0%	0.0%	0.2%	0.0%	1.8%	0.0%	0.3%	-0.1%	0.8%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
8. External Debt	2,592.5	2,563.1	2,568.6	2,588.3	2,557.1	2,604.1	2,552.1	2,649.1	2,552.4	2,635.6	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1	2,649.1
% change: over previous month	0.0%	-0.2%	-0.9%	1.4%	-0.4%	0.2%	-0.2%	1.7%	0.0%	-0.5%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
9. Internal F/C Debt	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0
% change: over previous month	0.0%	47.7%	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%
10. Bahamian Dollar Debt	4,921.7	5,122.5	4,908.3	5,101.9	4,919.7	5,237.2	4,921.3	5,218.7	4,912.8	5,292.3	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7	5,218.7
% change: over previous month	0.3%	0.1%	-0.3%	-0.4%	0.2%	2.0%	0.0%	-0.4%	-0.2%	1.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
11. Total Amortization	41.4	52.5	36.3	23.8	112.5	185.6	133.5	127.7	33.8	72.6	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7	127.7
% change: over previous month	-18.9%	47.7%	-14.0%	-12.0%	67.7%	87.2%	18.7%	-31.2%	-74.7%	43.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%	87.2%
12. Total Public Sector F/C Debt	3,508.8	3,471.5	3,484.9	3,506.6	3,462.0	3,500.9	3,457.0	3,545.9	3,457.3	3,532.5	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9	3,545.9
% change: over previous month	-4.8%	-0.1%	-0.7%	1.0%	-0.7%	-0.2%	-0.1%	1.3%	0.0%	-0.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Real Sector Indicators																										
13. Retail Price Index																										
% change: over previous month																										
14. Tourist arrivals (000's)	636.9	667.2	608.4	711.7	749.0	302.1																				
% change: over previous year	19.3%	7.9%	13.8%	16.0%	5.8%	-56.6%																				
15. Air arrivals (000's)	129.9	125.3	151.1	146.5	201.6	75.7																				
% change: over previous year	28.7%	-3.9%	19.6%	-3.0%	9.48%	-62.4%																				
16. Occupied Room Nights																										
% change: over previous year																										
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																										
% change: over previous qtr.																										
% change: over previous year																										

* Includes Net Lending to Public Corporations
 ** Debt figures include Central Government only, unless otherwise indicated
 p - provisional