Release Date: 4th August, 2020

Monthly Economic and Financial Developments
June 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 31, September 28, November 2, November 30, December 21,

Monthly Economic and Financial Developments (MEFD)
June 2020

1. *Domestic Economic Developments*

Overview

Domestic economic activity during the month of June continued to be adversely impacted by the Novel Coronavirus (COVID-19) pandemic. Ongoing travel restrictions imposed globally, negatively affected the tourism sector, as the high value-added air segment and the dominant sea component remained on pause. However, the resumption of foreign investment-led projects and post-hurricane rebuilding works provided some impetus to the construction sector. Monetary developments recorded a reduction in bank liquidity, reflecting non-bank participation in a Government bond issuance, even though domestic credit contraction outpaced the deposit base reductions. However, external reserves grew, bolstered by net foreign currency inflows from Government's external borrowings and residual re-insurance claims inflows.

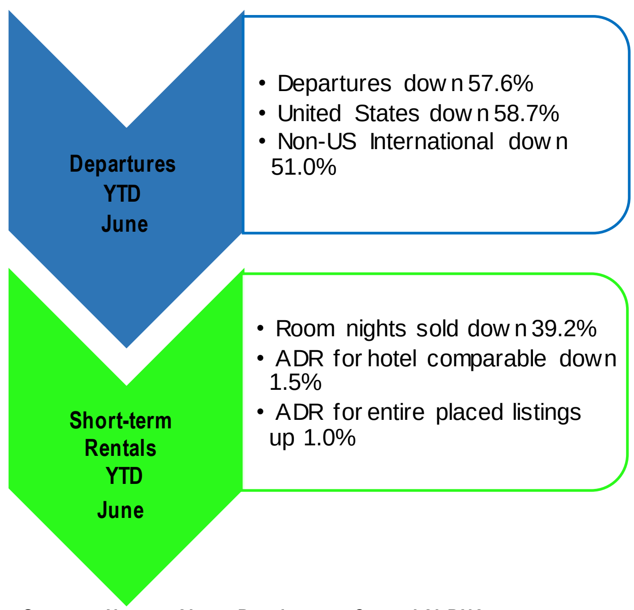
Real Sector

Tourism

Preliminary data indicated that monthly tourism output contracted, as global travel restrictions related to COVID-19, unfavourably affected both air and sea arrivals.

After the borders partially re-opened to private aviation on June 15, the latest data provided by the Nassau Airport Development Company Limited (NAD) showed that total international departures stood at 1,006 during the review month, relative to a seasonal expansion of 16.9% to 148,597 in the same period last year. During the first half of the year, outward bound traffic contracted by 57.6%, a turnaround from a 19.4% expansion in the prior year. Underpinning this outcome, the U.S. component reduced by 58.7%, a reversal from a 21.1% increase in the previous year; and the non U.S. component decreased by 51.0% vis-à-vis a 10.0% rise in 2019.

Chart 1: Tourism Indicators at a Glance



Sources: Nassau Airport Development Co. and AirDNA

In the vacation rental market, data provided by AirDNA for the month of June showed a 67.0% reduction in total room nights sold, as bookings for entire place listings fell by 68.2% and hotel comparable listings by 53.6%. Similarly, the average daily room rate (ADR) for both hotel comparable listings and entire place listings declined by 3.4% and 2.2%, to $144.47 and $412.68, respectively. On a year-to-date basis, total room nights sold decreased by 39.2%, owing to retrenchments of 40.7% and 24.8% in bookings for entire place listings and hotel comparable listings, respectively. Pricing indicators varied, as the ADR for hotel comparable listings moved lower by 1.5% to $155.52, while the ADR for entire place listings rose by 1.0% to $405.01.

2. Domestic Monetary Trends

June 2020 vs. 2019

Liquidity

During the month of June, monetary developments featured a decline in excess reserves—the narrow measure of liquidity—by $5.8 million to $1,239.3 million, albeit lower than the $19.0 million reduction recorded during the same period in 2019. The current period's outcome followed non-bank participation in a $35 million initial public offering of Bahamas Registered Stock. Surplus liquid assets also contracted, by $4.9 million to $2,065.2 million, contrasting with an $11.8 million growth a year earlier.

On a year-to-date basis, narrow liquidity expanded by $133.1 million, as the buildup in the deposit base—largely reflecting net foreign currency inflows from re-insurance proceeds—outpaced the rise in domestic credit. This however, trailed the $159.7 million growth registered a year earlier. In addition, excess liquid assets rose by $99.8 million, although a sharp slowdown from the $306.0 million buildup a year earlier.

External Reserves

For the month of June, supported by the receipt of proceeds from Government's external borrowings, external reserves rose by $55.6 million to $2,028.1 million, a turnaround from a $23.4 million decrease a year earlier. In the underlying developments, Central Bank's transaction with the public sector reversed to a net purchase of $172.2 million, from a net sale of $54.4 million in the prior year. Conversely, transactions with commercial banks generated a net sale of $119.4 million, contrasting with a net purchase of $20.4 million in 2019. In turn, commercial banks recorded a net sale of $124.5 million to their customers, following a net intake of $13.6 million last year.

Despite further re-insurance receipts and significant net public debt proceeds, external reserves gains moderated during the first half of the year to $269.9 million from the $363.9 million growth in 2019, as the net tourism intake was considerably contracted. The Central Bank's net foreign currency purchase from the public sector advanced to $300.9 million from $226.6 million a year earlier. However, the net intake from commercial banks reduced sharply to $105.3 million from $550.6 million last year, as the banks net purchase from their customers declined to $35.8 million from $528.6 million in the prior year.

Exchange Control Sales

Preliminary data on foreign currency sales for current account transactions revealed a $20.4 million rise in outflows to $475.3 million in June, in comparison to the same period last year. Underlying this outturn, outflows increased for non-oil imports ($34.9 million), factor income payments ($13.5 million) and "other" current items ($3.2 million)—most notably credit card financed imports. In contrast, outflows declined for travel related transactions ($17.1 million), oil imports ($12.1 million) and transfer payments ($2.1 million).

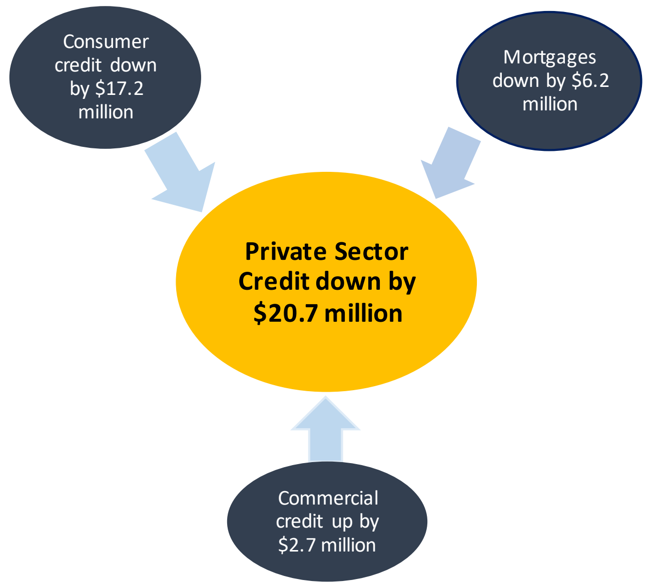
On a year-to-date basis, foreign currency sales for current account transactions contracted notably by $181.8 million to $2,727.5 million, relative to last year. In particular, significant reductions were registered for travel related transactions ($82.1 million), "other" current items ($72.6 million)—largely driven by declines in other services—oil imports ($55.8 million) and transfer payments ($49.2 million). Conversely, foreign currency sales rose for factor income payments ($40.3 million) and non-oil imports ($37.5 million).

Domestic Credit

Bahamian Dollar Credit

During the review month, Bahamian dollar domestic credit contracted by $79.4 million, reversing the $33.3 million buildup in the same period last year. Contributing to this outturn, net claims on the Government reduced by $57.3 million, following a $36.8 million increase in 2019. Similarly, credit to the private sector fell by $20.7 million, a turnaround from a $1.9 million uptick a year earlier. In particular, reductions were recorded for consumer credit ($17.2 million) and mortgages ($6.2 million). Conversely, commercial credit grew by $2.7 million. Further, credit to public corporations declined by $1.4 million, a moderation from the $5.4 million falloff in the previous year.

Chart 2: B$ Private Sector Credit



Source: Central Bank of The Bahamas

On a year-to-date basis, total Bahamian dollar credit advanced by $51.9 million, vis-à-vis a $73.6 million reduction in 2019. Specifically, credit to public corporations recovered by $1.3 million, after a $12.3 million decrease in the preceding year. In addition, net claims on the Government rebounded by $78.1 million, from to $43.4 million decline in the previous year. In contrast, private sector credit fell further by $27.5 million, relative to a $17.9 million contraction a year earlier. Net repayment on mortgages widened to $27.7 million, from $6.2 million; whereas the decrease in consumer credit tapered to $0.7 million from $38.6 million in 2019. Also, commercial credit gains retrenched to $0.9 million from a $26.8 million expansion last year.

Foreign Currency Credit

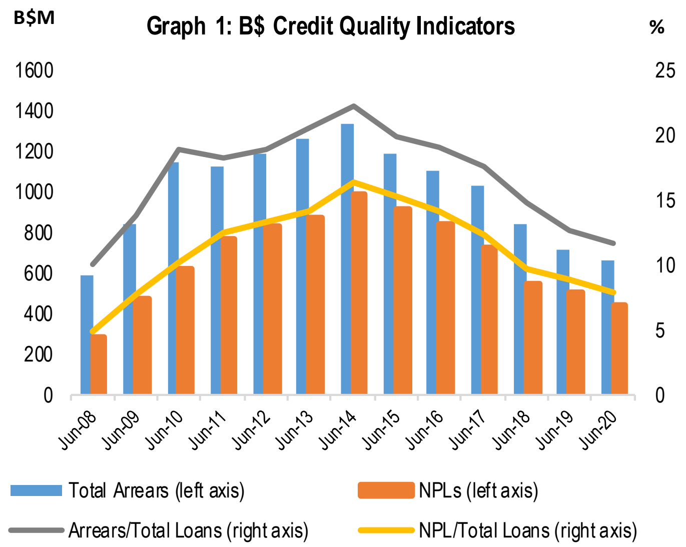
Domestic foreign currency credit grew by $8.8 million during June, contrasting with a $2.2 million falloff a year earlier. Underlying this outturn, claims on the public sector rose by $4.0 million, vis-à-vis a $10.0 million reduction in 2019. Further, the increase in private sector credit was elevated to $2.8 million, led by a $2.4 million rise in commercial credit, following a $0.1 million decline in the prior year. Otherwise, the uptick in mortgages held steady at $0.4 million. In addition, net claims on the Government increased by $2.0 million, but was lower than the $7.5 million growth a year ago.

Over the six-month period, domestic foreign currency credit contracted by $47.1 million, extending the $20.9 million reduction recorded in 2019. Specifically, the decline in credit to the private sector extended to $47.8 million from $15.4 million a year earlier, as the falloff in commercial credit widened to $53.0 million from $15.2 million. In a partial offset, mortgages recovered by $5.2 million, after a $0.2 million retrenchment in the previous year. Net claims on the Government also edged down by $0.8 million, vis-à-vis a $7.2 million increase in the prior year. Conversely, credit to the rest of the public sector grew by $1.4 million, contrasting with a $12.6 million decrease in 2019.

Credit Quality

During the review month, total private sector arrears reduced by $23.1 million (3.5%) to $635.9 million, and the accompanying ratio fell by 36 basis points to 11.3%. An analysis by the average age of delinquency, showed that short-term arrears (31-90 days) declined by $16.7 million (7.8%) to $196.2 million, corresponding with a 28 basis points lowering in the attendant ratio to 3.5%. Similarly, non-performing loans (NPLs) decreased by $6.5 million (1.4%) to $439.7 million, resulting in the non-accruals rate narrowing by 8 basis points to 7.8%.

Delinquencies declined across all loan categories. Mortgage arrears contracted by $13.2 million (3.2%) to $397.4 million, amid reductions in the respective short and long-term arrears of $9.3 million (7.0%) and $3.9 million (1.4%). Similarly, consumer loan arrears fell by $5.3 million (2.9%) to $177.2 million, as both the short term and non-accrual categories decreased by $1.7 million (2.8%) and $3.6 million (2.9%), respectively. Further, commercial arrears reduced by $4.7 million (7.1%) to $61.3 million, with the short-term component declining by $5.7 million (26.5%), outstripping the $1.1 million (2.5%) increase in the non-accrual segment.



Source: Central Bank of The Bahamas

Despite the decrease in NPLs, banks increased their total provisions for loan losses by $6.6 million (1.4%) to $498.4 million in June. As a result, the ratio of total provisions to both arrears and NPLs firmed by 3.8 and 3.1 percentage points to 78.4% and 113.4%, respectively. During the month, banks also wrote off an estimated $13.3 million in credit, and recovered approximately $1.4 million.

On a year-to-date basis, total private sector arrears contracted by $50.4 million (7.3%), corresponding to an 84 basis points decline in the ratio of arrears to total private sector loans. Underlying this outcome was a $36.1 million (15.6%) reduction in the short-term segment, with the relevant ratio narrowing by 62 basis points. Further, long-term arrears fell by $14.3 million (3.1%), with the accompanying ratio lower by 21 basis points. In comparison to June 2019, the total private sector arrears rate declined by 1.0 percentage point, as the non-accrual and short-term segments decreased by 0.9 and 0.1 percentage points, respectively. Reductions of 1.3 and 0.8 percentage points were registered for the mortgage and consumer components, respectively. However, the commercial arrears ratio firmed by 0.2 percentage points.

By loan type, residential mortgage arrears reduced by $25.9 million (6.1%), reflecting declines in both short-term delinquencies and non-accruals of $11.2 million (8.3%) and $14.7 million (5.1%), respectively. Similarly, consumer loan arrears decreased by $21.2 million (10.7%), reflecting a $26.3 million (31.8%) retrenchment in the short-term component, which overshadowed the $5.1 million (4.4%) rise in non-performing balances.

Likewise, commercial arrears fell by $3.3 million (5.1%), as the $4.6 million (9.2%) reduction in NPL's outweighed the $1.3 million (8.8%) increase in short-term delinquencies.

During the six-month period, banks total provisions for loan losses rose by $72.5 million (17.0%). As a result, the ratio of total provisions to arrears moved higher by 16.3 percentage points, while the ratio of total provisions to NPLs advanced by 19.5 percentage points. For the six-month period, banks wrote-off approximately $51.7 million in bad loans and recovered an estimated $12.7 million.

Deposits

Total Bahamian dollar deposits contracted by $35.9 million in June, extending the $17.8 million falloff in 2019. In particular, demand balances declined by $29.4 million, surpassing the $17.3 million retrenchment a year earlier. Similarly, savings deposits fell by $7.9 million, a reversal from a $14.1 million growth in the prior year. Conversely, fixed deposits grew by $1.4 million, following a $14.6 million decrease in 2019. Further, foreign currency deposits of residents reduced by $16.8 million, contrasting with a $16.6 million expansion in the previous year.

During the six months to June, Bahamian dollar deposits rose by $185.5 million, albeit a moderation from the $271.3 million growth in 2019. In terms of the components, demand deposits advanced by $212.1 million, compared to $226.7 million in the prior year. Likewise, savings deposits increased by $140.6 million, exceeding the $89.6 million buildup during the same period last year. In contrast, the decline in fixed deposit balances deepened by $167.2 million from $44.9 million in 2019. In addition, foreign currency deposit balances decreased by $94.0 million, vis-à-vis an $11.1 million accumulation a year earlier.

Interest Rates

Interest rates developments revealed, banks' weighted average loan rate fell by 43 basis points to 9.95% in June. Similarly, the weighted average deposit rate narrowed by 3 basis points to 0.40%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will contract significantly in 2020, due to the combined negative effect of the COVID-19 pandemic and Hurricane Dorian. In particular, as global economic activity and travel are still buffeted by the spread of the virus, tourism output remained disrupted headed into the third quarter of 2020. Both the timing of the onset and pace of a recovery, is conditional on improvements on the international health front and the elimination of all imposed travel restrictions. Nevertheless, new and ongoing foreign investment-led projects, along with continued rebuilding works, post hurricane Dorian, are projected to provide stimulus to the construction sector. In the labor market, a sharp elevation in the jobless rate should persist into 2021, highly correlated with weakness in tourism; although some employment gains are anticipated in the construction sector and from some re-engagement of tourism sector employees. Regarding prices, domestic inflation is projected to stay subdued, excluding any shocks in international oil prices.

On the fiscal front, spending related to the rebuilding of key infrastructure and replacement of fixed assets following Hurricane Dorian, along with a rise in outlays for health and social welfare associated with COVID-19, combined with revenue losses, are projected to expand the deficit significantly. The gap, estimated near 11.6% of GDP, is expected to be financed largely by external borrowing.

Monetary developments should remain characterized by high levels of liquidity, as commercial banks sustain their cautious lending stance. However, external reserve balances are expected to decrease considerably, reflective of the reduction in foreign currency inflows from tourism. That said, any rise in imports to fund reconstruction works could be dampened by lessened household consumption, given the reduction in employment income. External balances are still anticipated to remain at satisfactory levels to maintain the Bahamian dollar currency peg.

4. Monetary Policy Implications

Based on the prevailing conditions, the Central Bank will sustain its very targeted accommodative stance for private credit, balanced with maintaining a satisfactory outcome for the external reserves and safeguarding financial stability. Further, the Bank will continue to assess developments within the foreign exchange market with a view to supporting increase demand stimulus, as export sector performance strengthens.

APPENDIX

International Developments

Developments within the major economies continued to be dominated by the spread of the Novel Coronavirus (COVID-19), with indications that the global economies contracted during the review month. As a result of recent developments, the International Monetary Fund (IMF), in its June 2020 update of the World Economic Outlook Report projected a 4.9% contraction for the global economy, deepening from the 3.0% forecasted in the April 2020 Edition. In this environment, most major central banks either enhanced or sustained their highly accommodative policy stance in an effort to maintain financial stability and boost economic growth.

Economic performance for the United States were mainly positive over the review period, largely reflecting the re-opening of factory operations, following the full closure of facilities due to the COVID-19 pandemic. More specifically total industrial production rose by 5.4% in June, after a 1.4% uptick in May, buoyed by a rise in motor vehicles, manufacturing and utilities output. In addition, retail sales grew by 7.5% month-over-month and by 1.1% vis-à-vis the same period last year. In terms of international trade, the deficit widened by $4.8 billion (9.7%) to $54.6 billion in May, as the 4.4% decline in exports outweighed the 0.9% falloff in imports. In addition, the consumer price index firmed by 0.6% in June, owing primarily to higher energy and food cost. With regard to labor market conditions, the unemployment rate narrowed by 2.2 percentage points to 11.1%, as total non-farm payroll employment increased by 4.8 million, led by job gains in the leisure and hospitality industry. In light of these developments, the Federal Reserve retained its benchmark interest rate at a range of 0.00%–0.25%, and introduced a new individual corporate bonds purchase program for up to $750 billion in response to the COVID-19 pandemic.

Indicators of economic conditions in European economies were mixed during the review period. In the United Kingdom, real GDP contracted by 19.1% in the three months to May, extending the 2.2% falloff in the March quarter. However, production output expanded by 6.0% in May from the previous month, underpinned by gains in manufacturing, mining & quarrying and water & waste output. Similarly, retail sales increased by 12.0% in May from the previous month, due to higher household food and department goods stores spending. In the external sector, the trade deficit declined by £5.2 billion to £1.7 billion, during the three months to May, as the £47.7 billion reduction in exports outstripped the £42.6 billion decrease in imports. Further, the UK's inflation rate rose by 0.1 percentage points to an annualized to 0.8% in June, mainly attributed to a rise in recreation and culture costs. In the labor market, the jobless rate held steady at 3.9% during the three months to May. In the euro area, industrial production advanced by 12.4% in May, occasioned by a 54.2% growth in durable consumer goods. On the external front, the trade surplus declined by €11.3 billion to €9.4 billion in May, vis-à-vis the same month last year, as the reduction in exports overshadowed the decline in imports. Further, the unemployment rate rose by 10 basis points to 7.4% in May, while the annualized inflation rate moved higher by 20 basis points to 0.3% in June, owing to a rise in the costs of food, alcohol and tobacco. Against this backdrop, the Bank of England elected to expand its bond buying program by £200 million to a total of £745 billion, and kept its bank rate at 0.1%. Similarly, the European Central Bank loaned out €1.31 trillion euros with a negative interest rate, to 742 banks across the euro area, in addition to its previously implemented bond buying program. The European Central Bank also maintained the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively.

During the review period, Asian economies recorded some variations in economic indicators. More specifically, China's real output grew by 3.2% over the second quarter, a reversal from a 6.8% decline in the first quarter. Specifically, industrial production firmed by 1.3% in June, owing primarily to a rise in energy and mining & quarrying productions. However, retail sales declined by 1.3% in June. Meanwhile, consumer prices edged down by 0.1% during the review month, while the jobless rate in China was lowered by 20 basis points at 5.7% in June, compared to the previous month. On the external front, the trade surplus narrowed by US$16.7 billion to US$46.2 billion over the previous month, as imports rose by 2.7%, outpacing the 0.5% uptick in exports. In Japan, the trade deficit decreased by 13.2% to ¥833.39 billion in May, as the 26.2% decline in imports offset the 28.3% falloff in exports. In terms of spending, retail sales grew by 2.1% in May, from the previous month, marking the first expansion in three months. In contrast, industrial production contracted by 8.4% in May, reflecting reductions in motor vehicles, machinery and iron output. In labor market developments, the jobless rate rose by 30 basis points to 2.9% in May, as the number of unemployed people increased by 330,000. In addition, consumer prices edged up 0.1% in June from the prior month, reflecting a rise in furniture & household utensils and transportation & communication costs. Against this backdrop, the Bank of Japan extended its financing support for businesses by ¥75 trillion to ¥110 trillion, while retaining its policy rate at -0.1%. Meanwhile, the People's Bank of China maintained its reverse repo rate at 2.20% and signaled its intent to implement monetary easing measures in the near-term.

During the month of June, the major global stock indices reported positive movements. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) grew by 1.8% and 1.7%, respectively. Similar trends were recorded in the European markets, with Germany's DAX, France's CAC 40 and the United Kingdom's FTSE 100 increasing by 6.3%, 5.1% and 1.5%, respectively. In Asia, China's SE Composite and Japan's Nikkei 225 advanced by 4.6% and 1.8%, respectively.

In currency markets developments the US dollar depreciated against most of the major currencies during the month of June. In particular, the US dollar weakened relative to the euro, by 10.0% to €0.8902 and the Swiss Franc, by 1.5% to CHF 0.9473. Similarly, the US dollar declined against the Canadian dollar, by 1.5% to CAD$1.3576, the Chinese Renminbi, by 1.0% to CNY 7.0654 and the British Pound, by 0.5% to £0.8064. In contrast, the US dollar strengthened relative to the Japanese Yen, by 0.1% to ¥107.93.

In the commodities market, broad-based price gains were recorded during the month of June. The price of crude oil advanced by 39.7% to $35.32 per barrel, as OPEC's crude oil production reduced by 1.89 thousand barrels per day to 22.27 million barrels per day. Similarly, the costs of silver and gold rose by 2.9% and 1.9% to $1,780.96 and $18.21 per troy ounce, respectively.

Recent Monetary and Credit Statistics

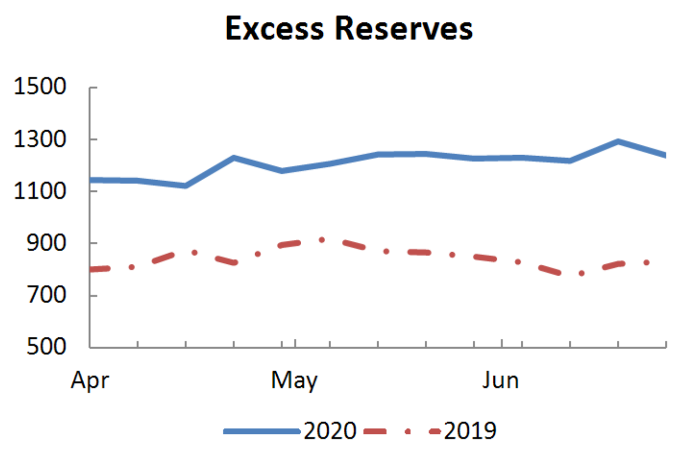
(B$ Millions)

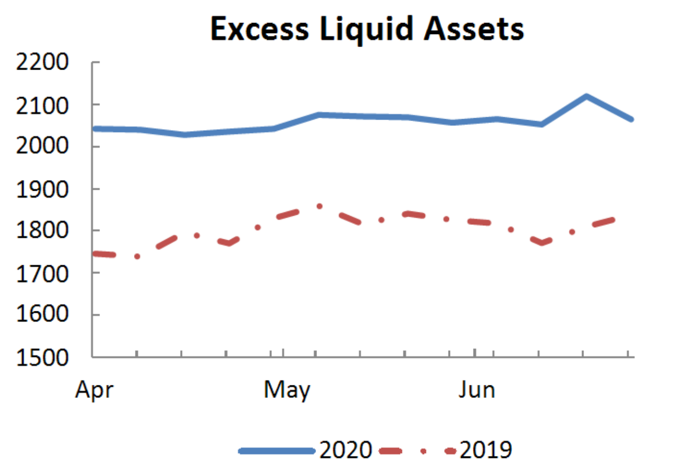
	June					
	Value		Change		Change YTD	
	2019	2020	2019	2020	2019	2020
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	831.04	1,239.27	-19.01	-5.80	159.70	133.05
1.2 Excess Liquid Assets	1,837.74	2,065.21	11.79	-4.90	305.95	99.84
1.3 External Reserves	1,563.08	2,028.13	-23.35	55.59	363.91	269.92
1.4 Bank's Net Foreign Assets	67.81	95.06	9.89	-16.70	10.70	-108.44
1.5 Usable Reserves	805.13	1,026.56	-20.73	67.08	280.90	191.20
2.0 DOMESTIC CREDIT						
2.1 Private Sector	5,821.75	5,781.15	2.15	-17.87	-33.31	-75.30
a. B$ Credit	5,629.37	5,628.07	1.89	-20.69	-17.93	-27.50
of which: Consumer Credit	2,079.31	2,077.51	-2.94	-17.17	-38.59	-0.71
Mortgages	2,860.05	2,810.86	-5.64	-6.21	-6.17	-27.72
Commercial and Other Loans B$	690.00	739.69	10.46	2.69	26.83	0.93
b. F/C Credit	192.38	153.09	0.26	2.82	-15.37	-47.80
of which: Mortgages	57.93	63.19	0.40	0.41	-0.17	5.15
Commercial and Other Loans F/C	134.45	89.90	-0.14	2.41	-15.20	-52.95
2.2 Central Government (net)	2,497.30	2,697.33	44.27	-55.35	-36.22	77.35
a. B$ Loans & Securities	2,761.10	2,889.57	44.11	-69.57	15.60	40.32
Less Deposits	268.86	246.96	7.33	-12.23	58.96	-37.80
b. F/C Loans & Securities	7.00	57.00	0.00	0.00	0.00	0.00
Less Deposits	1.94	2.28	-7.50	-1.99	-7.15	0.77
2.3 Rest of Public Sector	461.93	446.52	-15.40	2.59	-24.95	2.72
a. B$ Credit	284.79	279.76	-5.40	-1.41	-12.32	1.27
b. F/C Credit	177.14	166.76	-10.00	4.00	-12.64	1.44
2.4 Total Domestic Credit	8,780.99	8,925.00	31.02	-70.63	-94.48	4.77
a. B$ Domestic Credit	8,406.40	8,550.44	33.26	-79.44	-73.61	51.89
b. F/C Domestic Credit	374.59	374.56	-2.24	8.81	-20.87	-47.12
3.0 DEPOSIT BASE						
3.1 Demand Deposits	2,683.83	3,165.77	-17.27	-29.40	226.67	212.07
a. Central Bank	40.38	58.26	10.04	-15.87	-34.48	8.61
b. Banks	2,643.45	3,107.51	-27.31	-13.54	261.15	203.46
3.2 Savings Deposits	1,510.30	1,777.07	14.08	-7.88	89.56	140.62
3.3 Fixed Deposits	2,517.36	2,257.79	-14.59	1.44	-44.90	-167.15
3.4 Total B$ Deposits	6,711.49	7,200.63	-17.78	-35.85	271.34	185.53
3.5 F/C Deposits of Residents	529.18	576.02	16.58	-16.75	11.11	-93.98
3.6 M2	7,013.89	7,571.30	-22.59	-31.85	270.13	219.12
3.7 External Reserves/M2 (%)	22.29	26.79	-0.26	0.84	4.50	2.87
3.8 External Reserves/Base Money (%)	110.20	105.92	-0.36	2.97	14.40	4.37
3.9 External Reserves/Demand Liabilities (%)	103.11	101.25	-1.18	3.89	14.28	5.99

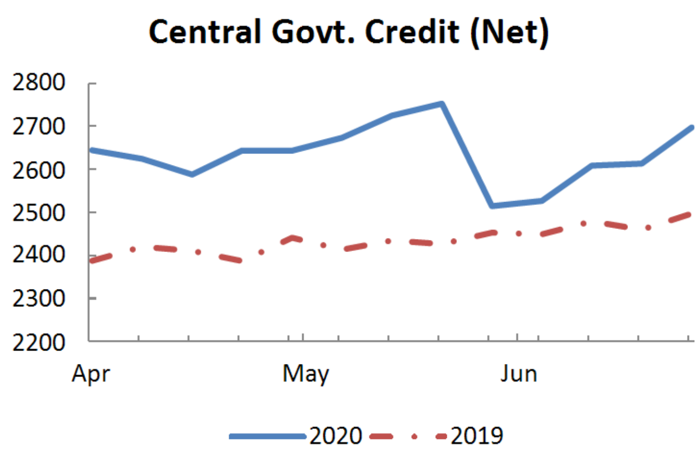
	Value		Year To Date		Change	
	2019	2020	2019	2020	Month	YTD
4.0 FOREIGN EXCHANGE TRANSACTIONS						
4.1 Central Bank Net Purchase/(Sale)	-33.96	52.80	342.08	197.69	86.76	-144.40
a. Net Purchase/(Sale) from/to Banks	20.43	-119.38	550.60	105.30	-139.81	-445.30
i. Sales to Banks	4.80	123.26	9.15	302.38	118.46	293.23
ii. Purchase from Banks	25.23	3.88	559.75	407.67	-21.35	-152.07
b. Net Purchase/(Sale) from/to Others	-54.39	172.17	-208.51	92.39	226.57	300.90
i. Sales to Others	82.63	116.46	467.74	514.76	33.83	47.01
ii. Purchase from Others	28.24	288.64	259.23	607.14	260.40	347.91
4.2 Banks Net Purchase/(Sale)	13.61	-124.49	528.56	35.77	-138.10	-492.80
a. Sales to Customers	386.37	382.64	2367.04	2201.13	-3.73	-165.92
b. Purchase from Customers	399.98	258.15	2895.61	2236.89	-141.83	-658.71
5.0 EXCHANGE CONTROL SALES						
5.1 Current Items	454.87	475.28	2,909.33	2,727.50	20.41	-181.84
of which Public Sector	56.32	99.54	389.15	461.68	43.22	72.53
a. Nonoil Imports	115.87	150.81	696.09	733.63	34.95	37.54
b. Oil Imports	52.59	40.47	290.42	234.63	-12.13	-55.79
c. Travel	21.70	4.63	142.30	60.17	-17.07	-82.13
d. Factor Income	26.07	39.54	183.57	223.90	13.47	40.33
e. Transfers	16.83	14.74	123.08	73.89	-2.09	-49.20
f. Other Current Items	221.80	225.09	1,473.88	1,401.28	3.29	-72.60
5.2 Capital Items	41.97	33.63	146.44	154.11	-8.34	7.67
of which Public Sector	27.62	28.37	90.57	107.19	0.75	16.62

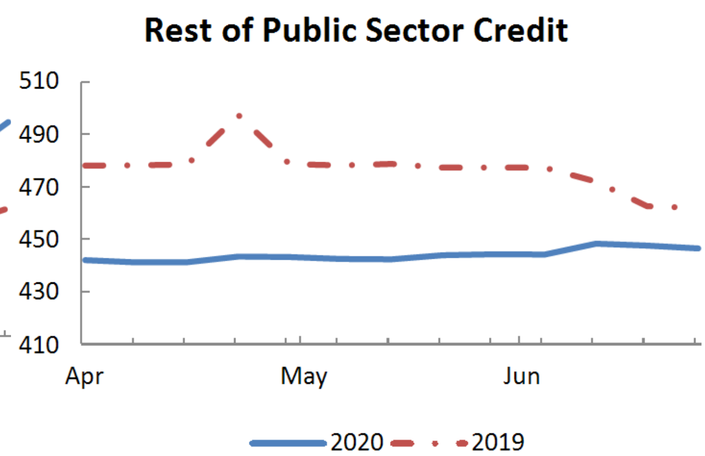
SELECTED MONEY AND CREDIT INDICATORS

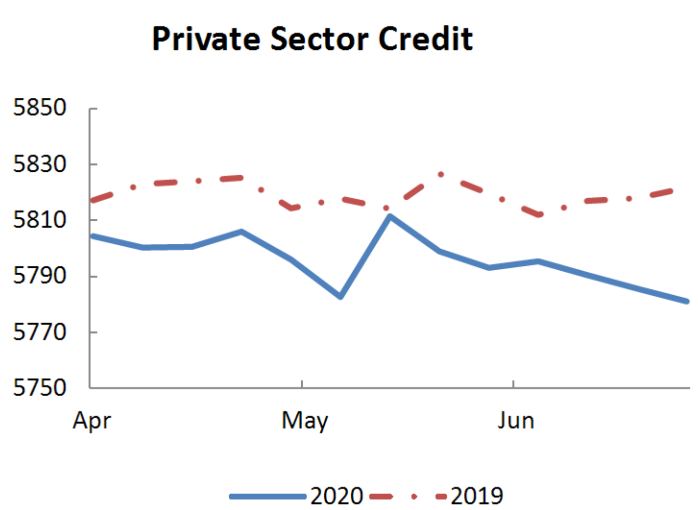
(B$ Millions)

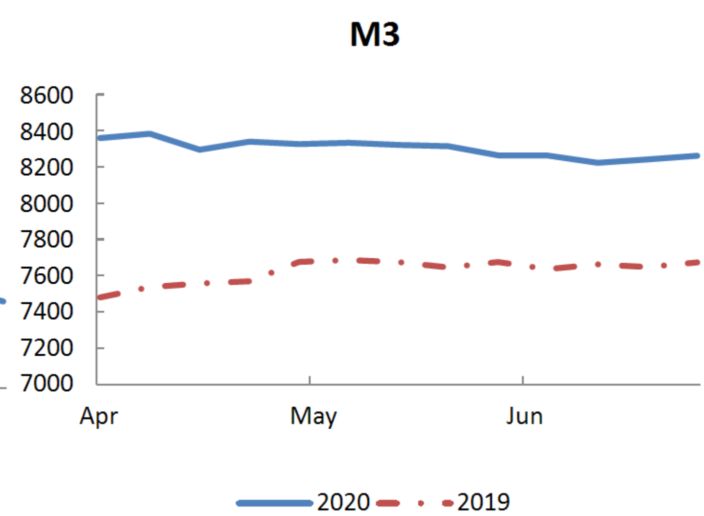


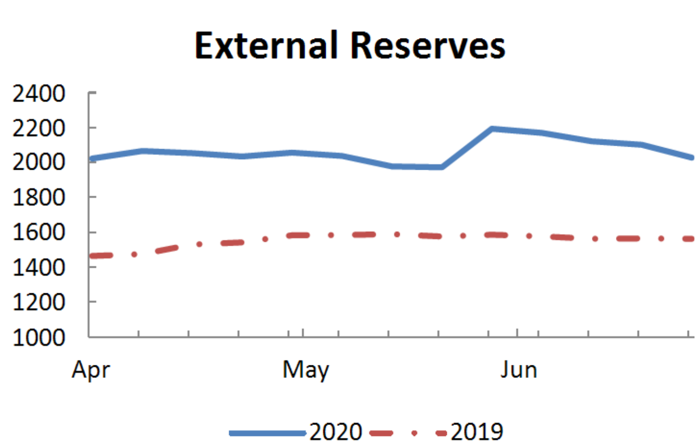


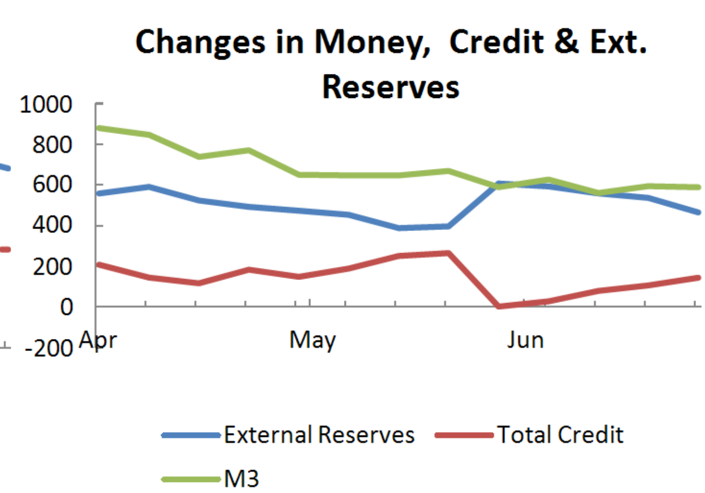












Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		**Inflation Rate**		**Unemployment**	
	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

*Source: IMF World Economic Outlook October 2019, Department of Statistics May 2019**

B: Official Interest Rates – Selected Countries (%)					
With effect from	**CBOB**	**ECB (EU)**	**Federal Reserve (US)**		**Bank of England**
	Bank Rate	**Refinancing Rate**	**Primary Credit Rate**	**Target Funds Rate**	**Repo Rate**
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
June 2020	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	**June-19**	**May-20**	**June-20**	**Mthly % Change**	**YTD % Change**	**12-Mth% Change**
Euro	0.8797	0.9891	0.8902	-10.01	-0.18	1.19
Yen	107.89	107.83	107.93	0.09	-0.63	0.04
Pound	0.7877	0.8102	0.8064	-0.47	6.89	2.37
Canadian $	1.3095	1.3780	1.3576	-1.48	4.51	3.67
Swiss Franc	0.9763	0.9616	0.9473	-1.49	-2.10	-2.97
Renminbi	6.8668	7.1364	7.0654	-0.99	1.47	2.89

Source: Bloomberg as of June 30th, 2020

D. Selected Commodity Prices ($)					
Commodity	**May 2019**	**May 2020**	**June 2020**	**Mthly % Change**	**YTD % Change**
Gold / Ounce	1305.45	1730.27	1780.96	2.93	17.38
Silver / Ounce	14.57	17.87	18.21	1.91	1.99
Oil / Barrel	72.79	25.29	35.32	39.66	-48.35

Source: Bloomberg as of June 30, 2020

E. Equity Market Valuations – June 30th, 2020 (% change)								
	BISX	**DJIA**	**S&P 500**	**FTSE 100**	**CAC 40**	**DAX**	**Nikkei 225**	**SE**
1 month	-0.75	1.69	1.84	1.53	5.12	6.25	1.83	4.64
3 month	0.36	17.77	19.95	8.78	12.28	23.90	17.82	8.52
YTD	-4.79	-9.55	-4.04	-18.20	-17.43	-7.08	-5.78	-2.15
12-month	-1.66	-2.96	5.39	-16.91	-10.89	-0.71	4.76	0.19

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	**GBP**	**EUR**
o/n	0.1500	0.0850	-0.6000
1 Month	0.1850	0.0950	-0.5000
3 Month	0.2369	0.1250	-0.4450
6 Month	0.5400	0.2050	-0.3400
9 Month	0.5700	0.3200	-0.2775
1 year	0.4750	0.4700	-0.2325

Source: Bloomberg as of June 30, 2020

Summary Accounts of the Central Bank
(B$ Millions)

	VALUE								CHANGE							
	May. 13	May. 20	May. 27	Jun. 03	Jun. 10	Jun. 17	Jun. 24	Jul. 01	May. 13	May. 20	May. 27	Jun. 03	Jun. 10	Jun. 17	Jun. 24	Jul. 01
I. External Reserves	***2,037.84***	***1,977.68***	***1,972.54***	***2,193.63***	***2,169.78***	***2,121.62***	***2,101.89***	***2,028.13***	***(18.93)***	***(60.16)***	***(5.14)***	***221.09***	***(23.85)***	***(48.16)***	***(19.73)***	***(73.76)***
II. Net Domestic Assets (A + B + C + D)	***(175.04)***	***(74.71)***	***(56.52)***	***(299.84)***	***(271.82)***	***(237.62)***	***(141.56)***	***(113.38)***	***37.79***	***100.34***	***18.19***	***(243.32)***	***28.02***	***34.20***	***96.06***	***28.18***
A. Net Credit to Gov't (I + ii + iii -iv)	***266.79***	***374.93***	***397.86***	***151.25***	***212.58***	***261.91***	***309.84***	***333.28***	***12.64***	***108.14***	***22.93***	***(246.61)***	***61.33***	***49.33***	***47.93***	***23.44***
i) Advances	14.90	14.90	14.90	14.90	14.90	14.90	14.90	14.90	-	-	-	-	-	-	-	-
ii) Registered Stock	262.46	258.09	261.03	263.19	263.21	263.29	263.37	257.80	0.33	(4.37)	2.93	2.17	0.01	0.08	0.08	(5.58)
iii) Treasury Bills	43.58	137.68	157.65	155.76	155.76	105.88	94.93	90.44	0.00	94.10	19.97	(1.89)	0.00	(49.87)	(10.96)	(4.48)
iv) Deposits	54.15	35.75	35.72	282.60	221.29	122.17	63.36	29.86	(12.30)	(18.40)	(0.03)	246.88	(61.32)	(99.12)	(58.80)	(33.50)
B. Rest of Public sector (Net) (i+ii-iii)	***(46.01)***	***(61.12)***	***(67.19)***	***(62.25)***	***(67.31)***	***(72.73)***	***(50.34)***	***(51.33)***	***32.40***	***(15.11)***	***(6.08)***	***4.95***	***(5.06)***	***(5.42)***	***22.38***	***(0.98)***
i) Loans	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	-	-	-	-	-	-	-	-
iii) Deposits	52.94	68.05	74.13	69.18	74.24	79.66	57.28	58.26	(32.40)	15.11	6.08	(4.95)	5.06	5.42	(22.38)	0.98
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	***(395.82)***	***(388.51)***	***(387.18)***	***(388.85)***	***(417.10)***	***(426.80)***	***(401.05)***	***(395.32)***	(7.25)	7.31	1.33	(1.67)	(28.25)	(9.71)	25.75	5.73
III. Monetary Base	***1,862.80***	***1,902.97***	***1,916.02***	***1,893.79***	***1,897.96***	***1,884.00***	***1,960.33***	***1,914.75***	***18.86***	***40.17***	***13.05***	***(22.23)***	***4.17***	***(13.96)***	***76.33***	***(45.58)***
A. Currency in Circulation	477.10	476.91	481.29	489.44	490.83	479.44	473.43	483.21	(1.27)	(0.19)	4.38	8.15	1.39	(11.40)	(6.01)	9.78
B. Bank Balances with CBOB	1,385.70	1,426.06	1,434.73	1,404.35	1,407.13	1,404.56	1,486.90	1,431.54	20.12	40.36	8.67	(30.38)	2.78	(2.56)	82.34	(55.36)

FISCAL/REAL SECTOR INDICATORS

(B$ MILLIONS)

(% change represents current period from previous period)

Fiscal Operations[P]	JUL-SEP 2018/2019	JUL-SEP 2019/2020	OCT-DEC 2018/2019	OCT-DEC 2019/2020	JAN-MAR 2018/2019	JAN-MAR 2019/2020	APR-JUN 2018/2019	APR-JUN 2019/2020	YEAR TO DATE 2018/2019	YEAR TO DATE 2019/2020
									(Over previous year)	
1. Government Revenue & Grants	513.8	554.3	497.8	547.1	677.4	655.6			1689.1	1757.0
% change; over previous quarter	*-10.2%*	*-24.2%*	*-3.1%*	*-1.3%*	*36.1%*	*19.8%*			*14.9%*	*4.0%*
2. Value Added Tax	199.4	266.2	185.9	249.1	203.6	223.4			588.9	738.7
% change; over previous quarter	*4.6%*	*-13.4%*	*-6.8%*	*-6.4%*	*9.5%*	*-10.3%*			*20.2%*	*25.4%*
3. Import/Excise Duties	151.2	140.5	114.4	154.6	103.7	108.5			369.3	403.7
% change; over previous quarter	*12.5%*	*-10.5%*	*-24.3%*	*10.1%*	*-9.4%*	*-29.8%*			*-6.0%*	*9.3%*
4. Recurrent Expenditure	539.9	544.8	566.3	633.9	594.9	631.6			1701.1	1810.3
% change; over previous quarter	*-15.4%*	*-24.0%*	*4.9%*	*16.4%*	*5.1%*	*-0.4%*			*9.7%*	*6.4%*
5. Capital Expenditure	38.8	56.2	41.2	60.4	48.1	81.6			128.1	198.3
% change; over previous quarter	*-54.4%*	*-36.9%*	*6.2%*	*7.5%*	*16.6%*	*35.1%*			*-30.2%*	*54.8%*
6. Deficit/Surplus*	-64.9	-46.7	-109.6	-147.2	34.5	-57.6			-140.0	-251.5
% change; over previous quarter	*-57.2%*	*-37.9%*	*69.0%*	*215.5%*	*-131.4%*	*-60.8%*			*-46.8%*	*79.6%*

DebtP **	JAN 2019	JAN 2020	FEB 2019	FEB 2020	MAR 2019	MAR 2020	APR 2019	APR 2020	MAY 2019	MAY 2020	JUN 2019	JUN 2020	JUL 2019	JUL 2020	AUG 2019	AUG 2020	SEP 2019	SEP 2020	OCT 2019	OCT 2020	NOV 2019	NOV 2020	DEC 2019	DEC 2020
7. Total Direct Debt	7,514.2	7,735.6	7,476.9	7,750.2	7,476.9	7,891.3	7,473.5	7,917.8	7,465.2	7,992.9	7,527.1	8,191.2												
% change; over previous month	*0.2%*	*0.0%*	*-0.5%*	*0.2%*	*0.0%*	*1.8%*	*0.0%*	*0.3%*	*-0.1%*	*0.9%*	*0.8%*	*2.5%*												
8. External Debt	2,592.5	2,563.1	2,568.6	2,598.3	2,557.1	2,604.1	2,552.1	2,649.1	2,552.4	2,650.7	2,553.2	2,901.3												
% change; over previous month	*0.0%*	*-0.2%*	*-0.9%*	*1.4%*	*-0.4%*	*0.2%*	*-0.2%*	*1.7%*	*0.0%*	*0.1%*	*0.0%*	*9.5%*												
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												
% change; over previous month				*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	4,973.9	5,239.9												
% change; over previous month	*0.3%*	*0.1%*	*-0.3%*	*-0.4%*	*0.2%*	*2.6%*	*0.0%*	*-0.4%*	*-0.2%*	*1.4%*	*1.2%*	*-1.0%*												
11. Total Amortization	41.4	52.5	36.3	23.8	112.5	185.6	133.5	127.7	33.8	72.6	27.7	91.1												
% change; over previous month	*-18.9%*	*47.7%*	*-14.0%*	*-120.8%*	*67.7%*	*87.2%*	*18.7%*	*-31.2%*	*-74.7%*	*-43.2%*	*-18.0%*	*25.6%*												
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	3,547.5	3,440.6	3,790.9												
% change; over previous month	*4.8%*	*-0.1%*	*-0.7%*	*1.0%*	*-0.7%*	*-0.2%*	*-0.1%*	*1.3%*	*0.01%*	*0.04%*	*-0.48%*	*6.86%*												

Real Sector Indicators	JAN 2019	JAN 2020	FEB 2019	FEB 2020	MAR 2019	MAR 2020	APR 2019	APR 2020	MAY 2019	MAY 2020	JUN 2019	JUN 2020	JUL 2019	JUL 2020	AUG 2019	AUG 2020	SEP 2019	SEP 2020	OCT 2019	OCT 2020	NOV 2019	NOV 2020	DEC 2019	DEC 2020	2019	2020
																									(Over previous year)	
13. Retail Price Index																										
% change; over previous month																										
14. Tourist arrivals (000's)	636.9	687.2	608.4	711.7	749.0	302.1																			1,994.3	1,701.0
% change; over previous year	*19.33%*	*7.90%*	*13.89%*	*16.98%*	*5.87%*	*-59.67%*																			*12.33%*	*-14.71%*
15. Air arrivals (000's)	129.9	125.3	151.1	146.5	201.6	75.7																			482.6	347.5
% change; over previous year	*28.78%*	*-3.54%*	*19.65%*	*-3.08%*	*9.48%*	*-62.45%*																			*17.34%*	*-28.00%*
16. Occupied Room Nights																										
% change; over previous year																										
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B$Millions)																										
% change; over previous qtr.																										

* Includes Net Lending to Public Corporations

** Debt figures include Central Government only, unless otherwise indicated

p - provisional