



Monthly Economic and Financial Developments September 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: November 30, December 21,



Monthly Economic and Financial Developments (MEFD) September 2020

1. Domestic Economic Developments

Overview

The Novel Coronavirus (COVID-19) pandemic continued to adversely impact domestic economic developments during the month of September. Tourism sector activity remained largely at a standstill, as the high value-added air segment and the dominant sea component remained paused, due to globally imposed travel restrictions. Notwithstanding, the restart of foreign investment-led projects, along with hurricane rebuilding works, provided some stimulus to the construction sector. In price developments, the domestic inflation rate narrowed during the twelve months ending June, underpinned by the decline in fuel costs. On the monetary front, bank liquidity contracted, as the growth in domestic credit outpaced the rise in the deposit base. Similarly, external reserves decreased during the review month, owing to net foreign currency outflows on private sector activities.

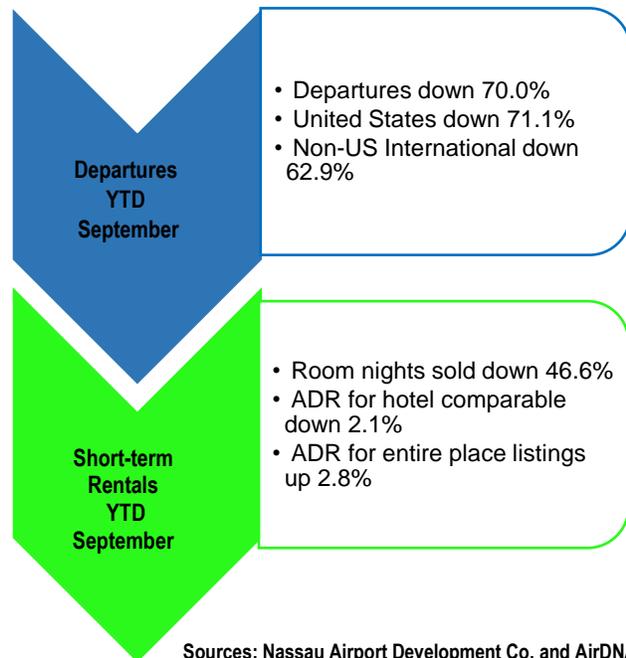
Real Sector

Tourism

The tourism sector, continued to be largely dormant during the review period, as ongoing globally imposed travel restrictions, to contain the spread of COVID-19, virtually eliminated air and sea arrivals.

The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that total international departures reduced to just 2,526 during the month of September, extending the 9.2% falloff to 69,729 recorded in the comparable period of 2019. On a year-to-date basis, outward-bound traffic reduced sharply by 70.0%, a reversal from a 15.2% expansion relative to same period last year. Underlying this outturn, the U.S. segment declined by 71.1%, a turnaround from a 16.6% increase in the prior year. Similarly, the non-U.S. international segment decreased by 62.9% vis-à-vis a 7.0% growth in the preceding year.

Chart 1: Tourism Indicators at a Glance



In the vacation rental market, data from AirDNA revealed that total room nights sold declined by 65.3% for the month of September compared with the same period in 2019, amid a contraction in bookings for entire place listings and hotel comparable listings, by 65.8% and 61.3%, respectively. In contrast, the average daily

room rate (ADR) for respective entire place listings and hotel comparable listings rose by 6.4% to \$355.35 and by 1.9% to \$142.28. Over the nine-month period, total room nights sold fell by 46.6%, as bookings for both entire place listings and hotel comparable listings were lower by 47.7% and 35.4%, respectively. Pricing indicators varied, as the ADR for entire place listings rose by 2.8% to \$405.59, while the ADR for hotel comparable listings decreased by 2.1% to \$151.66.

Prices

Reflecting the decline in global oil prices, domestic consumer price inflation—as measured by changes in the average Retail Price Index for The Bahamas—narrowed to 0.88% during the twelve months to June, from 3.31% a year earlier. An analysis by category showed that average prices for housing, water, gas electricity & other fuels declined by 0.9%; miscellaneous goods & services, by 0.7%; clothing & footwear, by 0.5% and food & non-alcoholic beverages, by 0.4%, after posting increases in 2019. In addition, average cost decreases were recorded for education (3.3%) and communication (1.0%). Further, average inflation rates moderated for furnishing, household equipment & maintenance (1.3%) and transport (4.7%). Providing some offset, the rise in average prices quickened for health (10.2%), restaurants & hotels (7.3%), alcohol beverages, tobacco & narcotics (4.5%) and recreation & culture (1.2%).

2. Domestic Monetary Trends

September 2020 vs. 2019

During the month of September, monetary developments featured a contraction in liquidity, as the growth in domestic credit outpaced the rise in the deposit base. Specifically, excess reserves—a narrow measure of liquidity—declined by \$34.1 million to \$1,291.8 million, a reversal from a \$60.4 million build-up a year earlier. Likewise, excess liquid assets—the broad measure of liquidity—decreased by \$4.0 million to \$2,148.5 million, albeit significantly lower than the \$33.0 million reduction in 2019.

On a year-to-date basis, excess reserves rose by \$185.5 million, but trailed the \$223.4 million accumulation recorded in the prior year. Similarly, excess liquid assets grew by \$183.1 million, although a slowdown from the \$253.7 million growth in the previous year.

External Reserves

For the month of September, external reserves fell by \$21.6 million to \$2,106.1 million, a turnaround from a \$13.7 million increase last year. Underlying this development, the Central Bank's transactions with commercial banks reversed to a net sale of \$83.2 million, from a net purchase of \$31.1 million in the prior year. In turn, commercial banks transactions with their customers shifted to a net sale of \$82.1 million, following a net intake of \$24.9 million in 2019. In contrast, on account of net public debt inflows, the Central Bank recorded a net purchase of \$61.2 million from the public sector, vis-à-vis a net sale of \$35.7 million in the previous year.

During the nine-month period, buttressed by the receipt of proceeds from the Government's external borrowing activities, external reserves grew by \$347.9 million, although a moderation from the \$360.0 million growth last year. Reflecting this outturn, the Central Bank's transaction with the public sector recorded a net purchase of \$397.7 million, contrasting with a net sale of \$318.1 million in the prior year. Conversely, transactions with the commercial banks generated a net sale of \$129.8 million, following a net purchase of

\$610.0 million in the previous year, as banks reported a net sale of \$200.2 million to their customers, a reversal from a net purchase of \$577.4 million during the same period in 2019.

Exchange Control Sales

Preliminary data regarding foreign currency sales for current account transactions revealed a \$54.7 million reduction in outflows for external payments to \$471.4 million in September, in comparison to the same period last year. Contributing to this outturn, notable decreases were registered for payments related to credit & debit card financed imports and various services under “other” current items (\$62.6 million), and for oil imports (\$41.6 million). Likewise, declines were posted for travel related transactions (\$25.6 million) and transfer payments (\$12.5 million). On the other hand, foreign currency sales increased for factor income payments (\$82.2 million) and non-oil imports (\$5.4 million).

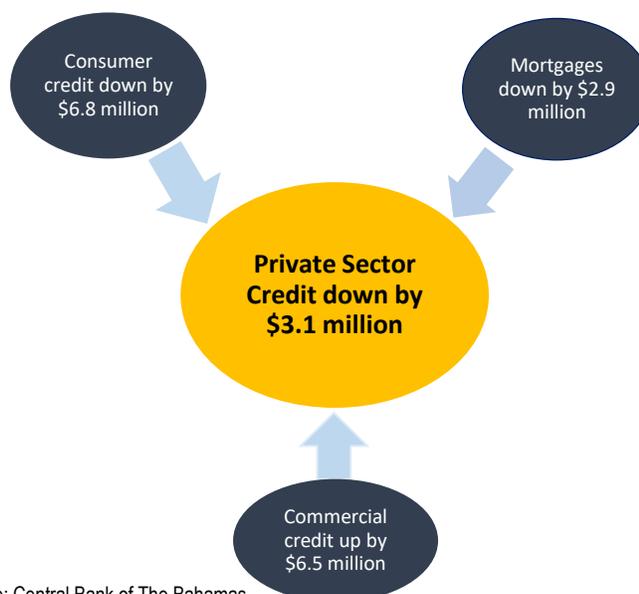
During the nine months to September, foreign currency sales for current account transactions contracted by \$568.9 million to \$3,923.3 million, relative to the same period last year. Specifically, broad-based declines were registered for “other” current items (\$241.0 million)—mainly driven by a decrease in other services—oil import payments (\$175.1 million), travel related transactions (\$170.1 million), transfer payments (\$73.8 million) and non-oil imports (\$12.1 million). Conversely, foreign currency sales to facilitate factor income payments grew by \$103.2 million.

Domestic Credit

Bahamian Dollar Credit

During the review month, total Bahamian dollar credit rose by \$49.3 million, extending the \$23.8 million accumulation in 2019. Underlying this outturn, net claims on the Government expanded by \$50.9 million, following a \$9.9 million rise in the prior year. Similarly, credit to public corporations edged up by \$1.5 million, a reversal from the \$4.6 million falloff a year earlier. In contrast, credit to the private sector declined by \$3.1 million, vis-à-vis an \$18.6 million increase a year earlier. Underlying this outturn, consumer credit and mortgages reduced by \$6.8 million and by \$2.9 million, respectively. Providing some offset, commercial credit grew by \$6.5 million.

Chart 2: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

On a year-to-date basis, total Bahamian dollar credit grew by \$62.7 million, a turnaround from a \$21.9 million falloff last year. Contributing to this development, net claims on the Government advanced by \$90.7 million, contrasting with a \$16.2 million reduction in the previous year. In addition, the decrease in credit to public corporations slowed to a mere \$2.0 million, from \$17.4 million last year. Conversely, private sector credit fell by \$26.0 million, a turnaround from an \$11.6 million growth in the previous year, as mortgages reduced further by \$28.7 million, relative to a \$2.6 million decline last year. Accretions to commercial credit also

moderated to \$23.6 million, from \$47.0 million in the prior year. However, the contraction in consumer credit slowed to \$20.9 million, from \$32.8 million in the previous year.

Foreign Currency Credit

Domestic foreign currency credit increased by \$11.2 million, following a \$1.5 million uptick a year earlier. Underpinning this outturn, private sector credit growth quickened to \$11.4 million from \$4.0 million in the previous year, led by a \$13.1 million rise in commercial credit, following a \$3.5 million gain in the prior year. However, mortgages declined by \$1.6 million, overturning the \$0.5 million gain during the same period last year. In contrast, net claims on the Government edged down by \$0.2 million, compared to an increase of \$7.5 million a year earlier. Further, credit to public corporations recorded a flat outturn, after a \$10.0 million reduction in 2019.

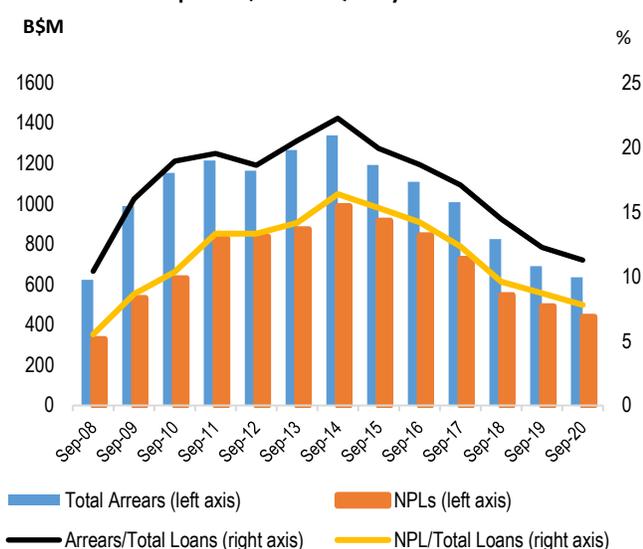
Over the nine-month period, domestic foreign currency credit contracted by \$46.6 million, deepening from the \$31.4 million decline in the year prior. Underlying this development, credit to the public sector reduced by \$53.3 million, extending the \$23.6 million falloff in the previous year. Likewise, private sector credit contracted further by \$46.6 million, from \$15.0 million a year earlier, as commercial credit decreased by \$49.8 million, widening the \$15.0 million decline in 2019. In contrast, mortgages increased by \$3.2 million, after a muted \$0.1 million uptick in the preceding year. Providing some offset, net claims on the Government rose by \$53.3 million, notably higher than the \$7.1 million gain last year.

Credit Quality

During the review month, banks' credit quality indicators improved, as total private sector arrears decreased by \$16.7 million (2.3%) to \$697.3 million, with its accompanying ratio narrowing by 29 basis points to 12.35%. An analysis by the average age of delinquency, showed that short-term arrears (31-90 days) reduced by \$39.1 million (14.4%) to \$232.1 million, corresponding with a 69 basis points decrease in the attendant ratio to 4.11%. In contrast, non-performing loans (NPLs) rose by \$22.4 million (5.0%) to \$465.2 million, resulting in the non-accruals rate moving higher by 40 basis points to 8.24%.

In terms of the various categories, commercial arrears fell by \$8.1 million (10.3%) to \$69.8 million, as the short-term segment reduced by \$19.5 million (57.7%), outstripping the \$11.5 million (26.0%) rise in the long-term component. Similarly, mortgage delinquencies decreased by \$6.5 million (1.6%) to \$399.5 million, underpinned by a \$12.1 million (8.9%) reduction in short term arrears, which outweighed the \$5.6 million (2.1%) rise in non-accrual loans. Further, consumer loan arrears moved lower by \$2.2 million (1.0%) to \$227.9 million, as the 31-90 days category lessened by \$7.5 million (7.4%), eclipsing the \$5.3 million (4.1%) growth in non-performing loans.

Graph 1: B\$ Credit Quality Indicators



Source: Central Bank of The Bahamas

Given the rise in the level of non-performing loans, banks increased their total provisions for loan losses by \$7.6 million (1.5%) to \$513.5 million in September. As a result, the ratio of total provisions to arrears rose by 2.8 percentage points to 73.7%; however, the ratio for total provisions to non-performing loans decreased by 3.9 percentage points to 110.4%. During the review month, banks wrote-off an estimated \$7.2 million in claims, and recovered approximately \$2.2 million.

On a year-to-date basis, total private sector arrears grew by \$11.0 million (1.6%), with the accompanying ratio increasing by 25 basis points. By length of delinquency, the non-accruals segment rose by \$11.2 million (2.5%), resulting in the relevant ratio firming by 23 basis points. Conversely, the short-term component was slightly lower by \$0.2 million (0.1%), but the attendant ratio edged up by 1 basis point.

An analysis by loan category showed that, consumer loan arrears increased by \$29.5 million (14.9%), as both NPLs and the short-term segment moved higher by \$18.9 million (16.3%) and \$10.6 million (12.8%), respectively. Similarly, commercial delinquencies rose by \$5.2 million (8.1%), as the \$5.5 million (11.0%) expansion in long-term arrears, outstripped the \$0.3 million (2.2%) decline in short term delinquencies. Conversely, mortgage arrears decreased by \$23.7 million (5.6%), reflecting a falloff in both short and long-term delinquencies of \$10.5 million (7.8%) and \$13.2 million (4.6%), respectively.

During the nine-month period, banks increased their total provisions for loan losses by \$87.6 million (20.6%). Correspondingly, the ratio of total provisions to arrears rose by 11.6 percentage points, while the ratio of total provisions to NPLs firmed by 16.6 percentage points. For the nine-month period, banks wrote-off an estimated \$69.7 million in bad loans and recovered approximately \$17.9 million.

Deposits

The growth in total Bahamian dollar deposits narrowed to \$22.9 million in September, from \$53.4 million in the comparable 2019 period, attributed to the falloff in foreign currency inflows from real sector activities. In particular, the reduction in fixed deposits extended to \$19.1 million from \$14.6 million a year earlier. Further, gains in demand balances moderated sharply to \$25.6 million from \$60.2 million in the prior year. Conversely, savings deposits expanded by \$16.4 million, exceeding the \$7.8 million accumulation in the preceding year. Likewise, the expansion in foreign currency deposits tapered to \$10.8 million from \$96.3 million in 2019.

These trends persisted over the nine-month period, as the build-up in Bahamian dollar deposits slowed to \$218.9 million from \$331.4 million in the same period last year. Specifically, the accumulation in demand balances tapered to \$232.1 million, from \$338.2 million in the prior year, while the decline in fixed deposits quickened to \$177.6 million, from \$106.3 million last year. In a modest offset, gains in savings balances accelerated to \$164.4 million from \$99.5 million in 2019. Meanwhile, foreign currency deposits contracted by \$96.5 million, vis-à-vis a \$95.9 million growth in 2019.

Interest Rates

In interest rates developments, banks' weighted average loan rate increased by 89 basis points to 11.27% in September. Similarly, the weighted average deposit rate edged up by 5 basis points to 0.47%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

The domestic economy is projected to contract sharply in 2020, attributed to the negative impact of the COVID-19 pandemic and the residual effect from Hurricane Dorian. Tourism output is forecasted to decline markedly, as global economic activity and international travel continued to be adversely impacted by measures implemented to contain the spread of the virus. The outlook for the 2021 winter season is now also further reduced from forecasts made earlier in the pandemic, given the more extensive delays in restarting activities. Both the timing of the onset, and the pace of recovery remain conditional upon both progress on the international health front, and sustained advances in abating the domestic health sector challenges. Otherwise, new and ongoing foreign investment-led projects, along with post-hurricane rebuilding works, are expected to provide support to the construction sector.

In the labor market, the unemployment rate is expected to remain significantly elevated in the near term, with any job gains concentrated largely in the construction sector and limited re-engagement of tourism sector employees. However, domestic inflationary pressures are estimated to stay subdued, notwithstanding any shocks in international oil prices.

In the fiscal sector, outlays associated with the restoration of key infrastructure following the devastating storm in 2019, along with a rise in spending for health and social welfare related to COVID-19, combined with revenue losses, are anticipated to weigh heavily on the Government's fiscal position. The budgetary gap, estimated near 11.6% of GDP, is expected to be financed in large measure by external borrowing. Financing needs are projected to stay expanded during the next fiscal year.

Monetary sector developments will continue to feature elevated levels of banking sector liquidity, as commercial banks retain their conservative lending stance. However, while private sector net foreign currency drawdowns are expected to continue through the end of the year, external reserves are forecasted to end the year at a higher level than 2019, primarily attributed to the front loading of Government's external financing operations. As a result, the cumulative reduction in external balances is expected to be delayed to 2021. Nevertheless, balances are estimated to remain at satisfactory levels to sustain the Bahamian dollar currency peg.

4. Monetary Policy Implications

Based on the current outlook, the Central Bank will maintain its targeted accommodative posture for private credit and remain committed to policy measures that sustain a favorable outcome for external reserves, and preserve financial sector stability. In addition, the Bank will continue to evaluate developments within the foreign exchange market, and if required, adopt appropriate measures to ensure a satisfactory outcome for foreign reserves.

APPENDIX

International Developments

Global economic developments during the review month continued to be driven by the Novel Coronavirus (COVID-19) pandemic. Consequently, the International Monetary Fund (IMF), in its October 2020 Edition of the World Economic Outlook Report, downgraded its real GDP projections to a contraction of 4.4% for 2020 for the global economy. In this context, all of the major central banks reaffirmed their highly accommodative policy stances, in an effort to maintain financial stability and boost economic growth.

In the United States, economic indicators were mixed during the review period. Specifically, retail sales grew by 1.9% in September, strengthening from a 0.6% gain the prior month. However, industrial production declined by 0.6% during the review month, led by a reduction in output for utilities, computer & electronic products, and motor vehicles & parts. On the external front, the trade deficit widened by US\$3.7 billion (5.9%) to \$67.1 billion in August, as the 3.2% increase in imports, outpaced the 2.2% growth in exports. In labour market developments, the unemployment rate decreased by 50 basis points to 7.9% in September, as total non-farm employment rose by 661,000, owing largely to gains in the leisure & hospitality, and retail trade sectors. Further, the consumer price index rose by 0.2% in September, due mainly to a notably rise in the index for used cars and trucks. In light of these developments, the Federal Reserve maintained its benchmark interest rate at a range of 0.00% – 0.25%.

Performance indicators for the major European economies were mixed during the review period. In the United Kingdom, real GDP expanded by 8.0% during the three months to August, after contracting by 7.6% in the quarter ended July, owing to growth across most of the major sectors, as restrictions on movement were lifted. In addition, retail sales firmed by 0.8% in August over the prior month, while total production output moved higher by 0.3% during the review period, largely due to gains in manufacturing output. In the external sector, the trade surplus widened by £3.8 billion to £7.7 billion over the three months to August, as the £21.4 billion growth in exports outstripped the £17.5 billion increase in imports. Further, the annual inflation rate firmed by 20 basis points to 0.7% in September from the previous month, reflecting an uptick in transport and restaurant & café prices. In addition, the unemployment rate rose by 60 basis points to 4.5% during the three months to August, from the previous quarter, as the number of unemployed individuals grew by 138,000. In the euro area, retail trade rose by 4.4% in August, after a 1.8% reduction in July. Meanwhile, the growth in industrial production slowed to 0.7%, from 5.0% in July, attributed to a decrease in the production of intermediate goods, capital goods and non-durable consumer goods. In terms of international trade, the surplus grew by €0.3 billion to €14.7 billion in August, as the 13.5% reduction in imports overshadowed the 12.2% decline in exports. Further, average consumer prices fell by 0.3% in September, vis-à-vis a 0.2% decline in the prior month, due in large measure to lower energy costs. In labor market developments, the jobless rate edged up by 20 basis points to 8.1% in August, vis-à-vis the previous month, as the number of unemployed people advanced by 251,000. Against this backdrop, the Bank of England retained its policy rate at 0.1% and its targeted bond purchases stock at £745 billion. Likewise, the European Central bank kept its interest rates on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50% respectively.

In the Asian economies, economic indicators varied during the review month. During the third quarter, China's growth in real output quickened to 4.9%, from 3.2% in the three months to June. With regard to spending, retail sales rose by 2.8% in September, while industrial production increased by 1.2% over the preceding month. Labour market conditions improved modestly, as the unemployment rate softened by 10 basis points to 5.6% in August, compared to the prior month. In price developments, the consumer price index firmed by 0.2% in September from the preceding month, as costs increased for clothing, education, culture & recreation and foodstuff. On the external front, the trade surplus narrowed by US\$21.7 billion, to US\$37.0 billion in September, owing largely to a 13.2% rise in imports, of mainly food and input goods to resume production output, which outweighed the 9.9% growth in exports of largely personal protective gear and other medical supplies. In Japan, industrial production moved higher by 1.0% in August from the prior month, mainly due to growth in the production of motor vehicles. In external developments, Japan's trade surplus widened to ¥675.0 billion in September, from ¥248.6 billion in the previous month, as the 17.2% reduction in imports exceeded the 4.9% decrease in exports. With regard to the labor market, the jobless rate edged up by 10 basis points to 3.0% in August, in comparison to the same month last year, as the number of unemployed individuals rose by 490,000. Further, average consumer prices edged down by 0.1 percentage points in August from a month earlier, reflecting reduced costs of culture & recreation and clothes & footwear. In this environment, the Bank Japan upheld its policy rate at -0.1% and the People's Bank of China sustained its reverse repo rate at 2.20%.

During the month of September, the major stock market indices recorded mixed movements. In the United States, the S&P 500 and the Dow Jones Industrial Average (DJIA) declined, by 3.9% and 2.3%, respectively. In Europe, France's CAC 40 and Germany's DAX decreased, by 2.9% and 1.4%, respectively. However, the United Kingdom's FTSE 100 edged up by 0.1%. In the Asian markets, China's SE Composite contracted by 5.2%, while Japan's Nikkei firmed by 0.2%.

Currency market developments varied over the review month. In particular, the US dollar appreciated relative to the British Pound, by 3.4% to £0.7740; the Canadian Dollar, by 2.1% to CAD\$1.3319; the Swiss Franc, by 1.9% to CHF0.9209 and the euro, by 1.8% to €0.8532. In contrast, the dollar depreciated against the Chinese Renminbi, by 0.8% to CNY6.7910, and the Japanese Yen, by 0.4% to ¥105.48.

Commodity prices trended downward in September. Specifically, the price of crude oil reduced by 9.2% to \$40.96 per barrel, as OPEC's crude oil production edged down by 0.05 thousand barrels per day to 24.11 million barrels per day. Similarly, the costs of silver and gold fell, by 17.4% and 4.2%, respectively, to \$23.24 and \$1,885.82 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

September					
Value		Change		Change YTD	
2019	2020	2019	2020	2019	2020

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	894.75	1,291.75	60.41	-34.06	223.40	185.53
1.2 Excess Liquid Assets	1,785.53	2,148.47	-32.96	-3.99	253.74	183.10
1.3 External Reserves	1,559.17	2,106.12	13.65	-21.56	360.00	347.91
1.4 Bank's Net Foreign Assets	166.76	94.47	92.43	6.25	109.65	-109.03
1.5 Usable Reserves	750.86	1,062.04	-30.90	11.29	226.63	226.67

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,851.75	5,783.88	22.59	8.28	-3.31	-72.57
a. B\$ Credit	5,658.94	5,629.56	18.57	-3.14	11.64	-26.01
of which: Consumer Credit	2,085.10	2,057.31	-2.57	-6.79	-32.81	-20.92
Mortgages	2,863.65	2,809.86	4.20	-2.85	-2.58	-28.72
Commercial and Other Loans B\$	710.20	762.39	16.94	6.50	47.03	23.63
b. F/C Credit	192.81	154.32	4.02	11.43	-14.95	-46.56
of which: Mortgages	58.17	61.26	0.52	-1.63	0.06	3.22
Commercial and Other Loans F/C	134.64	93.06	3.50	13.05	-15.01	-49.78
2.2 Central Government (net)	2,524.49	2,763.95	17.36	50.70	-9.04	143.97
a. B\$ Loans & Securities	2,798.38	2,938.52	28.88	-12.21	52.89	89.27
Less Deposits	278.94	283.31	19.00	-63.10	69.05	-1.45
b. F/C Loans & Securities	7.00	110.50	0.00	-0.04	0.00	53.50
Less Deposits	1.95	1.76	-7.49	0.14	-7.13	0.25
2.3 Rest of Public Sector	445.95	388.48	-14.62	1.52	-40.94	-55.32
a. B\$ Credit	279.72	276.50	-4.62	1.52	-17.38	-1.99
b. F/C Credit	166.23	111.98	-10.00	0.00	-23.56	-53.33
2.4 Total Domestic Credit	8,822.19	8,936.31	25.34	60.50	-53.28	16.08
a. B\$ Domestic Credit	8,458.10	8,561.27	23.83	49.26	-21.91	62.72
b. F/C Domestic Credit	364.09	375.04	1.51	11.24	-31.37	-46.64

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,795.36	3,185.83	60.23	25.60	338.20	232.13
a. Central Bank	55.21	71.11	10.29	-2.86	-19.65	21.46
b. Banks	2,740.15	3,114.72	49.94	28.46	357.85	210.67
3.2 Savings Deposits	1,520.22	1,800.85	7.75	16.41	99.49	164.40
3.3 Fixed Deposits	2,455.94	2,247.36	-14.57	-19.07	-106.32	-177.59
3.4 Total B\$ Deposits	6,771.52	7,234.04	53.42	22.94	331.37	218.94
3.5 F/C Deposits of Residents	613.94	573.46	96.29	10.78	95.87	-96.53
3.6 M2	7,082.23	7,620.29	62.61	24.97	338.47	268.11
3.7 External Reserves/M2 (%)	22.02	27.64	0.00	-0.37	4.23	3.72
3.8 External Reserves/Base Money (%)	104.61	106.17	-4.02	0.62	8.81	4.62
3.9 External Reserves/Demand Liabilities (%)	96.45	100.86	-4.73	2.08	7.61	5.60
	Value		Year To Date		Change	
	2019	2020	2019	2020	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-4.56	-22.07	291.95	267.91	-17.51	-24.04
a. Net Purchase/(Sale) from/to Banks	31.12	-83.27	610.02	-129.75	-114.39	-739.77
i. Sales to Banks	12.00	86.68	59.25	547.30	74.68	488.05
ii. Purchase from Banks	43.12	3.40	669.27	417.55	-39.72	-251.72
b. Net Purchase/(Sale) from/to Others	-35.68	61.20	-318.06	397.66	96.88	715.73
i. Sales to Others	99.04	168.48	730.28	780.20	69.45	49.93
ii. Purchase from Others	63.36	229.68	412.21	1177.87	166.33	765.65
4.2 Banks Net Purchase/(Sale)	24.94	-82.14	577.38	-200.24	-107.08	-777.62
a. Sales to Customers	438.59	321.23	3670.63	3171.88	-117.36	-498.75
b. Purchase from Customers	463.53	239.09	4248.01	2971.64	-224.44	-1276.37

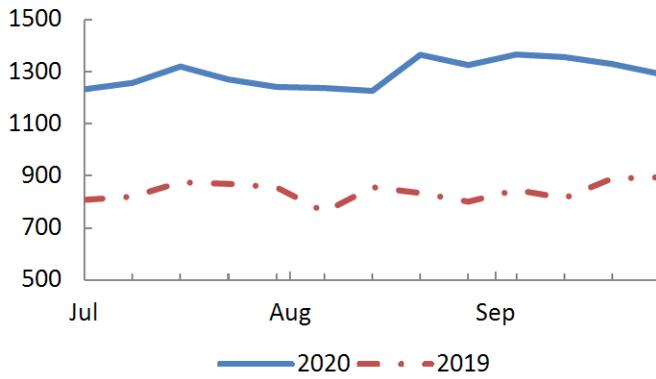
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	526.02	471.37	4,492.09	3,923.30	-54.65	-568.79
of which Public Sector	77.91	161.45	629.89	713.65	83.54	83.76
a. Nonoil Imports	112.44	117.87	1,086.02	1,073.93	5.43	-12.09
b. Oil Imports	62.08	20.47	465.71	290.64	-41.61	-175.07
c. Travel	35.10	9.55	253.64	83.53	-25.55	-170.11
d. Factor Income	35.48	117.68	268.67	371.85	82.19	103.18
e. Transfers	26.75	14.25	194.31	120.56	-12.50	-73.75
f. Other Current Items	254.17	191.55	2,223.75	1,982.80	-62.62	-240.95
5.2 Capital Items	44.66	9.61	220.21	199.01	-35.05	-21.20
of which Public Sector	25.24	8.45	132.26	139.39	-16.79	7.13

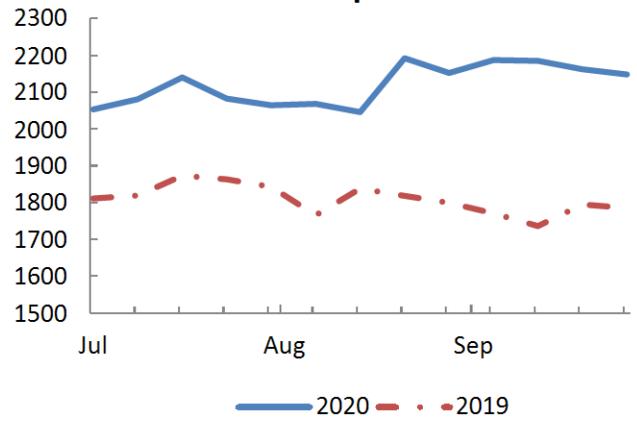
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

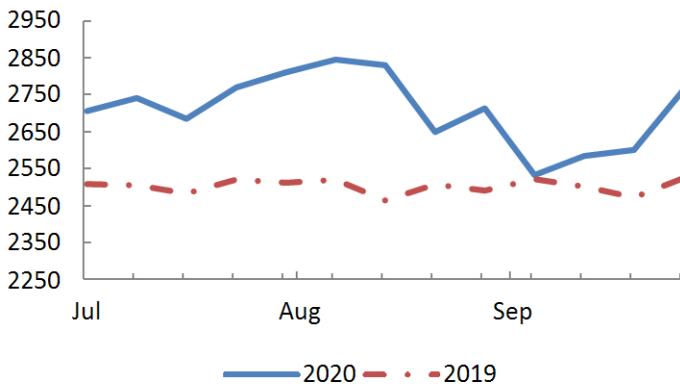
Excess Reserves



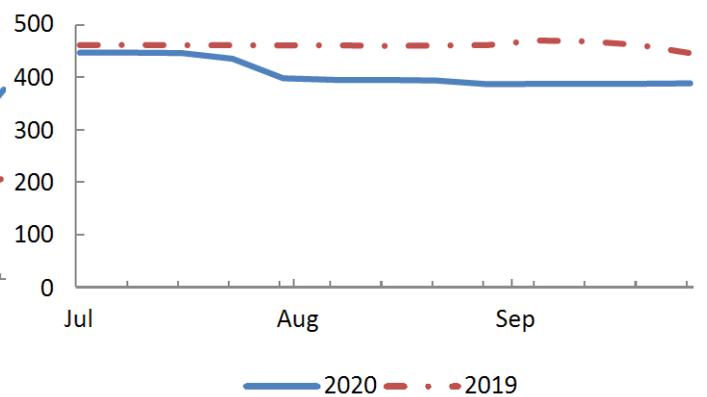
Excess Liquid Assets



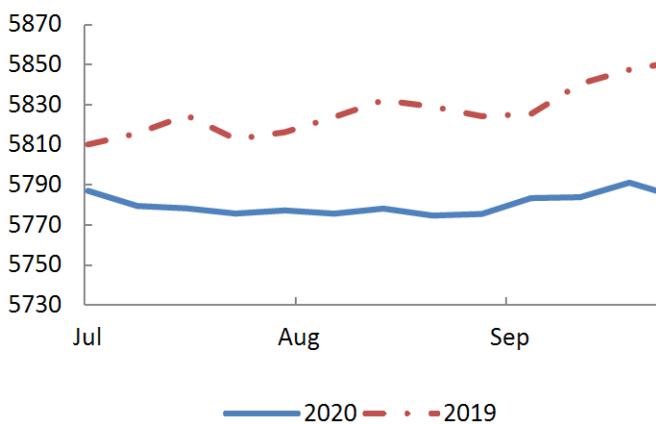
Central Govt. Credit (Net)



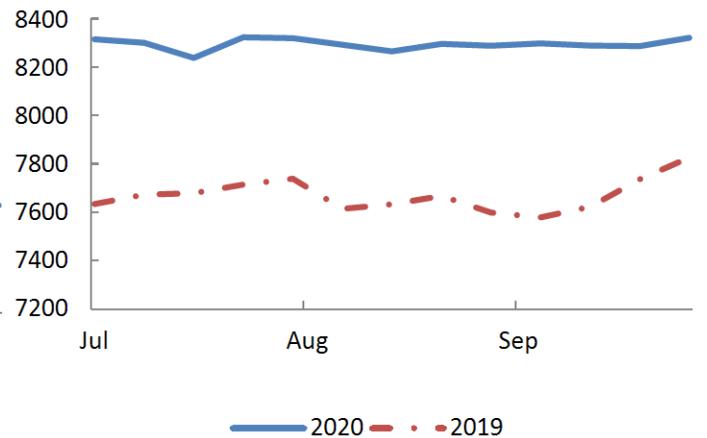
Rest of Public Sector Credit



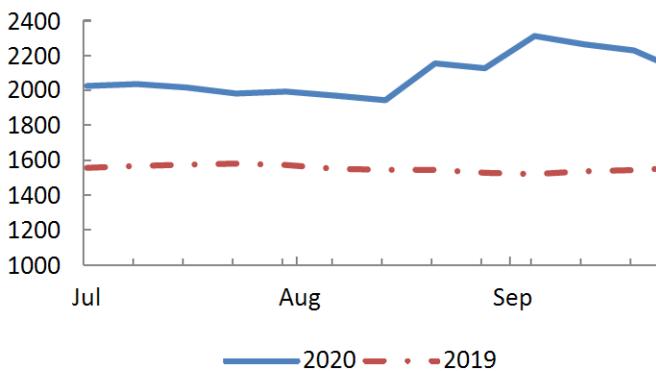
Private Sector Credit



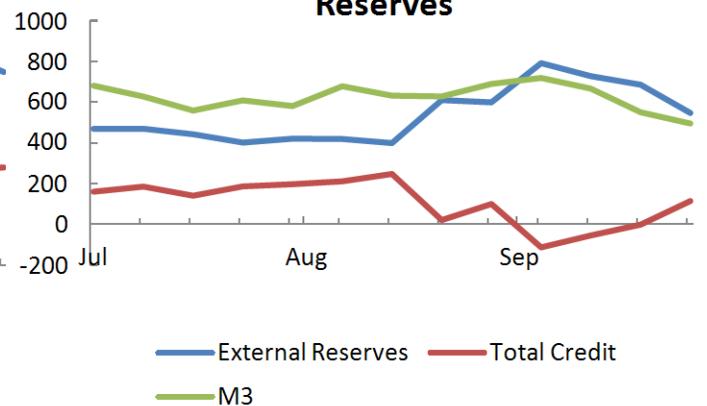
M3



External Reserves



Changes in Money, Credit & Ext. Reserves



FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JUL-SEP		OCT-DEC		JAN-MAR		APR-JUN		YEAR TO DATE	
	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
	Fiscal Operations^P									
1. Government Revenue & Grants	513.8	554.3	497.8	547.1	677.4	657.3	737.2	330.5	2426.3	2089.1
% change; over previous quarter	-10.2%	-24.8%	-3.1%	-1.3%	36.1%	20.1%	8.8%	-49.7%	18.8%	-13.9%
2. Value Added Tax	199.4	266.2	185.9	249.1	203.6	223.6	307.7	138.5	896.6	877.4
% change; over previous quarter	4.6%	-13.5%	-6.8%	-6.4%	9.5%	-10.2%	51.1%	-38.1%	31.7%	-2.1%
3. Import/Excise Duties	151.2	140.5	114.4	154.6	103.7	108.5	157.1	73.7	526.4	477.4
% change; over previous quarter	12.5%	-10.5%	-24.3%	10.1%	-9.4%	-29.8%	51.5%	-32.1%	-0.2%	-9.3%
4. Recurrent Expenditure	539.9	544.8	566.3	634.0	594.9	635.3	721.1	694.5	2422.2	2508.6
% change; over previous quarter	-15.4%	-24.5%	4.9%	16.4%	5.1%	0.2%	21.2%	9.3%	10.7%	3.6%
5. Capital Expenditure	38.8	56.2	41.2	60.5	48.1	82.1	95.3	169.9	223.4	368.8
% change; over previous quarter	-54.4%	-41.0%	6.2%	7.7%	16.6%	35.6%	98.3%	106.9%	-16.9%	65.1%
6. Deficit/Surplus*	-64.9	-46.7	-109.6	-147.4	34.5	-60.1	-79.3	-534.0	-219.3	-788.2
% change; over previous quarter	-57.2%	-41.1%	69.0%	216.0%	-131.4%	-59.2%	-329.9%	788.2%	-47.1%	259.5%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020		
	Debt^{P **}																							
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	7,513.8	8,558.5	7,548.9	8,812.4	7,585.7	8,901.1						
% 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%	-0.2%	4.5%	0.5%	3.0%	0.5%	1.0%						
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	2,549.9	3,029.6	2,543.1	3,280.3	2,559.8	3,384.1						
% 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%	-0.1%	4.4%	-0.3%	8.3%	0.7%	3.2%						
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	180.4	0.0	180.4	0.0	180.4						
% change; over previous month		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	260.9%	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	4,963.9	5,348.5	5,005.8	5,351.6	5,025.9	5,336.5						
% 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%	-0.2%	2.1%	0.8%	0.1%	0.4%	-0.3%						
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	36.9	56.1	11.8	43.3	49.5	129.5						
% 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%	33.1%	-38.4%	-67.9%	-22.9%	318.0%	199.4%						
12. Total Public Sector F/C Debt	4,341.2	3,471.5	4,317.2	3,506.6	4,286.0	3,500.9	4,281.0	3,545.9	4,281.0	3,547.5	4,269.7	3,789.3	4,266.4	3,802.0	4,274.2	4,052.8	4,260.5	4,149.6						
% change; over previous month	29.6%	-0.1%	-0.6%	1.0%	-0.7%	-0.2%	-0.1%	1.3%	0.00%	0.04%	-0.26%	6.82%	-0.1%	0.3%	0.2%	6.6%	-0.3%	2.4%						

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020		
	Real Sector Indicators																							
13. Retail Price Index	106.7	108.9	108.1	108.3	108.2	108.4	108.4	107.4	108.2	108.2	108.1	107.7												
% change; over previous month	0.70%	1.27%	1.26%	-0.54%	0.12%	0.10%	0.15%	-0.95%	1.2%	0.8%	-0.06%	-0.47%												
14. Tourist arrivals (000's)	636.9	687.2	608.4	711.7	749.0	302.1	657.6	0.0	589.1	0.0	641.4	3.9	650.4	23.4										
% change; over previous year	19.3%	7.9%	13.9%	17.0%	5.9%	-59.7%	11.9%	-100.0%	17.8%	-100.0%	18.8%	-99.4%	7.9%	-96.4%										
15. Air arrivals (000's)	129.9	125.3	151.1	146.5	201.6	75.7	171.2	0.0	158.7	0.0	168.4	1.7	176.0	15.0										
% change; over previous year	28.8%	-3.5%	19.7%	-3.1%	9.5%	-62.4%	18.8%	-100.0%	16.6%	-100.0%	8.7%	-99.0%	7.7%	-91.5%										
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

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 (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
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
July 2020	4.00	0.00	0.25	0.00-0.25	0.10
August 2020	4.00	0.00	0.25	0.00-0.25	0.10
September 2020	4.00	0.00	0.25	0.00-0.25	0.10

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Sept-19	Aug-20	Sept-20	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9174	0.8738	0.8532	1.83	-4.33	-7.00
Yen	108.08	105.91	105.48	-0.41	-2.88	-2.41
Pound	0.8135	0.7489	0.7740	3.35	2.59	-4.86
Canadian \$	1.3240	1.3047	1.3319	2.08	2.53	0.60
Swiss Franc	0.9978	0.9037	0.9209	1.90	-4.83	-7.71
Renminbi	7.1484	6.8485	6.7910	-0.84	-2.47	-5.00

Source: Bloomberg as of September 30th, 2020

D. Selected Commodity Prices (\$)					
Commodity	Sept 2019	Aug 2020	Sept 2020	Mthly % Change	YTD % Change
Gold / Ounce	1472.39	1967.80	1885.82	-4.17	24.29
Silver / Ounce	16.99	28.14	23.24	-17.44	30.14
Oil / Barrel	60.40	45.10	40.96	-9.18	-40.10

Source: Bloomberg as of September 30, 2020

E. Equity Market Valuations – September 30th, 2020 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.05	-2.28	-3.92	0.07	-2.91	-1.43	0.20	-5.23
3 month	-1.47	7.63	8.47	-4.92	-2.69	3.65	4.02	7.82
YTD	-6.19	-2.65	4.09	-22.23	-19.65	-3.69	-1.99	5.51
12-month	-3.58	11.50	12.98	-20.82	-15.40	2.68	6.57	10.77

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.1150	0.0900	-0.5000
1 Month	0.1650	0.0900	-0.5325
3 Month	0.1950	0.1200	-0.4700
6 Month	0.2850	0.2010	-0.4075
9 Month	0.3750	0.2450	-0.3800
1 year	0.3100	0.1600	-0.3500

Source: Bloomberg as of September 30, 2020

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

	VALUE									CHANGE								
	Aug. 05	Aug. 12	Aug. 19	Aug. 26	Sep. 02	Sep. 09	Sep. 16	Sep. 23	Sep. 30	Aug. 05	Aug. 12	Aug. 19	Aug. 26	Sep. 02	Sep. 09	Sep. 16	Sep. 23	Sep. 30
I. External Reserves	1,993.82	1,970.43	1,944.59	2,155.50	2,127.68	2,312.42	2,264.75	2,229.78	2,106.12	11.02	(23.39)	(25.84)	210.92	(27.82)	184.74	(47.66)	(34.98)	(123.65)
II. Net Domestic Assets (A + B + C + D)	(65.24)	(47.28)	(16.23)	(103.65)	(111.90)	(270.65)	(234.87)	(224.75)	(122.36)	(29.71)	17.96	31.05	(87.42)	(8.25)	(158.75)	35.78	10.12	102.39
A. Net Credit to Gov't (I + ii + iii -iv)	405.47	434.81	432.06	340.85	352.73	199.92	217.65	233.36	340.19	0.20	29.34	(2.74)	(91.21)	11.88	(152.81)	17.73	15.71	106.83
i) Advances	124.90	154.90	154.90	124.90	124.90	124.90	124.90	124.90	124.90	-	30.00	-	(30.00)	-	-	-	-	-
ii) Registered Stock	242.79	243.03	243.68	248.85	249.20	254.00	242.78	242.34	226.52	(0.30)	0.25	0.64	5.17	0.35	4.80	(11.22)	(0.44)	(15.82)
iii) Treasury Bills	68.22	68.22	65.80	46.47	42.48	42.48	42.48	36.02	21.81	(9.36)	(0.00)	(2.41)	(19.34)	(3.98)	-	(0.00)	(6.47)	(14.20)
iv) Deposits	30.44	31.34	32.32	79.36	63.85	221.46	192.52	169.90	33.05	(9.86)	0.91	0.97	47.04	(15.51)	157.61	(28.95)	(22.62)	(136.85)
B. Rest of Public sector (Net) (i+ii-iii)	(72.17)	(72.38)	(50.22)	(47.87)	(67.17)	(71.34)	(55.24)	(62.89)	(64.31)	(20.75)	(0.21)	22.16	2.35	(19.31)	(4.17)	16.10	(7.65)	(1.41)
i) Loans	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	-	-	-	-	-	-	-	-	-
iii) Deposits	78.98	79.19	57.03	54.67	73.98	78.15	62.05	69.70	71.11	20.75	0.21	(22.16)	(2.35)	19.31	4.17	(16.10)	7.65	1.41
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-								
D. Other Items (Net)*	(398.54)	(409.71)	(398.07)	(396.64)	(397.45)	(399.23)	(397.28)	(395.22)	(398.25)	(9.15)	(11.17)	11.63	1.44	(0.82)	(1.78)	1.95	2.06	(3.03)
III. Monetary Base	1,928.58	1,923.15	1,928.35	2,051.85	2,015.78	2,041.77	2,029.88	2,005.02	1,983.76	(18.68)	(5.43)	5.20	123.50	(36.07)	25.98	(11.89)	(24.85)	(21.26)
A. Currency in Circulation	498.64	496.08	498.27	513.87	513.09	503.71	503.44	499.01	511.83	8.30	(2.56)	2.19	15.60	(0.77)	(9.38)	(0.27)	(4.43)	12.82
B. Bank Balances with CBOB	1,429.94	1,427.07	1,430.08	1,537.99	1,502.69	1,538.05	1,526.44	1,506.01	1,471.94	(26.98)	(2.87)	3.02	107.90	(35.30)	35.36	(11.62)	(20.42)	(34.08)