



Monthly Economic and Financial Developments June 2022

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:

2022: August 29; October 3; October 31; November 28; December 28



JUNE 2022 SUMMARY
MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

The domestic economy sustained its recovery trajectory during the month of June, amid the ongoing adjustments of the Novel Coronavirus (COVID-19) pandemic. Tourism output continued to improve, undergirded by notable gains in the high value-added air segment and the seasonal strengthening in sea traffic, in response to vaccination efforts and the relaxation of COVID-19 restrictions in some of the major source markets.

Inflation

Average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—increased during the twelve months to April, reflective of the pass-through effects of higher global oil prices.

Monetary Sector

Monetary developments registered a contraction in bank liquidity, despite constrained growth in the deposit base that contrasted with the decrease in domestic credit. However, external reserves grew during the review month, buttressed by net public sector debt inflows.

International Economies

Global economic developments continued to be impacted by the geopolitical tensions in Eastern Europe, rising inflation and new strains of the COVID-19 virus, which contributed to mixed economic performances. Meanwhile, major central banks signalled continued tightening in the outlook for monetary policy amid higher inflation, although policy rates were unchanged in June.



Monthly Economic and Financial Developments (MEFD) June 2022

1. Domestic Economic Developments

Overview

During June, indications are that the domestic economy maintained its recovery momentum, amid ongoing adjustments to the Novel Coronavirus (COVID-19) pandemic and further mutations of the virus. Tourism sector output continued to improve, undergirded by notable gains in the high value-added air segment and the seasonal strengthening in sea traffic, in response to vaccination efforts and the relaxation of COVID-19 restrictions in some of the major source markets. Monetary developments for the month of June were marked by a contraction in bank liquidity, despite the constrained growth in the deposit base, contrasting with the reduction in domestic credit. However, external reserves increased during the month, bolstered by net public sector debt inflows.

Real Sector

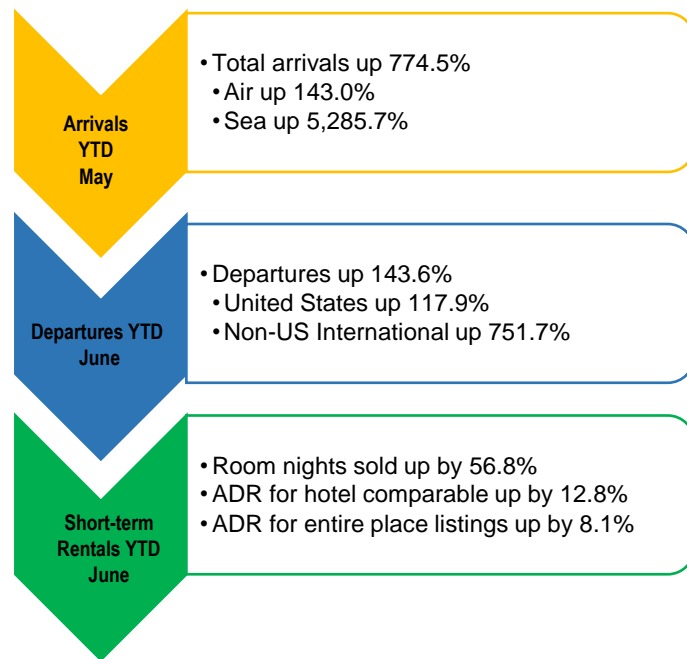
Tourism

Provisional data suggested that monthly tourism sector activity sustained its recovery trajectory in June, as continued COVID-19 conditions remained less constraining on global travel markets.

Official data provided by the Ministry of Tourism (MOT) revealed that total visitor arrivals by first port of entry expanded to 502,583 in May, from 93,876 during the same period in 2021. Contributing to this outturn, air traffic advanced to 126,820, from 81,168 in the prior year—representing 79.9% of air arrivals recorded in 2019. In addition, sea traffic moved higher to 375,763, from just 12,708 visitors in the previous year, when cruise activity was paused.

Disaggregated by major port of entry, total arrivals to New Providence more than tripled to 224,797 in May, from 55,568 in the same period a year earlier. Leading this outcome, the air and sea segments measured 97,070 and 127,727 visitors, respectively. Similarly, foreign arrivals to Grand Bahama totalled 24,699 passengers, compared to just 4,290 in the prior year, with respective air and sea visitors of 2,857 and 21,842. Further, the Family

Chart 1: Tourism Indicators at a Glance



Sources: Nassau Airport Development Co. & AirDNA

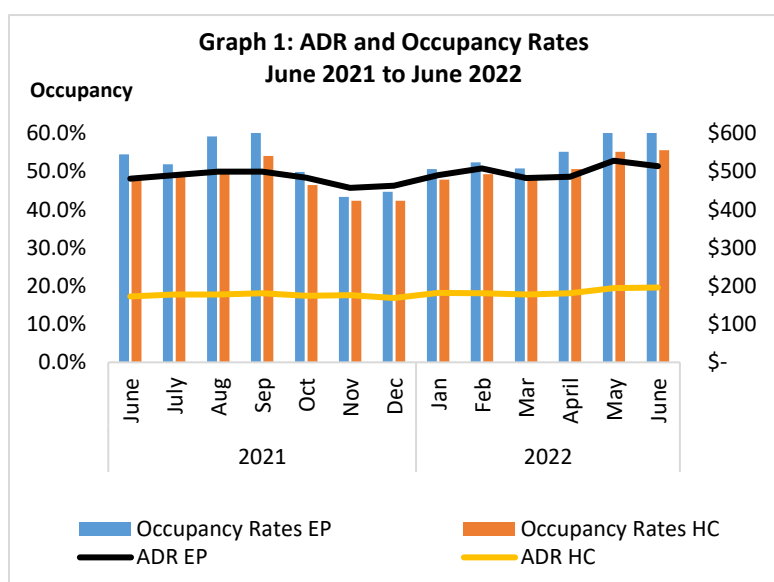
Islands attracted 253,087 visitors in May, from 34,018 in the previous year, reflective of the strengthening in the air and sea segments to 26,893 and 226,194 arrivals, respectively.

On a year-to-date basis, total arrivals recovered to 2,435,934 visitors, vis-à-vis 278,561 in the comparative 2021 period, when an 83.6% contraction was measured. Supporting this outturn, the air segment rebounded to 593,716 passengers, from a 29.8% reduction in the prior year, capturing uptrends in all major markets. Likewise, sea arrivals regained 1,842,218 visitors, following a 97.5% decline in 2021 (see Table 1).

Table 1: Total Visitor Arrivals January- May 2022

	New Providence (% Change)		Grand Bahama (% Change)		Family Islands (% Change)	
	2021	2022	2021	2022	2021	2022
Arrivals						
Air	-44.7	182.5	-33.7	150.0	55.1	62.7
Sea	-99.0	12929.2	-94.3	1523.9	-96.6	4322.7
Total	-81.1	617.9	-89.4	821.6	-85.8	1022.8

The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that total departures—net of domestic passengers—rebounded to 118,844 in June, from 84,559 in the corresponding month of 2021. Specifically, U.S. departures rose to 105,339 from 81,906 in the previous year, while non-U.S. departures amounted to 13,505, from just 2,653 in the preceding year. During the first half of the year, total outbound traffic more than doubled to 631,484 from 259,239 passengers a year earlier; a switch from the 30.4% contraction in the same period last year. Underpinning this outturn, U.S. departures advanced to 542,011 visitors, a turnaround from the 20.1% reduction in the prior year. Likewise, non-U.S. departures extended to 89,473, a reversal from the 82.7% decline in 2021.



Source: AirDNA

In the short-term vacation rental market, data provided by AirDNA also reflected positive trends during June. Specifically, total room nights sold strengthened to 154,036 from 114,611 in the corresponding period of 2021. Underlying this outturn, the occupancy rate for hotel comparable listings advanced to 51.3% from 49.8% last year. However, the occupancy rate for entire place narrowed to 58.7% from 59.2% a year earlier. Further, as depicted in Graph 1, price indicators showed that year-over-year, the average daily room rate (ADR) for entire place increased by 7.8% to \$539.03; and for hotel comparable listings, by 7.9% to \$192.26.

Prices

Domestic inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—continued to reflect the pass-through effects of higher global oil prices. During the twelve months to April, average consumer price inflation accelerated to 3.8%, from 0.4% in the corresponding period of 2021.

Underlying this outturn, average cost increases were recorded for transport (13.7%), communication (12.4%) and education (2.3%), following reductions in the previous year. In addition, average inflation quickened for clothing and footwear (5.6%), food & non-alcoholic beverages (4.9%), restaurant and hotels (4.7%), health (4.3%), alcohol beverages, tobacco & narcotics (3.9%) and housing, water, gas, electricity & other fuels (2.8%). Further, the average price decrease for recreation & culture slowed (1.6%); while the average cost for furnishing, household equipment & maintenance remained relatively unchanged (2.4%). Providing some offset, the average price declined for miscellaneous goods & services (2.4%), following a gain in 2021.

2. Monetary Trends

June 2022 vs. 2021

Liquidity

During the month of June, monetary trends revealed a contraction in bank liquidity, despite the constrained growth in the deposit base, contrasting with the reduction in domestic credit. Specifically, excess reserves—a narrow measure of liquidity—decreased by \$5.3 million to \$2,040.5 million, vis-à-vis a \$104.9 million buildup a year earlier. Similarly, excess liquid assets—the broad measure of liquidity—declined by \$166.0 million, a reversal from last year’s accumulation of \$64.1 million.

On a year-to-date basis, excess reserves grew by \$500.2 million, extending the \$206.3 million acceleration in the previous year. Correspondingly, excess liquid assets rose by \$236.6 million, exceeding the \$140.1 million accumulation in the prior year.

External Reserves

For the month of June, external reserves expanded by \$243.4 million to \$3,247.1 million, exceeding the \$195.7 million growth in the same period last year. This reflected net receipt of proceeds from the Government’s external bond offering. Notably, the Central Bank’s net foreign currency purchases from the public sector broadened to \$274.2 million from \$169.2 million in the same period of 2021. Providing some offset, the corresponding transactions with commercial banks shifted to a net sale of \$31.1 million, from a net purchase of \$26.8 million in the prior year. Further, commercial banks transactions with their customers reversed to a net sale of \$43.7 million, from a net purchase of \$38.4 million in the preceding year.

On an annual basis, the growth in external reserves accelerated to \$788.0 million, from \$195.5 million in 2021, reflective of net receipts from Government’s external borrowings and foreign currency inflows from real sector activities. The Central Bank’s net purchases from the commercial banks increased considerably to \$396.4 million from just \$34.3 million a year earlier. Further, commercial banks’ net intake from customers rose sharply to \$438.5 million, from \$105.2 million in the preceding year. In addition, the Central Bank’s net purchases from the public sector deepened to \$398.0 million, from \$155.2 million a year prior.

Exchange Control Sales

Preliminary data on foreign currency sales for current account transactions showed that monthly outflows grew by \$115.9 million to \$604.4 million in June, relative to the corresponding period in 2021. The outcome reflected higher payments for “other” current items—mainly credit and debit card financed imports—by \$56.5 million and oil imports by \$34.1 million. Further, increases were recorded for non-oil imports (\$21.7 million), travel related transactions (\$4.2 million) and factor income remittances (\$3.7 million). Conversely, foreign currency sales to facilitate transfer payments declined by \$4.3 million during the review month.

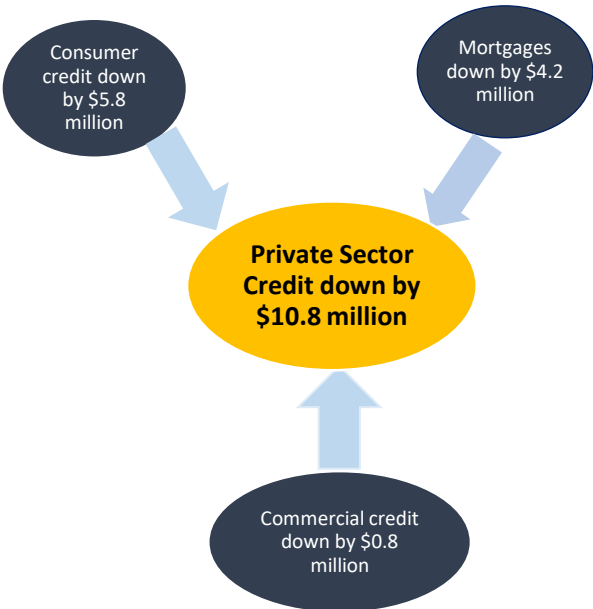
On a year-to-date basis, foreign currency sales for current transactions expanded by \$716.7 million to \$3,356.6 million in comparison to the same period of 2021. In particular, accretions were posted for “other” current items (\$314.2 million), oil imports (\$208.7 million), non-oil imports (\$141.6 million), factor income payments (\$62.9 million), and travel related transactions (\$11.2 million). Providing some offset, transfer payments declined by \$21.8 million, vis-à-vis the same period last year.

Domestic Credit

Bahamian Dollar Credit

During the review month, the contraction in total Bahamian dollar credit extended to \$183.8 million, from \$93.8 million in the previous year. Underlying this outturn, the falloff in net claims on the Government deepened to \$173.6 million, from \$78.0 million in 2021, as proceeds from the external bond offering helped reduce the Government’s domestic liabilities. Meanwhile, the reduction in private sector credit almost steadied at \$10.8 million. In particular, the decrease in mortgages tapered to \$4.2 million from \$7.2 million in the preceding year. However, commercial credit fell by \$0.8 million vis-à-vis a \$0.8 million uptick in the prior year; and consumer credit declined further by \$5.8 million, from \$5.1 million in the preceding year. Meanwhile, credit to public corporations rose by \$0.6 million, after a decline of \$4.1 million in 2021.

Chart 2: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

Over the six month period, total Bahamian dollar credit reduced by \$286.5 million, compared to a \$21.7 million growth in 2021. Leading this outcome, net claims on the Government contracted by \$226.9 million, a turnaround from an \$82.7 million expansion a year earlier. In addition, the reduction in private sector credit deepened to \$96.6 million from \$64.8 million in the year prior. Specifically, the falloff in mortgages extended to \$33.4 million from \$18.7 million the previous year, while commercial credit fell by \$15.2 million, reversing last year’s \$5.2 million accumulation. However, the decline in consumer credit moderated slightly to \$48.0 million from \$51.3 million in 2021. Conversely, gains in credit to public corporations accelerated to \$37.0 million, from \$3.8 million in the preceding year.

Foreign Currency Credit

The reduction in domestic foreign currency credit slowed to \$4.6 million from \$9.0 million in 2021. Specifically, net claims on the Government increased by \$1.9 million, a turnaround from a \$5.9 million decline in the previous year. Meanwhile, the decrease in private sector credit extended to \$6.6 million from \$3.0 million in the preceding year, as the falloff in commercial credit deepened to \$5.9 million from \$2.3 million a year earlier. However, the retrenchment in mortgages was almost steady at \$0.7 million. Further, credit to public corporations was unchanged.

For the first half of the year, domestic foreign currency credit fell by \$6.0 million, a moderation from the \$13.8 million downturn in 2021. Contributing to this development, private sector credit advanced by \$64.1 million, a reversal from a \$6.7 million decline last year, as both mortgages and commercial and other loans recorded expansions of \$44.6 million and \$19.5 million, respectively. Conversely, the contraction in net claims on the Government extended to \$70.1 million, from \$5.5 million in the prior year. However, credit to the rest of the public sector registered a flat outturn, after a \$1.6 million decrease in the preceding year.

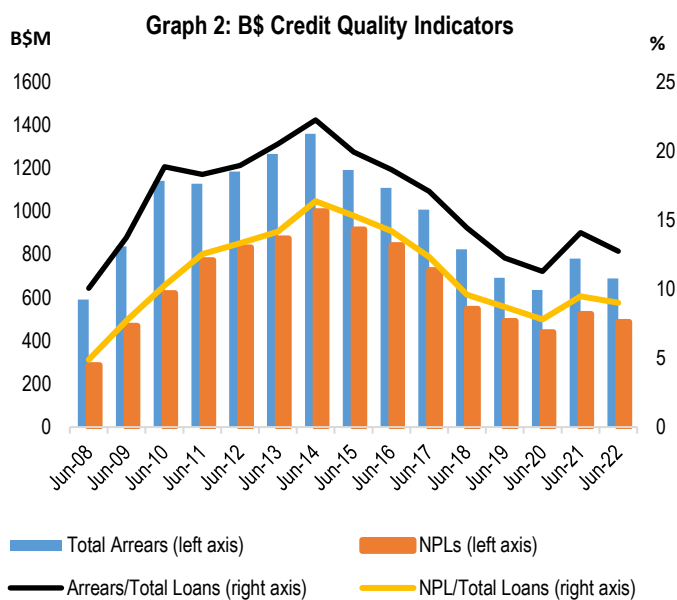
Credit Quality

Commercial bank’s credit quality improved during the month of June, underpinned by reductions in both short and long-term arrears. Specifically, total private sector arrears contracted by \$8.2 million (1.2%) to \$689.0 million, with the accompanying ratio lowered by 10 basis points at 12.7%. Disaggregated by average age of delinquency, short-term arrears (31-90 days) fell by \$4.6 million (2.2%) to \$201.3 million, while the associate ratio declined by 7 basis points to 3.7%. Similarly, non-performing loans (NPLs) decreased by \$3.7 million (0.8%) to \$487.8 million, corresponding with a 3 basis point narrowing in the attendant ratio to 9.0%—with a decline in the NPL rate for consumer loans by 26 basis point to 8.5%; meanwhile, commercial loans and mortgage delinquency rates firmed by 16 and 7 basis points to 5.9% and 10.6%, respectively.

An analysis by loan category revealed that, the retrenchment in total arrears was led by a falloff in consumer arrears by \$9.3 million (4.0%) to \$221.5 million, as both the non-accrual and short-term categories reduced by \$6.1 million (3.5%) and by \$3.2 million (5.6%), respectively. Likewise, commercial delinquencies edged down by \$0.1 million (0.1%) to \$65.7 million, owing to a \$1.0 million (7.1%) decline in the short-term segment, which overshadowed the \$0.9 million (1.7%) increase in the long-term component. Conversely, mortgage delinquencies rose by \$1.1 million (0.3%) to \$401.9 million, due to a \$1.5 million (0.6%) rise in NPLs, which outstripped the \$0.5 million (0.3%) decline in the short-term component.

Meanwhile, banks reduced total provisions for loan losses by \$4.6 million (1.0%) to \$468.7 million in June. As a result, the ratio of total provisions to NPLs narrowed by 23 basis points to 96.1%. However, total provisions to arrears rose by 14 basis points to 68.0%. Meanwhile, the coverage ratio of specific provisions to non-accruals decreased by 39 basis points to 76.2%. During the month, banks also wrote-off an estimated \$11.6 million in bad loans and recovered approximately \$4.1 million.

In comparison to June 2021, the total private sector arrears rate decreased by 1.4 percentage points. This was led by a 90 basis points decline in the short-term segment and a 46 basis points falloff in the non-accrual



Source: Central Bank of The Bahamas

component. Further, by loan type, the arrears rate on commercial credit fell by 2.4 percentage points; mortgages, by 1.5 percentage points and consumer loans, by 0.6 percentage points.

Disaggregated by loan category, residential mortgage delinquencies reduced by \$48.4 million (10.7%), as the short-term segment declined by \$16.1 million (10.6%) and the non-performing balance by \$32.3 million (10.8%). Similarly, consumer arrears decreased by \$28.3 million (11.3%), corresponding with reductions in both short and long-term delinquencies. Further, commercial arrears declined by \$15.0 million, as the short term component fell, overshadowing a rise in non-accrual loans.

During the six-month period, commercial banks total provisions for loan losses contracted by \$43.9 million (8.6%). Accordingly, the ratio of total provisions to NPLs fell by 1.0 percentage point; while the ratio of total provisions to arrears increased by 2.3 percentage points. Similarly, the coverage ratio of specific provisions to NPLs grew by 78 basis points. For the six-month period, banks wrote-off approximately \$56.8 million in overdue loans and recovered an estimated \$25.1 million.

Deposits

During June, the growth in Bahamian dollar deposits moderated to \$37.6 million, from \$119.5 million in the comparable period of 2021. Savings deposits gains tapered to \$26.1 million from \$34.3 million; and demand deposits growth, to \$18.8 million from \$91.5 million in 2021. In contrast, fixed deposits reduced by \$7.3 million, extending the \$6.4 million decrease in the prior year. Meanwhile, the expansion in residents' foreign currency deposits strengthened to \$119.4 million, from \$86.0 million in the previous year.

For the half-year period, the increase in total Bahamian dollar deposits broadened to \$582.6 million from \$298.1 million in 2021. Leading this outturn, demand balances growth accelerated to \$484.2 million, vis-à-vis \$279.2 million a year earlier. Further, saving deposits grew by \$137.6 million, extending the \$42.5 million buildup in the previous year. Conversely, the decline in fixed deposit balances deepened to \$39.2 million from \$23.6 million in the preceding year. Meanwhile, the accumulation in foreign currency deposits of residents quickened to \$290.2 million, from \$120.5 million in 2021.

Interest Rates

Banks' weighted average loan rate firmed by 48 basis points to 11.45% in June. Meanwhile, the weighted average deposit rate rose by 10 basis points to 0.5%, with the highest rate of 2.5% offered on fixed balances over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will maintain a strong recovery momentum in 2022, undergirded by the positive trends in tourism sector output. However, downside risks to the sector persist, as evolving strains of the COVID-19 virus could potentially destabilize the progress made on the international health front and hamper the pace of travel sector activity. In addition, the increase in global fuel prices could constrain the travel sector's competitiveness, while the major central banks' counter-inflation policies could weaken the travel spending capacity of key source market consumers. Nevertheless, new and ongoing foreign investment-led projects, along with ongoing post-hurricane reconstruction works, are expected to provide continued stimulus to the construction sector, which will contribute to the growth matrix.

In terms of the labor market, the unemployment rate, while reducing, is anticipated to remain above pre-pandemic levels. Job gains are likely to concentrate in the construction sector and rehiring of tourism sector employees. As it relates to prices, the domestic inflation rate is projected to stay elevated in the near-term, reflective of higher international oil prices, the rise in costs for other imported goods and supply chain shortages, related to the ongoing geopolitical tensions in Eastern Europe.

On the fiscal front, the Government's net financing gap is anticipated to remain elevated, despite trending downwards. In particular, some expenditure priorities are predicted to remain framed by the required health and social welfare outlays related to COVID-19, and investments still associated with the restoration of key infrastructure following the major storm in 2019. Further, the recovery in revenue is expected to be significantly linked to tourism-led improving trends in taxable economic activity. Financing of the estimated budgetary gap is expected to be supported by increased net sustainability of domestic resources.

Monetary sector developments should continue to feature high levels of banking sector liquidity, as commercial banks maintain their conservative lending posture. In addition, external reserves are forecasted to remain buoyant over the year, supported by anticipated foreign currency inflows from tourism and other net private sector receipts, thus ending 2022 well above international benchmarks. Consequently, external balances should remain more than adequate to sustain the Bahamian dollar currency peg.

4. Monetary Policy and Financial Stability Implications

Based on the prevailing outlook, the Central Bank will sustain its accommodative policy stance for private sector credit and pursue policies that ensure a favorable outturn for external reserves, and mitigate financial sector disruptions. Further, the Bank will continue to monitor developments within the foreign exchange market, and if necessary, adopt appropriate measures to support a positive outcome for the foreign reserves.

APPENDIX

International Developments

Global economic developments continued to be impacted by the geopolitical tensions in Eastern Europe, rising inflation and new strains of the COVID-19 virus, which contributed to mixed economic performances. Against this backdrop, the major central banks maintained their monetary policy stances during the review month, but indicated more upcoming tightening in their posture amid higher inflation.

Economic indicators in the United States showed some variations during the review month. Specifically, retail sales grew by 1.0% in June, compared with a 0.1% decline a month earlier. Conversely, industrial production fell by 0.2% in June, following a flat outturn in the preceding month, reflective of decreases in manufacturing and utilities output. In terms of labour market conditions, the jobless rate was unchanged at 3.6%, despite the addition of 372,000 non-farm payroll jobs, largely in professional & business services, leisure & hospitality and health care sectors. Meanwhile, the rise in the consumer price index firmed to 1.3% in June, vis-à-vis 1.0% in the previous month, reflecting higher costs for gasoline, shelter and food. On the external front, the trade deficit narrowed by 1.3% to \$85.5 billion in May, as the 1.2% rise in exports outweighed the 0.6% uptick in imports. In this environment, the Federal Reserve retained its benchmark interest rate to a range of 1.50%-1.75%, nonetheless indicating further rate hikes in an effort to contain inflation.

Developments within the European economies were mixed over the review period. In the United Kingdom, real GDP grew by 0.5% in May, a turnaround from the 0.2% falloff in the prior month, owing to broad-based gains across all major sectors. Further, the growth in industrial production firmed to 0.9%, from 0.6% in April, underpinned by increases in electricity & gas and manufacturing. Conversely, retail sales volumes fell by 0.5% in May, a reversal from a 0.4% increase in the previous month, attributed to a decline in sales at food stores. In the labour market, the jobless rate held steady at 3.8% in the three months to May, although 31,000 workers were added to the labour force. With regard to prices, the consumer price index rose by 0.8% in June, largely attributed to higher motor fuels and food costs. In terms of the external sector, the trade deficit edged down by £0.1 billion (0.5%) to £20.4 billion in May, as the 7.4% growth in exports outstripped the 4.2% rise in imports. In the euro area, industrial production grew by 0.8%, extending the 0.5% rise a month earlier. However, retail sales volumes edged up by 0.2%, contrasting with a falloff of 1.4% in April. In labor market developments, the jobless rate fell by 10 basis points to 6.6% in May from the prior month, while annual inflation accelerated by 50 basis points to 8.6% in June, relative to the previous month, owing mainly to a rise in energy costs. Regarding trade developments, the euro area recorded a €26.3 billion trade deficit in May, a reversal from a trade surplus of €12.0 billion a year earlier, as the 52.0% expansion in imports overshadowed the 28.9% growth in exports. Given these developments, the Bank of England kept its key policy rate at 1.25%, while the European Central Bank sustained its interest rates on its main refinancing operations, the marginal lending facility and the deposit facility, at 0.00%, 0.25% and -0.50%, respectively. However both institutions are expected to raise rates in the near-term.

In the Asian economies, developments varied over the review period. In China, real GDP advanced by 0.4% during the second quarter, although a slowdown from the 4.8% growth in the first quarter, owing to COVID-19 outbreaks and stringent anti-virus regulations. Further, industrial production firmed by 0.8% in June, albeit a slowdown from the 5.6% expansion in May. In addition, retail sales rose by 0.5% in June, following a flat outcome in the previous month. Moreover, the unemployment rate fell by 40 basis points, to 5.5% in June, while the annualized consumer price inflation quickened by 40 basis points to 2.5%. In external sector developments, China's trade surplus strengthened by \$19.2 billion (24.4%), to \$97.9 billion in June, compared with the prior month, as the 7.5% growth in exports, outpaced the 1.7% rise in imports. In Japan, industrial production fell by 7.5% in May, exceeding the 1.5% falloff in April, attributed to declines in motor vehicles, chemicals, electrical machinery and information & communication electronics equipment. In addition, the growth in retail sales moderated by 20 basis points, to 0.6% in May, vis-à-vis the preceding month; while average consumer prices firmed by 0.2% in May, relative to the previous month, owing primarily to higher food costs. Further, the unemployment rate moved higher by 10 basis points to 2.6% during the review month. In trade developments, Japan recorded a ¥1,383.8 billion deficit in June, a switch from a surplus of ¥369.4 billion a year earlier, as the 46.1% expansion in imports outstripped the 19.4% rise in exports. In this environment, the People's Bank of China maintained its reverse repo rate at 2.10%, while the Bank of Japan left its policy rate at -0.1%.

During the month of June, most of the major equity markets reported negative movements. In the United States, the S&P 500 and the Dow Jones Industrial Average (DIJA) weakened by 8.4% and by 6.7%, respectively. Similarly, the German DAX, the French CAC 40 and the United Kingdom's FTSE 100 posted respective declines of 11.2%, 8.4% and 5.8%. In Asia, Japan's Nikkei 225 decreased by 3.3%; however, China's SE Composite rose by 6.7%.

In currency market developments, the US dollar appreciated relative to most of the major currencies during the review month. Specifically, the US dollar strengthened against the Japanese Yen, by 5.5% to ¥135.72; the British Pound by 3.5% to £0.8212; and the euro by 2.4% to €0.9538. Likewise, the US dollar rose against the Canadian Dollar, by 1.8% to CAD\$1.2873 and the Chinese Renminbi, by 0.4% to CNY6.6993. In contrast, the US dollar weakened relative to the Swiss Franc, by 0.5% to CHF0.9551.

Commodity markets outcomes also varied during the month of June. Specifically, the cost of crude oil rose by 12.1% to \$122.61 per barrel, despite OPEC's increase in crude oil production by 234 thousand barrels per day to 28.72 million barrels per day, during the review month. In contrast, the prices of silver and gold reduced by 5.9% to \$20.28 and by 1.6% to \$1,807.27 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

June					
Value		Change		Change YTD	
2021	2022	2021	2022	2021	2022

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,642.60	2,040.51	104.85	-5.25	206.33	500.20
1.2 Excess Liquid Assets	2,369.76	2,670.36	64.10	-166.04	140.05	236.62
1.3 External Reserves	2,576.08	3,247.11	195.74	243.37	195.49	787.96
1.4 Bank's Net Foreign Assets	80.88	395.58	89.76	114.63	178.79	310.63
1.5 Usable Reserves	1,274.93	1,785.45	99.00	240.74	19.74	520.09

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,662.50	5,555.89	-14.62	-17.32	-71.54	-32.44
a. B\$ Credit	5,524.07	5,364.36	-11.59	-10.77	-64.82	-96.56
of which: Consumer Credit	1,985.55	1,842.82	-5.14	-5.79	-51.31	-47.96
Mortgages	2,776.17	2,712.69	-7.24	-4.15	-18.68	-33.42
Commercial and Other Loans B\$	762.35	808.85	0.79	-0.83	5.16	-15.19
b. F/C Credit	138.44	191.53	-3.03	-6.56	-6.72	64.12
of which: Mortgages	67.11	113.63	-0.75	-0.66	3.84	44.61
Commercial and Other Loans F/C	71.33	77.90	-2.27	-5.89	-10.56	19.52
2.2 Central Government (net)	2,605.83	2,648.39	-83.96	-171.69	77.20	-296.99
a. B\$ Loans & Securities	2,850.22	2,847.02	-9.72	-173.98	119.63	-305.30
Less Deposits	409.24	294.72	68.32	-0.36	36.95	-78.41
b. F/C Loans & Securities	174.13	102.17	0.00	0.00	0.03	-67.80
Less Deposits	9.26	6.07	5.92	-1.94	5.51	2.29
2.3 Rest of Public Sector	325.43	353.59	-4.12	0.59	2.18	36.97
a. B\$ Credit	279.97	323.59	-4.12	0.59	3.81	36.97
b. F/C Credit	45.45	30.00	0.00	0.00	-1.62	0.00
2.4 Total Domestic Credit	8,593.76	8,557.86	-102.70	-188.42	7.84	-292.45
a. B\$ Domestic Credit	8,245.01	8,240.24	-93.76	-183.80	21.67	-286.49
b. F/C Domestic Credit	348.75	317.63	-8.95	-4.62	-13.83	-5.97

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,387.45	3,890.29	91.52	18.79	279.21	484.18
a. Central Bank	81.05	83.52	2.20	21.39	28.82	22.16
b. Banks	3,306.40	3,806.76	89.32	-2.59	250.39	462.02
3.2 Savings Deposits	1,827.12	2,018.44	34.32	26.07	42.51	137.63
3.3 Fixed Deposits	2,226.78	2,141.59	-6.37	-7.27	-23.58	-39.21
3.4 Total B\$ Deposits	7,441.36	8,050.32	119.47	37.60	298.14	582.59
3.5 F/C Deposits of Residents	547.85	823.20	86.00	119.38	120.52	290.21
3.6 M2	7,813.66	8,430.78	127.13	20.41	293.28	573.82
3.7 External Reserves/M2 (%)	32.97	38.52	2.00	2.80	1.31	7.22
3.8 External Reserves/Base Money (%)	110.91	117.96	3.21	9.72	-1.46	4.01
3.9 External Reserves/Demand Liabilities (%)	98.99	111.08	0.17	8.14	-6.77	8.08
	Value		Year To Date		Change	
	2021	2022	2021	2022	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	195.98	243.11	189.53	794.37	47.13	604.83
a. Net Purchase/(Sale) from/to Banks	26.83	-31.05	34.30	396.40	-57.88	362.10
i. Sales to Banks	34.00	83.70	159.58	236.18	49.70	76.60
ii. Purchase from Banks	60.83	52.65	193.88	632.57	-8.18	438.70
b. Net Purchase/(Sale) from/to Others	169.15	274.16	155.24	397.97	105.01	242.73
i. Sales to Others	80.55	87.34	423.21	699.12	6.79	275.91
ii. Purchase from Others	249.71	361.50	578.44	1097.08	111.80	518.64
4.2 Banks Net Purchase/(Sale)	38.37	-43.70	105.19	438.49	-82.08	333.30
a. Sales to Customers	416.38	586.57	2336.42	3211.09	170.20	874.67
b. Purchase from Customers	454.75	542.87	2441.61	3649.58	88.12	1207.97

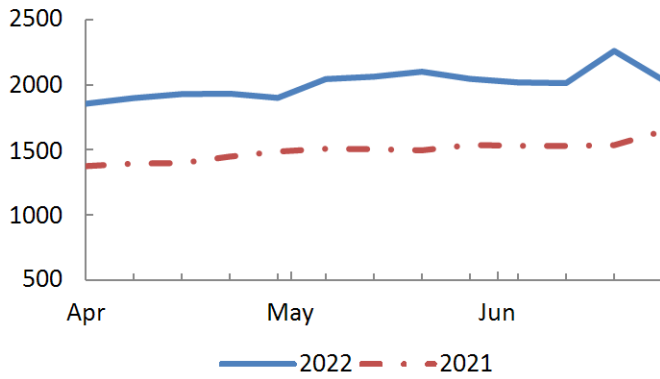
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	488.55	604.43	2,639.96	3,356.63	115.88	716.67
of which Public Sector	76.09	84.73	366.43	461.74	8.64	95.31
a. Nonoil Imports	124.44	146.12	779.73	921.27	21.68	141.55
b. Oil Imports	44.47	78.61	187.09	395.75	34.14	208.65
c. Travel	10.57	14.79	61.66	72.84	4.23	11.18
d. Factor Income	44.32	47.99	237.81	300.72	3.66	62.90
e. Transfers	16.89	12.55	102.27	80.44	-4.34	-21.84
f. Other Current Items	247.86	304.36	1,271.39	1,585.62	56.50	314.22
5.2 Capital Items	9.34	61.91	89.36	418.98	52.57	329.62
of which Public Sector	7.86	6.73	59.44	238.12	-1.13	178.67

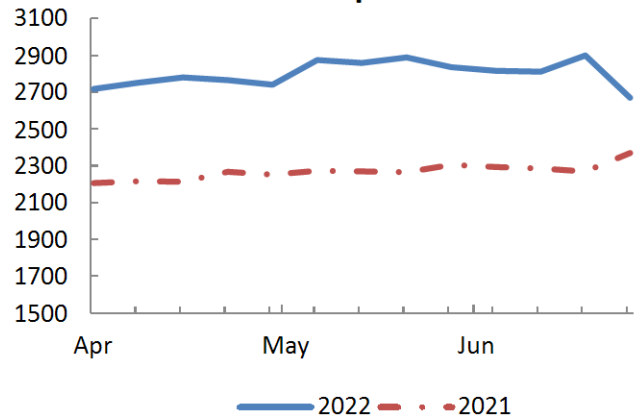
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

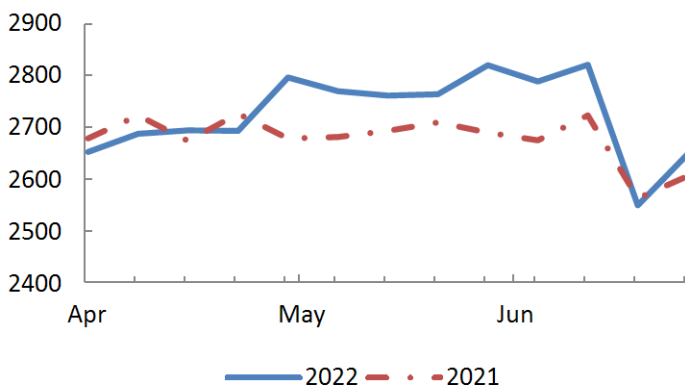
Excess Reserves



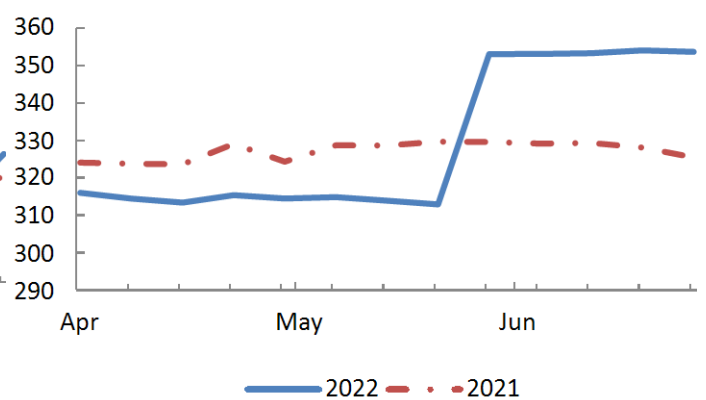
Excess Liquid Assets



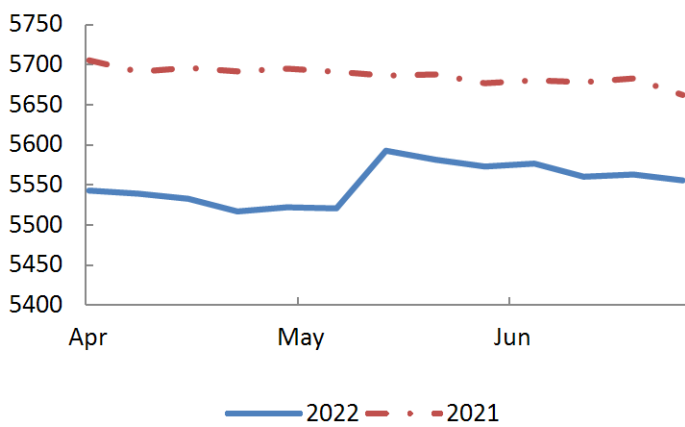
Central Govt. Credit (Net)



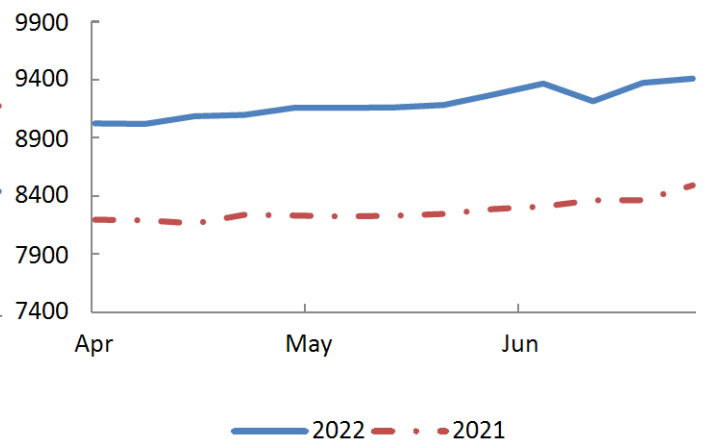
Rest of Public Sector Credit



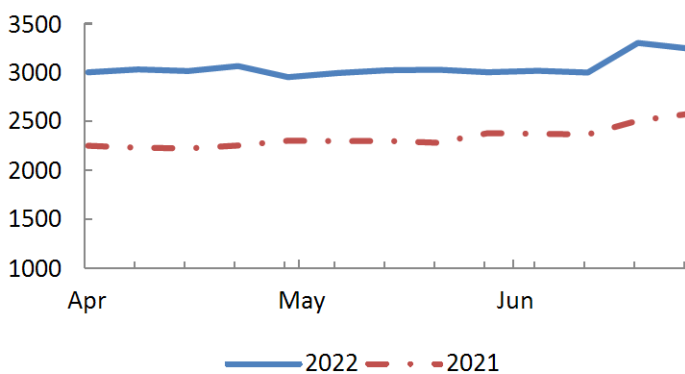
Private Sector Credit



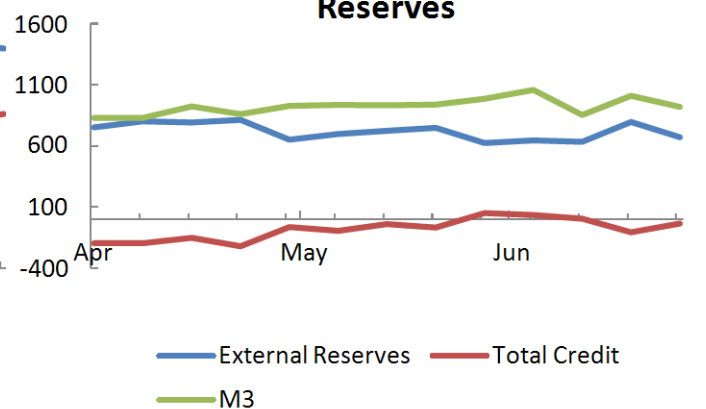
M3



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	
	2021	2022	2021	2022	2021	2022
Bahamas	5.6	6.0	5.5	6.7	n/a	n/a
United States	5.7	3.7	4.7	7.7	5.4	3.5
Euro-Area	5.3	2.8	2.6	5.3	7.7	7.3
Germany	2.8	2.1	3.2	5.5	3.5	3.2
Japan	1.6	2.4	-0.3	1.0	2.8	2.6
China	8.1	4.4	0.9	2.1	4.0	3.7
United Kingdom	7.4	3.7	2.6	7.4	4.5	4.2
Canada	4.6	3.9	3.4	5.6	7.4	5.9

Source: IMF World Economic Outlook April 2022.

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
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
October 2020	4.00	0.00	0.25	0.00-0.25	0.10
November 2020	4.00	0.00	0.25	0.00-0.25	0.10
December 2020	4.00	0.00	0.25	0.00-0.25	0.10
January 2021	4.00	0.00	0.25	0.00-0.25	0.10
February 2021	4.00	0.00	0.25	0.00-0.25	0.10
March 2021	4.00	0.00	0.25	0.00-0.25	0.10
April 2021	4.00	0.00	0.25	0.00-0.25	0.10
May 2021	4.00	0.00	0.25	0.00-0.25	0.10
June 2021	4.00	0.00	0.25	0.00-0.25	0.10
July 2021	4.00	0.00	0.25	0.00-0.25	0.10
August 2021	4.00	0.00	0.25	0.00-0.25	0.10
September 2021	4.00	0.00	0.25	0.00-0.25	0.10
October 2021	4.00	0.00	0.25	0.00-0.25	0.10
November 2021	4.00	0.00	0.25	0.00-0.25	0.10
December 2021	4.00	0.00	0.25	0.00-0.25	0.25
January 2022	4.00	0.00	0.25	0.00-0.25	0.25
February 2022	4.00	0.00	0.25	0.00-0.25	0.50
March 2022	4.00	0.00	0.50	0.25-0.50	0.75
April 2022	4.00	0.00	1.00	0.75-1.00	1.00
May 2022	4.00	0.00	1.75	1.50-1.75	1.25
June 2022	4.00	0.00	1.75	1.50-1.75	1.25

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	June-21	May-22	June-22	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8433	0.9316	0.9538	2.38	8.45	13.11
Yen	111.11	128.67	135.72	5.48	17.94	22.15
Pound	0.7230	0.7935	0.8212	3.48	11.12	13.57
Canadian \$	1.2398	1.2647	1.2873	1.79	1.87	3.83
Swiss Franc	0.9250	0.9595	0.9551	-0.46	4.62	3.25
Renminbi	6.4572	6.6718	6.6993	0.41	5.40	3.75

Source: Bloomberg as of June 30, 2022

D. Selected Commodity Prices (\$)					
Commodity	June-21	May-22	June-22	Mthly % Change	YTD % Change
Gold / Ounce	1770.11	1837.35	1807.27	-1.63714	-1.198885
Silver / Ounce	26.1263	21.5500	20.2790	-5.89791	-12.9967
Oil / Barrel	75.11	109.36	122.61	12.11595	54.81061

Source: Bloomberg as of June 30, 2022

E. Equity Market Valuations – June 30th, 2022 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	6.29	-6.71	-8.39	-5.76	-8.44	-11.15	-3.25	6.66
3 month	15.88	-11.25	-16.45	-4.61	-11.07	-11.31	-5.13	4.50
YTD	15.97	-15.31	-20.58	-2.92	-17.20	-19.52	-8.33	-6.63
12-month	30.99	-10.80	-11.92	1.87	-8.99	-17.69	-8.33	-5.38

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	1.6250	1.2200	-0.5425
1 Month	1.8200	1.3400	-0.4550
3 Month	2.1718	1.7025	-0.1400
6 Month	3.2000	2.2150	0.2125
9 Month	3.4500	2.5800	0.7025
1 year	3.6700	2.9300	1.0000

Source: Bloomberg as of June 30, 2022

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

	VALUE									CHANGE								
	May. 04	May. 11	May. 18	May. 25	Jun. 01	Jun. 08	Jun. 15	Jun. 22	Jun. 29	May. 04	May. 11	May. 18	May. 25	Jun. 01	Jun. 08	Jun. 15	Jun. 22	Jun. 29
I. External Reserves	2,953.37	2,995.72	3,023.84	3,029.39	3,003.75	3,018.52	3,000.34	3,303.24	3,247.11	(113.26)	42.36	28.12	5.56	(25.64)	14.77	(18.18)	302.90	(56.13)
II. Net Domestic Assets (A + B + C + D)	(331.21)	(249.28)	(256.19)	(226.98)	(228.49)	(274.24)	(272.74)	(328.16)	(494.29)	91.78	81.92	(6.90)	29.21	(1.51)	(45.75)	1.49	(55.41)	(166.14)
A. Net Credit to Gov't (I + ii + iii -iv)	434.23	419.85	393.60	422.88	428.69	412.04	411.55	333.88	420.62	116.03	(14.38)	(26.25)	29.28	5.81	(16.65)	(0.49)	(77.68)	86.75
i) Advances	205.00	205.00	205.00	205.00	205.00	205.00	205.00	205.00	205.00	-	-	-	-	-	-	-	-	-
ii) Registered Stock	311.79	303.66	303.70	304.00	304.12	304.14	304.26	299.34	302.36	0.36	(8.13)	0.04	0.30	0.12	0.03	0.12	(4.93)	3.02
iii) Treasury Bills	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	-	-	-	-	-	-	-	-	-
iv) Deposits	82.57	88.81	115.10	86.12	80.42	97.10	97.71	170.46	86.74	(115.67)	6.24	26.29	(28.98)	(5.69)	16.67	0.61	72.75	(83.72)
B. Rest of Public sector (Net) (i+ii-iii)	(65.78)	(69.59)	(50.46)	(52.27)	(55.28)	(71.64)	(68.41)	(76.06)	(76.80)	(6.36)	(3.80)	19.12	(1.80)	(3.02)	(16.36)	3.23	(7.66)	(0.73)
i) Loans	1.75	1.75	1.75	1.75	1.75	1.75	1.63	1.63	1.63	(0.13)	-	-	-	-	-	(0.13)	-	-
ii) Bonds/Securities	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	-	0.00	-	0.00	-	-	-	-	-
iii) Deposits	72.63	76.44	57.31	59.12	62.14	78.50	75.14	82.79	83.52	6.24	3.81	(19.12)	1.81	3.02	16.36	(3.36)	7.66	0.73
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(699.65)	(599.55)	(599.32)	(597.60)	(601.90)	(614.64)	(615.89)	(585.97)	(838.12)	(17.89)	100.10	0.23	1.73	(4.30)	(12.74)	(1.25)	29.92	(252.15)
III. Monetary Base	2,622.16	2,746.44	2,767.65	2,802.42	2,775.26	2,744.29	2,727.60	2,975.09	2,752.82	(21.48)	124.28	21.21	34.76	(27.16)	(30.97)	(16.69)	247.49	(222.27)
A. Currency in Circulation	547.74	526.96	527.88	524.73	548.55	546.25	531.42	534.96	530.99	9.04	(20.79)	0.93	(3.15)	23.82	(2.30)	(14.83)	3.54	(3.97)
B. Bank Balances with CBOB	2,074.42	2,219.48	2,239.77	2,277.68	2,226.71	2,198.04	2,196.18	2,440.12	2,221.83	(30.53)	145.07	20.29	37.91	(50.97)	(28.68)	(1.86)	243.94	(218.30)

FISCAL/REAL SECTOR INDICATORS

(BS MILLIONS)

(% change represents current period from previous period)

			JUL-SEP						OCT-DEC						JAN-MAR				APR-JUN		YEAR TO DATE	
			2020/2021	2021/2022					2020/2021	2021/2022					2020/2021	2021/2022			2020/2021	2021/2022	2020/2021	2021/2022
																						(Over previous year)
Fiscal Operations^P																						
1. Government Revenue & Grants					300.8	578.3					372.4	548.8			556.6	720.2					1229.8	1847.3
% change; over previous quarter					-10.4%	-14.7%					23.8%	-5.1%			49.5%	31.2%					-30.1%	50.2%
2. Value Added Tax					134.7	277.2					151.7	259.8			183.4	299.0					469.8	836.1
% change; over previous quarter					-1.5%	2.7%					12.6%	-6.3%			20.9%	15.1%					-36.4%	78.0%
3. Import/Excise Duties					82.5	89.2					92.1	68.6			88.6	69.4					263.1	227.2
% change; over previous quarter					212.5%	-32.0%					11.7%	-23.2%			-3.9%	1.2%					-34.8%	-13.7%
4. Recurrent Expenditure					585.6	668.5					712.7	642.9			642.6	710.2					1940.9	2021.5
% change; over previous quarter					-18.1%	-28.3%					21.7%	-3.8%			-9.8%	10.5%					6.8%	4.2%
5. Capital Expenditure					60.4	64.3					49.0	39.4			58.6	56.4					167.9	160.1
% change; over previous quarter					-68.0%	-68.3%					-18.8%	-38.8%			19.5%	43.3%					-15.6%	-4.7%
6. Deficit/Surplus*					-345.2	-154.5					-389.3	-133.4			-144.5	-46.4					-879.0	-334.3
% change; over previous quarter					-39.2%	-66.2%					12.8%	-13.7%			-62.9%	-65.2%					241.0%	-62.0%
Debt^{P **}																						
7. Total Direct Debt	9,440.3	10,182.8	9,482.5	10,157.6	9,526.6	10,532.4	9,521.3	10,383.4	9,719.0	10,389.1	9,935.3	10,792.8										
% change; over previous month	0.2%	-1.3%	0.4%	-0.2%	0.5%	3.6%	-0.1%	-1.4%	2.1%	0.05%	2.2%	3.9%										
8. External Debt	4,028.6	4,327.4	4,004.4	4,308.3	4,007.8	4,732.8	4,010.5	4,616.1	4,161.3	4,625.6	4,368.2	4,997.1										
% change; over previous month	-0.1%	-0.4%	-0.6%	-0.4%	0.1%	0.0%	0.1%	-2.5%	3.8%	0.2%	5.0%	8.0%										
9. Internal F/C Debt	180.4	112.6	180.4	112.6	180.4	112.6	180.4	108.5	180.4	108.5	180.4	108.5										
% change; over previous month	0.0%	-36.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-3.8%	0.0%	0.0%	0.0%	0.0%										
10. Bahamian Dollar Debt	5,231.2	5,742.8	5,297.6	5,736.7	5,338.3	5,686.9	5,330.4	5,658.8	5,377.2	5,655.0	5,386.6	5,687.3										
% change; over previous month	0.5%	-0.9%	1.3%	-0.1%	0.8%	-0.9%	-0.1%	-0.5%	0.9%	-0.1%	0.2%	0.6%										
11. Total Amortization	27.0	482.2	35.8	112.8	95.7	210.7	92.9	293.5	128.1	111.8	57.0	223.0										
% change; over previous month	-59.4%	372.7%	24.7%	-327.4%	62.6%	46.5%	-2.9%	28.2%	37.8%	-61.9%	-55.5%	99.5%										
12. Total Public Sector F/C Debt	4,768.3	4,952.3	4,744.1	4,933.2	4,738.1	5,351.1	4,740.8	5,230.2	4,891.6	5,239.6	5,090.7	5,604.9										
% change; over previous month	-0.3%	-1.6%	-0.5%	-0.4%	-0.1%	7.8%	0.1%	-2.3%	3.18%	0.18%	-4.07%	6.97%										
Real Sector Indicators																						
13. Retail Price Index	109.7	113.93	109.8	114.0	109.9	115.1	110.3	115.9														
% change; over previous month	0.8%	3.8%	1.4%	3.8%	1.4%	4.7%	0.3%	0.7%														
14. Tourist arrivals (000's)	23.6	312.2	29.5	411.4	62.8	623.2	68.8	586.6	93.9	502.6												
% change; over previous year	-96.6%	1221.9%	-95.9%	1294.0%	-79.2%	892.9%	159879.1%	752.7%	469280.0%	435.4%												
15. Air arrivals (000's)	20.8	71.9	25.7	101.8	56.4	147.6	60.3	145.4	81.2	126.8												
% change; over previous year	-83.4%	245.8%	-82.5%	295.8%	-25.5%	161.9%	548127.3%	141.1%	405740.0%	56.2%												
16. Occupied Room Nights																						
% change; over previous year																						
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (BSMillions)					14.30	11.51																
% change; over previous qtr.					-9.49%	-31.58%																

^P Includes Net Lending to Public Corporations

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

p - provisional