



Monthly Economic and Financial Developments September 2023

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:

2023: December 4, December 27



SEPTEMBER 2023 SUMMARY

MONTHLY ECONOMIC AND FINANCIAL DEVELOPMENTS

Overall Economic Activity

Preliminary indicators suggest that the domestic economy sustained its growth momentum, although at a moderated pace, as activity converged closer to the economy's medium-term potential, in line with the approximate completion of recovery from the COVID-19 pandemic. Tourism output continued to record robust growth, undergirded by healthy gains in both the high value-added air component and sea traffic, as the demand for travel in key source markets persisted.

Inflation

Average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—increased marginally during the twelve months to July 2023, reflective of the pass-through effects of higher prices on imported oil and other goods.

Monetary Sector

Monetary developments for the month of September featured a reduction in banking sector liquidity, as the growth in domestic credit, contrasted with the contraction in the deposit base. Further, during the review month, external reserves declined, mainly attributed to seasonal net foreign currency outflows through the private and public sectors.

International Economies

Global economic performances were mixed during the month of September, as protracted geopolitical tensions in Eastern Europe and elevated inflation impacted developments. In this environment, the major central banks retained their monetary policy tightening stances, in an effort to contain inflation and encourage economic growth.



Monthly Economic and Financial Developments (MEFD)

September 2023

1. Domestic Economic Developments

Overview

During the month of September, preliminary economic indicators suggest that the domestic economy sustained its growth momentum, although at a moderated pace. As recovery from the COVID-19 pandemic reached completion, the pace of output expansion converged closer to the economy’s medium-term potential. Tourism output continued to record robust growth, undergirded by healthy gains in both the high value-added air component and sea traffic, as the demand for travel in key source markets persisted. In price developments, average consumer price inflation—as measured by changes in the average Retail Price Index (RPI) for The Bahamas—rose slightly during the twelve months to July, 2023, reflective of the pass-through effects of higher prices on imported oil and other goods. Monetary developments for the month of September featured a reduction in banking sector liquidity, as the growth in domestic credit, contrasted with the contraction in the deposit base. Further, during the review month, external reserves declined, attributed to a rise in net foreign currency outflows through the private and public sectors.

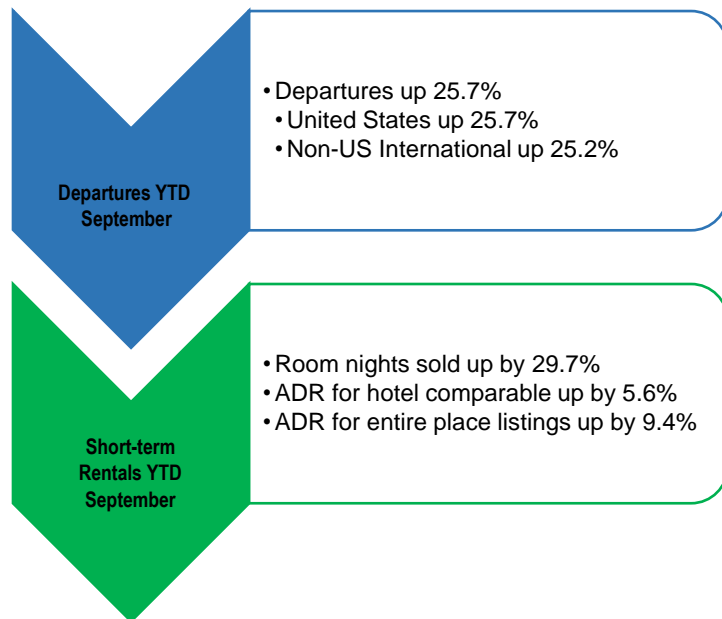
Real Sector

Tourism

Initial data suggested that monthly tourism sector activity maintained buoyancy, undergirded by robust gains in both the high-value air traffic and sea segment, reflective of the ongoing demand for travel in key source markets and supportive marketing efforts.

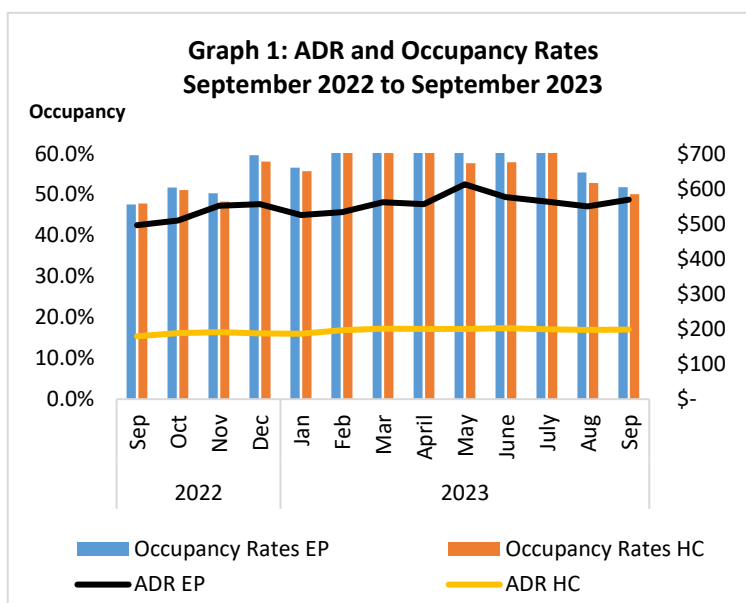
The most recent data provided by the Nassau Airport Development Company Limited (NAD) revealed that total departures in September—net of domestic passengers—grew by 12.2% to 0.08 million, vis-à-vis the comparative 2022 period. In particular, U.S. departures rose by 11.7% to 0.07 million, while non-U.S. departures increased by 14.8% to 0.01 million, relative to the same period last year. On a year-to-date basis, total outbound traffic expanded by 25.7% to approximately 1.2 million passengers. Specifically, U.S. departures advanced by 25.7% to nearly 1.1 million visitors, relative to the same period a year earlier. Likewise, non-U.S. departures moved higher by 25.2% to 0.2 million visitors, compared to the corresponding period last year.

Chart 1: Tourism Indicators at a Glance



Sources: Nassau Airport Development Co. & AirDNA

As it relates to the short term vacation rental market, data provided by AirDNA mirrored the positive trends. During September, total room nights sold grew to 122,844 from 98,238 in the corresponding 2022 period. Contributing to this outturn, the occupancy rates for both entire place and hotel comparable listings rose to 51.8% and 50.1%, respectively, vis-a-vis 47.6% and 47.8% in the prior year. Further, as depicted in Graph 1, price indicators revealed that year-over-year, the average daily room rate (ADR) for entire place listings increased by 14.7% to \$568.91 and for hotel comparable listings, by 10.8% to \$198.63.



Source: AirDNA

On a year-to-date basis, total room nights sold rose by 29.7%, attributed to gains in both entire place bookings (29.0%) and hotel comparable bookings (35.5%). Likewise, occupancy levels for entire place listings and hotel comparable listings firmed by 10.4% and by 12.5%, respectively. Further, ADR for the respective entire place and hotel comparable listings improved by 9.4% and by 5.6%.

Prices

Average domestic consumer price inflation—as measured by the All Bahamas Retail Price Index—increased marginally to 4.8% during the twelve months to July, from 4.7% in the same period of 2022, reflective of the pass-through effects of higher global oil prices and other costlier imports. Specifically, average costs for recreation & culture and for food & non-alcoholic beverages accelerated to 15.5% and 10.4%, respectively, from 3.7% and 8.0% in the previous year. Further, inflation quickened for restaurant & hotels (8.5%), alcohol beverages, tobacco & narcotics (6.1%), health (5.7%), housing, water, gas, electricity & other fuels (4.8%), and furnishing, household equipment & routine household maintenance (3.4%); and average prices for miscellaneous goods & services firmed by 1.3%, following a 1.5% decline in 2022. Providing some offset, the rise in average costs moderated for transport (4.3%), clothing & footwear (2.8%), education (1.2%) and communication (0.8%).

2. Monetary Trends

September 2023 vs. 2022

Liquidity

Monetary developments for the month of September featured a contraction in liquidity, as the growth in domestic credit contrasted with contraction in the deposit base. Specifically, excess reserves—the narrow measure of liquidity—decreased by \$94.6 million to \$1,926.4 million, extending the \$51.8 million reduction a year earlier. Similarly, excess liquid assets—a broad measure of liquidity—fell by \$49.1 million to \$2,946.7 million, exceeding last year's \$45.4 million retrenchment.

On a year-to-date basis, the buildup in excess liquid assets decelerated to \$173.9 million, from \$530.6 million in the previous year. Moreover, excess reserves declined marginally by \$1.7 million, following a \$714.2 million accumulation in 2022.

External Reserves

During the review month, external reserves reduced by \$144.9 million to \$2,585.6 million, surpassing the \$62.6 million decrease in the preceding year. Underlying this outturn, the Central Bank's net sales to commercial banks widened to \$70.8 million from \$49.1 million in the prior year. Further, commercial banks net outflows to their customers increased to \$73.3 million, from \$31.8 million a year earlier. In addition, the Central Bank's net foreign currency sales to the public sector expanded to \$83.3 million, from \$14.4 million last year.

Over the nine-month period, external reserves declined by \$9.1 million, a turnaround from a \$746.3 million expansion in 2022, which had included proceeds from Government's external borrowing activities. The Central Bank's transactions with the public sector shifted to a net sale of \$317.0 million from a net purchase of \$384.4 million a year earlier. In addition, the Central Bank's net intake from commercial banks moderated to \$255.0 million from \$367.6 million in the preceding year. In turn, the commercial banks' net purchases from customers slowed to \$175.9 million, from \$398.3 million in the prior year.

Exchange Control Sales

Provisional data on foreign currency sales for current account transactions showed a \$67.9 million rise in outflows to \$625.3 million in September, relative to the same period in the previous year. The outturn reflected an increase in payments for 'other' current items —primarily credit and debit card financed imports—by \$79.8 million to \$365.0 million. In addition, transfer payments grew by \$10.3 million to \$20.0 million, while outflows associated with travel related transactions rose by \$2.4 million to \$16.5 million. In contrast, foreign currency sales for factor income reduced by \$21.0 million, oil imports, by \$2.6 million and non-oil imports, by \$1.0 million.

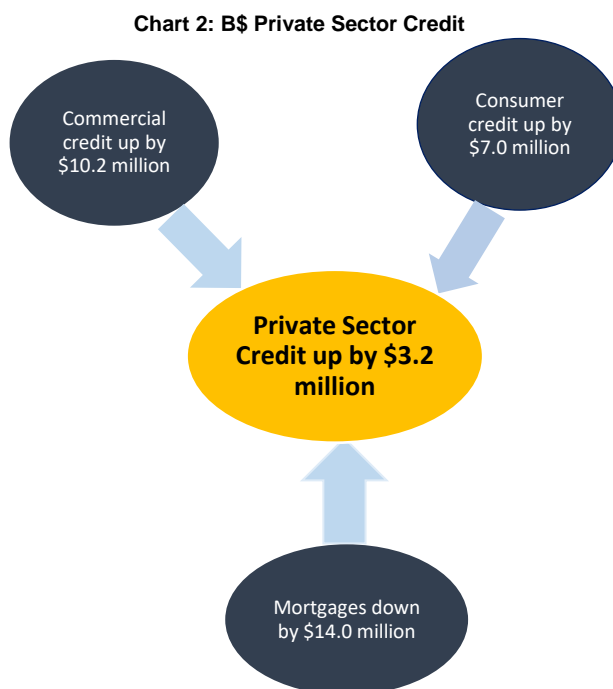
On a year-to-date basis, foreign currency sales for current transactions expanded by \$439.8 million to \$5,659.8 million, in comparison to the same period of 2022. Specifically, gains were posted for "other" current items (\$495.7 million), transfers payments (\$43.8 million), and travel (\$28.2 million). In a modest offset, factor income payments fell by \$80.3 million, oil imports, by \$28.5 million and non-oil imports, by \$19.2 million.

Domestic Credit

Bahamian Dollar Credit

The buildup in total Bahamian dollar credit accelerated to \$83.5 million in September, from \$27.7 million in the same period last year. Contributing, growth in net claims on the Government extended to \$71.7 million, from \$36.5 million in 2022. Further, credit to public corporations grew by \$8.6 million, a switch from a \$0.7 million falloff a year earlier. In addition, private sector credit rose by \$3.2 million, a reversal from an \$8.0 million reduction in the prior year. Specifically, commercial and other loans increased by \$10.2 million, vis-à-vis a \$3.6 million decline in the previous year, while consumer credit grew by \$7.0 million, as opposed to a \$2.5 million decrease in 2022. However, mortgages reduced further by \$14.0 million, after a \$1.9 million contraction in the preceding year.

For the year-to-date, total Bahamian dollar credit expanded by \$200.1 million, compared to a \$269.6 million contraction in 2022. Underpinning this development, net claims on the Government rose by \$174.1 million, a shift from the prior year's \$177.1 million retrenchment. Further, private sector credit grew by \$33.9 million, partly reversing a \$129.3 million falloff in the prior year. In particular, commercial credit recovered by \$75.6 million, from a reduction of \$26.3 million in the preceding year; while consumer credit increased by \$3.3 million, following an \$82.2 million decline a year earlier. However, the decrease in mortgages extended to \$45.0 million, from \$20.8 million in the previous year. Meanwhile, credit to public corporations contracted by \$7.9 million, vis-à-vis a \$36.8 million growth in 2022.



Source: Central Bank of The Bahamas

Foreign Currency Credit

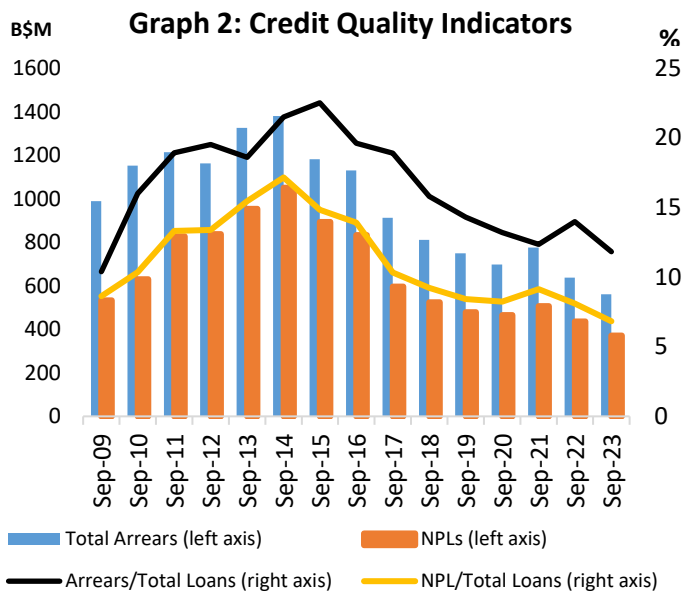
During the review month, domestic foreign currency credit fell by \$2.7 million, after an approximately unchanged position in the prior year. Specifically, private sector credit declined by \$1.1 million, a switch from a \$2.1 million uptick a year earlier. In particular, mortgages decreased by \$3.6 million, a reversal from \$0.9 million rise in the previous year; offsetting the growth in commercial and other loans, which extended to \$2.5 million from \$1.2 million last year. However, the retrenchment in net claims on the Government tapered to \$0.1 million from \$2.1 million. Meanwhile, credit to the rest of public sector declined by \$1.5 million, relative to the previous year's flat outturn.

Over the nine-month period, the contraction in domestic foreign currency credit moderated to \$23.4 million, from \$30.4 million in 2022. Leading this outturn, the reduction in net claims on the Government slowed to \$25.8 million from \$72.5 million a year earlier; while credit to the rest of the public sector fell by \$3.8 million, after remaining unchanged in the prior year. In addition, the buildup in private sector credit tapered to \$6.2 million, from \$42.1 million in 2022, as accumulation in commercial and other loans reduced to \$4.4 million from \$25.0 million; and mortgages, to \$1.8 million from \$17.1 million in the previous year.

Credit Quality

Commercial banks' credit quality indicators improved during September, largely attributed to a decline in non-performing loans (NPLs). In particular, total private sector arrears decreased by \$4.4 million (0.8%) to \$560.8 million, reducing the associated ratio by 11 basis points to 10.33% of total private sector loans.

An analysis by average age of delinquency showed that NPLs fell by \$8.8 million (2.3%) to \$371.0 million, with the accompanying ratio narrowing by 18 basis points to 6.83%—with declines in the NPL rates for commercial loans, by 38 basis points to 5.08%; consumer loans by 16 basis points to 5.00%, and mortgages, by 11 basis points to 8.96%. In contrast, short-term arrears (31-90 days) rose by \$4.4 million (2.4%) to \$189.8 million, while the corresponding ratio moved up 7 basis points to 3.50%.



Disaggregated by loan category, commercial arrears fell by \$6.7 million (10.1%) to \$59.6 million, as both the short and long-term segments reduced by \$3.5 million (26.9%) and by \$3.2 million (6.1%), respectively. Conversely, consumer loan arrears rose by \$2.0 million (1.3%) to \$156.3 million, on account of the \$5.0 million (9.3%) growth in short-term arrears, which overshadowed the \$3.0 million (2.9%) decrease in non-accrual loans. Likewise, past-due mortgage payments edged up by \$0.3 million (0.1%) to \$344.9 million, on account of a rise in the short-term component, by \$2.9 million (2.4%), which eclipsed the \$2.6 million (1.2%) retrenchment in non-accruals.

In September, banks reduced their loan losses provisions by \$5.9 million (1.7%) to \$335.5 million. As a result, the ratio for total provisions to arrears, narrowed by 58 basis points to 59.8%. However, the ratio of total provisions to NPLs grew by 53 basis points to 90.4%. During the review month, banks wrote-off an estimated \$9.8 million in overdue loans and recovered approximately \$3.9 million.

During the nine-month period, total private sector arrears contracted by \$49.4 million (8.1%), with the associate ratio decreasing by 1.0 percentage points. By length of delinquency, the non-accrual segment reduced by \$43.9 million (10.6%), resulting in the relevant ratio moving lower by 89 basis points. Similarly, the short-term component fell by \$5.4 million (2.8%), as the relevant ratio declined by 14 basis points.

An analysis by loan category indicated that, mortgage arrears decreased by \$36.6 million (9.6%), reflecting a falloff in both long and short-term delinquencies, of \$32.7 million (12.8%) and \$3.9 million (3.1%), respectively. Likewise, consumer loan arrears declined by \$17.3 million (10.0%), as both NPLs and the short-term segment reduced by \$16.0 million (14.1%) and by \$1.3 million (2.2%), respectively. In an offset, commercial arrears rose by \$4.5 million (8.2%), largely attributed to a rise in the non-accrual component, by \$4.7 million (10.4%), which outstripped the \$0.2 million (2.3%) falloff in the short-term segment.

On a year-to-date basis, commercial banks total provisions for loan losses decreased by \$36.3 million (9.8%). Accordingly, the ratio of total provisions to arrears declined by 1.1 percentage points; while the ratio of total provisions to NPLs firmed by 0.8 percentage points. For the nine-month period, banks wrote-off approximately \$83.3 million in overdue loans and recovered an estimated \$34.4 million.

Deposits

Total Bahamian dollar deposits contracted by \$36.8 million during the month of September, the same magnitude as the corresponding 2022 period. In terms of the components, savings deposits fell by \$0.7 million, a turnaround from a \$20.4 million growth a year earlier. In an offset, the reduction in demand balances moderated to \$31.2 million, from \$49.8 million in the previous year. Further, fixed deposits declined by \$4.9 million, a slowdown from the \$6.9 million falloff in the year prior. Meanwhile, residents' foreign currency deposits decreased by \$22.3 million, a switch from a \$12.6 million accumulation in the preceding year.

On a year-to-date basis, the expansion in total Bahamian dollar deposits tapered to \$123.3 million, from \$585.1 million in 2022. Contributing to this development, demand deposits grew by \$23.5 million, albeit markedly lower than the \$480.4 million expansion in the prior year. Further, the buildup in savings deposits slowed to \$128.4 million, from \$171.6 million a year earlier. In addition, the falloff in fixed deposits moderated to \$28.7 million, from \$66.9 million in 2022. Comparatively, foreign currency deposits of residents increased by \$60.1 million, although notably less than the \$165.6 million accretion in the preceding year.

Interest Rates

In interest rate developments, the weighted average loan rate fell by 75 basis points to 10.80%. Conversely, the weighted average deposit rate firmed by 9 basis points to 0.59%, with the highest rate of 3.75% offered on fixed balances of over 12 months.

3. Domestic Outlook

The domestic economy is projected to sustain its growth trajectory in 2023, bolstered by ongoing gains in tourism output. Nevertheless, the pace of expansion is expected to moderate, as the economy converges closer to its medium-term growth potential. Further, downside risks to the sector persist, related mainly to exogenous factors, such as heightened global oil prices, which could potentially disrupt travel sector activity. In addition, major central banks' counter-inflation policies could restrain the travel spending capacity of key source market consumers. However, new and ongoing foreign investment-led projects are anticipated to provide continued stimulus to the construction sector, and by extension contribute to economic growth.

In terms of the labor market, the employment rate is forecasted to continue to improve, with job gains concentrated predominantly in the construction and tourism sectors. With regard to prices, the domestic inflation rate is projected to stay high in the near-term, although trending downward over the medium-term, with a lag, due to moderating price trajectories in the major trading markets and delayed fuel cost pass-through in domestic energy prices. Nevertheless, uncertainty in international oil prices, supply chain shortages, related to the geopolitical tensions in Eastern Europe, remain upside risks to inflation.

On the fiscal front, as conditions become favorable for more consolidation, the Government's net financing gap is anticipated to maintain its downward trend. The recovery in revenue is expected to be significantly connected to tourism-led improvements in taxable economic activities. Further, the estimated budgetary gap is anticipated to require a blend of domestic and external borrowings, albeit with a higher proportion of the total funding from domestic sources.

Monetary sector developments are expected to include elevated levels of banking sector liquidity, as commercial banks retain their conservative lending stance. Further, external reserves are projected to remain buoyant in 2023, staying above international benchmarks, bolstered by expected foreign currency inflows

from tourism and other net private sector receipts. As a result, 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 maintain its accommodative policy stance for private sector credit and pursue policies that ensure a favorable outturn for external reserves, and alleviate financial sector disruptions. Further, the Bank will continue to monitor developments within the foreign exchange market, and if necessary, implement appropriate measures to support a positive outcome for the foreign reserves.

APPENDIX

International Developments

Global economic performances were mixed during the month of September, as protracted geopolitical tensions in Eastern Europe and elevated inflation impacted developments. In this environment, the major central banks retained their monetary policy tightening stances, in an effort to contain inflation and encourage economic growth.

Economic indicators in the United States were lackluster during the month of September. In particular, industrial production increased by 0.4% in August, although a slowdown from the 0.7% growth in July, bolstered by advances in mining. In addition, consumer prices rose by 0.4% in September, slightly lower than the 0.6% growth in August, owing mostly to gains in the average costs of shelter and gas. In terms of the labour market, total non-farm payroll employment rose by 336,000 in September, due to job gains in health care, leisure and hospitality, social assistance, and professional, scientific, and technical services; however, the jobless rate remained unchanged at 3.8%. On the external front, the trade deficit contracted by \$6.4 billion (9.9%) to \$58.3 billion in August, attributed to a 1.6% expansion in exports and a 0.7% reduction in imports. Against this backdrop, the Federal Reserve retained its target range for the Federal funds rate at 5.25%-5.50%, in an effort to control inflation.

In Europe, economic indicators were mixed in the review month. In the United Kingdom, real GDP growth rebounded to 0.2% in August, a switch from a 0.6% contraction in the previous month, as a result of a rise in services output. Meanwhile, retail sales grew by 0.4% in August, following the 1.1% decline in the previous month, due to improvements in food and non-food store sales. The consumer price index rose by 0.3% in August, a turnaround from the 0.4% reduction in the prior month, driven by increases in clothing and footwear and alcohol and tobacco. Further, the reduction in industrial production moderated to 0.7% in August, from 1.1% in the prior month, owing to declines in manufacturing, water supply and sewerage, and electricity and gas. On the external front, the trade in goods and services deficit expanded to £3.4 billion from £1.4 billion, as exports fell by 1.6%, while imports rose by 1.2%. In the euro area, industrial production recovered by 0.6% in August, vis-à-vis a 0.5% reduction in July, occasioned by an increase in the energy sector. However, retail sales decreased by 1.2% in August, extending the 0.1% softening in the preceding month. The annual inflation rate stood at 4.3% in September, down from the 5.2% in the previous month, while the jobless rate tapered by 10 basis points to 6.4% in August. In external developments, the euro area recorded a trade surplus of €6.7 billion in August, as compared with a deficit of €54.4 billion in same period of last year. Given these developments, the Bank of England maintained its key policy rate to 5.25%. The European Central Bank also left its interest rates on its main refinancing operations, marginal lending facility and deposit facility at 4.50%, 4.75% and 4.00%, respectively.

In China, annual consumer prices remained flat during the month of September, following a slight uptick in August of 0.1%, as the decline in food prices was counteracted by a rise in services costs. Further, the unemployment rate fell by 20 basis points to 5.0% in September from a month earlier. In external developments, the trade surplus narrowed to \$77.7 billion from \$82.7 billion, reflecting a 6.2% falloff in exports, and reduction in imports of the same magnitude. In Japan, industrial production fell by 4.4% in August, extending the 2.3% falloff a month earlier. Further, the unemployment rate narrowed to 2.8% in September from 3.1% in the previous month. In this environment, the People's Bank of China kept its reverse repo rate at 1.8%, while the Bank of Japan sustained its policy rate at -0.1%.

During the month of September, most of the major equity markets reported negative movements. In particular, the United States' S&P 500 and Dow Jones Industrial Average (DIJA) weakened by 4.9% and 3.5%, respectively. In Europe, the French CAC 40 fell by 2.5% and the German DAX, by 3.5%. However, the United Kingdom's FTSE rose by 2.3%. In Asia, China's SE Composite decreased by 0.3%, and Japan's Nikkei 225, by 2.3%.

In foreign exchange market developments, the US dollar appreciated against all major currencies during the review month. Specifically, the US dollar strengthened against the British Pound, by 3.9% to £0.8197, the Swiss Franc, by 3.6% to CHF0.9153, the euro, by 2.6% to €0.9458, and the Canadian dollar, by 0.5% to CAD\$1.3577. In Asian markets, the US dollar rose against the Japanese yen, by 2.6% to ¥149.37, and the Chinese Renminbi, by 0.5% to CNY7.2980.

In the commodity markets, prices varied during the month of September. Specifically, the cost of crude oil grew by 1.5% to \$86.84 per barrel. Meanwhile, OPEC's crude oil production increased by 273,000 barrels per day, to an average of 27.75 million barrels per day in September. Conversely, the price of silver fell by 9.3% to \$22.18 per troy ounce and the cost of gold, by 4.7% to \$1,848.63 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

September					
Value		Change		Change YTD	
2022	2023	2022	2023	2022	2023

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	2,254.54	1,926.43	-51.81	-94.59	714.24	-1.69
1.2 Excess Liquid Assets	2,969.46	2,946.69	-45.40	-49.07	530.62	173.87
1.3 External Reserves	3,205.44	2,585.58	-62.63	-144.89	746.28	-9.10
1.4 Bank's Net Foreign Assets	144.92	-95.47	39.48	-29.19	177.26	2.32
1.5 Usable Reserves	1,646.31	1,163.46	-31.08	-87.98	380.96	12.45

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,501.17	5,654.21	-5.90	2.06	-87.16	40.11
a. B\$ Credit	5,331.66	5,366.93	-8.01	3.18	-129.25	33.94
of which: Consumer Credit	1,920.33	1,906.87	-2.46	7.00	-82.19	3.26
Mortgages	2,700.77	2,662.44	-1.94	-14.01	-20.77	-44.95
Commercial and Other Loans B\$	710.56	797.62	-3.61	10.20	-26.30	75.63
b. F/C Credit	169.51	287.28	2.12	-1.13	42.10	6.17
of which: Mortgages	86.10	153.06	0.93	-3.61	17.08	1.79
Commercial and Other Loans F/C	83.41	134.22	1.19	2.48	25.02	4.38
2.2 Central Government (net)	2,695.78	3,353.95	34.40	71.66	-249.60	148.25
a. B\$ Loans & Securities	2,891.11	3,374.43	23.69	53.67	-261.21	190.50
Less Deposits	289.04	322.84	-12.80	-18.05	-84.09	16.44
b. F/C Loans & Securities	99.35	305.72	0.00	0.00	-70.62	-27.65
Less Deposits	5.64	3.36	2.08	0.05	1.86	-1.83
2.3 Rest of Public Sector	353.37	337.03	-0.73	7.12	36.76	-11.63
a. B\$ Credit	323.37	311.53	-0.73	8.62	36.76	-7.88
b. F/C Credit	30.00	25.50	0.00	-1.50	0.00	-3.75
2.4 Total Domestic Credit	8,550.32	9,345.18	27.77	80.84	-300.00	176.73
a. B\$ Domestic Credit	8,257.10	8,730.04	27.74	83.52	-269.62	200.12
b. F/C Domestic Credit	293.21	615.14	0.03	-2.68	-30.38	-23.39

3.0 DEPOSIT BASE

3.1 Demand Deposits	3,862.95	3,897.86	-49.84	-31.15	480.36	23.53
a. Central Bank	43.40	44.48	0.92	-19.99	-17.97	-48.70
b. Banks	3,819.55	3,853.38	-50.76	-11.16	498.34	72.22
3.2 Savings Deposits	2,052.45	2,231.44	20.45	-0.74	171.64	128.37
3.3 Fixed Deposits	2,111.32	2,045.51	-6.94	-4.94	-66.86	-28.65
3.4 Total B\$ Deposits	8,026.72	8,174.81	-36.34	-36.83	585.14	123.25
3.5 F/C Deposits of Residents	607.46	528.17	12.58	-22.32	165.62	60.06
3.6 M2	8,418.70	8,592.36	-49.92	-43.95	587.90	101.17
3.7 External Reserves/M2 (%)	38.08	30.09	-0.52	-1.52	6.67	-0.47
3.8 External Reserves/Base Money (%)	107.20	95.69	0.20	-2.64	-6.74	-0.24
3.9 External Reserves/Demand Liabilities (%)	102.80	90.91	0.07	-1.40	-0.20	1.04
	Value		Year To Date		Change	
	2022	2023	2022	2023	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

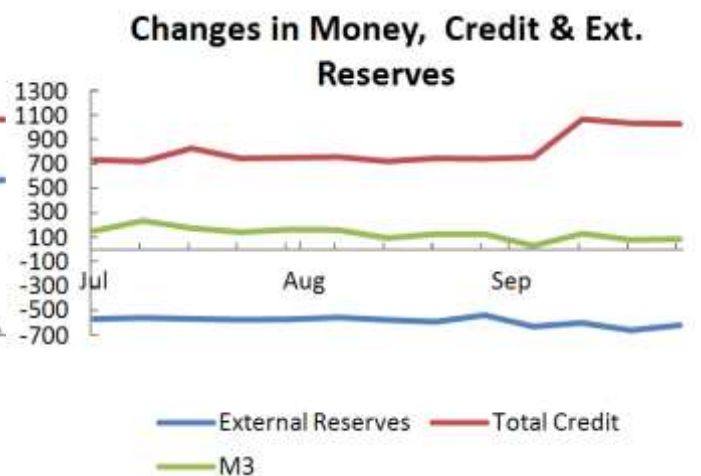
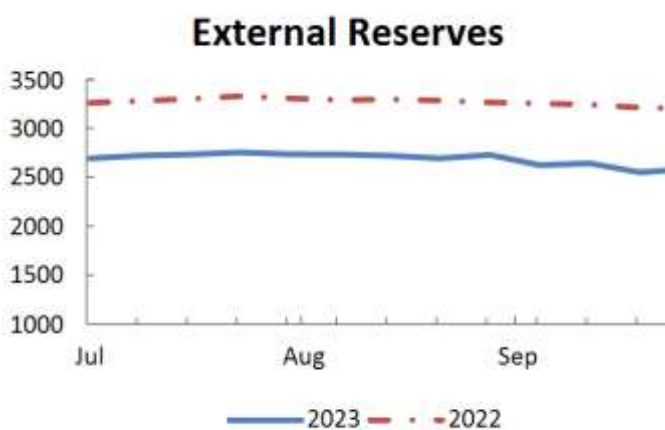
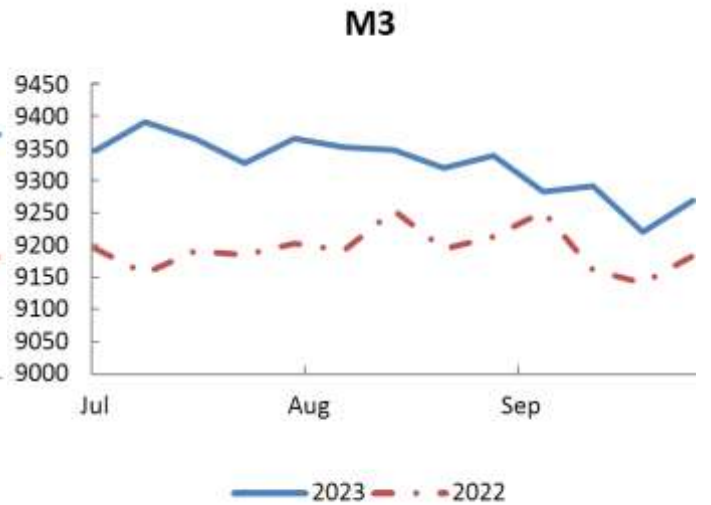
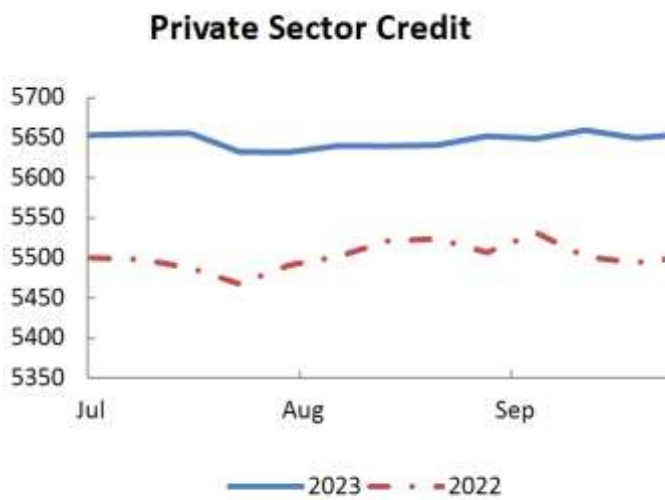
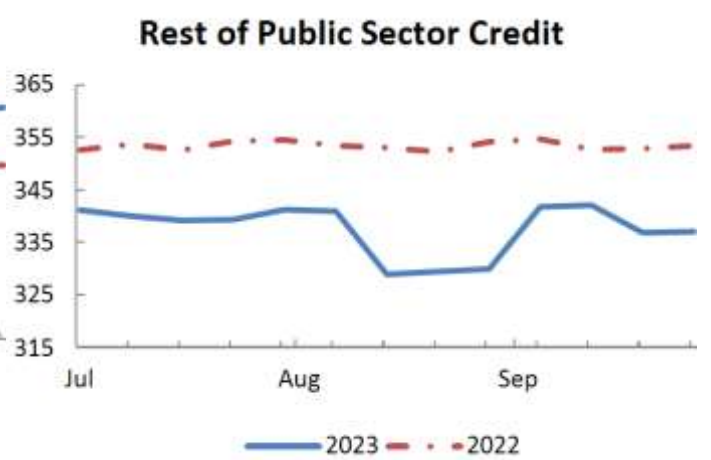
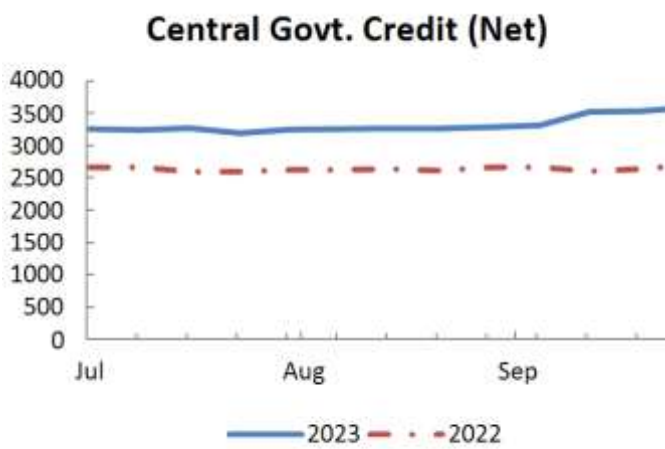
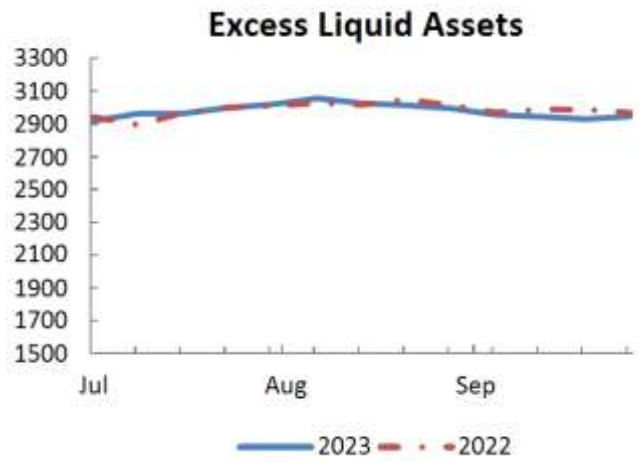
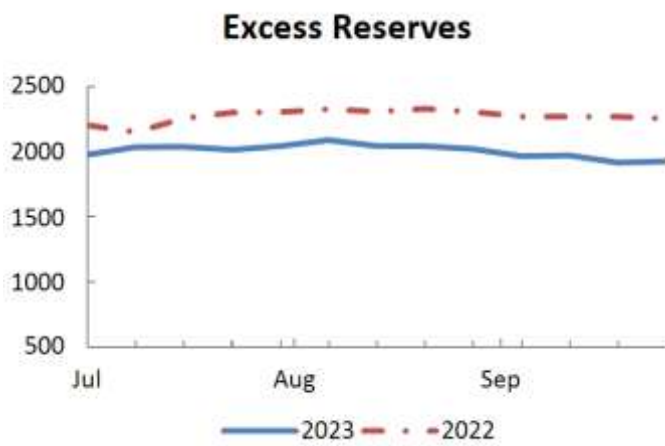
4.1 Central Bank Net Purchase/(Sale)	-63.45	-154.09	751.92	-62.05	-90.64	-813.97
a. Net Purchase/(Sale) from/to Banks	-49.06	-70.77	367.57	254.95	-21.71	-112.62
i. Sales to Banks	74.10	95.10	433.55	440.68	21.00	7.13
ii. Purchase from Banks	25.04	24.33	801.12	695.63	-0.71	-105.49
b. Net Purchase/(Sale) from/to Others	-14.39	-83.31	384.35	-317.00	-68.92	-701.35
i. Sales to Others	69.41	199.02	943.21	1,246.07	129.61	302.86
ii. Purchase from Others	55.02	115.71	1,327.56	929.07	60.68	-398.49
4.2 Banks Net Purchase/(Sale)	-31.76	-73.27	398.28	175.85	-41.51	-222.43
a. Sales to Customers	522.10	559.47	5,010.73	5,365.38	37.37	354.65
b. Purchase from Customers	490.34	486.20	5,409.00	5,541.22	-4.14	132.22

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	557.45	625.30	5,219.96	5,659.76	67.85	439.80
of which Public Sector	65.43	103.30	650.16	791.84	37.87	141.68
a. Nonoil Imports	140.40	139.40	1,384.60	1,365.46	-1.00	-19.15
b. Oil Imports	65.27	62.65	641.81	613.32	-2.62	-28.50
c. Travel	14.10	16.49	128.79	156.99	2.39	28.20
d. Factor Income	42.81	21.81	424.32	344.06	-21.00	-80.26
e. Transfers	9.70	19.96	121.02	164.86	10.26	43.84
f. Other Current Items	285.17	364.99	2,519.42	3,015.08	79.82	495.66
5.2 Capital Items	21.33	120.51	550.47	823.32	99.18	272.85
of which Public Sector	7.17	99.04	299.40	582.22	91.87	282.82

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	
	2022	2023	2022	2023	2022	2023
Bahamas	11.0	4.3	5.6	4.5	12.3	12.0
United States	2.1	1.6	8.0	4.5	3.6	3.8
Euro-Area	3.5	0.8	8.4	5.3	6.8	6.8
Germany	1.8	-0.1	8.7	6.2	3.1	3.8
Japan	1.1	1.3	2.5	2.7	2.6	2.3
China	3.0	5.2	1.9	2.0	4.2	4.1
United Kingdom	4.0	-0.3	9.1	6.8	3.7	4.2
Canada	3.4	1.5	6.8	3.9	5.3	5.8

Source: IMF World Economic Outlook April 2023

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	Target Funds	Repo Rate
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
July 2022	4.00	0.50	2.50	2.25-2.50	1.25
August 2022	4.00	1.25	2.50	2.25-2.50	1.75
September 2022	4.00	1.50	3.25	3.00-3.25	2.25
October 2022	4.00	2.00	4.00	3.75-4.00	2.25
November 2022	4.00	2.00	4.00	3.75-4.00	3.00
December 2022	4.00	2.50	4.50	4.25-4.50	3.50
January 2023	4.00	2.50	4.50	4.25-4.50	4.00
February 2023	4.00	3.00	4.75	4.50-4.75	4.00
March 2023	4.00	3.50	5.00	4.75-5.00	4.25
April 2023	4.00	3.50	5.00	4.75-5.00	4.25
May 2023	4.00	3.75	5.25	5.00-5.25	4.50
June 2023	4.00	4.00	5.25	5.00-5.25	5.00
July 2023	4.00	4.25	5.50	5.25-5.50	5.00
August 2023	4.00	4.50	5.50	5.25-5.50	5.25
September 2023	4.00	4.50	5.50	5.25-5.50	5.25

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	September-22	August-23	September-23	Mthly % Change	YTD % Change	12-Mth% Change
Euro	1.0202	0.9223	0.9458	2.55	-11.65	-7.29
Yen	144.74	145.54	149.37	2.63	13.92	3.20
Pound	0.8953	0.7891	0.8197	3.89	-11.33	-8.44
Canadian \$	1.3829	1.3508	1.3577	0.51	0.17	-1.82
Swiss Franc	0.9870	0.8834	0.9153	3.61	-1.00	-7.26
Renminbi	7.1160	7.2588	7.2980	0.54	5.79	2.56

Source: Bloomberg as of 29th September 2023

D. Selected Commodity Prices (\$)					
Commodity	September-22	August-23	September-23	Mthly % Change	YTD % Change
Gold / Ounce	1660.61	1940.19	1848.63	-4.7191	1.3492
Silver / Ounce	19.0200	22.4430	22.1795	-9.2603	-7.4099
Oil / Barrel	96.59	85.54	86.84	1.5198	5.4908

Source: Bloomberg as of 29th September 2023

E. Equity Market Valuations – September 29, 2023 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.47	-3.50	-4.87	2.27	-2.48	-3.51	-2.34	-0.30
3 month	5.05	-2.62	-3.65	1.02	-3.58	-4.71	-4.01	-2.86
YTD	1.57	1.09	11.68	2.10	10.22	10.51	22.09	0.69
12-month	2.02	16.65	19.59	10.36	23.82	27.01	22.83	2.85

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	5.4150	5.3325	3.9368
1 Month	5.4488	5.2900	3.9750
3 Month	5.8250	5.6100	4.0400
6 Month	5.9225	5.7400	4.1193
9 Month	5.9050	5.8000	4.1800
1 year	5.9875	5.8650	4.2050

Source: Bloomberg as of 29th September 2023

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

	VALUE									CHANGE								
	Aug. 02	Aug. 09	Aug. 16	Aug. 23	Aug. 30	Sep. 06	Sep. 13	Sep. 20	Sep. 27	Aug. 02	Aug. 09	Aug. 16	Aug. 23	Aug. 30	Sep. 06	Sep. 13	Sep. 20	Sep. 27
I. External Reserves	2,737.36	2,735.35	2,722.50	2,695.09	2,730.47	2,625.52	2,643.78	2,552.36	2,585.58	(18.75)	(2.00)	(12.85)	(27.41)	35.38	(104.95)	18.26	(91.42)	33.22
II. Net Domestic Assets (A + B + C + D)	70.00	112.59	77.40	96.26	46.47	111.74	86.12	123.86	116.57	59.92	42.59	(35.19)	18.86	(49.79)	65.27	(25.62)	37.74	(7.29)
A. Net Credit to Gov't (I + ii + iii -iv)	761.74	763.81	751.38	763.98	728.80	767.02	755.75	734.03	772.99	60.50	2.07	(12.44)	12.60	(35.18)	38.22	(11.28)	(21.72)	38.96
i) Advances	558.62	558.62	558.62	558.62	558.62	558.62	573.02	573.02	573.02	(14.40)	-	-	-	-	-	14.40	-	-
ii) Registered Stock	277.62	280.27	280.26	280.33	282.08	282.25	291.10	291.25	291.15	(1.73)	2.65	(0.01)	0.07	1.75	0.17	8.84	0.15	(0.09)
iii) Treasury Bills	16.77	8.01	0.02	9.49	9.49	9.49	9.49	11.17	11.17	0.00	(8.76)	(7.99)	9.47	0.00	(0.00)	0.00	1.68	(0.00)
iv) Deposits	91.27	83.08	87.52	84.46	121.39	83.34	117.85	141.41	102.36	(76.63)	(8.19)	4.43	(3.06)	36.93	(38.05)	34.52	23.55	(39.05)
B. Rest of Public sector (Net) (i+ii-iii)	(52.94)	(23.58)	(39.00)	(47.05)	(57.71)	(29.30)	(12.73)	(15.88)	(37.71)	5.29	29.36	(15.43)	(8.05)	(10.66)	28.41	16.57	(3.16)	(21.83)
i) Loans	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	-	-	-	-	-	-	-	-	-
ii) Bonds/Securities	5.14	5.14	5.14	5.14	5.14	5.14	5.14	5.14	5.14	-	-	-	-	0.00	-	-	-	-
iii) Deposits	59.70	30.34	45.77	53.81	64.47	36.07	19.50	22.65	44.48	(5.29)	(29.36)	15.43	8.05	10.66	(28.41)	(16.57)	3.16	21.83
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Other Items (Net)*	(638.81)	(627.65)	(634.98)	(620.67)	(624.62)	(625.98)	(656.90)	(594.28)	(618.70)	(5.87)	11.15	(7.33)	14.30	(3.95)	(1.36)	(30.92)	62.62	(24.42)
III. Monetary Base	2,807.35	2,847.94	2,799.90	2,791.35	2,776.94	2,737.26	2,729.90	2,676.22	2,702.14	41.17	40.59	(48.04)	(8.55)	(14.42)	(39.67)	(7.36)	(53.68)	25.93
A. Currency in Circulation	567.76	568.39	563.88	559.52	573.05	564.10	559.75	551.88	562.27	3.66	0.63	(4.51)	(4.36)	13.53	(8.95)	(4.34)	(7.88)	10.39
B. Bank Balances with CBOB	2,239.59	2,279.55	2,236.02	2,231.83	2,203.89	2,173.17	2,170.14	2,124.34	2,139.88	37.51	39.96	(43.53)	(4.19)	(27.94)	(30.72)	(3.02)	(45.80)	15.54

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

Fiscal Operations ^p	
1. Government Revenue & Grants	
% change: over previous quarter	
2. Value Added Tax	
% change: over previous quarter	
3. Import/Excise/Export Duties	
% change: over previous quarter	
4. Recurrent Expenditure	
% change: over previous quarter	
5. Capital Expenditure	
% change: over previous quarter	
6. Deficit/Surplus*	
% change: over previous quarter	

		JUL-SEP								OCT-DEC						JAN-MAR				APR-JUN		YEAR TO DATE	
		2021/2022	2022/2023							2021/2022	2022/2023			2021/2022	2022/2023			2021/2022	2022/2023			2021/2022	2022/2023
		596.4	654.7							537.3	603.6							711.7	820.7				
		-12.1%	-13.9%							-9.9%	-7.8%							32.5%	36.0%				
		295.4	331.0							249.2	267.8							290.5	336.6				
		9.4%	10.1%							-15.6%	-19.1%							16.6%	25.7%				
		131.8	127.0							107.6	116.6							104.3	121.9				
		0.4%	87.0%							-18.4%	-8.2%							-3.0%	4.6%				
		668.5	621.3							642.9	797.0							710.2	716.5				
		-28.3%	-39.2%							-3.8%	28.3%							10.5%	-10.1%				
		64.3	55.3							39.4	62.5							56.4	76.1				
		-68.3%	-55.3%							-38.8%	13.0%							43.3%	21.7%				
		-136.37	-21.93							-144.90	-255.88							-54.89	28.09				
		-70.1%	-94.3%							6.3%	1066.6%							-62.1%	-111.0%				

YEAR TO DATE	
2021/2022	2022/2023
(Over previous year)	
1,845.4	2,079.0
50.0%	12.7%
835.1	935.41
77.6%	12.0%
343.8	365.5
20.0%	6.3%
2,021.5	2,134.8
4.2%	5.6%
160.1	193.9
-4.7%	21.1%
-336.16	-249.73
-61.7%	-25.7%

Debt ^{p **}	
7. Total Direct Debt	
% change: over previous month	
8. External Debt	
% change: over previous month	
9. Internal F/C Debt	
% change: over previous month	
10. Bahamian Dollar Debt	
% change: over previous month	
11. Total Amortization	
% change: over previous month	
12. Total Public Sector F/C Debt	
% change: over previous month	

JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
10,182.8	11,039.9	10,157.6	11,125.1	10,532.4	11,104.3	10,383.4	11,053.7	10,389.1	11,340.2	10,792.8	11,260.1	10,786.3	11,298.2	10,785.1	11,282.0	10,776.7	11,214.5						
-1.3%	0.0%	-0.2%	0.8%	3.6%	-0.2%	-1.4%	-0.5%	0.1%	2.59%	3.9%	-0.7%	-0.1%	0.3%	0.0%	-0.1%	-0.1%	-0.6%						
4,327.4	4,839.8	4,308.3	4,912.2	4,732.8	4,846.4	4,616.1	4,840.1	4,625.6	5,083.8	4,997.1	5,004.8	5,024.2	4,998.0	4,993.9	4,970.1	4,975.3	4,839.2						
-0.4%	-0.1%	-0.4%	1.5%	9.0%	-1.4%	-2.5%	-0.1%	0.2%	5.0%	8.0%	-1.6%	0.5%	-0.1%	-0.6%	-0.6%	-0.4%	-2.6%						
112.6	329.5	112.6	326.1	112.6	328.9	108.5	321.6	108.5	318.1	108.5	318.6	105.0	317.3	105.0	315.0	105.0	312.4						
-36.1%	-0.1%	0.0%	-1.1%	0.0%	0.9%	-3.8%	-2.3%	0.0%	-1.1%	0.0%	0.1%	-3.2%	-0.4%	0.0%	-0.7%	0.0%	-0.8%						
5,742.8	5,870.6	5,736.7	5,886.9	5,686.9	5,929.0	5,658.8	5,892.1	5,655.0	5,938.3	5,687.3	5,936.6	5,657.2	5,982.9	5,686.2	5,996.9	5,696.4	6,062.9						
-0.9%	0.1%	-0.1%	0.3%	-0.9%	0.7%	-0.5%	-0.6%	-0.1%	0.8%	0.6%	0.0%	-0.5%	0.8%	0.5%	0.2%	0.2%	1.1%						
482.2	268.8	112.8	142.5	210.7	262.5	293.5	278.2	111.8	161.8	223.0	237.3	225.4	320.3	74.8	129.6	87.5	198.6						
372.7%	-15.6%	-327.4%	-88.7%	46.5%	45.7%	28.2%	5.7%	-61.9%	-41.8%	99.5%	46.7%	1.1%	34.9%	-66.8%	-59.5%	17.0%	53.2%						
4,952.3	5,648.4	4,933.2	5,717.3	5,351.1	5,644.9	5,230.2	5,631.2	5,239.6	5,871.5	5,602.7	5,780.7	5,626.3	5,772.6	5,596.0	5,742.4	5,569.7	5,598.1						
-1.6%	-0.1%	-0.4%	1.2%	7.8%	-1.3%	-2.3%	-0.2%	0.18%	4.27%	6.93%	-1.55%	0.4%	-0.1%	-0.5%	-0.5%	-0.5%	-2.5%						

YEAR TO DATE	
2022	2023
(Over previous year)	
116.1	120.5
5.2%	3.8%
4,326.1	6,639.8
449.6%	53.5%
1,032.4	1,262.3
78.7%	22.3%
34.12	34.70
21.30%	1.70%

Real Sector Indicators	
13. Retail Price Index	
% change: over previous month	
14. Tourist arrivals (000's)	
% change: over previous year	
15. Air arrivals (000's)	
% change: over previous year	
16. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)	
% change: over previous qtr.	

JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC	
2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
113.9	119.4	114.0	119.3	115.1	119.8	115.9	120.6	116.9	121.1	117.5	121.1	119.25	121.97										
3.8%	4.8%	3.78%	4.65%	4.72%	4.11%	5.12%	4.04%	5.51%	0.4%	6.23%	0.0%	7.13%	0.7%										
318.3	846.6	414.5	820.6	627.2	951.3	588.7	865.4	506.6	756.3	567.4	794.9	683.3	860.6	619.9	744.1								
1247.8%	165.9%	1304.8%	97.9%	899.3%	51.7%	755.8%	47.0%	439.6%	49.3%	320.0%	40.1%	272%	25.9%	226.3%	20.0%								
74.1	132.5	104.5	150.7	151.1	186.8	147.1	170.6	130.0	149.8	144.6	167.8	161.9	175.6	119.2	128.5								
256.2%	78.9%	306.1%	44.3%	168.13%	23.57%	143.9%	16.0%	60.1%	15.2%	27.8%	16.1%	21%	8.5%	38.3%	7.8%								
				11.51	15.27					22.6	19.4												
				-31.58%	-9.18%					96.6%	27.2%												

* Includes Net Lending to Public Corporations

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

p - provisional