



Monthly Economic and Financial Developments March 2018

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:

2018: June 4, July 2, July 30, September 3, October 1, October 29, December 3, December 17.



Monthly Economic and Financial Developments

(MEFD) March 2018

1. Domestic Economic Developments

Overview

Preliminary economic indicators suggest that the domestic economy continued to expand modestly during the month of March. Increased holiday-related travel contributed to gains in tourism output, while foreign investment projects buoyed construction sector activity. Government's budgetary operations featured a reduction in the fiscal deficit over the first eight months of FY2017/18, led by a decline in capital spending and an increase in tax revenues. In addition, owing mainly to net foreign currency inflows from real sector activities, both liquidity and external reserves expanded.

Real Sector

Tourism

Initial data suggests that in the month of March, tourism activity was relatively brisk, as the sector benefitted in part from the early start of the Easter holiday period. According to data from the Nassau Airport Development Company Ltd. (NAD), visitor departures at the Lynden Pindling International Airport (LPIA)—net of domestic passengers—grew by 20.9% during the review month, a reversal from the 10.2% reduction in the comparable period of 2017. Supporting this outcome, both United States (US) and non-US returning passengers firmed by 20.9% and 21.0%, respectively, in contrast to declines of 11.6% and 1.3% a year earlier.

An analysis of airport data for the first quarter showed a similar trend, as net passenger departures through LPIA increased by 13.8%, vis-à-vis a 6.5% decline in the same period of 2017. In the underlying developments, US passengers firmed by 13.2%, a turnaround from a 7.0% decrease recorded in the prior period, while non-US international traffic advanced by 17.1%, in contrast to a 3.9% falloff last year. A review of longer-term trends showed that the level of departure traffic for the first quarter was the highest recorded since the comparable pre-recession period of 2008.

Fiscal Sector

During the first eight months of FY2017/18, the deficit contracted by \$84.1 million (27.2%) to \$224.7 million, when compared to the same period of the prior year. Underlying this development, total expenditure fell by \$70.8 million (4.6%) to \$1,453.3 million, while aggregate revenue firmed by \$13.3 million (1.1%) to \$1,228.6 million.

The decline in total expenditure reflected mainly a halving in capital outlays to \$98.3 million from \$198.2 million, as the unwinding in hurricane-related spending led to a \$74.0 million (46.8%) reduction in capital formation. Similarly, asset acquisitions decreased by \$25.9 million (64.4%). In a partial offset, current expenditure rose by \$29.3 million (2.2%) to \$1,355.1 million, due mainly to a \$45.1 million (6.6%) increase in consumption outlays. In terms of the various categories, both personal emoluments and purchases of goods and services moved higher, by \$21.5 million (4.7%) and \$23.6 million (10.8%), respectively. In contrast, transfer payments contracted by \$15.8 million (2.4%), as the \$25.3 million (5.4%) decrease in

subsidies and other transfers—owing mainly to reduced subsidies to the Ministry of Tourism—outpaced the rise in interest payments, by \$9.6 million (5.3%).

In terms of revenue, tax receipts firmed by \$15.3 million (1.4%) to \$1,097.4 million. Notably, receipts from value-added taxes (VAT) expanded by \$13.2 million (3.2%) to \$430.7 million; motor vehicle taxes, by \$7.3 million (56.9%) and stamp taxes on financial and non-trade transactions, by \$2.2 million (3.1%). In addition, other “unclassified” taxes rose by \$19.5 million to \$23.0 million. In contrast, declines were noted for property taxes, by \$8.5 million (11.9%); taxes on international trade, by \$8.1 million (2.3%)—owing to reduced import duties; receipts from business & professional fees, by \$7.3 million (13.3%) and selective taxes on services, by \$1.5 million (8.0%). Further, total non-tax revenue eased by \$2.0 million (1.5%) to \$131.1 million, as the \$14.6 million (37.6%) reduction in income proceeds, eclipsed an \$11.7 million (12.5%) gain in fines, forfeits & administrative fees.

At the eight-month point of the fiscal year, the Government’s deficit was approximately 70% of its target for FY2017/2018. Estimated capital outlays were less than half of the allocated total, while current spending comprised 60.7% of budgeted approvals. Similarly, both non-tax and tax revenues were approximately 67.2% and 56.5% of the respective forecasted amounts.

2. Domestic Monetary Trends

March 2018 vs. 2017

Liquidity

Reflecting the net effect of foreign currency inflows from real sector activities, bank liquidity grew modestly during March. Specifically, excess liquid assets—a broad measure of liquidity—rose by \$10.8 million to \$1,895.3 million, a turnaround from an \$11.5 million contraction in the previous year, while excess reserves firmed by \$24.8 million to \$968.0 million, relative to a \$10.7 million decline in 2017.

Similar trends were noted during the first quarter, as the Government’s external borrowings in January, helped contribute to a \$97.0 million expansion in excess liquid assets, exceeding last year’s \$38.6 million gain. Further, the growth in excess reserves accelerated by \$99.7 million to \$110.5 million.

External Reserves

External reserves strengthened by \$82.8 million to \$1,597.4 million during the review month, compared to a \$3.5 million uptick in 2017. Underlying this outcome, the Central Bank’s net foreign currency purchase from commercial banks grew by \$59.5 million to \$88.5 million, reflecting a \$71.7 million gain in the net purchase from the latter’s clients to \$95.2 million. In addition, the Central Bank’s net sale to the public sector contracted by \$17.4 million to \$7.7 million.

During the first quarter, amid a combination of Government’s external borrowing, and receipts from tourism activity, growth in external reserves accelerated to \$189.1 million from \$23.4 million in 2017. Specifically, the Central Bank’s net purchase from commercial banks firmed by \$125.4 million to \$178.7 million, supported by an extended net inflow from the private sector by \$66.2 million to \$138.3 million. Similarly the

Central Bank's net transactions with the public sector were virtually unchanged, following a net sale of \$35.0 million in the same period last year.

Domestic Credit

Bahamian Dollar Credit

Domestic currency credit conditions remained relatively subdued during the month of March. Total Bahamian dollar claims contracted by \$6.5 million, following a decline of the same magnitude a year earlier. In particular, private sector credit fell by \$21.2 million, a turnaround from an \$8.9 million gain a year ago. This was due mainly to a fall in commercial loans by \$9.8 million, vis-à-vis 2017's \$14.9 million expansion, while the decline in consumer credit more than doubled to \$12.2 million. In contrast, residential mortgages rose by \$0.8 million, following the prior period's \$0.6 million contraction. Further, claims on public corporations decreased by \$2.7 million, after a \$1.0 million reduction a year earlier. In a modest offset, net claims on the Government rose by \$17.3 million, a reversal from the previous year's \$14.4 million contraction.

Over the review quarter, Bahamian dollar credit contracted by \$91.3 million, in contrast to a \$14.1 million gain in 2017. Due mainly to the utilisation of external funding to repay local currency obligations, net claims on the Government fell by \$37.1 million, a turnaround from a \$13.1 million advance in the prior year. Similarly, credit to the private sector declined by \$53.7 million, vis-à-vis a mild \$2.5 million uptick a year earlier. In terms of the components, the reduction in consumer credit deepened to \$41.4 million from \$11.1 million, while mortgages decreased by \$12.3 million, slightly higher than 2017's \$13.0 million contraction. In addition, commercial loans remained relatively unchanged, after a \$26.6 million advance in the prior period. Further, the decline in claims on the rest of the public sector eased to \$0.5 million, from \$1.6 million in the previous year.

Foreign Currency Credit

Foreign currency credit grew by \$9.0 million during March, in contrast to a \$6.0 million contraction a year earlier. This outturn reflected a \$12.3 million increase in net claims on the Government, relative to a slight \$0.2 million uptick in the prior year. Further, the decline in claims on the public corporations abated to \$0.8 million from \$4.7 million in 2017, while private sector credit contracted further by \$2.7 million, after a \$1.6 million reduction a year earlier.

For the quarter, the decline in foreign currency credit slowed to \$3.1 million, from \$12.1 million a year earlier. In terms of the components, the contraction in credit to public corporations narrowed to \$3.4 million from \$7.0 million and in net claims on the Government, to \$1.5 million from \$2.5 million. Further, credit to the private sector rose by \$1.6 million, in contrast to a \$2.4 million decrease in the previous year, as mortgages firmed by \$5.0 million, a reversal from the previous year's slight \$0.1 million reduction. In contrast, the decline in commercial loans quickened, by \$1.1 million, to \$3.4 million.

Credit Quality

The March period softening in credit quality indicators did not outweigh improvements sustained over the quarter through March or the year-over-year strengthening.

Nevertheless, total private sector arrears grew during the month, by \$36.4 million (4.4%) to \$863.1 million, while the ratio of arrears to total loans expanded by 66 basis points to 15.1%. This outturn largely reflected a \$35.6 million (13.6%) rise in the short-term (31-90 day) segment to \$296.3 million, resulting in the corresponding ratio to total loans firming by 63 basis points to 5.2%. Meanwhile, non-performing loans (NPLs)—arrears over 90 days—rose marginally by \$0.8 million (0.1%) to \$566.8 million, with the corresponding ratio increasing slightly by 3 basis points to 9.9%. The expansion in total delinquencies reflected a \$28.4 million (5.9%) rise in mortgage arrears, as the \$30.5 million (21.7%) expansion in the short-term segment, outweighed the \$2.2 million (0.6%) increase in NPLs. In addition, commercial arrears firmed by \$5.1 million (5.5%), amid a \$3.3 million (12.7%) uptick in short-term delinquencies and a \$1.7 million (2.7%) advance in the over 90 days category. Further, consumer arrears rose by \$2.9 million (1.2%), as both the short-term and non-performing segments expanded by \$1.7 million (1.8%) and \$1.3 million (0.8%), respectively.

Over the month, commercial banks' increased their bad debt provisioning by \$1.3 million to \$424.7 million, resulting in the ratio of provisions to NPLs firming by 13 basis points to 74.9%. In contrast, the ratio of provisions to total arrears fell by 2.0 percentage points to 49.2%. During the month, banks also wrote-off an estimated \$8.3 million in bad debts and recovered approximately \$1.7 million.

Reflecting the modest improvement in domestic economic conditions during the review quarter, total loan arrears declined by \$21.7 million (2.5%), resulting in a 31 basis point reduction in the accompanying ratio of arrears to total private sector loans. A breakdown by the average age of delinquencies showed that the improvement was mainly attributed to the short-term segment, which contracted by \$21.0 million (6.6%), resulting in a 34 basis point easing in the corresponding loan ratio. In addition, the long-term category fell marginally by \$0.7 million (0.1%), with the attendant ratio ebbing by 3 basis points.

By loan type, the reduction in total delinquencies reflected a \$21.5 million (4.0%) contraction in mortgage arrears, as both short-term delinquencies and non-accruals lessened, by \$14.2 million (7.7%) and \$7.3 million (2.1%), respectively. Similarly, the consumer component declined by \$4.2 million (1.6%), as an \$8.8 million (8.4%) decrease in the short-term segment, outpaced the \$4.6 million (3.0%) gain in NPLs. In contrast, commercial loan delinquencies firmed by \$4.0 million (4.4%), amid increases in both the short term and NPL components by \$2.0 million (7.1%) and \$2.1 million (3.2%), respectively.

During the quarter, banks' loan write-offs and recoveries totalled \$27.1 million and \$6.9 million, respectively.

On a year-on-year basis, total private sector arrears contracted by \$121.4 million relative to March 2017, while the corresponding arrears rate fell by 1.5 percentage points. An analysis by the average age of delinquencies, showed that the NPL rate decreased by 2.2 percentage points; however, the short-term delinquencies ratio increased by 65 basis points. In terms of the loan components, reflecting the sale of a significant number of NPLs to a private entity, the delinquent commercial loans rate contracted by 12.5 percentage points. In contrast, both the mortgage and consumer loan arrears rates edged-up by 31 and 11 basis points, respectively.

Deposits

Total Bahamian dollar deposits increased by \$51.7 million in March, in contrast to a \$22.8 million decline over the prior year. Underpinning this outturn, demand deposits rose by \$38.0 million, a turnaround from 2017's \$11.7 million contraction, while gains in savings deposits widened by \$13.6 million to \$28.8 million. Further, the reduction in fixed deposits slowed to \$15.1 million, from \$26.3 million in the preceding year.

During the quarter, total Bahamian dollar deposits firmed by \$83.3 million, outpacing the \$56.0 million expansion in 2017, as the growth in demand deposits accelerated by \$39.9 million to \$90.3 million. In contrast, accretions to savings deposits narrowed by \$5.7 million to \$23.5 million, while the contraction in fixed balances quickened by \$6.8 million to \$30.5 million.

Interest Rates

In interest rate developments, the weighted average deposit rate at banks waned by 24 basis points to 0.75%, with the highest rate of 4.50% offered on fixed balances of over 12 months. Similarly, the weighted average loan rate fell by 4 basis points, to 11.79%.

3. Domestic Outlook and Policy Implications

The domestic economy is expected to maintain its modest upward trajectory over the remainder of 2018, as the opening of the remaining phase of the Baha Mar resort, along with ongoing growth in several key source markets, provide more impetus to tourism. In addition, output in the construction sector is expected to be supported by a number of varied-scale foreign investment projects in both the capital and the Family Islands. Against this backdrop, labor market conditions are likely to continue to gradually improve, while inflationary pressures are anticipated to remain relatively subdued; although the upward trajectory in global oil prices will continue to impact domestic fuel costs.

In the fiscal sector, efforts to significantly reduce the deficit and improve the corresponding debt indicators will depend heavily on the success of measures to improve revenue administration and curtail expenditure growth over the near-term; however, the potential for external shocks will continue to remain a concern.

The monetary sector will continue to feature high levels of liquidity, given commercial banks' conservative lending stance and consumers' focus on deleveraging; although indications are that the approval rates for certain types of loan applications remain relatively high. Given the expected improvement in economic conditions, and potential further sales of NPLs, loan delinquencies are likely to decline further. In this environment, banks are expected to remain highly capitalized, thereby mitigating any financial stability concerns.

External reserves should remain buoyant over the near-term, reflecting continued inflows from real sector activities; although the seasonal increase in foreign currency demand during the latter half of the year, should lead to a modest drawdown in balances. Nevertheless, reserve indicators are expected to remain above international benchmarks.

APPENDIX

International Developments

Indications are that the global economy maintained its modestly upward trajectory over the review period, supported by sustained gains in most of the major markets. Against this backdrop, the International Monetary Fund (IMF)—in its April edition of the World Economic Outlook (WEO)—maintained its forecast for global growth at 3.9%, slightly higher than the 3.7% expansion recorded in the prior year. In particular, the IMF based its forecast on the expectation of supportive financial conditions, increased investment and trade. With regard to advanced economies, the Fund raised its 2018 forecasts for the United States and euro area, both by 20 basis points, to 2.9% and 2.4%, respectively, while the rate for the United Kingdom was increased by 10 basis points to 1.6%. Meanwhile in Asia, both Japan and China's projections remained at 1.2% and 6.6%, respectively.

Economic conditions in the United States continued to improve over the review period. In particular, total nonfarm payrolls—mainly in manufacturing, health care and mining—rose by 103,000 in March, while the unemployment rate remained at 4.1% for the sixth consecutive month. In addition, industrial production firmed by 0.5% during the review period, following a slight 0.1% increase in February, and retail sales grew by 0.6%, after a 0.1% falloff a month earlier. In external developments, the trade deficit rose marginally by \$0.9 billion to \$57.6 billion in February, as the \$4.4 billion increase in imports, exceeded the \$3.5 billion rise in exports. Reflecting mainly lower fuel costs, consumer prices decreased marginally, by 0.1% in March, a reversal from the month-earlier 0.2% gain. Against the backdrop of an improving U.S. economy and in line with its goal to normalise interest rates over time, the Federal Reserve raised its target range for the federal funds rate by 25 basis points to 1.50-1.75%.

Economic indicators for the major European markets were largely positive during the review period. Specifically, labour market conditions remained favorable, as the euro area's jobless rate declined by 10 basis points to 8.5% in February, while in the U.K., the unemployment rate steadied at 4.2% during the three months to February—the lowest rate since 1975. In addition, retail trade edged-up by 0.1% in the euro area, a turnaround from a 0.3% falloff in the previous month, reflecting mainly gains in sales of automotive fuel and food, drinks and tobacco. However, the growth in industrial production in the U.K. softened to 0.1% in February, from 1.3% in the previous month, due to a slowdown in mining and quarrying, while production in the euro area fell by 0.8%, extending the 0.6% falloff in January, amid a decline in capital goods' manufacturing. In terms of prices, the euro area's inflation rate firmed by 20 basis points to 1.3% in March, over the previous month, amid higher costs for food and alcohol & tobacco. In contrast, the growth in consumer prices slowed by 20 basis points to 2.3% in the U.K., month-on-month. In the external sector, the U.K.'s trade deficit rose by £0.4 billion to £6.4 billion during the three months to February; however, reflecting a reduction in imports, the euro area's trade surplus expanded by €3.3 billion to €18.9 billion in February. In this environment, both the European Central Bank and the Bank of England maintained their accommodative monetary policy stances.

Economic developments in Asia were mainly favourable, as China's Purchasing Managers Index (PMI) increased by 1.20 percentage points to 51.5% in March, due mainly to gains in production, new orders, raw materials, and employed person indices. Similarly, buoyed by increased output of cars, industrial production in Japan rebounded to grow by 4.1% in February, after a transport equipment led-decline of 6.8% in the previous month, while the increase in China's production remained at 0.6%. Further, China's retail sales firmed by 0.8% in February, slightly higher than the 0.6% expansion recorded in the previous month. In contrast, labour market conditions in Japan remained buoyant in February, as the unemployment rate stood at 2.5%, a slight 10 basis point gain over the prior month. Further, consumer prices in China fell by 1.1% in March, a reversal from the 1.2% uptick in the prior period, due mainly to a decline in food, tobacco and liquor prices. In monetary developments, the Bank of Japan kept its policy rate unchanged, while the People's Bank of China raised its 7-day reverse repo rate by 5 basis points to 2.55%.

In the commodity markets, crude oil prices rose by 6.8% to \$70.27 per barrel in March, reflecting a slight decrease in OPEC's oil production to an average of 32.0 million barrels per day, as well as a weather-related rise in demand. Movements in the precious metals market were mixed, as the price for silver narrowed slightly, by 0.3% to \$16.37 per troy ounce, while the price of gold grew marginally by 0.5% to \$1,325.00 per troy ounce.

Reflecting in part increased concerns over the pace of interest rate increases in the United States and the potential impact on the broader economy, the major stock market indices remained volatile in March—for the second consecutive month. In the United States, the Dow Jones Industrial Average (DIJA) and the S&P 500 indices declined by 3.7% and 2.7%, respectively. Similarly, European equity markets recorded broad-based losses, as France's CAC 40 fell by 2.9%, Germany's DAX, by 2.7% and the United Kingdom's FTSE 100, by 2.4%. Further, in Asia, both China's SE composite and Japan's Nikkei 225 weakened by 2.8% over the month.

Currency market developments were mixed during the review period, as the U.S. dollar depreciated against the British pound, by 1.8% to £0.7134, the euro, by 1.1% to €0.8114, the Chinese Yuan, by 0.6% to CNY6.2911, and the Japanese Yen, by 0.4% to ¥106.28. In contrast, the dollar strengthened versus the Swiss Franc, by 1.0% to CHF0.9541 and the Canadian dollar, by 0.5% to CAD\$1.29.

Recent Monetary and Credit Statistics

(B\$ Millions)

MARCH						
Value		Change		Change YTD		
2017	2018	2017	2018	2017	2018	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	734.55	968.03	-10.66	24.82	10.83	110.48
1.2 Excess Liquid Assets	1,485.70	1,895.27	-11.47	10.81	38.62	97.00
1.3 External Reserves	925.46	1,597.38	3.49	82.79	23.39	189.09
1.4 Bank's Net Foreign Assets	-121.99	-107.42	6.51	17.26	9.16	63.57
1.5 Usable Reserves	268.85	803.69	2.48	78.61	25.00	134.78

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,152.88	5,924.36	7.35	-23.82	0.12	-52.11
a. B\$ Credit	5,915.91	5,698.36	8.94	-21.16	2.54	-53.71
of which: Consumer Credit	2,236.36	2,156.10	-5.34	-12.20	-11.07	-41.43
Mortgages	2,947.83	2,869.70	-0.60	0.81	-12.99	-12.30
Commercial and Other Loans B\$	731.72	672.56	14.87	-9.77	26.60	0.02
b. F/C Credit	236.97	226.00	-1.58	-2.66	-2.42	1.60
of which: Mortgages	67.91	67.19	0.43	-2.27	-0.13	5.00
Commercial and Other Loans F/C	169.07	158.81	-2.01	-0.39	-2.29	-3.40
2.2 Central Government (net)	2,548.80	2,339.40	-14.20	29.60	10.62	-38.61
a. B\$ Loans & Securities	2,767.58	2,562.50	11.22	-15.89	16.41	-46.46
Less Deposits	212.08	216.80	25.64	-33.22	3.30	-9.35
b. F/C Loans & Securities	0.11	0.00	0.11	0.00	0.11	0.00
Less Deposits	6.80	6.30	-0.12	-12.27	2.61	1.50
2.3 Rest of Public Sector	297.29	267.04	-5.75	-3.53	-8.59	-3.85
a. B\$ Credit	105.71	99.73	-1.03	-2.72	-1.60	-0.47
b. F/C Credit	191.58	167.32	-4.73	-0.80	-7.00	-3.38
2.4 Total Domestic Credit	8,998.99	8,531.03	-12.51	2.48	2.00	-94.35
a. B\$ Domestic Credit	8,577.11	8,143.79	-6.52	-6.54	14.06	-91.29
b. F/C Domestic Credit	421.88	387.24	-5.99	9.02	-12.06	-3.06

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,239.96	2,450.78	-11.68	38.03	50.45	90.31
a. Central Bank	15.81	27.50	-0.11	14.03	0.04	13.43
b. Banks	2,224.15	2,423.28	-11.56	24.00	50.41	76.87
3.2 Savings Deposits	1,322.86	1,391.19	15.12	28.76	29.21	23.53
3.3 Fixed Deposits	2,846.75	2,712.12	-26.27	-15.07	-23.71	-30.53
3.4 Total B\$ Deposits	6,409.57	6,554.09	-22.82	51.72	55.95	83.30
3.5 F/C Deposits of Residents	366.60	333.72	9.66	13.19	-11.86	31.70
3.6 M2	6,679.00	6,843.90	-20.82	66.22	31.63	66.10
3.7 External Reserves/M2 (%)	13.86	23.34	0.10	0.99	0.29	2.56
3.8 Reserves/Base Money (%)	72.47	103.90	0.59	2.68	2.33	6.28
3.9 External Reserves/Demand Liabilities (%)	70.47	100.63	0.16	4.71	1.95	5.40

Value		Year to Date		Change	
2017	2018	2017	2018	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	3.95	80.82	18.24	178.36	76.87	160.12
a. Net Purchase/(Sale) from/to Banks	29.03	88.54	53.26	178.67	59.50	125.41
i. Sales to Banks	16.00	0.00	74.80	49.11	-16.00	-25.69
ii. Purchases from Banks	45.03	88.54	128.06	227.77	43.50	99.71
b. Net Purchase/(Sale) from/to Others	-25.09	-7.71	-35.02	-0.31	17.37	34.71
i. Sales to Others	68.18	51.12	165.50	181.31	-17.07	15.81
ii. Purchases from Others	43.10	43.40	130.48	181.00	0.31	50.52
4.2 Banks Net Purchase/(Sale)	23.51	95.23	72.08	138.25	71.71	66.17
a. Sales to Customers	361.76	349.38	1,121.66	1,177.88	-12.38	56.22
b. Purchases from Customers	385.27	444.60	1,193.74	1,316.13	59.33	122.39
4.3 B\$ Position (change)	-7.29	-36.21				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	455.28	ND	1,324.96	ND	ND	ND
of which Public Sector	44.43	ND	183.47	ND	ND	ND
a. Nonoil Imports	158.52	ND	453.25	ND	ND	ND
b. Oil Imports	44.12	ND	126.60	ND	ND	ND
c. Travel	20.78	ND	71.68	ND	ND	ND
d. Factor Income	25.29	ND	61.57	ND	ND	ND
e. Transfers	26.79	ND	72.42	ND	ND	ND
f. Other Current Items	179.78	ND	539.45	ND	ND	ND
5.2 Capital Items	20.78	ND	36.35	ND	ND	ND
of which Public Sector	15.96	ND	15.96	ND	ND	ND
5.3 Bank Remittances	0.00	ND	0.00	ND	ND	ND

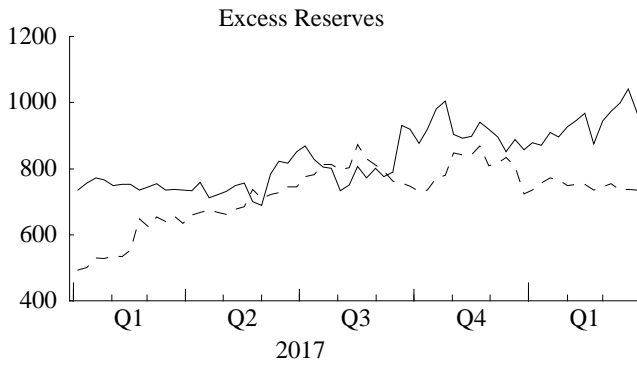
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: MARCH 29, 2017 and MARCH 28, 2018

Exchange Control Sales figures are as at month end.

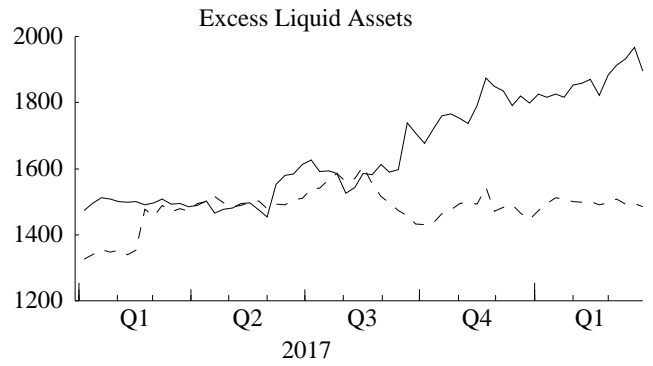
Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

SELECTED MONEY AND CREDIT INDICATORS

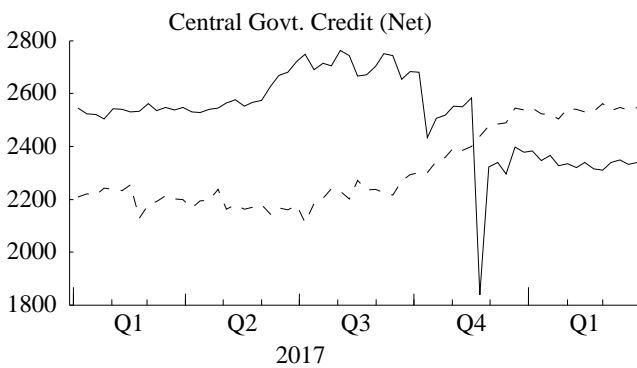
(B\$ Millions)



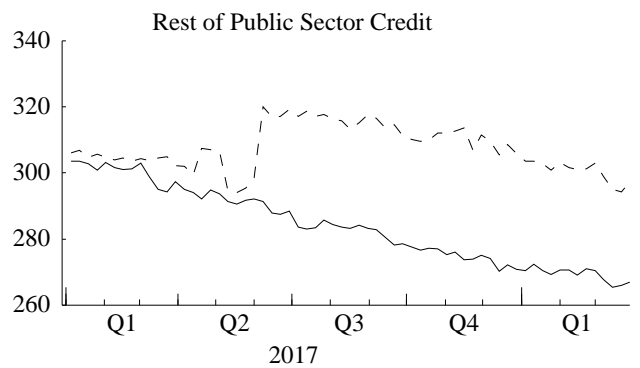
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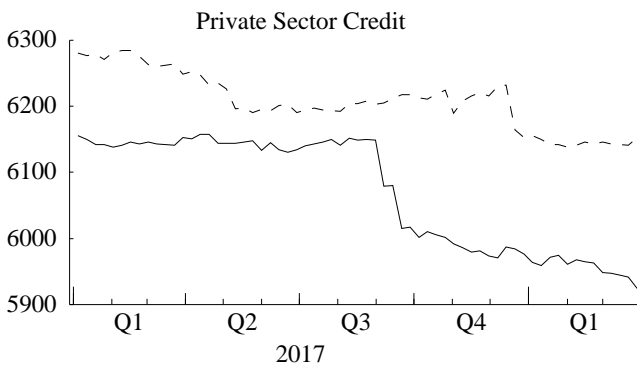
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- - - 2017



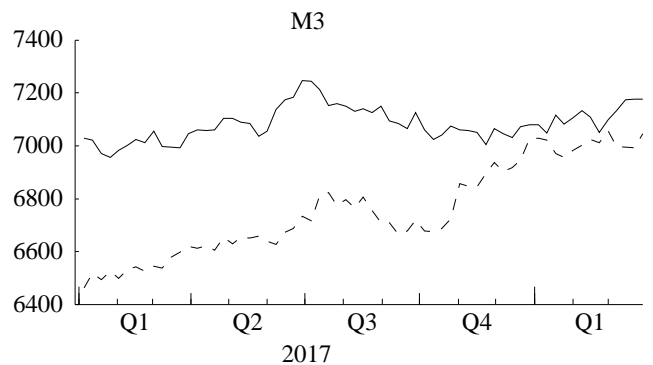
— 2018
- - - 2017



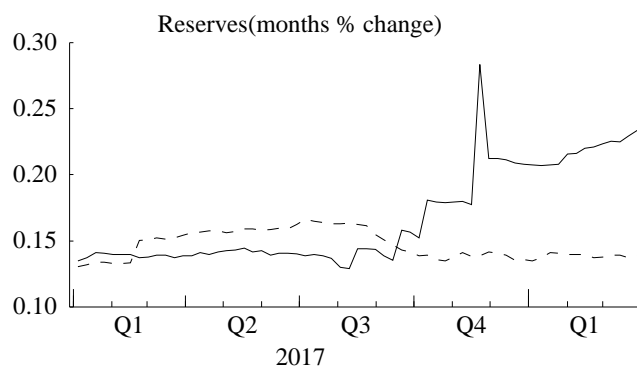
— 2018
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— 2018
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— 2018
- - - 2017



— 2018
- - - 2018

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2017	2018	2017	2018	2017	2018
Bahamas	1.8	2.5	2.4	2.2	10.1	N/A
United States	2.3	2.7	2.1	2.1	4.4	4.1
Euro-Area	2.4	2.2	1.5	1.4	9.2	8.7
<i>Germany</i>	2.5	2.3	1.6	1.5	3.8	3.7
Japan	1.8	1.2	0.4	0.5	2.9	2.9
China	6.8	6.6	1.8	2.4	4.0	4.0
United Kingdom	1.7	1.5	2.6	2.6	4.9	4.4
Canada	3.0	2.3	1.6	1.8	6.5	6.3
<i>Source: IMF World Economic Outlook January 2018, Department of Statistics</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	<i>from</i>	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate
March 2016	4.50	0.00	1.00	0.25-0.50	0.50
April 2016	4.50	0.00	1.00	0.25-0.50	0.50
May 2016	4.50	0.00	1.00	0.25-0.50	0.50
June 2016	4.50	0.00	1.00	0.25-0.50	0.50
July 2016	4.50	0.00	1.00	0.25-0.50	0.50
August 2016	4.50	0.00	1.00	0.25-0.50	0.25
September 2016	4.50	0.00	1.00	0.25-0.50	0.25
October 2016	4.50	0.00	1.00	0.25-0.50	0.25
November 2016	4.50	0.00	1.00	0.25-0.50	0.25
December 2016	4.00	0.00	1.25	0.50-0.75	0.25
January 2017	4.00	0.00	1.25	0.50-0.75	0.25
February 2017	4.00	0.00	1.25	0.50-0.75	0.25
March 2017	4.00	0.00	1.50	0.75-1.00	0.25
April 2017	4.00	0.00	1.50	0.75-1.00	0.25
May 2017	4.00	0.00	1.75	1.00-1.25	0.25
June 2017	4.00	0.00	1.75	1.00-1.25	0.25
July 2017	4.00	0.00	1.75	1.00-1.25	0.25
August 2017	4.00	0.00	1.75	1.00-1.25	0.25
September 2017	4.00	0.00	1.75	1.00-1.25	0.25
October 2017	4.00	0.00	1.75	1.00-1.25	0.25
November 2017	4.00	0.00	1.75	1.00-1.25	0.50
December 2017	4.00	0.00	2.00	1.25-1.50	0.50
January 2018	4.00	0.00	2.00	1.25-1.50	0.50
February 2018	4.00	0.00	2.00	1.25-1.50	0.50
March 2018	4.00	0.00	2.25	1.50-1.75	0.5

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Mar-17	Feb-18	Mar-18	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9387	0.8201	0.8114	-1.05	-13.56	-13.56
Yen	111.39	106.68	106.28	-0.37	-4.59	-4.59
Pound	0.7967	0.7267	0.7134	-1.83	-10.45	-10.45
Canadian \$	1.3314	1.2833	1.29	0.52	-3.11	-3.11
Swiss Franc	1.0032	0.9446	0.9541	1.01	-4.89	-4.89
Renminbi	6.8780	6.3310	6.2911	-0.63	-8.53	-8.53

Source: Bloomberg as of March 30, 2018

D. Selected Commodity Prices (\$)					
Commodity	March 2017	February 2018	March 2018	Mthly % Change	YTD % Change
Gold / Ounce	1249.35	1318.38	1325.00	0.50	1.68
Silver / Ounce	18.27	16.42	16.37	-0.29	-3.36
Oil / Barrel	55.60	65.78	70.27	6.83	5.51

Source: Bloomberg as of March 30, 2018

E. Equity Market Valuations – March 30, 2018 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-4.32	-3.70	-2.69	-2.42	-2.88	-2.73	-2.78	-2.78
3 month	-4.92	-2.49	-1.22	-8.21	-2.74	-6.35	-5.76	-4.18
YTD	-4.92	-2.49	-1.22	-8.21	-2.74	-6.35	-5.76	-4.18
12-month	3.12	16.65	11.77	-3.64	0.87	-1.76	13.46	-1.66

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	1.85	0	-0.43
1 Month	1.68	0.48	-0.42
3 Month	2.30	0.75	-0.37
6 Month	2.45	0.86	-0.30
9 Month	2.60	1.05	-0.27
1 year	2.69	1.10	-0.27

Source: Bloomberg as of March 30, 2018

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE											
	Jan. 31	Feb. 07	Feb. 14	Feb. 21	Feb. 28	Mar. 07	Mar. 14	Mar. 21	Mar. 28	Jan. 31	Feb. 07	Feb. 14	Feb. 21	Feb. 28	Mar. 07	Mar. 14	Mar. 21	Mar. 28						
I. External Reserves	1,460.53	1,473.43	1,495.12	1,489.00	1,514.59	1,533.25	1,541.37	1,570.78	1,597.38	57.56	12.90	21.69	-6.12	25.59	18.66	8.11	29.41	26.60						
II. Net Domestic Assets (A + B + C + D)	24.96	18.54	14.92	-67.86	-18.26	-7.17	7.32	25.87	-59.90	-8.05	-6.43	-3.61	-82.78	49.59	11.10	14.49	18.55	-85.78						
A. Net Credit to Gov^t(i + ii + iii - iv)	389.40	385.84	391.56	360.43	341.83	370.37	381.84	386.57	386.83	-4.20	-3.56	5.72	-31.13	-18.61	28.54	11.47	4.74	0.26						
i) Advances	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	276.26	276.37	276.10	276.17	276.14	276.15	274.20	274.19	274.33	0.01	0.11	-0.27	0.07	-0.03	0.01	-1.95	-0.00	0.14						
iii) Treasury Bills	22.30	22.30	22.30	0.00	0.00	0.00	0.00	0.00	0.00	3.14	0.00	0.00	-22.30	0.00	0.00	0.00	0.00	0.00						
iv) Deposits	43.82	47.48	41.49	50.39	68.97	40.44	27.02	22.28	22.16	7.36	3.67	-5.99	8.90	18.57	-28.53	-13.42	-4.74	-0.12						
B. Rest of Public Sector (Net) (i + ii - iii)	-18.75	-22.23	-25.44	-10.20	-10.73	-24.45	-26.68	-11.07	-24.75	-3.36	-3.47	-3.21	15.24	-0.53	-13.73	-2.23	15.60	-13.68						
i) BDB Loans	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
iii) Deposits	21.50	24.98	28.19	12.95	13.48	27.20	29.43	13.82	27.50	3.36	3.47	3.21	-15.24	0.53	13.73	2.23	-15.60	13.68						
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
D. Other Items (Net)*	-345.69	-345.08	-351.20	-418.09	-349.36	-353.08	-347.83	-349.63	-421.98	-0.48	0.61	-6.12	-66.89	68.73	-3.72	5.24	-1.79	-72.35						
III. Monetary Base	1,485.49	1,491.96	1,510.04	1,421.14	1,496.33	1,526.09	1,548.69	1,596.65	1,537.48	49.51	6.47	18.08	-88.90	75.19	29.76	22.60	47.96	-59.17						
A. Currency in Circulation	396.53	389.61	388.35	384.35	387.40	398.80	388.25	387.61	396.66	12.43	-6.92	-1.26	-4.00	3.05	11.40	-10.55	-0.65	9.06						
B. Bank Balances with CBOB	1,088.97	1,102.36	1,121.69	1,036.79	1,108.93	1,127.29	1,160.44	1,209.04	1,140.81	37.08	13.39	19.33	-84.90	72.14	18.36	33.15	48.61	-68.23						

* Includes capital, provisions and surplus account, fixed and other assets, and other demand liabilities of Bank

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE		
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	
Fiscal Operations:																											
1. Government Revenue & Grants	161.8	171.6	135.8	152.7	152.8	127.9	109.9	161.2	148.7	124.6	142.8	140.6	187.3	181.6	176.2	188.5									1,215	1,229	
% change: over previous month	-7.9%	-28.9%	-16.0%	-1.0%	12.47%	-16.3%	-28.05%	26.1%	35.29%	-22.7%	-3.98%	12.8%	31.17%	29.2%	-5.95%	-7.18%									2,58%	1.0%	
2. Value Added Tax	68.7	73.4	49.9	49.5	41.7	40.7	53.8	70.1	45.6	41.6	42.5	36.7	71.7	70.2	43.7	48.6									417.5	430.7	
% change: over previous month	148.8%	74.9%	-27.23%	-32.61%	-16.54%	-17.83%	29.07%	72.54%	-15.28%	-40.63%	-6.77%	-11.93%	68.74%	91.40%	-39.10%	-30.81%									-1.45%	3.17%	
3. Import/Excise Duties	42.9	44.0	44.9	47.0	41.4	33.5	28.1	44.5	45.5	42.4	49.5	38.6	41.0	37.6	46.9	42.2									340.2	329.8	
% change: over previous month	73.9%	-47.2%	4.7%	6.7%	-7.9%	-28.8%	-32.2%	33.0%	61.9%	-4.8%	8.80%	-8.83%	-17.08%	-2.70%	14.27%	12.53%									5.77%	-3.06%	
4. Recurrent Expenditure	163.1	162.8	148.9	156.6	157.4	164.1	167.3	174.0	206.1	189.0	162.0	151.2	174.6	175.8	146.4	181.7									1,325.8	1,365.1	
% change: over previous month	-18.9%	-67.2%	-8.7%	-3.8%	5.68%	4.8%	6.27%	6.1%	23.21%	8.6%	-21.46%	-20.0%	7.78%	16.3%	-16.15%	3.35%									2,52%	2.21%	
5. Capital Expenditure	14.0	0.0	33.4	17.4	17.7	17.0	14.4	9.4	41.2	16.0	31.8	16.2	21.9	6.2	23.8	16.3									198.2	98.3	
% change: over previous month	-93.0%	-100.0%	137.8%	43.47%	-46.85%	-2.3%	-18.84%	-44.9%	185.89%	70.7%	-22.79%	1.3%	-31.23%	-61.7%	9.10%	163.28%									66.40%	-50.40%	
6. Deficit/Suplus*	-15.4	8.8	-46.5	-21.2	-22.4	-53.2	-71.7	-22.2	-98.6	-80.3	-51.0	-26.8	-9.1	-0.4	5.9	-29.4									-308.8	-224.7	
% change: over previous month	-54.9%	-102.4%	202.3%	-341.6%	-51.69%	150.3%	219.61%	-58.3%	-37.36%	262.1%	-46.28%	-66.7%	-82.05%	-98.5%	-164.78%	712.408%									24.31%	-27.33%	

	JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Debt, **														
7. Total Direct Debt	6,320.1	7,203.7	6,323.9	7,200.9	6,321.5	7,202.9								
% change: over previous month	0.1%	0.3%	0.1%	0.0%	0.0%	0.0%								
8. External Debt	1,749.3	2,670.3	1,742.5	2,664.4	1,739.9	2,668.8								
% change: over previous month	0.2%	2.1%	-0.4%	-0.2%	-0.2%	-0.2%								
9. Internal F/C Debt	0.0	0.0	0.0	0.0	0.0	0.0								
% change: over previous month														
10. Bahamian Dollar Debt	4,570.8	4,533.4	4,581.4	4,536.5	4,581.5	4,544.2								
% change: over previous month	0.0%	-0.7%	0.2%	0.1%	0.0%	0.2%								
11. Total Amortization	3.1	42.9	2.4	20.7	82.9	91.3								
% change: over previous month	-85.6%	29.8%	-28.3%	-106.9%	3319.3%	340.6%								
12. Total Public Sector F/C Debt	2,650.0	3,537.5	2,642.7	3,530.8	2,627.5	3,524.3								
% change: over previous month	1.4%	1.5%	-0.3%	-0.2%	-0.6%	-0.2%								

	JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Real Sector Indicators														
13. Retail Price Index														
% change: over previous month														
14. Tourist arrivals (000's)	509.3	535.1												
% change: over previous year	-4.68%	5.03%												
15. Air arrivals (000's)	94.3	100.9												
% change: over previous year	-1.63%	6.93%												
16. Occupied Room Nights														
% change: over previous year														
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)														
% change: over previous year														

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