



Monthly Economic and Financial Developments December 2019

In an effort to provide the public with more frequent information on its economic surveillance activities, the Central Bank has decided to release monthly reports on economic and financial sector developments in The Bahamas. The Bank monitors these conditions as part of its monetary policy mandate, to assess whether money and credit trends are sustainable relative to levels of external reserves required to protect the value of the Bahamian dollar and, if not, the degree to which credit policies ought to be adjusted. The main data source for this surveillance is financial institutions' daily reports on foreign exchange transactions and weekly balance sheet statements. Therefore, monthly approximations may not coincide with calendar estimates reported in the Central Bank's quarterly reports. The Central Bank will release its "Monthly Economic and Financial Developments" report on the Monday following its monthly Monetary Policy Committee Meeting.

Future Release Dates:

2020: March 2, March 30, May 4, June 1, June 29, August 4, August 31, September 28, November 2, November 30, December 21



Monthly Economic and Financial Developments (MEFD) December 2019

1. Domestic Economic Developments

Overview

Indications are that the domestic economy sustained its modest growth during the review period. Tourism maintained a positive momentum, bolstered by activity in New Providence markets and the Family Islands unaffected by Hurricane Dorian. Further, ongoing foreign investment projects provided stimulus to the construction sector, and to a lesser extent post-hurricane reconstruction work. In price developments, the domestic inflation rate firmed during the twelve months ending October, reflecting the rise in fuel costs. Monetary developments featured an expansion in bank liquidity, as the build-up in the deposit base outstripped the growth in credit; similarly, external reserves grew, buoyed by net foreign currency inflows from re-insurance and real sector activities.

Real Sector

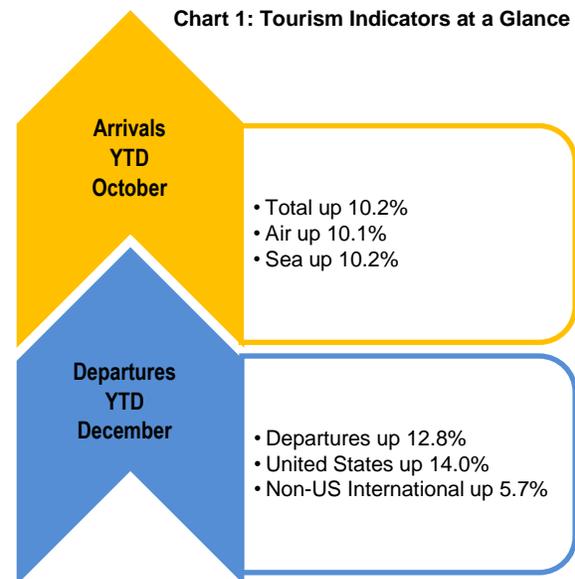
Tourism

Indications are that tourism sector gains stayed healthy—though moderated—as acceleration in the sea segment contrasted with tempered growth in the value-added air component.

Official data provided by the Ministry of Tourism (MOT) revealed that, total arrivals for the ten months to October rose by 10.2%, surpassing the 8.2% growth in the previous year. In particular, sea traffic advanced by 10.2%, extending the 5.7% increase in 2018. Further, the air segment grew by 10.1%, albeit lower than the 16.9% expansion recorded a year earlier.

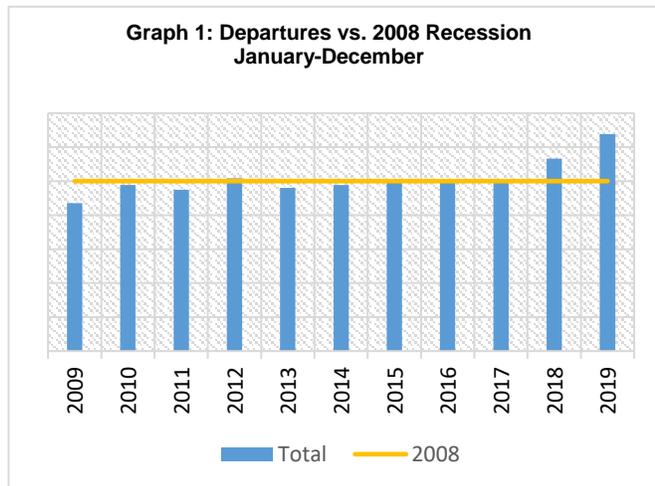
A disaggregation by market revealed that arrivals to New Providence increased by 14.5%, after tapering by 0.3% in 2018. This largely reflected a 14.7% recovery in the sea segment, vis-à-vis a 7.5% contraction in the prior year. In addition, air arrivals rose by 14.2%, but were below the previous year's advance of 19.4%.

For the Family Islands, total arrivals grew by 11.8%, notably lower than the 25.4% growth registered same period last year. The air component rose by a just 2.0%, discounted by paused activity on Abaco since September, while, the sea segment increased by 13.5%. In particular, year-to-date visits to Abaco declined by 6.0%, with the respective sea and air components decreasing, by 7.0% and 3.6%. Meanwhile, given damages sustained during the recent storm, traffic to Grand Bahama contracted by 18.1%, as both air and sea segments fell by 20.3% and 17.8%, respectively.



Sources: Ministry of Tourism, Nassau Airport Development Co.

In more recent data for December 2019, the Nassau Airport Development Company Limited (NAD) revealed that total international departures rose by 9.9% in the final month, following a 12.3% acceleration in 2018. Specifically, the dominant U.S. segment increased by 10.9%, after a gain of 13.4% in the previous year, while non-U.S. departures grew by 4.5%, relative to 2018's expansion of 6.8%. For the year, total departures expanded by 12.8%, vis-à-vis an increase of 13.8% in same period last year, and depicted a 27.7% rise in departures since the recession in 2008. Specifically, growth in the non-U.S. component slowed to 5.7% from 17.3% in the prior period. Meanwhile, U.S. departures rose by 14.0%, vis-à-vis a 13.2% advance a year earlier.



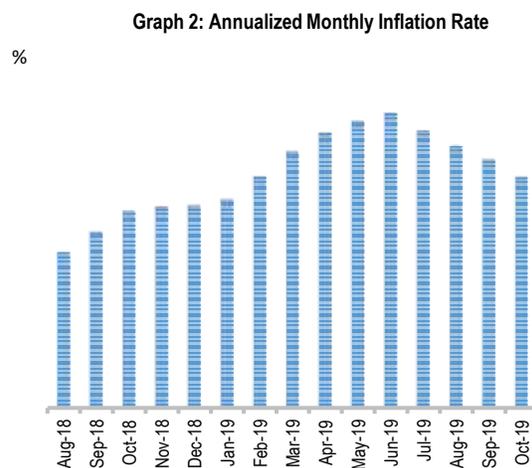
Source: Nassau Airport Development Co. (NAD)

Short-term rental market data provided by AirDNA revealed that activity remained positive in December. Specifically, total available listings strengthened by 10.5%, underpinned by growth across all major markets, while total booked listings rose by 27.9%. Bolstered by these developments, the average daily room rate (ADR) for both entire place listings and hotel comparable firmed by 0.6% and 1.3% to \$411.34 and \$155.42, respectively.

During 2019, the total available listings moved higher by 15.6% over 2018, reflecting overall improvements in entire place and private room listings. Likewise, bookings grew by 30.9%, vis-à-vis the previous year. However, the ADR for both hotel comparable accommodations and entire place listings reduced by 6.0% and 2.0%, to \$152.44 and \$394.67, respectively.

Prices

For the twelve months to October, the domestic inflation rate—as measured by the All Bahamas Retail Price Index—firmed by 38 basis points to 2.59%. A breakdown by category revealed that average prices for furnishing, household equipment & maintenance, and clothing & footwear rose, by 5.5% and 1.1%, respectively, contrasting with reductions recorded a year earlier. In addition, the rise in average prices quickened for transport (9.9%), restaurants & hotels (5.2%), alcoholic beverages, tobacco & narcotics (4.4%), health (3.9%), and miscellaneous goods & services (2.5%), respectively. In contrast, the increase in inflation rates slowed for housing, water, gas electricity & other fuels, and food & non-alcoholic beverages, while average cost reductions were noted for education, communication and recreation & culture.



Source: Department of Statistics

2. Domestic Monetary Trends

December 2019 vs. 2018

Liquidity

During the month of December, bank liquidity expanded, as fueled by reinsurance proceeds, the rise in the deposit base outpaced the growth in domestic credit. In particular, excess liquid assets—a broad measure of liquidity—grew by \$146.5 million to \$1,965.2 million, a reversal from a seasonal decrease of \$122.3 million in the comparable period in 2018. Similarly, excess reserves—a narrow measure of liquidity—rose by \$139.3 million to \$1,106.2 million, vis-à-vis a \$38.0 million decline in the prior year.

On a year-to-date basis, buttressed by the receipt of re-insurance proceeds, there was a sharp build up in liquidity. Specifically, both excess reserves and excess liquid assets grew by \$434.9 million and \$433.4 million, respectively, following contractions of \$186.2 million and \$209.3 million in 2018.

External Reserves

External reserves advanced by \$112.6 million in December to \$1,759.1 million, a turnaround from the \$84.3 million drawdown in the previous year. In the underlying transactions, the Central Bank's net foreign currency purchases from commercial banks increased to \$147.5 million from \$44.2 million, as banks' net intake from their customers advanced to \$147.4 million from \$29.5 million. Further, the Central Bank's net sale to the public sector narrowed to \$40.3 million from \$135.1 million in 2018.

These trends persisted over the year, as external reserves strengthened by \$560.0 million, a reversal from a contraction of \$209.3 million in 2018. Specifically, Central Bank's net foreign currency purchases from the commercial banks widened significantly to \$855.8 million from \$173.9 million, as commercial banks' net purchase from their customers expanded to \$860.3 million from \$159.1 million in the previous year. In addition, the Bank's net sale to the public sector reduced by \$25.6 million to \$392.7 million.

Exchange Control Sales

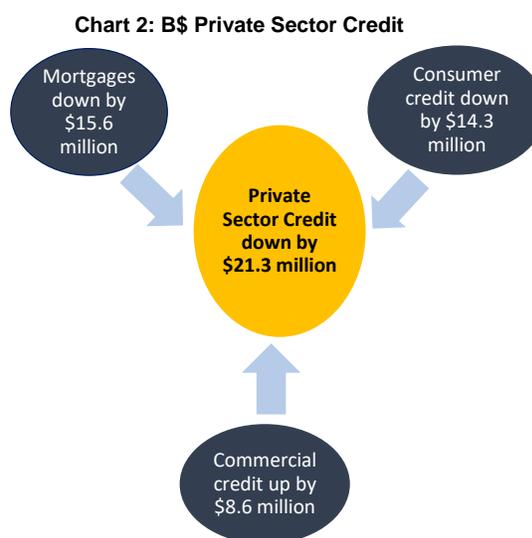
Preliminary data on foreign currency sales for current account transactions revealed that the comparative monthly outflows contracted by \$140.8 million to \$527.1 million in December, relative to 2018. The outturn reflected broad based declines across most of the major categories. In particular, "other" largely services payments were reduced by \$73.0 million; oil imports by \$58.0 million; and factor income remittances by \$16.0 million. In contrast, muted gains were posted for travel (\$2.9 million), non-oil imports (\$1.6 million) and transfer payments (\$1.6 million).

For the year, foreign currency sales for current account transactions decreased by \$101.9 million to \$5,959.7 million, in comparison to 2018. Notable contractions were recorded for factor income payments (\$124.8 million), non-oil imports (\$116.2 million) and oil imports (\$12.8 million). In contrast, foreign currency sales expanded for "other" current items (\$97.7 million), transfer payments (\$43.3 million) and travel (\$10.9 million).

Domestic Credit

Bahamian Dollar Credit

During December, total Bahamian dollar credit grew by \$2.0 million, lower than the \$7.9 million expansion in the preceding year. Net claims on the Government rose by \$24.6 million, surpassing the \$17.5 million growth the earlier year. In contrast, private sector credit declined by \$21.3 million to \$5,655.6 million, extending 2018's \$11.7 million reduction. In this regard, mortgages and consumer credit decreased by \$15.6 million and \$14.3 million, respectively, extending the \$7.6 million and \$5.1 million contraction in the prior year. Providing some offset commercial credit grew by \$8.6 million, following a \$1.0 million increase in 2018. Further, credit to public corporations fell by \$1.3 million, a reversal from a \$2.1 million growth in the previous year.



Source: Central Bank of The Bahamas

On a yearly basis, growth in total Bahamian dollar credit slackened to \$8.9 million from \$43.6 million in 2018. Private sector credit rose by \$8.3 million, vis-à-vis the \$104.8 million decline in 2018. Specifically, commercial credit rose by \$75.6 million, a turnaround from a \$9.4 million contraction a year earlier, outstripping the reduction in consumer credit and mortgages, of \$39.7 million and \$27.6 million, respectively. Further, the decrease in credit to public corporations widened to \$18.5 million from \$1.8 million in the previous year. In contrast, the growth in net claims on the Government tapered to \$19.1 million, from a \$150.2 million increase in the prior period

Foreign Currency Credit

Domestic foreign currency credit growth more than doubled to \$8.8 million. Underlying this outturn, private sector credit was moderately extended to \$7.1 million, with commercial loan gains boosted to \$6.5 million, but growth in mortgages slowed to \$0.6 million. Net claims on the Government were approximately recovered by \$1.7 million; but credit to public corporations was relatively flat.

Over the year, the expansion in domestic foreign currency credit widened to \$26.2 million from \$5.2 million. Credit to public corporations fell by \$24.5 million, a reversal from the \$19.1 million buildup recorded in 2018. However, growth in net claims on the Government accelerated to \$57.6 million from \$2.7 million last year. Further, the contraction in private sector credit slowed to \$6.9 million from \$16.7 million in the previous year, as commercial credit and mortgages reduced by \$6.8 million and \$0.1 million, following respective declines of \$12.6 million and \$4.1 million last year.

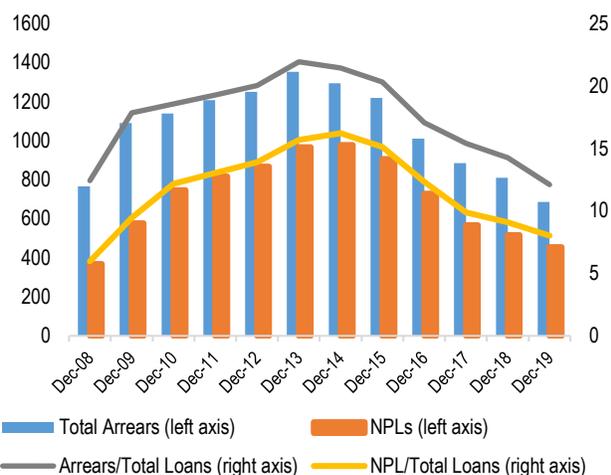
Credit Quality

During the review month, total private sector arrears declined by \$11.3 million (1.6%) to \$686.3 million, and by a corresponding 14 basis points to 12.1% of total private sector loans. By length of delinquency, short-term arrears (31-90 days) fell by \$2.5 million (1.2%) to \$232.3 million, with the corresponding ratio decreasing

by 2 basis points to 4.1%. Similarly, non-performing loans (NPLs) contracted by \$8.8 million (1.2%) to \$454.0 million, with the relevant ratio lower by 11 basis points to 8.0% of total private sector loans.

In terms of the various categories, commercial loan arrears reduced by \$16.3 million (20.1%) to \$64.6 million, reflecting a \$16.4 million (52.9%) falloff in short-term delinquencies, which eclipsed the \$0.2 million (0.4%) uptick in the long-term component. In comparison, consumer arrears increased by \$0.5 million (0.2%) to \$198.5 million, as short-term delinquencies advanced by \$5.9 million (7.7%), just ahead of the \$5.5 million (4.5%) decline in non-accruals. Similarly, mortgage arrears expanded by \$4.5 million (1.2%) to \$423.2 million, with the short-term segment higher by \$8.1 million (6.3%), overshadowing the \$3.5 million (1.2%) decrease in non-performing balances.

Graph 3: B\$ Credit Quality Indicators



Source: Central Bank of The Bahamas

Against this backdrop, banks reduced their total provisions for loan losses by \$6.8 million (1.6%) to \$428.8 million, leading to the ratio of total provisions to arrears and NPLs increasing by 4.0 percentage points to 62.5%, and by 33 basis points to 94.4%, respectively. In addition, banks wrote off an estimated \$13.7 million in bad loans and recovered approximately \$2.3 million.

On an annual basis, banks' total arrears decreased by \$123.5 million (15.3%), resulting in a 2.2 percentage point decline in the ratio of arrears to total private sector loans. The outcome reflected contractions in both long-term and short-term delinquencies, of \$63.0 million (12.2%) and \$60.5 million (20.7%), respectively.

By loan type, mortgage delinquencies declined by \$76.2 million (15.3%), as the non-accruals and the short-term categories fell by \$47.6 million (14.2%) and by \$28.7 million (17.5%), respectively. Similarly, consumer arrears reduced by \$30.9 million (13.5%), amid contractions of \$17.8 million (13.3%) in the long-term category, and \$13.1 million (13.7%) in the short-term segment. Similarly, commercial arrears decreased by \$16.5 million (20.3%), as the \$18.8 million (56.3%) reduction in short-term delinquencies, outweighed the \$2.4 million (4.5%) rise in the NPLs.

In line with the reduction in NPLs, banks reduced their total provisions for loan losses by \$9.7 million (2.2%) to \$428.8 million. However, the ratio of total provisions to NPLs improved by 9.6 percentage points to 94.4%, while the ratio of total provisions to arrears stabilized at 62.5%. When compared to December 2018, the NPLs and short-term rates reduced by 1.1 percentage points, each. Declines were recorded across all of the major loan categories, with mortgages, commercial and consumer arrears ratios decreasing by 2.7, 2.6 and 1.3 percentage points, respectively. Over the year, banks wrote off an estimated \$113.5 million in bad loans and recovered approximately \$30.5 million.

Deposits

During the review month, Bahamian dollar deposits expanded by \$122.9 million, a turnaround from a \$40.8 million reduction in the corresponding period of 2018. Underlying this outcome, demand and savings balances increased by \$102.2 million and \$33.4 million, rebounding from respective declines of \$16.3 million and \$12.0 million in 2018. In contrast, fixed deposits decreased further to \$12.7 million from \$12.4 million a year earlier. In addition, foreign currency deposits of residents more than doubled to \$86.8 million, from \$41.1 million in the comparable period of 2018.

Similar trends were noted for the entire year, as total Bahamian dollar deposits grew by \$575.1 million, a turnaround from a \$30.6 million contraction last year. In terms of the components, the growth in demand and savings deposits accelerated by \$496.7 million and \$215.7 million, respectively, extending the prior year's gains of \$96.7 million and \$53.1 million.

Interest Rates

With regard to interest rate developments, the weighted average loan rate at banks declined by 60 basis points to 11.20% in December. Similarly, the weighted average deposit rate at banks narrowed by 43 basis points to 0.41%, with the highest rate of 4.00% offered on fixed balances of over 12 months.

3. Domestic Outlook

Expectations are that the domestic economy will register a flat outturn in 2020, before experiencing an above trend rate of growth in 2021, as capacity is restored post-Hurricane Dorian. In this regard, sustained near-term improvements in the tourism sector is expected to be supported by activity within the New Providence market and the unaffected Family Islands, with contributions from Grand Bahama and Abaco strengthened in 2021. Against this backdrop, the unemployment rate is anticipated to increase over the near-term, with any job gains concentrated within the construction sector. In price developments, domestic inflation is expected to stay modestly elevated in the near-term, with the dissipating effects of the 2018 VAT increase partly replaced by persistent energy costs uncertainties, given current geopolitical tensions and the domestic electricity cost surcharge.

In terms of the fiscal sector, outlays associated with reconstruction of damaged infrastructure and replacement of fixed assets, combined with increased social welfare spending, are expected to weigh heavily on the Government's fiscal outturn. Some of the shortfall in revenue is anticipated to be alleviated by re-insurance receipts and donations from domestic and international sources, however the remaining budgetary gap will require increased domestic and external borrowing.

Monetary sector developments will continue to feature elevated banking sector liquidity, as commercial banks maintain their cautious lending posture and the total deposit base expand. However, external reserves could decline in the near-term as both re-insurance receipts and domestic currency resources finance the rebuilding activities. However, external balances are poised to remain well above international benchmarks, and are projected to resume an expansionary trajectory over the medium term.

4. Monetary Policy Implications

Based on the current outlook, the Central Bank will continue to pursue policies that support economic growth and the overall recovery. In addition, the Bank will continue to monitor developments within the international and domestic environment, with a view to maintaining financial sector stability.

APPENDIX

International Developments

Owing to heightened geopolitical tensions, ongoing trade disputes and unfavorable economic forecasts, global economic conditions varied over the review period. Against this backdrop, all major central banks sustained their accommodation monetary policy stance.

In the United States, economic indicators were mixed during the review period. In particular, total retail sales grew by 0.3% to \$529.6 billion in December, in-line with an equivalent increase a month earlier. In addition, the trade deficit improved by \$3.9 billion (8.3%) to \$43.1 billion in November, as imports reduced by 1.0%, alongside a rise in exports of 0.7%. Regarding labor market conditions, the unemployment rate remained unchanged at 3.5%, albeit the addition of 145,000 new jobs, particularly in the retail trade and health care sectors. Further, inflation for December, as measured by the Consumer Price Index for All Urban Consumers, rose by 0.2%, moderating from the 0.3% uptick in the prior month, occasioned by increases in the costs of gasoline, shelter and medical care. Conversely, industrial production declined by 30 basis points during the review period, as the seasonal decrease in utilities output outweighed gains in manufacturing and mining activity. On account of these developments, the Federal Reserve maintained its benchmark interest rate range of 1.50% - 1.75%.

Ongoing developments in the Brexit negotiations translated to some variation in economic indicators within the European economies. The United Kingdom's (UK) GDP contracted by 0.3% in November, reflecting a falloff in the manufacturing and production sectors. In price developments, the UK's annualized inflation rate narrowed by 10 basis points to 1.4% in December, bolstered by an increase in housing, water, electricity, gas and other fuels. In contrast, the euro area's inflation rate increased by 30 basis points to 1.3%, reflecting higher service and food prices. Labor market conditions steadied, as the respective jobless rates in both the euro area and UK remained unchanged, at 7.5% and 3.8%, in November. On the external front, the UK's trade surplus more than doubled over the three months to November, to £1.1 billion from a mere £0.5 billion over the previous month, as exports expanded by 3.0%, outweighing the 2.6% increase in imports. In contrast, the euro area's international trade surplus reduced by €7.3 billion (26.1%) to €20.7 billion over the month, as exports declined by 9.3%, outpacing a 6.8% reduction in imports. In the euro area, retail sales grew by 1.0% in November, owing to broad-based gains in sales of non-food products (except automotive fuel). However, retail sales in the UK fell, for the fifth consecutive month, by 0.6% vis-a-vis the prior month, largely reflecting a falloff in purchases from food stores. Further, industrial production for the UK contracted by 1.2 percentage points in November, underpinned by a reduction in manufacturing. In contrast, the euro area recorded a 0.2% uptick in industrial production, as higher demand for capital goods and energy outstripped the falloff in consumer and intermediate goods production. In light of these developments, the Bank of England and the European Central Bank maintained their accommodative monetary policy stances.

Economic indicators in the Asian markets varied during the review period. In terms of prices, Japan's inflation rate rose by 0.2% in November, driven by increases in all items, less fresh food, while in China, average prices steadied in December. Further, the jobless rate for China increased by 10 basis points to 5.2% during the review period, while Japan's unemployment rate narrowed by 20 basis points to 2.2%. In addition, China's industrial production broadened by 0.7 percentage points in December, contrasting with a 0.9% softening in Japan, for the month of November. On the external front, Japan reported a deficit of ¥85.2 billion, after a surplus of ¥12.8 billion a month earlier, as exports fell by 3.0%, outstripping the 1.5% reduction in imports. Conversely, China's trade surplus increased by \$8.1 billion (20.8%) to \$46.8 billion, as exports rose by 7.3%, surpassing the 3.8% rise in imports. Retail sales expanded in both Japan and China in November, by 4.5% and 0.5%, respectively. In this environment, the Bank of Japan maintained its policy rate of -0.1%, and the People's Bank of China kept its reverse repo rate at 2.55%.

Positive movements were recorded in all major global stock indices during the month of December. In the United States, both the S&P 500 and Dow Jones Industrial Average (DJIA) rose by 2.9% and 1.7%, respectively. Similar trends were observed in European markets, with the United Kingdom's FTSE 100, France's CAC 40, and Germany's DAX moving higher, by 2.7%, 1.2% and 0.1%, respectively. In Asia, China's SE Composite improved by 6.2%, while Japan's Nikkei 225 firmed by 1.6%.

Currency market developments revealed a depreciation in the US dollar against all major currencies over the review period. In particular, the dollar decreased relative to the Swiss Franc, British Pound and Canadian dollar, by 3.3%, 2.5%, and 2.2%, to CHF 0.9676, £0.7544 and CAD\$1.299, respectively. Similarly, the dollar weakened vis-à-vis the euro, Chinese Renminbi and Japanese Yen, by 1.7%, 1.0% and 0.8%, to €0.8917, CNY 6.9632 and ¥108.61, respectively.

Broad-based increases were registered in the major commodity markets in December. Specifically, the price of crude oil rose by 13.6% to \$68.38 per barrel, amid a decrease in OPEC's production, by 161 thousand barrels per day to 29.44 million barrels per day. Similarly, silver and gold prices grew by 4.8% and 3.6%, to \$17.85 and \$1,517.27 per troy ounce, respectively.

Recent Monetary and Credit Statistics

(B\$ Millions)

December					
Value		Change		Change YTD	
2018	2019	2018	2019	2018	2019

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	671.34	1,106.22	-37.95	139.28	-186.21	434.88
1.2 Excess Liquid Assets	1,531.79	1,965.18	-122.32	146.52	-209.29	433.39
1.3 External Reserves	1,199.17	1,759.12	-84.29	112.61	-209.24	559.95
1.4 Bank's Net Foreign Assets	57.11	203.70	26.62	82.01	231.94	146.59
1.5 Usable Reserves	524.23	836.19	-75.09	36.78	-144.77	311.96

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,855.06	5,856.46	-6.60	-14.18	-121.42	1.40
a. B\$ Credit	5,647.30	5,655.57	-11.71	-21.29	-104.77	8.27
of which: Consumer Credit	2,117.91	2,078.23	-5.13	-14.26	-79.62	-39.68
Mortgages	2,866.22	2,838.58	-7.60	-15.62	-15.78	-27.64
Commercial and Other Loans B\$	663.17	738.76	1.03	8.59	-9.37	75.59
b. F/C Credit	207.76	200.88	5.11	7.11	-16.65	-6.87
of which: Mortgages	58.11	58.04	4.26	0.63	-4.09	-0.07
Commercial and Other Loans F/C	149.65	142.84	0.85	6.48	-12.56	-6.80
2.2 Central Government (net)	2,533.53	2,610.18	15.59	26.23	152.89	76.65
a. B\$ Loans & Securities	2,745.50	2,839.45	34.33	36.84	134.21	93.96
Less Deposits	209.89	284.76	16.86	12.28	-15.95	74.87
b. F/C Loans & Securities	7.00	57.00	0.00	0.00	7.00	50.00
Less Deposits	9.08	1.51	1.87	-1.66	4.28	-7.57
2.3 Rest of Public Sector	486.89	443.93	2.02	-1.27	17.29	-42.96
a. B\$ Credit	297.10	278.62	2.10	-1.27	-1.80	-18.49
b. F/C Credit	189.78	165.31	-0.08	0.00	19.09	-24.47
2.4 Total Domestic Credit	8,875.47	8,910.56	11.01	10.78	48.76	35.09
a. B\$ Domestic Credit	8,480.01	8,488.88	7.86	2.01	43.60	8.86
b. F/C Domestic Credit	395.46	421.68	3.16	8.77	5.16	26.23

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,457.16	2,953.85	-16.33	102.23	96.68	496.69
a. Central Bank	74.86	49.80	5.07	-10.48	60.79	-25.06
b. Banks	2,382.30	2,904.05	-21.40	112.71	35.89	521.75
3.2 Savings Deposits	1,420.73	1,636.45	-12.03	33.34	53.07	215.72
3.3 Fixed Deposits	2,562.26	2,424.94	-12.41	-12.66	-180.39	-137.32
3.4 Total B\$ Deposits	6,440.15	7,015.24	-40.77	122.91	-30.64	575.10
3.5 F/C Deposits of Residents	518.07	669.99	41.10	86.75	216.05	151.92
3.6 M2	6,743.76	7,352.33	-40.66	137.43	-34.04	608.58
3.7 External Reserves/M2 (%)	17.78	23.93	-1.14	1.11	-3.00	6.14
3.8 External Reserves/Base Money (%)	95.80	101.60	-3.62	-2.85	-1.82	5.80
3.9 External Reserves/Demand Liabilities (%)	88.84	95.30	-4.97	-1.88	-6.40	6.47
	Value		Year To Date		Change	
	2018	2019	2018	2019	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-90.97	107.24	-244.39	463.15	198.21	707.53
a. Net Purchase/(Sale) from/to Banks	44.17	147.49	173.90	855.82	103.33	681.92
i. Sales to Banks	19.14	8.00	389.14	90.05	-11.14	-299.09
ii. Purchase from Banks	63.31	155.49	563.04	945.87	92.19	382.83
b. Net Purchase/(Sale) from/to Others	-135.13	-40.25	-418.29	-392.67	94.88	25.61
i. Sales to Others	196.45	77.58	1025.83	953.67	-118.88	-72.16
ii. Purchase from Others	61.32	37.32	607.55	561.00	-24.00	-46.55
4.2 Banks Net Purchase/(Sale)	29.54	147.43	159.14	860.31	117.90	701.18
a. Sales to Customers	559.10	500.28	5499.39	4959.97	-58.82	-539.42
b. Purchase from Customers	588.64	647.71	5658.52	5820.28	59.08	161.76

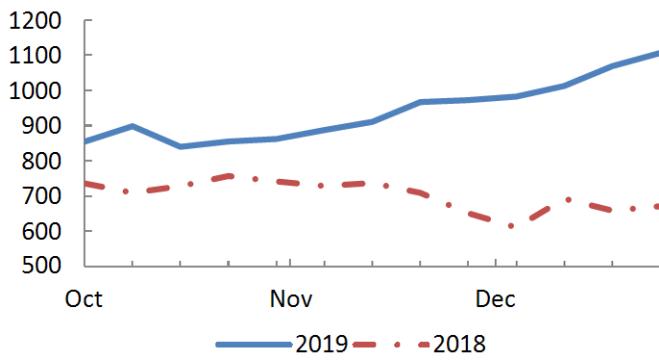
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	667.95	527.14	6,061.56	5,959.67	-140.81	-101.89
of which Public Sector	103.78	6.10	717.22	765.77	-97.68	48.55
a. Nonoil Imports	137.95	139.54	1,566.48	1,450.25	1.59	-116.23
b. Oil Imports	86.11	28.16	595.69	582.94	-57.95	-12.75
c. Travel	39.07	42.01	337.40	348.28	2.94	10.89
d. Factor Income	25.37	9.34	494.77	370.01	-16.04	-124.76
e. Transfers	21.07	22.70	211.22	254.50	1.62	43.27
f. Other Current Items	358.37	285.40	2,856.00	2,953.69	-72.98	97.68
5.2 Capital Items	22.60	9.95	317.95	250.52	-12.65	-67.43
of which Public Sector	0.01	0.00	178.13	138.50	-0.01	-39.63

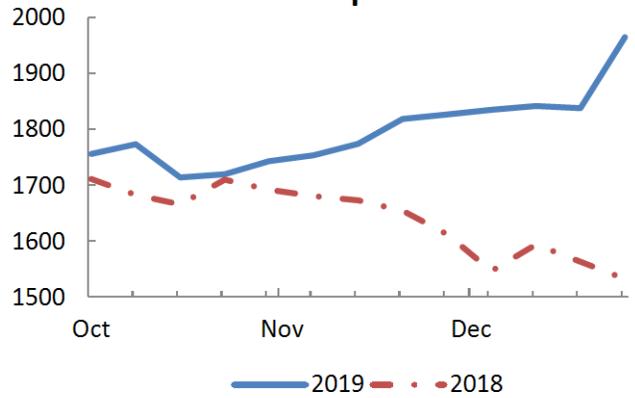
SELECTED MONEY AND CREDIT INDICATORS

(B\$ Millions)

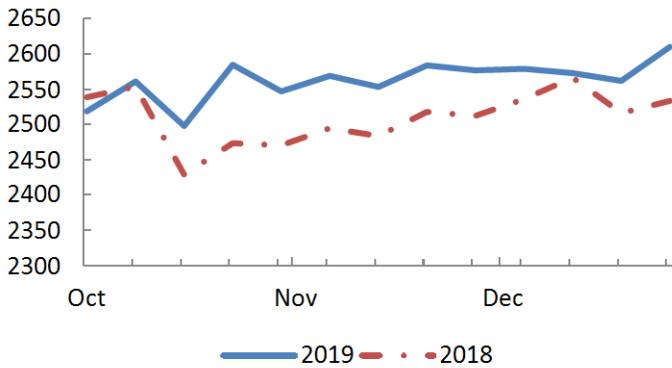
Excess Reserves



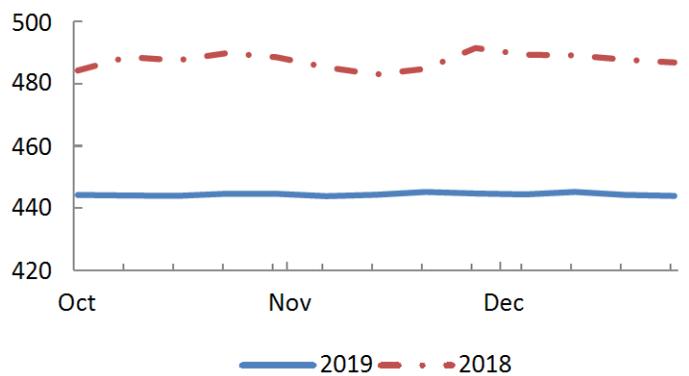
Excess Liquid Assets



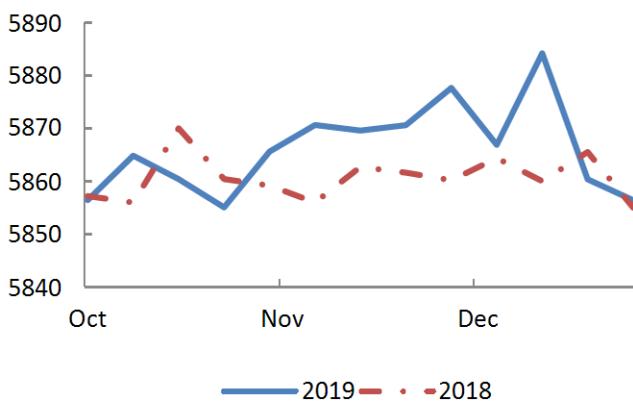
Central Govt. Credit (Net)



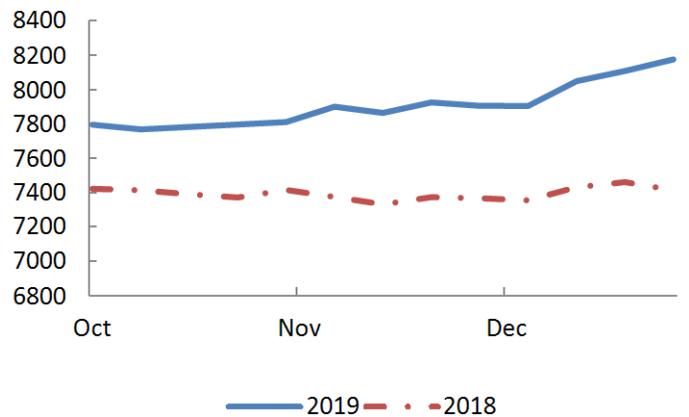
Rest of Public Sector Credit



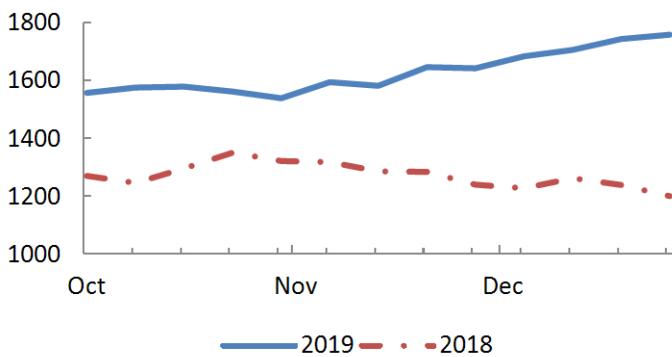
Private Sector Credit



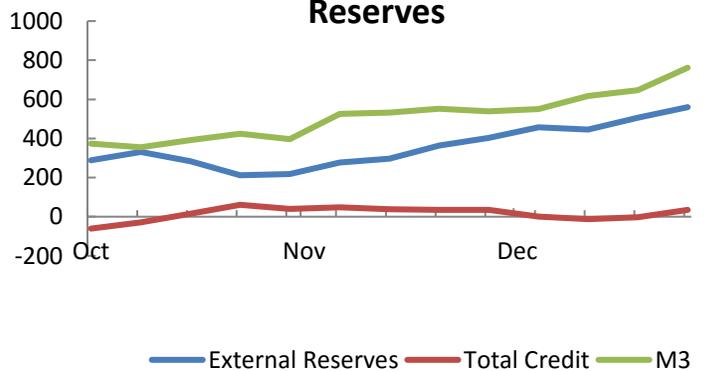
M3



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	
	2017	2018	2017	2018	2017	2018
Bahamas	1.4	2.3	1.4	2.5	10.1	10.7
United States	2.2	2.9	2.1	2.4	4.4	3.8
Euro-Area	2.4	2.0	1.5	1.7	9.1	8.3
Germany	2.5	1.9	1.7	1.8	3.8	3.5
Japan	1.7	1.1	0.5	1.2	2.9	2.9
China	6.9	6.6	1.6	2.2	3.9	4.0
United Kingdom	1.7	1.4	2.7	2.7	4.4	4.1
Canada	3.0	2.1	1.6	2.6	6.3	6.1

Source: IMF World Economic Outlook October 2018, Department of Statistics

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
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	0.25
December 2017	4.00	0.00	1.75	1.00-1.25	0.50
January 2018	4.00	0.00	2.00	1.25-1.50	0.50
February 2018	4.00	0.00	2.00	1.25-1.50	0.50
March 2018	4.00	0.00	2.00	1.25-1.50	0.50
April 2018	4.00	0.00	2.25	1.50-1.75	0.50
May 2018	4.00	0.00	2.25	1.50-1.75	0.50
June 2018	4.00	0.00	2.50	1.75-2.00	0.50
July 2018	4.00	0.00	2.50	1.75-2.00	0.50
August 2018	4.00	0.00	2.50	1.75-2.00	0.50
September 2018	4.00	0.00	2.50	1.75-2.00	0.75
October 2018	4.00	0.00	2.75	2.00-2.25	0.75
November 2018	4.00	0.00	2.75	2.00-2.25	0.75
December 2018	4.00	0.00	2.75	2.00-2.25	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75
May 2019	4.00	0.00	3.00	2.25-2.50	0.75
June 2019	4.00	0.00	3.00	2.25-2.50	0.75
July 2019	4.00	0.00	3.00	2.00-2.25	0.75
August 2019	4.00	0.00	2.75	2.00-2.25	0.75
September 2019	4.00	0.00	2.50	1.75-2.00	0.75
October 2019	4.00	0.00	2.25	1.50-1.75	0.75
November	4.00	0.00	2.25	1.50-1.75	0.75
December	4.00	0.00	2.25	1.50-1.75	0.75

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Dec-18	Nov-19	Dec-19	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8719	0.9075	0.8917	-1.74	2.27	2.27
Yen	109.7	109.49	108.61	-0.80	-0.99	-0.99
Pound	0.7837	0.7736	0.7544	-2.47	-3.73	-3.73
Canadian \$	1.3641	1.3281	1.299	-2.19	-4.77	-4.77
Swiss Franc	0.9816	1.0001	0.9676	-3.25	-1.43	-1.43
Renminbi	6.8785	7.0326	6.9632	-0.99	1.23	1.23

Source: Bloomberg as of December 31st, 2019

D. Selected Commodity Prices (\$)					
Commodity	December 2018	November 2019	December 2019	Mthly % Change	YTD % Change
Gold / Ounce	1282.45	1463.95	1517.27	3.64	18.31
Silver / Ounce	15.50	17.03	17.85	4.83	15.21
Oil / Barrel	52.28	60.21	68.38	13.57	30.80

Source: Bloomberg as of December 31st, 2019

E. Equity Market Valuations – December 31st, 2019 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	1.90	1.74	2.86	2.67	1.23	0.10	1.56	6.20
3 month	2.78	14.53	8.53	1.81	5.29	6.61	8.74	4.99
YTD	9.40	9.14	14.41	0.12	9.05	0.45	2.42	-12.37
12-month	9.40	9.14	14.41	0.12	9.05	0.45	2.42	-12.37

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	1.9500	0.7100	-0.6250
1 Month	1.7600	0.7300	-0.4700
3 Month	1.8550	0.7650	-0.4200
6 Month	1.8300	0.9050	-0.4100
9 Month	1.8800	1.0000	-0.3800
1 year	2.0100	1.0900	-0.3700

Source: Bloomberg as of December 31st, 2019

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

	VALUE										CHANGE					
	Nov. 13	Nov. 20	Nov. 27	Dec. 04	Dec. 11	Dec. 18	Dec. 25	Jan. 01	Nov. 13	Nov. 20	Nov. 27	Dec. 04	Dec. 11	Dec. 18	Dec. 25	Jan. 01
I. External Reserves	1,594.38	1,581.88	1,646.51	1,642.58	1,684.11	1,706.30	1,744.06	1,759.12	55.66	(12.50)	64.64	(3.93)	41.53	22.19	37.76	15.06
II. Net Domestic Assets (A + B + C + D)	(120.22)	(78.24)	(70.20)	(60.48)	(92.41)	(70.75)	(19.39)	(27.74)	(38.11)	41.98	8.04	9.72	(31.93)	21.66	51.35	(8.35)
A. Net Credit to Gov't (I + ii + iii - iv)	389.13	372.43	378.14	371.33	370.28	361.13	419.45	383.67	(11.71)	(16.69)	5.71	(6.81)	(1.05)	(9.15)	58.32	(35.78)
i) Advances	14.90	14.90	14.90	14.90	14.90	14.90	74.90	74.90	-	-	-	-	-	-	60.00	-
ii) Registered Stock	268.27	251.74	251.05	251.29	251.37	251.38	246.82	246.91	0.12	(16.53)	(0.69)	0.24	0.07	0.02	(4.56)	0.09
iii) Treasury Bills	177.01	173.69	169.54	163.36	163.36	163.36	163.36	126.28	(3.98)	(3.32)	(4.14)	(6.18)	(0.00)	0.00	0.00	(37.09)
iv) Deposits	71.06	67.90	57.35	58.22	59.35	68.51	65.63	64.42	7.85	(3.16)	(10.55)	0.87	1.12	9.17	(2.88)	(1.21)
B. Rest of Public sector (Net) (i+ii-iii)	(87.20)	(56.36)	(53.23)	(59.43)	(49.92)	(55.52)	(40.28)	(42.74)	0.78	30.84	3.14	(6.21)	9.51	(5.60)	15.25	(2.47)
i) Loans	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	-	-	-	-	-	-	-	-
ii) Bonds/Securities	4.68	4.68	4.68	4.68	4.68	4.68	4.68	4.68	-	-	0.00	-	-	-	-	-
iii) Deposits	94.25	63.41	60.28	66.49	56.98	62.58	47.33	49.80	(0.78)	(30.84)	(3.13)	6.21	(9.51)	5.60	(15.25)	2.47
C. Loans to/Deposits with Banks	-	-	-	-	-	-	-	-	-							
D. Other Items (Net)*	(422.15)	(394.32)	(395.12)	(372.38)	(412.77)	(376.36)	(398.57)	(368.67)	(27.18)	27.83	(0.81)	22.74	(40.39)	36.41	(22.22)	29.90
III. Monetary Base	1,474.16	1,503.63	1,576.31	1,582.10	1,591.70	1,635.55	1,724.66	1,731.38	17.55	29.48	72.68	5.79	9.60	43.85	89.11	6.71
A. Currency in Circulation	434.27	436.86	446.05	457.91	452.91	466.46	493.62	488.50	(3.60)	2.58	9.19	11.86	(4.99)	13.55	27.16	(5.12)
B. Bank Balances with CBOB	1,039.88	1,066.78	1,130.26	1,124.19	1,138.78	1,169.09	1,231.04	1,242.87	21.15	26.89	63.48	(6.07)	14.59	30.30	61.96	11.83

