



Monthly Economic and Financial Developments July 2011

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:

2011: October 3, October 31, November 28, December 19.

Monthly Economic and Financial Developments

July 2011

1. Domestic Economic Developments

Preliminary indications are that the momentum of the recovery in the domestic economy was sustained during July. Anecdotal evidence on tourism sector performance suggests an improved outturn, after a relatively slow start to the year. In addition to the main United States market, where the group segment has shown signs of revival, sectoral improvements have been noted in the Latin American market, due to increased airline capacity. Construction output continued to benefit from a stable contribution from public sector infrastructural investments, alongside foreign investment related projects, led by the commencement of the “core” phase of the Baha Mar project.

Considerable slack remained in the labour market, although improving economic conditions have led to a reduction in the unemployment rate for the period ending May 2011, to 13.7% from 14.2% in May 2009. As reported by the Department of Statistics, the majority of the job gains over the last two years have been in the informal sector, and the number of discouraged workers was elevated by 34.8% to 11,900.

Despite the recent uptrend in international oil prices, energy costs declined over the review month. Average gasoline and diesel prices fell by 4.0% to \$5.27 and 1.2% to \$4.98, respectively in July; however, when compared to the same month of the previous year, the mean prices of gasoline and diesel were higher by 25.5% and 41.1%, respectively. In terms of electricity costs, the Bahamas Electricity Corporation’s fuel charge was stable, at 22.75 cents per kWh for July, but grew by 11.62 cents per kWh over last year.

In monetary developments, both banking sector liquidity and external reserves remained at above average levels. Given the ongoing sluggishness in economic activity and high unemployment levels, banks’ credit quality indicators deteriorated during the review month.

2. International Developments

Global economic developments were dominated by the heightened uncertainty caused by the ongoing debt crisis in several economies in the euro zone and concerns over the lack of a timely resolution to the United States debt ceiling debate, which contributed to further weakening in the US Dollar and broad-based losses in most of the major stock indices. Asian economies appeared more buoyant, amid further strengthening in the Chinese market and signs of recovery in Japan, following the natural disasters.

Based on preliminary estimates, real output in the United States firmed by an annualized rate of 1.3% in the second quarter, an improvement from the previous period’s 0.4% advance, benefitting from a reduction in imports, heightened Government expenditures and an uptick in business investment. Further, retail sales were higher by 0.5% in July—the largest monthly gain in four months—after increasing by 0.3% in June, while housing conditions improved marginally, with building permits and housing starts rising by annual rates of 3.8% and 9.8% in July. However, some signs of softening in the manufacturing sector were noted, as exports declined by \$4.1 billion. With the modest increase in activity, nonfarm payrolls firmed by 117,000, which led to a marginal decline of 0.1 of a percentage point in the unemployment rate to 9.1%. Price pressures remained relatively benign, although consumer prices rose by 0.5%, after a 0.2%

contraction in the prior month, based on higher food and fuel costs. On the monetary front, the Federal Reserve kept interest rates at historically low levels, in support of the recovery.

In Europe, the economic environment remained challenging, amid persistent concerns over the fiscal sustainability of several countries' economies. Real GDP in the United Kingdom rose by a reduced 0.2% in the second quarter, following a 0.5% increase in the prior period, reflecting broad-based slowdowns in several key industries. On the external side, the trade deficit widened to £4.5 billion in June, from £4.0 billion a month earlier, reflecting a deterioration in the goods deficit to £8.9 billion. In the labour market, the jobless rate rose to 7.9% in the second quarter, as the total number of unemployed persons increased by 38,000 to 2.49 million. Owing mainly to higher prices for financial services and clothing & footwear, annual consumer price inflation remained elevated at 4.4% in July relative to 4.2% a month earlier. Despite inflation being well above the 2.0% target, the Bank of England kept the official bank rate at 0.5% and maintained the size of its asset purchase programme at £200 billion.

Indications are that economic conditions in the euro zone remained lacklustre, amid concerns over the fiscal sustainability of several significant members of the zone. In this economic climate, real GDP rose by a marginal 0.2% in the second quarter, following a 0.8% expansion in the previous three-month period. Other economic indicators remained mixed, with industrial production decreasing by 0.7% in June, after a marginal 0.2% uptick a month earlier; however, retail trade rose by 0.9% in contrast to a 1.3% falloff in May. As the decline in imports outpaced that of exports, the euro area's trade surplus widened by €0.7 billion to €0.9 billion over the month. The unemployment rate was unchanged from the previous period at 9.9% in June; while annual inflation narrowed marginally to 2.5% in July from 2.7% a month earlier. Despite the anaemic growth levels, the European Central Bank increased its key interest rate by 25 basis points, in an effort to constrain the rise in inflation.

Buoyant economic growth fundamentals persisted in Asia, with China's industrial output advancing by 14.0% in July, year-on-year, albeit marginally below the 15.1% gain in June. Sustained domestic demand supported a 1.3% advance in retail sales, up from 1.4% in June. Amid growing external demand, the trade surplus surged by 41.0% to US\$31.5 billion, as the 20.4% gain in exports offset the 22.9% rise in imports. Given the continued upward pressure exerted by rising food prices, the annual inflation rate reached an elevated 6.5% in the review month. This prompted the People's Bank of China to raise its key deposit and lending rates, by 25 basis points each, to 3.50% and 6.56%, respectively.

In the aftermath of the earthquake, tsunami and nuclear disasters, the Japanese economy contracted at an annualized rate of 1.3% in the June quarter, after declining by 0.3% in the previous three-month period. However, the economy showed signs of recovery in the latter months of the quarter, as the easing in supply-side constraints resulted in industrial output growing by 3.9% in June, following a 6.2% increase in the prior month. Further, retail sales rose by 2.9%—the first increase since March. Meanwhile, the unemployment rate rose by 0.1 of a percentage point to 4.6% in June, after decreasing by 0.2% in the previous month. Underpinned by lower costs for furniture and household appliances, consumer price inflation softened by 0.1% in June, to reverse last month's equivalent gain. Monetary policy remained accommodative, as the Bank of Japan left its uncollateralized overnight call rate unchanged at the 0.0%-0.1% range.

Partly reflecting sustained downward pressure on the US dollar, the price of crude oil rose in July, by 6.5% to \$118.03 per barrel, while OPEC increased its crude oil production by 400,000 barrels per day to average 30.1 million barrels per day. In addition, concerns over the debt crisis facing Europe and the indecision by

the US Government regarding the debt ceiling, contributed to investors' flight to relatively "safe" assets. As a consequence, the respective prices for gold and silver moved higher, by 8.5% to \$1,627.88 per troy ounce and by 15.0% to \$39.89 per troy ounce.

Amid the heightened uncertainty in the financial markets, most of the major indices reported broad-based decreases in July. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 index both declined by 2.2% each. For European bourses, France's CAC 40 contracted by 7.8%, and Germany's DAX and the United Kingdom's FTSE 100 moved lower by 3.0% and 2.2%, respectively. Asian equities reported mixed performances, with China's SE composite weakening by 2.2%, while Japan's Nikkei 225 improved marginally by 0.2%.

Reflecting rising economic and fiscal uncertainties in the United States, the dollar depreciated against most of the major currencies. The dollar weakened against the British pound, by 2.3% to £0.6089, relative to the Swiss Franc, by 6.5% to CHF0.7857 and the Canadian dollar, by 0.8% to CND\$0.9555. Further, the dollar declined vis-à-vis the Japanese Yen (by 4.7%) and the Chinese Yuan (by 0.4%), to ¥76.76 and CNY6.4371, respectively. Conversely, as fiscal challenges persisted in Europe, the dollar strengthened against the euro by 0.7% to €0.6945.

3. Domestic Monetary Trends

Increased short-term advances from the Central Bank, alongside moderate net inflows of foreign currency from foreign investment and real sector activities, supported gains in both liquidity and external reserves over the review month. In contrast, banks' credit quality indicators worsened, accompanied by a corresponding rise in loan loss provisions.

July 2011 vs. 2010

In July, banks' excess reserves rose by \$78.7 million to \$620.9 million, significantly above the \$3.9 million gain a year earlier. Similarly, excess liquid assets advanced by \$65.5 million to \$967.4 million, outpacing the previous year's \$16.4 million growth.

External reserves expanded by \$10.2 million, a turnaround from a \$38.7 million contraction a year earlier, as the Central Bank recorded a \$8.5 million net purchase of foreign currency, vis-à-vis a net sale of \$39.2 million in the previous period. Underpinning this outcome was a reversal in the Bank's transactions with commercial banks, from a net sale of \$22.3 million in 2010 to a net purchase of \$38.7 million in the review period, corresponding to a similar turnaround in banks' transactions with their clients. However, the Bank's net sale to the public sector—mainly for fuel payments—rose by \$13.4 million to \$30.3 million during the review month.

Growth in Bahamian dollar credit accelerated more than two-fold to \$51.9 million, as increased advances from the banking system, elevated net credit to the Government by \$41.5 million, in contrast to a net repayment of \$10.1 million a year earlier. In addition, claims on the rest of the public sector firmed by \$9.3 million, following a \$6.2 million increase last year. By contrast, the expansion in private sector credit slackened to \$1.1 million from \$26.5 million; mortgage growth weakened to a mere \$1.4 million from \$15.5 million, and the \$2.6 million contraction in commercial and other loans reversed last year's \$22.1 million gain. However, consumer credit, at 34.3% of total Bahamian dollar claims on the private sector, firmed by \$2.3 million, in contrast to the year-earlier \$11.0 million net repayment.

Following last month's slight improvement, the level of loan arrears in the banking system firmed modestly, although not a broadly based movement among the majority of institutions. Total private sector loan arrears increased by \$24.7 million (2.2%) to \$1,162.4 million, with the corresponding ratio to private sector loans firming by 0.4 of a percentage point to 18.9%. An analysis of the average age of delinquencies showed arrears in the short-term (31-90 days) category rising by \$14.1 million (3.0%) to \$490.4 million, and the relevant ratio, by 0.2 of a percentage point to 8.0%. Similarly, the non-performing component—arrears over 90 days and on which banks have stopped accruing interest—rose by \$10.5 million (1.6%) to \$672.0 million, resulting in a 0.2 percentage point broadening in the corresponding ratio to 10.9%.

In terms of the components, the growth in total arrears reflected a \$19.6 million (7.9%) increase in the commercial segment to \$266.8 million and a more modest \$10.0 million (3.8%) rise in consumer delinquencies to \$271.7 million, which offset the \$4.9 million (0.8%) reduction in the mortgage component to \$624.0 million. The expansion in commercial delinquencies was led by a \$17.1 million (31.2%) boost in the 31-90 day segment and a \$2.5 million (1.3%) uptick in non-accrual loans. Similarly, the advance in consumer arrears was due mainly to a \$10.6 million (9.4%) rise in the short-term segment, which negated a \$0.6 million (0.4%) reduction in the non-performing category. In contrast, the decrease in mortgage arrears reflected a \$13.6 million (4.4%) decline in short-term delinquencies, which eclipsed the \$8.7 million (2.7%) gain in non-performing loans.

Reflective of banks' conservative provisioning policies, loan loss provisions were raised by \$6.0 million (2.1%) to \$287.8 million in July, resulting in the ratio of provisions to arrears steadying at 24.8%; while the corresponding non-performing loan ratio firmed by 0.2 of a percentage point to 42.8%. Further, loan write-offs and recoveries for the period totalled \$21.8 million and \$4.2 million, respectively.

During the review month, domestic foreign currency credit rose by \$7.2 million, a slowdown from a \$30.5 million advance last year. This outturn was due to a \$1.5 million contraction in private sector credit, a turnaround from a \$30.7 million expansion in 2010; commercial and other loans fell by \$1.5 million, versus growth of \$27.7 million in the prior year, while mortgages were unchanged, after increasing by \$3.1 million in 2010. Further, the gain in net claims on the Government slackened to \$0.2 million from \$2.3 million, whereas credit to the public sector rebounded by \$8.5 million, following a \$2.5 million net repayment in the prior period.

Accretions to Bahamian dollar deposits firmed by \$56.4 million to \$57.3 million, reflecting broad-based increases in all deposit categories. Demand balances rose by \$42.0 million vis-à-vis a \$4.1 million contraction last year; the expansion in savings deposits was higher at \$14.9 million from \$13.5 million, and fixed balances firmed marginally by \$0.4 million, following an \$8.5 million reduction in 2010.

With respect to interest rates, the spread between the average loan and deposit rates widened over the review month, as the decline in average deposit rates overshadowed the contraction in loan rates. Specifically, the weighted average deposit rate fell by 42 basis points to 2.20% in July, with the highest rate of 5.25% offered on fixed balances of over 12 months. Similarly, the weighted average loan rate moved lower by 21 basis points to 11.07%.

4. Outlook and Policy Implications

The ongoing recovery in domestic economic activity is anticipated to be sustained over the near-term, supported by tourism and foreign investment-led construction sector activity—although global headwinds

remain, including signs of a slowdown in United States economic activity and increased uncertainty in the capital markets following the recent downgrade of the US sovereign debt by one of the major ratings agencies. Domestic consumer price trends are likely to remain relatively benign, amid persistent volatility in global energy costs.

For fiscal developments, Government's announced budgetary measures for FY2011/12 are expected to result in a widening of the deficit and an increase in the corresponding debt indicators. Opportunities for improvement over the medium term will depend on the pace of the economic recovery and the success of policy measures designed to enhance revenue collections and rein in expenditure growth.

On the monetary front, both bank liquidity and external reserves are projected to remain buoyant over the near-term, supported by foreign currency inflows from foreign investment as well as real sector activities, and amid relatively weak consumer demand impulses. Loan delinquencies in the banking sector are forecasted to stay elevated until the economic recovery broadens, although banks remain well capitalised, staving off any financial stability concerns.

Recent Monetary and Credit Statistics

(B\$ Millions)

JULY						
Value		Change		Change YTD		
2010	2011	2010	2011	2010	2011	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	335.19	620.87	3.89	78.67	73.10	231.37
1.2 Excess Liquid Assets	661.62	967.40	16.35	65.45	157.76	154.08
1.3 External Reserves	822.86	1,081.57	-38.67	10.21	-2.52	220.52
1.4 Bank's Net Foreign Assets	-635.95	-507.35	-61.86	37.70	30.27	160.31
1.5 Usable Reserves	428.87	542.54	-39.95	-28.23	-30.00	108.13

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,524.76	6,485.69	57.27	-0.36	-20.68	-27.60
a. B\$ Credit	6,070.64	6,179.47	26.54	1.14	-49.09	38.31
of which: Consumer Credit	2,129.71	2,121.35	-11.02	2.32	-43.00	-11.49
Mortgages	3,023.49	3,111.16	15.45	1.36	27.42	25.99
Commercial and Other Loans B\$	917.45	946.96	22.11	-2.55	-33.51	23.82
b. F/C Credit	454.11	306.22	30.74	-1.50	28.41	-65.92
of which: Mortgages	105.50	131.15	3.08	-0.01	9.56	2.54
Commercial and Other Loans F/C	348.61	175.07	27.66	-1.49	18.85	-68.45
2.2 Central Government (net)	1,220.20	1,286.34	-7.75	41.72	229.90	-100.16
a. B\$ Loans & Securities	1,358.86	1,413.23	-22.96	30.61	192.01	-46.08
Less Deposits	138.86	125.83	-12.91	-10.89	-35.98	-13.57
b. F/C Loans & Securities	2.56	0.00	-0.00	0.00	-1.15	-70.00
Less Deposits	2.36	1.05	-2.31	-0.22	-3.06	-2.36
2.3 Rest of Public Sector	389.71	402.08	3.64	17.76	23.59	0.96
a. B\$ Credit	102.78	120.45	6.16	9.27	21.42	6.51
b. F/C Credit	286.93	281.63	-2.52	8.49	2.17	-5.55
2.4 Total Domestic Credit	8,134.79	8,174.07	53.17	59.11	232.87	-127.03
a. B\$ Domestic Credit	7,393.55	7,587.27	22.65	51.91	200.38	12.08
b. F/C Domestic Credit	741.24	586.80	30.52	7.21	32.49	-139.11

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,171.67	1,239.89	-4.11	41.98	81.28	99.12
a. Central Bank	11.94	11.19	-0.26	7.10	-0.67	3.20
b. Banks	1,159.73	1,228.70	-3.84	34.88	81.95	95.92
3.2 Savings Deposits	1,025.63	1,054.30	13.51	14.93	30.83	38.22
3.3 Fixed Deposits	3,632.81	3,664.63	-8.45	0.41	78.73	56.54
3.4 Total B\$ Deposits	5,830.11	5,958.82	0.96	57.32	190.83	193.88
3.5 F/C Deposits of Residents	223.71	239.70	6.97	11.64	6.88	-12.37
3.6 M2	6,014.17	6,143.64	1.12	54.46	176.55	184.67
3.7 External Reserves/M2 (%)	13.68	17.60	-0.65	0.01	-0.46	3.16
3.8 Reserves/Base Money (%)	107.40	102.38	-6.14	-6.86	-10.73	-1.24
3.9 External Reserves/Demand Liabilities (%)	104.41	99.97	-5.04	-6.72	-7.81	-0.26
	Value		Year to Date		Change	
	2010	2011	2010	2011	Month	YTD

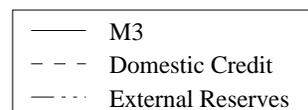
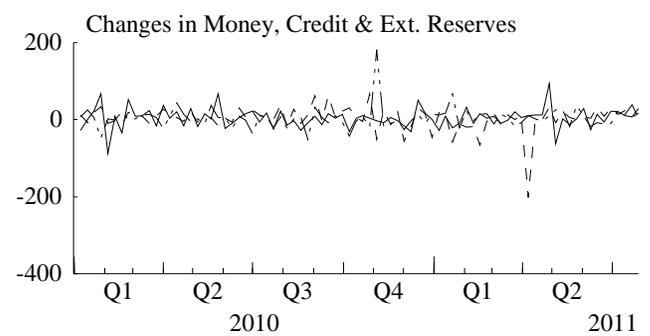
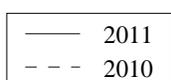
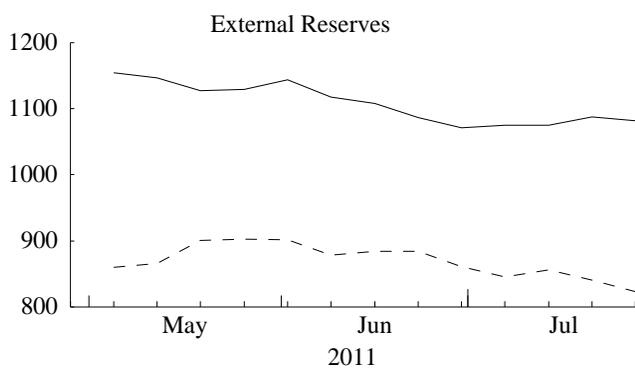
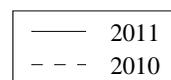
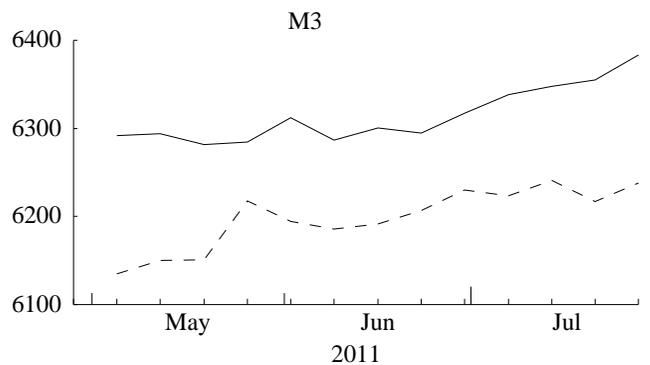
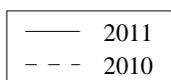
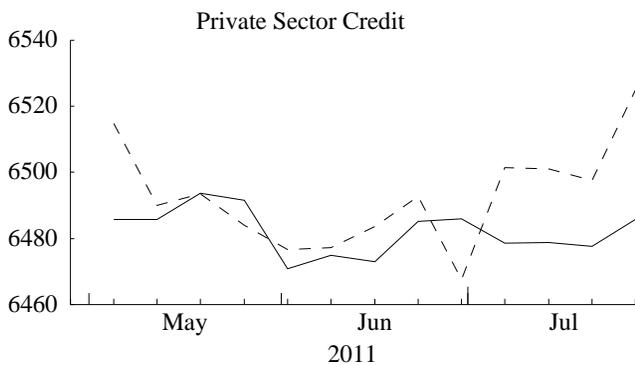
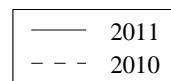
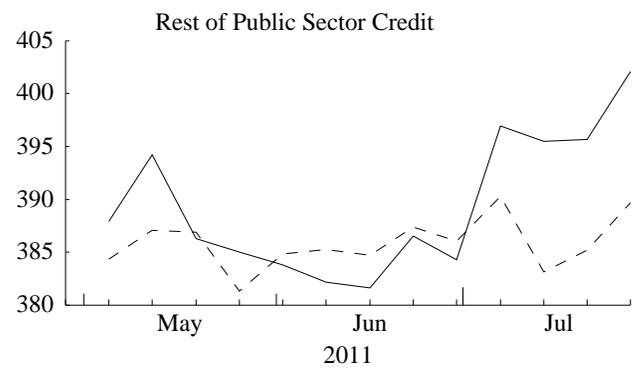
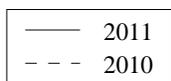
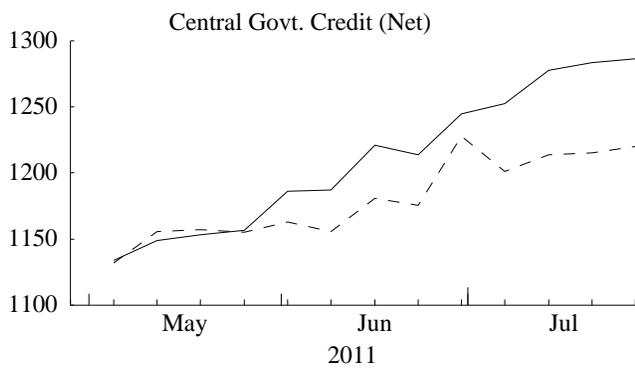
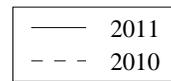
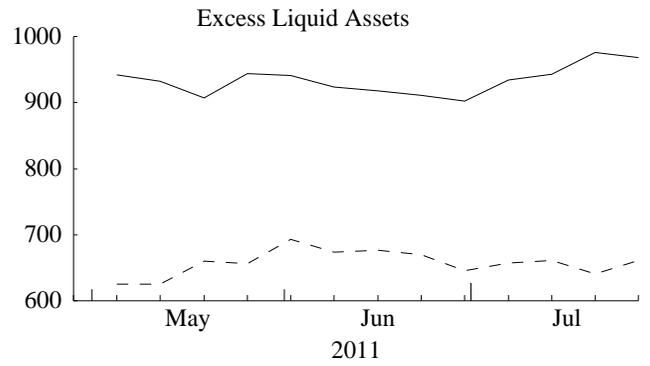
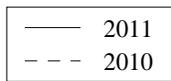
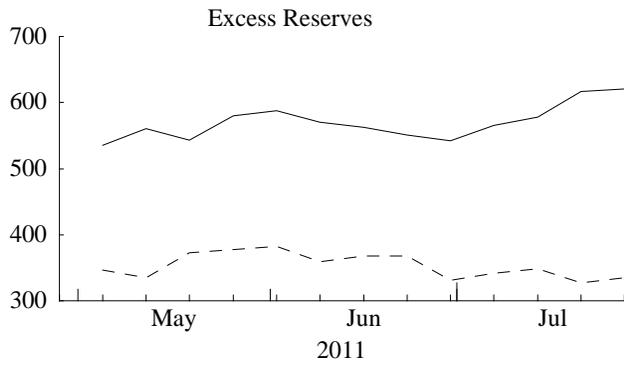
4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-39.16	8.45	-7.41	205.29	47.60	212.70
a. Net Purchase/(Sale) from/to Banks	-22.25	38.71	152.88	180.91	60.96	28.03
i. Sales to Banks	35.50	6.33	155.76	176.25	-29.18	20.50
ii. Purchases from Banks	13.25	45.03	308.63	357.16	31.78	48.53
b. Net Purchase/(Sale) from/to Others	-16.91	-30.26	-160.29	24.38	-13.35	184.67
i. Sales to Others	41.02	53.27	296.25	423.48	12.25	127.23
ii. Purchases from Others	24.12	23.01	135.96	447.86	-1.11	311.90
4.2 Banks Net Purchase/(Sale)	-31.67	20.30	155.27	194.31	51.97	39.04
a. Sales to Customers	316.77	271.87	1,914.52	2,063.04	-44.90	148.52
b. Purchases from Customers	285.11	292.18	2,069.79	2,257.35	7.07	187.56
4.3 B\$ Position (change)	-0.93	2.45				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	0.00	0.00	0.00	0.00	0.00	0.00
of which Public Sector	0.00	0.00	0.00	0.00	0.00	0.00
a. Nonoil Imports	0.00	0.00	0.00	0.00	0.00	0.00
b. Oil Imports	0.00	0.00	0.00	0.00	0.00	0.00
c. Travel	0.00	0.00	0.00	0.00	0.00	0.00
d. Factor Income	0.00	0.00	0.00	0.00	0.00	0.00
e. Transfers	0.00	0.00	0.00	0.00	0.00	0.00
f. Other Current Items	0.00	0.00	0.00	0.00	0.00	0.00
5.2 Capital Items	0.00	0.00	0.00	0.00	0.00	0.00
of which Public Sector	0.00	0.00	0.00	0.00	0.00	0.00
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

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	
	2010	2011	2010	2011	2010	2011
Bahamas	0.5	1.3	1.7	2.0	n/a	13.7
United States	2.8	2.8	1.6	2.2	9.6	8.5
Euro-Area	1.7	1.6	1.6	2.3	10.0	9.9
<i>Germany</i>	3.5	2.5	1.2	2.2	6.9	6.6
Japan	3.9	1.4	-0.7	0.2	5.1	4.9
China	10.3	9.6	3.3	5.0	4.1	4.0
United Kingdom	1.3	1.7	3.3	4.2	7.8	7.8
Canada	3.1	2.8	1.8	2.2	8.0	7.6
<i>Source: IMF World Economic Outlook, April 2011</i>						

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 2009	5.25	1.00	0.50	0.00-0.25	0.50
July 2009	5.25	1.00	0.50	0.00-0.25	0.50
August 2009	5.25	1.00	0.50	0.00-0.25	0.50
September 2009	5.25	1.00	0.50	0.00-0.25	0.50
October 2009	5.25	1.00	0.50	0.00-0.25	0.50
November 2009	5.25	1.00	0.50	0.00-0.25	0.50
December 2009	5.25	1.00	0.50	0.00-0.25	0.50
January 2010	5.25	1.00	0.50	0.00-0.25	0.50
February 2010	5.25	1.00	0.75	0.00-0.25	0.50
March 2010	5.25	1.00	0.75	0.00-0.25	0.50
April 2010	5.25	1.00	0.75	0.00-0.25	0.50
May 2010	5.25	1.00	0.75	0.00-0.25	0.50
June 2010	5.25	1.00	0.75	0.00-0.25	0.50
July 2010	5.25	1.00	0.75	0.00-0.25	0.50
August 2010	5.25	1.00	0.75	0.00-0.25	0.50
September 2010	5.25	1.00	0.75	0.00-0.25	0.50
October 2010	5.25	1.00	0.75	0-0.25	0.50
November 2010	5.25	1.00	0.75	0-0.25	0.50
December 2010	5.25	1.00	0.75	0-0.25	0.50
January 2011	5.25	1.00	0.75	0-0.25	0.50
February 2011	5.25	1.00	0.75	0-0.25	0.50
March 2011	5.25	1.00	0.75	0-0.25	0.50
April 2011	5.25	1.25	0.75	0-0.25	0.50
May 2011	5.25	1.25	0.75	0-0.25	0.50
June 2011	4.50	1.25	0.75	0-0.25	0.50
July 2011	4.50	1.50	0.75	0-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jul-10	Jun-11	Jul-11	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7662	0.6896	0.6945	0.72	-7.02	-9.36
Yen	86.47	80.56	76.76	-4.72	-5.42	-11.23
Pound	0.6374	0.6229	0.6089	-2.25	-4.93	-4.46
Canadian \$	1.0296	0.9634	0.9555	-0.82	-4.29	-7.20
Swiss Franc	1.0412	0.8405	0.7857	-6.52	-15.93	-24.54
Renminbi	6.7750	6.4639	6.4371	-0.41	-2.32	-4.99

Source: Bloomberg as of July 31, 2011

D. Selected Commodity Prices (\$)					
Commodity	July 2010	June 2011	July 2011	Mthly % Change	YTD % Change
Gold / Ounce	1181.00	1500.35	1627.88	8.50	14.58
Silver / Ounce	18.01	34.69	39.89	14.98	29.00
Oil / Barrel	76.76	110.82	118.03	6.51	26.25

Source: Bloomberg as of July 31, 2011

E. Equity Market Valuations – July 31, 2011 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.27	-2.18	-2.15	-2.20	-7.81	-2.95	0.17	-2.18
3 month	-2.52	-5.21	-5.23	-4.20	-10.61	-4.73	-0.17	-7.21
YTD	-5.67	4.89	2.75	-1.44	-3.51	3.54	-3.87	-3.79
12-month	-4.82	16.03	17.31	10.60	0.77	16.44	3.10	2.44

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.11	0.50	0.88
1 Month	0.14	0.57	1.30
3 Month	0.23	0.81	1.60
6 Month	0.44	1.10	1.86
9 Month	0.60	1.36	2.03
1 year	0.77	1.58	2.22

Source: Bloomberg as of July 31, 2011

SUMMARY ACCOUNTS OF THE CENTRAL BANK
(B\$ Millions)

	VALUE												CHANGE											
	Jun. 01	Jun. 08	Jun. 15	Jun. 22	Jun. 29	Jul. 06	Jul. 13	Jul. 20	Jul. 27	Jun. 01	Jun. 08	Jun. 15	Jun. 22	Jun. 29	Jul. 06	Jul. 13	Jul. 20	Jul. 27						
I. External Reserves	1,143.75	1,117.13	1,108.03	1,086.81	1,071.36	1,075.29	1,074.58	1,086.99	1,081.57	14.91	-26.63	-9.10	-21.22	-15.45	3.93	-0.70	12.41	-5.43						
II. Net Domestic Assets (A + B + C + D)	-304.96	-295.71	-294.14	-284.73	-278.05	-258.97	-245.28	-219.58	-209.68	-5.61	9.25	1.57	9.41	6.68	19.08	13.69	25.70	9.90						
A. Net Credit to Gov¹(i + ii + iii - iv)	197.92	196.31	195.80	195.81	206.08	218.88	237.52	256.22	249.92	12.88	-1.61	-0.51	0.01	10.27	12.80	18.64	18.70	-6.30						
i) Advances	63.99	63.99	63.99	63.99	73.99	73.99	93.99	111.99	111.99	0.00	0.00	0.00	0.00	10.00	0.00	20.00	18.00	0.00						
ii) Registered Stock	148.73	148.62	148.55	148.30	148.18	148.20	148.19	148.21	148.08	-0.37	-0.11	-0.07	-0.25	-0.12	0.01	-0.00	0.02	-0.14						
iii) Treasury Bills	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						
iv) Deposits	14.80	16.30	16.74	16.48	16.09	3.30	4.66	3.98	10.14	-13.24	1.50	0.44	-0.26	-0.39	-12.79	1.36	-0.68	6.17						
B. Rest of Public Sector (Net) (i + ii - iii)	-16.05	-15.22	-12.55	-7.13	1.46	-1.58	-5.50	0.44	-5.64	-4.35	0.83	2.67	5.42	8.59	-3.04	-3.93	5.95	-6.09						
i) BDB Loans	5.55	5.55	5.55	5.55	5.55	5.55	5.55	5.55	5.55	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	21.60	20.77	18.10	12.68	4.09	7.13	11.05	5.11	11.19	4.35	-0.83	-2.67	-5.42	-8.59	3.04	3.93	-5.95	6.09						
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)*	-486.82	-476.80	-477.38	-473.41	-485.59	-476.27	-477.30	-476.25	-453.96	-14.13	10.03	-0.58	3.97	-12.18	9.32	-1.03	1.06	22.29						
III. Monetary Base	838.80	821.42	813.89	802.08	793.31	816.32	829.30	867.41	871.89	9.30	-17.38	-7.52	-11.81	-8.77	23.01	12.98	38.11	4.47						
A. Currency in Circulation	91.58	99.97	97.48	93.96	88.60	95.73	94.83	93.35	91.83	-3.21	8.39	-2.49	-3.52	-5.36	7.12	-0.90	-1.48	-1.52						
B. Bank Balances with CBOB	747.21	721.45	716.41	708.12	704.70	720.59	734.47	774.07	780.06	12.51	-25.77	-5.03	-8.29	-3.42	15.89	13.88	39.59	5.99						

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

