



Monthly Economic and Financial Developments July 2012

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:

2012: October 1, October 29, December 3, December 24.

Monthly Economic and Financial Developments

July 2012

1. Domestic Economic Developments

Indications are that the domestic economy continued to experience positive, although mild, growth in July, featuring steady gains in tourism sector output and foreign investment and public sector related construction activity. Higher global food prices translated into a modest firming in average domestic consumer prices. Government's overall deficit widened over the eleven months of FY2011/12, as increased spending offset the rise in revenue collections. In the monetary sector, bank liquidity remained at elevated levels, amid weakness in private sector demand, which continued to be constrained by elevated levels of debt and unemployment. The external reserves position contracted, due partly to banks' profit repatriations and the traditional upturn in net foreign currency demand in the latter half of the year.

Preliminary tourism sector data for the seven months of the year showed an increase in overall activity, benefitting from the ongoing recovery in key source markets and the impact of public/private sector incentive programmes to boost occupancy levels. Total visitor arrivals strengthened by 8.1% to 3.67 million, extending the 7.0% gain of 2011. Notably, there was a rebound in air traffic by 8.6%, in contrast to the prior year's 3.3% contraction, while growth in the dominant sea component tapered to 8.0% from 2011's 10.9%. Disaggregated by first port of entry, visitors to New Providence were up by 12.0% to 1.97 million, on account of a 13.2% surge in sea traffic and a robust 9.7% gain in the high value-added air segment. Similarly, the number of tourists to the Family Islands expanded by 5.9%, occasioned by improvements in both sea (6.5%) and air (1.2%) arrivals. In contrast, the Grand Bahama market fell marginally by 0.1%, as the 2.0% reduction in the larger sea segment overshadowed the 14.4% rise in air visitors.

Domestic price inflation for the twelve months to July—as measured by the Bahamas' Retail Price Index—firmed by 0.43 of a percentage point to 2.78%. Average cost increases were higher for food & non-alcoholic beverages (2.87 percentage points) and furnishing, household equipment & maintenance (2.01 percentage points) to 3.07% and 3.78%, respectively. Following a decline of 0.63% a year earlier, average prices rose for clothing & footwear by 1.21%. In a modest offset, the inflation rate for housing, water, gas, electricity & other fuels—the most heavily weighted component of the index—eased slightly to 3.16% from 3.24%, with more decelerated average cost gains of 1.81, 0.74 and 0.61 percentage points for transport, recreation & culture and alcohol, tobacco & narcotics, to 4.96%, 0.42%, and 1.50%, respectively. Apart from communication costs, which remained relatively unchanged compared to an increase of 1.1% in 2011, most of the other categories recorded more modest reductions in price gains.

Domestic fuel costs trended downwards in July, benefitting from a reduction in international oil prices in the earlier months. The average price of gasoline and diesel declined by 4.5% and 8.2%, on a monthly basis, to \$5.27 and \$4.81 per gallon, respectively; however, over the year, the average price of gasoline was flat, while diesel costs rose by 3.4%. In contrast, the Bahamas Electricity Corporation's fuel charge was higher by 5.7% month-on-month, at 28.51¢ per kilowatt hour (kWh), and surged by 25.3% relative to last year.

Based on preliminary fiscal data, the Government's overall deficit for the eleven months to May of FY2011/12 widened by \$56.8 million (24.0%) to \$293.8 million, when compared to the same period a year ago. This outcome, reflected a \$117.8 million (7.8%) rise in aggregate spending to \$1,622.9 million, which eclipsed a \$61.1 million (4.8%) improvement in total receipts to \$1,329.1 million. On the spending side,

current outlays grew by \$28.2 million (2.2%) to \$1,330.2 million, led by hikes in purchases of goods & services and wages & salaries, of 18.3% and 3.4%, respectively. However, transfer payments declined by \$35.5 million (6.6%), as interest expenses contracted by \$14.0 million (7.4%) and subsidies & other transfers decreased by \$21.6 million (6.1%). Capital spending firmed by \$38.2 million (24.3%) to \$195.6 million, of which 81.5% was associated with ongoing infrastructure development works, while net lending to public corporations doubled to \$97.1 million. Under revenue, the \$24.8 million (2.2%) increase in tax receipts, to \$1,180.7 million, included a \$124.0 million (67.0%) expansion in excise taxes, which were bolstered by the receipt of arrears payments by a public corporation, and was significantly offset by an \$89.0 million (18.9%) contraction in “miscellaneous” tax collections to \$382.2 million from the previous year, when one-off stamp tax collections from the sale of a local oil company boosted receipts. Total non-tax revenues rose by \$18.5 million (16.5%) to \$130.6 million, buoyed by a \$20.9 million expansion in income from “other” sources, associated with higher interest and dividend earnings, which outstripped a \$1.7 million (2.1%) contraction in fines, forfeits and administrative fees. In addition, reflecting the receipt of proceeds from the sale of a Government building, capital receipts surged to \$17.7 million from negligible levels a year earlier.

2. International Developments

Global economic developments continued to be dominated by the persistent debt crisis in the euro zone, and the slowdown in the global recovery, especially in the United States and Asia. In this context, most major central banks maintained an accommodative monetary policy stance, with some institutions initializing additional policy easing measures in an effort to encourage economic growth.

Economic activity in the United States remained sluggish, although positive signs were observed over the review period. In July, industrial output grew by a three-month high of 0.6%, following the previous month's 0.1% gain, retail sales increased by 0.8%, vis-à-vis a 0.7% contraction in June, and the consumer confidence index firmed by 3.2 points to 65.9 points, reversing the prior month's 1.7 point contraction. Developments in the key real estate market were mixed in July, as building permits and housing completions advanced, on a monthly basis, by 6.8% and 7.1%, respectively; however, housing starts fell by 1.1%. In the external sector, the monthly trade deficit narrowed by \$5.1 billion to \$42.9 billion in June, reflecting an increase in net exports. Consumer price pressures were relatively benign, with annual inflation softening by 0.3 of a percentage point to 1.4% over the review month, underpinned by lower energy costs. The jobless rate was also relatively unchanged at 8.3%, as the rise in the labour force overshadowed the 141,000 increase in nonfarm payrolls. Faced with high unemployment and low inflation, the Federal Reserve maintained its accommodative monetary policy stance and continued its “quantitative easing” measures.

Weak economic conditions persisted in Europe, amid the ongoing sovereign debt crises in key regional economies. Declining output in the construction and production sectors caused real GDP in the United Kingdom to contract further by 0.5% in the second quarter, up from 0.3% in the March period. However, retail sales grew by 0.8% in July, exceeding June's 0.1% gain, and the jobless rate fell marginally by 0.2 of a percentage points to 8.0% in the three months to June, as the number of unemployed persons lessened by 46,000 prior to the start of the Olympics. Higher costs for transportation, as well as clothing & footwear elevated consumer price inflation by 0.2 of a percentage point to 2.6% in July. Occasioned by a falloff in exports, the country's trade deficit deteriorated by £1.6 billion over the month to £4.3 billion in June—its worst level in 15 years. In monetary developments, although inflation remained above its 2.0% target level, the Bank of England left its key Bank Rate unchanged at 0.5% and announced an expansion in the size of

its quantitative easing programme, by £50 billion to £375 billion, aimed at securing further reductions in long-term interest rates.

Conditions in the euro area stayed subdued over the review period. Reflecting continued austerity-led weakness in several southern states—including Spain, real output contracted by 0.2% in the second quarter, after a flat outturn in the prior three-month period. Amid slowing economic activity, the annual inflation rate stabilized at 2.4% in July in comparison to June, and high unemployment persisted, as the rate steadied at 11.2% in June. External sector developments were more favorable, with the trade surplus doubling to €14.9 billion from €7.1 billion in May, due to a combination of higher exports and a reduction in imports. In light of the worsening economic conditions, the European Central Bank reduced its key interest rates by 25 basis points each on its main financing operations and marginal lending facility to 0.75% and 1.50%, respectively.

Against the backdrop of weakened global demand and a slowdown in domestic consumption, Asian economies expanded at a reduced pace in comparison to 2011. China registered slower year-on-year growth in industrial output of 9.2% in July from 9.5% a month earlier, while gains in retail sales moderated by 0.6 of a percentage point to 13.1% in June. The country's trade surplus narrowed on a monthly basis, by \$6.6 billion to \$25.1 billion, as exports tapered, while more tempered increases in food costs resulted in the annual inflation rate softening by 0.4 of a percentage point to 1.8% in July—the lowest rate in almost three years. In an attempt to boost the country's growth momentum, the People's Bank of China reduced its benchmark lending and deposit rates, by 31 and 25 basis points, to 6.0% and 3.0%, respectively.

In Japan, indications are that the pace of the economic recovery eased, with growth in real output up by a mere 0.3% in the second quarter, compared to a 1.0% gain in the March period. Reflecting a slowdown in demand from China and Europe, the country's trade balance reversed to a deficit of ¥517.4 billion in July, vis-à-vis June's surplus of ¥60.3 billion, led by an 8.1% contraction in exports. For the second consecutive month, the jobless rate improved, by 0.1 of a percentage point, to 4.3%. Broad-based price declines for goods and services resulted in consumer prices softening by 0.5% in June, after a 0.3% decline in May. Faced with deflation and anemic economic growth, the Bank of Japan left its uncollateralized overnight call rate unchanged within the 0.0%-0.1% range.

In commodity markets, the price of crude oil increased by 14.9% to \$106.34 per barrel at end-July. The main drivers were a rise in fuel demand during the summer months and, to a lesser extent, a marginal decrease in OPEC's crude oil production by 160,000 barrels per day (bpd) to average 31.2 million barrels per day. In terms of precious metals, both the price of gold and silver firmed, by 1.1% and 1.8%, to \$1,614.30 and \$27.99 per troy ounce, respectively.

Despite the heightened uncertainty in the global economy, major equity markets reported relatively positive performances during July, as corporate profits generally exceeded analysts' estimates. In the United States, the Dow Jones Industrial Average (DJIA) and the S&P 500 Indices firmed by 1.0% and 1.3%, respectively. Underpinned by central banks' policy adjustments in Europe, the United Kingdom's FTSE 100 index rose by 1.2%, while France's CAC 40 and Germany's DAX moved higher by 3.0% and 5.6%, respectively. In contrast, Asian indices recorded losses, as Japan's Nikkei 225 weakened by 3.5% and China's SE Composite, by 5.5%.

In foreign currency markets, the US dollar appreciated against most of its major counterparts, reflecting increased demand for relatively "safe" currencies. The dollar strengthened vis-à-vis the Swiss Franc, by

3.0% to CHF0.9764 and the euro, by 2.9% to €0.8127. It registered a much smaller increase of 0.2% against the British pound to £0.6378, and weakened relative to the Canadian dollar, by 1.3% to CND\$1.0031. The dollar also declined against the Japanese Yen, by 2.1% to ¥78.12, but gained by a slight 0.1% versus the Chinese Yuan to CNY6.3628.

3. Domestic Monetary Trends

July 2012 vs. 2011

During the month of July, money and credit trends featured a continuation of robust bank liquidity levels, although there was a modest shift in excess cash into holdings of Government securities, following a \$200 million Registered Stock issue. Overall, the broader excess liquid assets advanced by \$17.7 million to a record \$1,032.1 million, after a \$65.5 million increase in 2011.

Reflecting in part bank repatriation activity, external reserves contracted by \$65.1 million in July, in contrast to a \$10.2 million accumulation last year. The Central Bank's foreign currency transactions were reversed to a net foreign currency sale of \$67.4 million vis-à-vis a net purchase of \$8.5 million in 2011. Dealings with the commercial banks resulted in a net sale of \$26.4 million, in contrast to a net purchase of \$38.7 million in 2011; as these institutions in turn, recorded a net sale of \$27.0 million to their clients vis-à-vis a net intake of \$20.3 million a year earlier. The Bank's net sale to the public sector grew by \$10.8 million to \$41.0 million, and related mainly to fuel imports.

Bahamian dollar credit declined by \$4.1 million in July, a reversal from last year's comparative \$81.7 million expansion. A key factor in this development was the sharp reduction in the growth of Government's net liabilities to the banking sector, to \$1.1 million from \$71.3 million, as the increase in commercial banks' holdings of Government bonds was negated by declines in advances and Treasury bills. Claims on the rest of the public sector grew by \$5.1 million, building on the \$9.3 million gain of last year. Amid high consumer indebtedness, unemployment and the general sluggishness in economic activity, private sector credit fell by \$10.3 million, vis-à-vis a \$1.1 million increase in 2011. The contraction in commercial loans was extended to \$17.7 million from 2011's \$2.6 million, and consumer credit slumped by \$3.4 million, after a \$2.3 million rise in 2011. In contrast, growth in mortgages was higher by \$9.5 million at \$10.8 million.

A disaggregation of consumer lending for the month of June—the latest data available—attributed the modest \$2.7 million increase mainly to expansions in debt consolidation and home improvement loans, which gained by \$5.6 million, and \$2.3 million, respectively. Some offset was provided by the net repayments for 'miscellaneous' (\$4.5 million), credit cards (\$3.1 million) and education (\$0.5 million) loans.

Reflecting movement in one entity's loan portfolio, banks' credit quality indicators deteriorated slightly in July. Total private sector loan arrears increased by \$6.2 million (0.5%) to \$1,190.6 million, with the corresponding ratio of arrears to total loans firming by 14 basis points to 19.1%. An assessment by average age showed short-term (31-90 days) loan arrears higher by \$23.0 million (6.5%) at \$375.3 million, for 6.0% of total loans—a gain of 38 basis points. In contrast, the non-performing component—arrears in excess of 90 days and on which banks have stopped accruing interest—declined by \$16.8 million (2.0%) to \$815.3 million, with the attendant ratio narrowing by 24 basis points to 13.1%.

By loan category, the rise in total loan arrears was led by growth in the commercial segment, of \$4.7 million (1.8%) to \$267.2 million, as delinquencies in the 31-90 day component moved higher by \$17.5 million (29.8%), outweighing the \$12.8 million decline in the 91 days and over category. More muted increases

were noted for consumer and mortgage delinquencies, of \$1.5 million and \$0.1 million, due to respective gains in the short-term segment, of \$4.8 million (5.1%) and \$0.7 million (0.3%), which overshadowed declines in non-accruals, of \$3.3 million and \$0.6 million, respectively.

Banks reduced their loan loss provisions by \$4.8 million (1.4%) to \$338.8 million during the review month. As a result, the ratio of provisions to arrears fell by 56 basis points to 28.5%, but the corresponding ratio to non-performing loans firmed by 25 basis points to 41.6%. In addition, banks wrote-off and recovered \$29.6 million and \$5.4 million, respectively, in delinquent loans.

In July, domestic foreign currency credit grew by \$1.4 million, a slowdown from last year's \$7.2 million expansion. Following a \$1.5 million contraction in 2011, private sector credit firmed by \$4.6 million—attributed to a \$5.2 million gain in commercial lending. Growth in net claims on the Government of \$0.2 million was in line with the year-earlier level, while credit to the rest of the public sector declined by \$3.4 million vis-à-vis an \$8.5 million increase in 2011.

Total Bahamian dollar deposits contracted by \$65.4 million, a turnaround from a \$57.3 million build-up last year. This reflected respective declines in both fixed and savings balances, by \$50.2 million and \$18.2 million, compared to gains of \$0.4 million and \$14.9 million in 2011, while accretions to demand deposits tapered to a mere \$3.0 million from \$42.0 million.

In interest rate developments, the weighted average deposit rate widened by 25 basis points to 2.16%, with the highest rate of 5.25% offered on fixed balances over 12 months. Conversely, the weighted average loan rate softened by 26 basis points to 11.18%.

4. Outlook and Policy Implications

Despite the unfolding global headwinds, the moderately paced domestic recovery is expected to be maintained over the remainder of the year, benefitting from steady gains in tourism sector output and both foreign investment and public sector-related construction activity. As a consequence, labour market conditions in the private sector are forecasted to improve gradually, with most of the near-term job opportunities accruing to the construction sector. Domestic inflation is projected to remain in line with previous norms, although further gains in international oil and food costs could exert upward pressure on consumer prices over the medium term.

Improvements to the key fiscal indicators, the overall balance and debt-to-GDP ratios, are linked to the strength of the domestic economic recovery, as well as the effectiveness of the Government's initiatives to enhance revenue and restrain the growth in expenditure.

In the monetary sector, the outlook is for continued buoyancy in both liquidity and external reserves over the near term, although further reduction in external reserves is forecasted in the latter months of the year, due to the seasonal strengthening in consumer demand. Given the narrowness of the recovery to date, and the persistence of high unemployment, banks' asset quality indicators are anticipated to remain elevated over an extended period. However, current capital levels provide sufficient buffers to negate any financial instability concerns.

Recent Monetary and Credit Statistics

(B\$ Millions)

JULY						
Value		Change		Change YTD		
2011	2012	2011	2012	2011	2012	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	620.87	440.36	78.67	-85.02	231.37	5.50
1.2 Excess Liquid Assets	967.40	1,032.10	65.45	17.17	153.88	134.94
1.3 External Reserves	1,081.57	888.27	10.21	-65.10	220.52	-3.72
1.4 Bank's Net Foreign Assets	-507.35	-607.89	37.70	-19.68	182.42	1.15
1.5 Usable Reserves	542.54	423.67	-28.23	-34.74	108.13	-16.30

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,485.69	6,635.17	-0.36	-5.67	-54.95	20.80
a. B\$ Credit	6,179.47	6,232.81	1.14	-10.28	33.66	-27.33
of which: Consumer Credit	2,121.35	2,117.02	2.32	-3.36	-15.70	-29.63
Mortgages	3,111.16	3,105.52	1.36	10.82	50.37	18.92
Commercial and Other Loans B\$	946.96	1,010.27	-2.55	-17.73	-1.01	-16.62
b. F/C Credit	306.22	402.36	-1.50	4.61	-88.62	48.14
of which: Mortgages	131.15	131.40	-0.01	-0.55	2.54	2.25
Commercial and Other Loans F/C	175.07	270.97	-1.49	5.15	-91.15	45.89
2.2 Central Government (net)	1,316.17	1,607.52	71.54	1.29	-70.33	170.53
a. B\$ Loans & Securities	1,443.06	1,744.91	60.44	15.50	-16.25	180.57
Less Deposits	125.83	136.37	-10.89	14.41	-13.57	10.73
b. F/C Loans & Securities	0.00	0.00	0.00	0.00	-70.00	0.00
Less Deposits	1.05	1.02	-0.22	-0.20	-2.36	-0.70
2.3 Rest of Public Sector	402.08	362.81	17.76	1.75	0.96	-44.74
a. B\$ Credit	120.45	106.86	9.27	5.13	6.51	3.44
b. F/C Credit	281.63	255.95	8.49	-3.38	-5.55	-48.18
2.4 Total Domestic Credit	8,203.90	8,605.51	88.94	-2.63	-124.56	146.59
a. B\$ Domestic Credit	7,617.10	7,948.23	81.73	-4.05	37.25	145.94
b. F/C Domestic Credit	586.80	657.29	7.21	1.42	-161.81	0.65

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,239.89	1,336.83	41.98	2.98	100.22	101.52
a. Central Bank	11.19	10.56	7.10	0.28	3.20	2.34
b. Banks	1,228.70	1,326.27	34.88	2.71	97.02	99.18
3.2 Savings Deposits	1,054.30	1,116.24	14.93	-18.19	38.22	50.22
3.3 Fixed Deposits	3,664.63	3,525.03	0.41	-50.24	56.54	-81.76
3.4 Total B\$ Deposits	5,958.82	5,978.10	57.32	-65.44	194.98	69.98
3.5 F/C Deposits of Residents	239.70	213.93	11.64	-7.32	-12.97	21.06
3.6 M2	6,143.64	6,179.02	54.46	-57.53	185.77	72.60
3.7 External Reserves/M2 (%)	17.60	14.38	0.01	-0.91	3.15	-0.23
3.8 Reserves/Base Money (%)	102.38	98.81	-6.86	0.97	-1.24	-2.08
3.9 External Reserves/Demand Liabilities (%)	99.97	94.89	-6.71	-1.10	-0.26	-3.50
	Value	Year to Date	Change			
	2011	2012	2011	2012	Month	YTD

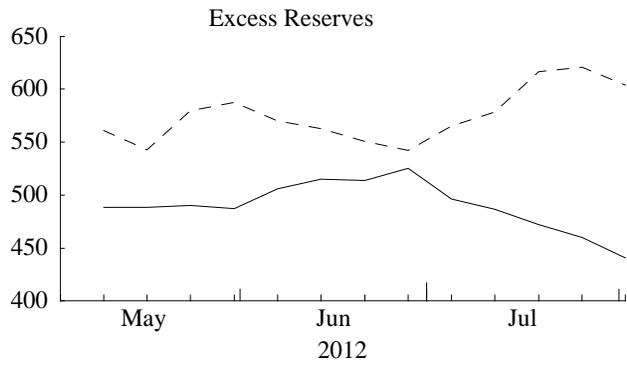
4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	8.45	-67.43	205.29	-14.25	-75.87	-219.53
a. Net Purchase/(Sale) from/to Banks	38.71	-26.42	180.91	191.56	-65.13	10.65
i. Sales to Banks	6.33	52.14	176.25	94.55	45.81	-81.71
ii. Purchases from Banks	45.03	25.71	357.16	286.11	-19.32	-71.06
b. Net Purchase/(Sale) from/to Others	-30.26	-41.01	24.38	-205.81	-10.75	-230.18
i. Sales to Others	53.27	65.77	423.48	407.07	12.50	-16.41
ii. Purchases from Others	23.01	24.77	447.86	201.26	1.76	-246.60
4.2 Banks Net Purchase/(Sale)	20.30	-26.99	194.31	184.40	-47.29	-9.91
a. Sales to Customers	271.87	375.91	2,063.04	2,060.97	104.03	-2.07
b. Purchases from Customers	292.18	348.92	2,257.35	2,245.37	56.74	-11.98
4.3 B\$ Position (change)	2.45	4.51				

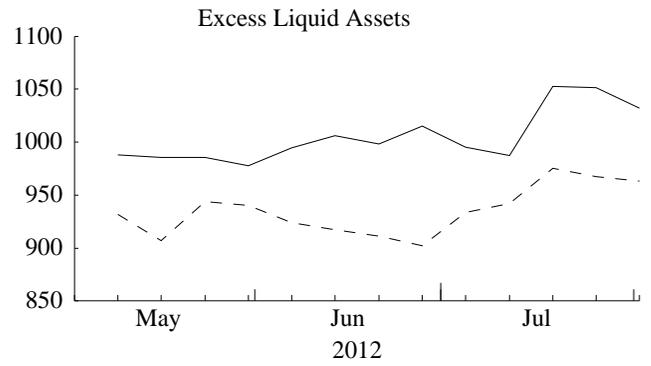
5.0 EXCHANGE CONTROL SALES

5.1 Current Items	235.77	ND	1,699.27	ND	ND	ND
of which Public Sector	1.75	ND	33.43	ND	ND	ND
a. Nonoil Imports	102.39	ND	722.85	ND	ND	ND
b. Oil Imports	41.93	ND	260.34	ND	ND	ND
c. Travel	19.55	ND	114.19	ND	ND	ND
d. Factor Income	0.85	ND	54.65	ND	ND	ND
e. Transfers	6.74	ND	87.94	ND	ND	ND
f. Other Current Items	64.30	ND	459.31	ND	ND	ND
5.2 Capital Items	4.77	ND	145.53	ND	ND	ND
of which Public Sector	0.02	ND	4.05	ND	ND	ND
5.3 Bank Remittances	0.00	ND	0.00	ND	ND	ND

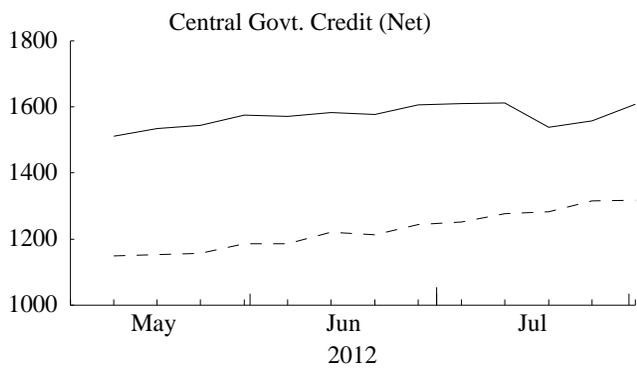
SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



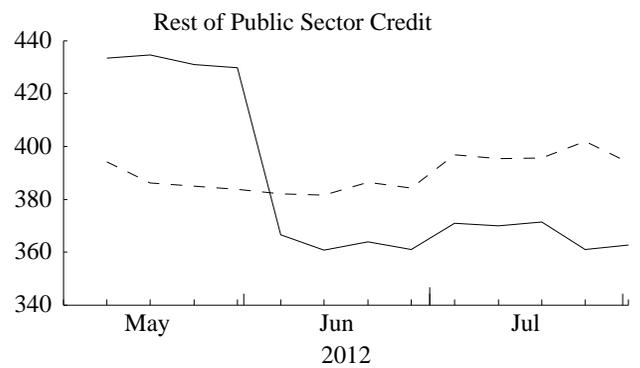
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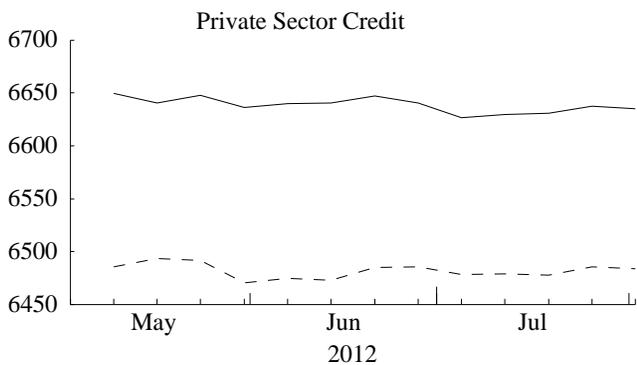
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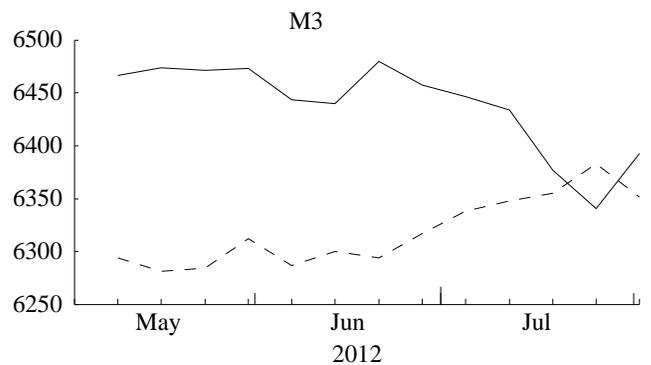
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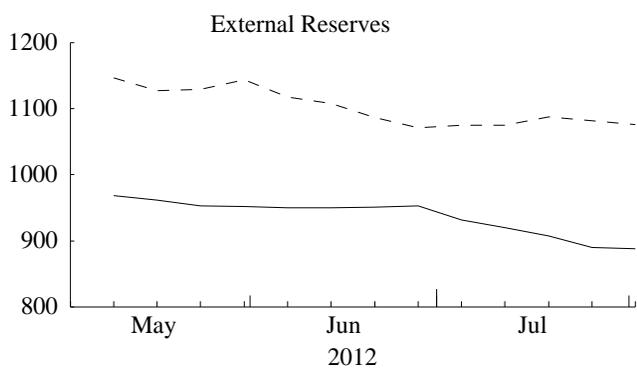
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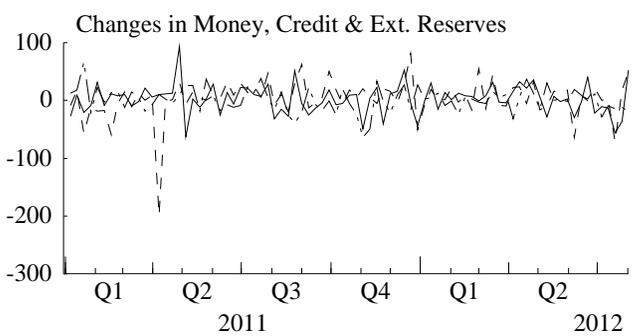
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— M3
- - - Domestic Credit
- · - External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2011	2012	2011	2012	2011	2012
Bahamas	2.0	2.5	2.5	2.0	15.9	N/A
United States	1.7	2.0	3.1	2.1	9.0	8.2
Euro-Area	1.4	-0.3	2.7	2.0	10.1	10.9
<i>Germany</i>	<i>3.1</i>	<i>1.0</i>	<i>2.5</i>	<i>1.9</i>	<i>6.0</i>	<i>5.6</i>
Japan	-0.7	2.4	-0.3	0.0	4.5	4.5
China	9.2	8.0	5.4	3.3	4.0	4.0
United Kingdom	0.7	0.2	4.5	2.4	8.0	8.3
Canada	2.5	2.1	2.9	2.2	7.5	7.4
<i>Source: IMF World Economic Outlook, April and July 2012</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
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
August 2011	4.50	1.50	0.75	0-0.25	0.50
September 2011	4.50	1.50	0.75	0-0.25	0.50
October 2011	4.50	1.50	0.75	0-0.25	0.50
November 2011	4.50	1.25	0.75	0-0.25	0.50
December 2011	4.50	1.00	0.75	0-0.25	0.50
January 2012	4.50	1.00	0.75	0-0.25	0.50
February 2012	4.50	1.00	0.75	0-0.25	0.50
March 2012	4.50	1.00	0.75	0-0.25	0.50
April 2012	4.50	1.00	0.75	0-0.25	0.50
May 2012	4.50	1.00	0.75	0-0.25	0.50
June 2012	4.50	1.00	0.75	0-0.25	0.50
July 2012	4.50	0.75	0.75	0-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Jul-11	Jun-12	Jul-12	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.6945	0.7895	0.8127	2.94	5.32	17.02
Yen	76.76	79.79	78.12	-2.09	1.59	1.77
Pound	0.6089	0.6367	0.6379	0.19	-0.82	4.75
Canadian \$	0.9555	1.0166	1.0031	-1.33	-1.77	4.98
Swiss Franc	0.7857	0.9484	0.9764	2.95	4.14	24.27
Renminbi	6.4371	6.3551	6.3628	0.12	0.96	-1.15

Source: Bloomberg as of July 31, 2012

D. Selected Commodity Prices (\$)					
Commodity	July 2011	June 2012	July 2012	Mthly % Change	YTD % Change
Gold / Ounce	1627.88	1597.45	1614.30	1.05	3.24
Silver / Ounce	39.89	27.50	27.99	1.78	0.51
Oil / Barrel	118.03	92.53	106.34	14.92	-1.19

Source: Bloomberg as of July 31, 2012

E. Equity Market Valuations – July 31, 2012 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-0.31	1.00	1.26	1.15	2.97	5.55	-3.46	-5.47
3 month	1.44	-1.55	-1.33	-1.79	2.45	0.16	-8.67	-12.21
YTD	-4.21	6.48	9.68	1.13	4.17	14.82	2.84	-4.35
12-month	-7.56	7.13	6.74	-3.09	-10.34	-5.40	-11.57	-22.14

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.17	0.65	0.05
1 Month	0.21	0.50	0.12
3 Month	0.50	0.69	0.15
6 Month	0.60	0.97	0.41
9 Month	0.71	1.23	0.63
1 year	0.82	1.47	0.85

Source: Bloomberg as of July 31, 2012

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

	VALUE										CHANGE									
	Jun. 06	Jun. 13	Jun. 20	Jun. 27	Jul. 04	Jul. 11	Jul. 18	Jul. 25	Jun. 06	Jun. 13	Jun. 20	Jun. 27	Jul. 04	Jul. 11	Jul. 18	Jul. 25				
I. External Reserves	949.79	950.11	951.13	953.37	932.02	920.46	907.72	890.29	-2.51	0.31	1.02	2.24	-21.34	-11.57	-12.74	-17.42				
II. Net Domestic Assets (A + B + C + D)	2.82	2.96	2.06	21.03	13.43	11.12	6.28	15.01	16.48	0.14	-0.90	18.97	-7.61	-2.31	-4.84	8.73				
A. Net Credit to Gov^t(i + ii + iii - iv)	304.87	304.85	303.22	318.51	320.36	317.32	289.84	309.90	4.88	-0.02	-1.63	15.29	1.85	-3.04	-27.48	20.06				
i) Advances	130.59	130.59	130.59	130.59	137.69	137.69	137.69	112.69	0.00	0.00	0.00	0.00	7.10	0.00	0.00	-25.00				
ii) Registered Stock	163.58	163.50	163.25	173.85	173.96	174.10	179.10	179.15	-0.03	-0.08	-0.25	10.60	0.11	0.14	5.01	0.05				
iii) Treasury Bills	19.94	18.95	18.95	18.95	13.55	13.55	38.53	38.53	0.00	-1.00	0.00	0.00	-5.40	0.00	24.98	0.00				
iv) Deposits	9.24	8.18	9.57	4.87	4.84	8.02	65.48	20.47	-4.91	-1.05	1.38	-4.69	-0.04	3.18	57.46	-45.01				
B. Rest of Public Sector (Net) (i + ii - iii)	-4.89	-7.56	-8.05	-5.34	-10.80	-10.09	-4.61	-4.22	12.03	-2.67	-0.49	2.71	-5.47	0.71	5.48	0.39				
i) BDB Loans	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	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				
iii) Deposits	9.84	12.51	13.00	10.29	15.75	15.04	9.56	9.17	-12.03	2.67	0.49	-2.71	5.47	-0.71	-5.48	-0.39				
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				
D. Other Items (Net)*	-297.16	-294.33	-293.11	-292.14	-296.13	-296.11	-278.95	-290.67	-0.43	2.84	1.22	0.97	-3.99	0.02	17.16	-11.72				
III. Monetary Base	952.61	953.07	953.19	974.40	945.45	931.57	914.00	905.30	13.97	0.46	0.12	21.21	-28.95	-13.88	-17.58	-8.69				
A. Currency in Circulation	297.08	288.46	284.73	281.92	292.84	287.98	292.09	288.24	2.05	-8.61	-3.73	-2.81	10.92	-4.86	4.11	-3.85				
B. Bank Balances with CBOB	655.53	664.60	668.46	692.48	652.61	643.59	621.91	617.06	11.92	9.07	3.85	24.02	-39.87	-9.02	-21.68	-4.84				

* 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		
	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	2010/2011	2011/2012	
Fiscal Operations:																											
1. Government Revenue & Grants	90.2	94.9	93.0	93.4	88.0	96.3	81.9	82.0	113.3	113.3	122.1	112.1	228.1	185.6	138.7	117.5	125.2	125.5	119.8	121.4	120.2	126.8	126.8	126.8	1268.0	1329.1	
% change	-25.46%	-35.68%	3.20%	-1.64%	-5.44%	3.12%	-6.80%	-14.87%	38.26%	48.93%	-48.93%	-1.07%	86.86%	65.00%	-23.20%	-3.02%	-9.73%	6.81%	-4.35%	-3.29%	0.31%	4.42%	4.42%	4.42%	9.70%	4.82%	
2. Import/Excise Duties	41.3	44.0	49.3	44.9	45.7	54.8	45.4	43.3	49.2	49.2	53.7	50.5	135.2	37.5	41.8	54.8	49.4	49.0	50.2	42.9	46.0	56.3	56.3	56.3	506.3	627.2	
% change	-22.36%	-24.37%	19.37%	2.16%	-7.36%	22.09%	-0.78%	-20.87%	8.48%	23.95%	8.17%	2.63%	131.64%	-23.22%	11.43%	13.72%	-10.55%	-10.55%	1.61%	-12.46%	-8.36%	31.13%	31.13%	31.13%	5.74%	23.88%	
3. Recurrent Expenditure	110.2	111.4	103.1	110.3	117.5	123.8	117.5	124.9	123.4	123.4	133.0	115.3	108.5	122.3	121.7	118.8	119.8	126.5	119.1	123.7	132.0	119.6	119.6	119.6	1301.9	1329.1	
% change	-33.73%	-13.10%	-6.46%	-0.88%	14.01%	12.24%	-0.02%	0.85%	5.00%	5.00%	6.53%	-6.53%	-18.41%	6.01%	-0.49%	-7.67%	-1.50%	6.40%	-0.59%	-2.19%	10.80%	-3.34%	-3.34%	-3.34%	2.71%	2.09%	
4. Capital Expenditure	9.7	3.7	18.5	12.2	8.6	9.8	18.3	18.3	12.6	12.6	16.5	15.5	39.3	11.0	9.4	12.7	26.3	25.9	12.1	10.6	15.5	29.7	29.7	29.7	157.4	193.7	
% change	-66.23%	-86.84%	90.36%	24.55%	-33.68%	-19.60%	112.86%	87.31%	-31.17%	-31.17%	-9.83%	23.03%	137.77%	-29.05%	-14.38%	-14.78%	179.23%	104.86%	-54.15%	-59.13%	28.39%	180.47%	180.47%	180.47%	22.66%	23.04%	
5. Deficit/Surplus*	-32.2	-20.8	-31.3	-33.8	-41.1	-40.3	-62.6	-68.9	-25.6	-25.6	13.2	-21.4	-12.7	45.9	4.5	-20.4	-26.0	-28.4	-16.1	-23.8	-31.1	-30.0	-30.0	-30.0	-237.0	-290.8	
% change	-77.61%	67.70%	-2.64%	62.81%	31.43%	19.13%	52.25%	71.00%	-59.20%	-59.20%	119.19%	-16.28%	-196.29%	-314.69%	96.13%	-18.37%	-677.93%	39.34%	-38.04%	-16.1	92.34%	-26.17%	-26.17%	-26.17%	-27.54%	-22.71%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	
Debt, **																											
6. Total Debt	3,724.9	3,806.0	3,725.3	3,816.5	3,740.8	3,861.2	3,608.2	3,854.8	3,558.0	3,558.0	3,875.9	3,552.9	3,900.2	3,618.2	4,100.0	4,100.0	4,100.0	4,100.0	4,100.0	4,100.0	4,100.0	4,100.0	4,100.0	4,100.0	4,100.0	4,100.0	
% change	0.12%	2.30%	0.01%	0.28%	0.42%	1.17%	-3.54%	-0.16%	-1.39%	0.65%	0.65%	-0.14%	0.32%	1.84%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	
7. External Debt	732.4	799.9	732.8	810.4	748.3	815.1	748.7	818.7	756.5	756.5	823.8	766.5	823.8	763.8	823.6	823.6	823.6	823.6	823.6	823.6	823.6	823.6	823.6	823.6	823.6	823.6	
% change	0.63%	9.90%	0.05%	1.31%	2.12%	0.57%	0.05%	0.45%	1.04%	0.62%	0.62%	0.00%	0.00%	0.96%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	
8. Internal F/C Debt	70.0	0.0	70.0	0.0	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
% change	0.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	-100.00%	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%	0.00%	0.00%	
9. Bahamian Dollar Debt	2,922.5	3,006.1	2,922.5	3,006.1	2,922.5	3,046.1	2,859.5	3,036.1	2,801.5	2,801.5	3,056.1	2,796.5	3,076.4	2,854.5	3,276.4	3,276.4	3,276.4	3,276.4	3,276.4	3,276.4	3,276.4	3,276.4	3,276.4	3,276.4	3,276.4	3,276.4	
% change	2.86%	2.86%	0.00%	0.00%	0.00%	1.33%	-2.16%	-0.33%	-2.03%	0.66%	0.66%	-0.18%	0.67%	2.07%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
10. Total Amortization	0.2	0.3	0.0	0.0	0.9	1.1	1.362	1.32	58.0	58.0	0.0	15.0	0.0	10.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
% change	2312.77%	2077.37%	-100.00%	-100.00%	0.00%	0.00%	14845.89%	1126.04%	-57.43%	-100.00%	0.00%	-74.12%	0.00%	-31.01%	1792.73%	1792.73%	1792.73%	1792.73%	1792.73%	1792.73%	1792.73%	1792.73%	1792.73%	1792.73%	1792.73%	1792.73%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
11. Total Public Sector F/C Debt	1,410.0	1,432.7	1,408.5	1,443.2	1,419.9	1,462.1	1,314.0	1,462.9	1,321.8	1,321.8	1,512.4	1,329.5	1,509.1	1,334.5	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2	1,506.2
% change	0.16%	1.78%	-1.69%	1.0073%	-1.61%	2.97%	-10.13%	11.33%	-9.64%	-9.64%	14.42%	13.31%	-11.37%	-11.37%	12.87%	12.87%	12.87%	12.87%	12.87%	12.87%	12.87%	12.87%	12.87%	12.87%	12.87%	12.87%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE		
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	
12. Retail Price Index	102.1	104.7	102.4	104.9	103.1	105.8	103.6	106.1	103.6	103.6	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	
% change: over previous month	0.47%	-0.16%	0.31%	0.26%	0.71%	0.78%	0.46%	0.31%	0.46%	0.46%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	
13. Tourist arrivals (000's)	487.4	531.5	484.8	529.1	555.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	632.4	
% change: over previous year	14.93%	9.05%	15.63%	9.13%	2.91%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	13.86%	
14. Air arrivals (000's)	81.3	88.4	99.1	110.9	140.3	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	158.2	
% change: over previous year	-11.310%	9.91%	-3.80%	11.93%	-6.12%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	12.79%	
15. Occupied Room Nights																											
% change: over previous year																											
16. Res. Mortgage Commitments-New Const.																											
% change: over previous qtr.																											

	2011		2012		YEAR TO DATE	
	2011	2012	2011	2012	2011	2012
12. Retail Price Index	102.8	105.4	102.8	105.4	102.8	105.4
% change: over previous year	2.63%	2.48%	2.63%	2.48%	2.63%	2.48%
13. Tourist arrivals (000's)	1,528	1,693	1,528	1,693	1,528	1,693
% change: over previous year	10.46%	10.83%	10.46%	10.83%	10.46%	10.83%
14. Air arrivals (000's)	321	359	321	359	321	359
% change: over previous year	-6.81%	11.79%	-6.81%	11.79%	-6.81%	11.79%
16. Res. Mortgage Commitments-New Const.	24.36	17.49	24.36	17.49	24.36	17.49
% change: over previous qtr.	3.99%	-9.07%	3.99%	-9.07%	3.99%	-9.07%

* Includes Net Lending to Public Corporations
 ** Debt figures pertain to central government only unless otherwise indicated
 p - provisional
 Annual/Y-T-D Retail Price data are averages