



Monthly Economic and Financial Developments August 2017

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:

2017: October 30, December 4, December 27.



Monthly Economic and Financial Developments (MEFD) August 2017

1. Domestic Economic Developments

Overview

Preliminary indications are that domestic economic growth remained relatively subdued during the review month, reflecting the sustained softness in tourism; although activity in the construction sector continued to be supported by foreign investment-related projects and ongoing hurricane reconstruction work. In the monetary sector, both liquidity and external reserves rose robustly, buoyed by the receipt of proceeds from the Government's external loan.

Real Sector

Tourism

In line with the reduction in high value-added air arrivals during the first half of the year, data from a sample of major hotels in New Providence showed earnings weakness. On a monthly basis, the value of room sales decreased by 3.0% in July, amid a 6.5 percentage point reduction in the average occupancy rate to 77.3%, which overshadowed the 2.4% gain in the average daily rate (ADR) to \$253.67. In addition, over the first seven months of 2017, total room revenue declined by 7.0% relative to the same period last year. This outturn reflected a fall in the average hotel occupancy rate by 5.5 percentage points to 70.7%, combined with a 2.4% (\$6.06) decrease in the ADR to \$247.36.

These trends were reinforced by data from the Nassau Airport Development Company Ltd (NAD), which showed a 0.3% softening in international departures from the country's largest airport during the month of August, vis-a-vis a marginal 0.9% gain in the prior year. In terms of the components, the volume of non-U.S. international passengers fell by 6.9%, after a 0.3% decline a year earlier, while growth in the dominant US segment slowed to 0.6% from 1.0% in 2016.

Fiscal Sector

Preliminary data on the Government's operations for the first month of FY2017/18 showed a \$9.1 million surplus, a turnaround from a \$15.8 million deficit recorded during the corresponding period a year earlier.¹ This outturn reflected a contraction in total expenditures by \$18.0 million (10.2%) to \$159.5 million, which overshadowed the \$6.8 million (4.2%) gain in aggregate revenue to \$168.6 million.

Capital outlays were negligible during the review month, compared to disbursements of \$14.0 million last year. In addition, current expenditure fell by \$4.0 million (2.4%) to \$159.5 million, as transfer payments contracted by \$20.8 million (23.0%) to \$69.7 million. In particular, subsidies and "other" transfers decreased by \$20.5 million (36.6%), with a timing-related decline in subsidies to the Public Hospitals Authority/National Health Insurance (PHA/NHI) by \$8.2 million (42.5%), while transfers to public corporations decreased by \$9.2 million (69.3%). In a partial offset, consumption spending rose by \$16.8 million (23.1%) to \$89.8 million, with purchases of goods and services and wages and salaries growing by \$12.7 million (70.2%), and \$4.2 million (7.6%), respectively.

¹ Final data for FY2016/17 are not available yet.

The revenue improvement was underpinned by a \$7.6 million (5.1%) increase in tax collections to \$156.4 million. Gains were reported for the majority of the categories, led by value-added tax (VAT) receipts, which advanced by \$7.9 million (11.5%) to \$76.6 million, while business & professional fees firmed by more than two-fold (\$4.4 million) to \$8.1 million—due to a \$4.3 million expansion in general business fee proceeds. Meanwhile, taxes on international trade grew by a more muted \$1.5 million (3.4%), to \$45.7 million. In contrast, “other” tax collections declined by \$6.3 million (19.4%) to \$26.5 million, as “unclassified” receipts were negligible during the review period, compared to the prior year’s \$10.4 million; however, other stamp tax receipts firmed by \$2.3 million (42.3%). Total non-tax revenue softened by \$0.8 million (6.1%) to \$12.2 million, led by a \$0.4 million (3.9%) reduction in receipts from fines, forfeits and administrative fees.

2. Domestic Monetary Trends

August 2017 vs. 2016

Liquidity

Monetary developments during August were dominated by the Government’s receipt of the net proceeds from its US\$100 million equivalent external loan from a private international bank, which led to a contraction in Bahamian dollar credit from the use of the proceeds, in contrast to a small increase in Bahamian dollar deposits. As a consequence, excess liquid assets—a broad measure of liquidity—strengthened by \$86.8 million to \$1,611.9 million, a reversal from a \$70.6 million fall in the prior year, while excess reserves firmed by \$68.7 million to \$801.8 million, vis-à-vis a \$2.4 million decrease in 2016.

External Reserves

Given the Government’s foreign currency loan proceeds, external reserves rose by \$92.3 million to \$974.2 million in August, in contrast to a \$65.1 million decline in the same period of last year. This development reflected a reversal in the Central Bank’s transactions with the public sector, from a \$21.6 million net sale to a net purchase of \$95.7 million. In addition, the Bank’s net sale to commercial banks narrowed by \$39.4 million to \$7.4 million, as the latter’s net sale to their customers declined sharply, by \$51.9 million, to \$1.1 million.

Exchange Control Sales

Foreign currency sales—by commercial banks, money transmission businesses and the Central Bank—to facilitate current account transactions, decreased by approximately \$33.9 million to \$419.0 million in August, owing mainly to reduced demand from the public sector. Specifically, disbursements for factor income (3.3% of the total), oil imports (9.0% of the total) and other miscellaneous current items (38.7% of the total), narrowed by \$22.1 million, \$9.3 million and \$40.0 million, respectively. In contrast, foreign currency sales for non-oil imports, at 34.8% of the total, rose by \$24.3 million, while transfers (5.4%) and travel (8.9%) related sales, recorded respective gains of \$8.7 million and \$4.5 million.

Domestic Credit

Bahamian Dollar Credit

Total Bahamian dollar credit contracted by \$54.7 million, compared to the prior year’s \$6.2 million expansion. With the Government utilizing part proceeds from its external loan to repay outstanding short-term commercial bank claims, net credit to the Government decreased by \$59.8 million, vis-à-vis a net repayment of \$4.3 million a year earlier. Similarly, claims on the rest of the public sector fell marginally by \$0.7 million, a turnaround from a \$1.3 million expansion in the comparable period of last year. In addition, the growth in credit private sector credit slowed to \$5.9 million, from a \$9.3 million increase in 2016, as lending for consumer purposes narrowed by \$9.7 million to \$4.3 million, while commercial loan gains

almost steadied at \$1.4 million. In a slight offset, mortgages rose marginally by \$0.2 million, reversing the \$5.9 million reduction in 2016.

Foreign Currency Credit

Total domestic foreign currency credit firmed by \$2.4 million, outpacing the \$1.3 million increase in 2016. Specifically, claims on the private sector advanced by \$2.6 million, augmenting a \$0.3 million uptick in the previous year, with mortgages recovered by \$0.7 million and growth in commercial credit firmed to \$1.9 million. In addition, the decline in credit to the rest of the public sector eased to \$0.6 million from \$1.3 million; however, accretions to net claims on the Government slowed to \$0.3 million, from \$2.2 million in 2016.

Credit Quality

Reflecting mainly the sale of a second tranche of Bank of The Bahamas' non-performing commercial loans to the public entity Resolve Ltd., banks' asset quality indicators improved significantly over the review period. Specifically, total private sector loan arrears contracted by \$79.4 million (7.7%) to \$951.2 million, while the corresponding ratio of arrears to total private sector loans decreased by 1.2 percentage points to 16.3%². In particular, non-performing loans (NPLs) fell by \$84.5 million (11.6%) to \$646.5 million, resulting in the attendant NPL ratio receding by 1.3 percentage points to 11.1%. In contrast, the short-term (31-90 day) segment rose by \$5.1 million (1.7%) to \$304.6 million, with the arrears rate firming by 15 basis points to 5.2% of total loans.

By loan type, the improvement in asset quality mainly reflected a \$79.1 million (33.2%) reduction in commercial delinquencies to \$159.0 million, as the non-accrual segment contracted by \$70.6 million (35.3%), while short-term arrears decreased by \$8.5 million (22.2%). Similarly, the consumer segment fell by \$3.1 million (1.2%) to \$263.3 million, as the \$9.9 million (5.8%) falloff in the NPL category, eclipsed the \$6.8 million (7.1%) uptick in the short-term segment. In contrast, mortgage delinquencies firmed by \$2.8 million (0.5%) to \$528.9 million, as the \$6.8 million (4.1%) increase in the short-term segment, negated the \$4.0 million (1.1%) decrease in NPLs.

The sale of the non-performing portfolio allowed BOB to reduce its provisions for loan losses significantly, and as a consequence, the aggregate provisions for the sector fell by \$53.6 million (10.6%) to \$454.7 million. Similarly, the ratio of provisions to total arrears declined by 1.5 percentage points to 47.8%; however, given the significant decrease in NPLs, the corresponding provisions ratio firmed by 79 basis points to 70.3%. Banks also wrote-off a total of \$11.7 million in bad debts, and recovered approximately \$1.8 million in August.

On an annual basis, the ratio of total arrears to total loans contracted by 2.4 percentage points, due mainly to a 2.8 percentage point decline in the NPL rate, although the short-term rate grew slightly, by 45 basis points. Reflecting mainly the asset sale to Resolve Ltd., the delinquency rate for commercial loans plunged by 8.2 percentage points, while the corresponding mortgage rate fell by 2.6 percentage points; however, the consumer loan rate firmed slightly by 19 basis points.

² This sale also resulted in a contraction in private sector credit; however, due to the timing of the transaction at the end of the month, the impact will be seen in September's credit report.

Deposits

Total Bahamian dollar deposits moved higher by \$4.7 million, a turnaround from the \$68.6 million reduction in the previous year, when a financial services provider utilized its balances to purchase Government bonds. By account type, demand deposits rose by \$18.6 million, outpacing the prior year's \$4.4 million expansion, while the contractions in fixed and savings balances slowed to \$8.9 million and \$5.1 million, from \$55.7 million and \$17.3 million, respectively, in the prior year.

Interest Rates

In August, the weighted average deposit rate rose by 24 basis points to 1.14%, with the highest rate of 5.00% offered on fixed balances of over 12 months, while the weighted average loan rate increased by 42 basis points to 12.76%. As a result, the interest rate spread widened by 18 basis points to 11.62 percentage points.

3. Domestic Outlook and Policy Implications

Domestic economic activity is expected to remain relatively mild over the remainder of the year, with tourism output constrained by ongoing weakness in the country's second largest market, and the short-term disruption to travel itineraries—caused by the two major storms—on several key source markets. However, this effect is likely to be balanced by the potential shift in visitors from destinations severely affected by the hurricanes and the further increase in room inventory resulting from the phased opening of the Baha Mar resort. Construction sector output is expected to continue to be supported by foreign investment projects, as well as ongoing, post hurricane rebuilding. Against this backdrop, employment conditions are likely to further improve at a modest pace, while inflationary pressures are should remain subdued; although fuel prices are projected to rise modestly in the near-term, due to the adverse effects of the recent storms on US oil production.

Improvements in the fiscal sector indicators will depend heavily of the success of measures to improve revenue administration and increase compliance, as well as Government's plan to curb expenditure growth, principally by reducing current spending. However, some dampening of this effect is expected to occur over the near-term, as key infrastructure in several of the southern islands is rebuilt in the aftermath of the hurricanes.

In the banking sector, liquidity levels are anticipated to remain elevated, reflecting banks' conservative lending stance and consumers' ongoing deleveraging activities. In addition, the underlying reduction in the level of NPLs should be maintained over the remainder of the year, reflecting the gradual improvement in employment conditions and sustained loan restructuring initiatives—including the Government's Mortgage Relief Programme. In this environment, banks are expected to remain well capitalised, thereby mitigating any financial sector stability concerns.

External reserves indicators are expected to remain in line with international benchmarks over the remainder of the year, supported by the Government's external borrowings, which should offset the seasonal uptick in demand for foreign currency during the holiday period.

APPENDIX

International Developments

International economic indicators continued to improve modestly over the review period, supported by sustained strengthening in advanced economies and stable conditions in emerging and developing markets; although the passage of hurricanes Harvey and Irma temporarily disrupted economic activity in a few US states. In this environment, major central banks maintained their accommodative monetary policy stance, in order to support growth in their respective economies.

During the review month, the United States' economic growth momentum was hampered by the passage of Hurricane Harvey, as the temporary closure of several manufacturing complexes in the southern states contributed to a reduction in industrial production by 0.9% in August—the first decline since January—a reversal from a 0.4% gain in the prior month. In addition, retail sales softened by 0.2%, vis-à-vis a 0.3% gain in July. With regard to labour market developments, the jobless rate rose slightly, by 10 basis points to 4.4%, although non-farm payrolls expanded by 156,000 persons. Meanwhile, in the international sector, the trade deficit edged-up by \$0.1 billion to \$43.7 billion in July, on account of a reduction in the services account surplus—led by a decline in travel exports—which eclipsed the decrease in the goods deficit. In terms of consumer prices, the inflation rate firmed to 0.4% in August from 0.1% a month earlier, attributed to higher gasoline and housing costs. Against this backdrop, the Federal Reserve left its key bank rates unchanged at the 1.00%-1.25% range.

Developments among European economies were mixed during the review period. In the United Kingdom, industrial production rose by 0.2% in July, following the previous month's 0.5% gain, while in the euro area, industrial output firmed marginally by 0.1%, in contrast to a 0.6% decline in June. Further, retail trade in the euro area decreased by 0.3% in July, reversing a 0.6% improvement in the prior month. On the external front, the UK's trade deficit grew by £0.4 billion during the quarter ending in July, to £8.6 billion, as exports declined and imports—of mostly finished manufactured goods—firmed. Meanwhile, consumer prices in the euro area rose by 1.5% in August, extending the prior month's 1.3% increase, while in the United Kingdom, average prices firmed by 2.7% on an annualized basis, after a 2.6% gain in July. Further, conditions in the UK labour market improved during the three months to July, with the jobless rate contracting by 20 basis points over the previous quarter, to 4.3%. In line with these developments, both the Bank of England and the European Central Bank maintained their highly accommodative monetary policy stance.

Indicators for Asian economies were largely positive over the review period. In particular, China's Purchasing Managers Index (PMI) rose by 30 basis points to 51.7 in August, backed by gains in the production and new orders indices, while retail sales increased by 0.8%, up slightly from a 0.7% rise in the previous month. Similarly, buoyed by higher demand for imports, China's monthly trade surplus narrowed by US\$4.7 billion to US\$42.0 billion in August. Meanwhile, consumer prices in the country firmed by 0.4% on a monthly basis, outpacing July's 0.1% uptick, while consumer prices in Japan were flat during the month. Further, the unemployment rate in Japan remained at a very low 2.8% in July. In monetary developments, both the People's Bank of China and the Bank of Japan left their monetary policy stances unchanged in August.

Commodity markets registered broad-based price gains during August. In particular, underpinned by the impact of Hurricane Harvey on U.S. fuel output, as well as the 80,000 barrels per day (b/d) decline in OPEC's production to an average of 32.76 b/d, crude oil prices surged by 9.9% to \$52.63 per barrel during the month. Further, amid the decline in the value of the dollar and increased geopolitical uncertainty, precious metal prices rose, with gold appreciating by 4.1% to \$1,321.40 per troy ounce and silver firming by 4.6% to \$17.59 per troy ounce.

Mixed performances were reported among the major equity markets in August, reflecting mainly domestic factors. In the United States, the Dow Jones Industrial Average (DJIA) rose by 0.3% and the S&P 500 index increased marginally by 0.1%. In addition, the United Kingdom's FTSE 100 index advanced by 0.8%; however, Germany's DAX and France's CAC 40 indices decreased by 0.5% and 0.2%, respectively. Similarly, Asian market performances varied, with China's SE composite registering a 2.7% gain, while Japan's Nikkei declined by 1.4%.

Amid the continued uncertainty regarding the new administration's economic policies, the dollar weakened against most of the major currencies during the review month. In particular, the dollar depreciated versus the Chinese Yuan, by 1.9%, to CNY6.5963. More muted declines were reported versus the Swiss Franc (by 0.8% to CHF0.9587), the euro (by 0.6% to €0.8396) and the Japanese Yen (by 0.3% to ¥109.98). In contrast, the dollar rose vis-à-vis the British pound, by 2.2% to £0.7734, and by only 1 basis point to C\$1.2481 relative to the Canadian dollar.

Recent Monetary and Credit Statistics

(B\$ Millions)

AUGUST						
Value		Change		Change YTD		
2016	2017	2016	2017	2016	2017	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	811.11	801.77	-2.41	68.74	321.75	78.05
1.2 Excess Liquid Assets	1,515.13	1,611.90	-70.64	86.83	200.72	164.82
1.3 External Reserves	993.14	974.17	-65.13	92.26	184.23	72.10
1.4 Bank's Net Foreign Assets	-244.40	-131.34	-3.39	-11.63	208.92	-0.18
1.5 Usable Reserves	319.25	268.17	-62.33	64.28	24.12	24.32

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,203.00	6,149.10	9.57	8.52	-78.53	-3.65
a. B\$ Credit	5,964.75	5,913.50	9.29	5.90	-41.04	0.13
of which: Consumer Credit	2,197.47	2,228.95	13.97	4.29	28.63	-18.48
Mortgages	3,053.41	2,948.52	-5.85	0.24	-19.33	-12.30
Commercial and Other Loans B\$	713.86	736.03	1.16	1.37	-50.34	30.91
b. F/C Credit	238.25	235.61	0.28	2.62	-37.49	-3.79
of which: Mortgages	65.35	66.98	-0.45	0.68	-16.47	-1.06
Commercial and Other Loans F/C	172.90	168.62	0.73	1.94	-21.03	-2.73
2.2 Central Government (net)	2,238.69	2,702.71	-2.12	-59.48	24.14	164.53
a. B\$ Loans & Securities	2,506.79	2,945.40	-27.20	-8.50	40.04	194.24
Less Deposits	265.98	239.85	-22.86	51.33	-15.95	31.06
b. F/C Loans & Securities	0.00	0.00	0.00	-0.59	-36.62	0.00
Less Deposits	2.12	2.84	-2.22	-0.93	-4.76	-1.35
2.3 Rest of Public Sector	317.62	283.17	-0.02	-1.30	10.50	-22.71
a. B\$ Credit	109.44	100.82	1.29	-0.72	31.43	-6.48
b. F/C Credit	208.18	182.35	-1.31	-0.59	-20.94	-16.22
2.4 Total Domestic Credit	8,759.48	9,134.99	7.55	-52.27	-43.73	137.99
a. B\$ Domestic Credit	8,314.99	8,719.88	6.23	-54.65	46.39	156.82
b. F/C Domestic Credit	444.49	415.11	1.32	2.38	-90.12	-18.83

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,093.90	2,397.81	4.37	18.63	262.15	208.30
a. Central Bank	17.78	24.19	-3.26	-6.96	4.75	8.42
b. Banks	2,076.13	2,373.62	7.63	25.59	257.40	199.88
3.2 Savings Deposits	1,208.94	1,354.19	-17.30	-5.05	57.58	60.53
3.3 Fixed Deposits	2,873.28	2,748.77	-55.68	-8.88	-142.75	-121.69
3.4 Total B\$ Deposits	6,176.12	6,500.76	-68.62	4.70	176.98	147.14
3.5 F/C Deposits of Residents	289.08	368.65	0.79	-7.21	53.49	-9.81
3.6 M2	6,420.10	6,780.58	-66.97	5.47	184.43	133.21
3.7 External Reserves/M2 (%)	15.47	14.37	-0.84	1.35	2.50	0.80
3.8 Reserves/Base Money (%)	74.91	71.55	-4.98	3.29	-7.14	1.41
3.9 External Reserves/Demand Liabilities (%)	73.69	68.99	-4.51	3.96	-5.03	0.47

Value		Year to Date		Change	
2016	2017	2016	2017	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-68.34	88.29	168.37	53.79	156.63	-114.57
a. Net Purchase/(Sale) from/to Banks	-46.80	-7.37	209.35	100.70	39.43	-108.65
i. Sales to Banks	75.92	24.20	137.66	235.45	-51.72	97.79
ii. Purchases from Banks	29.12	16.83	347.01	336.16	-12.29	-10.85
b. Net Purchase/(Sale) from/to Others	-21.55	95.66	-40.98	-46.91	117.20	-5.93
i. Sales to Others	59.28	34.29	413.06	448.18	-24.99	35.11
ii. Purchases from Others	37.73	129.95	372.08	401.27	92.22	29.19
4.2 Banks Net Purchase/(Sale)	-53.03	-1.09	195.12	113.90	51.93	-81.22
a. Sales to Customers	478.14	336.63	2,813.85	3,040.96	-141.51	227.11
b. Purchases from Customers	425.11	335.54	3,008.96	3,154.86	-89.57	145.89
4.3 B\$ Position (change)	8.00	-1.64				

5.0 EXCHANGE CONTROL SALES

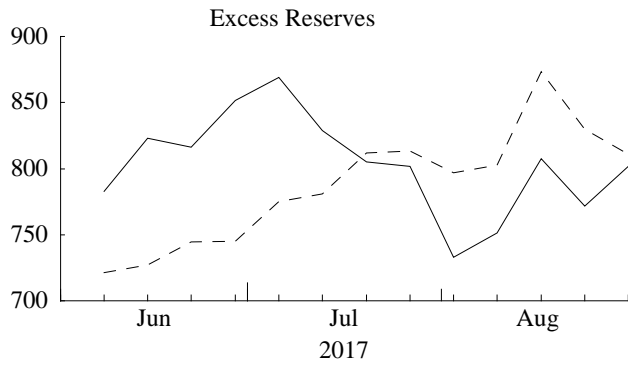
5.1 Current Items	452.87	418.97	2,998.01	3,253.94	-33.90	255.93
of which Public Sector	56.13	22.22	386.34	244.91	-33.91	-141.43
a. Nonoil Imports	121.39	145.66	1,032.07	1,164.45	24.28	132.39
b. Oil Imports	47.12	37.85	252.14	267.89	-9.27	15.75
c. Travel	32.71	37.22	162.39	214.10	4.50	51.71
d. Factor Income	35.71	13.62	177.93	127.35	-22.08	-50.59
e. Transfers	13.92	22.62	166.93	195.31	8.69	28.38
f. Other Current Items	202.02	162.00	1,206.56	1,284.84	-40.02	78.29
5.2 Capital Items	4.89	12.52	144.28	110.72	7.63	-33.57
of which Public Sector	0.00	0.00	73.82	24.13	0.00	-49.69
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: AUGUST 31, 2016 and AUGUST 30, 2017

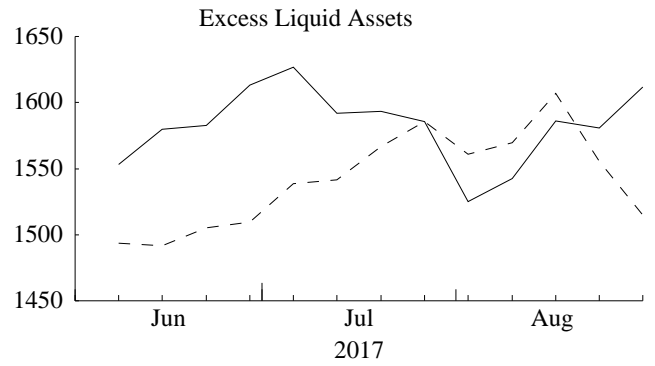
Exchange Control Sales figures are as at month end.

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

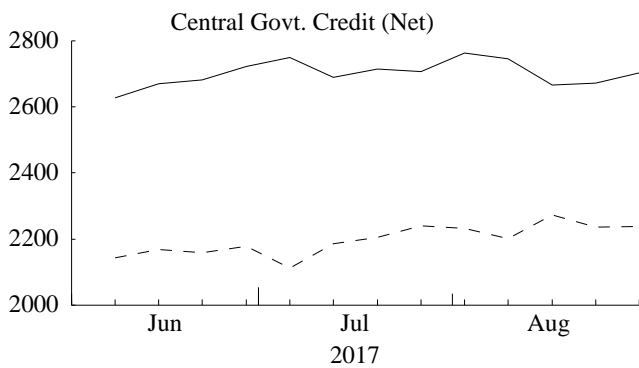
SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



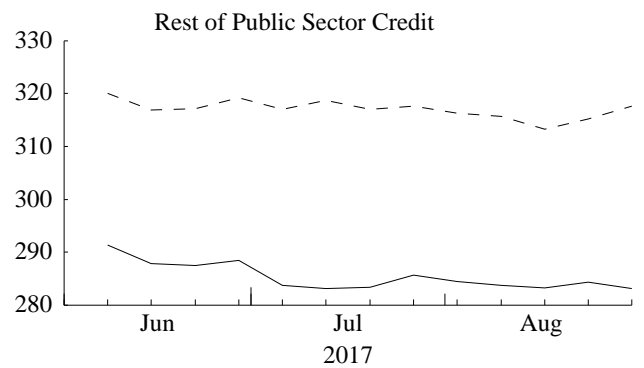
— 2017
- - - 2016



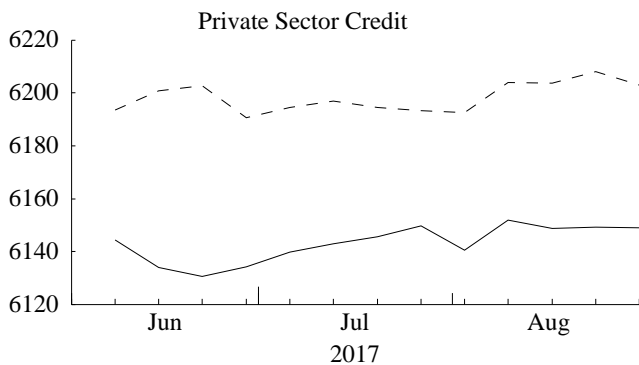
— 2017
- - - 2016



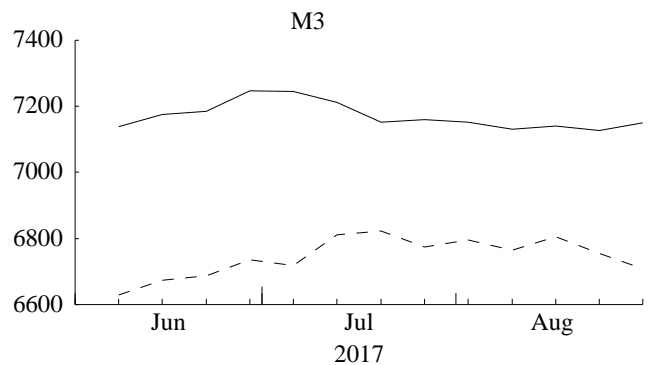
— 2017
- - - 2016



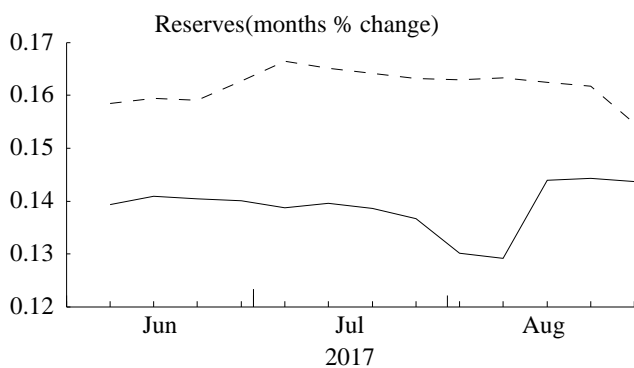
— 2017
- - - 2016



— 2017
- - - 2016



— 2017
- - - 2016



— 2017
- - - 2017

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2016	2017	2016	2017	2016	2017
Bahamas	0.0	1.4	0.8	N/A	11.6	N/A
United States	1.6	2.1	1.3	2.7	4.9	4.7
Euro-Area	1.8	1.9	0.2	1.7	10.0	9.4
<i>Germany</i>	<i>1.8</i>	<i>1.8</i>	<i>0.4</i>	<i>2.0</i>	<i>4.2</i>	<i>4.2</i>
Japan	1.0	1.3	-0.1	1.0	3.1	3.1
China	6.7	6.7	2.0	2.4	4.0	4.0
United Kingdom	1.8	1.7	0.6	2.5	4.9	4.9
Canada	1.5	2.5	1.4	2.0	7.0	6.9
<i>Source: IMF World Economic Outlook July 2017, Department of Statistics</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
			Primary Credit Rate	Target Funds Rate	Repo Rate
August 2015	4.50	0.05	0.75	0-0.25	0.50
September 2015	4.50	0.05	0.75	0-0.25	0.50
October 2015	4.50	0.05	0.75	0-0.25	0.50
November 2015	4.50	0.05	0.75	0-0.25	0.50
December 2015	4.50	0.05	1.00	0.25-0.50	0.50
January 2016	4.50	0.05	1.00	0.25-0.50	0.50
February 2016	4.50	0.05	1.00	0.25-0.50	0.50
March 2016	4.50	0.00	1.00	0.25-0.50	0.50
April 2016	4.50	0.00	1.00	0.25-0.50	0.50
May 2016	4.50	0.00	1.00	0.25-0.50	0.50
June 2016	4.50	0.00	1.00	0.25-0.50	0.50
July 2016	4.50	0.00	1.00	0.25-0.50	0.50
August 2016	4.50	0.00	1.00	0.25-0.50	0.25
September 2016	4.50	0.00	1.00	0.25-0.50	0.25
October 2016	4.50	0.00	1.00	0.25-0.50	0.25
November 2016	4.50	0.00	1.00	0.25-0.50	0.25
December 2016	4.00	0.00	1.25	0.50-0.75	0.25
January 2017	4.00	0.00	1.25	0.50-0.75	0.25
February 2017	4.00	0.00	1.25	0.50-0.75	0.25
March 2017	4.00	0.00	1.50	0.75-1.00	0.25
April 2017	4.00	0.00	1.50	0.75-1.00	0.25
May 2017	4.00	0.00	1.75	1.00-1.25	0.25
June 2017	4.00	0.00	1.75	1.00-1.25	0.25
July 2017	4.00	0.00	1.75	1.00-1.25	0.25
August 2017	4.00	0.00	1.75	1.00-1.25	0.25

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Aug-16	Jul-17	Aug-17	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8962	0.8445	0.8396	-0.57	-11.67	-6.31
Yen	103.42	110.26	109.98	-0.25	-6.00	6.34
Pound	0.7612	0.7567	0.7734	2.20	-4.43	1.61
Canadian \$	1.3105	1.2480	1.2481	0.01	-7.15	-4.76
Swiss Franc	0.9839	0.9668	0.9587	-0.84	-6.01	-2.56
Renminbi	6.6778	6.7216	6.5963	-1.86	-5.09	-1.22

Source: Bloomberg as of August 31, 2017

D. Selected Commodity Prices (\$)					
Commodity	August 2016	July 2017	August 2017	Mthly % Change	YTD % Change
Gold / Ounce	1308.97	1269.44	1321.40	4.09	14.68
Silver / Ounce	18.66	16.83	17.59	4.55	10.51
Oil / Barrel	49.19	47.87	52.63	9.94	-7.37

Source: Bloomberg as of August 31, 2017

E. Equity Market Valuations – August 31, 2017 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	-1.92	0.26	0.05	0.80	-0.16	-0.52	-1.40	2.68
3 month	-2.17	4.47	2.48	-1.19	-3.75	-4.43	-0.02	7.82
YTD	-5.36	11.06	10.40	4.03	4.59	1.81	2.78	8.29
12-month	-7.12	19.28	13.85	9.57	14.59	13.81	16.34	8.92

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	1.17	0.23	-0.42
1 Month	1.23	0.26	-0.40
3 Month	1.30	0.27	-0.38
6 Month	1.47	0.37	-0.33
9 Month	1.64	0.55	-0.28
1 year	1.77	0.63	-0.25

Source: Bloomberg as of August 31, 2017

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE					
	Jul. 05	Jul. 12	Jul. 19	Jul. 26	Aug. 02	Aug. 09	Aug. 16	Aug. 23	Aug. 30	Jul. 05	Jul. 12	Jul. 19	Jul. 26	Aug. 02	Aug. 09	Aug. 16	Aug. 23	Aug. 30
I. External Reserves	954.45	953.90	939.19	927.25	881.90	871.96	974.55	975.27	974.07	-6.50	-0.55	-14.71	-11.94	-45.35	-9.94	102.59	0.72	-1.20
II. Net Domestic Assets (A + B + C + D)	467.44	429.01	411.40	419.71	410.16	426.83	375.72	344.07	387.49	22.47	-38.43	-17.62	8.31	-9.55	16.68	-51.11	-31.65	43.42
A. Net Credit to Gov't (i + ii + iii - iv)	812.92	746.77	763.39	775.15	771.16	771.19	732.91	731.36	742.31	29.88	-66.15	16.62	11.76	-4.00	0.04	-38.28	-1.55	10.95
i) Advances	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	134.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Registered Stock	356.12	356.21	337.69	327.02	327.18	327.19	327.21	331.58	323.64	0.09	0.09	-18.52	-10.67	0.16	0.01	0.02	4.37	-7.94
iii) Treasury Bills	357.05	357.05	347.09	347.09	341.89	341.89	341.89	310.01	310.01	0.00	0.00	-9.97	0.00	-5.20	0.00	0.00	-31.88	0.00
iv) Deposits	34.91	101.15	56.04	33.61	32.57	32.54	70.84	44.88	26.00	-29.79	66.24	-45.11	-22.43	-1.04	-0.03	38.30	-25.96	-18.88
B. Rest of Public Sector (Net) (i + ii - iii)	-21.92	-10.92	-13.86	-25.29	-27.80	-12.92	-25.53	-26.29	-21.24	-6.83	11.01	-2.94	-11.43	-2.51	14.88	-12.61	-0.76	5.05
i) BDB Loans	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	2.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.40
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	25.27	14.27	17.21	28.64	31.15	16.27	28.88	29.64	24.19	6.83	-11.01	2.94	11.43	2.51	-14.88	12.61	0.76	-5.45
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)*	-323.56	-306.84	-338.13	-330.16	-333.20	-331.44	-331.66	-361.00	-333.58	-0.58	16.72	-31.29	7.98	-3.05	1.76	-0.22	-29.34	27.43
III. Monetary Base	1,421.90	1,382.92	1,350.59	1,346.96	1,292.06	1,298.79	1,350.27	1,319.34	1,361.56	15.97	-38.98	-32.32	-3.63	-54.90	6.73	51.48	-30.93	42.22
A. Currency in Circulation	387.55	386.31	387.07	383.90	395.49	391.57	388.46	382.05	387.64	0.53	-1.24	0.76	-3.17	11.59	-3.92	-3.11	-6.41	5.58
B. Bank Balances with CBOB	1,034.34	996.61	963.53	963.06	896.57	907.22	961.81	937.29	973.92	15.45	-37.74	-33.08	-0.47	-66.49	10.65	54.59	-24.52	36.64

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

