



Monthly Economic and Financial Developments May 2016

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:

2016: August 8, August 29, October 3, October 31, November 28, December 19.

Monthly Economic and Financial Developments

May 2016

1. Domestic Economic Developments

Domestic economic conditions remained relatively subdued over the review period, amid signs of the softness in tourism output, while a number of varied-scale foreign investment projects provided support to the construction sector. Reflecting the persistence of low international oil prices, inflation tapered during the 12-month period ending March. In the fiscal sector, the overall deficit deteriorated, as an increase in short-term financing to the public sector led to a rise in spending, outpacing the gains in revenue; while monetary sector developments were dominated by a reduction in broad liquidity, owing in part to a falloff in institutions' holdings of Government securities.

Tourism indicators available from the Bahamas Hotel and Tourism Association (BHTA)—for a sample of major hotels in New Providence—suggest that the sector was relatively weak over the review period¹. Total room revenues declined by an estimated 7.0% during the first four months of 2016, relative to the corresponding period a year earlier, reflecting a 1.4 percentage point reduction in the average occupancy rate to 75.6%, along with a 5.8% (\$16.83) decrease in the average daily room rate (ADR) to \$270.91.

Domestic inflation—as measured by the All Bahamas Retail Price Index—fell by 13 basis points to 1.13% in the twelve months to March 2016. This outturn reflected mainly a contraction in the average cost for housing, water, gas electricity and “other” fuels—the most heavily weighted component in the index—by 2.5%, a reversal from the previous year's 0.1% expansion. Similarly, transportation costs fell by 5.3%, vis-à-vis a slight gain a year earlier of 0.6%. In a modest offset, accretions to average costs quickened for health (by 9.7 percentage points to 14.0%), recreation and culture (by 4.7 percentage points to 9.5%), restaurant & hotels (by 3.8 percentage points to 5.7%), and communication (by 2.6 percentage points to 3.9%). Comparatively, gains in inflation rates of less than 2.0 percentage points were recorded for the remaining components.

Information on the Government's budgetary operations for the ten months of FY2015/16, showed a \$36.9 million (16.1%) widening in the deficit to \$266.1 million, relative to the prior year, as the \$235.1 million (14.6%) expansion in overall expenditure to \$1,848.5 million, eclipsed the \$198.2 million (14.3%) growth in total revenue to \$1,582.4 million.

With regard to spending, given the reclassification of most of the support to public enterprises as expenses rather than net lending, current outlays rose by \$318.3 million (23.2%) to \$1,692.4 million. Such shifts were captured in a \$245.7 million (40.3%) expansion in transfer payments to \$855.9 million². Further, given growth in debt obligations, interest payments expanded by \$31.8 million (15.9%) to \$231.3 million, with the bulk of the rise related to domestic currency obligations (\$26.8 million). Meanwhile, outlays for goods and services grew by \$54.0 million (23.5%) to \$283.5 million, while wages & salaries payments increased by \$18.6 million (3.5%) to \$553.0 million. In contrast, capital spending declined by \$15.3 million (9.1%) to \$153.0 million, on account of an \$8.0 million (6.3%) reduction in infrastructural outlays and a \$6.6 million

¹ Information on the number of tourist arrivals for the 2016 is not yet available.

² Inclusive of a short term bridging facility for the purchase of Bahamasair planes.

(16.6%) falloff in asset acquisitions. Similarly, given the reclassification of various items, net lending narrowed to \$3.1 million from \$71.1 million in the previous year.

On the revenue side, robust gains for value added tax (VAT) elevated tax receipts by \$201.1 million (16.4%) to \$1,424.2 million. Reflecting almost full fiscal year collections, VAT receipts stood at \$550.8 million relative to the \$143.9 million recorded over the four months of receipts in the comparative period last year, on a base which still excluded real estate and insurance transactions. Concurrently, a reduction on several tariff rates to rebalance indirect taxes towards the VAT, contributed to declines in levies on international trade (mainly import duties and excise taxes) by \$41.6 million (8.7%) to \$435.2 million. In addition, receipts from “other” miscellaneous taxes contracted by \$93.2 million (22.3%) to \$325.3 million, due predominantly to shift from stamp to VAT on real property transfers, as well as notable reductions in “unclassified” taxes. The more than halving in tourism-related taxes to \$22.2 million, also reflected the compositional shift from the room occupancy tax to VAT, while gaming taxes also declined by \$3.2 million (13.1%) to \$21.7 million. Further, receipts from business and professional fees decreased by \$31.0 million (21.2%) to \$114.9 million, amid some timing-related delays in collections. Meanwhile, non-tax revenues were relatively stable at \$158.1 million.

2. International Developments

Preliminary evidence for the advanced economies showed that conditions were relatively stable during the review period, with the United States and Europe continuing to exhibit modest growth, while Asian markets remained constrained by the slowdown in China, which fed through to other emerging markets. Against this backdrop, all of the major central banks maintained their expansionary monetary policy stance.

Indications are that economic conditions in the United States were relatively subdued during the review month, with retail sales firming modestly by 0.5% in May, following a 1.3% increase in the prior period, reflecting gains in motor vehicles & parts and food & beverages. In contrast, industrial production decreased by 0.4%, vis-à-vis a 0.6% expansion in April, as reductions in manufacturing and utilities outweighed the modest gain in mining output. Developments in the housing market were mixed, as the number of building permits issued and completions firmed by 0.7% and 5.1%, respectively in May; however, housing starts fell marginally, by 0.3%. The pace of the improvement in the labour market slowed over the review month, as a mere 38,000 persons were added to nonfarm payrolls—the smallest number in 5 years—although the jobless rate still declined by 30 basis points to 4.7%. Reflecting a contraction in food costs, which outpaced advances across the remaining categories, the rate of inflation softened by 20 basis points to 0.2%. Given the slowdown in job gains and concerns over global headwinds, the Federal Reserve left its benchmark rate unchanged within the 0.25% - 0.50% target range.

Despite the uncertainty ahead of the “BREXIT” vote in the United Kingdom, developments in European economies were largely positive over the review period. In the United Kingdom, industrial output rose by 2.0% in April—the largest monthly increase in nearly four years—outpacing a slight 0.3% rise in the previous month, buoyed largely by gains in manufacturing output; however, the growth in retail sales eased to 0.9% in May from 1.9% a month earlier. In the external sector, the trade deficit narrowed marginally by £0.2 billion to £3.3 billion in April, led by a 5.3% increase in exports of mainly chemicals, oil, and machinery, which outpaced the 4.4% gain in imports. Further, the jobless rate fell slightly by 10 basis points to 5.0%—the lowest level in more than a decade—during the three months to April, as an additional 55,000 persons gained employment. The inflation rate stabilised at 0.3% in May, as increases in the prices for transportation, restaurant and hotel services and telecommunications were partly offset by declines in

clothing and food costs. Conditions in the euro area were relatively stable during the review period, as increased output of consumer and capital goods, led to industrial production firming by 1.1% in April, a turnaround from the preceding month's 0.7% reduction. Meanwhile, the volume of retail trade sales steadied, after a 0.6% decline in March, as higher food, drinks and tobacco purchases, were offset by reduced automotive fuel sales. Reflecting mainly decreases in transport fuels and heating oil costs, consumer prices narrowed by 0.1% in May relative to the previous month, while the unemployment rate remained unchanged at 10.2% in April. On the monetary front, the Bank of England maintained its key interest rate at the historic low of 0.5%. Similarly, the European Central Bank left its benchmark interest rates unchanged and announced its intent to commence purchases of private sector securities under its Corporate Sector Purchase Programme (CSPP) on June 8th.

Developments within the Asian economies continued to be dominated by the softness in several of the largest markets in the region. In May, China's industrial production rose by an annualized 6.0% for the second consecutive month, as growth in manufacturing and energy distribution countered a decline in mining & quarrying output. Similarly, the Purchasing Manager's Index (PMI)—a measure of private sector business conditions—was unchanged at 50.1%, indicating continued growth. Further, retail sales firmed by 0.8% on a monthly basis, following a similar improvement in April. In the international sector, the trade surplus widened by US\$4.4 billion to US\$50.0 billion, buoyed by growth in exports of 4.9% and a reduction in imports of 3.1%. Reflecting declines in consumer goods costs, the retail price index fell by 0.5%, month-on-month, extending April's 0.2% reduction. Further, economic conditions in Japan remained relatively subdued, as industrial production grew by a mere 0.3% in April, narrowing sharply from the previous month's 3.8% gain, due to a slowdown in the manufacture of electronics. In addition, a falloff in fuel prices, along with reduced purchases of household electronics, led to retail sales declining by an annualized 0.8%, after a 1.0% decrease in March. The appreciation in the currency over the past several months, contributed to the value of exports declining by 13.6%, leading to the country's trade balance reversing to a deficit of ¥40.7 billion, vis-à-vis the previous month's ¥823.2 billion surplus. In terms of inflation, consumer prices rose by 0.2% in April, after a 0.1% increase a month earlier, as higher costs for clothing and footwear were partly offset by declines in the fuel, light, and water and food components, while the jobless rate stabilised at 3.2%. In terms of monetary policy, the People's Bank of China maintained its accommodative policy stance aimed at strengthening the resilience of the financial sector, while the Bank of Japan continued its "stimulative" policy actions.

Reflecting in part a reduction in inventories, crude oil prices rose by 3.3% to \$49.16 per barrel in May—the fourth successive month of gains—as OPEC's average daily production declined by 100,000 barrels per day (bpd) to 32.4 million bpd. Further, improved investor sentiment, combined with an appreciation of the US dollar, resulted in the prices of silver and gold declining by 10.4% and 6.0%, to \$15.99 and \$1,215.33 per troy ounce, respectively.

Most of the major equity markets registered gains during the review month. In the United States, the S&P 500 index rose by 1.5%, while the Dow Jones Industrial Average (DJIA) was marginally higher, by 0.1%. In terms of Europe, both Germany's DAX and France's CAC 40 firmed by 2.2% and 1.7%, respectively; however, concerns over the impending referendum contributed to the 0.2% loss on the United Kingdom's FTSE 100. Outcomes on Asian bourses were mixed, with Japan's Nikkei recording a 3.4% gain, while China's SE composite declined by 0.7%.

Supported by relatively positive economic data and the prospect that the Federal Reserve would raise interest rates in the near-term, the dollar appreciated against all of the major currencies in May. In

particular, the dollar advanced relative to the Canadian dollar, by 4.3% to CAD\$1.3093 and the Japanese Yen, by 4.0% to ¥110.72. The dollar also firmed vis-à-vis the Swiss Franc, by 3.6% to CHF0.9938 and by 2.9% against the euro, to €0.8993. More muted gains were reported versus the Chinese Yuan (by 1.6% to CNY6.5822) and the British pound (by 0.8% to £0.6905).

3. Domestic Monetary Trends May 2016 vs. 2015

Monetary developments in May featured a fall in bank liquidity, as firms reduced their holdings of Government securities and increased the level of short-term credit provided. As a consequence, excess liquid assets—a broad measure of liquidity—declined by \$16.4 million to \$1,479.9 million, vis-à-vis a modest \$7.4 million expansion in 2015. In contrast, an increase in Central Bank financing to the Government following a Treasury bill rollover, led to a \$42.7 million expansion in excess reserves—the narrower liquidity measure—to \$709.3 million, opposing a \$39.4 million reduction a year earlier.

Given a reversal to net private sector foreign currency outflows in May, external reserves only rose marginally by \$1.4 million to \$1,008.9 million, after a \$23.2 million expansion a year earlier. Underlying this development, the Central Bank's net purchase from commercial banks narrowed by \$44.6 million to \$8.4 million, as they in turn sold a net of \$4.0 million to their consumers, vis-à-vis the prior year's \$31.9 million net purchase. In a near offset, the Bank's net sale to the public sector contracted by \$21.2 million to \$10.3 million, due in part to lower payments for fuel imports.

During the review month, Bahamian dollar credit decreased by \$29.0 million, vis-à-vis the \$44.8 million rise in the previous year. A sell-off in delinquent residential mortgages underpinned a \$33.5 million reduction in private sector credit, relative to a nearly stable position a year ago. In addition, consumer loans declined by \$2.0 million, following an increase of similar magnitude a year earlier, while the commercial loans portfolio was nearly unchanged. Further, net claims on the Government grew by \$2.0 million, a slowdown from the \$47.0 million expansion in the prior year, when banks increased their Treasury bill holdings. In a slight offset, credit to the rest of the public sector expanded by \$2.6 million, a reversal from a \$2.0 million decline in the comparable period last year.

Following the sell-off of some delinquent mortgages, bank's credit quality indicators improved significantly during the month of May. Total private sector loan arrears fell by \$22.9 million (2.0%) to \$1,130.6 million, and by 24 basis points to 19.0% of total private sector loans. In terms of the components, non-performing loans (more than 90 days past due) declined by \$30.1 million (3.5%) to \$843.4 million, resulting in the attendant ratio of total loans decreasing by 39 basis points to 14.2%. In contrast, the shorter term arrears of 31-90 days rose by \$7.2 million (2.6%) to \$287.2 million, with the corresponding ratio to total loans higher by 16 basis points to 4.8%.

A breakdown by category showed that total mortgage arrears fell by \$23.2 million (3.6%) to \$614.0 million, with the non-performing segment down by \$27.3 million (5.7%) to \$455.0 million, while shorter term delinquencies were up by \$4.1 million (2.7%) to \$159.0 million. Comparatively, consumer loan arrears were nearly stable at \$276.3 million, with a \$5.3 million (6.6%) gain in short-term arrears, to \$86.0 million, eclipsing the \$5.1 million (2.6%) reduction in non-accrual loans to \$190.3 million. In addition, the commercial component steadied at \$240.3 million, as the \$2.2 million (1.1%) increase in the non-performing category, negated an identical decline in the short-term segment.

Given the improvement in asset quality, banks reduced their provisions for bad debts by \$3.2 million (0.6%) to \$539.4 million; however, the ratios of provisions to both arrears and nonperforming loans rose by 0.7 and 1.8 percentage points to 47.7% and 64.0%, respectively. During the month, banks also wrote-off approximately \$4.4 million in bad loans and recovered \$1.9 million in claims.

Domestic foreign currency credit declined by \$72.7 million from a fairly unchanged position in 2015, largely reflecting a \$56.0 million net repayment of claims on the Government, reflecting a short-term bridging facility. Similarly, claims on the rest of the public sector declined by \$11.1 million, outpacing the year earlier \$1.3 million contraction. In addition, the decline in credit to the private sector quickened to \$5.6 million compared to \$0.3 million last year, as the mortgage component decreased more markedly by \$3.6 million and the commercial category recorded a small downturn of \$2.1 million.

Bahamian dollar deposits contracted by \$6.1 million during the review month, a turnaround from the \$2.0 million gain in 2015. This was owed mainly to the \$10.9 million reduction in savings deposits, in comparison to the year-earlier \$18.0 million growth. Similarly, fixed balances fell by \$1.1 million, vis-à-vis a \$1.6 million gain in 2015. In a modest offset, demand deposits grew by \$5.9 million, rebounding from the \$17.6 million falloff in the preceding year.

In interest rate developments, the weighted average deposit rate firmed by 15 basis points to 1.37%, with the highest rate of 5.00% offered on fixed balances of over 12 months. Similarly, the weighted average loan rate advanced by 37 basis points to 12.60%.

4. Outlook and Policy Implications

The domestic economy is expected to stabilise during the year, as several foreign investment projects in both New Providence and the Family Islands support construction sector activity. Tourism sector output should show some signs of improvement in the coming months, benefitting from modest gains in both hotel and airlift capacity, while positive developments, such as the restart of the Baha Mar project, could boost the economic forecasts. On the downside, continued instability in the global markets caused by the recent United Kingdom "BREXIT" referendum, in support of withdrawal from the European Union, could curtail growth prospects in line with softer expectations for major industrial economies. With international oil prices projected to remain relatively low for an extended period, inflationary pressures are likely to stay well contained over the near-term.

Fiscal sector developments will continue to be driven by VAT-led structural improvement in revenue. However efforts to control expenditure growth will also remain central to consolidation prospects.

Banking sector liquidity is expected to stay elevated, reflecting the weakness in private sector credit demand and banks' conservative lending stance. In this environment, overall capital levels in the system should remain well above regulatory requirements, mitigating any financial stability concerns. Meanwhile, the outturn for external reserves is for a stable to mildly improved outcome by year's-end, as lower fuel cost pressures and contained import demand, buffer still very moderate real sector inflows.

Recent Monetary and Credit Statistics

(B\$ Millions)

MAY						
Value		Change		Change YTD		
2015	2016	2015	2016	2015	2016	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	543.73	709.27	-39.39	42.66	50.46	219.90
1.2 Excess Liquid Assets	1,280.13	1,479.90	7.41	-16.41	138.24	165.49
1.3 External Reserves	942.66	1,008.92	23.18	1.37	155.90	200.01
1.4 Bank's Net Foreign Assets	-419.81	-345.22	2.37	67.01	14.17	108.09
1.5 Usable Reserves	405.13	377.78	36.70	-27.32	145.01	82.65

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,276.11	6,195.48	-0.44	-39.13	-76.85	-86.05
a. B\$ Credit	5,978.83	5,952.24	-0.12	-33.53	-51.01	-53.54
of which: Consumer Credit	2,137.31	2,157.04	2.20	-1.95	-13.35	-11.80
Mortgages	3,071.83	3,041.60	0.49	-31.57	-27.24	-31.14
Commercial and Other Loans B\$	769.69	753.60	-2.82	-0.01	-10.43	-10.60
b. F/C Credit	297.28	243.23	-0.31	-5.60	-25.83	-32.51
of which: Mortgages	103.11	66.62	-0.57	-3.55	0.89	-15.19
Commercial and Other Loans F/C	194.17	176.61	0.26	-2.05	-26.72	-17.32
2.2 Central Government (net)	2,052.15	2,184.63	48.61	-54.07	20.88	-29.91
a. B\$ Loans & Securities	2,305.06	2,493.45	42.52	-0.72	32.08	26.71
Less Deposits	251.48	300.70	-4.46	-2.68	16.93	18.76
b. F/C Loans & Securities	0.00	0.11	0.00	-49.89	0.00	-36.51
Less Deposits	1.43	8.22	-1.64	6.14	-5.73	1.35
2.3 Rest of Public Sector	335.12	298.46	-3.26	-8.51	14.35	-8.66
a. B\$ Credit	98.31	86.17	-2.01	2.55	1.09	8.16
b. F/C Credit	236.81	212.29	-1.26	-11.06	13.26	-16.82
2.4 Total Domestic Credit	8,663.38	8,678.60	44.78	-101.71	-41.66	-124.61
a. B\$ Domestic Credit	8,130.72	8,231.16	44.84	-29.02	-34.78	-37.44
b. F/C Domestic Credit	532.66	447.44	-0.07	-72.69	-6.88	-87.17

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,910.62	1,940.37	-17.58	5.85	131.76	108.62
a. Central Bank	11.28	15.72	2.82	3.03	-12.29	2.69
b. Banks	1,899.34	1,924.65	-20.40	2.83	144.04	105.93
3.2 Savings Deposits	1,136.30	1,196.50	17.97	-10.88	68.48	45.14
3.3 Fixed Deposits	3,039.65	3,012.36	1.63	-1.07	-99.43	-3.66
3.4 Total B\$ Deposits	6,086.57	6,149.23	2.02	-6.10	100.81	150.10
3.5 F/C Deposits of Residents	257.82	251.24	9.50	-11.17	15.77	15.65
3.6 M2	6,315.71	6,391.86	8.83	-0.56	98.52	156.19
3.7 External Reserves/M2 (%)	14.93	15.78	0.35	0.02	2.27	2.81
3.8 Reserves/Base Money (%)	91.41	82.70	4.96	-3.62	11.21	0.65
3.9 External Reserves/Demand Liabilities (%)	87.68	79.93	4.25	-3.69	12.99	1.21
	Value		Year to Date		Change	
	2015	2016	2015	2016	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	21.59	-1.86	153.89	187.29	-23.45	33.40
a. Net Purchase/(Sale) from/to Banks	53.04	8.40	288.40	183.84	-44.65	-104.56
i. Sales to Banks	0.00	30.40	19.10	49.25	30.40	30.15
ii. Purchases from Banks	53.04	38.80	307.50	233.09	-14.25	-74.41
b. Net Purchase/(Sale) from/to Others	-31.46	-10.26	-134.52	3.44	21.19	137.96
i. Sales to Others	57.92	53.18	310.95	277.54	-4.74	-33.41
ii. Purchases from Others	26.47	42.92	176.44	280.99	16.45	104.55
4.2 Banks Net Purchase/(Sale)	31.85	-3.95	268.64	186.31	-35.80	-82.34
a. Sales to Customers	272.25	420.41	1,609.11	1,708.20	148.16	99.09
b. Purchases from Customers	304.10	416.46	1,877.75	1,894.50	112.36	16.75
4.3 B\$ Position (change)	-10.27	-8.61				

5.0 EXCHANGE CONTROL SALES

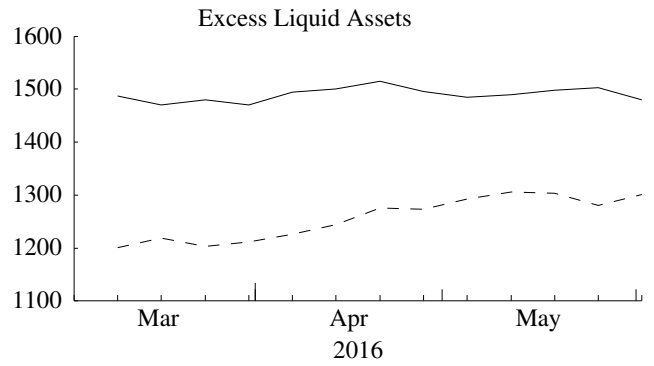
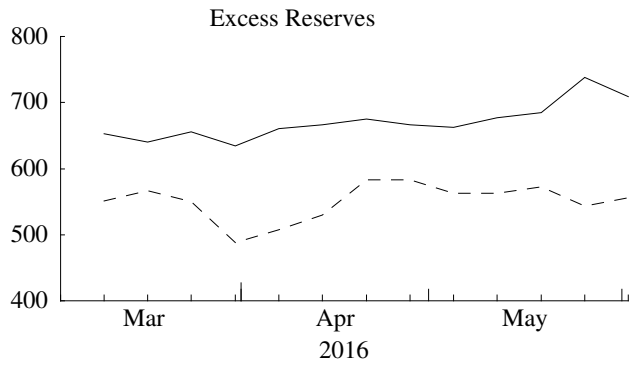
5.1 Current Items	ND	ND	ND	ND	ND	ND
of which Public Sector	ND	ND	ND	ND	ND	ND
a. Nonoil Imports	ND	ND	ND	ND	ND	ND
b. Oil Imports	ND	ND	ND	ND	ND	ND
c. Travel	ND	ND	ND	ND	ND	ND
d. Factor Income	ND	ND	ND	ND	ND	ND
e. Transfers	ND	ND	ND	ND	ND	ND
f. Other Current Items	ND	ND	ND	ND	ND	ND
5.2 Capital Items	ND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

Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: MAY 27, 2015 and JUNE 01, 2016

Exchange Control Sales figures are as at month end.

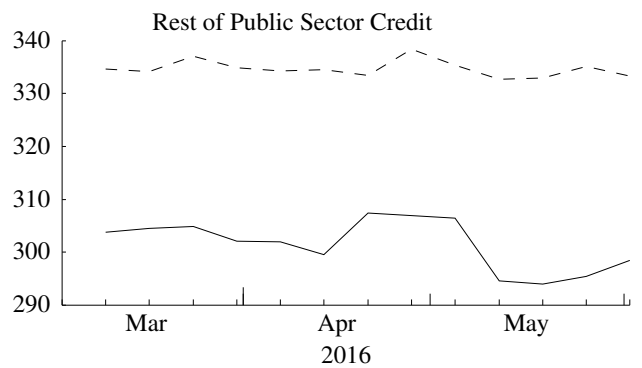
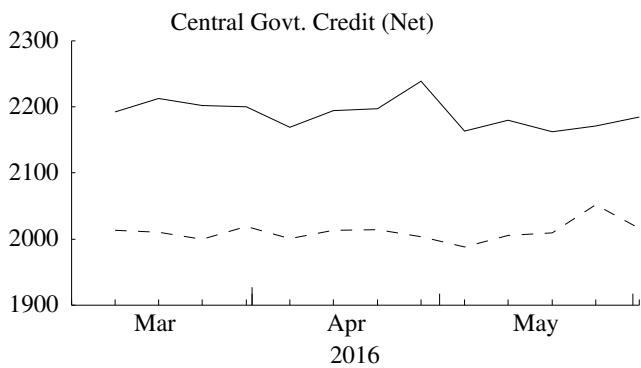
Notes: 1.0, 2.0 and 3.0 YTD change reflects change of current month over previous year end; for 4.0 and 5.0 change is over corresponding period of previous year.

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



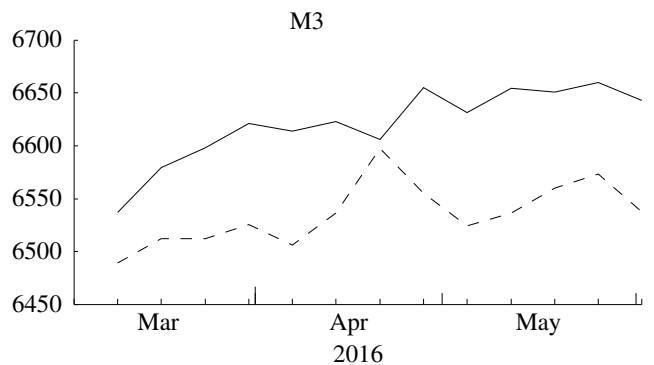
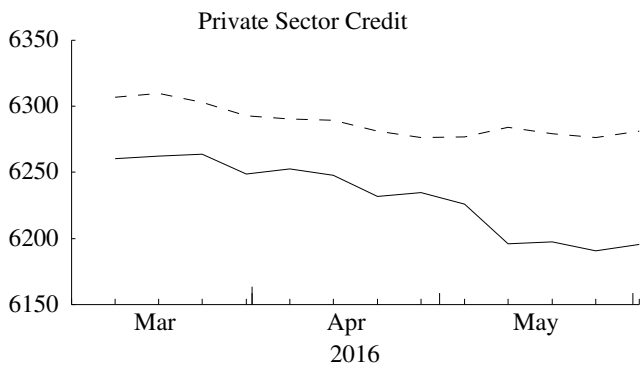
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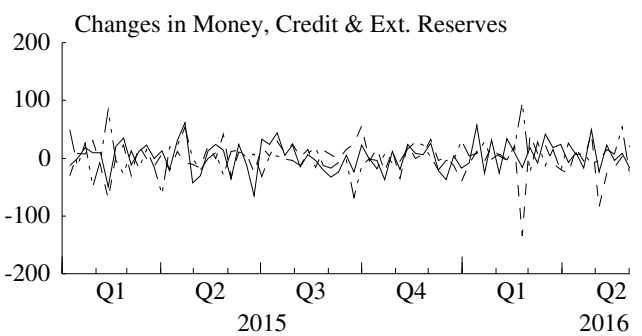
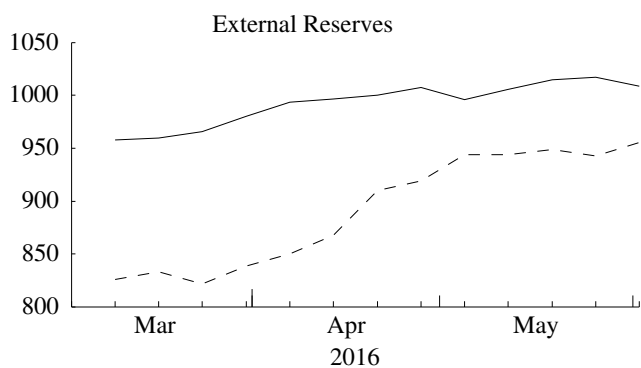
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— M3
- - - Domestic Credit
- · - External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2015	2016	2015	2016	2015	2016
Bahamas	0.5	1.5	1.9	0.8	12.0	N/A
United States	2.4	2.4	0.1	0.8	5.3	4.9
Euro-Area	1.6	1.5	0.0	0.4	10.9	10.3
<i>Germany</i>	<i>1.5</i>	<i>1.5</i>	<i>0.1</i>	<i>0.5</i>	<i>4.6</i>	<i>4.6</i>
Japan	0.5	0.5	0.8	-0.2	3.4	3.3
China	6.9	6.5	1.4	1.8	4.1	4.1
United Kingdom	2.2	1.9	0.1	0.8	5.4	5.0
Canada	1.2	1.5	1.1	1.3	6.9	7.3
<i>Source: IMF World Economic Outlook April 2016, Department of Statistics</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	<i>from</i>	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate
May 2014	4.50	0.25	0.75	0-0.25	0.50
June 2014	4.50	0.15	0.75	0-0.25	0.50
July 2014	4.50	0.15	0.75	0-0.25	0.50
August 2014	4.50	0.15	0.75	0-0.25	0.50
September 2014	4.50	0.05	0.75	0-0.25	0.50
October 2014	4.50	0.05	0.75	0-0.25	0.50
November 2014	4.50	0.05	0.75	0-0.25	0.50
December 2014	4.50	0.05	0.75	0-0.25	0.50
January 2015	4.50	0.05	0.75	0-0.25	0.50
February 2015	4.50	0.05	0.75	0-0.25	0.50
March 2015	4.50	0.05	0.75	0-0.25	0.50
April 2015	4.50	0.05	0.75	0-0.25	0.50
May 2015	4.50	0.05	0.75	0-0.25	0.50
June 2015	4.50	0.05	0.75	0-0.25	0.50
July 2015	4.50	0.05	0.75	0-0.25	0.50
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

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	May-15	Apr-16	May-16	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.9102	0.8737	0.8993	2.93	-2.37	-1.20
Yen	124.14	106.43	110.72	4.03	-7.78	-10.81
Pound	0.6540	0.6853	0.6905	0.77	1.75	5.58
Canadian \$	1.2456	1.2555	1.3093	4.29	-5.34	5.11
Swiss Franc	0.9404	0.9596	0.9938	3.56	-0.82	5.68
Renminbi	6.2004	6.4765	6.5822	1.63	1.37	6.16

Source: Bloomberg as of May 31, 2016

D. Selected Commodity Prices (\$)					
Commodity	May 2015	April 2016	May 2016	Mthly % Change	YTD % Change
Gold / Ounce	1190.55	1292.99	1215.33	-6.01	14.50
Silver / Ounce	16.75	17.84	15.99	-10.36	15.40
Oil / Barrel	61.86	47.57	49.16	3.34	34.57

Source: Bloomberg as of May 31, 2016

E. Equity Market Valuations – May 31, 2016 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.14	0.08	1.53	-0.18	1.73	2.23	3.41	-0.74
3 month	3.62	7.69	8.53	2.19	3.49	8.08	7.54	8.51
YTD	2.50	2.08	2.59	-0.18	-2.83	-4.47	-9.45	-17.59
12-month	9.70	-1.24	-0.49	-10.79	-10.03	-10.08	-16.19	-36.76

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.39	0.28	-0.40
1 Month	0.49	0.57	-0.30
3 Month	0.57	0.66	-0.24
6 Month	0.99	0.80	-0.17
9 Month	1.10	0.90	-0.13
1 year	1.26	1.02	-0.09

Source: Bloomberg as of May 31, 2016

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

	VALUE										CHANGE					
	Apr. 06	Apr. 13	Apr. 20	Apr. 27	May. 04	May. 11	May. 18	May. 25	Apr. 06	Apr. 13	Apr. 20	Apr. 27	May. 04	May. 11	May. 18	May. 25
I. External Reserves	993.34	996.85	1,000.36	1,007.55	995.83	1,005.73	1,014.87	1,016.86	13.28	3.51	3.51	7.19	-11.72	9.90	9.14	1.99
II. Net Domestic Assets (A + B + C + D)	163.06	155.88	167.77	159.71	169.34	168.59	171.08	218.91	1.08	-7.17	11.89	-8.06	9.63	-0.75	2.49	47.83
A. Net Credit to Gov¹(i + ii + iii - iv)	485.73	487.07	486.71	486.58	496.99	499.05	488.91	544.82	-0.65	1.35	-0.36	-0.13	10.42	2.06	-10.14	55.91
i) Advances	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
ii) Registered Stock	258.16	258.19	258.23	258.28	258.33	258.33	258.37	258.40	0.03	0.03	0.04	0.05	0.05	0.00	0.04	0.03
iii) Treasury Bills	114.07	114.07	114.07	114.07	124.74	124.74	124.74	171.47	0.00	0.00	0.00	0.00	10.68	0.00	0.00	46.73
iv) Deposits	21.16	19.84	20.24	20.43	20.73	18.68	28.85	19.70	0.67	-1.32	0.40	0.19	0.31	-2.06	10.17	-9.15
B. Rest of Public Sector (Net) (i + ii - iii)	-4.93	-14.55	-0.39	-9.14	-9.13	-11.16	0.63	-7.53	-1.01	-9.62	14.16	-8.75	0.01	-2.03	11.79	-8.16
i) BDB Loans	3.63	3.63	3.63	3.55	3.55	3.55	3.55	3.55	0.00	0.00	0.00	-0.08	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	8.56	18.17	4.01	12.69	12.68	14.71	2.92	11.08	1.01	9.62	-14.16	8.68	-0.01	2.03	-11.79	8.16
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)*	-317.74	-316.64	-318.56	-317.73	-318.53	-319.31	-318.47	-318.39	2.73	1.09	-1.92	0.83	-0.80	-0.78	0.83	0.08
III. Monetary Base	1,156.39	1,152.73	1,168.13	1,167.26	1,165.17	1,174.32	1,185.94	1,235.76	14.36	-3.66	15.40	-0.87	-2.09	9.15	11.62	49.82
A. Currency in Circulation	352.55	355.34	350.71	350.51	357.18	353.29	352.78	356.11	-0.52	2.79	-4.63	-0.20	6.66	-3.89	-0.51	3.33
B. Bank Balances with CBOB	803.84	797.39	817.41	816.75	807.99	821.04	833.17	879.66	14.88	-6.45	20.02	-0.67	-8.75	13.04	12.13	46.49

* 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		
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	
Fiscal Operations:																											
1. Government Revenue & Grants	117.8	176.9	94.5	127.9	104.2	132.8	120.3	161.1	88.5	136.8	159.7	160.7	143.9	146.6	156.1	141.8	188.4	198.8	209.8	197.9	209.8	197.9	209.8	197.9	1384.2	1682.4	
% change: over previous month	-4.5%	5.3%	-19.7%	-27.7%	10.21%	3.79%	15.44%	21.32%	-23.57%	-15.11%	78.40%	17.52%	-9.88%	-8.77%	8.49%	-3.27%	20.69%	40.88%	11.35%	-0.95%	11.35%	-0.95%	11.35%	-0.95%	17.10%	14.32%	
2. Import/Excise Duties	48.4	39.7	46.9	43.4	47.8	41.8	43.4	47.8	43.7	43.7	59.1	42.5	32.5	34.8	40.8	32.3	46.2	45.5	50.4	57.4	50.4	57.4	50.4	469.6	424.6		
% change: over previous month	-26.8%	-31.1%	0.0%	0.0%	1.84%	-3.64%	0.16%	3.85%	-0.11%	0.51%	23.74%	-2.57%	-45.07%	-18.27%	25.50%	-7.06%	18.18%	40.76%	4.65%	26.26%	4.65%	26.26%	4.65%	0.79%	-9.38%		
3. Recurrent Expenditure	132.1	158.4	126.8	137.9	127.1	164.2	148.8	174.8	152.8	168.3	122.3	163.4	158.8	191.4	115.3	166.5	138.8	207.3	149.1	170.3	149.1	170.3	149.1	1374.1	1682.4		
% change: over previous month	-20.5%	-15.9%	-2.5%	-12.9%	-1.35%	19.09%	17.07%	6.47%	2.73%	-3.74%	-19.96%	-8.80%	29.82%	24.77%	-27.39%	-12.98%	20.41%	24.47%	7.38%	-17.84%	7.38%	-17.84%	7.38%	5.20%	23.16%		
4. Capital Expenditure	9.8	15.2	21.5	12.4	29.0	12.1	10.0	15.9	9.3	18.1	14.2	15.7	12.2	16.0	14.5	13.8	19.9	19.3	27.8	14.6	27.8	14.6	27.8	14.6	168.3	153.0	
% change: over previous month	-77.7%	-84.0%	119.6%	-18.8%	35.00%	-1.95%	-65.57%	31.07%	-71.5%	13.82%	53.47%	-12.96%	-14.31%	1.77%	19.28%	-13.92%	36.82%	40.00%	39.94%	-24.03%	39.94%	-24.03%	39.94%	-24.03%	-11.61%	-9.07%	
5. Deficit/Surplus*	-25.2	3.3	-62.8	-22.3	-63.9	-43.5	-47.1	-30.6	-79.4	-50.6	18.2	-8.8	-33.2	-60.7	23.8	-39.1	17.9	-26.9	22.3	13.0	22.3	13.0	22.3	13.0	-229.3	-266.1	
% change: over previous month	-73.0%	-102.6%	148.8%	-780.5%	1.72%	95.21%	-26.26%	-29.73%	68.49%	65.28%	-122.96%	-82.66%	-282.40%	592.48%	-171.76%	-35.68%	-24.74%	-31.13%	24.49%	-148.33%	24.49%	-148.33%	24.49%	-148.33%	-37.80%	16.08%	

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	
Debt, %**																									
6. Total Direct Debt	5,645.7	5,904.0	5,580.7	6,077.9	5,578.3	6,013.5	5,579.4	6,021.4	5,573.4	6,011.4															
% change: over previous month	0.8%	-0.5%	-1.2%	1.9%	0.0%	-0.1%	0.0%	0.1%	-0.1%	-0.2%															
7. External Debt	1,561.1	1,640.6	1,581.1	1,744.6	1,578.7	1,740.2	1,579.8	1,733.1	1,583.7	1,733.1															
% change: over previous month	-0.7%	-1.8%	0.0%	6.0%	-0.2%	-0.3%	0.1%	-0.4%	0.2%	0.0%															
8. Internal F/C Debt	0.0	36.6	0.0	36.6	0.0	36.6	0.0	36.6	0.0	36.6															
% change: over previous month																									
9. Bahamian Dollar Debt	4,064.7	4,226.7	3,999.7	4,236.7	3,999.7	4,236.8	3,999.7	4,251.7	3,989.7	4,241.7															
% change: over previous month	1.4%	0.1%	-1.6%	0.2%	0.0%	0.0%	0.0%	0.4%	-0.3%	-0.2%															
10. Total Amortization	15.4	0.6	65.0	16.2	1.7	18.5	3.8	17.1	10.0	20.0															
% change: over previous month	543.2%	-96.4%	320.9%	96.1%	-97.3%	14.0%	119.3%	-7.3%	164.0%	16.9%															
11. Total Public Sector F/C Debt	2,460.8	2,574.1	2,459.9	2,678.1	2,403.5	2,665.0	2,475.9	2,657.2	2,485.9	2,655.9															
% change: over previous month	-0.5%	-1.2%	0.0%	3.9%	-2.3%	-0.5%	3.0%	-0.3%	0.4%	-0.1%															