



Monthly Economic and Financial Developments November 2013

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:

2014: February 3, March 3, March 31, April 28, June 2, June 30, August 5, September 1, September 29, November 3, December 1, December 22.

Monthly Economic and Financial Developments

November 2013

1. Domestic Economic Developments

Indications are that domestic economic conditions stabilised somewhat during November, as a number of varied-scale foreign investment projects supported construction activity, and tourism output showed initial signs of a modest improvement, relative to the prior year when adverse weather conditions caused some disruption to visitors' travel itineraries. Consumer price inflation remained mild, benefitting from the pass-through effects of lower global oil prices. In the monetary sector, the expansion in bank liquidity was partly associated with the proceeds from Government's foreign currency borrowings, which also tempered the falloff in external reserves.

Anecdotal information suggested a slight recovery in the tourism sector in November, as several hotels benefitted from the typical Thanksgiving holiday traffic, which last year was interrupted by the impact of Hurricane Sandy. The hosting of a significant international sporting event also boosted occupancy levels at one major property.

In terms of domestic energy prices, the average monthly costs of both gasoline and diesel declined, in November, by 2.7% and 4.0%, to \$5.12 and \$5.00 per gallon, and year-on-year, by 6.6% and 6.2%, respectively.

2. International Developments

Economic indicators suggest that the mild pace of global growth was sustained during the review month, supported by gains in the United States and Asian economies, while the euro zone continued its slow emergence from a five year-long recession—although several countries remained extremely weak. In this environment, the major central banks either maintained or enhanced their highly accommodative monetary stance, in an effort to encourage further economic growth.

In the United States, indications are that the recovery gained impetus over the review period, as real GDP growth accelerated to 3.6% in the third quarter from 2.5% in the prior three-month period, buoyed by gains in personal consumption expenditure, exports and Government expenditure. Supported by holiday-related spending, retail sales grew by approximately 0.6% in November, following a similar gain in October. On the external side, the trade deficit narrowed by \$2.4 billion to \$40.6 billion in October, month-on-month, as the rise in exports outpaced the increase in imports. The jobless rate in November narrowed by 30 basis points to 7.0%, owing mainly to a 203,000 rise in nonfarm payrolls. On the prices front, lower costs for fuel led to a slowdown in inflation, by 10 basis points to 0.1% in October. Despite the improving growth fundamentals, the Federal Reserve retained its "quantitative easing" measures and held its key interest rate within the 0.00%-0.25% range.

Economic activity in Europe was relatively subdued during the review month. In the United Kingdom, industrial production firmed by 0.4% in October, following a 0.9% gain in the prior month, while the trade deficit steadied at £2.6 billion. The housing sector continued to show signs of recovery, with average house prices rising by 1.4% in October over the previous month and by 5.5% on an annual basis, to a

record £247,000. Inflation narrowed by 10 basis points to 2.1% in November, due mainly to a slowdown in price increases for food and utilities, which overshadowed gains in transport and recreation & culture.

In the euro area, the volume of retail trade declined by 0.2% in October, following a 0.6% reduction a month earlier, owing mainly to a reduction in the non-food sector; and the contraction in industrial production deepened to 1.1% from 0.2% in September. The inflation rate increased slightly to 0.9% in November from 0.7% during the previous month, due to higher food, alcohol & tobacco and services costs, while the monthly unemployment rate fell slightly by 20 basis points to 12.1% in October. Against this backdrop, the Bank of England maintained a neutral policy stance; however, with inflation remaining below its target level and economic activity continuing to be lacklustre, the European Central Bank reduced two of its benchmark interest rates, by 25 basis points each.

In Asia, China's annual retail sales grew by 13.7% in November, in line with the prior month's 13.3% advance, while industrial production firmed by a slightly lower annualised rate of 10.0%, vis-à-vis 10.3%. On the external side, the trade surplus rose by US\$2.7 billion to US\$33.8 billion, owing to a 12.7% rise in exports which outstripped the 5.3% increase in imports. Consumer price inflation softened by 20 basis points to 3.0% in November, a reversal from a similar advance a month earlier. As part of its efforts to liberalise the exchange rate arrangements, the People's Bank of China indicated its intention to limit its intervention in the foreign currency market. Japan's economic indicators were mixed, as the growth in retail sales accelerated by 50 basis points to 2.3% in October, compared to the prior month; however, the expansion in industrial production slowed to 1.0% compared to September's gain of 1.5%, owing to higher output in the production and business machinery sectors. The Government's stimulus measures appears to have halted the country's deflationary cycle, as consumer prices rose by a further 0.1% in October, while the unemployment rate stabilized at 4.0%. However, the Bank of Japan sustained the previously implemented "quantitative easing" measures, in an attempt to stimulate the economy.

Reflecting a marginal reduction in OPEC's oil production, by approximately 193,000 barrels per day (bpd) to average 29.6 million bpd, the price of crude oil rose modestly by 1.5% to \$111.10 per barrel in November. In terms of precious metals, the price of gold fell by 5.3% at \$1,253.49 per troy ounce, while silver costs were lower by 8.8% at \$19.99 per troy ounce.

Buoyed by robust corporate earnings, which exceeded forecasts, most of the major equity markets reported broad-based gains in November. In the United States, the resolution of the United States' Government shutdown and debt ceiling disputes in the prior month, supported advances in both the Dow Jones Industrial Average (DJIA) and the S&P 500 index, of 3.5%, and 2.8%, respectively. Developments in Europe were mixed, as Germany's DAX improved by 4.1%; however, the United Kingdom's FTSE 100 and France's CAC 40 indices declined by 1.2% and 0.1%, respectively. In Asia, Japan's Nikkei 225 surged by 9.3%, as the sustained depreciation of the Yen fuelled profit growth in the country's largest publicly traded firms, while China's SE Composite grew by 3.7%.

In the foreign currency markets, the dollar depreciated against most of the major currencies during November. The dollar weakened versus the British pound, by 2.0% to £0.6109 and fell against the euro, by 0.1% to €0.7358. Relative to the Swiss Franc, the dollar softened by a muted 0.04% to CHF0.9065, but rose against the Canadian dollar by 1.8% to CAD\$1.0615. In performance against Asian currencies, the dollar was mixed, moving higher vis-à-vis the Japanese Yen by 4.2% at ¥102.44, but retreating slightly relative to the Chinese Yuan, by 0.03% at CNY6.0919.

3. Domestic Monetary Trends

November 2013 vs. 2012

Money and credit conditions during the month of November featured an increase in liquidity, as Government utilised proceeds from a US\$50 million short-term foreign currency loan, as well as Central Bank financing, to meet budgetary obligations. As a result, banks' excess cash balances advanced by \$57.5 million to \$440.6 million, extending the prior year's \$18.5 million build-up; and the broader excess liquid assets grew by \$18.3 million to \$1,111.6 million, a turnaround from a year-earlier \$37.6 million reduction.

Reflecting the proceeds of Government's foreign currency borrowings, the decline in external reserves was curtailed to \$7.4 million from \$39.1 million in the prior year, to an end-November balance of \$677.5 million. In the underlying foreign currency transactions, the Bank's position with the public sector was reversed to a net purchase of \$8.9 million, from a net sale of \$21.9 million. However, the net sale to commercial banks firmed marginally by \$1.2 million to \$18.5 million, as they in turn increased their net sale to customers by \$10.2 million to \$22.5 million.

Growth in Bahamian dollar credit slowed significantly by \$36.0 million to \$5.4 million. In particular, the Government's net obligations fell by \$3.0 million, a reversal from last year's \$41.8 million expansion, as short-term Bahamian dollar debt was liquidated. In contrast, credit to the rest of the public sector grew marginally by \$1.7 million, vis-à-vis a \$7.3 million decline in 2012. Private sector credit growth of \$6.8 million was in line with the prior year's advance, as consumer credit strengthened by \$7.4 million, outpacing 2012's \$3.9 million increase, and commercial and other loans were reversed, from a \$0.8 million decline to a gain of \$2.2 million. In contrast, mortgages fell by \$2.8 million, a turnaround from the prior year's \$3.8 million expansion.

Banks' credit quality indicators worsened over the review month, due primarily to a rise in mortgage delinquencies. Total private sector loan arrears increased by \$23.5 million (1.8%) to a revised \$1,342.6 million, with the corresponding ratio of arrears to total loans firming by 36 basis points to 21.8%. In terms of the average age of delinquencies, short-term (31 to 90 day) arrears grew by \$6.7 million (1.9%) to \$370.5 million, up 10 basis points to 6.0% of total loans. Similarly, the non-performing category—arrears over 90 days and on which banks have stopped accruing interest—increased by \$16.8 million (1.8%) to \$972.1 million, corresponding to a 25 basis points rise in the loan ratio to 15.8%.

The growth in delinquencies was largely attributed to the mortgage component, which advanced by \$18.7 million (2.7%) to \$713.5 million, as both the short-term and non-accrual segments expanded by \$13.4 million (7.0%) and \$5.3 million (1.0%), respectively. In addition, consumer loan delinquencies were up by \$4.5 million (1.7%) to \$265.8 million, reflecting a \$1.0 million (1.1%) increase in short-term arrears and a \$3.5 million (2.0%) rise in non-performing loans. The commercial component advanced by \$0.4 million (0.1%) to \$363.3 million, as the \$8.0 million (2.8%) expansion in the non-accrual segment eclipsed the \$7.7 million (9.6%) decrease in short-term delinquencies.

As a result of these developments, banks increased their loan loss provisions by \$7.7 million (1.8%) to \$441.6 million in November; however, given the moderate increases in arrears and non-performing loans, the ratios of total provisions to both components steadied at 32.9%, and 45.4%, respectively. Additionally, loan write-offs totalled \$4.8 million and recoveries \$1.5 million.

Domestic foreign currency credit advanced by \$38.8 million in November, in contrast to a \$7.9 million repayment in 2012. Higher short-term borrowings elevated banks' net claims on the Government by \$48.1 million vis-à-vis a \$0.5 million decline in 2012. In contrast, credit to the private sector contracted by \$9.6 million, extending the \$6.6 million reduction in the prior year, and was concentrated in the mortgage component, which fell by \$10.1 million. The fall-off in public corporations' outstanding liabilities was extended to \$3.0 million from \$0.8 million in the prior period.

Bahamian dollar deposits decreased by \$26.8 million, following a \$7.7 million decline a year earlier. This outturn reflected a \$11.6 million contraction in demand balances, vis-à-vis 2012's \$9.9 million expansion. The growth in savings deposits slowed by \$5.2 million to \$9.2 million; and the reduction in fixed deposits was \$7.6 million lower at \$24.4 million.

In interest rate developments, the weighted average deposit rate was relatively unchanged at 1.41%; with the highest rate of 5.00% offered on fixed balances of over 12 months. In contrast, the corresponding loan rate fell by 24 basis points to 11.53%.

4. Outlook and Policy Implications

Expectations are that the domestic economy will continue to post positive growth in the near-term, as the tourism sector positions to benefit from the improving economic conditions in key source markets. The outlook is also for modest gains in foreign investment activity, providing for some broadening of employment opportunities. However, headwinds persist, in the context of the still uncertain durability of the global recovery, the challenges to the tourism sector from intensified market competition, and the elevated unemployment rate, which continues to limit the rebound in private sector demand and recovery in borrowers' ability to service their debt obligations. Meanwhile, the outlook is for relatively subdued inflationary pressures—with the exception of the more volatile fuel component.

Fiscal sector consolidation, in the form of improvement in the Government's budget deficit and associated debt indicators, will depend, not only on the extent of the economic upturn, but also on the implementation of programmed measures to enhance revenue administration, widen the tax base, and curtail expenditure growth.

Monetary developments over the near-term are expected to be dominated by sustained high levels of bank liquidity, attributed to continued softness in consumer demand and banks' conservative lending practises. However, the seasonal increase in foreign currency demand during the holiday period is projected to continue to place downward pressure on external reserves, amid moderated real sector inflows. Credit quality indicators are likely to remain above pre-recession levels, until the recovery broadens to other key sectors. Nonetheless, banks are expected to maintain capital levels in excess of regulatory requirements, thereby mitigating any financial sector stability concerns.

Recent Monetary and Credit Statistics

(B\$ Millions)

| NOVEMBER | | | | | | |
|-----------------|------|--------|------|------------|------|--|
| Value | | Change | | Change YTD | | |
| 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | |

1.0 LIQUIDITY & FOREIGN ASSETS

| | | | | | | |
|-------------------------------|---------|----------|--------|--------|---------|---------|
| 1.1 Excess Reserves | 341.95 | 440.62 | 18.54 | 57.46 | -92.91 | -9.40 |
| 1.2 Excess Liquid Assets | 831.94 | 1,112.18 | -37.55 | 18.88 | -65.21 | 140.70 |
| 1.3 External Reserves | 648.59 | 677.80 | -39.11 | -7.17 | -243.40 | -134.30 |
| 1.4 Bank's Net Foreign Assets | -603.51 | -586.85 | 22.68 | -40.07 | 5.54 | 34.93 |
| 1.5 Usable Reserves | 238.82 | 205.59 | -48.75 | -37.74 | -199.87 | -142.69 |

2.0 DOMESTIC CREDIT

| | | | | | | |
|-------------------------------------|-----------------|-----------------|--------------|--------------|---------------|---------------|
| 2.1 Private Sector | 6,634.00 | 6,537.12 | 0.29 | -2.78 | 19.64 | -79.24 |
| a. B\$ Credit | 6,225.11 | 6,149.25 | 6.88 | 6.77 | -35.04 | -71.22 |
| of which: Consumer Credit | 2,117.43 | 2,108.18 | 3.91 | 7.38 | -29.23 | -12.66 |
| Mortgages | 3,104.88 | 3,111.87 | 3.80 | -2.79 | 18.28 | 8.81 |
| Commercial and Other Loans B\$ | 1,002.80 | 929.20 | -0.82 | 2.18 | -24.09 | -67.37 |
| b. F/C Credit | 408.90 | 387.86 | -6.60 | -9.55 | 54.67 | -8.01 |
| of which: Mortgages | 145.01 | 142.41 | 0.48 | -10.09 | 15.86 | -2.33 |
| Commercial and Other Loans F/C | 263.89 | 245.45 | -7.08 | 0.54 | 38.81 | -5.69 |
| 2.2 Central Government (net) | 1,757.66 | 1,963.34 | 41.34 | 45.12 | 320.67 | 369.94 |
| a. B\$ Loans & Securities | 1,876.33 | 2,066.22 | 28.92 | 11.55 | 311.98 | 349.48 |
| Less Deposits | 117.24 | 150.60 | -12.87 | 14.57 | -8.39 | 28.48 |
| b. F/C Loans & Securities | 0.00 | 50.00 | 0.00 | 50.00 | 0.00 | 50.00 |
| Less Deposits | 1.43 | 2.28 | 0.45 | 1.86 | -0.30 | 1.06 |
| 2.3 Rest of Public Sector | 398.24 | 393.03 | -8.07 | -1.34 | -9.31 | -14.01 |
| a. B\$ Credit | 109.43 | 121.63 | -7.27 | 1.69 | 6.01 | 2.77 |
| b. F/C Credit | 288.81 | 271.41 | -0.80 | -3.03 | -15.32 | -16.79 |
| 2.4 Total Domestic Credit | 8,789.91 | 8,896.75 | 33.55 | 44.19 | 330.99 | 279.39 |
| a. B\$ Domestic Credit | 8,093.63 | 8,186.50 | 41.40 | 5.43 | 291.34 | 251.99 |
| b. F/C Domestic Credit | 696.28 | 710.25 | -7.85 | 38.75 | 39.65 | 27.40 |

3.0 DEPOSIT BASE

| | | | | | | |
|---|-----------------|-----------------|--------------|---------------|---------------|---------------|
| 3.1 Demand Deposits | 1,318.54 | 1,414.72 | 9.92 | -11.61 | 83.23 | 56.76 |
| a. Central Bank | 11.27 | 11.74 | 2.23 | -8.10 | 3.05 | -0.34 |
| b. Banks | 1,307.27 | 1,402.98 | 7.69 | -3.50 | 80.18 | 57.10 |
| 3.2 Savings Deposits | 1,105.89 | 1,101.23 | 14.40 | 9.23 | 39.88 | 33.55 |
| 3.3 Fixed Deposits | 3,405.28 | 3,344.97 | -32.03 | -24.41 | -201.52 | -77.24 |
| 3.4 Total B\$ Deposits | 5,829.71 | 5,860.91 | -7.70 | -26.79 | -78.41 | 13.07 |
| 3.5 F/C Deposits of Residents | 248.13 | 284.52 | 11.65 | 2.39 | 55.26 | 61.38 |
| 3.6 M2 | 6,031.81 | 6,062.30 | -9.59 | -26.88 | -74.61 | 9.31 |
| 3.7 External Reserves/M2 (%) | 10.75 | 11.18 | -0.63 | -0.07 | -3.85 | -2.24 |
| 3.8 Reserves/Base Money (%) | 81.58 | 75.93 | -6.41 | -6.05 | -19.31 | -14.01 |
| 3.9 External Reserves/Demand Liabilities (%) | 79.14 | 71.77 | -6.79 | -5.78 | -19.25 | -15.78 |
| | Value | | Year to Date | | Change | |
| | 2012 | 2013 | 2012 | 2013 | Month | YTD |

4.0 FOREIGN EXCHANGE TRANSACTIONS

| | | | | | | |
|---|---------------|---------------|----------------|----------------|---------------|---------------|
| 4.1 Central Bank Net Purchase/(Sale) | -39.23 | -9.66 | -259.15 | -148.77 | 29.57 | 110.38 |
| a. Net Purchase/(Sale) from/to Banks | -17.32 | -18.52 | 103.42 | 35.76 | -1.20 | -67.66 |
| i. Sales to Banks | 27.61 | 29.70 | 227.66 | 305.88 | 2.09 | 78.22 |
| ii. Purchases from Banks | 10.29 | 11.18 | 331.08 | 341.64 | 0.89 | 10.56 |
| b. Net Purchase/(Sale) from/to Others | -21.91 | 8.86 | -362.57 | -184.54 | 30.77 | 178.03 |
| i. Sales to Others | 54.37 | 69.58 | 665.79 | 615.78 | 15.22 | -50.01 |
| ii. Purchases from Others | 32.46 | 78.45 | 303.23 | 431.25 | 45.99 | 128.02 |
| 4.2 Banks Net Purchase/(Sale) | -12.30 | -22.51 | 111.19 | 31.97 | -10.21 | -79.22 |
| a. Sales to Customers | 291.61 | 310.66 | 3,223.37 | 3,387.48 | 19.05 | 164.11 |
| b. Purchases from Customers | 279.31 | 288.15 | 3,334.56 | 3,419.45 | 8.84 | 84.89 |
| 4.3 B\$ Position (change) | -10.42 | -0.53 | | | | |

5.0 EXCHANGE CONTROL SALES

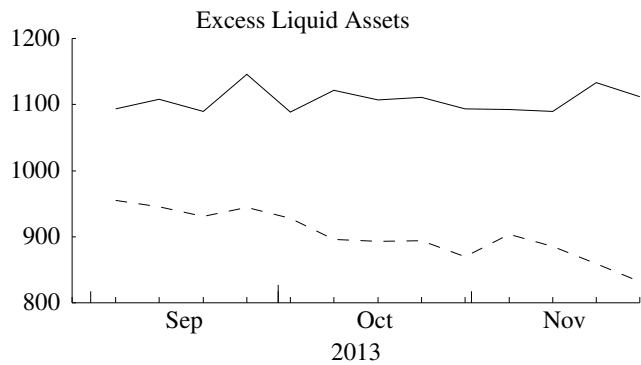
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|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 5.1 Current Items | ND | ND | ND | ND | ND | ND |
| of which Public Sector | ND | ND | ND | ND | ND | ND |
| a. Nonoil Imports | ND | ND | ND | 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 |

SELECTED MONEY AND CREDIT INDICATORS

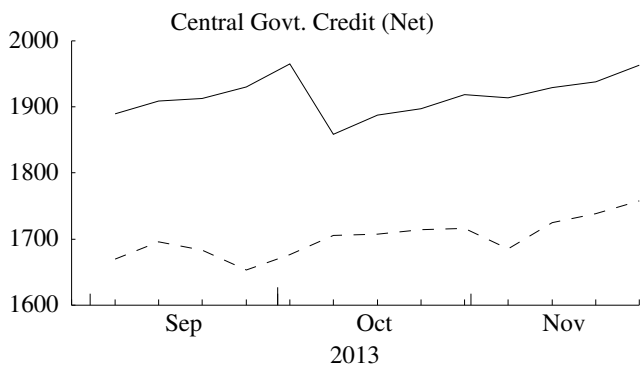
(B\$ Millions)



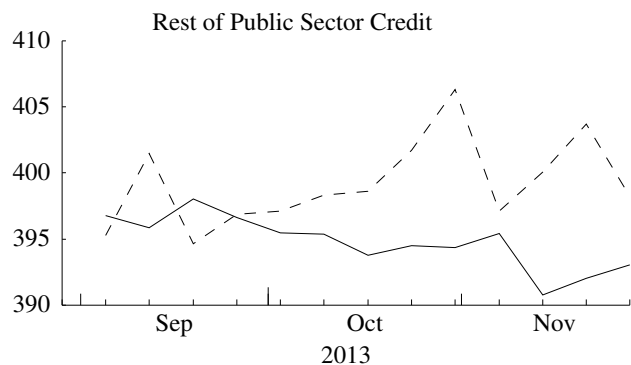
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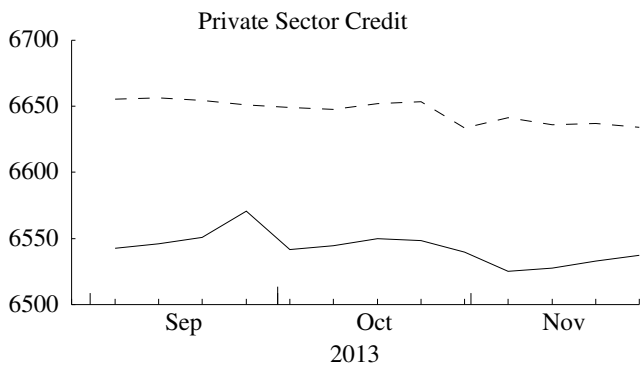
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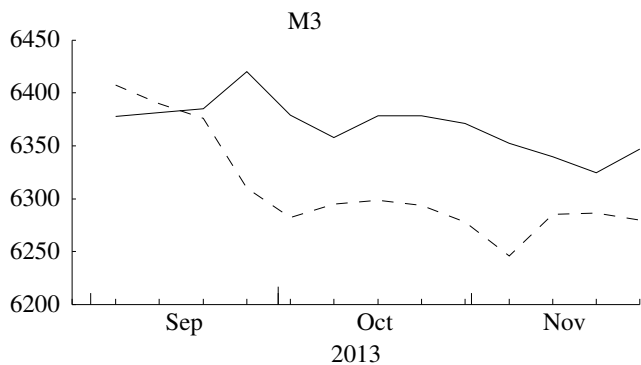
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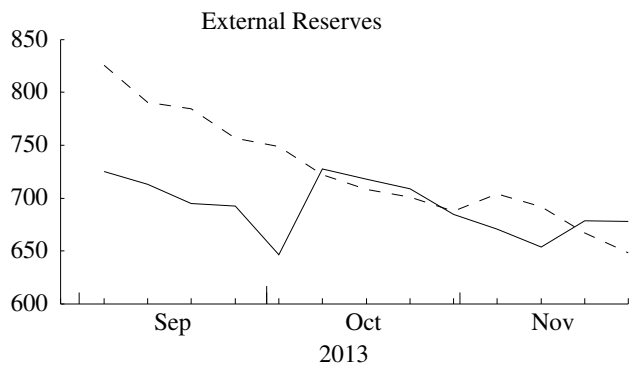
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— 2013
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— M3
- - - Domestic Credit
- · - · External Reserves

Selected International Statistics

| A: Selected Macroeconomic Projections (Annual % Change and % of labor force) | | | | | | |
|--|------------|------------|----------------|------------|--------------|------------|
| | Real GDP | | Inflation Rate | | Unemployment | |
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Bahamas | 1.8 | 1.9 | 2.0 | 1.0 | 14.0 | 16.2 |
| United States | 2.8 | 1.6 | 2.1 | 1.4 | 8.1 | 7.6 |
| Euro-Area | -0.6 | -0.4 | 2.5 | 1.5 | 11.4 | 12.3 |
| <i>Germany</i> | <i>0.9</i> | <i>0.5</i> | <i>2.1</i> | <i>1.6</i> | <i>5.5</i> | <i>5.6</i> |
| Japan | 2.0 | 2.0 | 0.0 | 0.0 | 4.4 | 4.2 |
| China | 7.7 | 7.6 | 2.6 | 2.7 | 4.1 | 4.1 |
| United Kingdom | 0.2 | 1.4 | 2.8 | 2.7 | 8.0 | 7.7 |
| Canada | 1.7 | 1.6 | 1.5 | 1.1 | 7.3 | 7.1 |
| <i>Source: IMF World Economic Outlook October 2013, 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 |
| 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 |
| August 2012 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| September 2012 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| October 2012 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| November 2012 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| December 2012 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| January 2013 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| February 2013 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| March 2013 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| April 2013 | 4.50 | 0.75 | 0.75 | 0-0.25 | 0.50 |
| May 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| June 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| July 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| August 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| September 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| October 2013 | 4.50 | 0.50 | 0.75 | 0-0.25 | 0.50 |
| November 2013 | 4.50 | 0.25 | 0.75 | 0-0.25 | 0.50 |

Selected International Statistics

| C. Selected Currencies (Per United States Dollars) | | | | | | |
|---|--------|--------|--------|-------------------|-----------------|-------------------|
| Currency | Nov-12 | Oct-13 | Nov-13 | Mthly % Change | YTD % Change | 12-Mth% Change |
| Euro | 0.7701 | 0.7362 | 0.7358 | -0.06 | -2.94 | -4.45 |
| Yen | 82.47 | 98.36 | 102.44 | 4.15 | 18.09 | 24.21 |
| Pound | 0.6245 | 0.6235 | 0.6109 | -2.02 | -0.73 | -2.17 |
| Canadian \$ | 0.9943 | 1.0431 | 1.0615 | 1.76 | 6.98 | 6.76 |
| Swiss Franc | 0.9280 | 0.9069 | 0.9065 | -0.04 | -0.99 | -2.32 |
| Renminbi | 6.2267 | 6.0937 | 6.0919 | -0.03 | -2.24 | -2.16 |

Source: Bloomberg as of November 30, 2013

| D. Selected Commodity Prices (\$) | | | | | |
|--|------------------|-----------------|------------------|-------------------|-----------------|
| Commodity | November 2012 | October 2013 | November 2013 | Mthly % Change | YTD % Change |
| Gold / Ounce | 1714.80 | 1323.10 | 1253.49 | -5.26 | -25.18 |
| Silver / Ounce | 33.41 | 21.92 | 19.99 | -8.78 | -34.12 |
| Oil / Barrel | 110.84 | 109.46 | 111.10 | 1.50 | 0.43 |

Source: Bloomberg as of November 30, 2013

| E. Equity Market Valuations – November 30, 2013 (%chg) | | | | | | | | |
|---|------|-------|------------|----------|--------|-------|---------------|-------|
| | BISX | DJIA | S&P 500 | FTSE 100 | CAC 40 | DAX | Nikkei 225 | SE |
| 1 month | 0.53 | 3.48 | 2.80 | -1.20 | -0.11 | 4.11 | 9.31 | 3.68 |
| 3 month | 2.26 | 8.62 | 10.58 | 3.71 | 9.19 | 16.07 | 16.98 | 5.82 |
| YTD | 5.75 | 22.76 | 26.62 | 12.76 | 17.97 | 23.55 | 50.66 | -2.14 |
| 12-month | 8.23 | 23.50 | 27.51 | 13.36 | 20.74 | 27.00 | 65.80 | 12.14 |

Sources: Bloomberg and BISX

| F: Short Term Deposit Rates in Selected Currencies (%) | | | |
|---|------|------|------|
| | USD | GBP | EUR |
| o/n | 0.12 | 0.48 | 0.21 |
| 1 Month | 0.15 | 0.47 | 0.19 |
| 3 Month | 0.23 | 0.49 | 0.17 |
| 6 Month | 0.33 | 0.58 | 0.26 |
| 9 Month | 0.44 | 0.72 | 0.35 |
| 1 year | 0.55 | 0.86 | 0.44 |

Source: Bloomberg as of November 30, 2013

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

| | VALUE | | | | | | | | | | | CHANGE | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|--|--|--|
| | Oct. 02 | Oct. 09 | Oct. 16 | Oct. 23 | Oct. 30 | Nov. 06 | Nov. 13 | Nov. 20 | Nov. 27 | Oct. 02 | Oct. 09 | Oct. 16 | Oct. 23 | Oct. 30 | Nov. 06 | Nov. 13 | Nov. 20 | Nov. 27 | | | | |
| I. External Reserves | 646.78 | 727.39 | 717.94 | 708.89 | 684.97 | 670.57 | 653.95 | 678.80 | 677.80 | -45.95 | 80.61 | -9.45 | -9.04 | -23.92 | -14.40 | -16.62 | 24.85 | -1.00 | | | | |
| II. Net Domestic Assets (A + B + C + D) | -14.79 | -61.76 | -68.30 | -52.70 | -50.61 | -12.27 | -0.27 | 24.40 | 13.80 | -35.78 | -46.97 | -6.53 | 15.60 | 2.09 | 38.34 | 12.00 | 24.68 | -10.61 | | | | |
| A. Net Credit to Gov^t (i + ii + iii - iv) | 512.13 | 438.98 | 439.05 | 449.59 | 466.41 | 496.07 | 505.97 | 524.74 | 523.80 | -13.27 | -73.15 | 0.07 | 10.54 | 16.82 | 29.66 | 9.90 | 18.76 | -0.93 | | | | |
| i) Advances | 125.66 | 95.66 | 95.66 | 105.66 | 105.66 | 105.66 | 115.66 | 134.66 | 134.66 | 0.00 | -30.00 | 0.00 | 10.00 | 0.00 | 0.00 | 10.00 | 19.00 | 0.00 | | | | |
| ii) Registered Stock | 223.00 | 222.85 | 222.84 | 221.91 | 221.69 | 221.61 | 221.45 | 221.41 | 221.29 | -0.19 | -0.14 | -0.01 | -0.93 | -0.22 | -0.08 | -0.16 | -0.04 | -0.13 | | | | |
| iii) Treasury Bills | 185.04 | 145.10 | 145.10 | 145.10 | 165.08 | 195.49 | 195.49 | 195.49 | 205.45 | -15.00 | -39.95 | 0.00 | 0.00 | 19.99 | 30.40 | 0.00 | 0.00 | 9.96 | | | | |
| iv) Deposits | 21.57 | 24.63 | 24.54 | 23.08 | 26.03 | 26.68 | 26.62 | 26.82 | 37.59 | -1.91 | 3.05 | -0.08 | -1.47 | 2.95 | 0.65 | -0.06 | 0.20 | 10.77 | | | | |
| B. Rest of Public Sector (Net) (i + ii - iii) | -17.42 | -13.96 | -16.88 | -14.42 | -15.30 | -12.92 | -15.56 | -2.95 | -7.19 | 2.13 | 3.46 | -2.91 | 2.46 | -0.88 | 2.38 | -2.64 | 12.61 | -4.24 | | | | |
| i) BDB Loans | 4.55 | 4.55 | 4.55 | 4.55 | 4.55 | 4.55 | 4.55 | 4.55 | 4.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | | |
| ii) BMC Bonds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | | |
| iii) Deposits | 21.97 | 18.51 | 21.43 | 18.97 | 19.85 | 17.47 | 20.11 | 7.50 | 11.74 | -2.13 | -3.46 | 2.91 | -2.46 | 0.88 | -2.38 | 2.64 | -12.61 | 4.24 | | | | |
| 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)* | -509.50 | -486.78 | -490.47 | -487.87 | -501.72 | -495.42 | -490.69 | -497.38 | -502.81 | -24.64 | 22.72 | -3.69 | 2.60 | -13.85 | 6.30 | 4.73 | -6.69 | -5.44 | | | | |
| III. Monetary Base | 631.98 | 665.62 | 649.64 | 656.19 | 634.36 | 658.30 | 653.68 | 703.21 | 691.60 | -81.72 | 33.64 | -15.98 | 6.55 | -21.83 | 23.94 | -4.62 | 49.53 | -11.61 | | | | |
| A. Currency in Circulation | 109.09 | 116.39 | 118.41 | 111.63 | 104.64 | 113.02 | 114.97 | 103.85 | 109.46 | -2.06 | 7.29 | 2.03 | -6.78 | -6.99 | 8.38 | 1.95 | -11.12 | 5.61 | | | | |
| B. Bank Balances with CBOB | 522.89 | 549.24 | 531.23 | 544.56 | 529.72 | 545.27 | 538.71 | 599.35 | 582.14 | -79.66 | 26.34 | -18.01 | 13.33 | -14.84 | 15.56 | -6.56 | 60.64 | -17.21 | | | | |

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

