



DOMESTIC MARKET BRIEF
4th QUARTER 2024

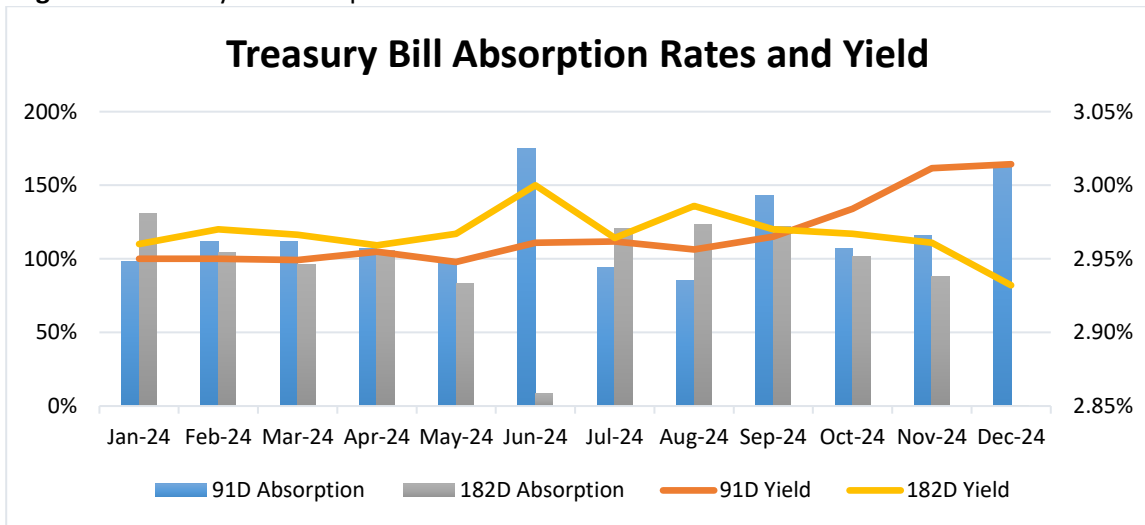
Market Overview

During the fourth quarter (Q4) 2024, approximately \$1.43 billion in Government paper was issued, primarily to refinance existing debt obligations. Treasury bills (T-bills) and Bahamas Registered Stock (BRS) offerings, which included one benchmark reopening, represented 75 percent and 25 percent, respectively, of the securities issued. The market absorption rate significantly increased from 97 percent in Q3 to 119 percent in Q4.

Market Recap

Treasury bills closed the period with an average absorption rate of 113 percent, a 13 percent expansion over the previous period. A point-to-point comparison revealed that this growth was concentrated around the 91-day T-bill, with an absorption rate of 116 percent during the reporting period compared to 96 percent in Q3. Conversely, the average absorption for the 182-day T-bill notably contracted from 122 percent in Q3 to 89 percent at close of Q4. Figure 1 below illustrates the volatility in T-bill yields against demand for 2024.

Figure 1: Treasury Bill Absorption Rates and Yields

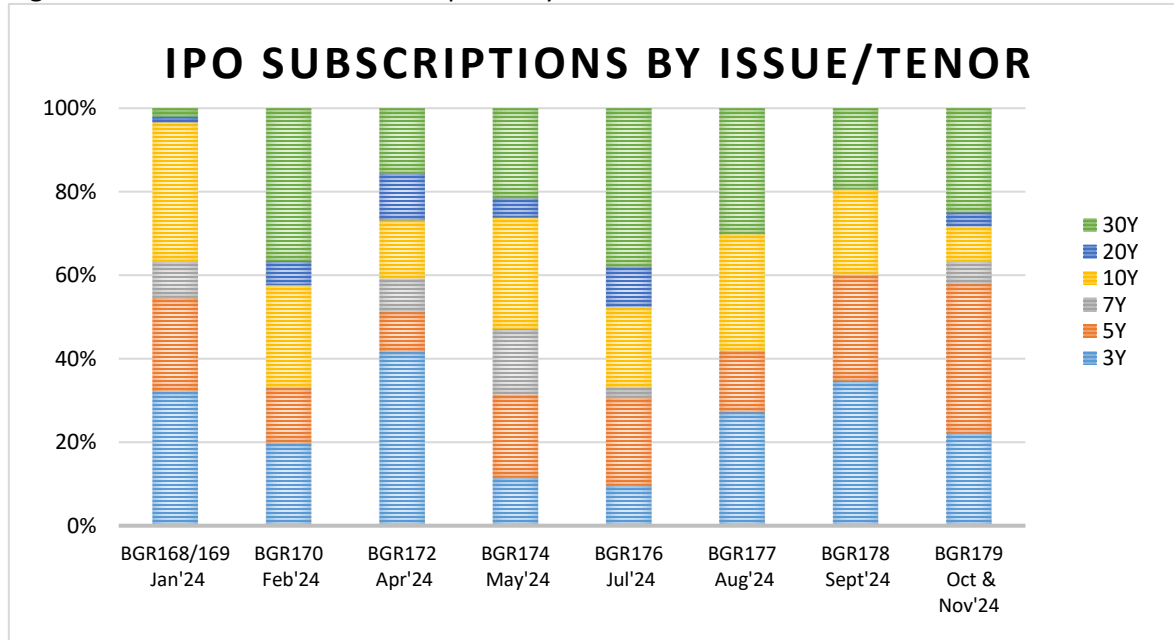


The market’s uptake of Government paper continued during the reporting period. A point-to-point tenor comparison revealed that the 3-, 5-, and 30-year tranches were generally preferred. These tenors combined accounted for an average absorption of 83 percent of BRS subscriptions during the period. Meanwhile, uptake of the 7-year tenor firmed, the 20-year remained flat, and update incidence for the 10-year contracted. Subscriptions for these tenors accounting for only 17 percent of total subscriptions. Figure 2 below illustrates benchmark offer performance by issue and tenor for 2024.



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Figure 2: BRS Benchmark IPO Subscriptions by Issue and Tenor



During the quarter, two one-year BRS offers were issued in October and December, respectively, of \$139.56 million and \$107.58 million. Subscriptions amounted to \$231.88 million and \$140.94 million—oversubscriptions of 66 and 31 percent, respectively. The average absorption rate for BRS increased by 88 percentage points compared to Q3, concluding the period at 138 percent, which was primarily due to the oversubscriptions for short-term paper. Table 1 below presents the issuance outcomes for Government Treasury bills and BRS offers for Q4 2024.

Table 1: Treasury Bill and Bahamas Registered Stock IPO Statistics

Month	Issue	Type	Issue Size (\$ Million)	Subscriptions (\$ Million)	Absorption Rate
Oct 2024	BSTB 00006972/6980	91D/182D	425.38	450.12	106%
Nov 2024	BSTB 00006972/6980	91D/182D	226.21	253.32	112%
Dec 2024	BSTB 00007012/7020	91D/182D	78.08	163.75	210%
Dec 2024	BSTB 00007038/7046	91D/182D	173.36	149.30	86%
Oct 2024	BRS 179	IPO	21.50	17.74	83%
Oct 2024	BRS 180	IPO	139.56	231.88	166%
Nov 2024	BRS 179	Reopening	33.82	25.85	76%
Dec 2024	BRS 181	IPO	107.58	140.94	131%



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All questions related to this document may be referred to the Central Bank's Domestic Debt Unit at:
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The calendar of upcoming BRS offers is available at:
<https://www.centralbankbahamas.com/news/brs-initial-public-offering-calendar>.