



## DOMESTIC MARKET BRIEF 1<sup>st</sup> QUARTER 2025

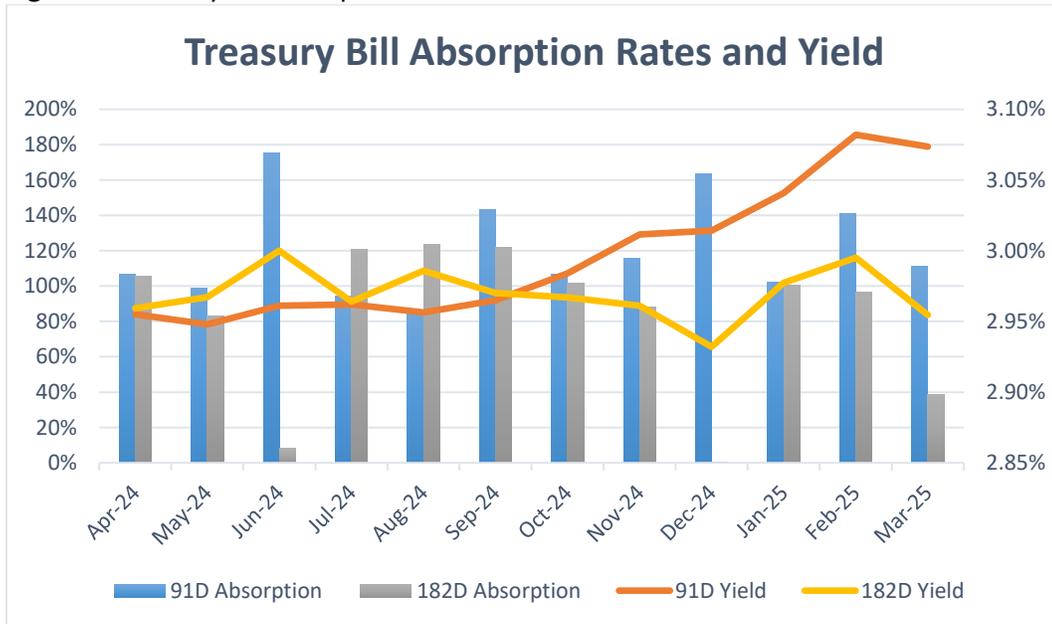
### Market Overview

During the first quarter (Q1) 2025, approximately \$1.3 billion in Government paper was issued, primarily to refinance existing debt obligations. Treasury bills (T-bills) and Bahamas Registered Stock (BRS) offerings, including three re-openings, represented 94 percent and 6 percent, respectively, of the securities issued. The market absorption rate contracted from 119 percent in Q4 2024 to 107 percent in Q1 2025.

### Market Recap

Treasury bills closed the period with an average absorption rate of 109 percent, a 4 percent contraction over the previous period. A point-to-point comparison revealed that this reduction was concentrated around the 182-day T-bill, with an absorption rate of only 89 percent during the reporting period, compared to the average absorption for the 91-day T-bill at 115 percent at close of Q1. In addition, March’s offerings included the first 364-day T-bill in place to succeed the now discontinued one-year note. Figure 1 below illustrates the volatility in T-bill yields against demand for the twelve-month period April 2024 to March 2025.

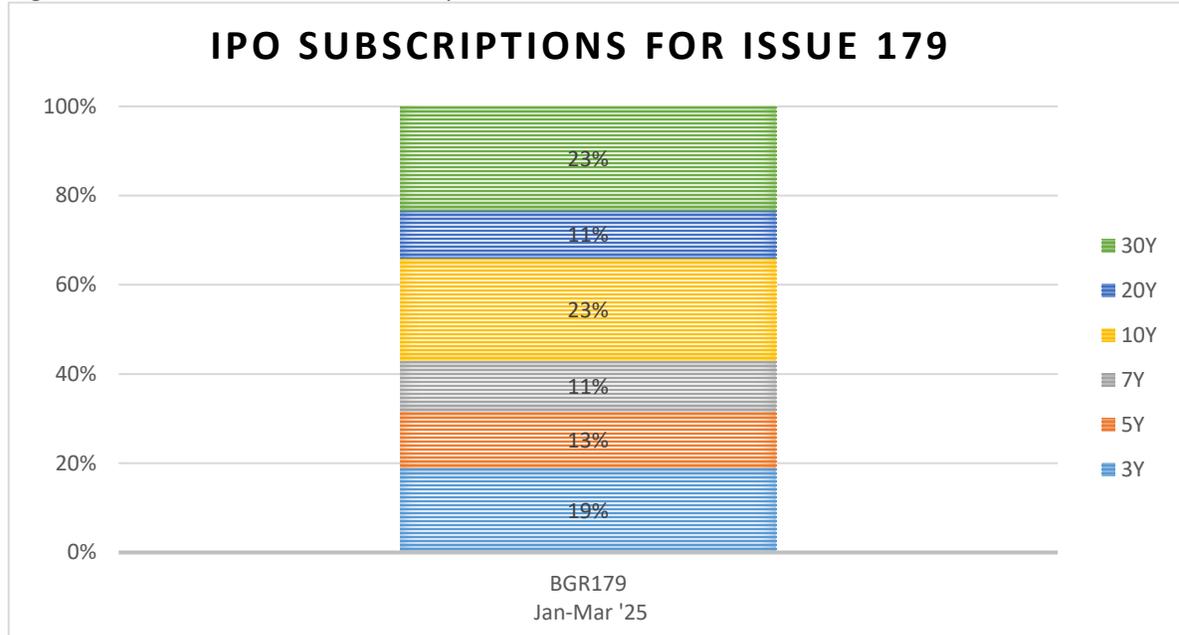
**Figure 1: Treasury Bill Absorption Rates and Yields**



Investor uptake of Bahamas Registered Stock (BRS) totalled \$66 million during the period, reflecting an undersubscription of \$16 million. The average absorption rate stood at 81 percent, a significant contraction from 138 percent in Q4 2024. The elevated rate in the previous quarter was largely driven by oversubscriptions in offers at the one-year point on the curve. In contrast, there were no one-year BRS offers during the current period. All BRS offerings for the period were re-openings of October 2024’s Issue 179. A tenor-based comparison for the quarter indicates a general preference for the 3-, 10-, and 30-year tranches, which collectively accounted for 65 percent of total subscriptions. Uptake of the 5-year tranche stood at 13 percent, while the 7- and 20-year tranches each recorded take-ups of 11 percent. Figure 2 below illustrates tenor performance for Issue 179 during Q1 2025.

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**Figure 2:** BRS Benchmark IPO Subscriptions for Issue 179 and Tenors



With the exception of one BRS offer and one T-bill offer in March, all issues during the quarter were either fully subscribed or oversubscribed, with the February Treasury bill recording the highest absorption rate of the reporting period. Table 1 below summarizes the issuance performance T-bills and BRS offers for Q1 2025.

**Table 1:** Treasury Bill and Bahamas Registered Stock Reopening Statistics

Month	Issue	Type	Issue Size (\$ Million)	Subscriptions (\$ Million)	Absorption Rate
Jan 2025	BSTB 00007053/7061	91D/182D	\$480.03	\$489.41	102%
Feb 2025	BSTB 00007079/7087	91D/182D	\$286.49	\$376.34	131%
Mar 2025	BSTB 00007095/7103	91D/182D	\$163.75	\$193.30	118%
Mar 2025	BSTB 00007111/7129/7137	91D/182D/364D	\$287.59	\$270.55	94%
Jan 2025	BRS 179	Reopening	\$22.50	\$22.50	100%
Feb 2025	BRS 179	Reopening	\$30.00	\$30.00	100%
Mar 2025	BRS 179	Reopening	\$29.00	\$13.47	46%

All questions related to this document may be referred to the Central Bank’s Domestic Debt Unit at: [domesticdebt@centralbankbahamas.com](mailto:domesticdebt@centralbankbahamas.com).

The calendar of upcoming BRS offers is available at: <https://www.centralbankbahamas.com/news/brs-initial-public-offering-calendar>.