



DOMESTIC MARKET BRIEF 4th QUARTER 2025

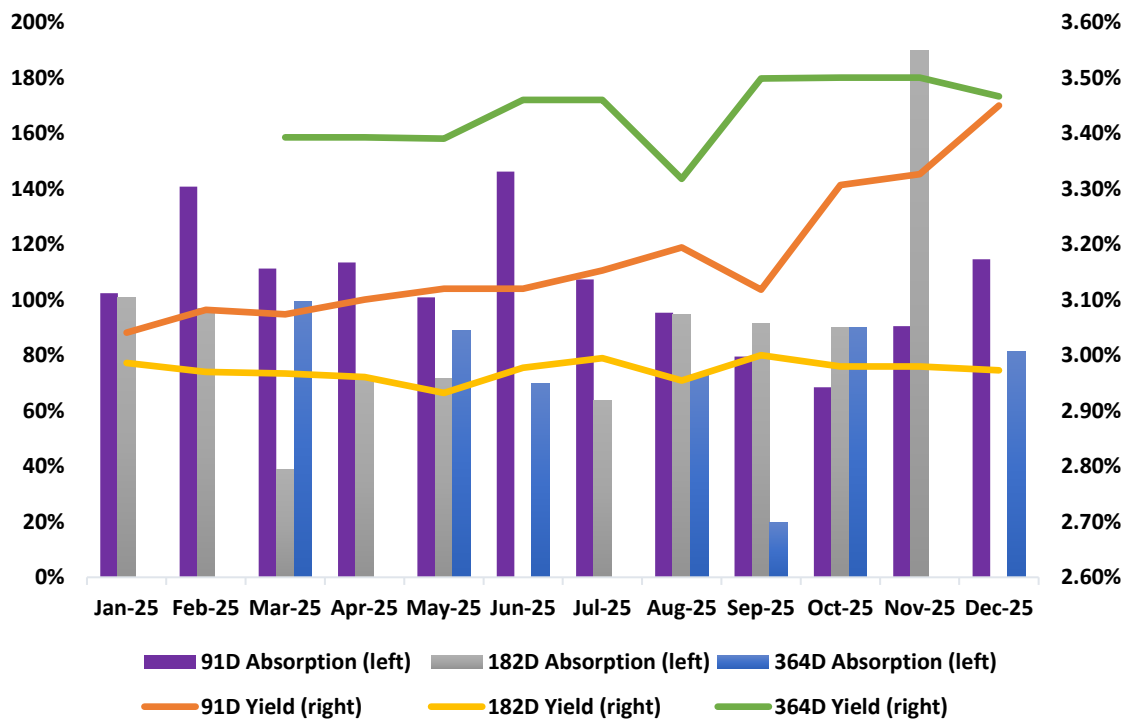
Market Overview

During the fourth quarter (Q4) 2025, approximately \$1.9 billion in Government paper was issued, primarily to refinance existing debt obligations. Treasury bills (T-bills) and Bahamas Registered Stock (BRS) offerings, including six re-openings, represented 89 percent and 11 percent, respectively, of the securities issued. The market absorption rate increased from 88 percent in Q3 2025 to 93 percent in Q4 2025.

Market Recap

Treasury bills closed the period with an average absorption rate of 90 percent, an expansion of 6 percent over the previous period. A point-to-point comparison reveals that this improvement was concentrated around the 182-day T-bill, which experienced an average absorption rate of 116 percent during the period. Figure 1 below illustrates the variability in T-bill yields against demand for the 12-month period ending September 2025.

Figure 1: Treasury Bill Absorption Rates and Yields



Note: The first issuance of the 364-day T-bills took place in March 2025, with no subsequent issuance in July and November 2025

Investor BRS uptake amounted to \$462 million during the period, reflecting an oversubscription of \$24 million. The average absorption rate remained strong at 112 percent, contracting slightly from 115 percent in Q3 2025. Investors continued to favor shorter-term BRS, with the 5-year tranche being the most favored during the period. Collectively, the 3-, 5-, and 7-year tranches accounted for an average absorption rate of approximately 84 percent of total subscriptions for the quarter. Average uptake of the 30-year tranches accounted for 13 percent, while the 10- and 20-year tranches recorded take-up of only 4 percent. All BRS offered during the period were re-

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openings of previous BRS issues. Figure 2 below illustrates tenor performance for the various issues during Q4 2025.

Figure 2: BRS Benchmark Subscriptions for Q4 2025

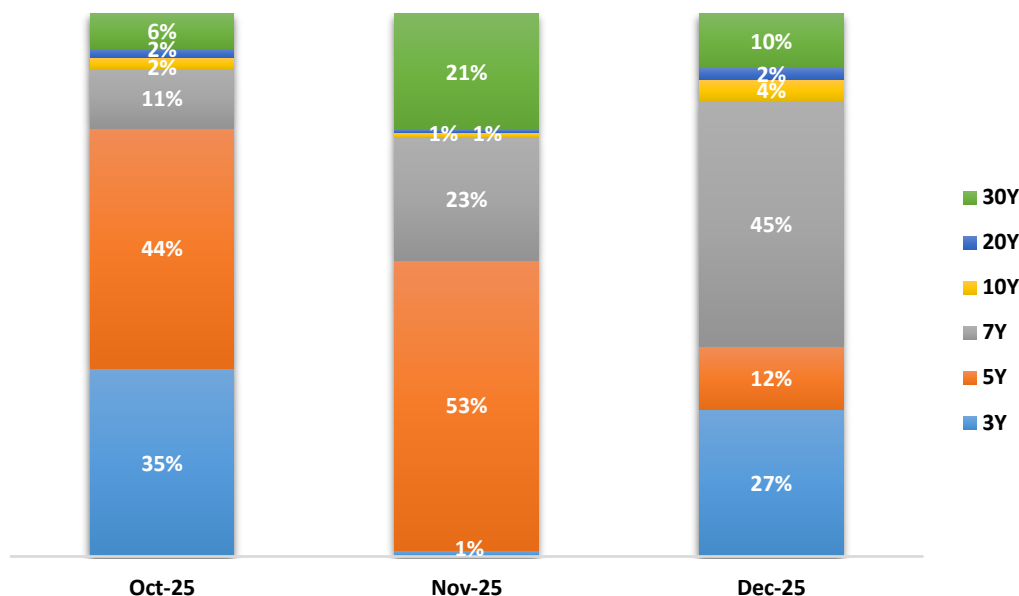


Table 1: Treasury Bill and Bahamas Registered Stock Reopening Statistics

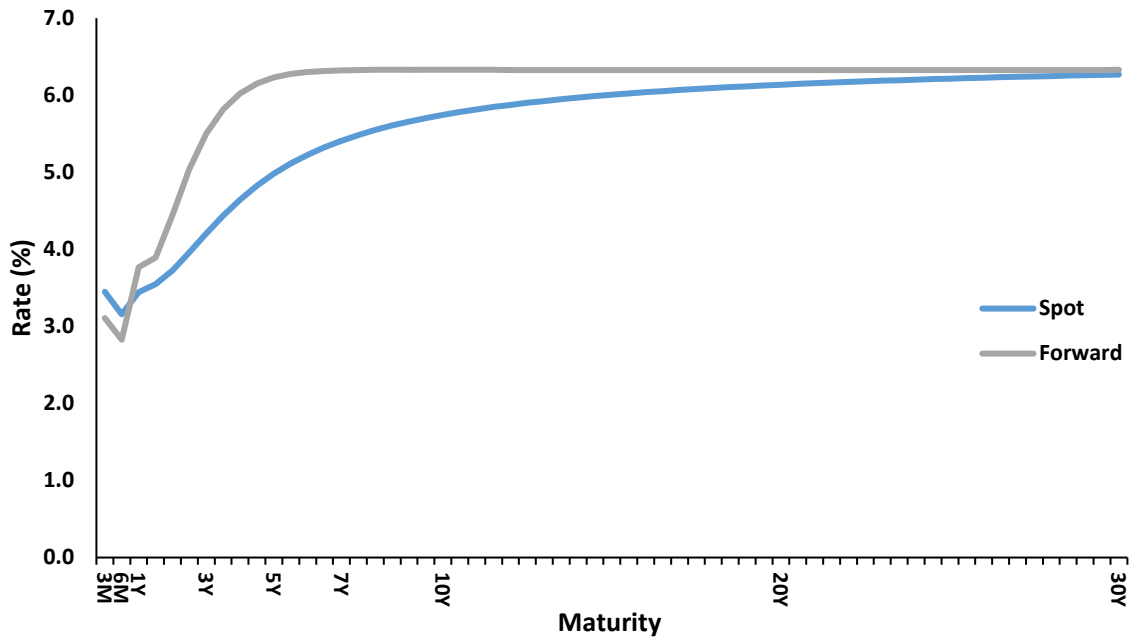
Month	Issue	Type	Issue Size (Millions)	Subscriptions (Millions)	Absorption Rate
October 2025	BSTB 00007350/7368/7376	91D/182D/364D	\$620.24	\$442.56	71%
October 2025	BSTB 00007384	364D	\$231.88	\$208.40	90%
November 2025	BSTB 00007392/7400	91D/182D	\$329.46	\$318.04	97%
December 2025	BSTB 00007418	91D	\$179.55	\$218.84	122%
December 2025	BSTB 00007426	364D	\$140.94	114.78	81%
December 2025	BSTB 00007434	91D	\$154.28	187.74	122%
December 2025	BSTB 00007434	91D	\$50.00	\$50.00	100%
October 2025	BRS 94/107/127/155/170/178	Reopening	\$41.50	\$65.71	158%
October 2025	BRS 183	Reopening	\$45.00	\$45.00	100%
November 2025	BRS 141/183	Reopening	\$50.00	\$50.00	100%
November 2025	BRS 112/127/164/171/179	Reopening	\$30.00	\$26.12	87%
December 2025	BRS 94/109/127/160/178	Reopening	\$20.00	\$23.98	120%
December 2025	BRS 146	Reopening	\$20.00	\$20.00	100%

During the quarter, the yield curve remained inverted at the short end, as yields on the 91-day Treasury bill (3-month) continued to exceed those on the 182-day Treasury bill (6-month). Moreover, the implied forward curve lies below the spot curve at the short end, indicating market expectations of a decline in short-term yields in the near term. Beyond the short end, the yield curve remains upward sloping across the remaining maturities. The curve is relatively steep in the medium-term segment, while it flattens toward the long-term segment. Figure 3 presents the spot and implied forward yield curves as at 31st December 2025.

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Figure 3: Domestic Yield Curve



All questions related to this document may be referred to the Central Bank's Domestic Debt Unit at: domesticdebt@centralbankbahamas.com.

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