QUARTERLY MARKET BRIEF

Second Quarter (April – June) 2026

Domestic Market

$1.4B Government Securities Offered	**$1.4B** Government Securities Issued	**120%** Market Absorption Rate (Overall)	**114%** Treasury Bill Average Absorption Rate	**213%** Bahamas Registered Stock Average Absorption Rate

MARKET OVERVIEW

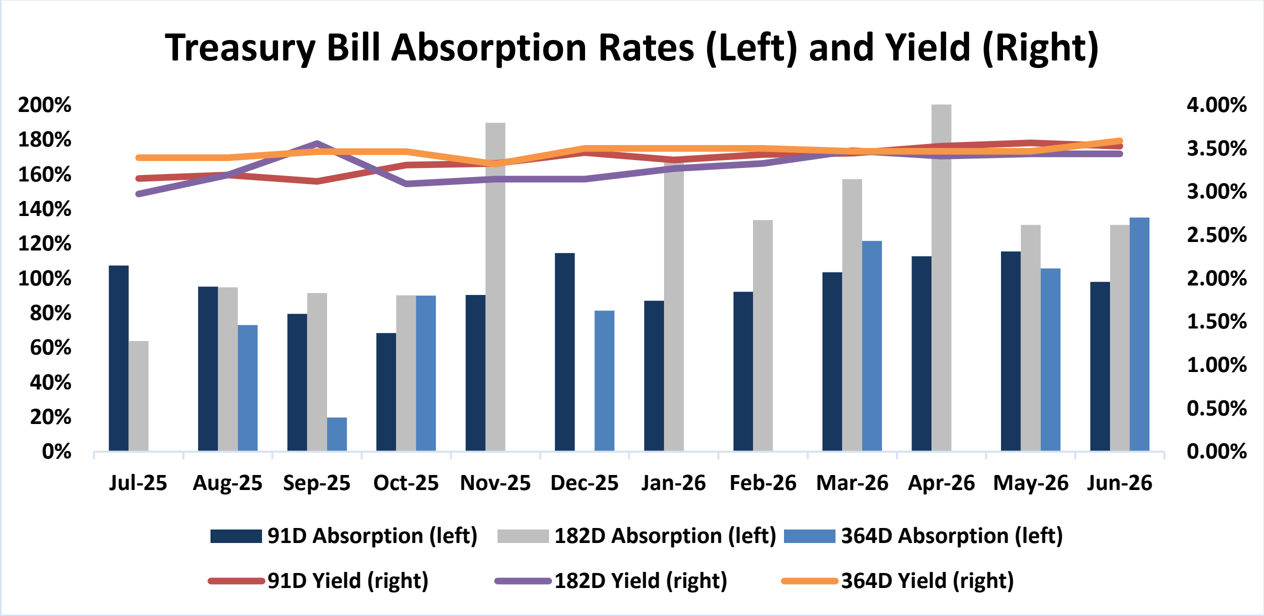
During the second quarter (Q2) 2026, approximately $1.4 billion in Bahamas Government paper was issued, which primarily refinanced existing debt obligations. Treasury bills (T-bills) and Bahamas Registered Stock (BRS) represented 95 percent and 5 percent, respectively, of the securities issued. The market absorption rate continued to trend upward, increasing from 109 percent in Q1 2026 to 120 percent in Q2 2026.

MARKET RECAP

Treasury Bills

Treasury bill issues experienced an average absorption rate of 114 percent, an increase of 10 percentage points over the previous period. A point-to-point comparison reveals that this improvement was, once again, concentrated around the 182-day T-bill, which experienced an average absorption rate of 174 percent. Figure 1 illustrates the variability in T-bill yields against demand for the 12-month period ending June 2026.

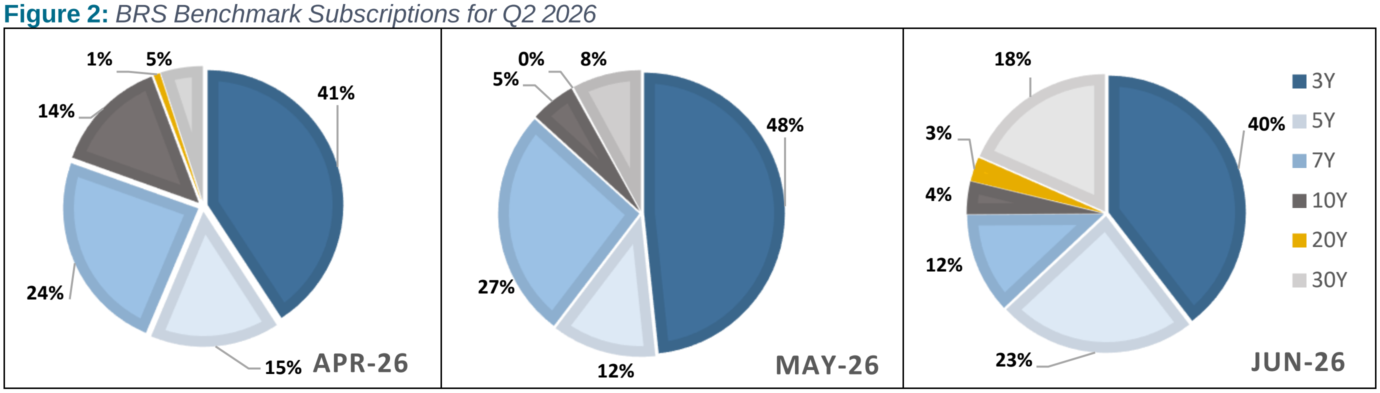
Figure 1: *Treasury Bill Absorption Rates and Yields*



Bahamas Registered Stock (BRS)

Investor BRS uptake amounted to $152.8 million during the period, reflecting an oversubscription of $81.8 million. The average absorption rate increased to 213 percent from 164 percent in Q1 2026. Investors continued to favour shorter-term BRS, with the 3- and 5-year tranches garnering the most demand. Collectively, the 3-, 5-, and 7-year tranches accounted for average approximately 81 percent share of total subscriptions for the quarter, while the 30-, 20-, and 10-year tranches collectively attracted 19 percent. Figure 2 displays the distribution of BRS benchmark issues for the quarter.

Figure 2: *BRS Benchmark Subscriptions for Q2 2026*



YIELD CURVE ANALYSIS

During the quarter, the yield curve remained inverted at the short end, with the yield on the 91-day Treasury bill continuing to exceed that of the 182-day Treasury bill. Moreover, the implied forward curve remained below the spot curve at the short end. Ordinarily this would suggest expectations of a decline in short-term yields in the near-term, albeit the domestic market is still relatively shallow. Beyond the short end, the yield curve continued to exhibit an upward-sloping profile across the longer maturities. Further, yields on both short-term and long-term securities increased during the quarter, compared to the end of the previous quarter, while yields on medium-term tenors either declined or remained unchanged. Figure 3 presents the spot and implied forward yield curves as at 30th June 2026, while Table 1 provides BRS and T-bill issuance statistics for the quarter.

Figure 3: *Domestic Yield Curve — Spot vs. Implied Forward (30 June 2026)*

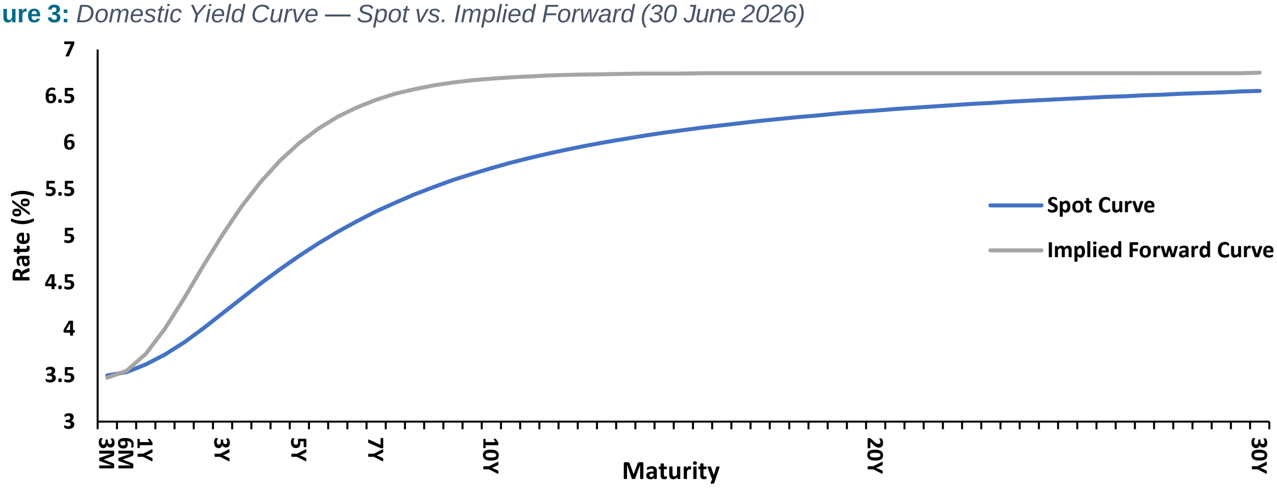


Table 1: *Treasury Bill and Bahamas Registered Stock Issuance Statistics*

Date	Issue	Issue Type	Issue Size	Accepted Bids	Uptake Rate
April 2026	BSTB 00007541/7558	IPO 91D/182D T-bills	$327.189 Million	$416.36 Million	127%
May 2026	BSTB 00007566	IPO 364D T-bills	$113.34 Million	$119.72 Million	106%
May 2026	BSTB 00007574/7582	IPO 91D/182D T-bills	$296.55 Million	$348.45 Million	117%
June 2026	BSTB 00007590	IPO 91D T-bills	$192.47 Million	$205.71 Million	107%
June 2026	BSTB 00007608	IPO 91D T-bills	$221.94 Million	$197.41 Million	89%
June 2026	BSTB 00007616	IPO 364D T-bills	$163.36 Million	$221.10 Million	135%
April 2026	BRS 108/127/157/170/174/179	Reopening BRS	$21.00 Million	$36.43 Million	173%
May 2026	BRS 108/127/160/168/170	Reopening BRS	$25.00 Million	$42.41 Million	170%
June 2026	BRS 112/129/172/174	Reopening BRS	$25.00 Million	$73.95 Million	296%

Contact

For questions related to this Market Brief, please contact the Central Bank's Domestic Debt Unit at:

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Upcoming BRS and T-Bill Offer Calendars

The calendar of upcoming BRS and T-Bill offers are available at:

BRS Initial Public Offering Calendar
(www.centralbankbahamas.com/news/brs-initial-public-offering-calendar)

Treasury Bill (T-Bill) Calendar
(www.centralbankbahamas.com/news/treasury-bill-t-bill-calendar)