QUARTERLY MARKET BRIEF

Third Quarter (July – September) 2026

Domestic Market

$1.5B	$1.7B	116%	122%	114%
Government Securities Offered	Government Securities Issued	Market Absorption Rate (Overall)	Treasury Bill Average Absorption Rate	Bahamas Registered Stock Average Absorption Rate

MARKET OVERVIEW

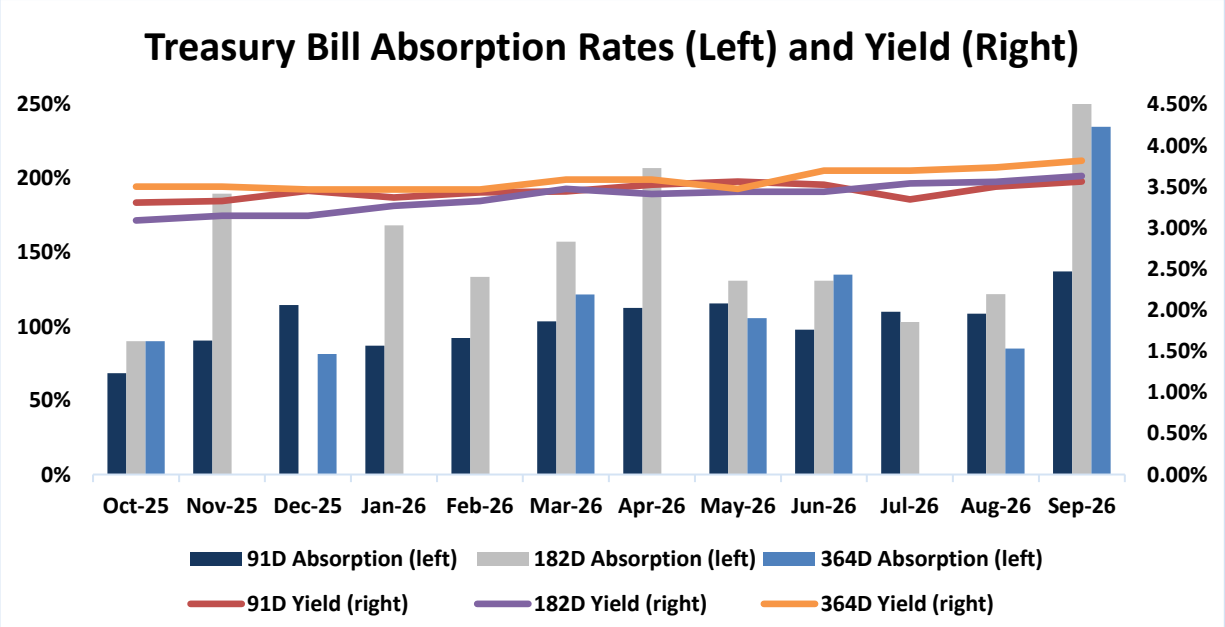
During the third quarter (Q3) 2026, approximately $1.7 billion in Bahamas Government paper was issued, which primarily refinanced existing debt obligations. Treasury bills (T-bills) and Bahamas Registered Stock (BRS) represented 91 percent and 9 percent, respectively, of the securities issued. The market absorption rate contracted slightly, decreasing from 120 percent in Q2 2026 to 116 percent in Q3 2026.

MARKET RECAP

Treasury Bills

Treasury bill issues experienced an average absorption rate of 122 percent, an increase of 8 percentage points over the previous period. A point-to-point comparison reveals that this improvement was attributed across all three tenors–91-, 182-, and 364-day. Figure 1 illustrates the variability in T-bill yields against demand for the 12-month period ending September 2026.

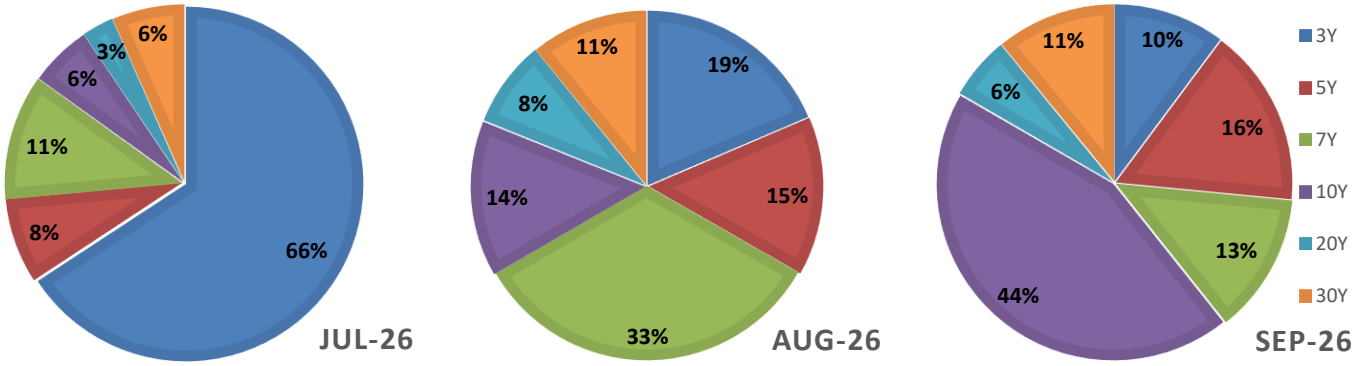
Figure 1: *Treasury Bill Absorption Rates and Yields*



Bahamas Registered Stock (BRS)

Investor uptake of BRS totaled $127.1 million during the period, a reduced inflow of just $4.0 million relative to the $131.1 million offered. The average absorption rate contracted to 114 percent from 213 percent in Q2 2026. Investors continued to favor short-term BRS, with a slight increase in demand for medium-term paper. The 3-, 7- and 10-year tranches attracted the strongest demand, together accounting for approximately 72 percent of total subscriptions for the quarter, while the 5- and 30-year tranches accounted for 22 percent and the 20-year tranche for only 6 percent. Figure 2 displays the distribution of BRS benchmark issues for the quarter.

Figure 2: *BRS Benchmark Subscriptions for Q3 2026*



YIELD CURVE ANALYSIS

During the quarter, the short end of the yield curve became upward sloping, as also observed in August 2025. The curve steepened sharply at the medium-term, before inverting at the medium- to long-term segment. Notwithstanding inversion in the medium- to long-term segment, the curve remained upward sloping on the long end. The estimated forward curve also exhibited some sensitivity to investor preferences, rising sharply before inverting and falling below the spot curve between the 7- and 10-year tranches. Figure 3 presents the spot and implied forward yield curves as at 30th September 2026, while Table 1 provides BRS and T-bill issuance statistics for the quarter.

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

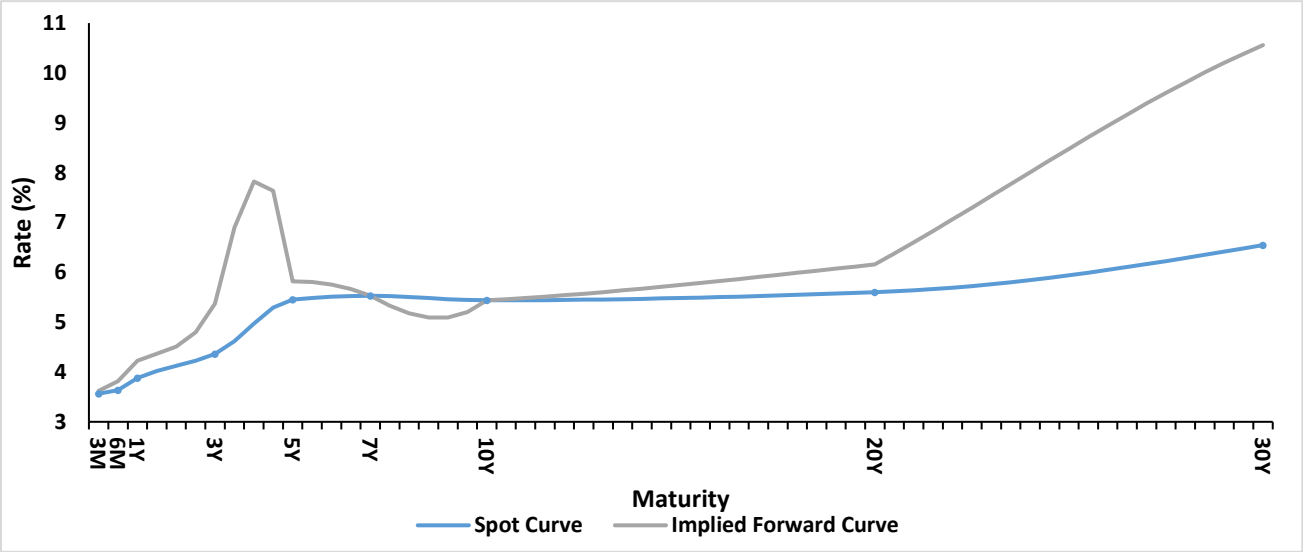


Table 1: *Treasury Bill and Bahamas Registered Stock Issuance Statistics*

Date	Issue	Issue Type	Issue Size	Total Bids	Uptake Rate
July 2026	BSTB 00007624/7632	IPO 91D/182D T-bills	$427.76 Million	$462.08 Million	108%
August 2026	BSTB 00007640/7657/7665	IPO 91D/182D/364D T-bills	$446.63 Million	$478.03 Million	107%
September 2026	BSTB 00007673/7681/7699	IPO 91D/182D/364D T-bills	$227.97 Million	$396.85 Million	174%
September 2026	BSTB 00007590	IPO 91D T-bills	$248.16 Million	$248.95 Million	100%
July 2026	BRS 112/139/160/172/174	Reopening BRS	$65.80 Million	$37.42 Million	57%
July 2026	BRS 124	Reopening BRS	$15.00 Million	$15.00 Million	100%
August 2026	BRS 117/129/153/163/174	Reopening BRS	$26.30 Million	$36.82 Million	140%
September 2026	BRS 106/131/153/177	Reopening BRS	$24.00 Million	$37.84 Million	158%

Contact

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

domesticdebt@centralbankbahamas.com

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)