

August 14, 2009

Central Bank Of Barbados

## MARKET UPDATE



### INTEREST RATES

Sources: Regional Central Banks

End of Period Rates (%)	Barbados August	Guyana June	Trinidad July	Jamaica June
<b>Minimum</b>				
Ordinary Savings Rate 1/	2.50	2.78	1.25	5.87
12-month Deposit Rate 2/	3.50	2.92	3.50	19.00
Average Lending Rate 3/	9.73	14.54	11.88	23.32
Bank Rate	7.00	6.75	7.25	-
Treasury Bill (3-mth) 4/	3.78	4.18	2.50	19.82

1/ The ordinary savings rate for Barbados is at August 2009. Guyana & Jamaica's are at June 2009 while Trinidad's is at July 2009.

2/ The 12-month deposit rate for Barbados is at August 2009. Guyana and Jamaica's are at June 2009 while Trinidad's is at July 2009.

3/ Average Lending Rate for Barbados is at August 2009. Guyana and Jamaica's are at June 2009. Trinidad's is at July 2009. The Bank Rate for Guyana and Jamaica are at June 2009. Trinidad's is at July 2009 while Barbados is at August 2009.

4/ The three-month Treasury Bills Rate for Barbados is at August 2009. Trinidad's is at July 2009. Guyana and Jamaica's are at June 2009.

### REGIONAL INFLATION RATES 5/

Sources: Regional Central Banks

	Barbados	Guyana	Trinidad	Jamaica
<b>Annual Rate (%)</b>	7.74	-	8.40	8.90

5/ Represents the twelve month weighted average inflation rate.

The inflation rate for Barbados is at August 2009. Trinidad's is at July 2009. Jamaica's is at June 2009.

**EXCHANGE RATES**

Source: Bloomberg

<b>Period</b>	<b>Bds / GBP</b>	<b>Bds / EURO</b>	<b>TTD/ Bds</b>	<b>GYD/ Bds</b>	<b>JMD/ Bds</b>
<b>July 31</b>	3.29820	2.81530	3.15385	102.224	44.2625
<b>August 14</b>	3.31470	2.85760	3.15899	102.099	44.4124
<b>(%) Change In Value of Bds\$</b>	<b>-0.50%</b>	<b>-1.50%</b>	<b>0.16%</b>	<b>-0.12%</b>	<b>0.34%</b>

**TREASURY BILL OPERATIONS**

Source: Accountant General

<b>Type</b>	<b>Date of Issue</b>	<b>Issue Size (Bds\$M)</b>	<b>Interest Rate</b>	<b>Under (-)/Over (+) Subscribed (Bds\$M)</b>
<b>3-Mth</b>	2009-07-22	139.92	3.78%	+25.41
<b>6-Mth</b>		15.98	3.86%	+3.00
<b>3-Mth</b>	2009-08-13	102.80	3.69%	--
<b>6-Mth</b>		41.49	3.61%	--

**DEBT PROFILE**

Source: Central Bank of Barbados

<b>Security</b>	<b>Date of Issue</b>	<b>Issue Size (Bds\$M)</b>	<b>Interest Rate</b>	<b>Date of Maturity</b>
<b>Savings Bond</b>	2009-06-02	15.0	5.10%	2014-06-01
<b>Treasury Note/Debenture</b>	2009-06-02	100.0	6.00%	2016-09-30

**B.S.E. TRADING DATA**

Source: Barbados Stock Exchange Inc.

<b>Period</b>	<b>July 31</b>	<b>August 14</b>	<b>(%) Change</b>
<b>Closing Local Index</b>	3383.56	3379.42	-0.12
<b>Closing Cross List Index</b>	1663.14	1659.61	-0.21
<b>Closing Composite Index</b>	843.72	842.49	-0.15
<b>Almond Resorts Inc.</b>	1.70	1.50	-11.76
<b>Neal And Massy Holdings Ltd.</b>	15.72	15.65	-0.45

**US EQUITY MARKET INDICES**

Source: Bloomberg

<b>Period</b>	<b>S&amp;P 500</b>	<b>Nasdaq</b>	<b>Dow Jones</b>
<b>July 31, 2009</b>	987.48	1978.50	9171.61
<b>August 14, 2009</b>	1004.09	1985.52	9321.40
<b>(%) Change</b>	<b>1.68%</b>	<b>0.35%</b>	<b>1.63%</b>

**LIBOR US\$ FIXING**

Source: Bloomberg

<b>Period</b>	<b>3-month</b>	<b>6-month</b>	<b>12-month</b>
<b>July 31, 2009</b>	0.47938	0.92500	1.49750
<b>August 14, 2009</b>	0.42938	0.83188	1.39000

**US BENCHMARK YIELDS**  
As at August 14, 2009

<b>MATURITY</b>	<b>YIELD (%)</b>
<b>3-Mth</b>	0.1714
<b>1-Yr</b>	0.4169
<b>2-Yrs</b>	1.0526
<b>5-Yrs</b>	2.5085
<b>10-Yrs</b>	3.5707

**UK BENCHMARK YIELDS**  
As at August 14, 2009

<b>MATURITY</b>	<b>YIELD (%)</b>
<b>3-Mth</b>	0.1432
<b>1-Yr</b>	0.2766
<b>2-Yrs</b>	0.9042
<b>5-Yrs</b>	2.8565
<b>10-Yrs</b>	3.6757

Graph 1.

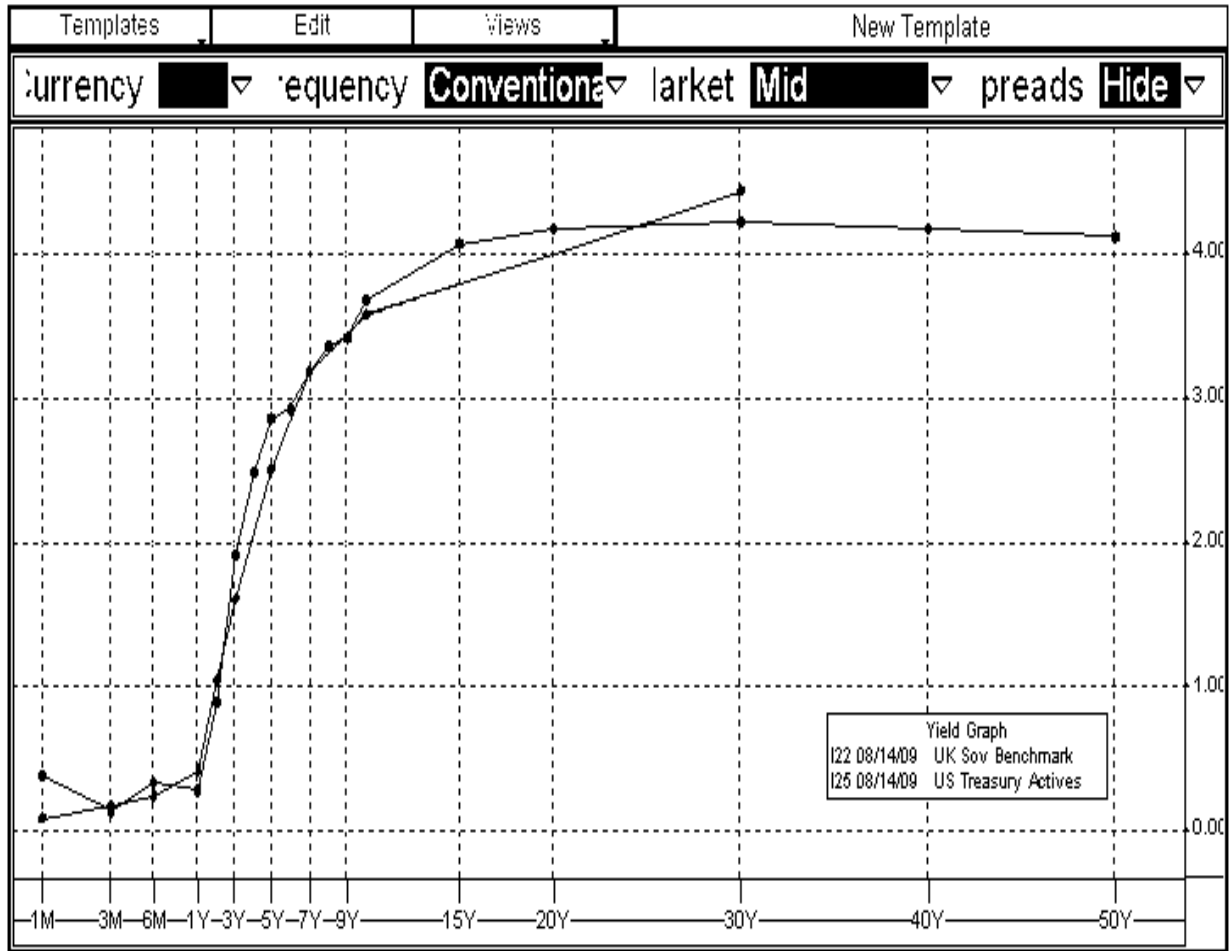
# US & UK YIELD CURVES – unadjusted

Source: Bloomberg

YCRV  
Screen Printed

Index YCRV

## Yield Graph



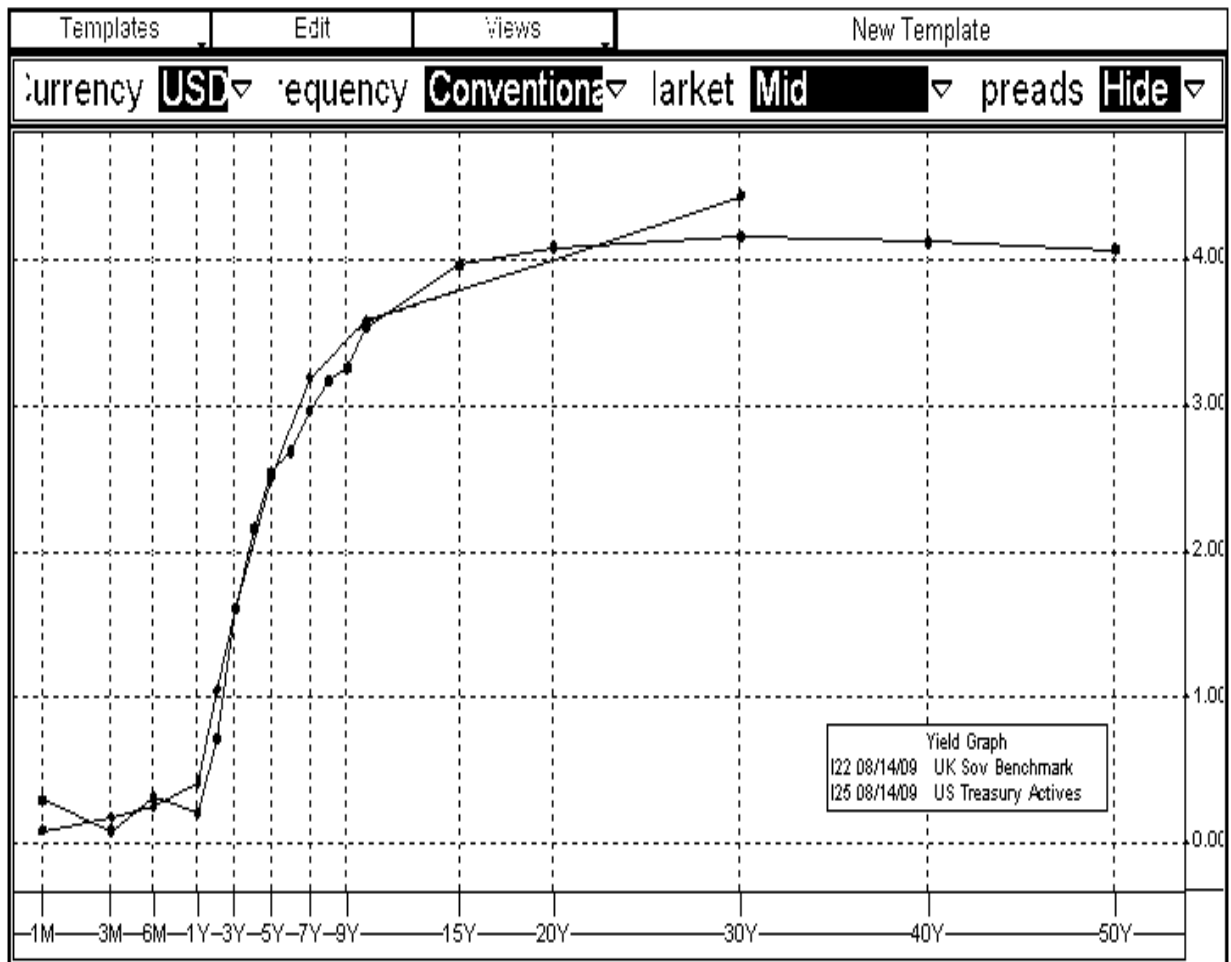
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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.  
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**Graph 2. US & UK YIELD CURVES – adjusted**

Source: Bloomberg

YCRV Index YCRV  
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**Yield Graph**



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.  
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## GLOSSARY

**Bank Rate** - The interest rate charged to commercial banks that borrow from the Central Bank.

**Benchmark Yield** - A benchmark bond is a reference security for a particular maturity that serves as a performance comparison for similar bonds. The yield on a benchmark is the return it will generate, stated as a percentage of price. A line graph of these rates is called a yield curve and shows the relationship between yields and maturity, at a given point in time.

**London Inter-Bank Offer Rate (LIBOR)** - The interest rate that international banks charge each other for loans. This average rate is derived based on information provided by the British Bankers Association and serves as a reference for market borrowing.

**Dow Jones Industrial Average (Dow Jones)** - is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of stock market performance since October 1, 1928.

**Standard and Poor's 500 Index (S&P 500)** - is a capitalization-weighted index of 500 stocks. The index is designed to measure the performance of the domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

**National Association of Securities Dealers Automated Quotation (NASDAQ)** - is a broad based capitalization-weighted of all national market and small capitalization stocks.

**Barbados Stock Exchange Local Index** - is a statistical indicator providing a representation of the value of local securities traded on the B.S.E. The **Cross List Index** captures the volume of regional securities traded, while the **Junior Market Index** pertains solely to Fortress Caribbean Property Fund.