

May 14, 2008

Central Bank Of Barbados

## MARKET UPDATE



### INTEREST RATES

Sources: Regional Central Banks

End of Period Rates (%)	Barbados April	Guyana April	Trinidad April	Jamaica April
<b>Minimum</b>				
<b>Ordinary Savings Rate 1/</b>	4.75-5.75	3.15	2.39	4.88
<b>12-month Deposit Rate 2/</b>	4.75-5.00	3.15	3.70	6.55 -12.35
<b>Average Lending Rate 3/</b>	9.65-11.00	12.40	11.75	21.64
<b>Bank Rate</b>	12.00	6.50	10.00	7.42
<b>Treasury Bill (3-mth) 4/</b>	4.51	3.90	7.00	12.97

1/ Barbados' ordinary savings rate is at March 2008.

2/ The 12-month deposit rate for Trinidad is at September 2007 & the ordinary savings rate is at December 2007.

3/ Average Lending Rate for Barbados is at March 2008.

4/ The three-month Treasury Bills Rate for Guyana is at January 24, 2008. Trinidad is at February while Barbados is as at March 30, 2008.

### REGIONAL INFLATION RATES 5/

Sources: Regional Central Banks

	Barbados	Guyana	Trinidad	Jamaica
<b>Annual Rate (%)</b>	4.11	13.8	7.6	16.8

5/ Represents the twelve month weighted average inflation rate.

The inflation rate for Jamaica is at December 2007, while the inflation rate for Barbados is at November 2007. The inflation rate for Guyana is at December 2007 while the inflation rate for Trinidad & Tobago is at December 2007.

**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>May 14</b>	3.89080	3.09530	3.13474	102.224	35.6250
<b>April 30</b>	3.93650	3.11270	3.15127	102.224	35.6875
<b>(%) Change In Value of Bds\$</b>	<b>1.1609</b>	<b>0.5590</b>	<b>-0.5246</b>	<b>---</b>	<b>-0.1751</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 6-Mth</b>	2008-04-09	88.018	4.65%	+54.38
<b>3-Mth 6-Mth</b>	2008-04-23	64.59	4.65%	+157.47

**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>	2008-03-17	10.0	5.5%	2013-03-16
<b>Treasury Note/Debenture</b>	2008-05-02	100.0	6.375%	2013-10-31

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

Source: Barbados Stock Exchange Inc.

<b>Period</b>	<b>May 14</b>	<b>Apr 30</b>	<b>(%) Change</b>
<b>Closing Local Index</b>	4199.48	4166.23	0.80
<b>Closing Cross List Index</b>	2065.32	2020.60	2.21
<b>Closing Composite Index</b>	1044.25	1030.19	1.36
<b>Share Price Movements:</b>			
<b>Banks Holdings Ltd</b>	4.80	4.50	6.67
<b>Barbados National Bank Inc</b>	6.47	6.45	0.31
<b>Cable and Wireless Barbados Ltd</b>	4.14	4.20	-1.43
<b>Fortress Caribbean Property Fund</b>	1.55	1.60	-3.13
<b>Jamaica Money Market Brokers Ltd</b>	0.41	0.43	-4.65
<b>Neal and Massey Holdings Ltd</b>	15.51	17.06	-9.09
<b>Sagicor Financial Corporation</b>	5.60	5.95	-5.88

**US EQUITY MARKET INDICES**

Source: Bloomberg

<b>Period</b>	<b>S&amp;P 500</b>	<b>Nasdaq</b>	<b>Dow Jones</b>
<b>May 14, 2008</b>	1408.66	2496.70	12898.38
<b>April 30, 2008</b>	1385.59	2412.80	12820.13
<b>(%) Change</b>	<b>1.66</b>	<b>3.48</b>	<b>0.61</b>

**LIBOR US\$ FIXING**

Source: Bloomberg

<b>Period</b>	<b>3-month</b>	<b>6-month</b>	<b>12-month</b>
<b>May 16, 2008</b>	2.69500	2.88625	3.08125
<b>May 02, 2008</b>	2.77000	2.87375	2.99375

**US BENCHMARK YIELDS**  
As at May 14, 2008

<b>MATURITY</b>	<b>YIELD (%)</b>
<b>3-Mth</b>	1.828
<b>1-Yr</b>	---
<b>2-Yrs</b>	2.519
<b>5-Yrs</b>	3.200
<b>10-Yrs</b>	3.915

**UK BENCHMARK YIELDS**  
As at May 14, 2008

<b>MATURITY</b>	<b>YIELD (%)</b>
<b>3-Mth</b>	---
<b>1-Yr</b>	4.655
<b>2-Yrs</b>	4.691
<b>5-Yrs</b>	4.578
<b>10-Yrs</b>	4.817

Graph 1.

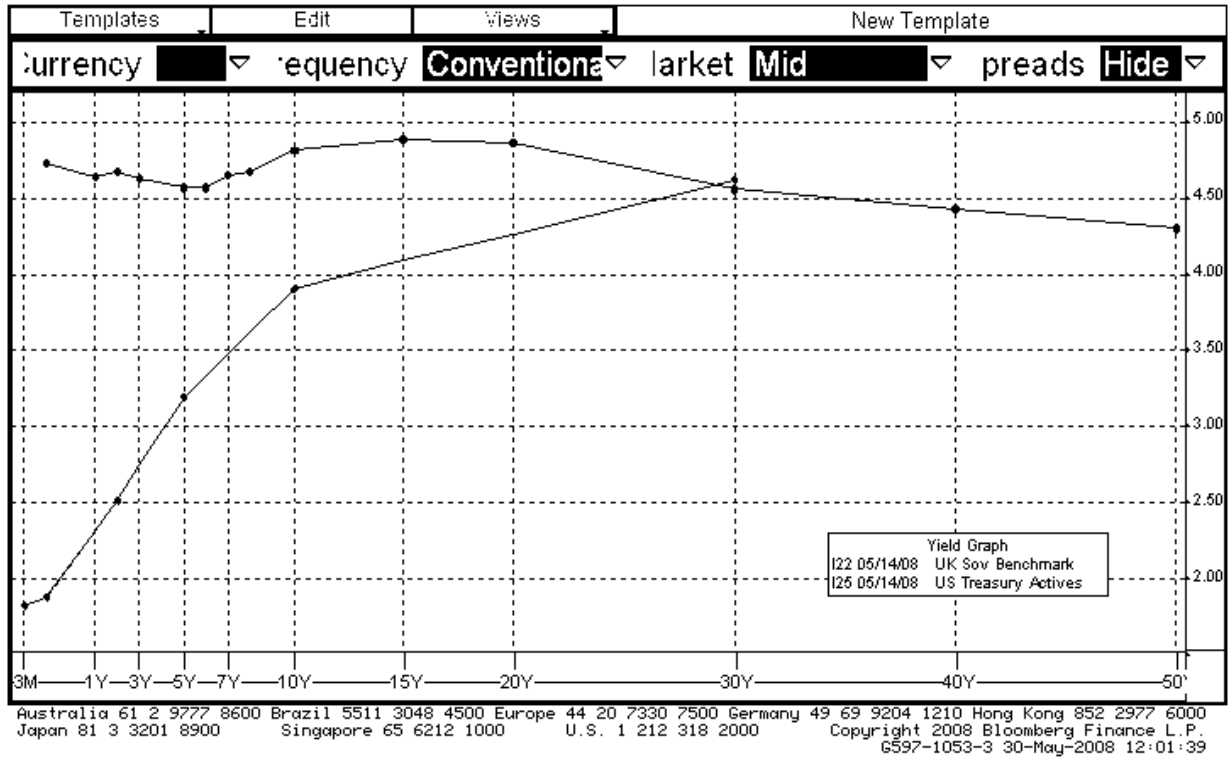
**US & UK YIELD CURVES – unadjusted**

YCRV

Govt YCRV

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**Yield Graph**

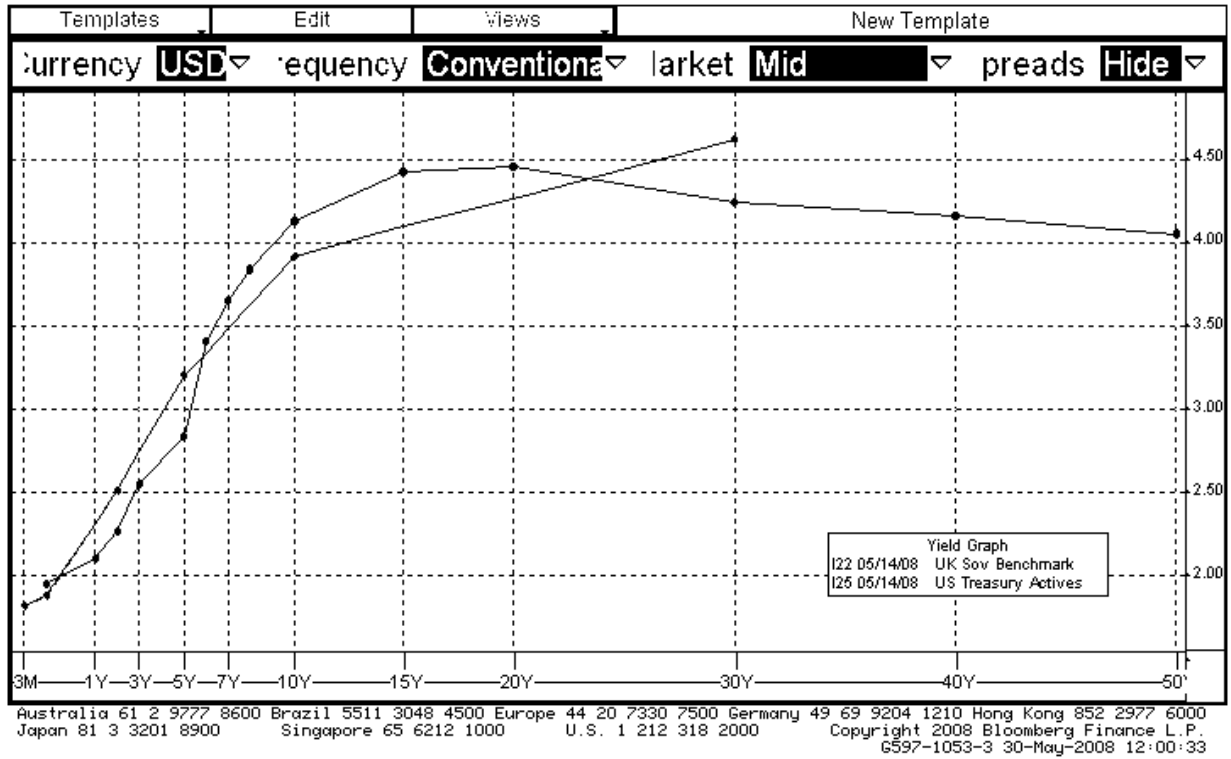


Source: Bloomberg

**Graph 2. US & UK YIELD CURVES – adjusted**

YCRV Govt YCRV  
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**Yield Graph**



## **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.