

Central Bank of Barbados

Selected Market Statistics

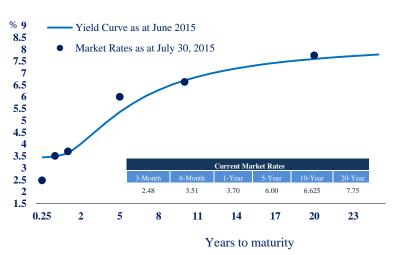
Table 1 – Auction Results

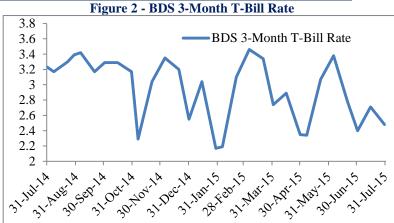
Issue: S2015-08									
	Amount Allotted (BDS Mil.)	Issue Date	Maturity Date	Average Discount Rate	Offer Rate (per 100) Min.	Offer Rate (per 100) Max.	Liquidity Ratio	Amount Tendered (BDS Mil.)	Total Bids Received (BDS Mil.)
3-Month	\$157.070	30-Jul-15	29-Oct-15	2.48%	\$99.14	\$99.75	9.8%	\$178.528	\$178.528
6-Month	\$21.458	30-Jul-15	28-Jan-16	3.51%	\$98.27	\$98.28			

Source: Treasury Department

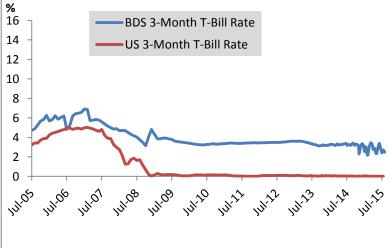
This bulletin provides selected market statistics on the most recent Treasury Bill (T-bill) auction and liquidity in the banking system¹. In addition, an updated notional yield curve as at the last issue date and the relative indicative yields at the end of the previous quarter, are included to provide market guidance on the general direction of domestic interest rates. Given the underdeveloped secondary market in Barbados, market prices and yields for securities issues across the full maturity spectrum are not readily available. Therefore, to estimate a notional yield curve the coupon rates for the respective issues are employed as proxies for yields. An interpolation technique was used to derive interest rates for tenures where no Government securities were outstanding. This process also generates a smooth notional yield curve.

Figure 1 - Barbados Government Securities Notional Yield Curve









¹ Effective April 18, 2013 the Central Bank of generates Barbados launched its new *Intervention and Interest Rate Policy*, which involves providing interest rate signals though intervention in the T-bill market (see Worrell et al. 2013)