



# LOCAL MARKET 2023 RECAP

January 3, 2024

## Stock Market

The year 2023 began with forecasts of low global economic growth as efforts to fight inflation were expected to lead to a significant slowdown in global economic activity. However, locally, strong economic conditions, the continued rebound of the tourism industry and the normalization in consumer spending throughout the year contributed to the positive performance of BISX for 2023. The local stock exchange saw growth of 7.81%, increasing to 2,851.64 from 2,645.06 at the end of the previous year. Notably, the market rose +18.71% in 2022. Most local stocks were higher for the year, with companies reporting positive results and continuing dividend payments. There were also some reinstatements of suspended dividends and increases in dividends which were positively received by the market.

Ticker	Company	Dec 2022	Dec 2023	Change	Dividend	Market Cap (in millions)
AML	Abaco Markets Limited	6.95	4.95	-28.78%	0.19	74.49
APD	Arawak Port Development	39.95	41.19	3.10%	1.70	205.82
BBL	Benchmark Bahamas Limited	2.76	2.76	0.00%	0.04	13.69
BFH	Bahamas First Holdings	2.46	2.00	-18.70%	0.08	73.02
BOB	Bank of The Bahamas	2.61	4.25	62.84%	0.02	182.58
BPF	Bahamas Property Fund	6.30	7.20	14.29%	0.40	17.33
BWL	Bahamas Waste Limited	9.75	10.62	8.92%	0.48	44.60
CAB	Cable Bahamas	4.50	4.20	-6.67%	0.12	184.33
CBB	Commonwealth Brewery	10.25	11.01	7.41%	0.46	330.30
CBL	Commonwealth Bank	3.58	5.45	52.23%	0.14	1,609.21
CHL	Colina Holdings Limited	8.53	10.20	19.58%	0.26	252.24
CIB	CIBC FirstCaribbean	15.99	13.30	-16.82%	0.36	1,598.88
CWCB	Consolidated Water	2.96	7.12	140.54%	0.07	14.41
DHS	Doctors Hospital	10.50	10.50	0.00%	0.03	104.70
EMAB	Emera Bahamas	9.35	9.29	-0.64%	0.38	10,640.00
FAM	Family Guardian	3.74	4.20	12.30%	0.15	126.00
FBB	Fidelity Bank Bahamas	18.10	17.75	-1.93%	0.48	512.38
FCL	Focol Holdings	3.98	4.75	19.35%	0.12	484.35
FIN	Finco	11.00	12.80	16.36%	1.50	341.33
JSJ	J. S. Johnson	15.76	15.82	0.38%	0.68	126.56
BISX		2,645.06	2,851.64	7.81%		

The top 5 performers for the year were Consolidated Water, Bank of The Bahamas, Commonwealth Bank, Colina Holdings and Focol Holdings.



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### Fixed Income Market

The local fixed income market continues to be dominated by monthly offerings of government securities, specifically Bahamas Government Registered Stock (BGS) and Treasury Bills which seek to raise new capital and refinance existing securities. Demand for short-term government securities continues to be dominated by institutional investors, and we note that there has been a significant increase in the issuance of short-term securities, which are particularly attractive to commercial banks with excess liquidity.

On another note, the Central Bank will transition to an auction system for Bahamas Registered Stock this month, which could lead to some volatility in interest rates going forward, particularly for longer term securities. We note below the changes in rates over the past year:

Short Term			
Tenor	Dec 2022	Dec 2023	Change
90 days	2.85%	2.91%	+0.06
182 days	2.89%	2.91%	+0.02
1 year	3.13%	3.25%	+0.12
3 years	3.58%	3.63%	+0.05

Medium to Long Term			
Tenor	Dec 2022	Dec 2023	Change
5 years	4.03%	4.09%	+0.06
7 years	4.68%	4.75%	+0.07
10 years	5.43%	5.51%	+0.08
20 years	6.01%	6.09%	+0.08
30 years	6.51%	6.59%	+0.08

In the private market, several successful offerings took place during the year including:

- Refinancing of Nassau Cruise Port Limited's 8% bonds to 6%
- Refinancing of Cable Bahamas' Series 6 5.75% preference shares to 5.50%
- Refinancing of Cable Bahamas' Series 9 6.25% preference shares to 6.00%
- Issuance of Focol Holdings Limited's Series E 6.25% preference shares.

### Outlook

In 2024, we do not anticipate any significant changes in the local market. We expect that government bond offerings will continue to be the primary investment option available to investors. As auctioning for medium to longer term securities becomes the primary method for BGS IPOs, we anticipate that rates could increase to attract more investors into purchasing government securities. The possibility remains for some additional refinancings of existing private sector securities along with potential for 1 – 2 new issuances of corporate debt and equity securities. In our view, the local stock exchange should provide stable performance as the economy remains resilient despite expectations of a slowdown in the global economy.



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