



# SECURITIES MARKET BULLETIN

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An overview of the securities market for the year 2024

A PUBLICATION BY THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE  
COMMISSION

Level 22-23, Tower D, International Waterfront Centre, 1 Wrightson Road, Port of Spain

SEPTEMBER 2025

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## List of Abbreviations and Acronyms

<b>Act</b>	Securities Act Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago
<b>AUM</b>	Assets Under Management
<b>CBTT</b>	The Central Bank of Trinidad and Tobago
<b>CIS</b>	Collective Investment Scheme
<b>Draft RBCAL By-Laws</b>	Draft Risk Based Capital and Liquidity Requirements Byelaws 2023
<b>MMRF</b>	Micro and Macro-Prudential Reporting Framework
<b>Qtr</b>	Quarter
<b>RBS</b>	Risk-Based Supervision
<b>Repo</b>	Repurchase Agreement
<b>SRO</b>	Self-Regulatory Organisation
<b>The Exchange</b>	The Trinidad and Tobago Stock Exchange
<b>TTSEC</b>	Trinidad and Tobago Securities and Exchange Commission

## Introduction

The Trinidad and Tobago Securities and Exchange Commission's (TTSEC's) 2022-2026 Strategic Plan is a vital tool in the mapping, identifying and the proactive addressing of existing and potential future requirements within the securities industry. The TTSEC actively take our role as the Regulator of the securities industry and remain committed towards further enhancing and developing the securities market by protecting investors, promoting a fair, transparent and efficient market, reducing systemic risk and raising investor awareness through various initiatives and collaborative efforts.

As mandated in accordance with Section 6 (l) of the Securities Act Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago (Act), the TTSEC is required to “assess, measure and evaluate risk exposure in the securities industry”. Furthermore, in accordance with Section 7 (i) (l) of the Act, we remain actively committed to monitoring the risk exposure of Registrants and Self-Regulatory Organisations (“SROs”) while taking measures to safeguard the interests of investors, clients, members and the securities industry.

The Micro and Macro Prudential Reporting Framework (MMRF) is a tool employed by the TTSEC to capture key metrics and conduct analysis to evaluate the health, soundness and vulnerabilities of the local securities market. After nine years and 12 successful Securities Market Bulletin (SMB) publications, the framework has aided us in our ability to acquire, sustain and monitor key financial stability and macro-prudential indicators, which are essential in the evaluation and analysis of the securities market.

The 13<sup>th</sup> issue of the SMB focuses on the outputs of Registrants' MMRF submissions over the year 2024. Over the year ended December 2024, the market reported significant changes as compared to the year ended December 2023.

When analysing the average performance between the aforementioned periods, it was noted that there were increases in the Assets under Management by Collective Investment Schemes by **TT\$2,132.7Mn (3.37 percent)**, Client Assets Managed by Broker Dealers by **TT\$3,830.82Mn (3.12 percent)**, Private Placements by **TT\$75.2Mn (128.02 percent)** and Repo Liabilities by **TT\$500.96Mn (9.2 percent)**. During this period, there were declines in Over the Counter

transactions by **TT721.38Mn (26.6 percent)** and the Client Assets Managed by Investment Advisers by **TT\$2.95Mn (5.03 percent)**.

This publication provides insights into the following business activities as well as their interconnections over the relevant period. The data presented in this issue, is provisional and subjected to revisions and changes.

- *Investment Advising;*
- *Broker Dealing;*
- *CIS Management;*
- *Repo Selling; and*
- *Structuring and Distributing Securities: Over the Counter (“OTC”) and Private Placements.*

## Significant Activities

Entities registered under Section 51(1) of the Act are required to submit MMRF data on a quarterly basis. As at Qtr4 2024, there were **51** entities, which comprised of **43** Broker-Dealers, **7** Investment Advisers (**5** Corporate and **2** Individuals) and **1** Underwriter. Noteworthy are the de-registrations of **1** Broker-Dealer and **1** Investment Adviser from the TTSEC during this period.

In Trinidad and Tobago, some of the activities performed by entities registered under Section 51(1) of the Act include:

- **Investment Advising:** advising a person as to buying, selling, or holding a security only.
- **Broker Dealing:** executing trades on behalf of clients and the company’s own account as principal.
- **CIS Management:** managing securities or a portfolio of securities belonging to a CIS.
- **Portfolio Management:** managing securities or a portfolio of securities belonging to another person (excluding CISs) in circumstances involving the exercise of discretion.
- **Repo Selling:** creating and selling Repos based on proprietary holdings.
- **Structuring and Distributing Securities:** structuring and issuing of securities and or underwriting securities on a best-efforts or firm commitment bases.

**Table 1** below provides the year-on-year changes in the significant activities.

**Table 1: AUM of Significant Activities - Y-O-Y Change**

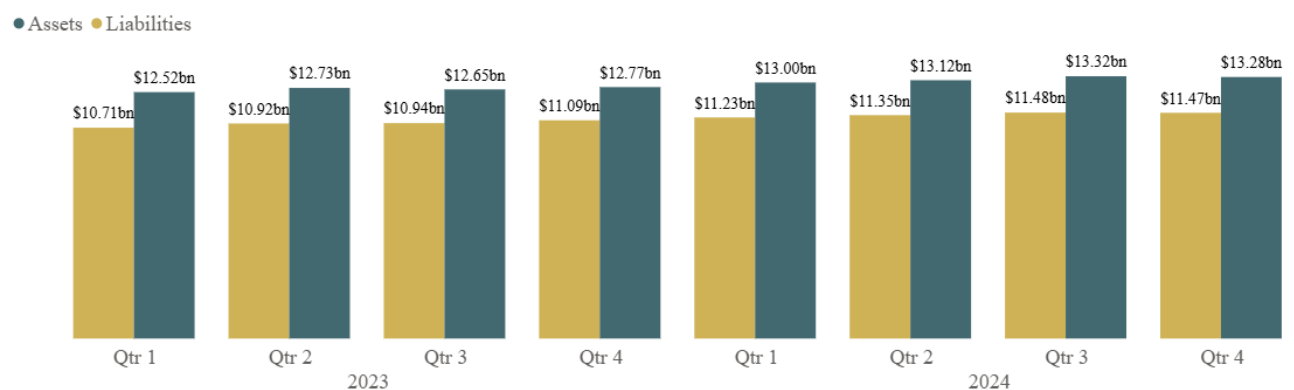
Activity	Qtr 4 2023 (TT\$Mn)	Qtr 4 2024 (TT\$Mn)	Change (TT\$Mn)	% Change
Investment Advising	58.66	55.71	-2.95	-5.03%
Broker Dealing	122,734.48	126,565.30	3,830.82	3.12%
CIS Management	63,257.05	65,389.75	2,132.7	3.37%
Repo Selling	5,445.7	5,946.66	500.96	9.2%
Over the Counter	2,712.17	1,990.79	-721.38	-26.6%
Private Placement	58.74	133.94	75.2	128.02%

## Investment Advising

With the exit of **1** Investment Adviser (IA), **7** IAs (**5** Corporate and **2** Individuals), remained at the end of 2024. **Figure 1** shows the quarterly values of the asset and liabilities composition of Investment Advisers. The average values for Assets and Liabilities of IAs for the year 2024 were approximately **TT\$13.18Bn** and **TT\$11.38Bn**, respectively. It should also be noted that this sector is dominated by one large financial institution that is registered as an IA.

When compared to the previous year, the average values of Assets and Liabilities increased by **TT\$0.51Bn (4.05 percent)** and **TT\$0.47Bn (4.26 percent)**.

**Figure 1: Investment Advisers' Assets and Liabilities Composition (TT\$)**



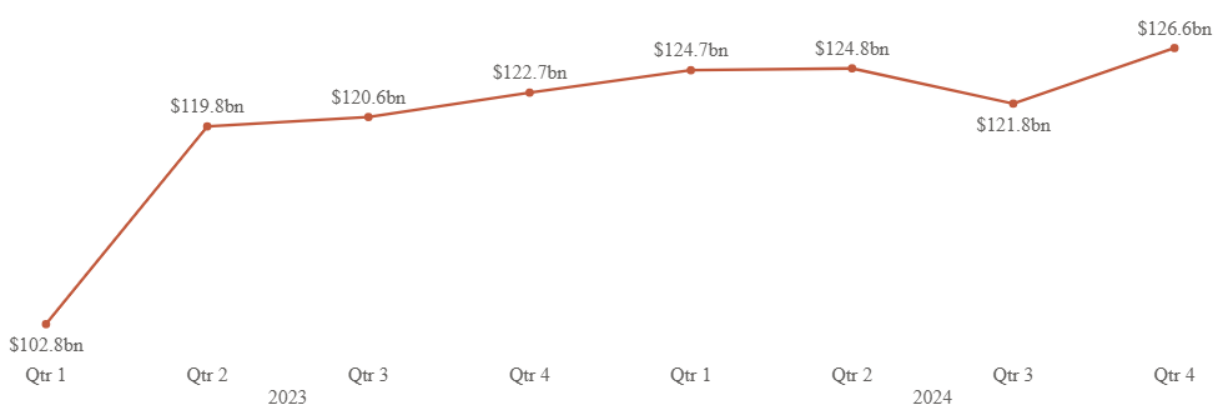
In Qtr 4 2024, Investment Advisers had **882** clients with **TT\$55.71Mn** of Client Assets Managed, see **Figure 2**; a decrease in Clients and Client Assets Managed by **8.41 percent** and **5.03 percent**, respectively when compared to Qtr 4 2023. It should be noted, however, that only one Investment Adviser manages Clients Assets in the industry, with a portfolio that constitutes of only Other Clients such as pension funds. The Act only permits Investment Advisers to provide investment advice at this point in time.

**Figure 2: Client Assets Managed-Investment Advising Entities**



### Broker Dealing

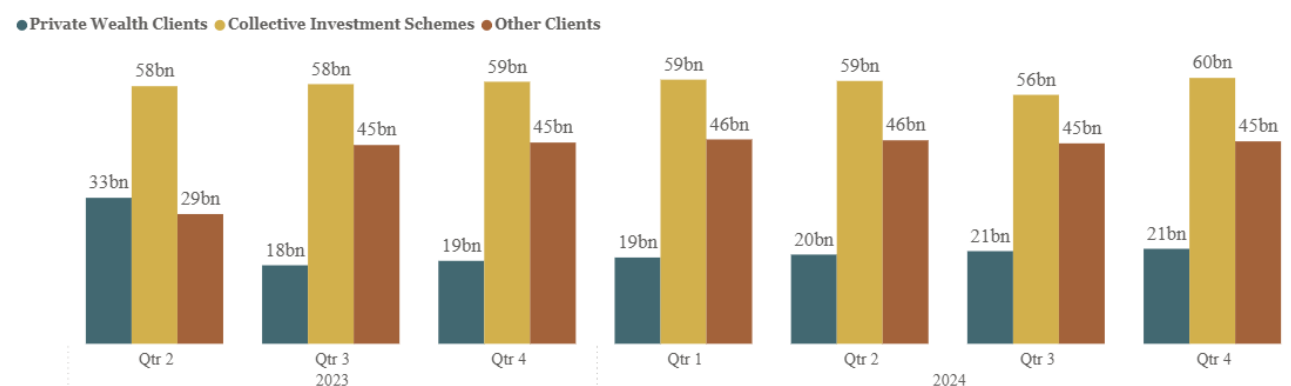
**Figure 3: Client Assets Managed-Broker Dealing Entities**



In Qtr 4 2024, there were **43** Broker Dealers, who collectively had **2.68Mn** Clients and managed **TT\$126.57Bn** in Client Assets see (**Figure 3**). Approximately **16.86 percent** of total Client Assets are managed on behalf of **7,196** Private Wealth Clients whose assets were valued at **TT\$21.34Bn**. Additionally **47.2 percent** (TT\$59.74Bn) of total Client Assets Managed comprised of CISs

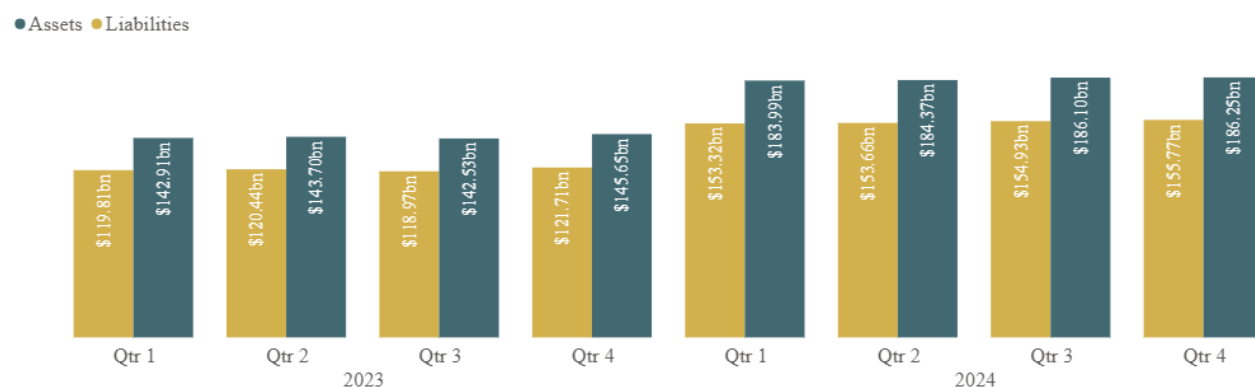
(Figure 4). On an annualized basis, the number of Clients increased by **10.62 percent** while the value of total Client Assets Managed increased by **3.12 percent**.

**Figure 4: Client Assets Managed-Broker-Dealing<sup>1</sup>**



**Figure 5** shows the quarterly values of the asset and liabilities composition of Broker-Dealers. In Qtr 4 2024, the average values for Assets and Liabilities of Broker Dealers were approximately **TT\$185.18Bn** and **TT\$154.42Bn**, respectively. When analysing the comparative period in 2023, the average values of Assets and Liabilities increased by approximately **TT\$41.48Bn (28.87 percent)** and **TT\$34.19Bn (28.43 percent)**, respectively (**Figure 5**).

**Figure 5: Broker-Dealers' Assets and Liabilities Composition (TT\$)<sup>2</sup>**



<sup>1</sup> Other Clients refers to clients of Broker-Dealers in relation to activities that are outside the areas monitored by the TTSEC.

<sup>2</sup> It should be noted that the increase in assets and liabilities observed between Qtr 4 2023 and Qtr 1 2024 is partly due to the correction of a reporting scale error by one Broker-Dealer and does not necessarily reflect an increase in assets and liabilities across all Broker-Dealers.



The number of Broker-Dealers on the Trinidad and Tobago Stock Exchange (“the Exchange”) remained at 8 as at Qtr4 2024. In total, Broker-Dealers on the Exchange had **243,652** clients with **TT\$17.01Bn** Clients Assets Managed.

At Qtr 4 2024, on an annualised basis, Client Assets Managed for Broker Dealers listed on the Exchange decreased by approximately **TT\$0.14Bn (0.82 percent)**.

CIS Management

Figure 6: CIS AUM (TT\$)

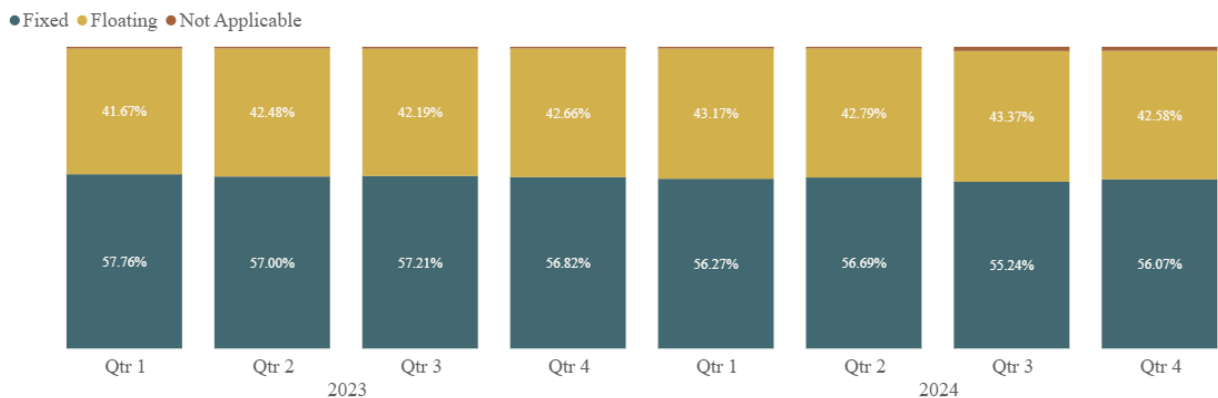


At the end of Qtr 4 2024, there were **17** Broker-Dealers managing **84** Funds, valuing **TT\$65.4Bn** (*Figure 6*). It was observed that throughout 2024, there was an average quarterly increase in the funds’ AUM of approximately **1.6 percent**. When compared to Qtr 4 2023, the AUM for CIS Management at Qtr 4 2024 posted nominal growth by **TT\$2.13Bn (3.37 percent)**.

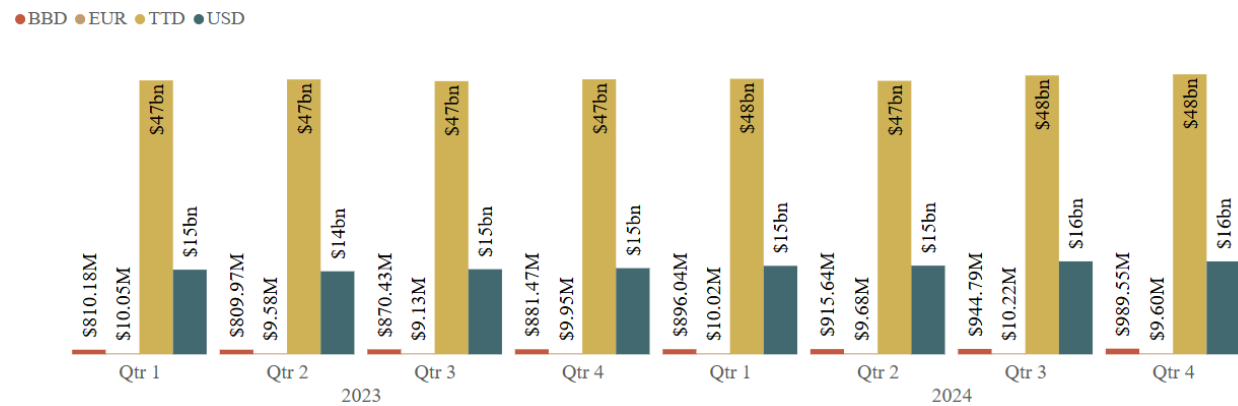
The market continues to be dominated by **14** Fixed Net Asset Value (“NAV”) Funds, accounting for an average of approximately **56 percent** of total AUM in Qtr 4 2024 (*Figure 7*).

Most CISs are denominated in TTD currency (*Figure 8*).

Figure 7: CIS AUM Breakdown by NAV Type

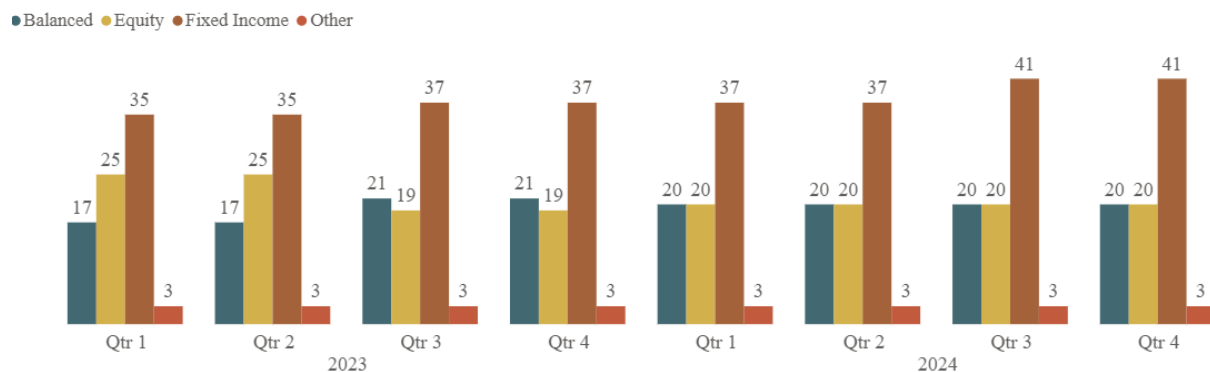


**Figure 8: CIS AUM Breakdown by Currency**



In Qtr 4 2024, there were **41** Fixed Income CISs which accounted for **TT\$54.13Bn (82.79 percent)** of the CIS market's AUM (**Figure 9 & 9.5**), and TT Individuals continued to have the largest investments in CISs (**Figure 10**).

**Figure 9: Types of CISs**



**Figure 9.5: CIS AUM by Type**

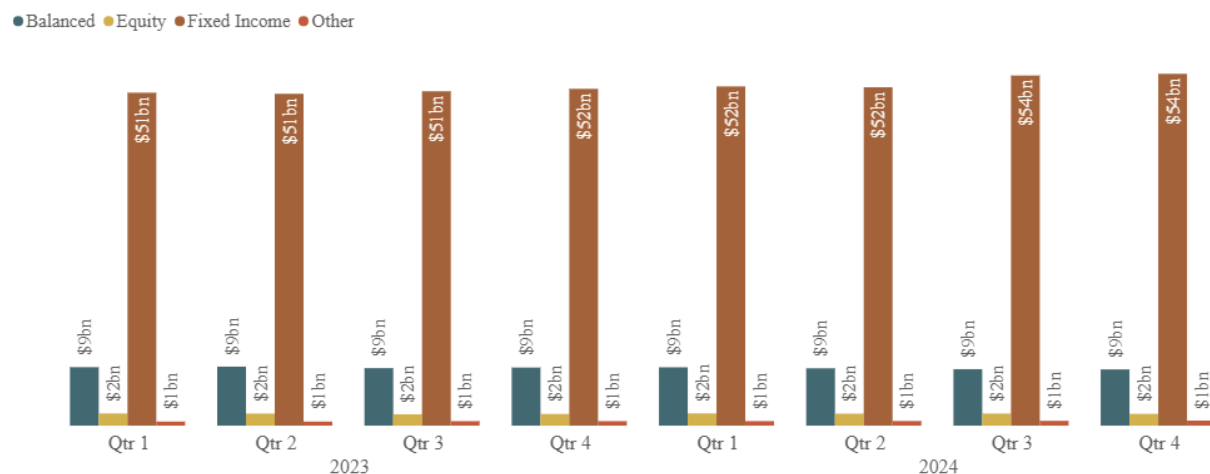
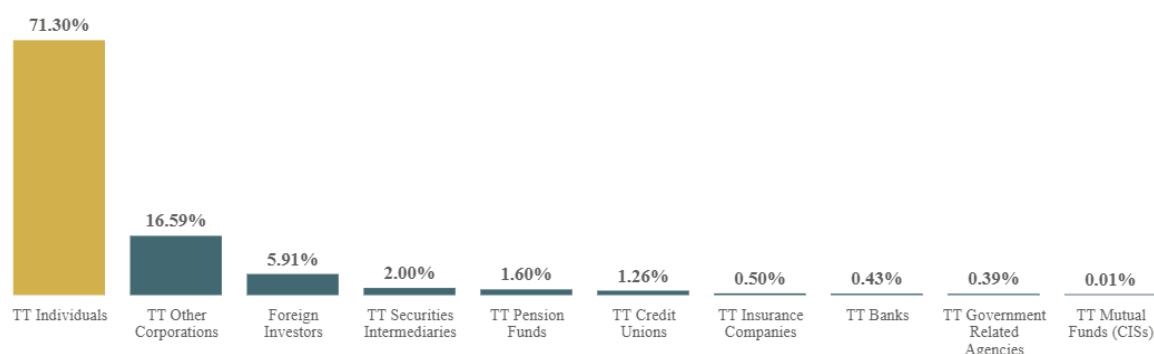
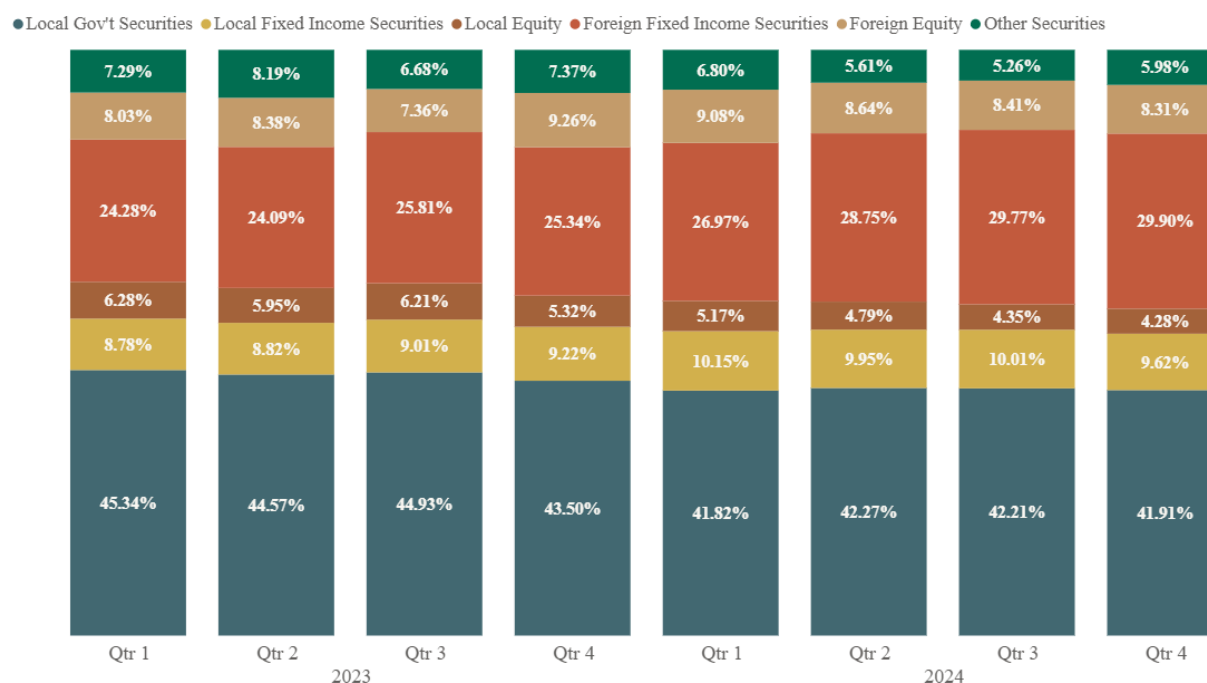


Figure 10: Types of Investors in CISs as at Qtr4 2024



CIS portfolios continue to be mainly comprised of Local Government Securities averaging approximately **42 percent** throughout 2024. (Figure 11).

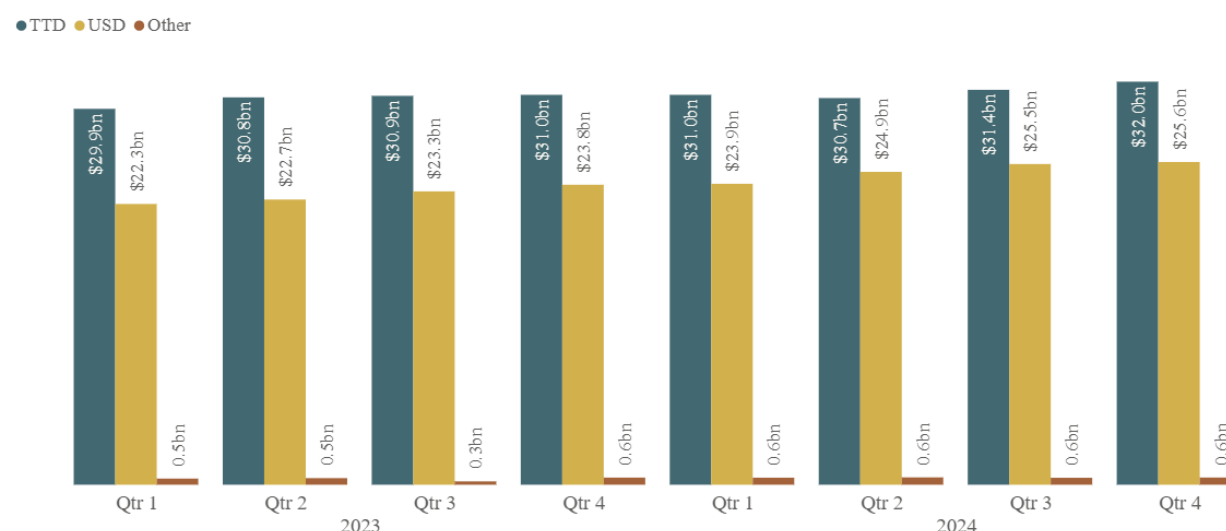
Figure 11: CIS Portfolio Composition<sup>3</sup> by Type



While CIS portfolios continue to be mainly denominated in TTD in Qtr 4 2024, it was observed that the USD portfolio experienced the largest annual growth of **7.59 percent** when compared to Qtr 4 2023. (Figure 12).

<sup>3</sup>The following definitions pertain to asset categories for portfolios in this report. Local Government Securities include TT Government Securities, TT Financial State Agencies, TT Non-Financial State Agencies and TT Eurobonds. Local Fixed Income Securities include TT Bonds Financial Sector and TT Other Corporate Bonds. Local Equity includes TT CISs and TT Equity. Foreign Fixed Income Securities include Foreign Government Securities and Foreign Non-Government Securities. Foreign Equity includes Foreign CISs and Foreign Equity. Other Securities include Real Estate, Repurchase Agreements and Other Assets.

**Figure 12: CIS Portfolio Composition by Currency**

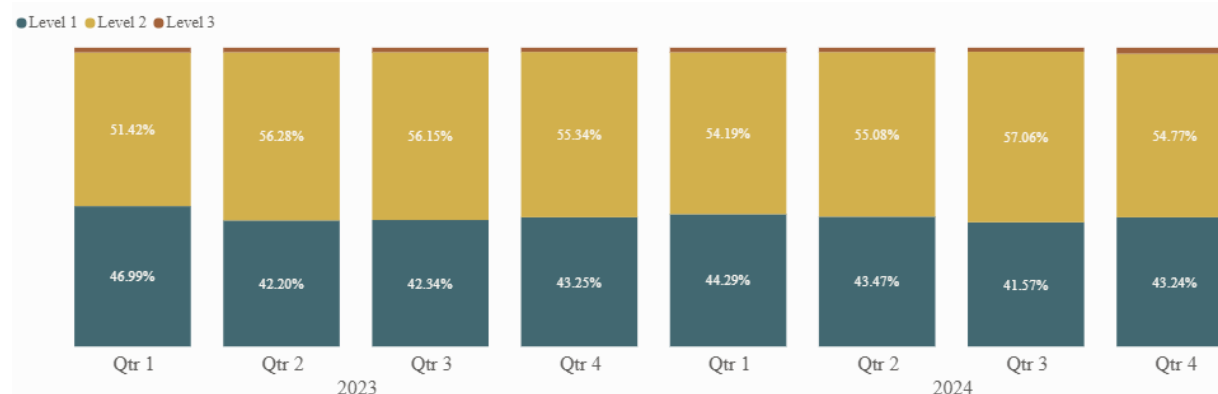


A closer inspection of the CIS Portfolios for Qtr 4 2024 revealed that a significant portion of Floating NAV CISs (**57.37 percent**) contained securities that were classified as Level 1, and as such, the prices of these securities can be easily quoted on an organised exchange (**Figure 13.5**).

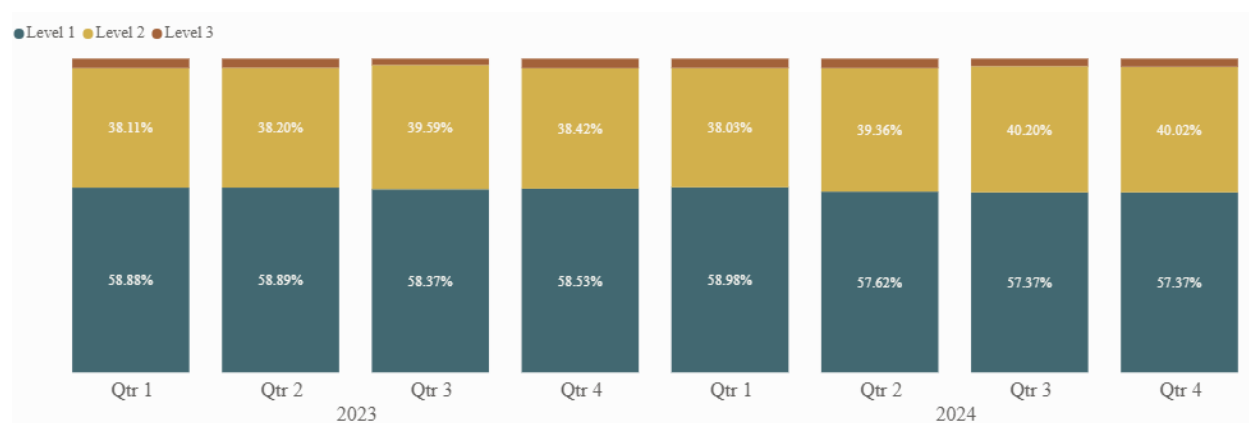
For the same period, securities with classification of Level 2 and 3 represented approximately **56.76 percent** of securities contained within the portfolios of Fixed NAV CISs and **42.63 percent** within those of Floating NAV CISs. (**Figure 13 & 13.5**).

It should be noted that, Floating NAV CISs invest more heavily in local and foreign equities while Fixed NAV CISs predominantly invest more in local fixed income securities.

**Figure 13: Fixed NAV CIS Asset Level Classification as at Qtr4 2024**

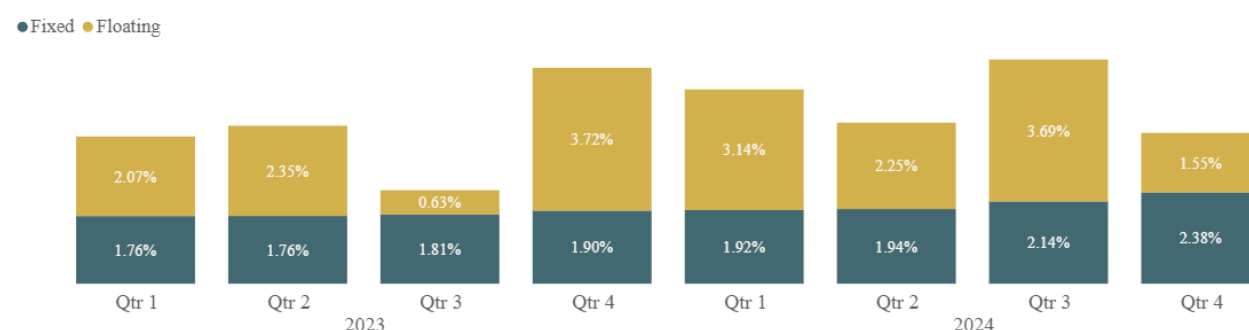


**Figure 13.5: Floating NAV CIS Asset Level Classification as at Qtr4 2024**



Floating NAV CISs generally provided higher yields for its investors due to its exposure to market fluctuations and interest rate sensitivity. (*Figure 14*).

**Figure 14: Average Yield by NAV Type Comparison (2023 & 2024)**



The TTSEC monitors the weighted average maturities of Local and Foreign Fixed Income securities held by both Fixed and Floating NAV CISs. The Foreign Fixed Income securities held within Fixed NAV CISs had a longer time to maturity than its Local counterpart in Qtr 4 2024. It should be noted that instruments with longer time to maturities, while they generally offer higher yields, are more susceptible to interest rate risk and may not be as liquid as the short-term assets.

Furthermore, within the Fixed NAV CISs, the Foreign Fixed Income securities also had a longer time to maturity of **3.74 years** for Qtr4 2024 when compared to **1.71 years** for Qtr 4 2023, which represented an increase of **118.71 percent** (*Table 2*).

*Table 2: Weighted Average Maturities as at Qtr4 2024 (years)*

NAV Type	Fixed Income Type	Qtr 4 2023	Qtr 4 2024
<b>Fixed</b>	Local	3.69	3.35
	Foreign	1.71	3.74
<b>Floating</b>	Local	1.80	1.54
	Foreign	4.69	4.21

In Qtr 4 2024, the data showed that most Local Fixed Income securities (**67.07 percent**) for Floating NAV CISs had maturities of less than one year, whilst for Fixed NAV CISs, **61.47 percent** of Local Fixed Income securities had maturities of between 1 to 5 years (**Table 3**).

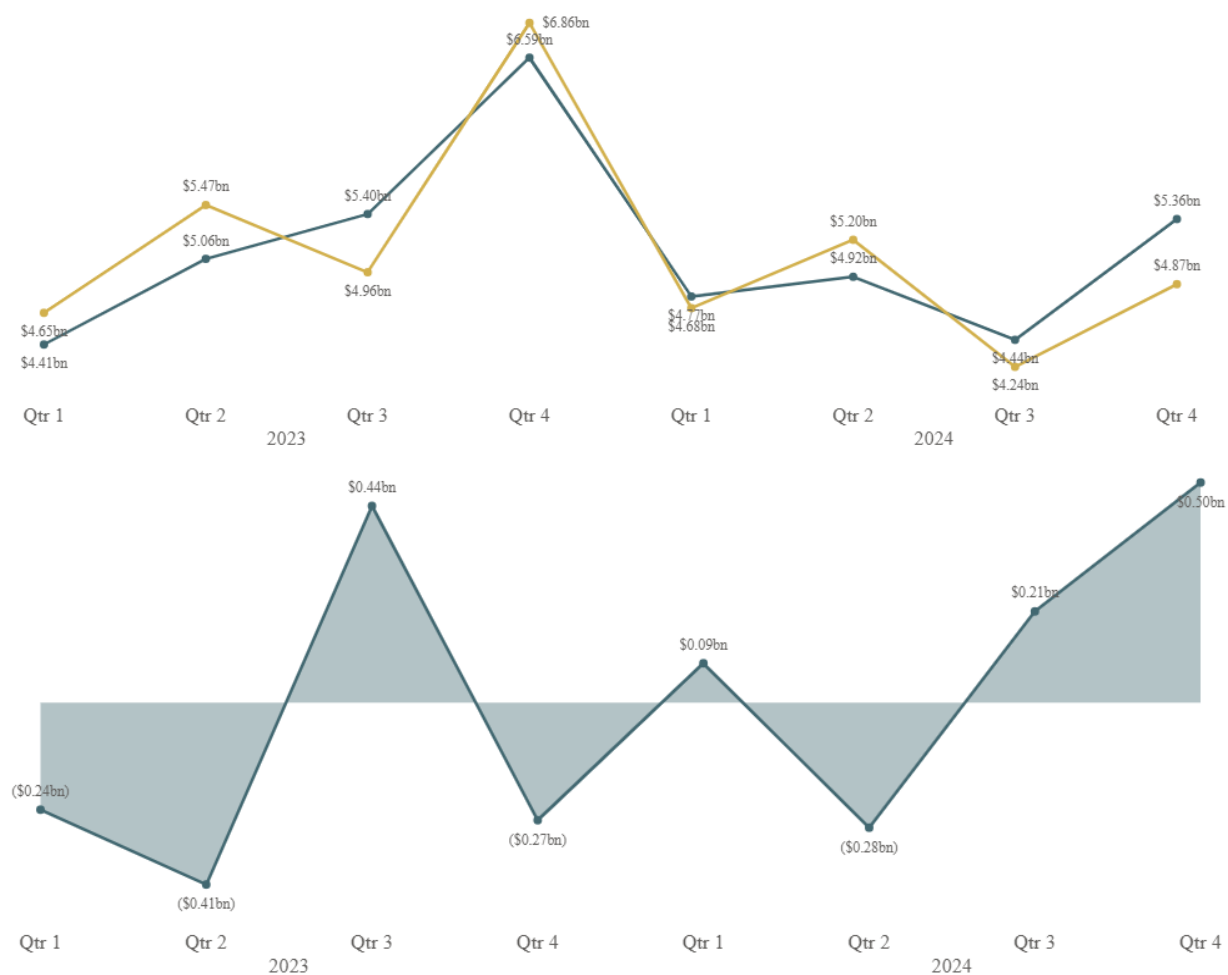
*Table 3: Weighted Average Maturities by Portfolio Composition as at Qtr4 2024*

NAV Type	Fixed Income Type	< 1 yr	1 – 5 yrs	> 5 yrs
Fixed	Local	17.45%	61.47%	21.08%
	Foreign	10.59%	52.04%	37.36%
Floating	Local	67.07%	19.56%	13.37%
	Foreign	42.90%	21.51%	35.59%

During 2024 both CIS Subscriptions and Redemptions exhibited variability, with periods of increase and decrease being observed. The value of Redemptions peaked in Qtr 2 2024 reaching **TT\$5.20Bn**. However, the value of Subscriptions peaked in Qtr 4 2024 outpacing Redemptions and resulting in Net Subscriptions of **TT\$0.5Bn** (*Figure 15*).

**Figure 15: Subscriptions, Redemptions, Net Encashments (TT\$)**

● CIS Subscriptions ● CIS Redemptions

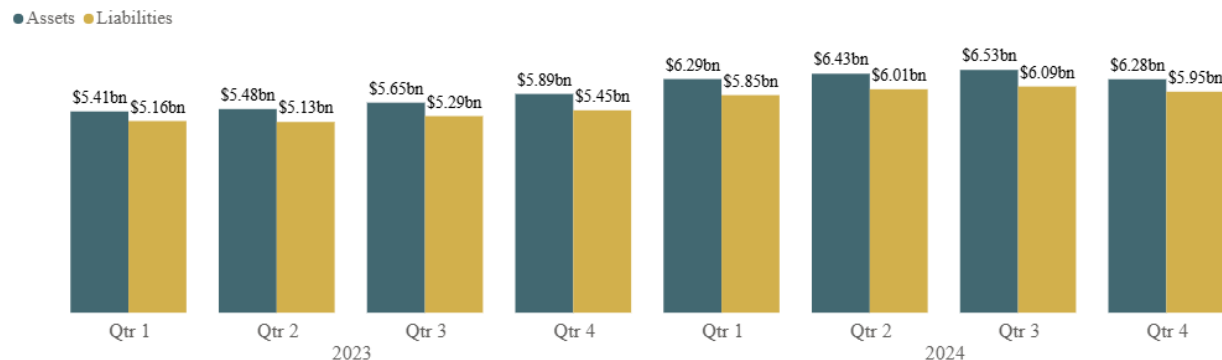




## Repo Selling

Throughout 2024, the number of Repo Sellers steadily decreased from **14** in Qtr 1 down to **11** entities in Qtr 4. Repo Assets and Liabilities also saw decreases by **3.84 percent (TT\$250.97Mn)** and **2.29 percent (TT\$139.08Mn)** from Qtr 3 2024, which was a two year high, and stood at **TT\$6.28Bn** and **TT\$5.95Bn** respectively in Qtr 4 2024.

*Figure 16: Repo Assets and Liabilities*



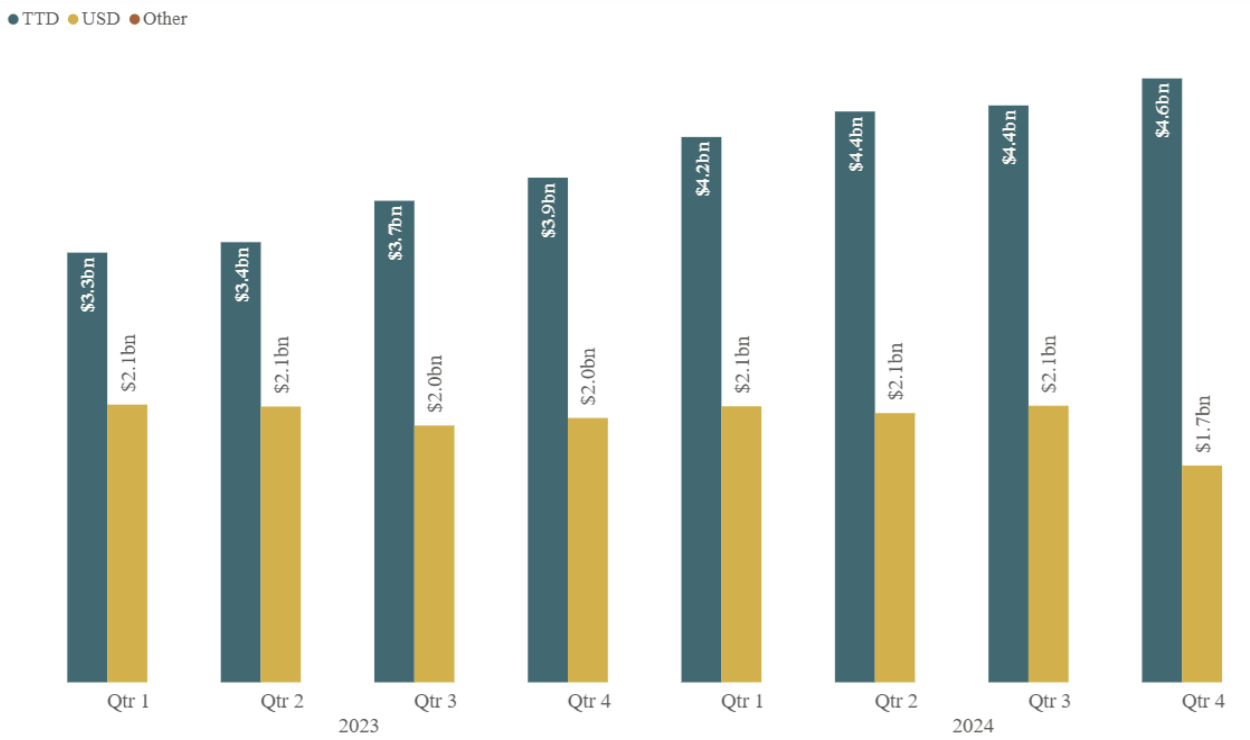
When looking at the number of Repo Contracts, we saw that foreign contracts steadily decreased whilst local contracts fluctuated throughout the period. At the end of 2024, total contracts stood at **2142**, a decrease of **275 contracts (11.38%)** from its peak of **2417** in Qtr 2 2024. Additionally, on an annualized basis, local contracts increased by **25 (1.20%)** whilst foreign contracts declined by **23 (38.98%)** (*Table 4*).

*Table 4: Repo Contracts*

Year	Quarter	Foreign Contracts	Local Contracts	Total Contracts
2023	Qtr 1	61	1838	1899
2023	Qtr 2	61	1919	1980
2023	Qtr 3	61	2009	2070
2023	Qtr 4	59	2081	2140
2024	Qtr 1	40	2297	2337
2024	Qtr 2	40	2377	2417
2024	Qtr 3	37	2104	2141
2024	Qtr 4	36	2106	2142

During 2024, the average maturity of a Repo contract was **13 months**, with an approximate **3.41 percent** average return. Additionally, it should be noted that the returns on Repo contracts decreased by **516 basis points** from **8.60 percent** in Qtr 4 2023 to **3.44 percent** in Qtr 4 2024.

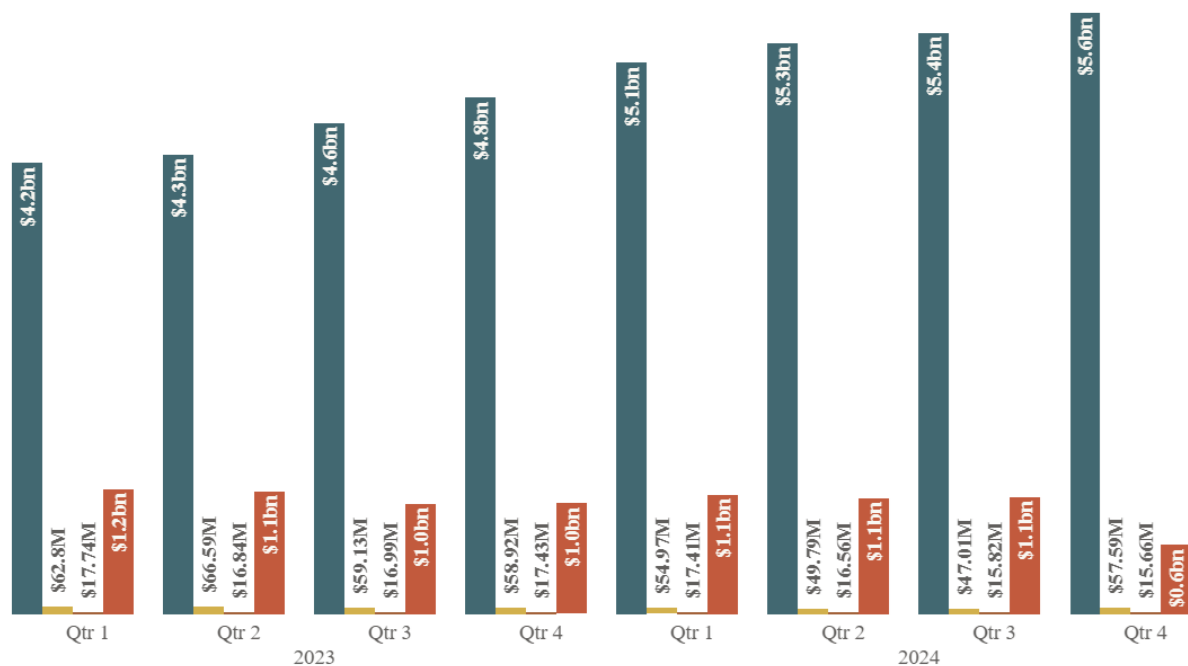
Figure 17: Repo Portfolio Currency Composition



The currency composition of the Repo portfolios continued to be mainly denominated in TTD (**73.59 percent**) and continued to grow during 2024 while the USD (**26.41 percent**) component continued to decline (**Figure 17**).

**Figure 18: Repo Portfolio Composition (TT\$)<sup>4</sup>**

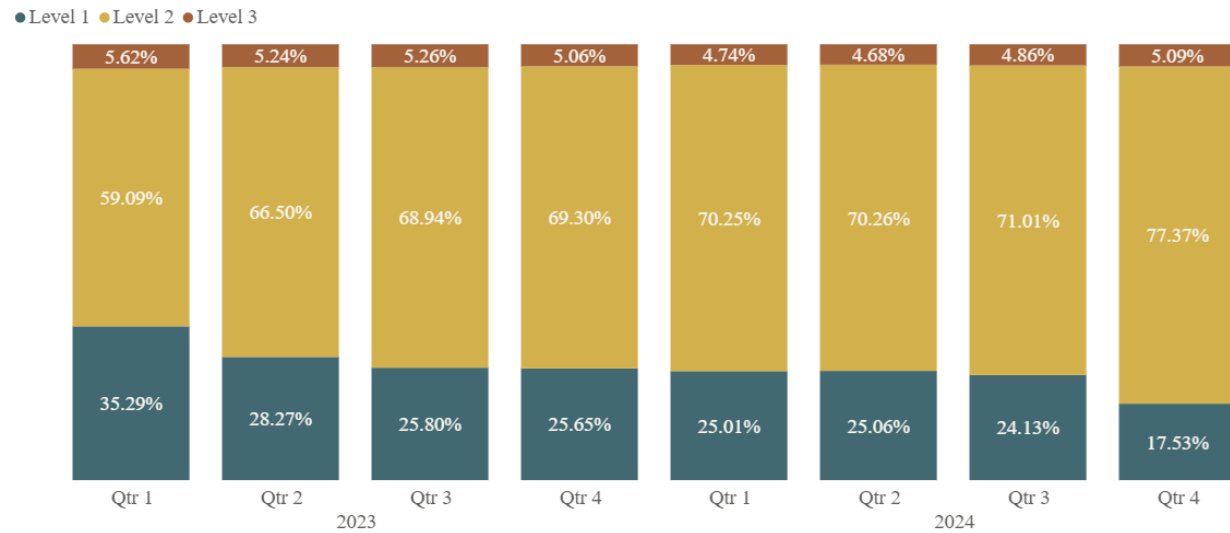
● Local Gov't Securities ● Local Fixed Income Securities ● Local Equity ● Foreign Fixed Income Securities ● Other Securities



The asset composition of the Repo Portfolio continues to be mainly held (**88.66 percent**) in Local Gov't Securities. It should be noted that investments in Foreign Fixed Income Securities declined significantly by **TT\$446.48Mn (41.12 percent)** from Qtr 3 2024. Additionally, there continues to be no investments in Other Securities (*Figure 18*).

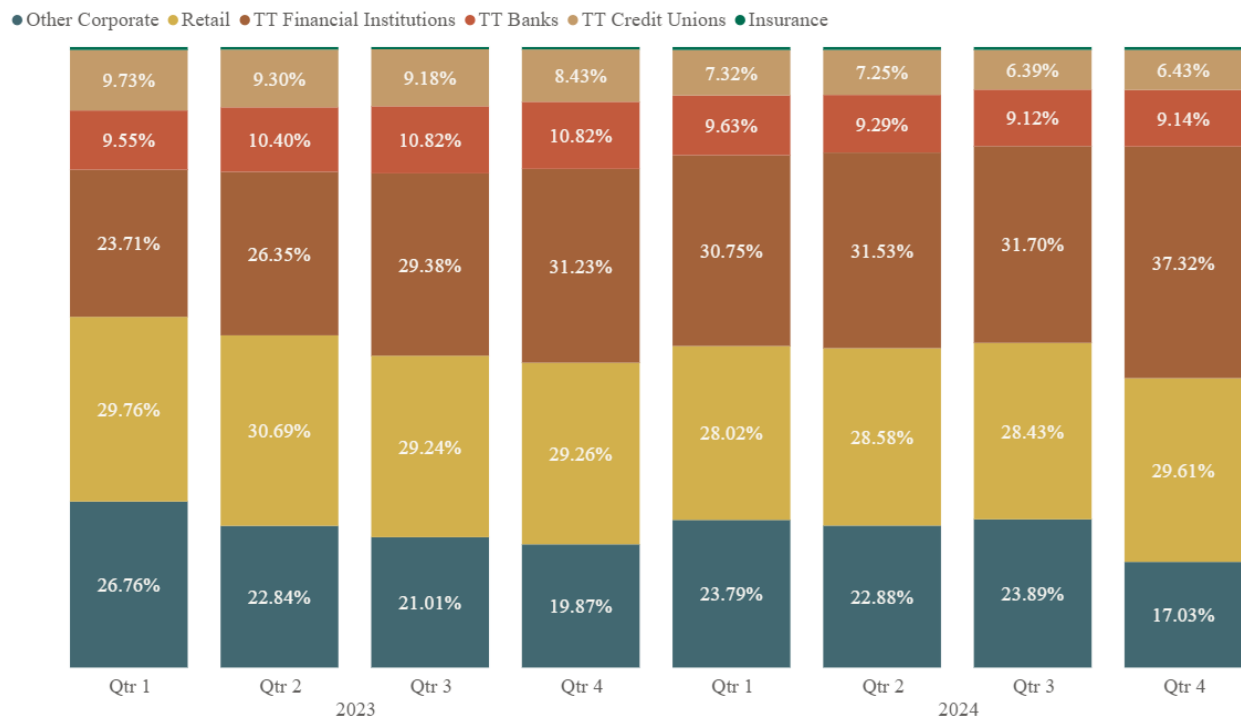
<sup>4</sup>The definitions for the asset categories are the same as defined for *Figure 11: CIS Portfolio Composition* of this report except for the Other Securities category which excludes Repurchase Agreements.

**Figure 19: Repo Asset Level Classification**



At the end of Qtr 4 2024, it was observed that the majority, **94.91 percent**, of the collateral securities in the Repo Portfolios were classified as either Level 1 or Level 2, meaning that they are valued using inputs directly observable in the market. It should be noted that assets classified as Level 1 continues to decline and saw a decrease by **6.60 percent** from Qtr 3 2024 (*Figure 19*).

**Figure 20: Repo Investor Breakdown**



As the end of 2024, the investor profile of Repos continued to be dominated by TT Financial Institutions (**37.32 percent**) and Retail (**29.61 percent**) investors (*Figure 20*).

## Structuring and Distributing: OTC and Private Placements

### Over the Counter (OTC)

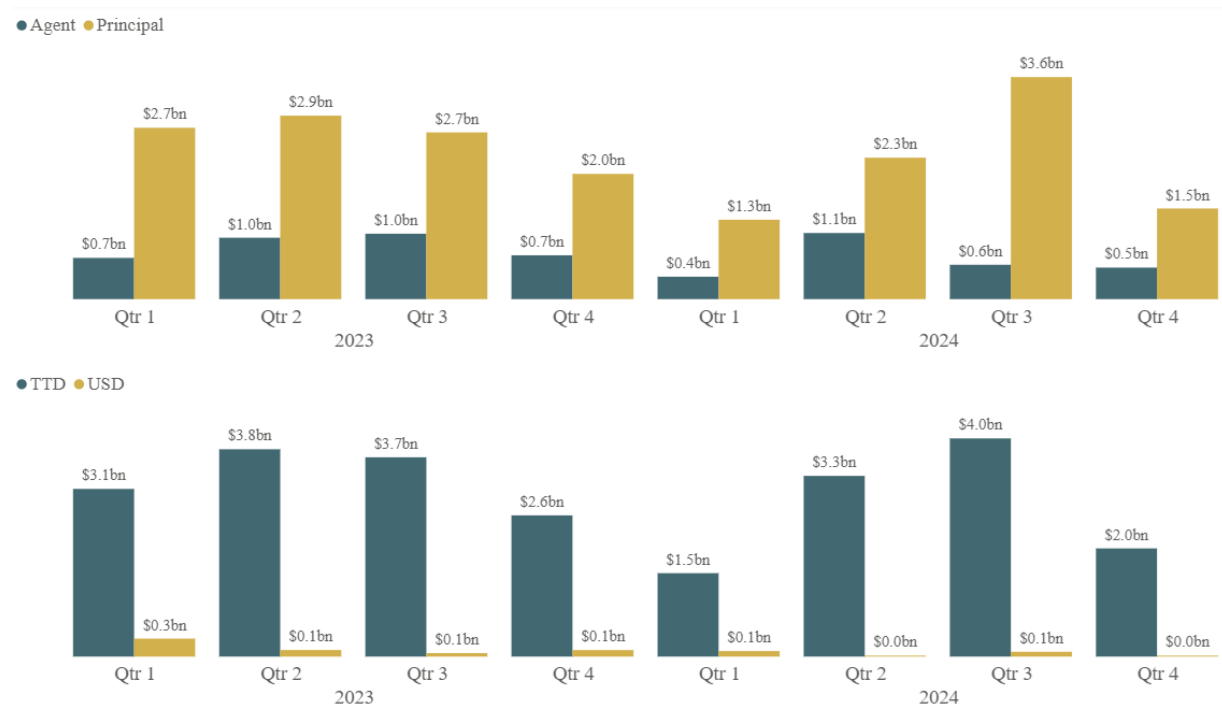
During 2024, we saw no recognizable distinct pattern for OTC activities (*Table 5*). At most, there were **14** Registrants conducting OTC activities with most of the transactions being investments in Fixed Income Securities. The largest transaction value during the period was **TT\$4.11Bn** in Qtr 3 2024 while the largest number of transactions (**2,448**) occurred in Qtr 4.

*Table 5: Over-the-Counter Transactions*

Year	Quarter	Registrants	No. of Transactions	Value TT\$
2023	Qtr 1	12	1198	\$3.41bn
2023	Qtr 2	13	866	\$3.93bn
2023	Qtr 3	11	1018	\$3.72bn
2023	Qtr 4	13	1520	\$2.71bn
2024	Qtr 1	12	827	\$1.63bn
2024	Qtr 2	14	1489	\$3.33bn
2024	Qtr 3	12	1422	\$4.11bn
2024	Qtr 4	12	2448	\$1.99bn

During the review period, transactions continued to be denominated in TTD and were mainly conducted by Registrants acting as Principals (*Figure 21*).

*Figure 21: Over-the-Counter Transactions*



## Private Placements

Between 2023 and 2024, at most, there were **three** Registrants conducting Private Placements activities with all transactions being investments in Fixed Income Securities. The largest amount (TT\$1.22Bn) raised during the period occurred in Qtr 3 2024 while the highest number of issues (47) occurred in both Qtr 1 and Qtr 4 of 2024 (*Table 6*).

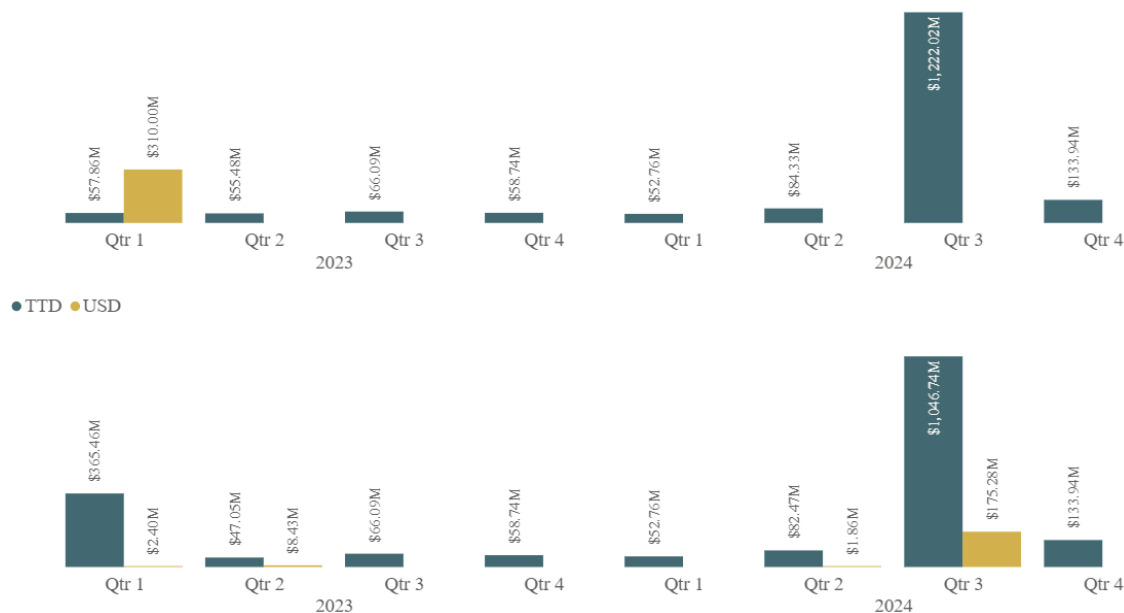
*Table 6: Private Placement Transactions*

Year	Quarter	Registrants	No. of Issues	Amount Raised TT\$
2023	Qtr 1	2	38	\$0.37bn
2023	Qtr 2	1	32	\$0.06bn
2023	Qtr 3	2	23	\$0.07bn
2023	Qtr 4	2	28	\$0.06bn
2024	Qtr 1	1	40	\$0.05bn
2024	Qtr 2	2	47	\$0.08bn
2024	Qtr 3	2	42	\$1.22bn
2024	Qtr 4	3	47	\$0.13bn

Apart from Qtr 1 2023, it was observed that Private Placements were only via Limited Offerings and continued to be primarily issued in TTD (*Figure 22*).

*Figure 22: Private Placement Transactions*

● Limited Offering ● Prospectus Exempt Offering



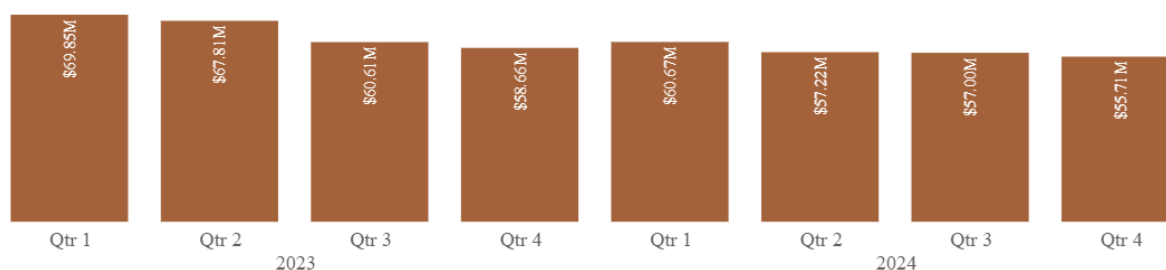
## Activities by Group Affiliation

Entities are mainly categorised into three group affiliations: Bank Group, Financial Group and Independent. For Qtr 4 2024, Bank Groups continued to dominate Client Assets Managed for Broker-Dealers (**61.17 percent**) as well as most OTC transactions (**75.88 percent**). Financial Groups accounted for **51.69 percent** of AUM for CIS Managers, **88.28 percent** of Repo sales as well as **58.98 percent** of Private Placements. Additionally, only one Investment Adviser, which was within the Independent Group, managed assets of clients during the period (*Figure 23*).

*Figure 23: Significant Activities by Group Affiliation as at Qtr4 2024 (TT\$)*

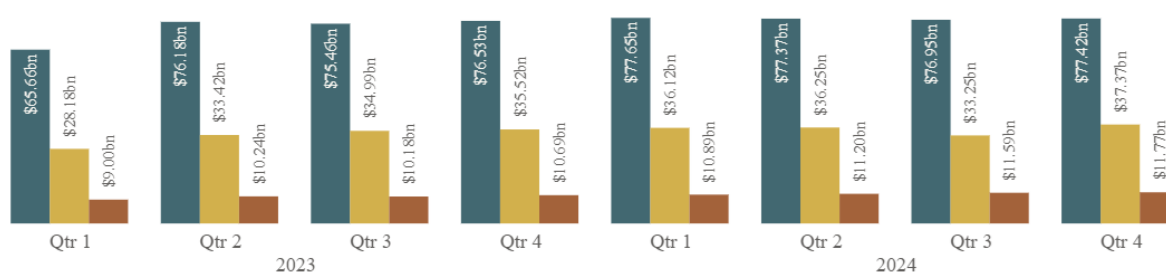
### Investment Advising - Client Assets Managed

● Independent



### Broker Dealing - Client Asset Managed

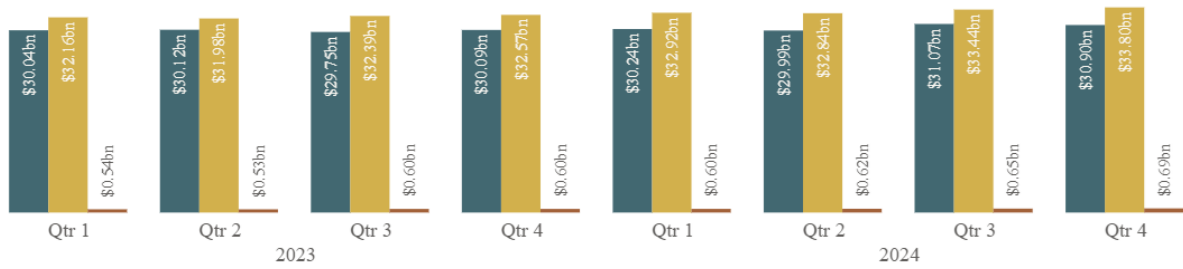
● Bank Group ● Financial Group ● Independent





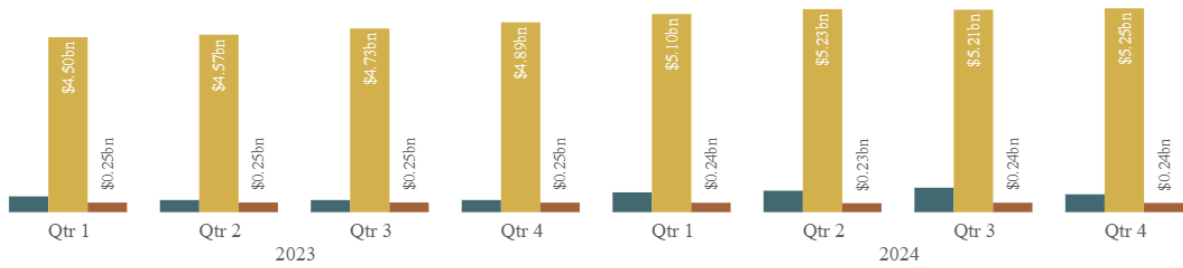
### CIS Management

● Bank Group ● Financial Group ● Independent



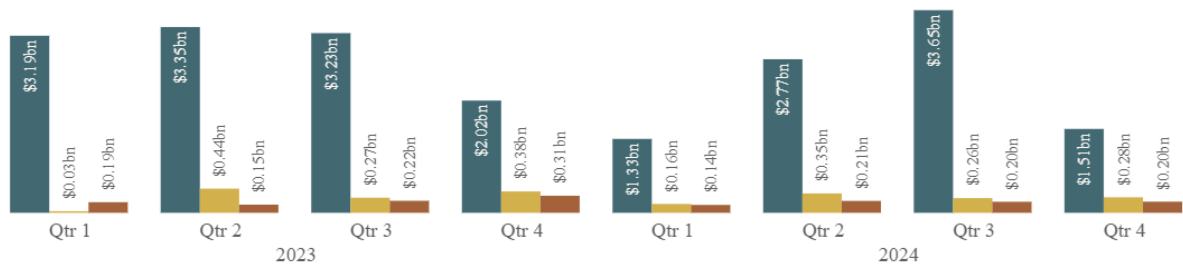
### Repo Selling

● Bank Group ● Financial Group ● Independent



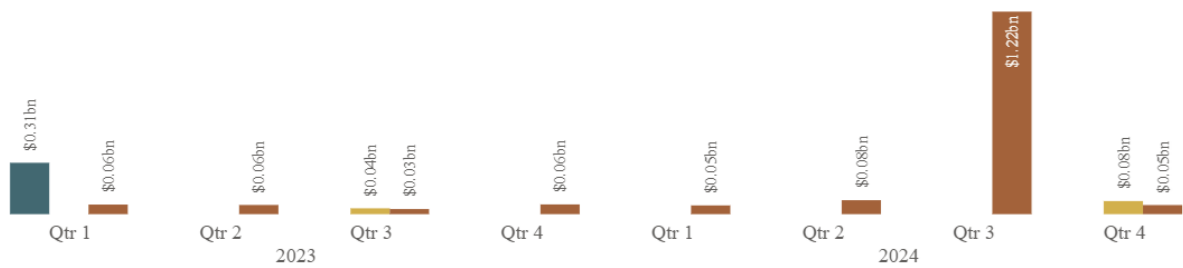
### Over-the-Counter Transactions

● Bank Group ● Financial Group ● Independent



### Private Placement Transactions

● Bank Group ● Financial Group ● Independent



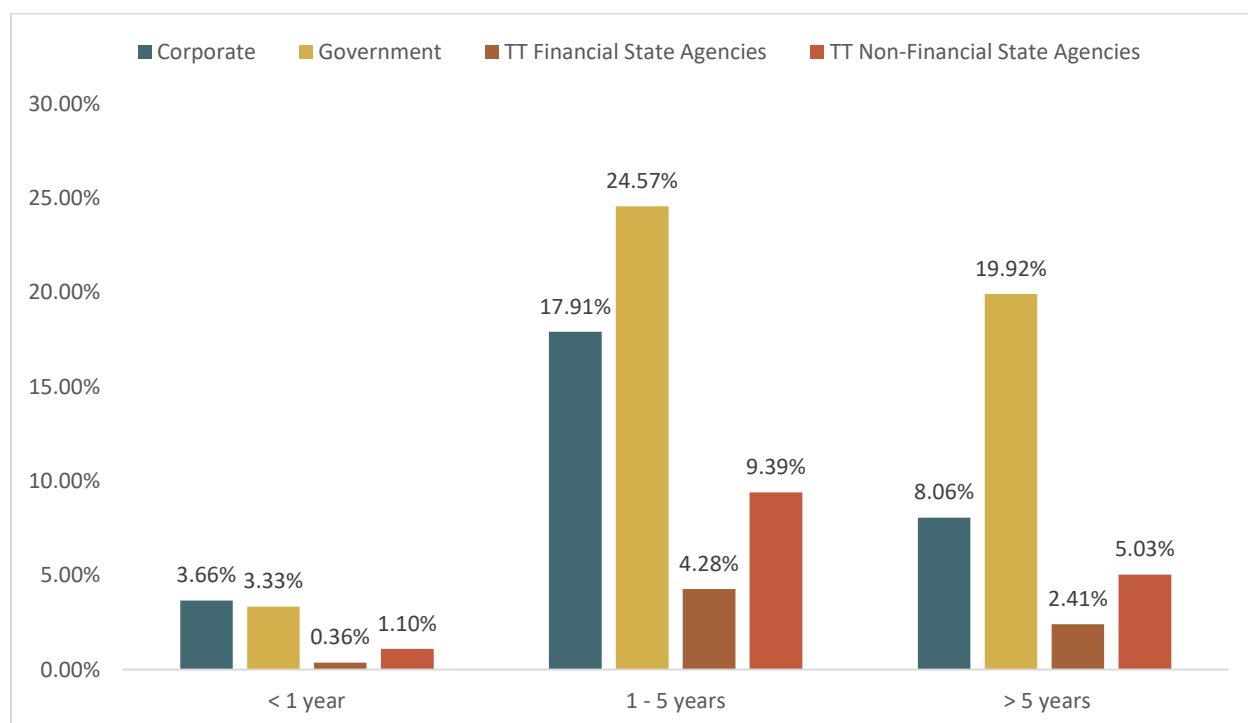
## Financial Interconnectedness

Trinidad and Tobago's interconnected financial system plays a critical role in the country's economic stability and development. Central to this system is the securities market which facilitates capital formation and investment opportunities and commercial banks and non-banking financial institutions that offer credit, savings and risk management services. Collectively, these components form the foundation for economic resilience and sustained growth.

The TTSEC, as regulator of the securities market, assesses the inherent risks of the significant activities of its Registrants. The connected and similarly structured investment portfolios make them collectively susceptible to economic stresses and shocks. Such events can ripple through the financial system, diminishing portfolio values and adversely affecting both fund managers and the savings of investors. Through continuous monitoring and proactive oversight, the TTSEC aims to strengthen the resilience of the financial system and safeguard investor confidence.

TTSEC's securities register as at Qtr 4 2024 showed that Government Securities and State Agencies accounted for the most securities (**70.38 percent**) registered and outstanding. Most securities (**56.14 percent**) had between 1 to 5 years to maturity (*Figure 24*).

*Figure 24: Time to Maturity of Fixed Income securities registered with TTSEC.*

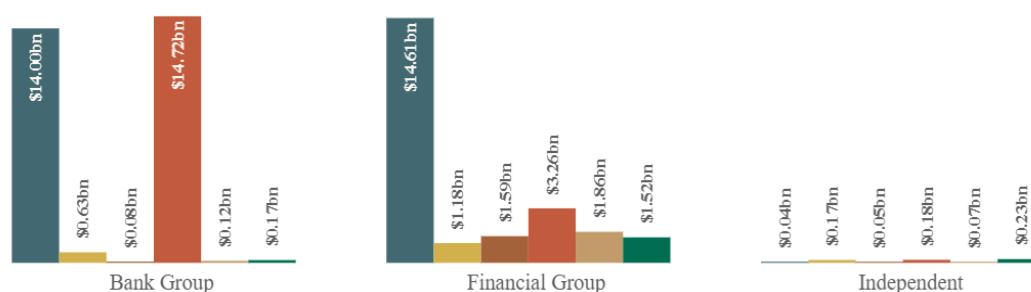


Across all portfolios and aggregated among the three major group affiliations, Local Government Securities and Foreign Fixed Income Securities represented the two largest shares of total investments (**Figure 25**). Further analysis showed that the Securities portfolio had the most variation in composition by group affiliation as Foreign Fixed Income Securities (**49.55 percent**), Local Government Securities (**60.83 percent**) and Other Securities (**30.49 percent**) accounted for the largest investment share for Bank, Financial and Independent entities respectively.

**Figure 25: Portfolio Compositions by Group Affiliation as at Qtr 4 2024 (TT\$)**

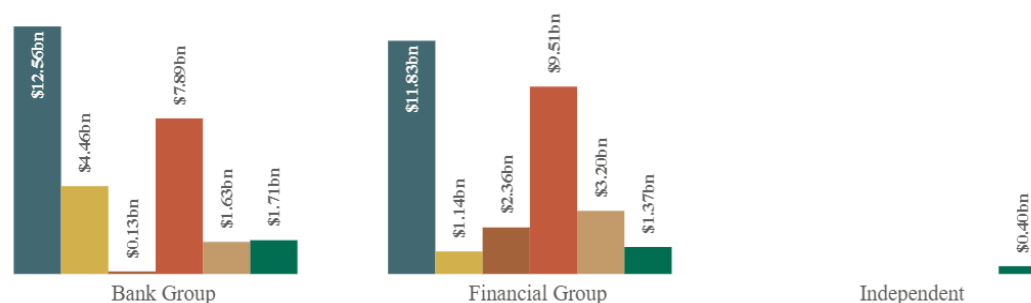
#### Securities Portfolio

● Local Gov't Securities ● Local Fixed Income Securities ● Local Equity ● Foreign Fixed Income Securities ● Foreign Equity ● Other Securities



#### CIS Portfolio

● Local Gov't Securities ● Local Fixed Income Securities ● Local Equity ● Foreign Fixed Income Securities ● Foreign Equity ● Other Securities



## Repo Portfolio

● Local Gov't Securities ● Local Fixed Income Securities ● Local Equity ● Foreign Fixed Income Securities ● Foreign Equity ● Other Securities



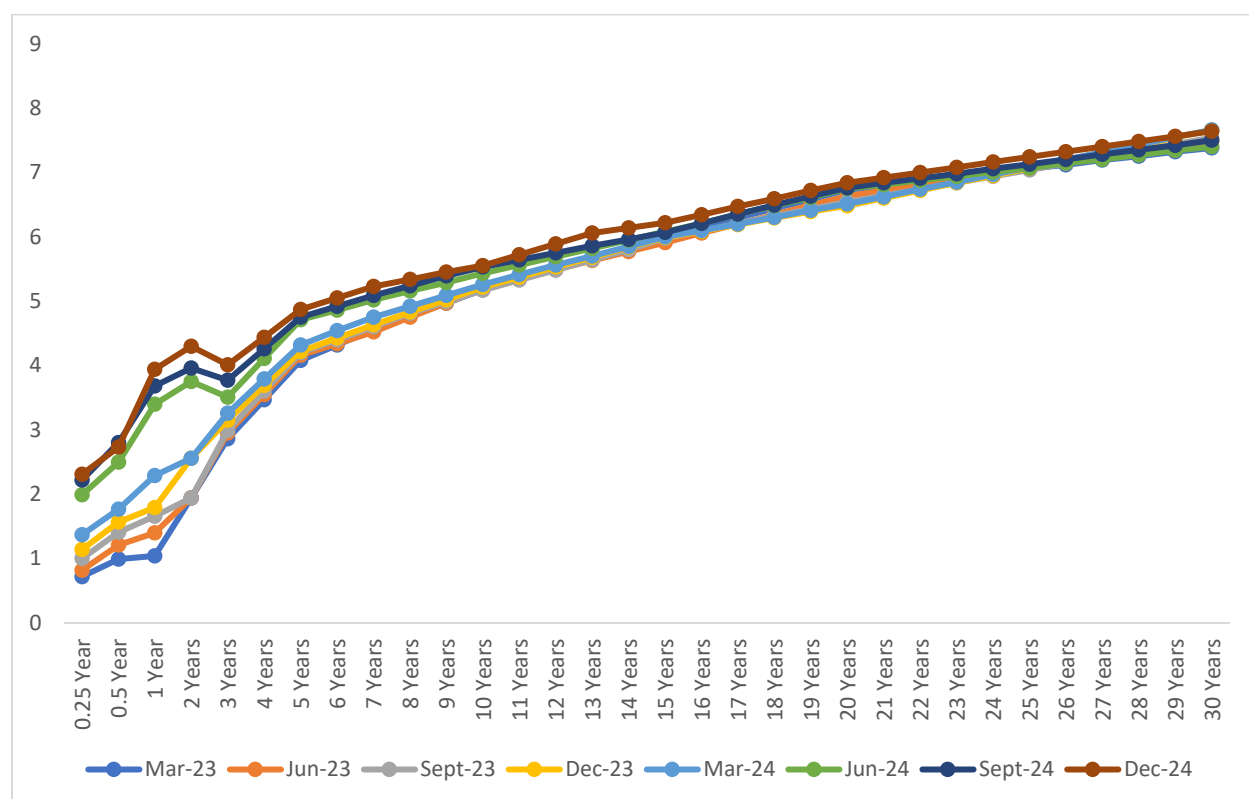
It is essential to understand the interconnections between the Central Bank of Trinidad and Tobago (CBTT) yield curve and its influence on the interest rates of government bonds. Yields on government bonds are shaped by current and expected future interest rates which are directly related to CBTT's monetary policy.

The main factors that play a role in this dynamic are interest rates, yield curve shape and market sentiment. Adjustments to the policy rate directly impacts short-term borrowing costs for commercial banks which in turn affects the yields on short-term government bonds. Meanwhile, long-term government bond yields are more influenced by expectations of future economic conditions and inflation which are indirectly guided by CBTT'S policy actions.

The shape of the yield curve offers insight into market expectations. A steep yield curve typically signals investor expectations of robust economic growth or rising inflation. Conversely, an inverted yield curve can indicate concerns about an impending economic slowdown. These yield curve dynamics are reflected in the yields offered on government bonds. Lastly, investor sentiment also plays a critical role and is often shaped by the CBTT's policy actions. If the CBTT raises interest rates to curb inflation, bond prices fall while yields rise. Conversely, if the CBTT lowers interest rates to encourage growth, bond prices rise while yields fall. Understanding these interconnections, is crucial for effective investment strategy and risk management.

Based on the data below, short to medium-term bond yields (maturities less than 5 years) ranged between **0.72 percent** and **4.87 percent** while the maximum yield on Long-term bonds was **7.64 percent** (*Figure 26*).

*Figure 26: Government Bond Yield*



Source: Central Bank of Trinidad and Tobago

As highlighted previously, investments in Foreign Fixed Income Securities represented the second highest asset concentration among portfolios. Given that these portfolios are primarily comprised of TTD and USD investments, it is imperative that the TTSEC remains abreast of prevailing international economic conditions, as these assets are also susceptible to foreign exchange fluctuations.

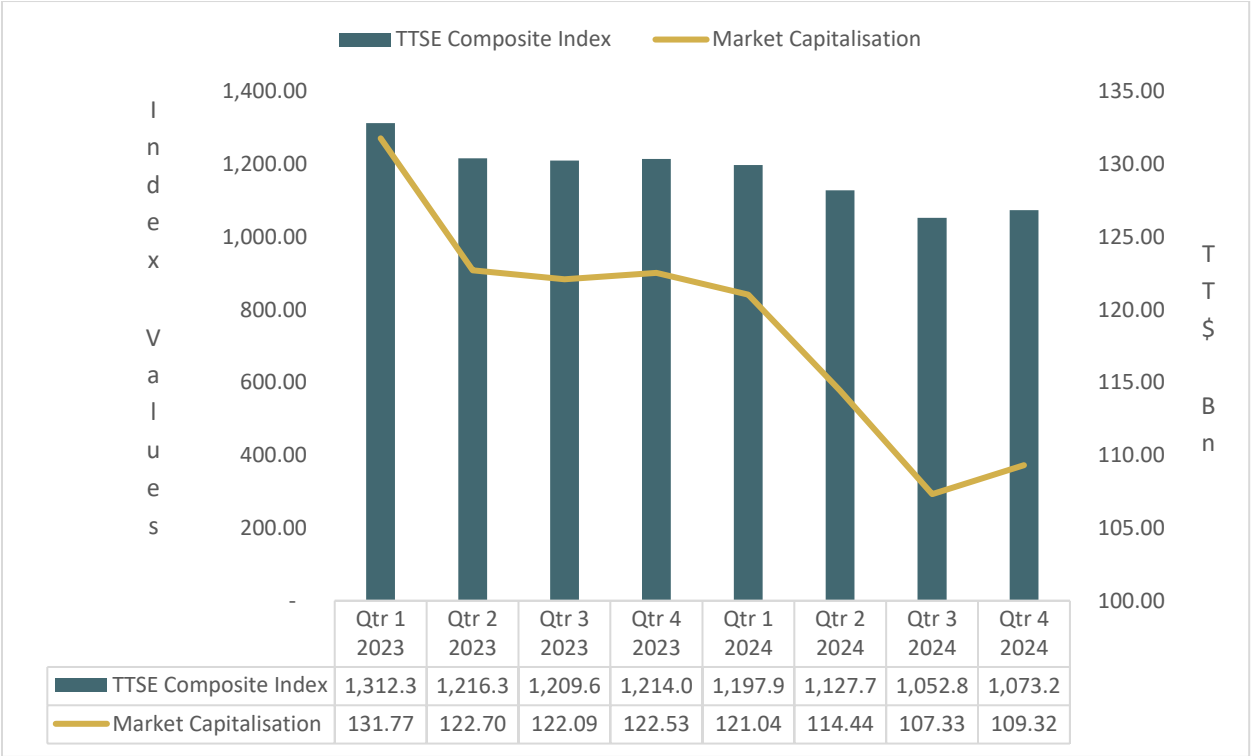
The CIS portfolio was mainly denominated in TTD (**54.99 percent**), though its share declined by **95 basis points** year-on-year while the USD component rose by **99 basis points** to **44.03 percent**. Similarly, the Repo portfolio continued to be denominated in TTD (**73.59 percent**) and saw a significant year-on-year increase in share of **796 basis points**, up from **65.63 percent**.

Furthermore, the data also showed a link between CIS Managers and Repo Sellers. In Qtr 4 2024, mutual funds' investment in Repos accounted for **0.70 percent** of the total CIS portfolio while Repos' collateralization of mutual funds stood at **0.14 percent** of Repo Assets. It should also be noted that CIS Managers also invested in other local mutual funds and equities, accounting for

0.33% and 3.95%, respectively, of the total CIS portfolio. While the concentrations in these securities continue to be minimal, disruptions in these market segments can affect the valuation of the assets in the portfolios.

On an annualized basis, the Exchange recorded a **11.60 percent** decrease in its Composite Index and a **10.78 percent** decrease in the Market Capitalisation of its TTD Market (*Figure 27*).

*Figure 27: TTSE Composite Index and Market Capitalisation*



Source: The Trinidad and Tobago Stock Exchange

## Conclusion and the Way Forward

The TTSEC remains committed to monitoring and overseeing the business activities of our Registrants, with systemic risk reduction and financial stability central to our mandate.

We take this opportunity to thank our Registrants for their continued support, diligence and commitment particular regarding the ongoing enhancements of the MMRF data quality. Your contributions are instrumental in fostering a more accurate and reliable view of the industry. Together we are strengthening the integrity of the securities market. We look forward to continued progress in our efforts to provide effective oversight of the securities sector.

## Appendix

*Table 7: Summary of Indicators*

	2023				2024			
	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>CIS AUM (TT\$Bn)</b>	62.73	62.63	62.74	63.26	63.76	63.46	65.17	65.39
<b>% CIS AUM Fixed NAV</b>	57.76	57.00	57.21	56.82	56.27	56.69	56.04	56.07
<b>% CIS AUM Floating NAV</b>	41.67	42.48	42.19	42.66	43.17	42.79	42.57	42.58
<b>CIS Net Encashments (TT\$Bn)</b>	(0.24)	(0.41)	0.44	(0.27)	0.09	(0.28)	0.21	0.50
<b>Average CIS Yield (%)</b>	2.05	2.28	0.89	3.41	2.95	2.23	3.43	1.82
<b>Number of CISs</b>	80	80	80	80	80	80	84	84
<b>Number of CIS Managers</b>	17	17	17	17	17	17	17	17
<b>Repo Assets (TT\$Bn)</b>	5.41	5.48	5.65	5.89	6.29	6.43	6.53	6.28
<b>Repo Liabilities (TT\$Bn)</b>	5.16	5.13	5.29	5.45	5.85	6.01	6.09	5.95
<b>No. of Repo Contracts in issue</b>	1,899	1,980	2070	2140	2337	2417	2141	2142
<b>No. of Repo Dealers</b>	13	13	13	13	14	13	13	12
<b>Average Repo Maturity (mths)</b>	12	12	12	13	14	15	12	12
<b>Average Repo Return (%)</b>	6.39	3.32	8.69	8.60	3.31	3.31	3.59	3.44
<b>Value of GORTT Bond Issues (TT\$Bn)</b>	24.92	24.13	22.87	22.86	22.36	20.86	20.86	20.85
<b>Market Capitalisation (TTD Market) (TT\$Bn)</b>	131.77	122.70	122.09	122.53	121.04	114.44	107.32	109.32
<b>Market Capitalisation (USD Market) (US\$Bn)</b>	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03
<b>Value of OTC Transactions (TT\$Bn)</b>	3.41	3.93	3.72	2.71	1.63	3.33	4.11	1.99
<b>Number of OTC Transactions</b>	1,198	866	1018	1520	827	1489	1422	2448
<b>Value of Private Placement Transactions (TT\$ Bn)</b>	0.37	0.06	0.07	0.06	0.05	0.08	1.22	0.13
<b>Number of Private Placement Issues</b>	38	32	23	28	40	47	42	47