



# SECURITIES MARKET BULLETIN

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An overview of the securities market for the second half of the  
year 2023

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

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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 mapping, identifying and proactively addressing existing and potential future requirements within the securities industry. The TTSEC, takes our role as the Regulator of the securities industry seriously and continues to actively work towards further, improving and developing the securities market by protecting investors, promoting a fair, transparent and efficient market and raise 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 continues to “assess, measure and evaluate risk exposure in the securities industry”. Furthermore, in keeping with Section 7 (i) (l) of the Act, we are committed to monitoring the risk exposure of Registrants and Self-Regulatory Organisations (“SROs”) and taking measures to protect the interest of investors, clients, members and the securities industry”.

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

This issue of the SMB focuses on the outputs of Registrant's MMRF submissions for the second half of 2023. Over the period, ending December 2023, the market reported significant changes as compared to the period ending December 2022.

Taking a closer look at the average performance between the aforementioned periods, it was noted that the Client Assets Managed by Broker Dealers grew by **TT\$21,219.31Mn (21.12percent)**, Over the Counter transactions by **TT245.89Mn (8.27 percent)**, Assets under Management by Collective Investment Schemes by **TT\$1,023.01Mn (1.65 percent)** and Repo Liabilities by **TT\$82.84Mn (1.5 percent)**. During this period, there were declines in Private Placements by **TT \$315.80Mn (83.5 percent)** and the Client Assets Managed by Investment Advisers by **TT\$9.7Mn (14 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 2023, there were **53<sup>1</sup>** entities, which comprised of **44** Broker-Dealers, **8** Investment Advisers (**5** Corporate and **2** Individuals) and **1** Underwriter. Noteworthy is the de-registration of **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.

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<sup>1</sup> The number of entities under 51(1) of the Act registered with the TTSEC and reported under MMRF differ due to timing of the data.

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

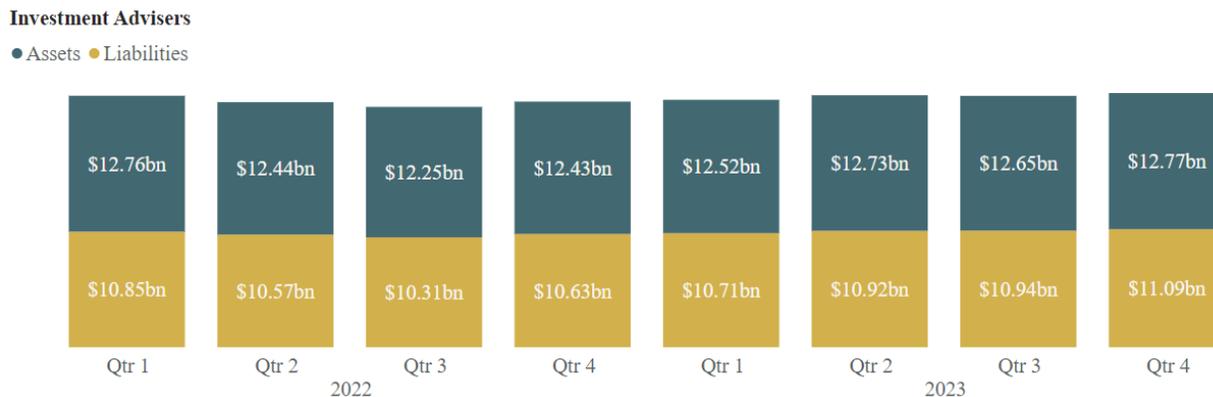
Activity	Qtr 4 2022 (TT\$Bn)	Qtr4 2023 (TT\$Bn)	Change (TT\$Bn)	% Change
Investment Advising	0.07	0.06	<b>-0.01</b>	<b>-17.27%</b>
Broker Dealing	102.29	122.73	<b>20.44</b>	<b>19.98%</b>
CIS Management	62.53	63.26	<b>0.72</b>	<b>0.01%</b>
Repo Selling	5.34	5.45	<b>0.10</b>	<b>0.02%</b>
Over the Counter	3.89	2.71	<b>-1.18</b>	<b>-0.30%</b>
Private Placement	0.48	0.06	<b>-0.42</b>	<b>-0.88%</b>

### Investment Advising

With the exit of **1** Investment Adviser (IA), **9** IAs (**6** Corporate and **3** Individuals), remained at the end of 2023. **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 six-month period were approximately **TT\$12.71Bn** and **TT\$11.02Bn**, respectively. It should also be noted that this sector is dominated by one large financial institution that is registered as an IA.

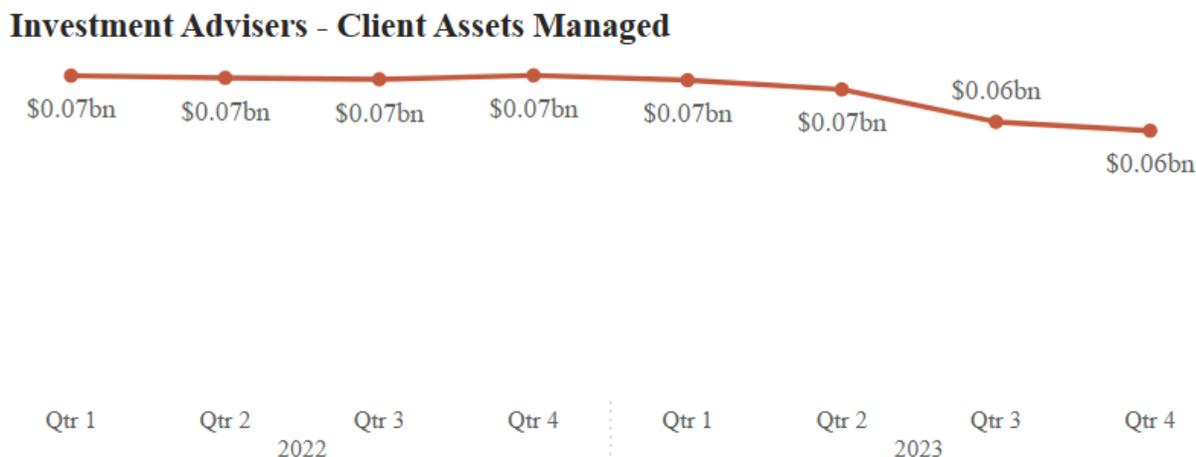
When compared to the corresponding period in the previous year, the average values of Assets and Liabilities increased by **TT\$330.38Mn (2.67percent)** and **TT\$542.56Mn (5.18 percent)** .

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



In Qtr4 2023, Investment Advisers had **963** clients with **TT\$0.06Bn** of Client Assets Managed, see **Figure 2**; a decrease in Clients and Client Assets Managed by **3.80 percent** and **17.27 percent**, respectively when compared to Qtr4 2022. 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; however, the TTSEC is in the process of creating Portfolio Managers Bye-laws which permit the management of clients' accounts.

**Figure 2: Client Assets Managed-Investor Advising Entities.**



**Broker Dealing**

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

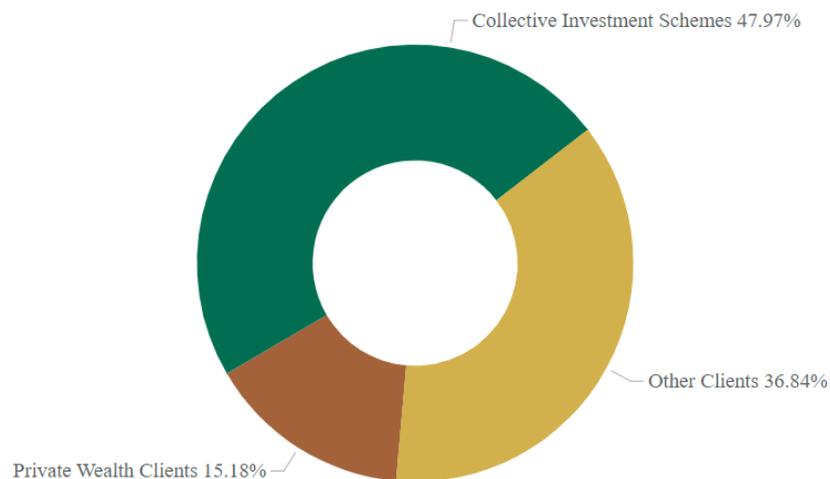
## Broker Dealers- Client Assets Managed



In Qtr4 2023, there were **44** Broker Dealers, who collectively had **2.42Mn** Clients and managed **TT\$122.73Bn** in Client Assets see (*Figure 3*). Approximately **15.18 percent** of total Client Assets are managed on behalf of **6,999** Private Wealth Clients whose assets were valued at **TT\$18.64Bn**. Additionally **47.97 percent** (TT\$58.88Bn) of total Client Assets managed comprised of CISs (*Figure 4*). On an annualized basis, the number of Clients and the value of Client Asset Managed increased by **6.66 percent** and **19.98 percent**, respectively.

**Figure 4: Client Assets Managed-Broker-Dealing.**

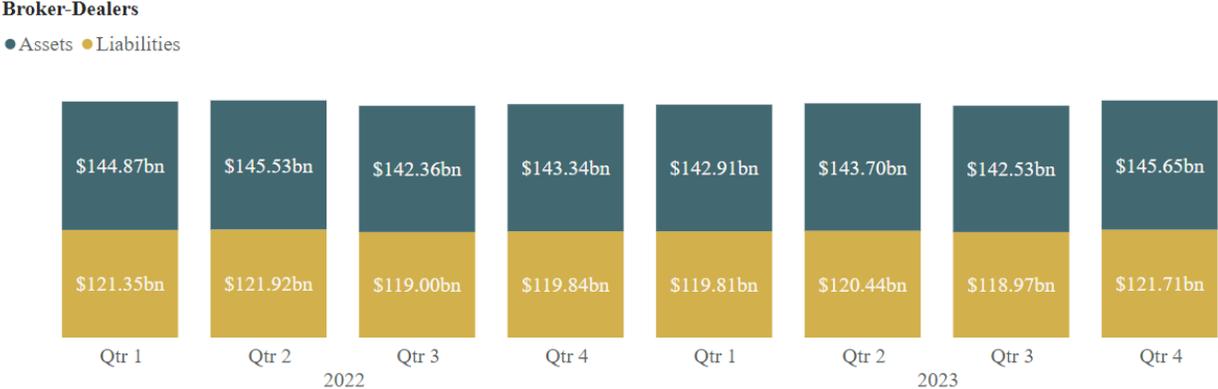
### Broker Dealers - Client Asset Managed Breakdown



**Figure 5** shows the quarterly values of the asset and liabilities composition of Broker Dealers . In the second half of 2023, the average values for Assets and Liabilities of Broker Dealers were approximately **TT\$144.09Bn** and **TT\$120.34Bn**, respectively. When analysing the comparative

period last year, the average values of Assets and Liabilities increased by approximately **TT\$1,235.92Mn (0.87percent)** and **TT\$921.35Mn (0.77 percent)**, respectively (*Figure 5*).

*Figure 5: Broker-Dealers’ Assets and Liabilities Composition (TT\$)*

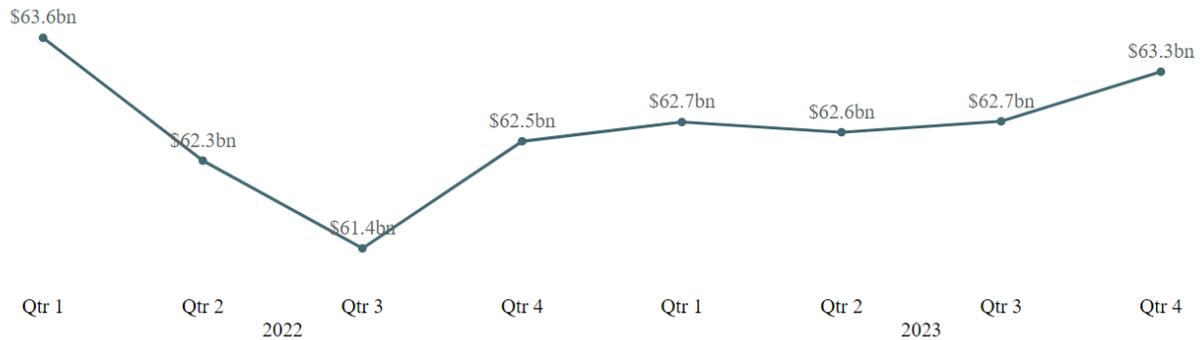


The number of Broker-Dealers on the Trinidad and Tobago Stock Exchange (“the Exchange”) remained at 8 as at Qtr4 2023. In total, Broker-Dealers on the Exchange had **77,262** clients with **TT\$24.17Bn** Clients Assets Managed.

On an annualised basis, Client Assets Managed for Broker Dealing increased by approximately **TT\$20.44Bn (19.98 percent)**.

## CIS Management

**Figure 6: CIS AUM (TT\$)**

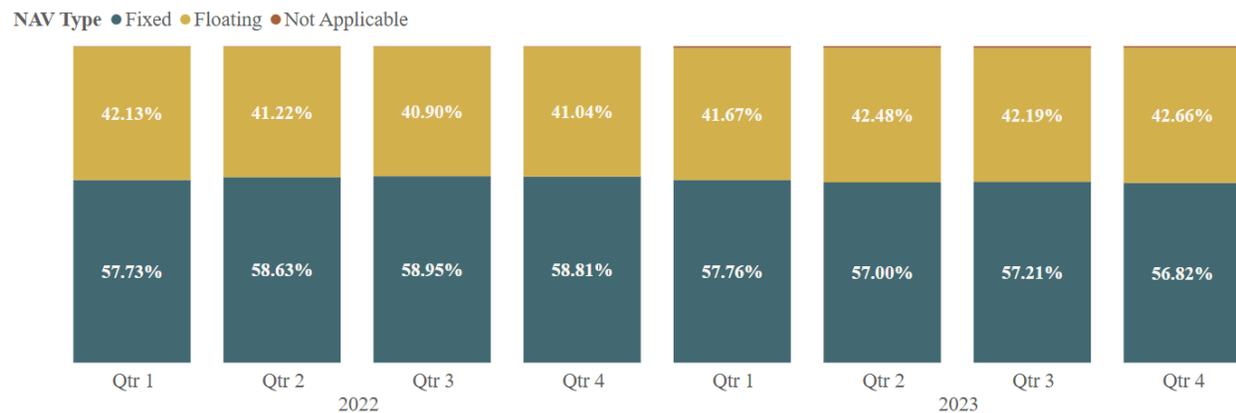


At the end of Qtr4 2023, there were **16** Broker-Dealers managing **80** Funds, valuing **TT\$63.3Bn** (**Figure 6**). It was observed that throughout 2023, there was a steady increase in the funds’ AUM by approximately **0.21 percent**. When compared to Qtr4 2022, the AUM for CIS Management posted nominal growth by **TT\$723.78Mn (1.14 percent)**.

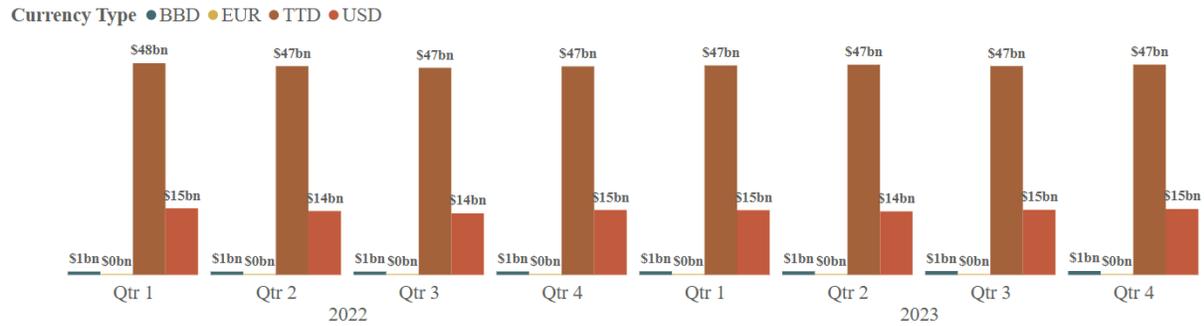
The market continues to be dominated by **14** Fixed Net Asset Value (“NAV”) Funds, accounting for an average of approximately **57 percent** of total AUM in Qtr4 2023 (**Figure 7**).

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

**Figure 7: CIS AUM Breakdown by NAV Type**

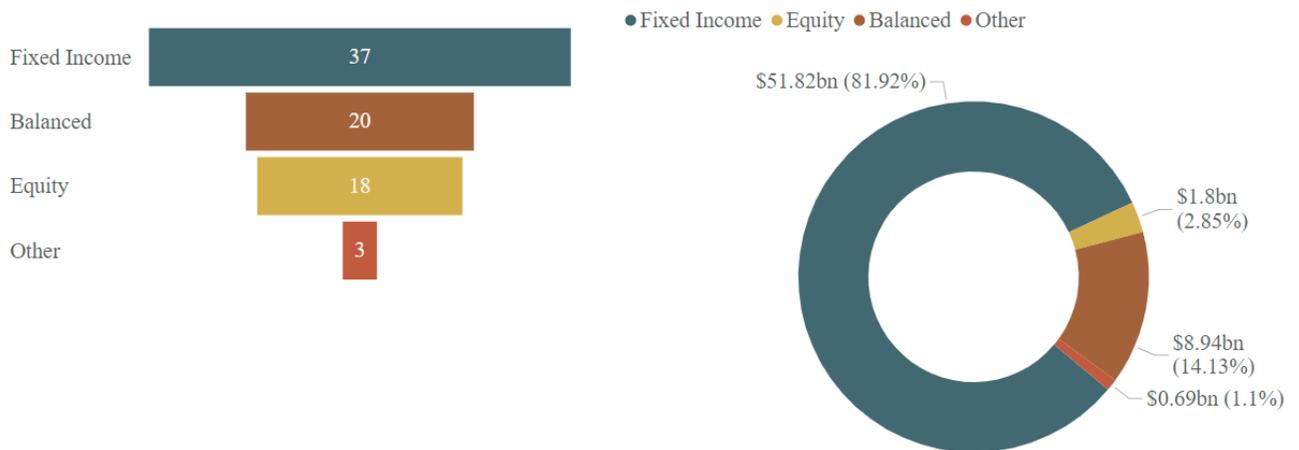


**Figure 8: CIS AUM Breakdown by Currency**

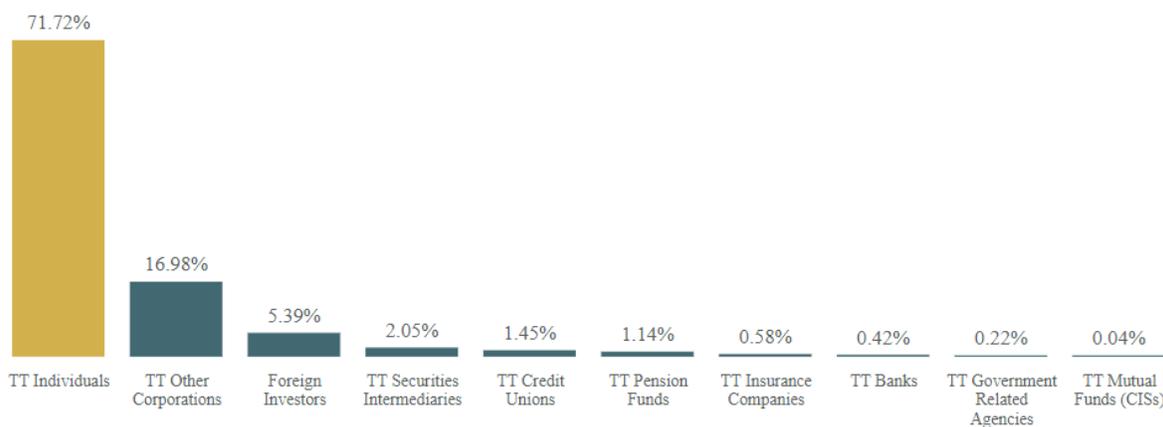


In Qtr4 2023, there were **37** Fixed Income CISs which accounted for **81.92 percent** of the market’s AUM (*Figure 9*), and TT Individuals continued to have the largest investments in CISs (*Figure 10*).

**Figure 9: Types of CISs as at Qtr4 2023**

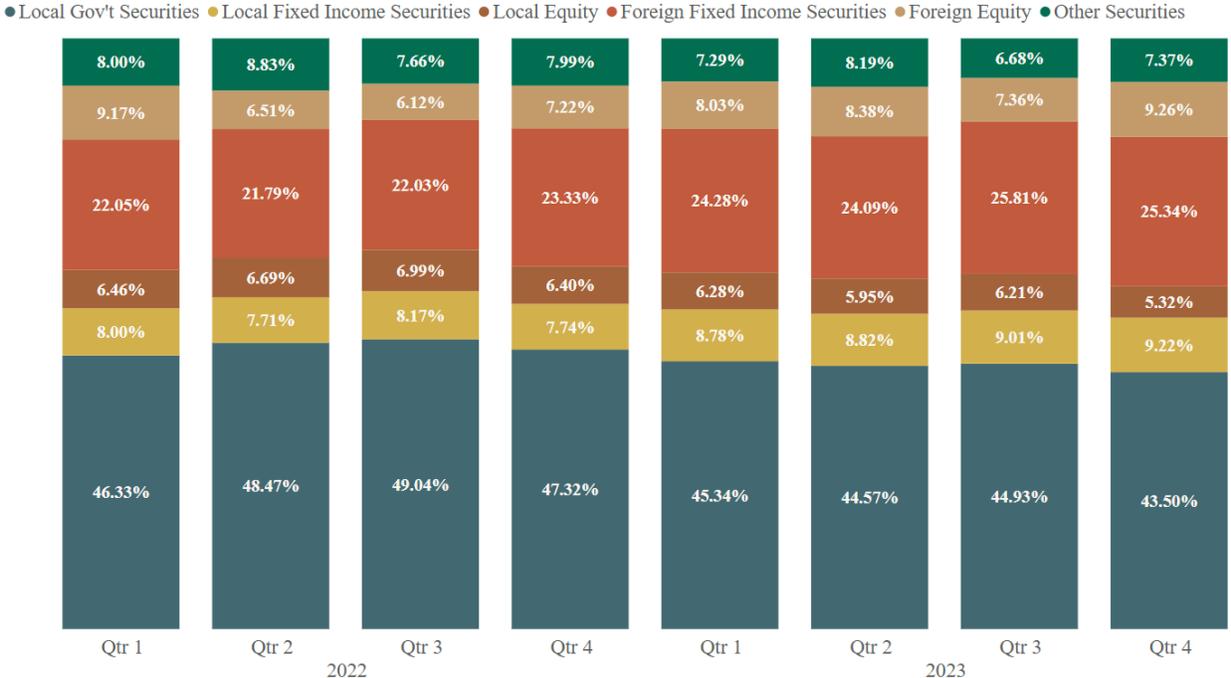


**Figure 10: Types of Investors in CISs as at Qtr4 2023**



CIS portfolios continue to be mainly comprised of Local Government Securities averaging approximately **45 percent** throughout 2023. (*Figure 11*).

**Figure 11: CIS Portfolio Composition<sup>2</sup> by Type**



While CIS portfolios continue to be mainly denominated in TTD, it was observed that the USD portfolio experienced the largest growth of **1.67** percent through 2023. (*Figure 12*).

<sup>2</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 Qtr4 2023 revealed that a significant portion of Floating NAV CISs (**58.53 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**).

For the same period, securities with classification of Level 2 and 3 represented approximately **56.75 percent** of securities contained within the portfolios of Fixed NAV CISs and **41.47 percent** within those of Floating NAV CISs. (**Figure 13**).

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: CIS Asset Level Classification as at Qtr4 2023**



Floating NAV CISs generally provided higher yields for its investors due to its exposure to market fluctuations and interest rate sensitivity. (**Figure 14 and 15**).

Figure 14: Average Yield by NAV Type Comparison (Qtr3 2023 & Qtr4 2023)

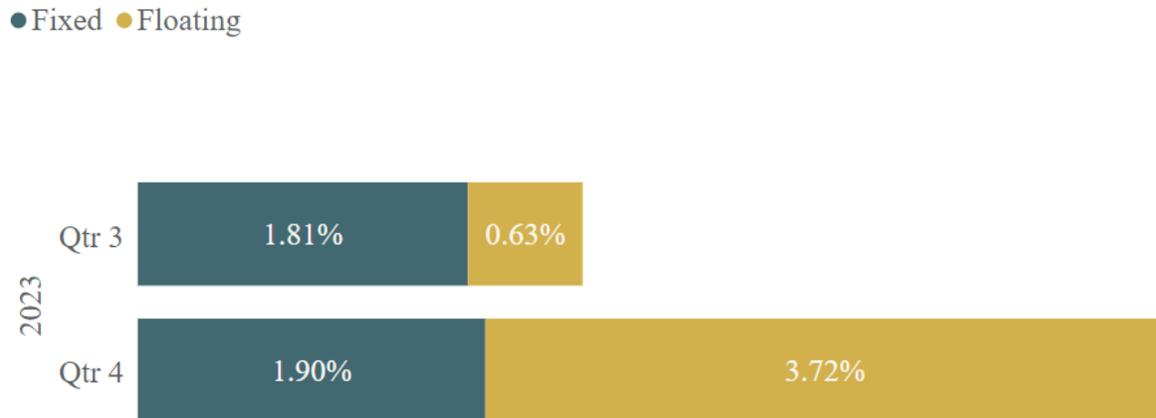
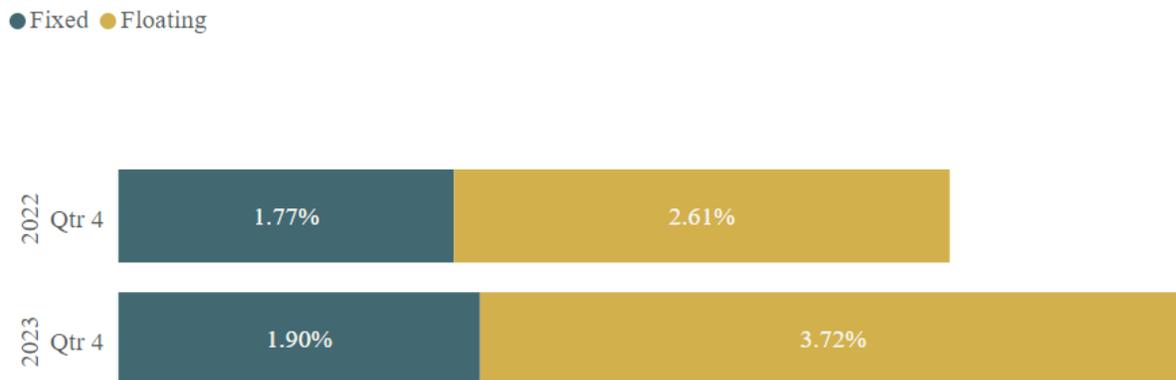


Figure 15: Average Yield by NAV Type Comparison (Qtr4: Year-on-Year)



The TTSEC monitors the weighted average maturities of local and foreign fixed income securities held by both Fixed and Floating NAV CISs. The Local Fixed Income securities held within Fixed NAV CISs had a longer time to maturity than its Foreign counterpart in Qtr 4 2022 and 2023. It should be noted that instruments with longer time to maturities while they generally offer higher yields they are more susceptible to interest rate risk and may not be as liquid as the short term assets.

The Foreign Fixed Income securities had a longer time to maturity of **5.48 years** and **4.69 years** for Qtr 4 2022 and Qtr 4 2023 respectively. (*Table 2*).

*Table 2: Weighted Average Maturities as at Qtr4 2023 (years)*

NAV Type	Fixed Income Type	Qtr 4 2022	Qtr 4 2023
<b>Fixed</b>	Local	3.62	3.69
	Foreign	2.12	1.71
<b>Floating</b>	Local	2.08	1.80
	Foreign	5.48	4.69

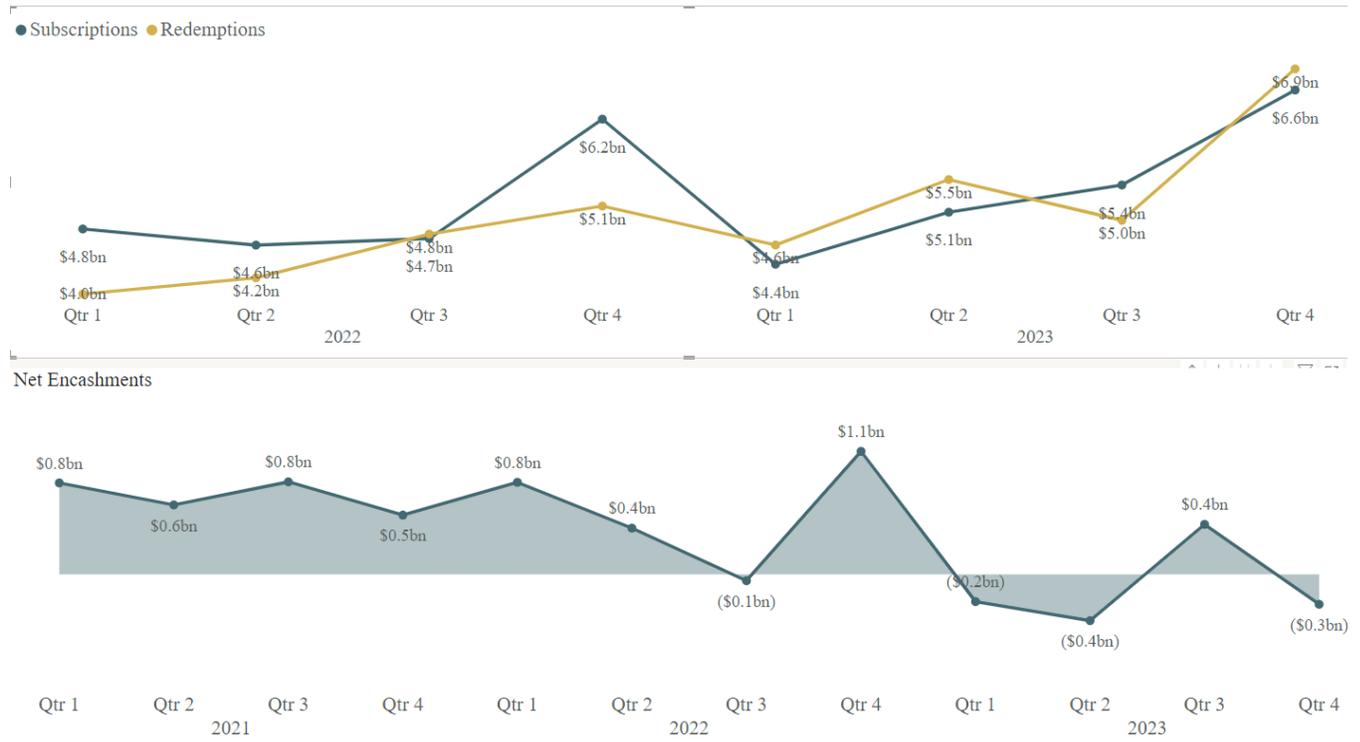
In Qtr4 2023, the data showed that most Local Fixed Income securities (**56.41percent**) for Floating NAV CISs had maturities of less than one year, whilst for Fixed NAV CISs, **65** percent of Foreign Fixed Income securities had maturities of between 1 to 5 years (*Table 3*).

*Table 3: Weighted Average Maturities by Portfolio Composition as at Qtr4 2023*

NAV Type	Fixed Income Type	<= 1 yr	>1 – 5 yrs	> 5 yrs
<b>Fixed</b>	Local	17.36%	57.27%	25.37%
	Foreign	31.19%	65.00%	3.81%
<b>Floating</b>	Local	56.41%	29.71%	13.88%
	Foreign	38.86%	25.57%	35.57%

During 2023 Subscriptions and Redemptions continued to climb quarterly by **1.44 percent** and **7.50 percent** respectively. The value of Redemptions outpaced Subscriptions resulting in Net Redemptions at the end of Qtr 4 2023 of **TTS\$0.3Bn** (*Figure 16*).

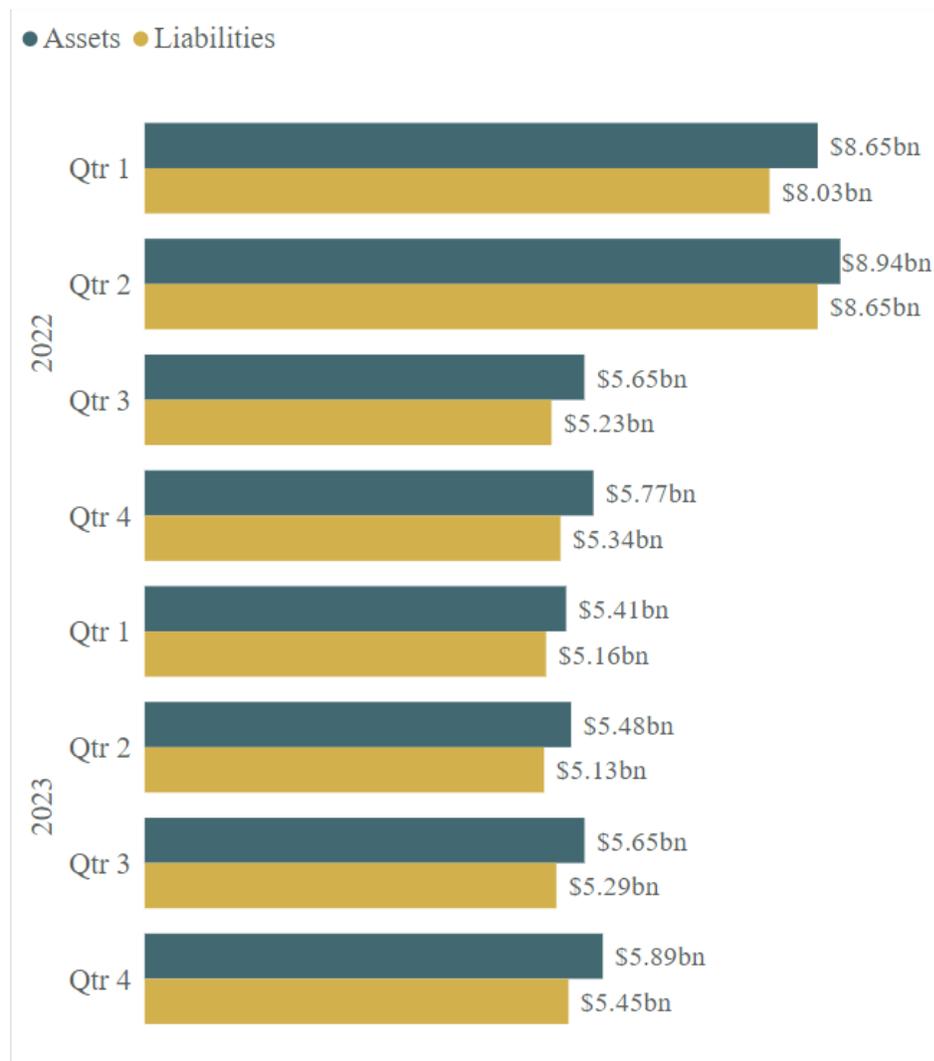
**Figure 16: Subscriptions, Redemptions, Net Encashments (TT\$)**



## Repo Selling

Throughout 2023, the number of Repo Sellers remained fixed at **13** entities. Nevertheless, there was growth in the Repo market throughout 2023 as Repo Assets and Liabilities increased by **2.08 percent (TT\$120.01Mn)** and **1.94 percent (TT\$103.40Mn)** from Qtr4 2022.

Figure 17: Repo Assets and Liabilities



When looking at the number of Repo Contracts, foreign contracts were stagnant whilst the local contracts fluctuated throughout the period. During the second half of 2023, local contracts experienced noticeable growth from **1919** contracts in Qtr 2 2023 to **2081** in Qtr 4 2023; an increase by **162 contracts (8.81%)**. Similarly on an annualized basis, local contracts increased by **285 (15.87%)** whilst foreign contracts declined by **7 (10.61%)** (*Table 4*).

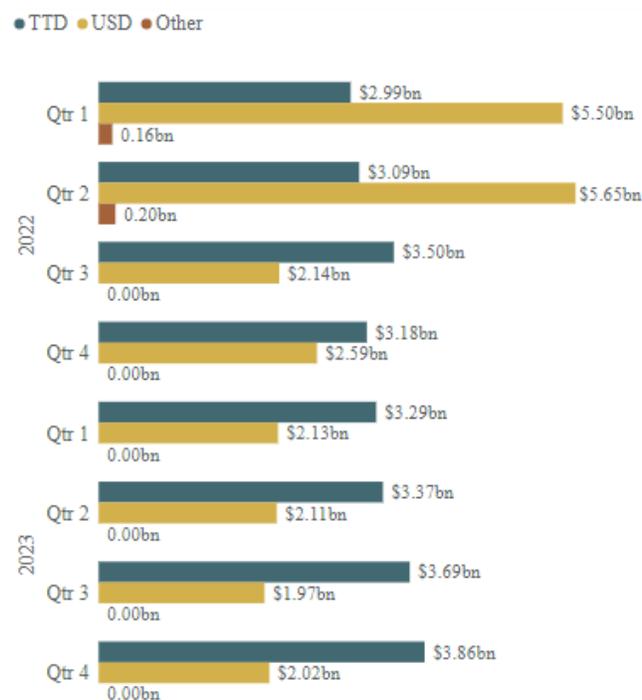
*Table 4: Repo Contracts*

Year	Quarter	Contracts		
		Foreign	Local	Total
2022	Qtr 1	199	1716	1915
	Qtr 2	179	1720	1899
	Qtr 3	67	1734	1801
	Qtr 4	66	1796	1862
2023	Qtr 1	61	1838	1899
	Qtr 2	61	1919	1980
	Qtr 3	61	2009	2070
	Qtr 4	59	2081	2140

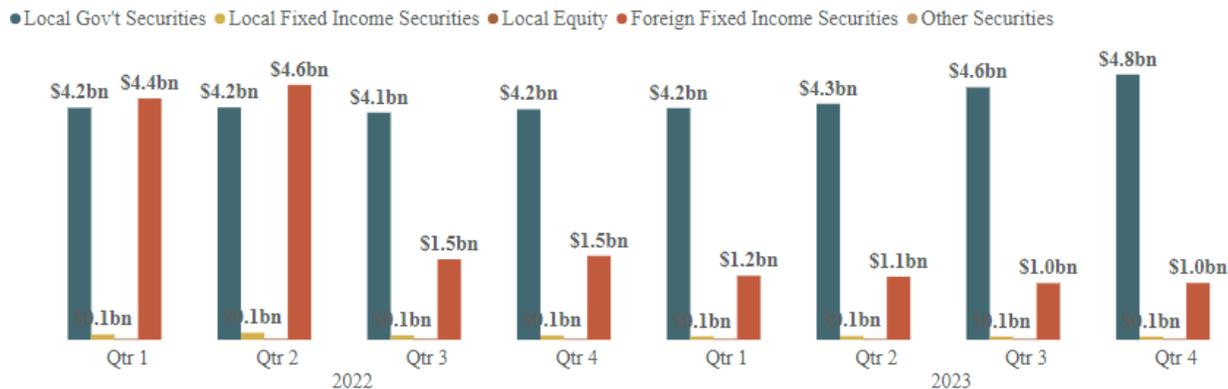
For the second half of 2023, the average maturity of a Repo contract was **12 months**, with an approximate **8.64 percent** average return. It should be noted that as at the end of Qtr 4 2023, the returns on Repo contracts increased by **528 basis points** from **3.32%** in Qtr2 2023 to **8.60%** in Qtr 4 2023.

In addition, the currency composition of the portfolios continued to be mainly denominated in TTD (**Figure 18**).

*Figure 18: Repo Portfolio Currency Composition*

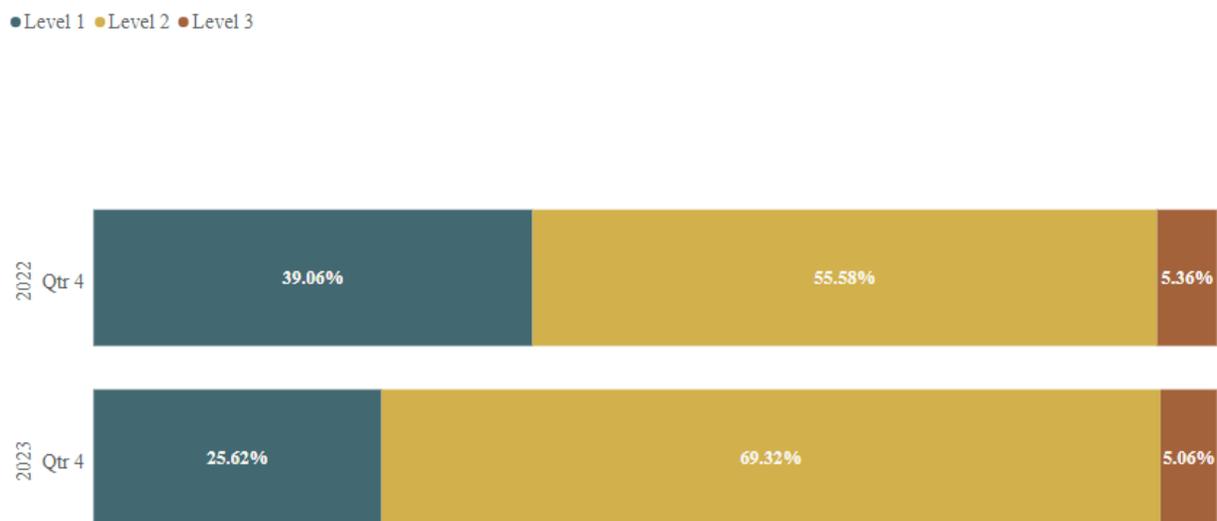


**Figure 19: Repo Portfolio Composition (TT\$)<sup>3</sup>**



The asset composition of the Repo Portfolio continues to be mainly held (**81.30%**) in Local Gov't Securities. Moreso, at the end of 2023 the asset composition of Local Gov't Securities grew by **12.37%** from Qtr2 2023 and **15.08%** year on year. It is noted that there were no investments in Other Securities in the first half of 2023 (*Figure 19*).

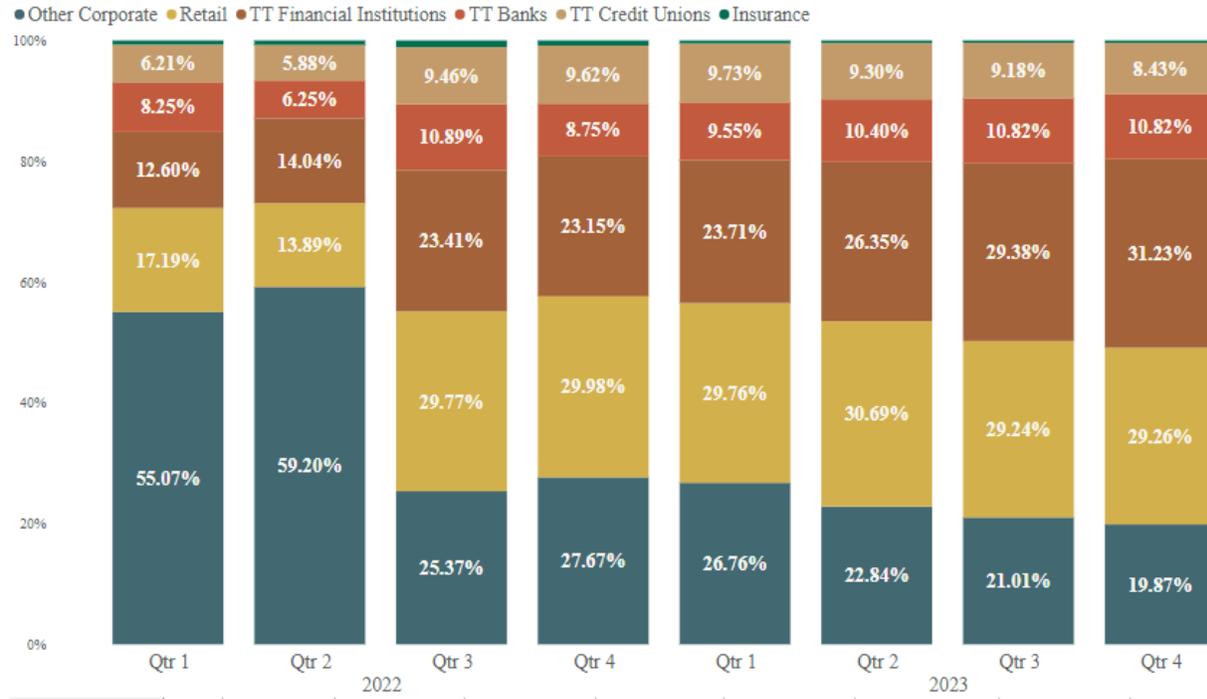
**Figure 20: Repo Asset Level Classification**



At the end of Qtr 2 2023, it was observed that the majority, **94.94 percent**, of the collateral securities in the Repo Portfolios were classified as either Level 1 or Level 2 (*Figure 20*). This means that they are valued using inputs directly observable in the market.

<sup>3</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 21: Investors in Repos as at Qtr4 2023**



At the beginning of 2023, there was a shift in the Investor Profile from “Retail” to “TT Financial Institutions” (*Figure 21*).

## Structuring and Distributing: OTC and Private Placements

### Over the Counter (OTC)

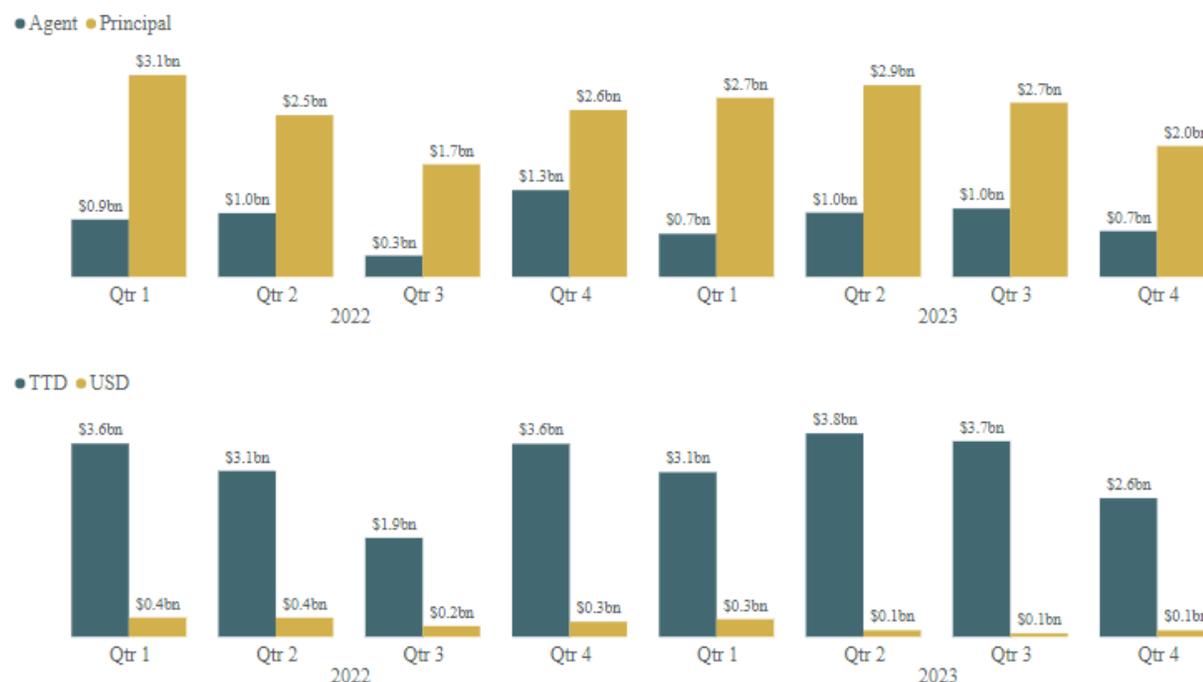
During the last half of 2023, there was no distinct pattern for OTC activities (*Table 5*). At most, there were **13** Registrants conducting OTC activities with most of the transactions being investments in Fixed Income Securities. The largest transaction value during the second half of 2023 was **TT\$3.72Bn** in Qtr3 while the largest number of transactions (**1,520**) occurred in Qtr4.

*Table 5: Over-the-Counter Transactions*

Year	Quarter	Registrants	No. of Transactions	Value TT\$
2022	Qtr 1	10	727	\$3.98bn
	Qtr 2	9	1073	\$3.46bn
	Qtr 3	10	1079	\$2.05bn
	Qtr 4	10	979	\$3.89bn
2023	Qtr 1	12	1198	\$3.41bn
	Qtr 2	13	866	\$3.93bn
	Qtr 3	11	1018	\$3.72bn
	Qtr 4	13	1520	\$2.71bn

During the review period, the highest value of transactions was conducted by Broker-Dealers acting as Principals, which were mainly denominated in TTD (*Figure 22*).

*Figure 22: Over-the-Counter Transactions*



## Private Placements

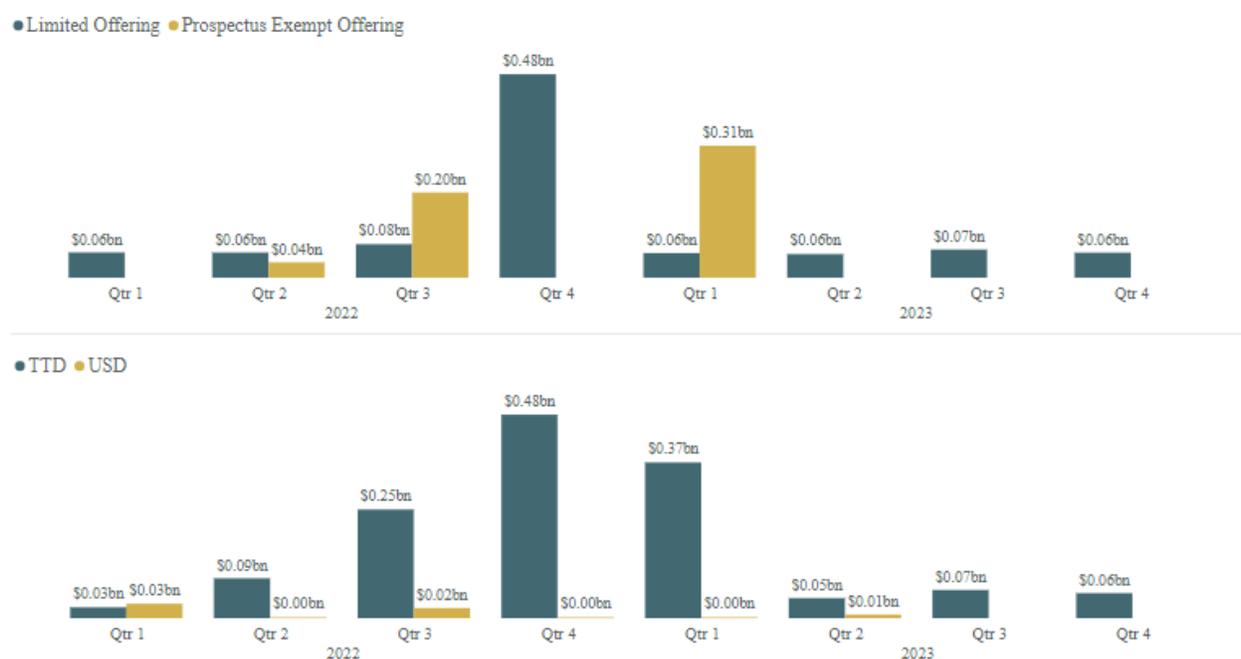
At most, there were **two** Registrants conducting Private Placements activities with all transactions being investments in Fixed Income Securities.

**Table 6: Private Placement Transactions**

Year	Quarter	Registrants	No. of Issues	Amount Raised TT\$
2022	Qtr 1	2	23	\$0.06bn
	Qtr 2	3	39	\$0.09bn
	Qtr 3	3	48	\$0.28bn
	Qtr 4	3	40	\$0.48bn
2023	Qtr 1	2	38	\$0.37bn
	Qtr 2	1	32	\$0.06bn
	Qtr 3	2	20	\$0.07bn
	Qtr 4	2	28	\$0.06bn

The largest amount (TT\$0.37Bn) raised in 2023 was during the first quarter while the highest number of issues (**38**) also occurred in Qtr 1 (**Table 6**). In the second half of 2023, there were only Private Placements via Limited Offerings which were mainly comprised of TTD (**Figure 23**).

**Figure 23: Private Placement Transactions**



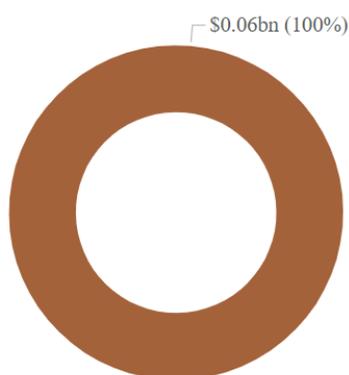
## Activities by Group Affiliation

Entities are mainly categorised into three group affiliations: Bank Group, Financial Group and Independent. For Qtr 4 2023, companies within the Financial Group accounted for **51.49 percent** of the AUM for CIS Management and **89.77 percent** value of Repo Liabilities. The Bank Group dominated client assets under management for Broker-Dealers (**62.35percent**) and was responsible for **74.5 percent** of transactions in the OTC (Over-the-Counter) market. It should be noted that only one Investment Adviser, which was within the Independent Group, managed assets of clients in Qtr4 2023 (*Figure 24*). The data showed that the Registrants within the Bank and Financial Group did not participate in Private Placements for both periods.

*Figure 24: Significant Activities by Group Affiliation as at Qtr4 2023 (TT\$)*

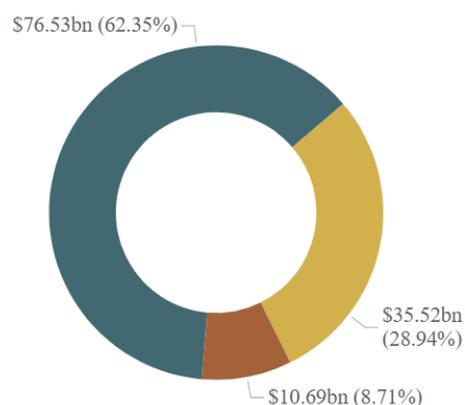
### Investment Advising - Client Assets Managed

● Financial Group ● Independent



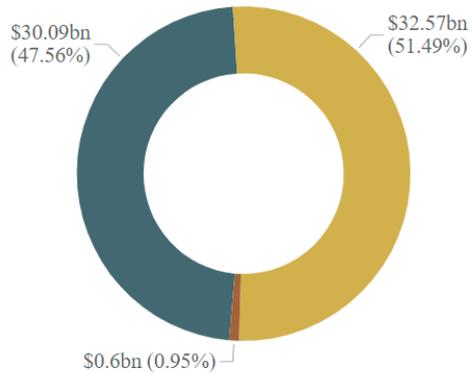
### Broker Dealing - Client Asset Managed

● Bank Group ● Financial Group ● Independent



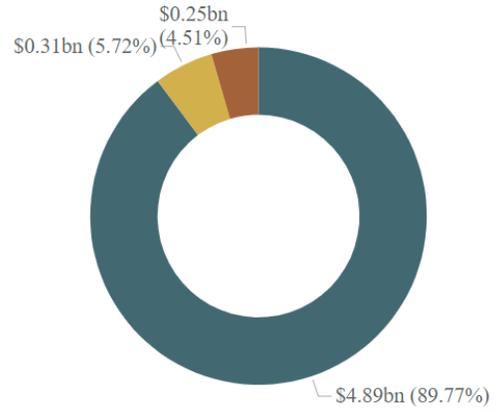
### CIS Management

● Bank Group ● Financial Group ● Independent



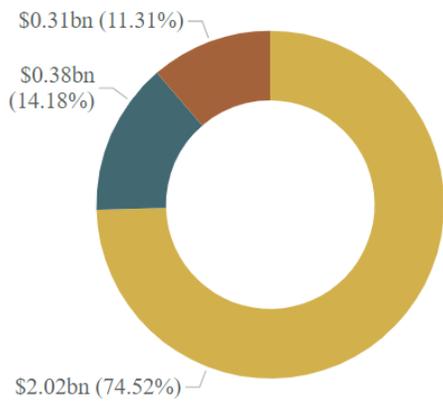
### Repo Selling

Group Affiliation ● Financial Group ● Bank Group ● Independent



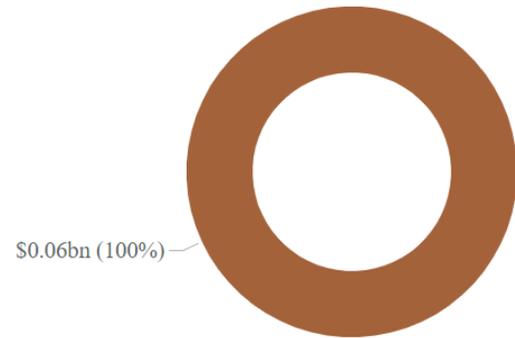
### Over-the-Counter

Group Affiliation ● Bank Group ● Financial Group ● Independent



### Private Placements

● Independent



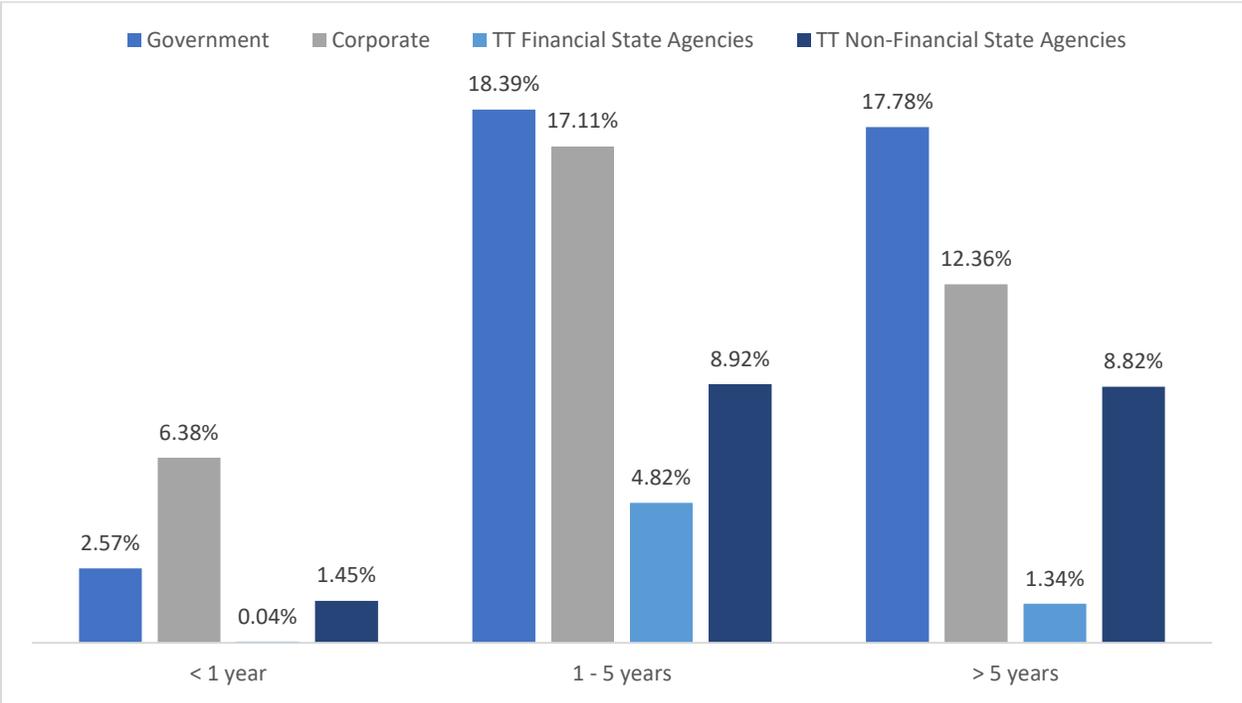
## Financial Interconnectedness

The financial system in Trinidad and Tobago is a complex network of interconnected components, all of which are integral to the nation's economic stability and growth. The securities market provides a platform for raising capital and investment, while commercial banks and non-banking financial institutions such as credit unions and insurance companies support economic activity through credit, savings, and risk management services. Together, these entities ensure efficient resource allocation and economic resilience.

The TTSEC examines the interconnectedness of significant activities among its Registrants, focusing on the composition of their investment portfolios. Many of these portfolios share similar structures, making them susceptible to economic stresses or shocks. Such shocks can cascade through the financial system, impacting fund managers' portfolio values and, ultimately, the savings of ordinary investors.

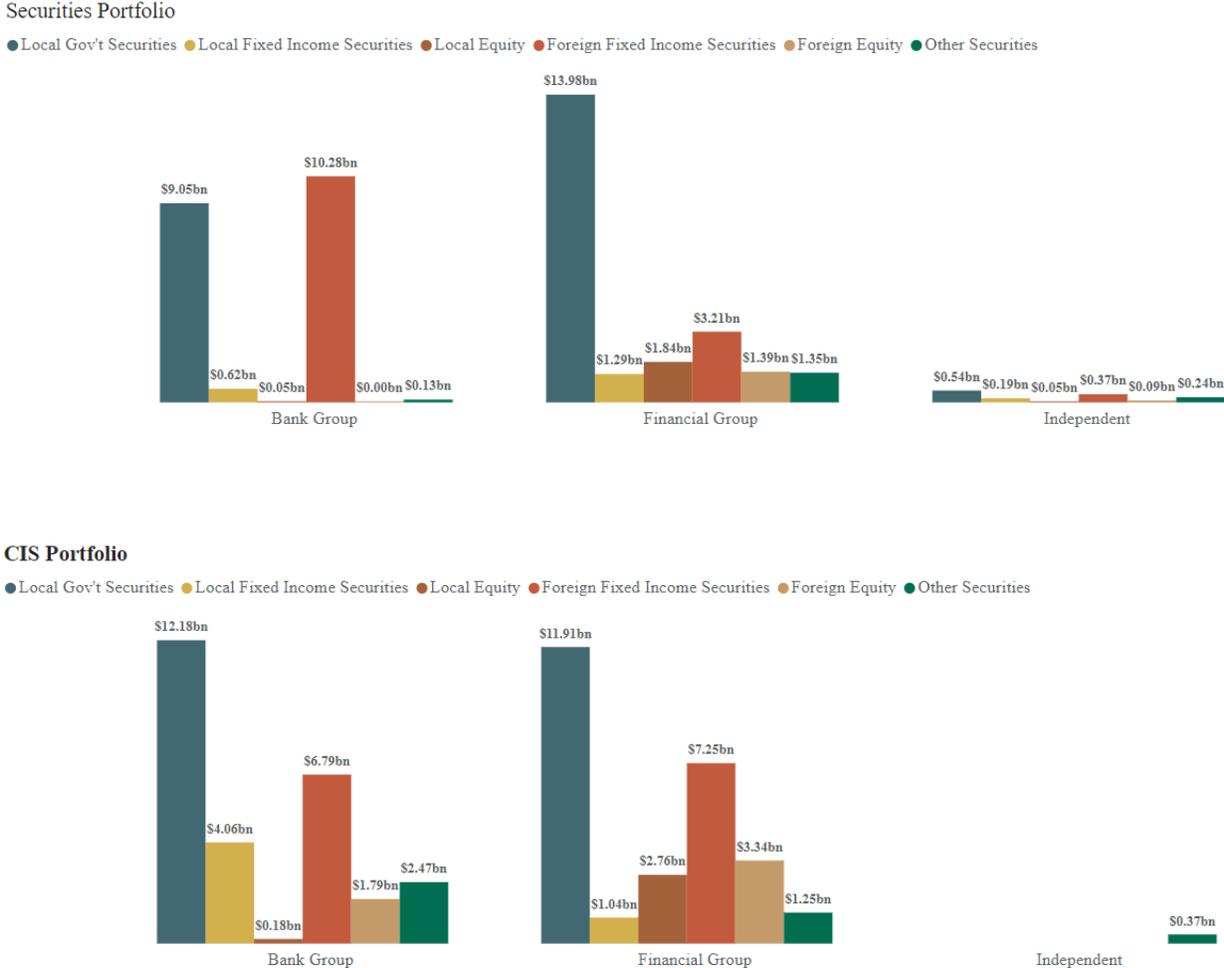
When examining TTSEC’s securities register, the data for Qtr4 2023 showed that Government Securities and State Agencies accounted for the most securities (**64.14 percent**) registered and outstanding. Most securities (**49.24 percent**) had between 1 to 5 years to maturity (*Figure 25*).

*Figure 25: Time to Maturity of Fixed Income securities registered with TTSEC.*



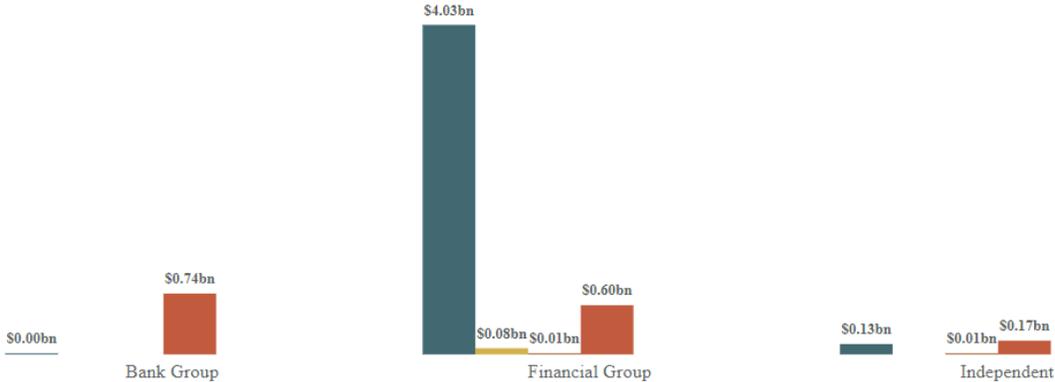
The data shows that Local Government Securities and Foreign Fixed Income Securities accounted for the two largest investments in all portfolios (*Figure 26*). Local Government securities was the main investment product of choice by each of the major group affiliations. Entities within the Bank, Financial and Independent Group invested **47.42 percent** of their Securities Portfolios in Local Government Securities. Banking and Financial Groups invested **43.79 percent** of their CIS portfolio in Local Government securities, while the Financial Groups invested **85.43 percent** in same (*Figure 26*). There was also significant investment in Foreign Fixed Income Securities across Bank and Financial Groups in all three Portfolios.

*Figure 26: Portfolio Compositions by Group Affiliation as at Qtr4 2023 (TTS)*



**Repo Portfolio**

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



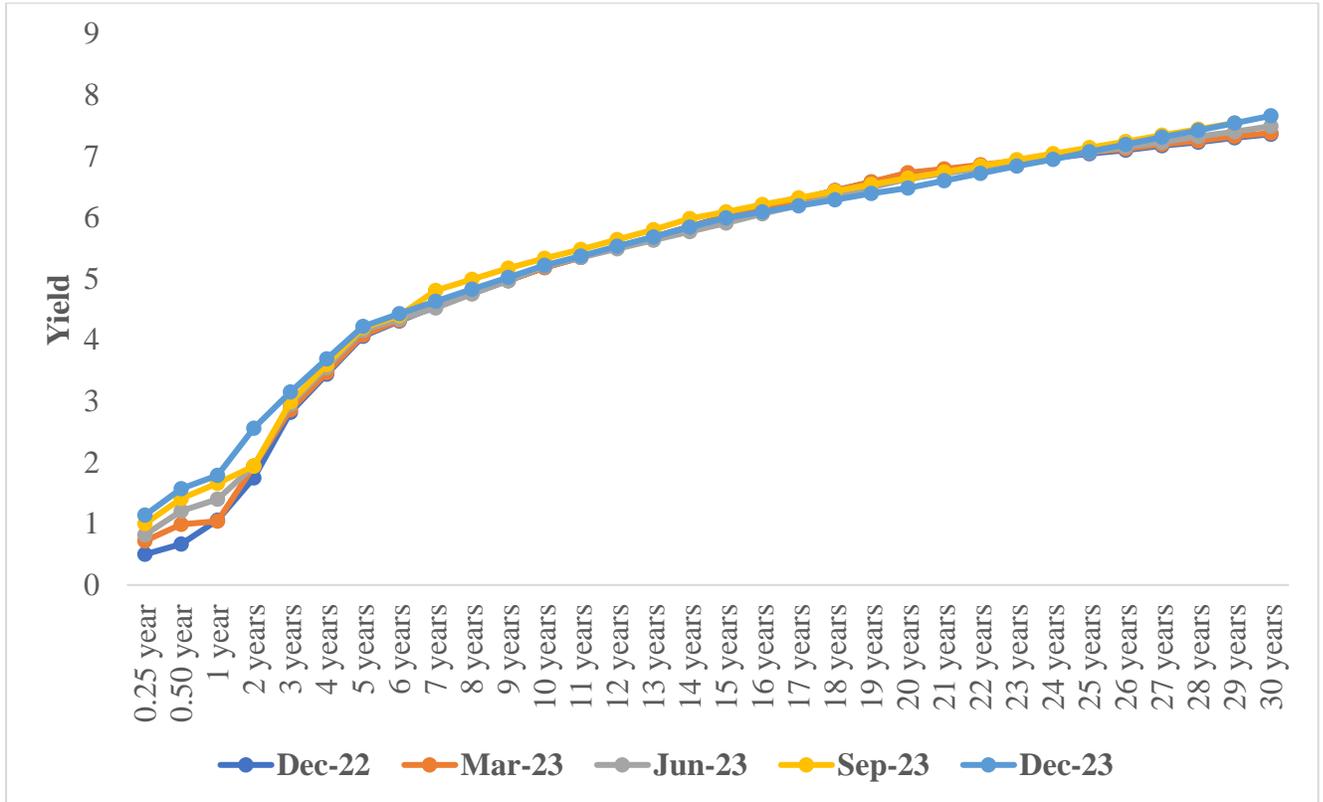
It is important therefore, to understand the interconnections that exist between the Central Bank of Trinidad and Tobago (CBTT) yield curve and its effect on the interest rates of Government bonds. The yields on Government bonds are influenced by the current and expected future interest rates, which are directly affected by the CBTT’s policy stance.

The three major factors that should be examined are interest rates, yield curve shape, and market sentiment. When the CBTT raises or lowers its policy rate, it affects the short-term borrowing costs for commercial banks, which, in turn, influences the yields on short-term government securities. Long-term government bond yields tend to be more influenced by expectations of future economic conditions and inflation, which are also indirectly guided by the CBTT’s policies.

A steep yield curve, where long-term rates are higher than short-term rates, can signal expectations of economic growth or inflation. Conversely, when short-term rates exceed long-term rates, it can suggest concerns about future economic slowdowns. These changes in the yield curve are reflected in the yields offered on government bonds. The government bond market is influenced by investor sentiment, which is shaped by the CBTT's actions. For example, if the CBTT raises interest rates to combat inflation, bond prices may fall, and yields may rise, affecting Bank and Financial group who may need to adjust their investment strategies accordingly. Conversely, if the CBTT lowers rates to stimulate growth, bond prices may rise, and yields may fall, leading the entities to reassess their asset allocations and risk exposures.

Based on the data below, short to medium-term bond yields (maturities less than 5 years) ranged between **0.5 percent** and **4.22 percent** while the maximum yield on Long-term bonds continues to approximately **8 percent** (*Figure 27*).

*Figure 27: Government Bond Yield*



Source: Central Bank of Trinidad and Tobago

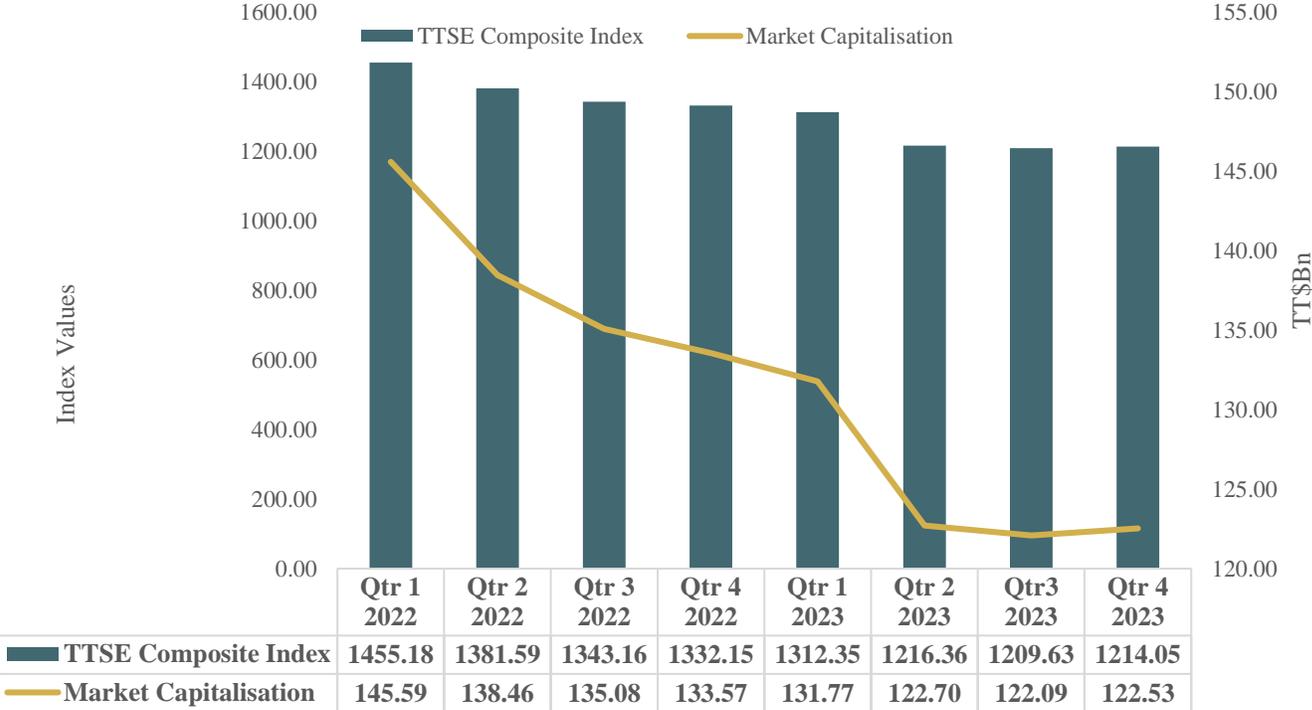
The second highest asset concentration was in Foreign Fixed Income Securities. Therefore, it is imperative that the TTSEC keeps a pulse on prevailing international economic conditions and understand the currency composition as these assets also susceptible to foreign exchange fluctuations. The portfolios are mostly comprised of TTD and USD investments. While the CIS portfolio was mainly denominated in TTD, its composition decreased on an annualized basis by **2.07 percent** whilst its USD composition increased by **8.14 percent**.

Similarly, the Repo portfolio continues to be denominated more in TTD. In Qtr4 2023, the portfolio was approximately **65.13 percent** in TTD and also recorded a year-on-year increase by **21.53 percent**.

Furthermore, the data also showed a link between CIS Managers and Repo Sellers. In Qtr4 2023, mutual funds’ investment in Repos accounted for **0.70 percent** of the total CIS portfolio while Repos’ collateralization of mutual funds stood at **0.17 percent** of Repo Assets. It should also be noted that CIS Managers also invested in other local mutual funds and equities, accounting for **0.36%** and **4.95%**, 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.

The overall bearish market sentiment in 2023 was evident by the decreasing equity prices locally and regionally. On an annualized basis, the Exchange recorded approximately an **8 percent** decrease in both its Composite Index and the Market Capitalisation of its TTD Market (*Figure 28*).

*Figure 28: TTSE Composite Index and Market Capitalisation*



Source: The Trinidad and Tobago Stock Exchange

## Conclusion and the Way Forward

The TTSEC endeavors to continue to monitor and oversee the business activities of our Registrants as its ongoing objectives of systemic risk reduction and financial stability monitoring remains a core focus.

Regulatory tools such as the Risk-Based Supervision Framework (RBS) and, our soon to be implemented Draft Risk Based Capital and Liquidity Requirements Byelaws 2023 allows/ will allow us to gain greater insights into the inherent risks of our Registrants. These tools were established with the intent to assist us in the discharge of our functions by ensuring entities registered under the SA 2012 maintain adequate levels of capital and liquid assets to assist in absorbing some of the costs related to potential losses and risks associated with their business activities.

We would like to take this opportunity to extend thanks to our Registrants for their continued support, diligence and commitment particularly in regards to the ongoing evolution and improvement of the MMRF data quality.

Collectively, we are able to ensure a more reliable overview of the industry. It is evident, that with our many developments and implemented processes, the TTSEC remains focused on fulfilling its mandate to ensure market integrity and investor protection. We look forward to continued advancement in our capacity to provide effective oversight of the securities market

## Appendix

Table 7: Summary of Indicators

	2022				2023			
	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>CIS AUM (TT\$Bn)</b>	63.61	62.33	61.42	62.53	62.73	62.63	62.74	63.26
<b>% CIS AUM Fixed NAV</b>	57.73	58.63	58.95	58.81	57.76	57.00	57.21	56.82
<b>% CIS AUM Floating NAV</b>	42.13	41.22	40.90	41.04	41.67	42.48	42.19	42.66
<b>CIS Net Encashments (TT\$Bn)</b>	0.82	0.41	(0.06)	1.09	(0.24)	(0.41)	0.44	(0.27)
<b>Average CIS Yield (%)</b>	0.39	(0.55)	0.16	1.48	1.23	1.36	0.53	2.05
<b>Number of CISs</b>	74	80	80	80	80	80	80	80
<b>Number of CIS Managers</b>	17	17	17	17	17	17	17	17
<b>Repo Assets (TT\$Bn)</b>	8.65	8.94	5.65	5.77	5.41	5.48	5.65	5.89
<b>Repo Liabilities (TT\$Bn)</b>	8.03	8.65	5.23	5.34	5.16	5.13	5.29	5.45
<b>No. of Repo Contracts in issue</b>	1,915	1,899	1,801	1,862	1,899	1,980	2070	2140
<b>No. of Repo Dealers</b>	13	14	13	13	13	13	13	13
<b>Average Repo Maturity (mths)</b>	11	9	12	14	12	11	12	12
<b>Average Repo Return (%)</b>	2.51	2.68	6.17	6.31	6.39	3.32	8.69	8.60
<b>Value of GORTT Bond Issues, (TT\$Bn)</b>	27.41	27.40	26.64	25.63	24.92	24.13	22.87	22.86
<b>Market Capitalisation (TTD market) (TT\$Bn)</b>	145.59	138.46	135.08	133.57	131.77	122.70	122.09	122.53
<b>Market Capitalisation (USD market) (US\$Bn)</b>	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
<b>Value of OTC Transactions, (TT\$Bn)</b>	3.98	3.46	2.05	3.89	3.41	3.93	3.72	2.71
<b>Number of OTC Transactions</b>	727	1073	1079	979	1,198	866	1018	1520