

Primary Debt Market:

- After all bids were accepted for the weekly issued 91 day and 182 day bills, the GoG exceeded its target for the latest auction. A total of GHS 1,119.14 million was raised for the said securities versus the target of GHS 890.00 million, reflecting some liquidity on the local market. In addition to the regularly issued securities, government also issued a 3 year bond which raised GHS 1,610.11 million, 5.3% lower than the initial target. In sum, a total of GH 2,729.25 million was raised in the primary auction. Government in its next auction seeks to raise GHS 1,342.00 million in 91 day, 182 day and 364 day treasury bills.

- In line with expectations, yields continued to decline across tenors. The 91 day bill witnessed yields declining by a marginal 1bp from 13.00% to 12.90%. The 182 day bill also saw yields drop by 19 bps to stand at 13.66% from 13.85%. Yields on the newly issued 3 year bond also declined by 155 bps at 17.70% compared to 19.25 % when it was last issued.

- The Monetary Policy Committee (MPC) of the Bank of Ghana has maintained the policy rate at 14.45% for the 6th consecutive time. Despite some indication of a slow recovery in the economy, the committee remains wary of emerging inflationary risks resulting from higher petroleum prices and the implementation of new revenue measures as outlined in the 2021 budget. As such, we foresee some slight upward bias to yields in the coming weeks as investors anticipate the direction of inflation for March .

Secondary Debt Market:

- Last week, the secondary market was rather active. Total market turnover increased by GHS 410.83 million to stand at GHS 3.672.5 million from the previous week's volume of GHS 3,261.62 million. At the short end of the yield curve, 2 year notes and 3 year bonds in circulation saw trading values increase by GHS 558.71 million and GHS 838.81 million respectively. Similarly at the tail of the curve, the 20 year bond -saw market value increase by GHS 52.89 million.

-Yields increased generally across the curve as the market was mostly net offered. At the short end, the February 2023 and December 2023 maturities saw yields inch up by 12 bps and 43 bps to 17.20% and 16.70 % respectively. Similarly, at the belly of the curve the June 2027 and November 2027 maturities stood at 18.83% and 18.90 % after yields increased by some 4bps and 9bps. At the tail of the -curve, the longer dated July 2034 and August 2039 maturities recorded yield increments of 9 bps and 32 bps each.

-There appears to be some lingering investor uncertainty about the fiscal environment of the country. The recent hike in crude oil prices as well as recent tariff increments, amongst others also seem to have created some inflationary concerns particularly amongst offshore investors. With the central bank confirming these risks in its decision to leave the policy rate

unchanged, we foresee higher yields to end the month as most investors observe for the direction of inflation.

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	19/03/21	983.72	983.72	13.00	12.90	(0.01)
182 day	19/03/21	135.42	135.42	13.85	13.66	(0.19)
3 year	19/03/21	1,610.11	1,610.11	19.25	17.70	(1.55)

Source: Bank of Ghana

Secondary Market

Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	97.06	12.54%
182 day bill	94.13	12.94%
364 day bill	91.88	15.89%
2 year note*	100.40	17.32%
3 year note*	104.41	17.13%
5 year bond*	100.31	18.19%
6 year bond*	101.22	18.87%
7 year bond*	105.48	18.99%
10 year bond *	102.42	19.18%
15 year bond*	99.49	20.10%
20 year bond *	101.48	19.69%

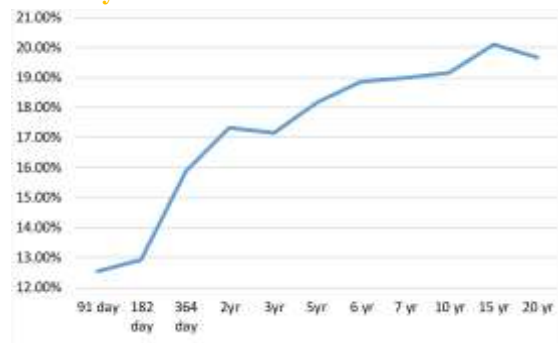
Source: Central Securities Depository

*Benchmark security.
 2yr - Feb '23
 3yr - Dec '23
 5yr - Mar '26
 6yr - Jun '27
 7yr - Nov '27
 10yr - June '29
 15yr - July '34.
 20 yr- August '39

Secondary Market Trades



Treasury Bill and Bond Yield Curve



Other Treasury Market

Nigeria: The bears dominated the FGN bond market opening the week as traders remained aggressively offered across the curve with very few bids to match. The weak appetite for FGN bonds despite the scarcity of short-term instruments can be attributed to the uncertainty surrounding monetary policy, which is also further compounded by the deep negative carry-on bonds at the moment (average FGN bond yields minus Inflation rate). Most investors have resulted in staying at the short end of the curve, pending when there is more clarity in the interest rate environment. Yields consequently expanded by c.12bps on the average across the benchmark curve. The outcome of the MPC meeting to be announced tomorrow is expected to give more clarity on the Apex's view on the interest rate environment, coupled with the monthly FGN Bond auction right after. We expect investors to remain on the sidelines until the direction of rates becomes clearer later in the week. Read more: <https://cut.ly/KIDzCQ>

Mauritius: Hero Future Energies (HFE), the renewable energy arm of the Hero group, received orders worth \$3 billion in its first green bond issuance in the overseas markets. The company, through its subsidiary Clean Renewable Power (Mauritius), received the orders and priced at a coupon rate of 4.25 per cent for a six-year maturity period. The issuance was oversubscribed more than 8.5 times, HFE said. Read more: shorturl.at/cqDL6

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