

WEEKLY FIXED INCOME REPORT



Date Issued | 12th July, 2021

Primary Debt Market

- A total of GHS 1,526.43 million was raised in last week's GoG treasury bill auction. This came in GHS 221.43 million higher than the targeted amount of GHS 1,305.00 million. In the auction, government issued 91 day, 182 day and 364 day bills. The 91 day bill raised the highest amount of GHS 1,276.70 million. This was followed by the 364 day bill which raised GHS 125.60 million and the 182 day bill which raised GHS 124.13 million. All bids tendered for the 91 day and 182 day bill were accepted, however only GHS 125.60 million of the GHS 149.46 million bids tendered were accepted for the 364 day bill. In its next auction, government seeks to raise a total of GHS 1,281.00 million in 91 day and 182 day bills only.

- Yields declined across securities. The 91 day bill declined by 3 bps to stand at 12.56%. Similarly, the 182 day and 364 day bills declined by 1bp and 2bps to close the session at 13.37% and 16.32% respectively.

- In the news, the Bond Market Specialists (BMS) have announced a 10 year bond issuance this week. Per the issuance calendar, the auction target is GHS 1.80 billion.

Secondary Debt Market

- Last week, a total of GHS 5,379.11 million exchanged hands on the secondary market. This amount was about GHS 386.46 million higher than the previous week. Much of the trades occurred around the mid to tail end of the curve.

- For benchmark securities, the market continued to be net offered. Offshore investors who had previously provided some selling interest, now appear to be exiting their positions. Adding to the strain on GHS liquidity is the payment of Q2 tax obligations by corporates. The Feb'2023 and March'2024 maturities witnessed yields increase by 50 bps and 167 bps respectively to close the week at 17.26% and 18.13%. Similarly, yields on the May 2026 inched up by 30 bps to 18.50%. The June 2029 also stood at 18.77%, up by 17 bps.

- The week also saw a large cocoa bill maturity, which the market anticipated would drastically improve liquidity. Only about GHS676 millions of cocoa bills was rolled over against a maturity amount of roughly GHS1.7 billion. This should help improve the liquidity situation on the market in the coming sessions.

REVIEW: Other Treasury Markets

South Africa: The ongoing unrest in South Africa has caused Citi Bank to cut its exposure to South African Bonds. This decision came on the back of expectations that the social unrest could continue. As such Citi reduced its overweight position in longer dated South Africa government bonds. Citi Bank **Read more:** <https://cutt.ly/nmSuaWF>

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	12/07/2021	1,276.70	1,276.70	12.59	12.56	(0.03)
182 day	12/07/2021	124.13	124.13	13.38	13.37	(0.01)
364 day	12/07/2021	149.46	125.6	16.34	16.32	(0.02)

Source: Bank of Ghana

Secondary Market

Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	97.11	12.54%
182 day bill	94.95	12.94%
364 day bill	88.03	15.86%
2 year note*	100.41	17.26%
3 year note*	173.08	18.13%
5 year bond*	100.85	18.50%
6 year bond*	102.70	18.44%
7 year bond*	100.17	18.04%
10 year bond *	104.12	18.77%
15 year bond*	102.47	19.47%
20 year bond *	102.58	19.47%

Source: Central Securities Depository

*Benchmark security.

2yr - Feb'23

3yr - Mar'24

5yr - Mar'26

6yr - Jun '27

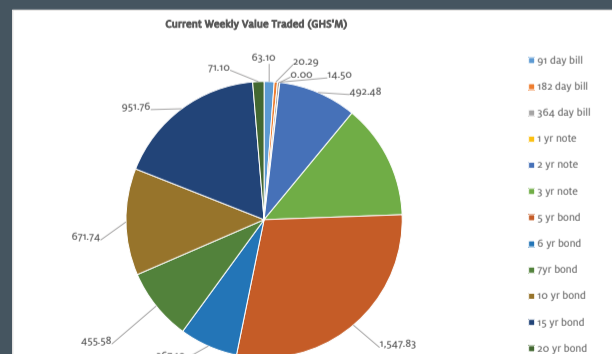
7yr - Nov'27

10yr - June '29

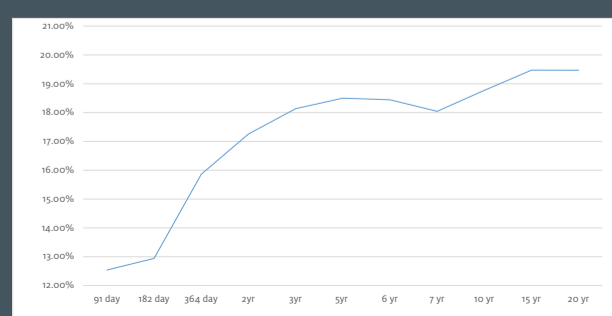
15yr - July '34.

20 yr- August '39

Secondary Market Trade



Treasury Bill & Bond Yield Curve



WEEKLY FIXED INCOME REPORT



Date Issued | 12th July, 2021

G-Money is your secure wallet solution.

Dial *422# and experience it.



@GMoneyGhana

Pay your utility bills conveniently and securely
Dial *422#



@GMoneyGhana

Research Contacts

Lawson Oppong-Asante
Email: loppong-asante@gcb.com.gh
Tel: 0302 66 4910 -18

Adomako Osei-Frimpong
Email: aofrimpong@gcb.com.gh
Tel: 0302 66 4910 -18

Michael Bedjrah
Email: mbedjrah@gcb.com.gh
Tel: 0302 66 4910 -18

Treasury & Sales Contacts

Anthony Asare
Email: akasare@gcb.com.gh
Tel: 0302 611 762

Daniel Boateng
Email: daboateng@gcb.com.gh

GCB Securities Ltd.

Michelle N.O Dadey
Email: mnodadey@gcb.com.gh
Tel: 0559 733 990 0302 945848

Head Office:

No 2 Thorpe Link
P. O. Box 134, Accra
Tel: +233 (0)302 664910

Disclaimer

This document has been prepared by the Research Department of GCB Bank Limited solely for information purposes and does not constitute any legally binding obligations on GCB. Any views expressed are those of the Research Department. Any views and commentary in this communication (the views) are short term views of the GCB Research Department from which it originates (the authors) and are not a personal recommendation and do not take into account whether any product or transaction is suitable for any particular investor.

Whilst the information provided in this document has been prepared by GCB Research Department based upon or by reference to sources, materials that GCB believes to be reliably accurate, GCB does not guarantee its completeness or accuracy. The message is for information purposes only as of the date hereof and are subject to change. It is not a recommendation, advice, offer or solicitation to buy or sell a product or service. We do not accept any liability for losses (direct or consequential) which may arise from making use of this document or its contents or reliance on the information contained herein.

All opinions and estimates are given as of the date hereof and are subject to change. GCB is not obliged to inform readers of any such change to such opinions or estimates. This document do not purport to contain all the information that you may desire. In all cases, interested parties should conduct their own investigations and analysis of the transaction described in the document and of the data set forth in the document. In particular it is recommended for interested parties to check that the information provided is in line with their own circumstances with regard to any legal, regulatory, tax or other specialist or technical advice or services, if necessary with the help of a professional advisor.

This document is confidential and may not be reproduced or distributed in whole or in part without the prior written permission of GCB.