

# WEEKLY FIXED INCOME REPORT



Date Issued | 23rd August, 2021

## Primary Debt Market

- Last week GoG exceeded its treasury bill auction once again. A sum of GHS 642.63 million was raised in 91 day and 182 day bills. This is versus the targeted GHS 596.00 million. All bids tendered across securities issued were accepted. Consequently, the 91 day bill raised GHS 533.86 million whilst the 182 day bill raised 108.77 million. Next week, the government seeks to raise a sum of GHS 1,643.00 million via the issuance of 91 day and 182 day treasury bills.

- In the auction, yields extended their declines across all tenors issued. Both the 91 day and 182 day bill declined by 5 bps. The 91 day bill dipped from 12.47% to 12.42%. Similarly, the 182 day bill declined from 13.26% to 13.20%. These declines have further extended year-to-date losses for the said securities. The 91 day bill has since the beginning of the year dropped by 11.83% whilst the 182 day bill has fallen by 6.47%.

- As the month draws to an end, market participants await the possible issuance of a GoG bond per the issuance calendar. A 6 year bond auction is scheduled for later this month.

## Secondary Debt Market

- Secondary market activity declined slightly last week. Total market turnover declined by GHS 1,057.50 million, compared to the preceding week. Much of this decline was due to declines in value traded across the curve. With the exception of the currently trading 20 year bond, all other bonds saw turnover declining. At the front end of the curve, the 2 year bond saw trades decline by GHS 157.57 million. At the mid point of the curve, the 5 year and 6 year bonds declined by GHS 526.74 million and GHS 70.68 million each. At the long end of the curve, the 10 year and 15 year bonds saw trades fall by GHS 92.31 million and GHS 6.76 million respectively.

- The market was mainly net bid around the mid and tail end of the curve. The May 2026 and January 2027 papers traded around 18.33% and 18.59% respectively. The July 2034 ended the trading session quoted around 18.72%. Additionally, some action was observed in the August 2039 which ended the week at 19.37%.

- Looking ahead, we expect activity to remain strong at least to end the month, on the back of ample GHS liquidity that is currently evident on the market.

## REVIEW: Other Treasury Markets

**Nigeria:** Following expected inflows from the Federation Account Allocated Committee's (FAAC) disbursements, N157.27 billion OMO maturities and N49.89 billion from bond coupon payments, financial liquidity on the Nigerian bond market improved last week. These inflows are expected to limit the impact of outflows for CBN's primary market and foreign exchange (forex) auctions. Due to the strong outflow recorded last week, pressures mounted at the money market space as open buyback and the overnight lending rate increased. The overnight rate expanded by 658 basis points as against the previous week. **Read more:** <https://cutt.ly/xWq7C4s>

## Primary Market

	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	20/08/2021	533.86	533.86	12.47	12.42	(0.05)
182 day	20/08/2021	108.77	108.77	13.26	13.20	(0.05)

Source: Bank of Ghana

## Secondary Market

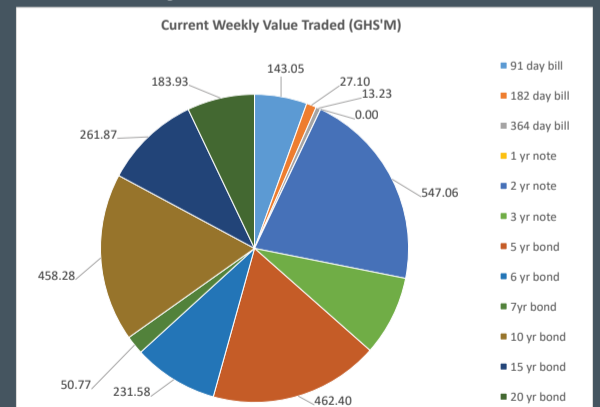
Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	97.46	12.54%
182 day bill	94.12	12.94%
364 day bill	89.48	14.63%
2 year note*	100.38	16.99%
3 year note*	100.50	17.31%
5 year bond*	101.35	18.33%
6 year bond*	102.13	18.59%
7 year bond*	95.20	19.40%
10 year bond *	101.26	19.44%
15 year bond*	106.15	18.72%
20 year bond *	103.11	19.37%

Source: Central Securities Depository

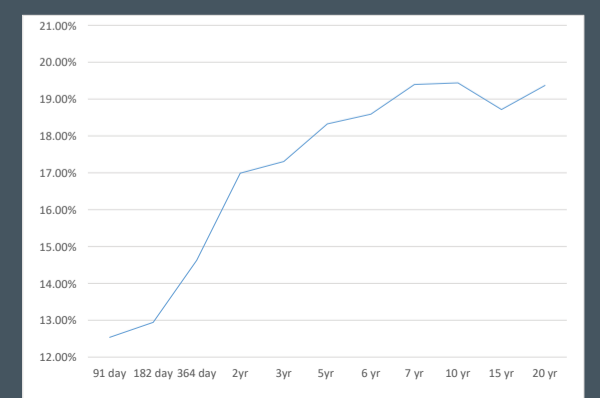
\*Benchmark security.

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



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