

WEEKLY FIXED INCOME REPORT



Date Issued | 26th July, 2021

Primary Debt Market

- Last week a total of GHS 1,856.29 million was raised via the issuance of 91day, 182day and 364day treasury bills. The total amount raised exceeded governments target by some GHS 837.29 million. This comes as a relief to government following the high undersubscription of the previous week. This oversubscription can be attributed mainly to the 364day bill which accounted for majority of bids, raising GHS 844.29 million. This was followed closely by the 91day bill which raised GHS 827.86 million and the 182day bill which garnered GHS 184.14 million. In its next auction, government seeks to raise a sum of GHS 630.00 million in 91day and 182 day bills.

- Yields remained fairly stable, with the exception of the 364day bill which saw yields rise by 8 bps from 16.32% to 16.40%. The 91 day and 182day bill however closed flat at 12.56% and 13.36% respectively. On a year-to-date basis, the 91day bill has lost 10.84% in yields, whilst the 182day bill has declined by 5.36%. The 364day bill also records a year-to-date decline of 3.52%.

- The market awaits the auction of a 2 year bond this week as announced by the Bond Market Specialists (BMS). According to the issuer's Q3 calendar, it will be seeking to raise GHS1.8bn in this issuance.

Secondary Debt Market

- Activity on the secondary market continued to decline. A total of GHS 2,689.84 million exchanged hands on the secondary bourse. This was GHS 1,347.45 million lower than was traded in the preceding week. With the exception of the 20 year bond which saw turnover increase by GHS 76.91 million, all other bonds saw turnover decline.

- For benchmark securities, activity was seen mainly around the front to belly of the curve. February 2021 and March 2024 were quoted 297 bps and 47 bps lower at 17.12% and 17.56% respectively. Similarly, the May 2026 and January 2027 closed the session at 18.67% and 18.83%, reflecting yield losses of 37 bps and 103 bps respectively. The freshly issued July 2031 maturity also witnessed a decline in yields, dropping from 19.75% to 19.68%.

- In the news, the Bank of Ghana maintained the policy rate at a nine year low to boost bank lending and help the economy recover. The rate was held at 13.50%. This decision was also supported by the slowdown in inflation to a record low in May, below the 8% midpoint of the central bank's target. This is expected to keep rates fairly stable in the coming weeks.

REVIEW: Other Treasury Markets

Kenya: Acorn Holdings Limited, a real estate investment company in Kenya has closed the final tranche of its Medium-Term Green Note Programme under which the first Green Bond was launched. The green bond was launched in October 2019 for Sh5 billion, becoming the first of its kind in Kenya. In the process, the first tranche of the issue raised Sh4.262 billion against a minimum target of Sh2 billion. In May 2021, Acorn sought and was granted approval by the Capital Markets Authority to upsize the MTN programme from Sh5 billion to Sh5.7 billion. The additional financing will go towards the development of 2 additional PBSA (Purpose built student accommodation) properties providing 2,654 beds bringing the total numbers of developments funded under the MTN programme to 8 projects providing 7,349 beds. **Read more:** <https://cutt.ly/5QpOs4B>

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	23/07/2021	827.86	827.86	12.56	12.56	0.00
182 day	23/07/2021	184.14	184.14	13.36	13.36	0.00
364 day	23/07/2021	844.30	844.29	16.32	16.40	0.08

Source: Bank of Ghana

Secondary Market

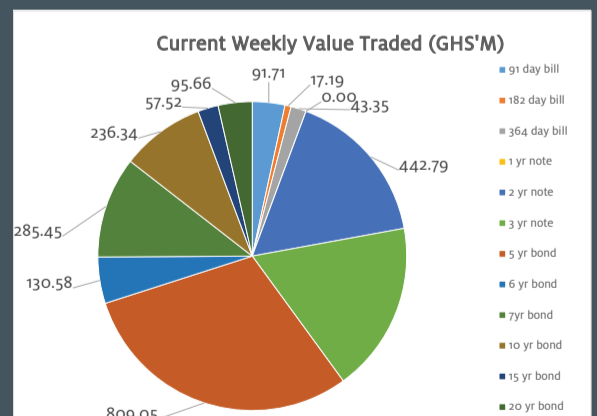
Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	97.17	12.53%
182 day bill	93.91	12.93%
364 day bill	86.72	15.85%
2 year note*	100.59	17.12%
3 year note*	100.20	17.56%
5 year bond*	100.29	18.67%
6 year bond*	101.39	18.83%
7 year bond*	96.11	19.12%
10 year bond *	100.27	19.68%
15 year bond*	106.43	18.67%
20 year bond *	102.66	19.46%

Source: Central Securities Depository

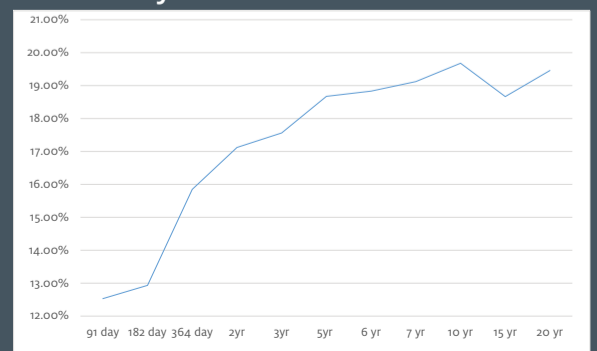
*Benchmark security.

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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