

WEEKLY FIXED INCOME REPORT



Date Issued | 30th August, 2021

Primary Debt Market

- Reversing the trend of the past few weeks, GoG failed to meet its auction target last week. A sum of GHS 1,207.80 million was raised in 91 day and 182 day bills, below its targeted GHS 1,643.00 million. Of the GHS 1,052.21 million bids tendered for the 91 day bill, only GHS 1,051.31 million bids were accepted. The 182 day bill however had all GHS 156.49 million bids accepted. A sum of GHS1,328.00 million is targeted for next week's auction of 91 day, 182 day and 364 day bills.

- The GoG in the past few weeks has seen its efforts to reduce domestic interest payments yield results with gradual decline in yields. However, following the under subscription of securities during this auction, yields were seen higher. In last week's auction, the 91day bill inched up by 4 bps to 12.46% from 12.42% in the previous week. Interest cost for the 182 day bill also increased by 2 bps from 13.20% to 13.22%. On a year-to-date basis, the 91 day and 182 day bills have seen yields fall by 11.55% and 6.35% respectively.

- Market players remain expectant of news on the issuance of a GoG 6 year bond which per the issuance calendar should be announced this month.

Secondary Debt Market

- Secondary market activity increased slightly last week. Turnover during the period increased by GHS 147.27 million, as a total of GHS 2,744.54 million exchanged hands amongst market participants. Activity was centered mainly around short and medium term securities. 2 year and 3 year bonds saw turnover increase by GHS 59 million and GHS 613.93 million each. Similarly, 6 year and 7 year bonds saw trades increase by GHS 76.68 million and GHS 292.16 million respectively.

- Activity throughout the week was rather mixed. At the start of the week the market was flooded with offers, whilst remaining relatively dull. However, as the week progressed demand for GoG bonds (GHGBs) picked up. Action was seen mainly at the short to mid-end of the curve with decent volumes exchanging hands amongst market players. The March 2024 closed the week at 17.26%, whilst the January 2027 stood at 18.57%. Similarly, the June 2028 traded down to touch 18.74% by the close of the week.

- Looking ahead, we expect activity to pick up in the coming days as the month ends and portfolio managers attempt to rebalance their portfolios.

REVIEW: Other Treasury Markets

Egypt: A consortium consisting of the National Bank of Egypt (NBE) and the Commercial International Bank (CIB), have succeeded in completing the process of issuing securitization bonds amounting to LE 585 million for the benefit of Aman Financial Services Company. Yahya Aboul Fotouh, Vice Chairman of the Board of Directors of the NBE, said in a statement Thursday that the bank is keen to expand non-bank debt instruments, stressing that his bank is exerting the necessary effort and care to meet the needs of the bank's customers in various sectors that positively affect the wheel of the national economy. The issuance of LE 585 million is divided into five tranches of LE 175.5 million for the first tranche with a duration of 6 months, LE 146.3 million for the second tranche with a duration of 9 months, LE 81.9 million for the third tranche with a duration of 12 months, and LE 146.3 million for the tranche. The fourth tranche has duration of 36 months. The fifth tranche amount to LE 35 million with duration of 60 months.

Read more: <https://cutt.ly/GWkIeX>

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	27/08/2021	1,052.21	1,051.31	12.42	12.46	0.04
182 day	27/08/2021	156.49	156.49	13.20	13.22	0.02

Source: Bank of Ghana

Secondary Market

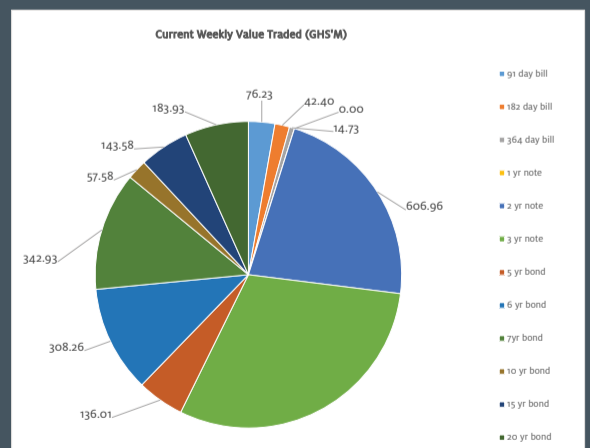
Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	97.17	12.54%
182 day bill	94.15	12.95%
364 day bill	86.99	14.60%
2 year note*	100.23	17.08%
3 year note*	100.50	17.26%
5 year bond*	100.66	18.55%
6 year bond*	102.19	18.57%
7 year bond*	97.48	18.74%
10 year bond *	101.20	19.45%
15 year bond*	100.86	19.79%
20 year bond *	102.85	19.42%

Source: Central Securities Depository

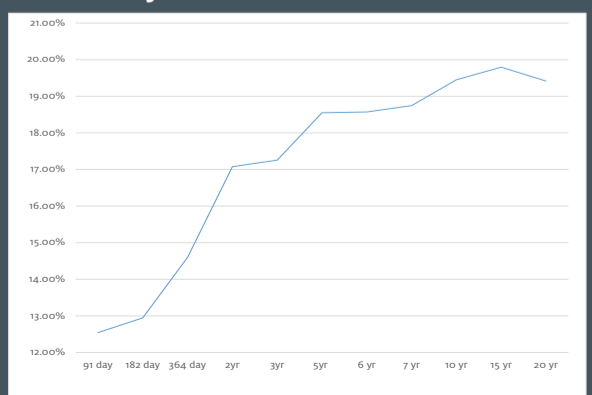
*Benchmark security.

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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