

Primary Debt Market:

-The GoG raised a total of GHS 993.39 million in its recent treasury bill auction. The government issued only 91 day and 182 day bills in this session and all bids tendered by primary dealers were accepted. About 83% (GHS 827.17 million) of bids were raised by the 91 day bill whilst the remaining 17% (GHS 166.22 million) was accounted for by the 182 day bill. The amount raised in the session came below the government’s target of GHS 1,475.00 million. In the next auction, the GoG seeks to raise a lesser amount of GHS 969.00 million in 91 day, 182 day and 364 day bills.

- Yields on the 91 day bill were stable, with the security closing flat at 12.47%, same as the preceding week. The 182 day bill on the other hand witnessed a 3 bps decline in yields from 13.18% to 13.15%. On a year-to-date basis, the 91 day bill has recorded an 11.46% decline in yields whilst the 182 day bill has recorded a 6.86% drop in interest rate.

- The Bond Market Specialists (BMS) have on Monday 11th October announced a 3-year auction to rollover the maturing 3 year October’18 bond. The Initial Pricing Guidance is expected on Tuesday with the offer to close on Thursday, Oct 14.

Secondary Debt Market:

-Activity on the secondary bourse last week, picked up slightly, with market turnover inching up by some GHS 34.84 million. Activity seemed to have picked up around short to mid –tenured securities. 3 year bods saw turnover pick up by GHS 188.03 million, week-on-week. Similarly, 5 year and 7 year bonds in circulation also saw about GHS 16.22 million and GHS 113.58 million more exchanging hands in the week under review, compared to the preceding week.

-Despite the slight uptick in general market activity, activity around benchmark securities was rather low. GHS liquidity continued to be thin affecting mid-tenured securities the most and causing the market to be flooded with offers with very little bids to match. Pension fund withdrawals, Q3 tax obligations as well as the reduction of accommodative reserve requirements for dividend-paying banks have impacted GHS liquidity in the past weeks. The expected GHS 1.5 billion maturity from the central banks OMO bill during the week was not enough to improve liquidity as much as the market anticipated. Clips of the March 2024 exchanged hands 158 bps higher whilst that of the May 2026 and June 2028 ended the session 38 bps and 122 bps higher, on a weekly basis.

- Looking forward, market participants are likely to remain on the sidelines in anticipation of the Q4 debt issuance calendar.

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	08/10/21	827.17	827.17	12.47	12.47	0.00
182 day	08/10/21	166.22	166.22	13.18	13.15	(0.03)

Source: Bank of Ghana

Secondary Market

Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	97.07	12.54%
182 day bill	94.11	12.94%
364 day bill	87.34	14.64%
2 year note*	100.54	17.15%
3 year note*	101.58	22.21%
5 year bond*	97.85	19.51%
6 year bond*	99.32	18.98%
7 year bond*	95.65	19.27%
10 year bond *	100.27	19.66%
15 year bond*	108.33	18.27%
20 year bond *	103.34	19.31%

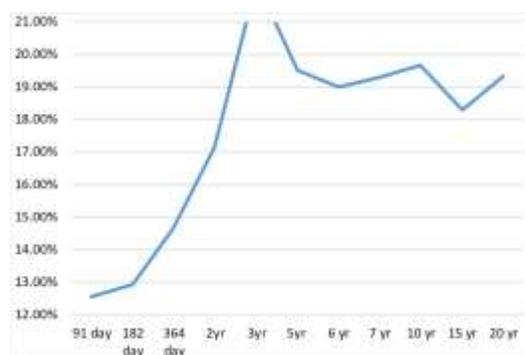
Source: Central Securities Depository

*Benchmark security.
 2yr –Sept’23
 3yr – Mar ’24
 5yr – May ’26
 6yr –Sept’27
 7yr – June ’28
 10yr – July’31
 15yr – July ’34.
 20 yr- August ’39

Secondary Market Trades



Treasury Bill and Bond Yield Curve



Other Treasury Markets

Egypt: Egypt's Ministry of Finance has indicated intentions to issue 52 treasury bill (T-bill) offerings worth EGP 467.5bn and 49 bond offerings worth EGP 165.75bn starting from October to December 2021. This comes as part of the government's plan to borrow EGP 633.25bn from the local market during the second quarter (Q2) of fiscal year (FY) 2021/22, up from EGP 587bn in Q1 2021/22. The Central Bank of Egypt (CBE), which undertakes the task on behalf of the government, will issue EGP 195.25bn worth T-bill and bond offerings in October, EGP 242.75bn worth offerings in November, and EGP 195.25bn offerings in December. Read more: <https://cutt.ly/FE7ABRk>

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