

# WEEKLY FIXED INCOME REPORT



Date Issued | 17th January, 2022

## Primary Debt Market

- The GoG raised a total of GHS 1,065.41 million in last week's treasury bill auction from the issuance of the 91-day and 182-day bills alone after all bids tendered were accepted for the said securities. The total amount raised was in excess of the targeted amount of GHS 1,051.00 by GHS 14.41 million. The 91-day and 182-day bills raised GHS 901.80 million and GHS 163.61 million respectively after all bids tendered for the securities were accepted.

- Yields for the 91-day and 182-day bills remained relatively stable. The 91-day bill stayed unchanged at 12.52% while the 182-day bill increased by a minimal 1bp to stand at 13.21%.

- Headline inflation jumped to the highest level since April 2017 to reach 12.6%. Annual inflation rate for December 2021 increased by 0.4% from the 12.2% that was recorded in November last year. The high rate which has now exceeded the Central Bank's target range of 6-10% consecutively for the last months was majorly driven by higher housing, energy, and water costs.

## Secondary Debt Market

- Activity on the secondary bourse last week increased by GHS 386.11 million to stand at GHS 3,011.59 million as cedi liquidity improved during the course of the week. Much of this activity was underpinned by some significant trades from the mid to the tail end (particularly for the November '2026 10-year paper) of the curve.

- The December '2024, and September '2027 maturities traded 136 bps and 1,439 bps higher to close the week at 20.21% and 20.32% respectively. Similarly, the August '2039 paper closed at 19.63% up by some 146 bps. However, the June '2028 which traded at 19.11% witnessed a declined in yield by 135 bps.

- In the next treasury bill auction, the GoG seeks raise a total of GHS 1,356.00 from the issuance of the 91-day, 182-day, and 364-day bills alone. The government also aims to issue a new 6-year bond and reopen the recently minted 3-year bond. The initial price guiding for both issues are expected to be announced on Tuesday (18/01/22), with book-build scheduled to commence the following day (Wednesday, 19/01/22) and close on Thursday (20/01/22). Hence, activity on the secondary market is expected to be quiet as investors anticipate the upcoming issues on the primary market.

## REVIEW: Other Treasury Markets

**Kenya:** Kenya will issue a new Eurobond in the next two to three months to raise \$1 billion, part of its planned borrowing for this fiscal year, its finance minister said on Thursday (13/01/22). The East African nation set a budget deficit of 7.5% of GDP in its 2021/22 (July-June) financial year, looking to fill it with both local and foreign borrowing. Kenya made its last foray into the market last June, when it sold a \$1 billion Eurobond that received orders just short of \$6 billion. While confirming the planned new issuance to Reuters, Finance Minister Ukur Yatani did not say which banks have been selected to act as lead arrangers for the issue, saying his team had not briefed him yet. Kenya's last issue was led by Citi and JPMorgan. **Source: NASDAQ**

## Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	14/01/2022	901.80	901.8	12.52	12.52	-
182 day	14/01/2022	163.61	163.61	13.20	13.21	0.01

Source: Bank of Ghana

## Secondary Market

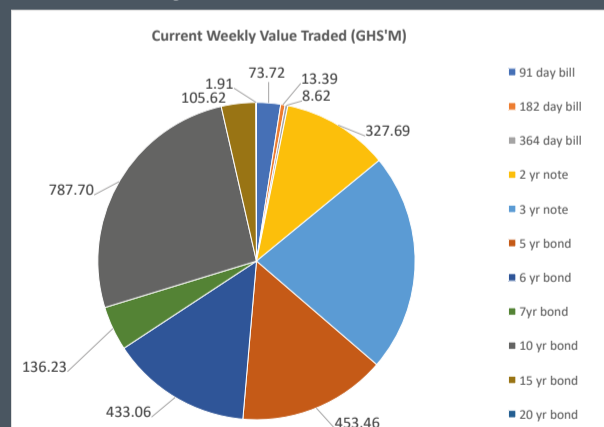
Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	97.23	12.54%
182 day bill	94.11	12.95%
364 day bill	86.67	15.82%
2 year note*	97.02	19.78%
3 year note*	115.81	20.03%
5 year bond*	93.18	20.79%
6 year bond*	99.95	20.65%
7 year bond*	98.99	18.38%
10 year bond *	101.17	19.46%
15 year bond*	108.42	21.00%
20 year bond *	106.02	20.10%

Source: Central Securities Depository

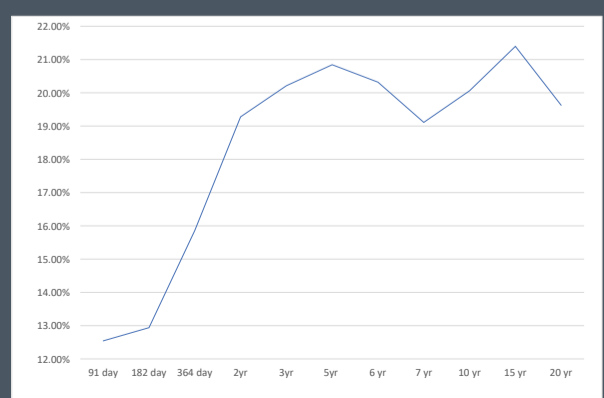
### \*Benchmark security.

- 91 day - June '20
- 182 day - September '20
- 364 day - March '21
- 2yr - February '22
- 3yr - January '23
- 5yr - July '24
- 6yr - January '25
- 7yr - April '25
- 10yr - June '29
- 15yr - July '34.

## Secondary Market Trade



## Treasury Bill & Bond Yield Curve



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