

WEEKLY FIXED INCOME REPORT



Date Issued | 7th February, 2022

Primary Debt Market

- In its recent auction, the GoG raised a sum of GHS 1,303.05 via the issuance of 91 and 182 day bills. The 91 day bill raised GHS 1,216.78 million whilst the 182 day bill raised GHS 86.27 million. All bids tendered across tendered securities were accepted, with the total amount raised exceeding the auction target of GHS 932.00 million. In its next auction, the GoG seeks to issue 91 day, 182 day and 364 day bills to the tune of GHS 1,407 million.

- Yields showed some mixed results. The 91 day bill inched up by 3 bps to 12.66% from 12.63% in the preceding week. The 182 day bill however closed flat at 13.23%. On a year-to-date basis, yields on the 91 day bill have advanced by 1.22% whilst that of the 182 day bill have inched up by 0.37%.

- Also on the primary front, last week was the reopening of a 5-year domestic USD denominated bond which cleared at 6%. This week, the Bond Market Specialists (BMS) have announced the issuance of a 2 year note. Per government's issuance calendar, there is also a 7 year bond scheduled for later this month.

Secondary Debt Market

- The local secondary market begun last week on a relatively quiet note ahead of the central bank's policy rate announcement. Market activity however picked up slightly following the MPC's decision to hold the benchmark rate unchanged at 14.5%. Subsequently, total market turnover on the secondary bourse chalked a weekly increase of GHS 565.83 million. A total of GHS 4,968.19 million exchanged hands last week versus GHS 4,402.36 million in the previous week.

- Overall the market remained better bid, particularly around the front to belly of the curve, underpinned largely by ample GHS liquidity on the local money market. The Dec'23 touched a low of 18.01% from 19.35% in the previous week, whilst the Dec'24 dealt around 20.18% levels. The bidding interest however did not extend towards the tail of the curve. The skewness of market demand to the short end of the curve, reflects sentiment of investors, particularly foreign investors who seek to rebalance their portfolios towards the shorter end. Yields on the June 2028 and July 2031 were seen quoted tightly at 21.46% and 20.05%, reflecting yield advancements of 215 bps and 17 bps respectively.

- Looking ahead, we expect GHS liquidity to remain strong to support demand for GHGBs.

REVIEW: Other Treasury Markets

Egypt: Egyptian state-owned investment bank NI Capital will open subscription to a new fixed-income fund next week and will help sell stakes in as many as four state companies in initial public offerings by the end of 2022, its CEO Mohamed Metwally said. NI Capital, founded in 2015, is an adviser to the government on its programme of selling stakes in state companies. The fixed-income fund, called Fund 15-30, is its second. A year ago, the bank raised 1.08 billion Egyptian pounds (\$69 million) in the initial public offering of a fund called Siula, which as of the end of 2021 had attracted net investment of 4.5 billion pounds. **Read more:** <https://cutt.ly/qOoWPfA>

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	04/02/2022	1,216.78	1,216.78	12.63	12.66	0.03
182 day	04/02/2022	86.27	86.27	13.23	13.23	0.00

Source: Bank of Ghana

Secondary Market

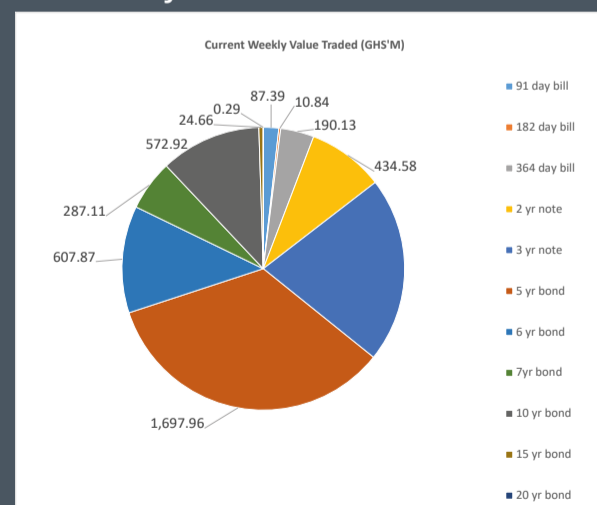
Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	97.10	12.54%
182 day bill	93.96	12.94%
364 day bill	85.68	15.90%
2 year note*	102.56	18.01%
3 year note*	156.18	20.18%
5 year bond*	101.75	20.39%
6 year bond*	101.36	21.33%
7 year bond*	88.55	21.46%
10 year bond *	98.70	20.05%
15 year bond*	98.73	20.27%
20 year bond *	98.86	20.24%

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.
- 20 yr- August '39

Secondary Market Trade



Treasury Bill & Bond Yield Curve



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