

WEEKLY FIXED INCOME REPORT



Date Issued | 14th March, 2022

Primary Debt Market

- Following the acceptance of all bids tendered, the GoG raised a sum of GHS 1,478.49 million in last week’s treasury bill auction from the issuance of the 91 day, 182 day, and 364 day bills. The total amount raised for the said securities stood at GHS 1,478.49 million, exceeding the targeted sum of GHS 1,402 million by GHS 76.49 million. The 91 day and 182 day bills raised GHS 629.95 million and GHS 807.81 million respectively. The typically bi-weekly issued 364 day bill on the other hand, was issued for a consecutive week and raked in a sum of GHS 40.73 million. In addition to the mentioned securities, the GoG also issued a 5 year bond which raised a sum of GHS 862.76 million. This week, the government seeks to raise a sum of GHS 1,401 million from the issue of the 91 day and 182 day bills only.

- Generally, yields were seen trending upwards; the 91 day and 182 day bills inched up by 11bps and 18bps accordingly while the 364 day bill remained same at 16.96%. However, the freshly minted 5-year bond was issued at a 25bps lower yield of 20.75% compared to when it was last issued in December at 21%.

- The Bank of Ghana (BoG) has announced that its next policy rate announcement has been postponed for another week. The Monetary Policy Committee (MPC) press conference is now set to take place on March 21st. A policy rate hike of at least 100 basis points is expected as the MPC seeks to slow down surging inflation.

Secondary Debt Market

- Activity on the secondary bourse slowed down by GHS 952.64 million to stand at GHS 3,568.32 million as investors were fixated on the 5 year bond auction.

- Market interest was seen at the front to the belly of the curve, and was mostly net offered. At the front end of the curve, the December 2024s (2 year and 3 year) traded 46bps and 44bps lower at 18.85% and 18.38% respectively. At the belly of the curve, the December 2026 maturity witnessed some paying interest dealing at 19.69%. At the long end of the curve, yield of the July 2031 fell by 108bps at 20.16% while the longer dated August 2039 witnessed no trades.

- This week, we anticipate activity on the secondary market to pick up on improved GHS liquidity from large coupon payments.

REVIEW: Other Treasury Markets

Kenya: The Development Impact Bond (DIB), the Sub-Saharan Africa’s first bond that focuses on poverty alleviation has announced its results. It also announced that investors would receive full payout based on the results, with a roughly 8% internal rate of return, or annual growth rate on investment. The DIB is a results-based financing mechanism, in which investors — in this case, the Delta Fund, the Bridges Impact Foundation, and others — provide upfront capital for an intervention implemented by a service provider. The investors are compensated based on specific, closely measured results by an outcome payer — or, as with this DIB, a group of them, including USAID, FCDO, and an anonymous donor. **Read more at: Devex.com**

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	11/03/2022	629.95	629.95	13.14	13.25	0.11
182 day	11/03/2022	807.81	807.81	13.37	13.55	0.18
364 day	11/03/2022	40.73	40.73	16.96	16.96	-
5 year	11/03/2022	862.76	862.76	21.00	20.75	(0.25)

Source: Bank of Ghana

Secondary Market

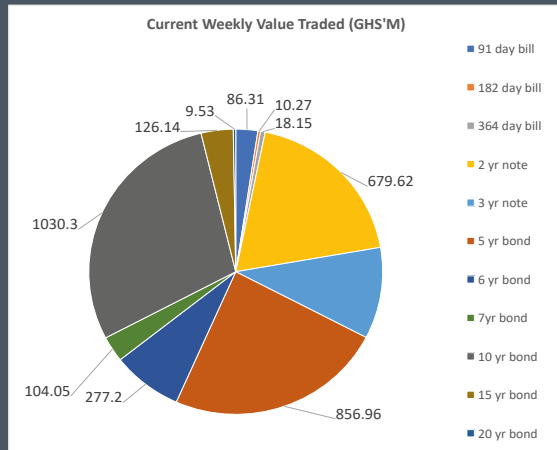
Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	9750	12.54
182 day bill	94.17	12.94
364 day bill	86.03	15.89
2 year note*	101.74	18.85
3 year note*	104.41	18.38
5 year bond*	103.82	19.69
6 year bond*	103.23	20.74
7 year bond*	95.68	19.30
10 year bond *	98.20	20.16
15 year bond*	96.34	20.81
20 year bond *	99.65	20.06

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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