

WEEKLY FIXED INCOME REPORT



Date Issued | 28th February, 2022

Primary Debt Market

- The GoG issued 91 day, 182 day, and 364 day bills in its recent treasury auction. The sale of these bills raised a sum of GHS 1,212.80 million, following the acceptance of all bids tendered. The 91 day bill raised the highest amount of GHS 863.93 million, followed by the 364 day bill which accounted for GHS 203.29 million, and the 182 day bill which raised GHS 145.58 million. The amount raised came in GHS 111.20 million less than was targeted by the GoG for the auction. In its next auction of 91 day, 182 day, and 364 day bills, the government seeks to raise a sum of GHS 1,175.00 million.

- Yields showed some mixed results; whilst that of the 91 day and 182 day bill inched up, yields for the 364 day bill declined. The 91 day bill inched up by 12 bps to 13.03% from 12.91%. Similarly, the 182 day bill advanced by 2 bps from 13.29% to 13.31%. On the contrary, the 364 day bill saw yields dip by 3 bps to 16.96% versus 16.99% when it was last issued a fortnight ago. Furthermore, on a year-to-date basis, the 91 day and 182 day bills have witnessed yields advancing by 4.11% and 0.93% respectively. Similarly, yields on the 364 day bill have also advanced by 2.36%.

Secondary Debt Market

- The bond secondary market was rather active last week with a sum of GHS 4,557.52 million exchanging hands, up GHS 122.65 million from the preceding week.

- Strong GHS liquidity was observed at the start of the week and resulted in paying interest being observed across the curve. Consequently, yields were seen largely lower as bidding interest characterized the week's trading activity. Demand for GHGBs was seen by both local and offshore players, with offshore players mainly around the front of the curve. Local players, particularly fund managers who sought to balance their portfolios ahead of month-end, were seen at the tail of the curve. At the front end of the curve, the February 2024 and December 2024, traded 4bps and 25 bps lower at 19.38% and 19.46% respectively. Additionally, yields on the December 2026 and January 2028 fell by 9bps and 76 bps, trading around 20.07% and 20.45% each. The back end of the curve also enjoyed some paying action with the July 2034 maturity dealing around 20.79%.

- As the week drew to an end, activity on the local bond market began to cool off, on the back of news of Russia's attack on Ukraine. This created uncertainty amongst offshore players thereby reducing some of the gains chalked in earlier sessions. The international capital market was also quick to react to the news, with yields on Ghana Eurobonds spiking by weekend on the back of risk-off sentiment that characterized the market. Looking ahead, we expect to see selling interest amongst offshore participants should the crisis continue to escalate.

REVIEW: Other Treasury Markets

Egypt: Egypt has named six international lenders, including Citigroup Inc. and HSBC Holdings Plc, to manage its first sale of sovereign Islamic bonds as one of the Middle East's most indebted nations looks to diversify funding sources and ease the burden on its economy. Abu Dhabi Islamic Bank PJSC, Credit Agricole SA, Emirates NBD Bank PJSC, and First Abu Dhabi Bank PJSC were also selected to help the government sell a Sukuk of around \$2 billion, according to people familiar with the decision. The issuance is expected to take place in the second quarter of the year. Egypt first announced plans to sell sovereign Islamic bonds four years ago but opted to move ahead instead with other international issuances to help cover financing needs. Last year, it raised \$6.8 billion through Eurobond issuances and is planning its first Japanese yen-denominated Samurai bond in the current fiscal year that ends in June.

Read more: <https://cutt.ly/sAe62Ti>

Primary Market

Security	Recent auction (date)	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	25/02/2022	863.93	863.93	12.91	13.03	0.12
182 day	25/02/2022	145.58	145.58	13.29	13.31	0.02
364 day	25/02/2022	203.29	203.29	16.99	16.96	(0.03)

Source: Bank of Ghana

Secondary Market

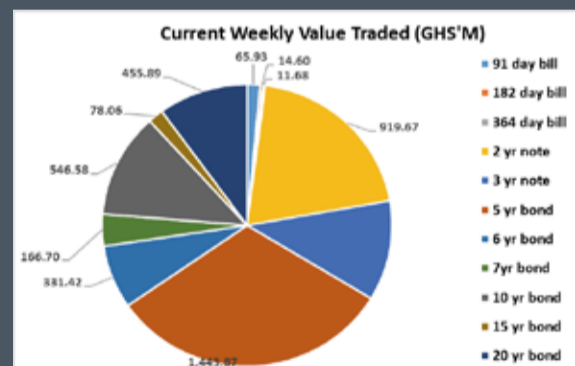
Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	79.80	12.54%
182 day bill	95.23	12.94%
364 day bill	86.44	15.85%
2 year note*	100.66	19.38%
3 year note*	136.84	19.46%
5 year bond*	102.66	20.07%
6 year bond*	104.27	20.45%
7 year bond*	94.29	19.69%
10 year bond *	95.72	20.78%
15 year bond*	96.46	20.79%
20 year bond *	99.30	20.17%

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



WEEKLY FIXED INCOME REPORT



Date Issued | 28th February, 2022

Dear Money,
who can I trust you with?

GCB Bank
your bank for life

Customer Service: 0302 681 531 Toll Free: 0800 422 422 WhatsApp: 0202 422 422

Web: www.gcbbank.com.gh Follow [GCBBankLimited](#)     



Research Contacts

Jonathan Ofori
Email: jonofori@gcb.com.gh
Tel: 0302 66 4910 - 18

Adomako Osei-Frimpong
Email: aofrimpong@gcb.com.gh
Tel: 0302 66 4910 -18

Michael Bedjrah
Email: mbedjrah@gcb.com.gh
Tel: 0302 66 4910 -18

Treasury & Sales Contacts

Anthony Asare
Email: akasare@gcb.com.gh
Tel: 0302 611 762

Daniel Boateng
Email: daboateng@gcb.com.gh

GCB Securities Ltd.

Michelle N.O Dadey
Email: mnodadey@gcb.com.gh
Tel: 0559 733 990 0302 945848

Head Office:

No 2 Thorpe Link
P. O. Box 134, Accra
Tel: +233 (0)302 664910

Disclaimer

This document has been prepared by the Research Department of GCB Bank Limited solely for information purposes and does not constitute any legally binding obligations on GCB. Any views expressed are those of the Research Department. Any views and commentary in this communication (the views) are short term views of the GCB Research Department from which it originates (the authors) and are not a personal recommendation and do not take into account whether any product or transaction is suitable for any particular investor.

Whilst the information provided in this document has been prepared by GCB Research Department based upon or by reference to sources, materials that GCB believes to be reliably accurate, GCB does not guarantee its completeness or accuracy. The message is for information purposes only as of the date hereof and are subject to change. It is not a recommendation, advice, offer or solicitation to buy or sell a product or service. We do not accept any liability for losses (direct or consequential) which may arise from making use of this document or its contents or reliance on the information contained herein.

All opinions and estimates are given as of the date hereof and are subject to change. GCB is not obliged to inform readers of any such change to such opinions or estimates. This document do not purport to contain all the information that you may desire. In all cases, interested parties should conduct their own investigations and analysis of the transaction described in the document and of the data set forth in the document. In particular it is recommended for interested parties to check that the information provided is in line with their own circumstances with regard to any legal, regulatory, tax or other specialist or technical advice or services, if necessary with the help of a professional advisor.

This document is confidential and may not be reproduced or distributed in whole or in part without the prior written permission of GCB.