

WEEKLY FIXED INCOME REPORT



Date Issued | 28th March, 2022

Primary Debt Market

- The GoG raised a total of GHS 727.71 million in last week’s treasury bill auction from the issuance of the 91-day, 182-day, and 364-day bills. The sum raised for the securities came in GHS 1,482.29 million short of the targeted amount of GHS 2,210.00 million. The 182-day bill raised GHS 72.65 million after all bids tendered for the security was accepted. However, for the 91-day and 364-day bills, the Government raised GHS 434.69 million and GHS 220.37 million after GHS 438.19 million and GHS 222.37 million bids were tendered for the securities accordingly. In the next auction, the government aims to raise a sum of GHS 766.00 million from the issuance of 91- day, 182 -day, and 364 -day bills.

- Yields were seen moving up at a fast pace; the 91-day and 182 -day bills moved up by 72 bps to 14.14% and 90 bps to 14.51% respectively. Similarly, the 364 day bill inched up by 15 bps from 16.96% to 17.11%.

- On Monday (21/03/22), the Monetary Policy Committee (MPC) concluded its 105th regular conference where it announced increase in benchmark interest of 250 bps to 17.00%. Subsequently, on Thursday (24/03/22), the Finance Minister announced in a press briefing some new fiscal measures to address the nation’s current economic challenges including a reduction in fuel and diesel prices by 1.6% and 1.4% respectively. Other measures consist of a moratorium on the purchase of imported vehicles by the state, and a ban on all state foreign travels among other measures.

Secondary Debt Market

- On the secondary debt market , a total value of GHS 2,656.80 million changed hands. The amount which came in lower by GHS 2,276.69 million from the previous week was underpinned by trades from the front to the belly of the curve. At the front end of the curve, the 2-year and 3 -year bonds was seen declining by GHS 421.87 million and GHS 284.51 million respectively. The 5 -year and 6 -year bonds, at the belly of the curve, also receded in volume by GHS 762.18 million and GHS 122.55 million accordingly

- For benchmark securities, the market remained net offered as market participants anticipated the Finance Ministers briefing on new fiscal measures to deal with the nation’s economic challenges. The December ’24 and January ’28 maturities witnessed an increase in yield by 166 bps and 141 bps respectively to close the week at 15.86% and 21.64% respectively. Conversely, the July ’31 maturity declined in yield by 15 bps to close at 20.52%.

- This week, we expect activity to pick up strongly on the secondary market as asset managers seek to rebalance their portfolios ahead of the month and quarter end.

REVIEW: Other Treasury Markets

Egypt: Egypt’s Eurobond witnessed price increase after the country devalued its currency by nearly 14% and posted a surprise rate hike. The dollar bonds continued to bounce back from a sell-off after Ukraine’s February 24th invasion by Russia prompted foreign investors to pull billions of dollars out of the Egyptian treasury markets earlier in March. In a press conference, the country’s central bank Governor, Tarek Amer, stated that the pound has undergone a “correction” that reflected world and local developments. He further stated that the correction would make exports competitive and help preserve foreign currency liquidity. The move to devalue came alongside a 100 bps increase in the central bank’s benchmark interest rate, which resulted in an increase of the overnight lending rate to 10.25% and its overnight deposit rate to 9.25%. Read more at: Reuters

Primary Market

Security	Auction Date	Amount tendered (GHS'M)	Bids accepted (GHS'M)	Prev. yield (%)	Current yield (%)	Change (%)
91 day	25/03/2022	438.19	434.69	13.42	14.14	0.72
182 day	25/03/2022	72.65	72.65	13.61	14.51	0.90
364 day	25/03/2022	222.37	220.37	16.96	17.11	0.15

Source: Bank of Ghana

Secondary Market

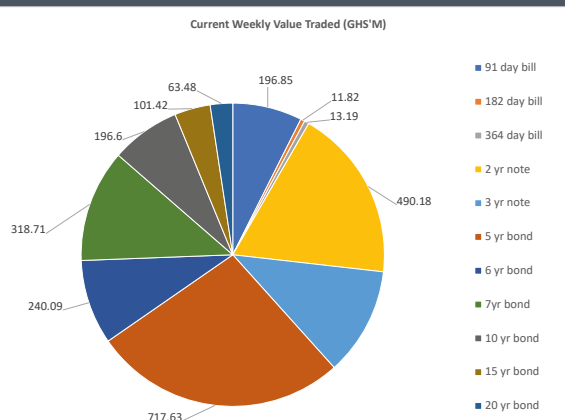
Security	Weighted avg. price (estimated)	Weighted avg. yield (estimated) %
91 day bill	103.82	12.54
182 day bill	94.44	12.95
364 day bill	85.74	15.86
2 year note*	100.27	19.26
3 year note*	192.08	21.03
5 year bond*	100.27	20.65
6 year bond*	100.23	21.64
7 year bond*	99.75	18.14
10 year bond *	96.79	20.52
15 year bond*	93.92	21.39
20 year bond *	93.93	21.31

Source: Central Securities Depository

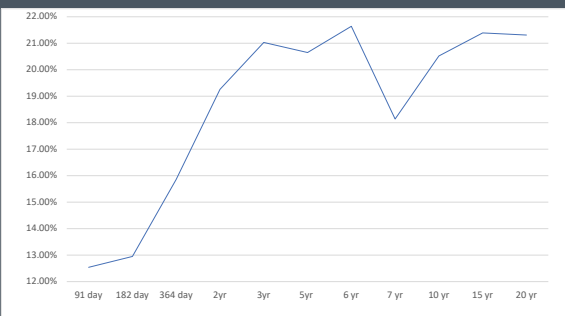
***Benchmark security.**

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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