

FIXED INCOME WEEKLY SUMMARY

Weekly Auction

Treasury Bills/Bonds Auction Results			
Tender 1798	Current Yield	Previous Yield	Change (bps)
91 Day T-bill	17.8800%	17.4085%	47.15
182 Day T-bill	18.8060%	18.5268%	27.92
364 Day T-bill	20.6521%	19.6735%	97.86

At last Friday's weekly auction of Government securities, the 91-day and 182-day bills rose by 47bps to 17.88% and 27 bps to 18.81% respectively. The 364-day bill also inched up by 97bps to 20.65%. Government accepted 100% of total bids tendered by investors being GH¢953.17 million in both 91-, 182- and 364-day bills.

The 2-year note and 5-year bond closed with an FPG of 21.5% and 22.3% with total sizes of GH¢601.92 and GH¢575.49 respectively.

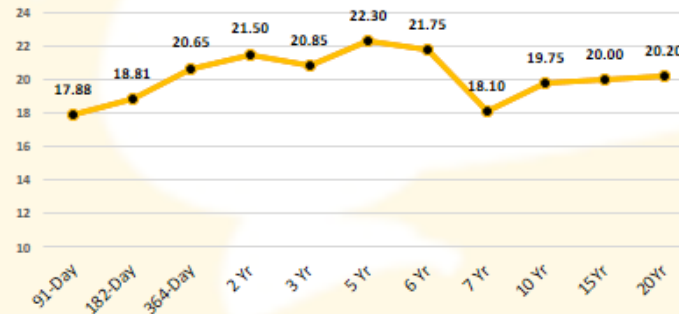
	Auction Target (GHSm)	Actual Volume (GHSm)
91, 182 & 364 T-bill	1,408.00	953.17
	1,408.00	953.17
	Subscription rate	67.70%

Breakdown of Alloted Bids		
	Bids Accepted (GHSm)	
91 Day T-bill	812.44	85.2%
182 Day T-bill	107.40	11.3%
364 Day T-bill	33.33	3.5%
	953.17	

Per the table below, the target for this week's upcoming auction is GHS1,961 million for the 91, 182 & 364 day bills. The auction will be held on Friday, May 13, 2022.

Target size (GHS m)	1,961
Tender no	1798
Auction Date	Friday, 13 th May, 2022
Settlement Date	Monday, 16 th May, 2022
Securities on offer	91, 182 & 364 Day-Bills

Yield curve as at May 9, 2022 (%)



GOG Security Issuances YTD (GHS)				
Security	Primary (GHSm)	Retaps & Deposits (GHSm)	Total (GHSm)	%
91 Day T-bill	14,321.58	-	14,321.58	56.55%
182 Day T-bill	2,941.37	-	2,941.37	11.61%
364 Day T-bill	1,736.92	-	1,736.92	6.86%
2 Year Note	1,684.34	24.83	1,709.17	6.75%
3 Year Bond	1,181.00	655.36	1,836.36	7.25%
5 Year Bond	1,438.25	20.00	1,458.25	5.76%
6 Year Bond	1,320.66	-	1,320.66	5.21%
7 Year Bond	-	-	-	0.00%
10 Year Bond	-	-	-	0.00%
15 Year Bond	-	-	-	0.00%
20 Year Bond	-	-	-	0.00%
	24,624.12	700.19	25,324.31	

Secondary Market

Total face value of volumes traded decreased by 43% week on week to 3 billion partly because it was a 3-day trading week. 73% of trades settled were short-term papers, medium-term and long-term securities made up 25% and 2% of total trades, respectively.

Rates weakened across curve as late 22s were offered above 20%. 23s still hovered around the 21% area while 24s printed at 21.4% area. 25s traded at 21.5% area and 29s touched circa 22.4%.

The final clearing yield for the 2-year note and 5-year bonds were 21.5% and 22.3% with total sizes of 601,916,115 and 575,489,973 respectively. The Securities and Exchange Commission (SEC) has announced that it's working with Ministry of Finance (MOF) regarding the potential exemption of investment transactions from the E-levy.

Over the week under review, the Federal Open Market Committee (FOMC) and Bank of England (BOE) increased their key rates by 50 and 25 basis points respectively in an attempt to stem inflation. The US posted a strong jobs report. OPEC+ in their meeting agreed to a modest increment in supply despite the EU's intention to ban Russian oil.

Ghana Eurobonds ultimately lost value over the week as investor sentiments swung sharply from positively reacting to Chairman Powell's speech to viewing it negatively.

The China Covid lockdown remains a concern as clear signs have emerged of its effect on the global supply chain, this adds to upside inflation risk. G7 leaders commit to banning Russian oil as EU struggles to come to an agreement on its ban.

Domestic Macros	Current	Previous	Change (bps)
Interbank Average Rate	17.50%	17.18%	32
Inflation Rate	19.40%	15.70%	370
Monetary Policy Rate	17.00%	14.50%	250
Ghana Reference Rate	16.58%	14.18%	240

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