

Weekly Auction

Treasury Bills/Bonds Auction Results			
Tender 1799	Current Yield	Previous Yield	Change (bps)
91 Day T-bill	18.2262%	17.8800%	34.62
182 Day T-bill	19.2623%	18.8060%	45.63
364 Day T-bill	21.7276%	20.6521%	107.55

Last Friday's weekly auction ended with the 91 and 182-day bills inching up by 34 and 45 basis points to 18.23% and 19.26% respectively. The 364-day bill also increased by 107 basis points to 21.73%. Government accepted. The government accepted total bids of GHS1,248.67 across 91,182 and 364-day bills, but missed its target yet again by GHS712.33m

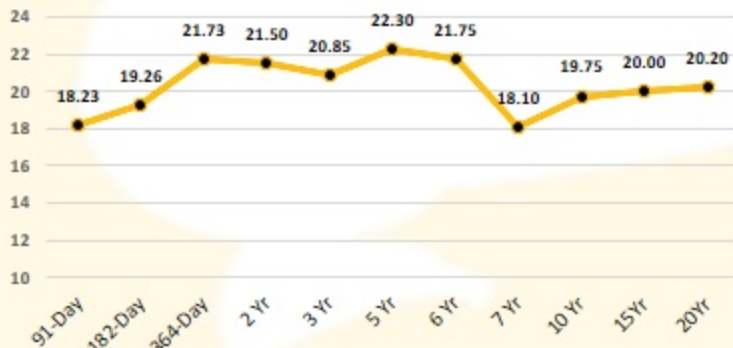
	Auction Target (GHSm)	Actual Volume (GHSm)
91, 182& 364 T-bill	1,961.00	1,248.67
	1,961.00	1,248.67
Subscription rate		63.68%

Breakdown of Alloted Bids		
	Bids Accepted (GHSm)	
91 Day T-bill	1,031.39	82.6%
182 Day T-bill	128.47	10.3%
364 Day T-bill	88.81	7.1%
	1,248.67	

Per the table below, the target for this week's upcoming auction is GHS875 million for the 91 & 182-day bills. The auction will be held on Friday, May 20, 2022.

Target size (GHS m)	875
Tender no	1799
Auction Date	Friday, 20 th May, 2022
Settlement Date	Monday, 23 rd May, 2022
Securities on offer	91 & 182 Day-Bills

Yield curve as at May 16, 2022 (%)



GOG Security Issuances YTD (GHS)				
Security	Primary (GHSm)	Retaps & Deposits (GHSm)	Total (GHSm)	%
91 Day T-bill	15,352.97	-	15,352.97	57.78%
182 Day T-bill	3,069.84	-	3,069.84	11.55%
364 Day T-bill	1,825.73	-	1,825.73	6.87%
2 Year Note	1,684.34	24.83	1,709.17	6.43%
3 Year Bond	1,181.00	655.36	1,836.36	6.91%
5 Year Bond	1,438.25	20.00	1,458.25	5.49%
6 Year Bond	1,320.66	-	1,320.66	4.97%
7 Year Bond	-	-	-	0.00%
10 Year Bond	-	-	-	0.00%
15 Year Bond	-	-	-	0.00%
20 Year Bond	-	-	-	0.00%
	25,872.79	700.19	26,572.98	

Secondary Market

Total face value of volume traded increased by 17% week on week to 3.5 billion. 69% of trades settled were short-term papers, medium-term and long-term securities made up 29% and 2% of total trades respectively.

From our point of view, rates weakened across curve as dealers looked to price in April inflation which came in at 23.6%, a surprise to most analysts. 22s were repriced with participants bidding around 21% area. Late 23s and most 24s were offered in the 22% area. 25s, 26s and 27s were bid a little shy of 23%. Maturities above these were bid above 23%.

The president of AfDB has made a compelling case for the US to back its emergency food production plan which seeks to avert a looming crisis caused by the Russia/Ukraine war.

The Ghanaian Minister of Finance has reiterated the government's intention to not seek assistance from the IMF. He stated that the economy is headed in the right direction and would find alternative ways to refinance debt.

The US inflation figure for April moderated to 8.3%, still above most analysts' estimate. Fears of a recession have been rife as a combination of rising interest rates and high inflation most likely leads to this. This is with a backdrop of Covid 19 related supply constraints and a Russian-Ukraine war very likely to be aggravated as NATO looks to accept Finland and Sweden.

Coming into this week, The Monetary Policy Committee is set to have a much anticipated meeting between 18th and 20th with the release date being the 23rd May.

Domestic Macros	Current	Previous	Change (bps)
Interbank Average Rate	18.53%	17.50%	103
Inflation Rate	23.60%	19.40%	420
Monetary Policy Rate	17.00%	14.50%	250
Ghana Reference Rate	16.58%	14.18%	240

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