

Weekly Auction

Treasury Bills/Bonds Auction Results			
Tender 1799	Current Yield	Previous Yield	Change (bps)
91 Day T-bill	19.0807%	18.2262%	85.45
182 Day T-bill	20.7640%	19.2623%	150.17
3-Yr Bond	25%	20.85%	415

Last Friday's weekly auction ended with an 85 bps and 150bps hike in the 91 and 182 day bills to 19.08% and 20.76% respectively. There was no 364-day bill auction. The government raised GHS821.69m, missing its target of GHS875m, yet again with a shortfall of GHS53.31m.

The new 3-year issue cleared at 25%. Government accepted 100% bids of GHS470.41m

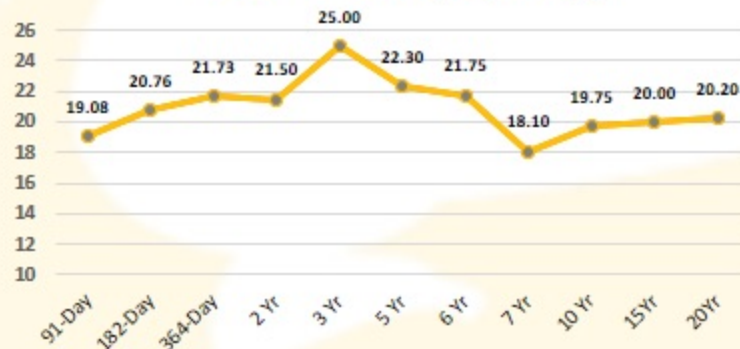
	Auction Target (GHSm)	Actual Volume (GHSm)
91, 182& 364 T-bill	875.00	821.69
	875.00	821.69
Subscription rate		93.91%

Breakdown of Allotted Bids		
	Bids Accepted (GHSm)	
91 Day T-bill	657.87	80.1%
182 Day T-bill	163.82	19.9%
	821.69	
3-Yr Bond	470.41	100%

Per the table below, the target for this week's upcoming auction is GHS1,282 million for the 91, 182 & 364-day bills. The auction will be held on Friday, May 27, 2022.

Target size (GHS m)	875
Tender no	1800
Auction Date	Friday, 27 th May, 2022
Settlement Date	Monday, 30 th May, 2022
Securities on offer	91, 182 & 364 Day-Bills

Yield curve as at May 23, 2022 (%)



GOG Security Issuances YTD (GHS)				
Security	Primary (GHSm)	Retaps & Deposits (GHSm)	Total (GHSm)	%
91 Day T-bill	16,010.84	-	15,352.97	49.39%
182 Day T-bill	3,233.66	-	3,069.84	9.97%
364 Day T-bill	1,825.73	-	1,825.73	5.63%
2 Year Note	1,684.34	1,965.84	1,709.17	11.26%
3 Year Bond	1,651.41	1,958.10	1,836.36	11.13%
5 Year Bond	1,438.25	395.17	1,458.25	5.66%
6 Year Bond	1,320.66	225.38	1,320.66	4.77%
7 Year Bond	-	98.24	-	0.30%
10 Year Bond	-	519.89	-	1.60%
15 Year Bond	-	90.19	-	0.28%
20 Year Bond	-	-	-	0.00%
	27,614.89	5,252.81	32,417.70	

Secondary Market

Total face value of volume traded decreased by 14% week on week to 3 billion. 54% of trades settled were short term papers, medium-term and long-term securities made up 41% and 5% of total trades respectively.

A total of 1.6 billion of bills settled last week with cocoa bills making up 55% and GOG bills forming 45%.

The yield curve flattened as yields in the shorter end of the curve lost value relatively more than longer term securities. This is on the back of a high inflation print and a tight liquidity situation.

Dealers had an eye on the MPC meeting that took place within the week with most counting on the committee to come out with policies that will resolve the current inflationary pressures. The result of the meeting will be released today.

The governor of the bank of Ghana mentioned in an interview that he expects inflation to taper for the rest of the year and said that there was no indication of slowing growth when asked of the potential effect of the high inflation and policies being put in place to stem it.

The ECB is likely to start hiking rates in July and exit negative rates by the end of September, according to Christine Lagarde.

In what most analysts are describing as his most hawkish remarks yet, Chairman Powell declared that the US will keep raising rates until there's a clear and convincing evidence that inflation is in retreat. Inflation in the UK has jumped to a 40 year high of 9% for the month of April, fueled by Energy and food prices.

In an expansionary tilt to support their economy as a result of a struggling construction sector and the ramifications of Covid lockdowns due to their zero Covid policy, China's central bank unexpectedly cut rates.

Coming into this week, the market will be looking forward to the press release of the MPC meeting on 23rd May.

Domestic Macros	Current	Previous	Change (bps)
Interbank Average Rate	18.90%	18.53%	37
Inflation Rate	23.60%	19.40%	420
Monetary Policy Rate	17.00%	14.50%	250
Ghana Reference Rate	16.58%	14.18%	240