

Treasury Bill rates continues to move lower despite governments move to soak up liquidity, whilst the Treasury Bonds remain pending.

- A total of K266.72m was offered for Treasury bill auctions with K196.72m in the 364 day segment.
- The total subscription was K318.93m representing an oversubscription rate of 1.20x.
- The rates eased lower across the board.
- Graph 1.0 depicts the closing rates mid of Jan and March 2022. The rates finished at 5.10% compared to 6.57% in mid of Jan 2022

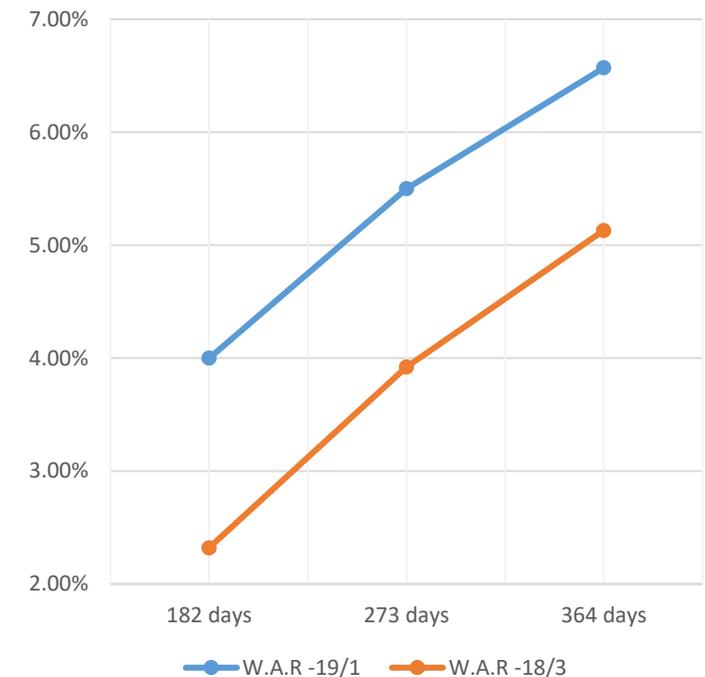
Table 1.0 – Previous auction results

| Auction results 16 March 2022 | | | | |
|-------------------------------|----------|----------|----------|--------|
| Terms | 182 days | 273 days | 364 days | Total |
| W.A.Y -16/3 | 2.29% | 3.90% | 5.10% | |
| Amount on offer | 20 | 50 | 196.72 | 266.72 |
| Bids received | 6 | 5 | 307.93 | 318.93 |
| Successful bids | 6 | 5 | 307.93 | 318.93 |
| oversubscription rate | 0.30x | 0.10x | 1.57x | 1.20x |

| Auction results 09 March 2022 | | | | |
|-------------------------------|----------|----------|----------|--------|
| Terms | 182 days | 273 days | 364 days | Total |
| W.A.Y -09/3 | 2.32% | 3.92% | 5.13% | |
| Amount on offer | 10 | 20 | 180.45 | 210.45 |
| Bids received | 19.2 | 27.1 | 392.82 | 439.12 |
| Successful bids | 10 | 20 | 180.45 | 210.45 |
| oversubscription rate | 1.92x | 1.36x | 2.18x | 2.09x |

| Auction results 02 March 2022 | | | | |
|-------------------------------|----------|----------|----------|-------|
| Terms | 182 days | 273 days | 364 days | Total |
| W.A.Y -02/3 | 2.36% | 3.97% | 5.16% | |
| Amount on offer | 10 | 40 | 228 | 278 |
| Bids received | 17.1 | 45 | 472 | 534.1 |
| Successful bids | 10 | 40 | 228 | 278 |
| oversubscription rate | 1.71 | 1.13 | 2.07 | 1.92 |

Graph 1.0 – yield curve showing movement in T-bills between Jan and March 2022



Money market insight

- The Central Bank have announced the trading for new TAP investments (BPNG Bills and Bonds) is open effective 2nd March, 2022.
- Bids will be done via e-mails and e-payment modes only.
- Eligible Investors can participate in the Tap Investments.
- Term deposit rates remained stable across the market except for a slight downward change for FIFL in the 365 days paper.
- Investors will continue to seek yield as a hedge against inflation, with the latest estimates of inflation at 5.7%
- Cash investments also offer capital protection.

Table 2.0 – Financial institutions rates and short term government paper rates as at 18 March 2022

| Issuer | Term & rates (Current) | | | | | Term & rates (Previous) | | | | | Change/movement | | | | |
|------------------------------|------------------------|-------|-------|-------|-------|-------------------------|-------|-------|-------|-------|-----------------|-------|--------|--------|--------|
| | 30 | 60 | 90 | 180 | 365 | 30 | 60 | 90 | 180 | 365 | 30 | 60 | 90 | 180 | 365 |
| Commercial banks | | | | | | | | | | | | | | | |
| BSP | 0.10% | 0.10% | 0.15% | 0.60% | 1.10% | 0.10% | 0.10% | 0.15% | 0.60% | 1.10% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Kina Bank | 0.75% | 1.00% | 1.25% | 1.50% | 1.75% | 0.75% | 1.00% | 1.25% | 1.50% | 1.75% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Westpac (PNG) | 0.10% | 0.15% | 0.25% | 0.50% | 1.00% | 0.10% | 0.15% | 0.25% | 0.50% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ADIs | | | | | | | | | | | | | | | |
| BSP Finance (PNG) | 0.10% | 0.10% | 0.15% | 0.60% | 1.10% | 0.10% | 0.10% | 0.15% | 0.60% | 1.10% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Credit Corporation (PNG) | 1.00% | 1.50% | 2.50% | 3.50% | 4.60% | 1.00% | 1.50% | 2.50% | 3.50% | 4.60% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Fincorp | 1.50% | 2.00% | 3.00% | 4.00% | 5.10% | 1.50% | 2.00% | 3.00% | 4.00% | 5.10% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Moniplus | 1.75% | 2.05% | 3.05% | 4.05% | 4.25% | 1.75% | 2.05% | 3.05% | 4.05% | 4.25% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| First Investment Finance | 1.00% | 1.10% | 1.25% | 2.00% | 4.00% | 1.00% | 1.10% | 1.25% | 2.00% | 4.50% | 0.00% | 0.00% | 0.00% | 0.00% | -0.50% |
| Government Securities | | | | | | | | | | | | | | | |
| Treasury bills (W.A.R) | | | 2.32% | 3.92% | 5.13% | | | 2.36% | 3.97% | 5.16% | 0.00% | 0.00% | -0.04% | -0.05% | -0.03% |
| Central Bank | | | | | | | | | | | | | | | |
| Central Bank bills (W.A.R) | 1.07% | 1.81% | 1.79% | | | 1.07% | 1.81% | 1.79% | | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Table 3.0 – Long dated government paper rates – last auction results in 2021

| Issuer - GoPNG | Term & rates (Current) | | | | | | |
|--------------------------------------|-------------------------|-------|-------|--------|-------|-------|-------|
| Term (years) | 2 | 3 | 5 | 6 | 8 | 9 | 10 |
| Treasury bonds (W.A.R) | 8.50% | 9.00% | 9.70% | | 9.90% | 9.90% | 9.90% |
| <i>Auction results from 28/07/21</i> | | | | | | | |
| Issuer | Term & rates (Previous) | | | | | | |
| Term (years) | 2 | 3 | 5 | 6 | 8 | 9 | 10 |
| Treasury bonds (W.A.R) | 8.50% | 9.00% | 9.70% | 9.80% | 9.90% | 9.90% | 9.90% |
| <i>Auction results from 25/06/21</i> | | | | | | | |
| Change/movement | | | | | | | |
| Term (years) | 2 | 3 | 5 | 6 | 8 | 9 | 10 |
| Treasury bonds (W.A.R) | 0.00% | 0.00% | 0.00% | -9.80% | 0.00% | 0.00% | 0.00% |

For more information on your bidding strategy, please contact the team on phone 309 8501 or email

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