

Treasury Bills (T-Bills) Results

'W.A.R for 364 days T-Bill dropped further to 8.21% as the 273-days paper gained to 8.24%

- T-Bills are a short term debt strategy of the government.
- In the week's auction, Tbill Weighted Average Rates (W.A.R.) closed with a mixed outcome as the 182 & 273 days tenors further improved compared to last week's results whilst the 364 days paper further shed a basis point to close at 8.21%.
- In the same auction, the 91 and 182 recorded 100% successful bid rates whilst the 273 days tenor allocated 67% in bids received followed by the 364 days paper at 65%.
- The overall auction was under-subscribed by K1.81m. The 364 days tenor record the only under-subscription in the auction whilst the rest were oversubscribed.
- Notably, the 273 days paper beat the 364 days weighted rate further by 3 basis points in this week's auction indicating the Governments strategy in distributing debts across the maturities.
- Total maturities across all tenors so far for the year stood at K4,860.36 billion with total bids awarded to date at K5,702.22 billion.
- Graph 1.0 shows yield movement over a 12 month period for the 91, 182, 273 and 364 days Treasury Bills.

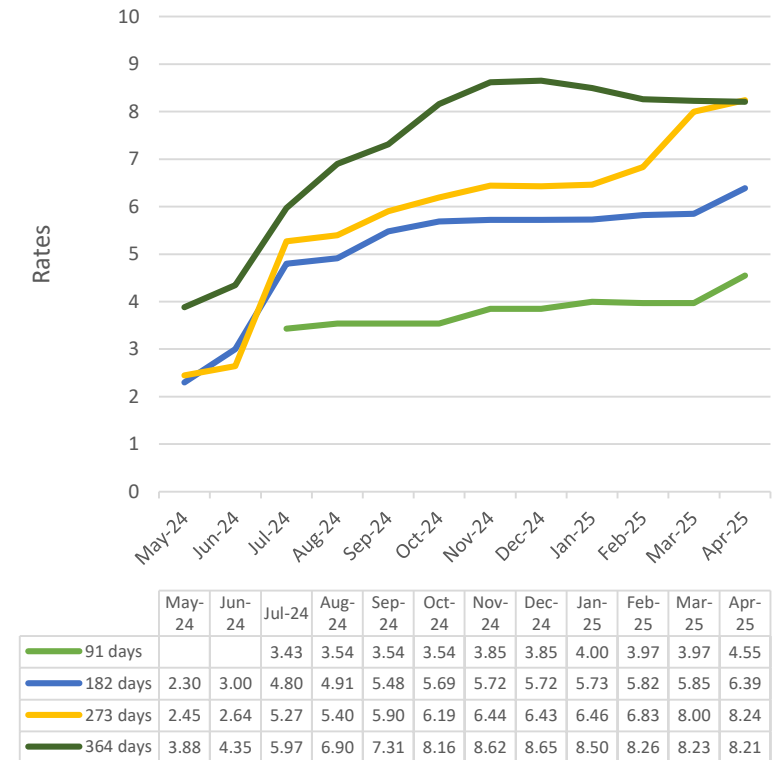
Table 1 – Last Three Auction Results

Auction Results 25 th April 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	4.55%	6.39%	8.24%	8.21%	
Amount on offer (K'm)	5.000	20.000	20.000	276.550	321.55
Bids received (K'm)	7.020	25.000	46.000	241.720	319.74
Successful bids (K'm)	7.020	25.000	31.000	157.72	220.74
Successful bid rate ²	100%	100%	67%	65%	69%

Auction Results 17 th April 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	4.55%	6.15%	8.23%	8.22%	
Amount on offer (K'm)	5.000	10.000	20.000	103.400	138.400
Bids received (K'm)	10.000	21.000	40.000	211.800	282.800
Successful bids (K'm)	10.000	21.000	30.000	108.400	172.800
Successful bid rate ²	100%	100%	75%	51%	61%

Auction Results 11 th April 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	4.10%	6.05%	8.18%	8.23%	
Amount on offer (K'm)	10.000	10.000	20.000	202.900	242.900
Bids received (K'm)	1.000	4.000	47.000	230.100	282.100
Successful bids (K'm)	1.000	4.000	47.000	225.100	277.100
Successful bid rate ²	100%	100%	100%	98%	98%

Graph 1.0 - Yield curve showing 12-months Tbill rates movement.



¹ W.A.R = Weighted Average Rate
² Successful bid rate = Successful bids / Bids received
³ Basis Points; 100 bps = 1%

Treasury Bonds (Government Inscribed Stock - GIS)

'GIS auction for this week undersubscribed by K25.4m'

- Government Inscribed Stocks (GIS) are a long term debt strategy utilized by the government to finance the deficit budget.
- GIS issuance for this week offered K50 million across various maturities ranging from 2 to 10 years. Only K11.6 million was successfully subscribed, resulting in an undersubscription of K38.4 million. Notably, the 4 year bond was oversubscribed, while the rest saw minimal to no demand. Yields ranged from 8.50% for 2-year bonds to 9.50% for 10-year bonds.
- Coupon rates for this week remained unchanged from previous for all tenors across the board. The rates have been consistent across multiple auctions since opening the year in February, 2025.
- The Government has raised K820.83million since opening of the year, 2025, which makes up 95% of the net domestic borrowing.
- National Budget for 2025 was tabled last year on November 29th with a total expenditure expected to be at PGK28.4billion. Total Revenue to finance this Budget will be PGK25.4billion, with a forecasted fiscal deficit of PGK2.9billion.
- The Government plans to finance the deficit of PGK2.9billion through net domestic borrowing of PGK861million and net external borrowing of PGK2.1billion.

Table 2 – 2025 GIS Auction Results & Change in Rates

<i>Auction results as at 25th April 2025</i>										
Issuer		Term & rates (Current)								
Term (years)		2	3	4	5	6	7	8	9	10
Treasury bonds (GIS)	Coupon	8.50%	-	8.90%	9.00%	9.10%	9.20%	9.30%	9.40%	9.50%
	Weighted Average Rates	8.63%	-	9.19%	9.15%	9.10%	9.20%	9.30%	9.40%	9.50%
<i>Auction results as at 17th April 2025</i>										
Issuer		Term & rates (Current)								
Term (years)		2	3	4	5	6	7	8	9	10
Treasury bonds (GIS)	Coupon	8.50%	-	8.90%	9.00%	9.10%	9.20%	9.30%	9.40%	9.50%
	Weighted Average Rates	8.63%	-	9.13%	9.15%	9.10%	9.20%	9.30%	9.40%	9.50%
<i>Change in Results</i>										
		Change/movement								
Term (years)		2	3	4	5	6	7	8	9	10
Treasury bonds (GIS)	Coupon	0.00%	-	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Weighted Average Rates	0.00%	-	0.05%	0.00%	0.00%	0.10%	0.00%	0.00%	0.00%

Fix Rate Full Allotment Auction (FRFA) & Financial Institution Term Deposit Rates

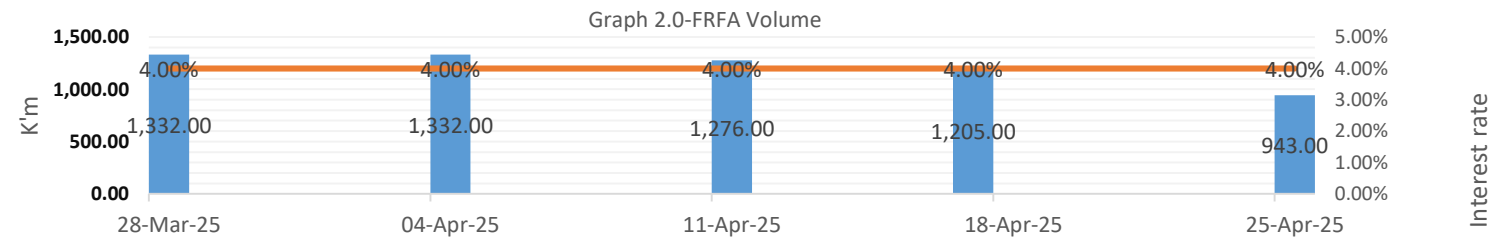
'FRFA W.A.R remain unchanged at 4.00% as the 28 days CBB closed at 4.45%'

- Term deposit rates for all tenors remained unchanged except for FIFL which closed mixed– refer Table 3.
- The Central Bank continues to strengthen the monetary policy operational framework by intensifying efforts to mop up excess liquidity and adopt more effective short-term liquidity management instruments. The introduction of 7-Day FRFA Central Bank Bill (CBB) exclusively to authorized deposit takers (ADI) in commercial banks, savings & loans societies and & finance companies is an example.
- As the start of the month, the Bank of Papua New Guinea remained vigilant in its monetary policy stance, as inflationary pressures continued to persist. In response, the central bank maintained its interest rates, aiming to support overall economic stability while addressing rising consumer prices. This decision was well-received by market participants, offering a level of certainty in a fluctuating environment.
- The 7 day CBB's W.A.R remain unchanged at 4% with full allocation made on K943.00 million total bids received in this week's auction.
- Additionally, the 28 days CBB is now offered monthly every third week. The Bills were issued last week with an offer of K20 million. The weighted average rate closed at 4.45% with the overall auction fully subscribed.

Table 3 – Financial Institutions Term Deposit Rates

Issuer	Current Term & Rates					Previous Term & Rates					Change/movement				
	30	60	90	180	365	30	60	90	180	365	30	60	90	180	365
Commercial banks															
BSP	0.55%	0.55%	0.60%	1.05%	1.55%	0.55%	0.55%	0.60%	1.05%	1.55%	0.00%	0.00%	0.00%	0.00%	0.00%
Kina Bank	0.20%	0.45%	0.60%	0.70%	0.90%	0.20%	0.45%	0.60%	0.70%	0.90%	0.00%	0.00%	0.00%	0.00%	0.00%
Westpac	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CreditBank PNG	0.85%	1.15%	1.50%	1.95%	2.35%	0.85%	1.15%	1.50%	1.95%	2.35%	0.00%	0.00%	0.00%	0.00%	0.00%
National Banking Corp.	1.00%	1.25%	1.60%	1.95%	2.40%	1.00%	1.25%	1.60%	1.95%	2.40%	0.00%	0.00%	0.00%	0.00%	0.00%
Tisa Bank	-	-	2.00%	2.50%	3.00%	-	-	2.00%	2.50%	3.00%	-	-	0.00%	0.00%	0.00%
ADI															
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%
FinCorp	0.90%	1.15%	1.50%	2.00%	2.35%	0.90%	1.15%	1.50%	2.00%	2.35%	0.00%	0.00%	0.00%	0.00%	0.00%
Moniplus	0.90%	1.20%	1.50%	2.15%	2.45%	0.90%	1.20%	1.50%	2.15%	2.45%	0.00%	0.00%	0.00%	0.00%	0.00%
First Investment Finance	1.30%	1.40%	1.80%	2.40%	3.30%	1.30%	1.30%	1.60%	2.40%	3.30%	0.00%	0.10%	0.20%	0.00%	0.00%
Government Securities															
Treasury bills (W.A.R)		4.55%	6.39%	8.24%	8.21%		4.55%	6.15%	8.23%	8.22%		0.00%	0.24%	0.01%	0.01%
Central Bank															
Central Bank bills (W.A.R)	4.00%	-	-	-	-	4.00%	-	-	-	-	0.00%	-	0.00%	-	-

Graph 2 – 7 Day FRFA Rates & Volumes



T-Bill Tap and T-Bond Tap are Temporarily Unavailable.

- The T-bill Tap and T-bond Tap papers remain temporarily closed until further notice.

Table 4 - Long dated papers T-Bill Tap and GIS Tap as at June 2023

Issuer		Term & rates (Current)				
Term (Years)		2	4	8	10	
BPNG Treasury Bond Tap		CLOSED UNTIL FURTHER NOTICE				

Issuer		Term & rates (Previous)				
Term (Days)		63	91	182	273	364
BPNG Treasury Bill Tap		CLOSED UNTIL FURTHER NOTICE				

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

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