

Rates finished almost unchanged as government uptake eases...

- Total issuance for the week was K278m with 18% issued in the shorter dated securities.
- The total subscription was K278m with interest in the 364D paper attracting a subscription rate of 2.08x.
- The rates were mostly flat, as the 364 day paper closed in positive territory after plunging for a number of weeks.
- Graph 1.0 depicts the closing rates at the beginning of Jan and early March 2022. The rates finished at 5.16% compared to 6.99% at the start of Jan 2022.

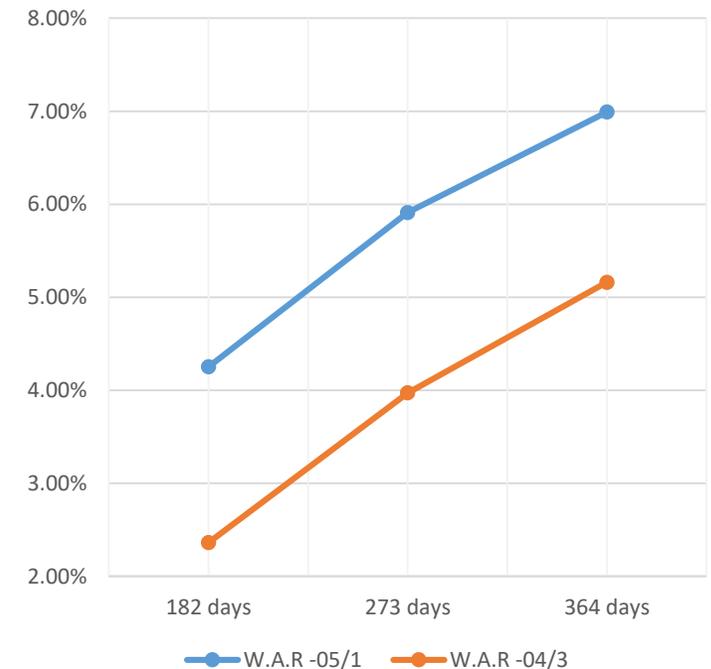
Table 1.0 – Previous T-bill auction results

Auction results 04 March 2022				
Terms	182 days	273 days	364 days	Total
W.A.Y -04/3	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

Auction results 25 Feb 2022				
Terms	182 days	273 days	364 days	Total
W.A.Y -25/2	2.41%	3.98%	5.17%	
Amount on offer	10	20	269.88	299.88
Bids received	17.15	23.56	514.46	555.17
Successful bids	17.15	23.56	459.46	500.17
oversubscription rate	1.72	1.18	1.91	1.85

Auction results 16 Feb 2022				
Terms	182	273	364	Total
W.A.Y -16/2	2.43%	3.98%	5.16%	
Amount on offer	40	10	174.75	224.75
Bids received	59.35	23	463.04	545.39
Successful bids	59.35	23	571.17	653.52
oversubscription rate	1.48	2.30	2.65	2.43

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



Money market insight

- Rates across the commercial banks and financial institutions remained unchanged at the end of the week, except for Moniplus which saw slight downward change across the terms. FinCorp closed lower in the 60 days paper.
- The department of treasury is yet to release the issuance calendar for Treasury bonds.
- Previous Treasury bond auction results show the 10 year bond yielding 9.90%

Table 2.0 – Financial institutions rates and short term government paper rates as at 3 Mar 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%	1.75%	3.00%	4.00%	5.10%	1.50%	2.00%	3.00%	4.00%	5.10%	0.00%	-0.25%	0.00%	0.00%	0.00%
Moniplus	1.75%	2.05%	3.05%	4.05%	4.25%	1.25%	2.25%	3.25%	4.25%	4.75%	0.50%	-0.20%	-0.20%	-0.20%	-0.50%
First Investment Finance	1.00%	1.10%	1.25%	2.00%	4.50%	1.00%	1.10%	1.25%	2.00%	4.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Government Securities															
Treasury bills (W.A.R)			2.36%	3.97%	5.16%			2.41%	3.98%	5.17%	0.00%	0.00%	-0.05%	-0.01%	-0.01%
BPNG															
Central Bank bills (W.A.R)	1.09%		1.80%			1.09%		1.83%			0.00%	0.00%	-0.03%	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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