

Oversubscription rates climb as investors continue to look for yield...

- A total of K211.45m was offered this week with an oversubscription rate of 4.25x compared to last week's rate. (refer Table 1.0)
- The Weighted Average Rates (W.A.R) continued to fall week on week.
- The longer dated T-bill fell 47bps to end at 6.10% - the lowest point since Jan 2019.
- Similarly, the 182 and 273 day papers finished the week lower at 3.65% and 5.05% respectively.

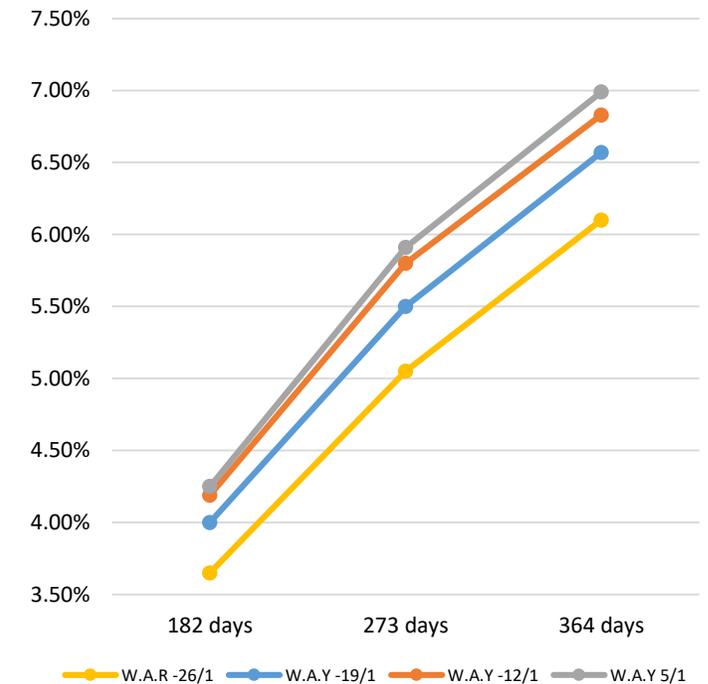
Table 1.0 – Previous auction results

Auction results 26 Jan 2022				
Terms	182 days	273 days	364 days	Total
W.A.R -26/1	3.65%	5.05%	6.10%	
Amount on offer	80	10	121.45	211.45
Bids received	202.5	47.61	647.88	897.99
Successful bids	160	20	293.58	473.58
oversubscription rate	2.53x	4.76x	5.33x	4.25x

Auction results 19 Jan 2022				
Terms	182 days	273 days	364 days	Total
W.A.R-19/1	4.00%	5.50%	6.57%	
Amount on offer	50	70	229.31	349.31
Bids received	123	166.38	812.11	1,101.5
Successful bids	50	70	229.31	349.31
oversubscription rate	2.46x	2.38x	3.54x	3.15x

Auction results 12 Jan 2022				
Terms	182	273	364	Total
W.A.R -12/1	4.19%	5.80%	6.83%	
Amount on offer	20	50	296.04	366.04
Bids received	65.01	121.38	712.39	898.78
Successful bids	20	50	296.04	366.04
oversubscription rate	3.25x	2.43x	2.41x	2.46x

Graph 1.0 – depicts T-bills yield curve



Money market insight

- We expect this trend to continue into the first quarter of the year considering the system liquidity levels.
- No movements were noted for commercial bank papers week on week (refer Table 3.0)
- Treasury bonds are yet to be issued for 2022, pending the issuance calendar from Department of Treasury.
- We anticipate the issuance of treasury bonds to commence next month.
- That should hopefully provide some relief to the falling Treasury bill rates.

Table 3.0 – Financial institutions rates and short term government paper rates as at 27 Jan 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	1.50%	n.a	3.50%	4.50%	5.50%	1.50%	n.a	3.50%	4.50%	5.50%	0.00%	n.a	0.00%	0.00%	0.00%		
First Investment Finance	1.00%	1.10%	1.25%	3.25%	5.25%	1.00%	1.10%	1.25%	3.25%	5.25%	0.00%	0.00%	0.00%	0.00%	0.00%		
Government Securities																	
Treasury bills (W.A.R)			182	273	364			182	273	364			182	273	364		
			3.65%	5.05%	6.10%			4.00%	5.50%	6.57%			0.00%	0.00%	-0.35%	-0.45%	-0.47%
Central Bank																	
Central Bank bills (W.A.R)	28	63	91	182	28	63	91	182	28	63	91	182	-0.02%	0.00%	1.88%	0.00%	0.00%
	1.19%		1.88%		1.21%												

Table 4.0 – 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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