

**Treasury Bills rates improved in the week's close. Meanwhile, indicative rates closed unchanged for the week.**

- A total of K420.31m was offered in the Treasury bill auction for the week. Offers were in the 182, 273 and 364 days papers. The 364 days paper offered 390.31m.
- The total subscription was K133.71m representing a subscription rate of 0.32x issuance amount.
- Rates improved in the 364 days by 20 basis points compared to last weeks close.
- The 182 & 273 days rates shared similar sentiments improving by 6 & 9 basis points respectively.
- Overall auction was undersubscribed.
- Graph 1.0 depicts movement within a 7 month period, as the yield curve indicates slight gains.

**Table 1.0 – Previous auction results**

Auction results 6 July 2022				
Terms	182 days	273 days	364 days	Total
W.A.Y -06/7	1.21%	2.21%	2.75%	
Amount on offer	20	10	390.31	420.31
Bids received	12.21	10	111.5	133.71
Successful bids	12.21	10	111.5	133.71
Oversubscription rate	0.61	1.00	0.29	0.32

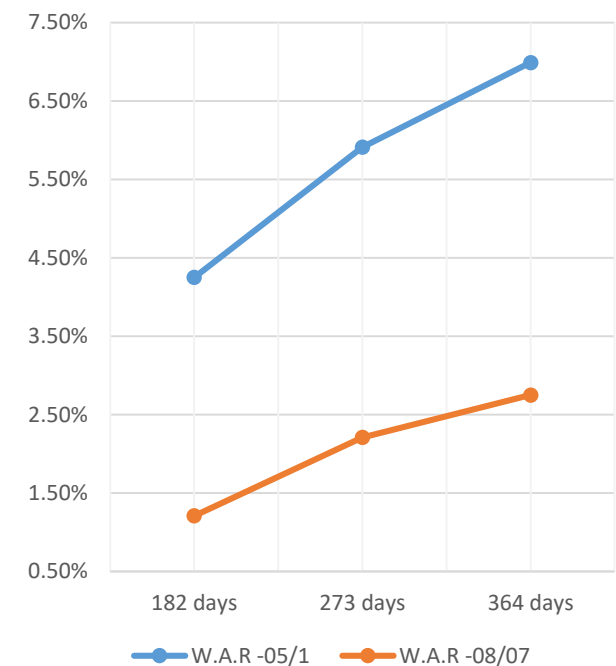
  

Auction results 29 June 2022				
Terms	182 days	273 days	364 days	Total
W.A.Y -29/6	1.15%	2.12%	2.55%	
Amount on offer	50	100	341.34	491.34
Bids received	15	54.7	309.18	378.88
Successful bids	15	54.7	309.18	378.88
Oversubscription rate	0.30	0.55	0.91	0.77

Auction results 22 June 2022				
Terms	182 days	273 days	364 days	Total
W.A.Y -22/6	1.15%	0.00%	2.46%	
Amount on offer	20	0	217.18	237.18
Bids received	12.4	0	199.31	211.71
Successful bids	12.4	0	149.31	161.71
Oversubscription rate	0.62	-	0.92	0.89

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



# Money market insight

- Term deposit rates closed unchanged across the board for the week.
- Treasury Bond (GIS) second issuance was conducted on the 21st June 2022 with an offer of K500m. The auction was oversubscribed by K270m. Rates dropped compared to previous auction.
- The government plans to issue K1.75bn in Treasury Bonds this year 2022.
- Rates are expected to subside in the coming weeks after a persistent downward trend.

**Table 2.0 – Financial institutions rates and short term government paper rates as at 8 July 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	
<b>Commercial banks</b>																
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	0.50%	0.75%	0.90%	1.15%	1.25%	0.50%	0.75%	0.90%	1.15%	1.25%	0.00%	0.00%	0.00%	0.00%	0.00%	
Westpac (PNG)	0.10%	0.10%	0.15%	0.25%	0.50%	0.10%	0.10%	0.15%	0.25%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>ADIs</b>																
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	0.50%	1.00%	2.00%	3.00%	3.50%	0.50%	1.00%	2.00%	3.00%	3.50%	0.00%	0.00%	0.00%	0.00%	0.00%	
Moniplus	1.00%	1.25%	1.50%	2.00%	2.50%	1.00%	1.25%	1.50%	2.00%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	
First Investment Finance	0.60%	1.00%	1.00%	0.80%	2.00%	0.60%	1.00%	1.00%	0.80%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>Government Securities</b>																
Treasury bills (W.A.R)			182	273	364			182	273	364			182	273	364	
			1.21%	2.21%	2.75%			1.15%	2.12%	2.55%			0.00%	0.00%	0.20%	
<b>Central Bank</b>																
Central Bank bills (W.A.R)	28	63	91	182	28	63	91	182	28	63	91	182	28	63	91	182
	1.16%	1.64%	1.60%	1.13%	0.00%	0.00%	0.00%	0.03%	1.64%	1.60%	0.00%	0.00%				

**Table 3.0 – Long dated government paper rates – last auction results in 2022**

Issuer	Term & rates (Current)							
Term (years)	2	4	5	7	8	9	10	
Treasury bonds (W.A.R)	5.22%	5.74%	6.38%	6.70%	6.82%	6.99%	7.00%	
<i>Auction results from 21/06/22</i>								
Issuer	Term & rates (Previous)							
Term (years)	2	4	5	7	8	9	10	
Treasury bonds (W.A.R)	6.50%	6.71%	7.50%	0.00%	0.00%	7.80%	7.90%	
<i>Auction results from 22/04/22</i>								
Change/movement								
Term (years)	2	3	5	6	8	9	10	
Treasury bonds (W.A.R)	-1.28%	-0.97%	-1.12%	0.00%	0.00%	-0.81%	-0.90%	

# Money market insight

- The Central Bank announced the trading for new TAP investments (BPNG Bills and Bonds) effective 2<sup>nd</sup> March, 2022. Bids are done via e-mails and e-payment modes only.
- Tbond rates closed unchanged for the week
- The bonds are available in 2, 4, 8 & 10 years terms.
- Tbill Tap rates shared similar sentiment.
- The Tbill papers are available in 63, 91,182,273 and 364 days terms.
- Eligible Investors can participate in the Tap Investments.

**Table 4.0 – Long dated papers-BPNG Tbill Tap and BPNG Tbond Tap as at 8 July 2022**

Issuer	Term & rates (Current)				
Term (years)	2	4	8	10	
BPNG TBOND TAP	4.72%	5.24%	6.32%	6.50%	

*Auction results from 08/07/22*

Issuer	Term & rates (Previous)				
Term (years)	2	4	8	10	
BPNG TBOND TAP	4.72%	5.24%	6.32%	6.50%	

*Auction results from 01/07/22*

Change/movement					
Term (years)	2	4	8	10	
BPNG TBOND TAP	0.00%	0.00%	0.00%	0.00%	

Issuer	Term & rates (Current)				
Term (Days)	63	91	182	273	364
BPNG TREASURY BILL TAP	1.65%	1.59%	0.65%	1.62%	1.96%

*Auction results from 08/07/22*

Issuer	Term & rates (Previous)				
Term (Days)	63	91	182	273	364
BPNG TREASURY BILL TAP	1.65%	1.59%	0.65%	1.62%	1.96%

*Auction results from 01/07/22*

Change/movement					
Term (Days)	63	91	182	273	364
BPNG TREASURY BILL TAP	0.00%	0.00%	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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