

Treasury Bills (T-Bills) Results

'W.A.R for 364 days T-Bill dropped to 8.23% as overall auction oversubscribed by K203.150m'

- T-Bills are a short term debt strategy of the government.
- As at this week's T-bill auction, W.A.R's across all tenors experienced mixed results. The 91 and 182 days W.A.R's remained stable at 3.97% and 5.85% respectively. An upside performance was recorded for the 273 days increasing by 16 bps to close at 8.00% whilst the 364 days tenor declined by 3 bps compared to previous auction to close at 8.23%. The 364 days recorded an aggregated total of 43 bps fall since the start of the year.
- The 91, 182 and 273 days tenors recorded 100% successful bid rates whilst the 364 days recorded 89% in total bids received under respective tenor.
- The overall auction was oversubscribed by K203.150m which saw 94% of the oversubscriptions recorded under the 364 days tenor alone indicating a shift of investors appetite to long-term periods in the 364 days .
- W.A.R's across all tenors are anticipated to experience minimal movements in the coming auctions subject to market forces as evidenced in the past auctions.
- Total maturities across all tenors so far for the year stood at K4,090.61bn with total bids awarded to date at K4,558.230 bn. A net gain of K467.620m by the central bank to mop up excess liquidity in the market.
- On year to date, T-Bills total amount offered stands at K4,091.31bn while total successful bids awarded is K4,558.230bn, a difference of K466.920m.
- Graph 1.0 shows yield movement over a 12 month period for the 91, 182, 273 and 364 days Treasury Bills.

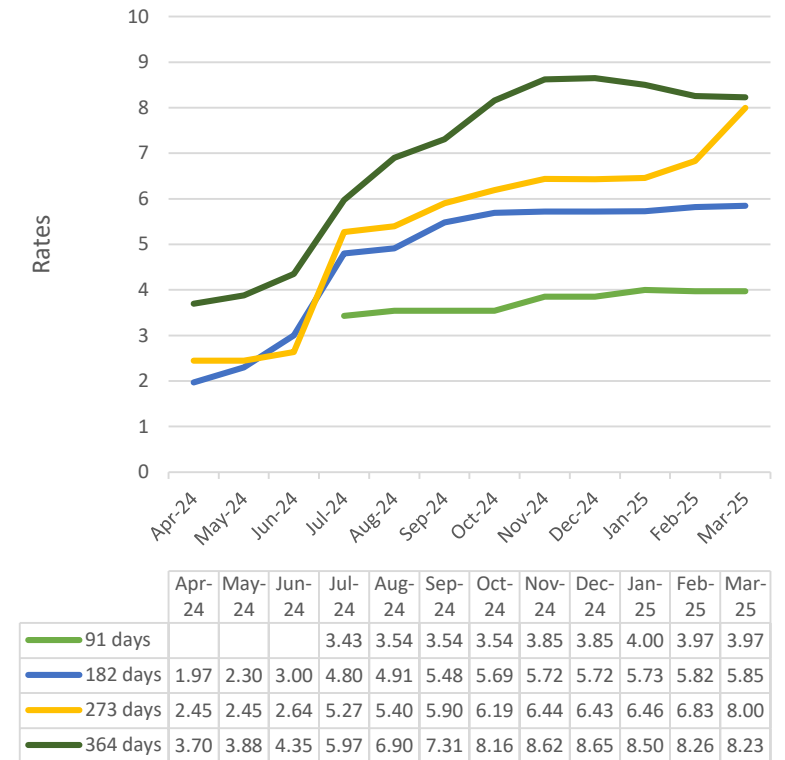
Table 1 – Last Three Auction Results

Auction Results 28 th March 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	3.97%	5.85%	8.00%	8.23%	
Amount on offer (K'm)	10.000	10.000	20.000	268.370	308.370
Bids received (K'm)	2.000	2.520	29.000	478.000	511.520
Successful bids (K'm)	2.000	2.520	29.000	428.000	461.520
Successful bid rate ²	100%	100%	100%	89%	90%

Auction Results 21 st March 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	3.97%	5.85%	7.84%	8.26%	
Amount on offer (K'm)	10.000	10.000	20.000	217.600	257.600
Bids received (K'm)	0.500	0.000	20.010	523.670	546.180
Successful bids (K'm)	0.500	0.000	22.010	253.370	275.880
Successful bid rate ²	100%	-	100%	48%	51%

Auction Results 14 th March 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	3.97%	5.85%	7.50%	8.35%	
Amount on offer (K'm)	10.000	10.000	20.000	217.730	257.730
Bids received (K'm)	0.000	4.400	20.300	124.250	148.950
Successful bids (K'm)	0.000	4.400	20.300	124.250	148.950
Successful bid rate ²	-	100%	100%	100%	100%

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 oversubscribed by K1.000m'

- 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 K50.000m as the auction recorded an oversubscription of K1.000m. The GIS auction recorded its second oversubscription for the year in this week's auction since its first issuance.
- This week's auction saw coupon rates for all tenors across remained stable similar to previous auction results. Coupon rates have remained stable for three consecutive auction.
- At this week's GIS auction, *W.A.R's* for the 2, 5,7,9 and 10 year tenors remained stable similar to previous auctions. *W.A.R's* for the 4 and 6 year tenors increased by 2 bps to close at 9.00% and 9.10% respectively as the 8 year tenor recorded a 3 bps upswing to close at 9.30%.
- National Budget for 2025 was tabled last year on November 29th with a total expenditure expected to be at PGK28.4bn. Total Revenue to finance this Budget will be PGK25.4bn, with a forecasted fiscal deficit of PGK2.9bn.
- The Government plans to finance the deficit of PGK2.9bn through net domestic borrowing of PGK861m and net external borrowing of PGK2.1bn.

Table 2 – 2024 GIS Auction Results & Change in Rates

<i>Auction results as at 28th March 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%	-	9.00%	9.15%	9.10%	9.10%	9.30%	9.40%	9.50%
<i>Auction results as at 21st March 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%	-	8.98%	9.15%	9.08%	9.10%	9.27%	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%	-	0.02%	0.00%	0.02%	0.00%	0.03%	0.00%	0.00%

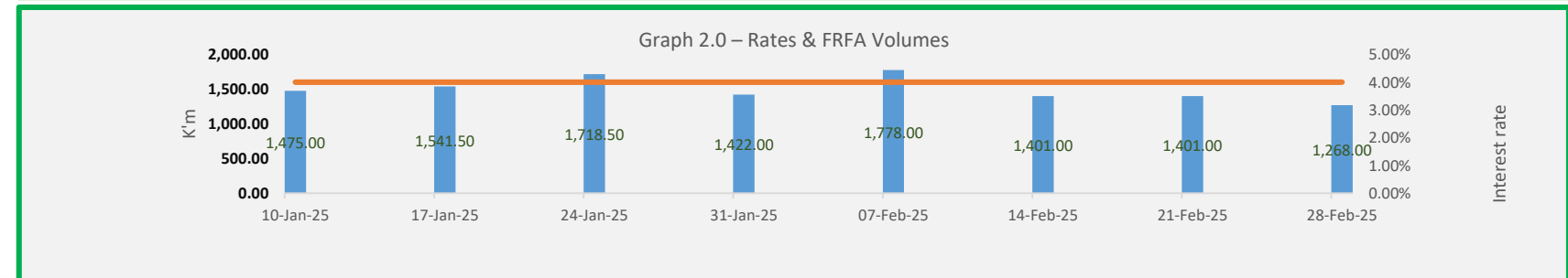
Fix Rate Full Allotment Auction (FRFA) & Financial Institution Term Deposit Rates

- Term deposit rates for all tenors remained unchanged for all issuers – 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.

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	1.00%	1.20%	1.60%	2.50%	3.00%	1.00%	1.20%	1.60%	2.50%	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Government Securities															
Treasury bills (W.A.R)		3.97%	5.85%	8.00%	8.23%		3.97%	5.85%	7.84%	8.26%		0.00%	0.00%	0.16%	0.03%
Central Bank															
Central Bank bills (W.A.R)	4.00%	-	-	-	-	4.00%	-	-	-	-	0.00%	-	0.00%	-	-

Graph 2 – 7 Day FRFA Rates & Volumes



Note: CBB results for this week are not available and will be captured in next week's distribution once they are made available.

Graph 2 shows FRFA Rates and volumes from the last results gathered in February 2025

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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