

Treasury Bills (T-Bills) Results

'364 days W.A.R¹ declined to 8.64%; Overall auction oversubscribed by K177.500m'

- T-Bills are a short term debt strategy of the government.

- In this week's Tbill auction, W.A.R for the 182 days remained stable whilst 273 and 364 days tenor experienced mixed results compared to results in previous auction. The 364 days Bill dropped two bps from 8.66% to 8.64%. Respective tenor recorded a 56% successful bid rate.

- The 182 days tenor remained stable at 5.72% compared to last auction. Successful bid rate dropped to 92% compared to 100% in the last auction. Tenor was oversubscribed by K0.08m.

- The 273 days tenor recorded an upside performance with its W.A.R with a basis point increase to 6.44% , its first increase over a month period. Tenor was oversubscribed, however only awarded 75% of the total bids received.

- The overall auction was oversubscribed by K177.500m with 94% of the oversubscription recorded under the 364 days tenor indicating market liquidity and investors demand in the short term securities.

- Rates across all tenors are anticipated to experience minimal changes in the coming auctions subject to market forces as seen in the past auctions for 2024.

- As the first auction for the year concluded this week, the T-Bills total amount offered stands at K233.540m while total successful bids awarded is K238.540m, a difference of K5.000m.

- Graph 1.0 shows yield movement over a 12month period for the 91, 182,273 and 364 days Treasury Bills.

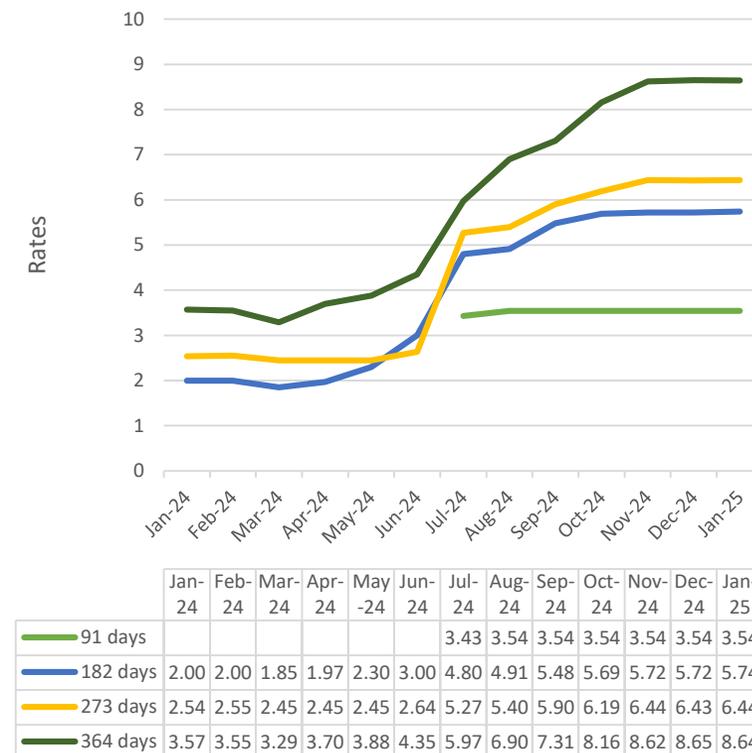
Table 1 – Last Three Auction Results

Auction Results 10 January 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	3.54%	5.74%	6.44%	8.64%	
Amount on offer (K'm)	0.000	10.000	10.000	213.540	233.540
Bids received (K'm)	0.000	10.800	20.000	380.240	411.040
Successful bids (K'm)	0.000	10.000	15.000	213.540	238.540
Successful bid rate ²	-	92%	75%	56%	58%

Auction Results 03 January 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	3.54%	5.74%	6.43%	8.66%	
Amount on offer (K'm)	0.000	10.000	10.000	274.820	294.820
Bids received (K'm)	0.000	10.000	0.000	112.050	122.050
Successful bids (K'm)	0.000	10.000	0.000	112.050	122.050
Successful bid rate ²	-	100%	-	100%	100%

Auction Results 27 December 2024					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R	3.54%	5.72%	6.43%	8.65%	
Amount on offer (K'm)	0.000	10.000	10.000	320.440	340.440
Bids received (K'm)	0.000	12.500	0.000	237.440	249.940
Successful bids (K'm)	0.000	12.500	0.000	232.440	244.940
Successful bid rate	-	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)

'No GIS auction as at end of this week'

- Government Inscribed Stocks (GIS) are a long term debt strategy utilized by the government to finance the deficit budget.
- The last GIS auction for 2024 was conducted on the 27/12/2024. The auction recorded successful bids awarded to date to be less by K2,523.960m compared to total bids offered. Total bids offered to date was less by K6,030.000m
- No GIS issuance for this week.
- New Treasury bond issuance is yet to be announced. Formal announcement will be communicated in our weekly distribution.

Table 3 – 2024 GIS Auction Results & Change in Rates

Auction results as at 27 December 2024

Issuer	Term & rates (Current)									
Term (years)	2	3	4	5	6	7	8	9	10	
Coupon										
Treasury bonds (GIS)	-	-	-	9.30%	9.40%	9.50%	9.60%	9.70%	9.80%	
Weighted Average Rates	-	-	-	9.24%	9.34%	9.44%	9.54%	9.64%	9.74%	

Auction results from 20 December 2024

Issuer	Term & rates (Current)									
Term (years)	2	3	4	5	6	7	8	9	10	
Coupon										
Treasury bonds (GIS)	8.90%	9.00%	-	9.30%	9.40%	9.50%	9.60%	9.70%	9.80%	
Weighted Average Rates	8.77%	-	-	-	9.40%	9.50%	9.60%	9.70%	9.80%	

Change in Results

	Change/movement									
Term (years)	2	3	4	5	6	7	8	9	10	
Coupon										
Treasury bonds (GIS)	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Weighted Average Rates	-	-	-	-	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	

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

'FRFA W.A.R remains unchanged at 4.00%'

- Term deposit rates for all tenors remained unchanged for all issuers – refer Table 4.
- 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.
- The 7 day CBB's W.A.R remain unchanged at 4% with full allocation made on K1,475.00m total bids received in this auction.
- With K1,350.00m total CBB maturing this week, there is a net gain of K125.00m (or K1,475.00m - K1,350.00m) by the Central Bank to mop up access liquidity in the market.
- The 7-day FRFA open the year in this week's auction at 4.00%.

Table 4 – 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)															
		91	182	273	364		91	182	273	364		91	182	273	364
		-	5.74%	6.44%	8.64%		-	5.74%	6.43%	8.66%		-	0.00%	0.01%	0.02%
Central Bank															
Central Bank bills (W.A.R)	4.00%	-	-	-	-	4.00%	-	-	-	-	0.00%	-	-	-	-

Graph 2 – 7 Day FRFA Rates & Volumes



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

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

Table 5 - 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				

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