

Treasury Bills (T-Bills) Results

'W.A.R for 364 days T-Bill remained stable at 8.23% whilst auction was oversubscribed by K96.450m'

- T-Bills are a short term debt strategy of the government.
- As at this week's T-bill auction, W.A.Rs for the 91,182 and 273 days tenors recorded upside performances shifting up by 13 bps, 15 bps and 18 bps respectively whilst W.A.R for 364 days tenor remained stable at 8.23%.
- All tenors at this week's auction recorded 100% successful bid rates as investor appetite shifted to the 273 and 364 days resulting in both tenors recording K2.5m and K93.95m oversubscriptions respectively.
- The overall auction was oversubscribed by K96.450m which saw 71% of the oversubscriptions recorded under the 364 days tenor. The tenor recorded its second successive oversubscription for this month as at this week's auction.
- W.A.Rs 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 K4,357.51bn with total bids awarded to date at K4,921.58bn. A net gain of K564.07m by the central bank to mop up excess liquidity in the market.
- On year to date, T-Bills total amount offered stands at K4,358.21bn while total successful bids awarded is K4,558.230 bn, a difference of K564.07m.
- Graph 1.0 shows yield movement over a 12 month period for the 91, 182, 273 and 364 days Treasury Bills.

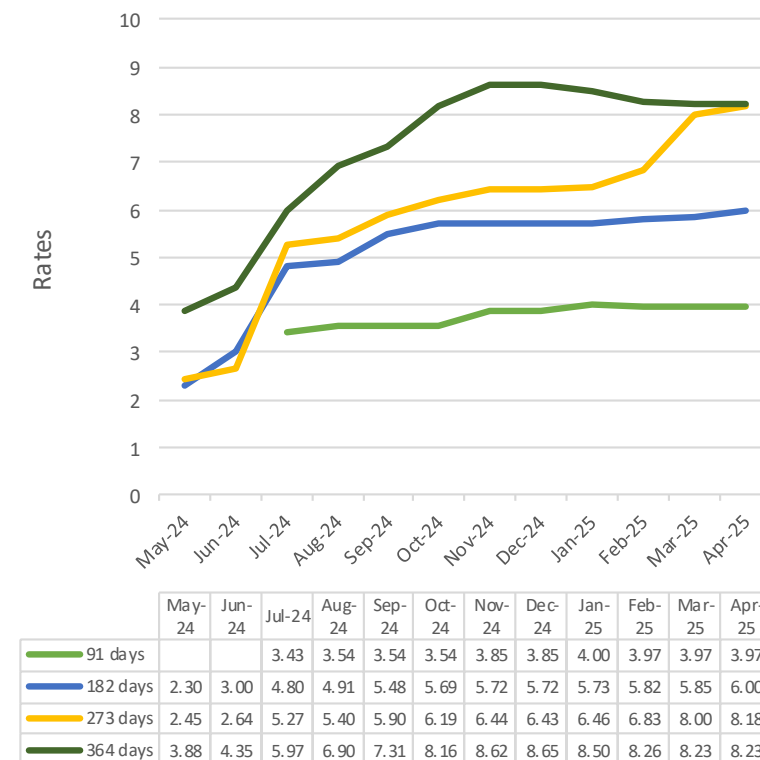
Table 1 – Last Three Auction Results

Auction Results 04 th April 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	4.10%	6.00%	8.18%	8.23%	
Amount on offer (K'm)	10.000	10.000	20.000	226.900	266.900
Bids received (K'm)	10.000	10.000	22.500	320.850	363.350
Successful bids (K'm)	10.000	10.000	22.500	320.850	363.350
Successful bid rate ²	100%	100%	100%	100%	100%

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%

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 undersubscribed by K40.000m'

- 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 was undersubscribed by K40.000m. The GIS auction recorded its fifth undersubscription 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 four consecutive auction.
- At this week's GIS auction, *W.A.Rs* for all tenors remained stable compared to last auction results except for the four (4) year tenor which recorded an upswing of 3bps to close at 9.03%.
- National Budget for 2025 was tabled last year on November 29th with a total expenditure expected to be at PGK28.4billion. Total Revenue to finance this Budget will be PGK25.4billion, with a forecasted fiscal deficit of PGK2.9billion.
- The Government plans to finance the deficit of PGK2.9billion through net domestic borrowing of PGK861million and net external borrowing of PGK2.1billion.

Table 2 – 2024 GIS Auction Results & Change in Rates

Auction results as at 04 th April 2025										
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%	-	9.03%	9.15%	9.10%	9.10%	9.30%	9.40%	9.50%
Auction results as at 28 th March 2025										
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%
Change in Results										
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%	-	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

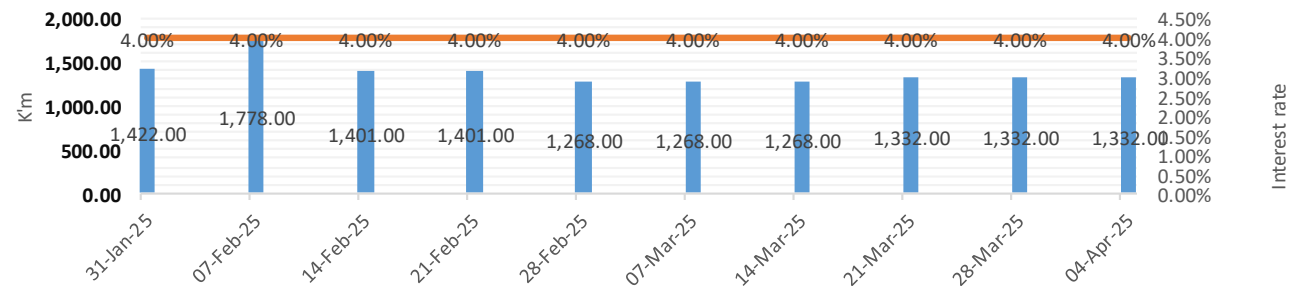
'FRFA W.A.R remain unchanged at 4.00% in this week's auction'

- 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.
- As the start of the month, the Bank of Papua New Guinea remained vigilant in its monetary policy stance, as inflationary pressures continued to persist. In response, the central bank maintained its interest rates, aiming to support overall economic stability while addressing rising consumer prices. This decision was well-received by market participants, offering a level of certainty in a fluctuating environment.
- The 7 day CBB's W.A.R remain unchanged at 4% with full allocation made on K1,352.00bn total bids received in this week's auction.
- For eight consecutive weeks, the 7-day FRFA rate still remained stable at 4.00%.

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)		91	182	273	364		91	182	273	364		0.13%	0.15%	0.18%	0.00%
Treasury bills (W.A.R)		3.97%	5.85%	8.18%	8.23%		3.97%	5.85%	8.00%	8.23%					
Central Bank															
Central Bank bills (W.A.R)	7	14	28	63	91	7	14	28	63	91	0.00%	-	0.00%	-	-
Central Bank bills (W.A.R)	4.00%	-	-	-	-	4.00%	-	-	-	-					

Graph 2 – 7 Day FRFA Rates & Volumes



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

bcapenquiries@bsp.com.pg

Phoebe Endose

Head of BSP Capital

Ph: +675 309 8505

Email: pendose@bsp.com.pg

Michelle Koredong

Senior Portfolio Manager – Retail

Ph: +675 309 8507

Email: mkoredong@bsp.com.pg

Abigail Pepson

Senior Portfolio Manager - Wholesale

Ph: +675 305 6149

Email: apepson2@bsp.com.pg

Darren Terupo

Portfolio Manager - Wholesale

Ph: +675 309 8531

Email: DTerupo@bsp.com.pg

Disclaimer

This Research comprises general market information and does not take account of your objectives, financial situation or needs. Before acting on this general advice, you should consider the appropriateness of the advice having regard to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision. This information has been prepared for the use of the clients of the BSP Capital Limited (BSPCL) and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient, you must not use or disclose this research in any way. If you received it in error, please tell us immediately by return e-mail and delete the document. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person. Nothing in this report shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. This report is based on information obtained from sources believed to be reliable, but BSPCL does not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. The BSPCL accepts no liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. BSP Capital Limited produces a variety of research products, recommendations contained in one type of research product may differ from recommendations contained in other types of research. BSPCL has established and implemented a conflicts policy at group level, which may be revised and updated from time to time, pursuant to regulatory requirements; which sets out how we must seek to identify and manage all material conflicts of interest. BSP Capital Limited, its officers and employees may have conflicting roles in the financial products referred to in this research and, as such, may effect transactions which are not consistent with the recommendations (if any) in this research. BSP Capital Limited may receive fees, brokerage or commissions for acting in those capacities and the reader should assume that this is the case. BSP Capital Limited employees or officers may provide oral or written opinions to its clients which are contrary to the opinions expressed in this report.