

Treasury Bills (T-Bills) Results

'W.A.R for 364 days T-Bill increased to 8.35% as auction undersubscribed by K108.780m'

- 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 days remained stable at 3.97% whilst the 182 days tenor declined by 4bps to close the week at 5.85%. An upside performance was recorded for the 273 and 364 days tenors as W.A.R's for both tenors increased by 32bps and 17bps dosing both tenors at 7.50% and 8.35% respectively.
- The 182,273 and 364 days tenors recorded 100% successful bid rates as the 91 days tenor recorded nil bids received.
- Despite the 182 and 364 days tenors recording 100% successful bid rates, both tenors were undersubscribed whilst the 273 was oversubscribed taking in excess of the K20.000m on offer. The overall auction was undersubscribed by K108.780m which saw 86% of the oversubscriptions recorded under the 364 days tenor alone.
- 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 K3,524.64bn with total bids awarded to date at K3,820.83bn. A net gain of K296.190m by the central bank to mop up excess liquidity in the market.
- On year to date, T-Bills total amount offered stands at K3,525.34bn while total successful bids awarded is K3,820.83bn, a difference of K25.490m.
- Graph 1.0 shows yield movement over a 12 month period for the 91, 182, 273 and 364 days Treasury Bills.

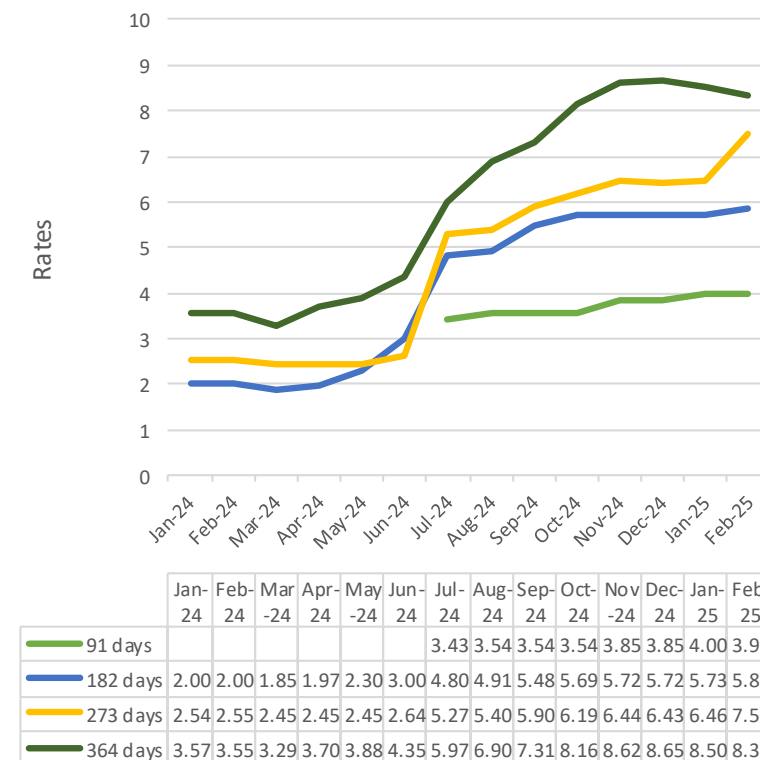
Table 1 – Last Three Auction Results

Auction Results 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%

Auction Results 07 th March 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	3.97%	5.89%	7.18%	8.18%	
Amount on offer (K'm)	10.000	10.000	20.000	148.980	188.980
Bids received (K'm)	5.000	2.200	20.000	177.350	204.550
Successful bids (K'm)	5.000	2.200	20.000	167.350	194.550
Successful bid rate ²	100%	100%	100%	94%	95%

Auction Results 28 th February 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R ¹	3.97%	5.82%	6.83%	8.26%	
Amount on offer (K'm)	10.000	20.000	20.000	187.600	237.600
Bids received (K'm)	6.000	0.000	25.000	143.000	174.000
Successful bids (K'm)	6.000	0.000	25.000	133.000	164.000
Successful bid rate ²	100%	-	100%	93%	94%

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 K26.200m'

- 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 undersubscription of K26.200m. The auction has remained undersubscribed for three consecutive auctions since its first issuance for the year.
- The Auction for this week saw coupon rates for all tenors across remained stable similar to previous auction results.
- As the fourth (4) GIS auction concluded this week, *W.A.R's* for the 5,6,8,9 and 10 year tenors remained stable similar to previous auctions. *W.A.R's* for the 2 and 4 year tenors experienced an upswing by 10 and 5 bps respectively closing both tenors at 8.60% and 8.95% respectively. The 7 year tenor declined by 7bps to close the auction at 9.10% compared to 9.17% in the last auction.
- GIS invitations for this week have been disseminated with auction set for the 18th March 2025.
- 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 14 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	8.60%	-	8.95%	9.30%	9.08%	9.10%	9.27%	9.40%	9.50%
Auction results as at 07 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	8.50%	-	8.90%	9.30%	9.08%	9.17%	9.27%	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	0.10%	-	0.05%	0.00%	0.00%	0.07%	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 last week's auction'

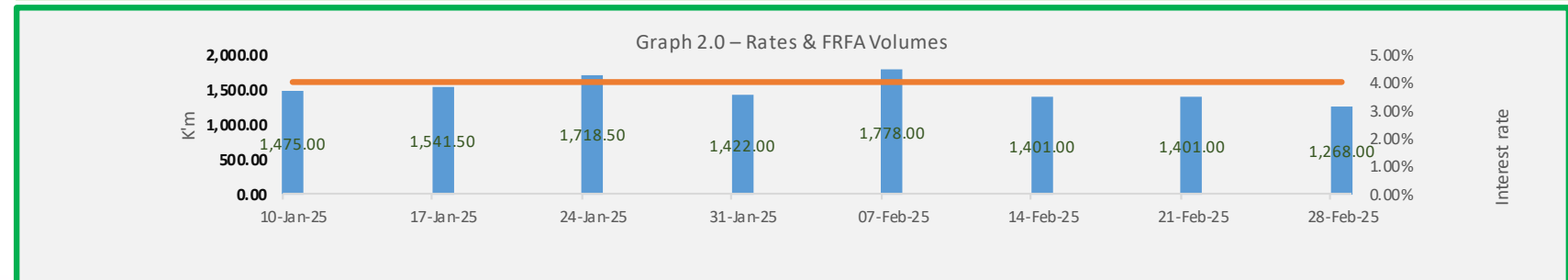
- Term deposit rates for all tenors remained unchanged for all issuers – refer Table 3.
- The Central Bank continues to strengthen the monetary policy operational framework by intensifying efforts to mop up excess liquidity and adopt more effective short-term liquidity management instruments. The introduction 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.
- The 7 day CBB's W.A.R remain unchanged at 4% with full allocation made on K1,268.00bn total bids received in last week's auction.
- With K1,206.00bn total CBB maturing last week, there is a difference of K62.00m (or K1,268.00bn – K1,206.00bn) indicating more was accepted compared to total maturities for this week.
- For eight consecutive weeks, the 7-day FRFA rate still remained stable at 4.00%.

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

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		0.00%	0.04%	0.32%	0.17%
Treasury bills (W.A.R)		3.97%	5.85%	7.50%	8.35%		3.97%	5.89%	7.18%	8.18%					
Central Bank															
Central Bank bills (W.A.R)	7	14	28	63	91	7	14	28	63	91	7	14	28	63	91
Central Bank bills (W.A.R)	4.00%	-	-	-	-	4.00%	-	-	-	-	0.00%	-	0.00%	-	-

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

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