

## Treasury Bills (T-Bills) Results

*'W.A.R for 364 days T-Bill closed lower again as the auction was oversubscribed overall by K421.410m'*

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

- All W.A.Rs across all tenors experienced mixed results. The 91 days recorded an upside movement by 10bps to 4.00%pa as the 364 days W.A.R declined by 7bps to close at 8.50%pa. The 182 and 273 days tenors remained unchanged similar to last week's auction.

- This week's Tbill auction saw the 91,182 and 273 days recording 100% successful bid rate across all respective tenors whilst the 364 days tenor only accepted 51% of the bids received. The last four auctions saw a shift to increased volume in the less than 364 Days' tenors.

- The overall auction was oversubscribed by K421.410m with 95% 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 evidenced in the January Auctions.

- Total maturities across all tenors so far for the year stood at K1,671.98m with total bids awarded to date at K1,825.32. A net gain of K153.34m by the central bank to mop up excess liquidity in the market.

- As the fourth auction for the year concluded this week, the T-Bills total amount offered stands at K1,687.18m while total successful bids awarded is K1,825.32m, a difference of K138.14m.

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

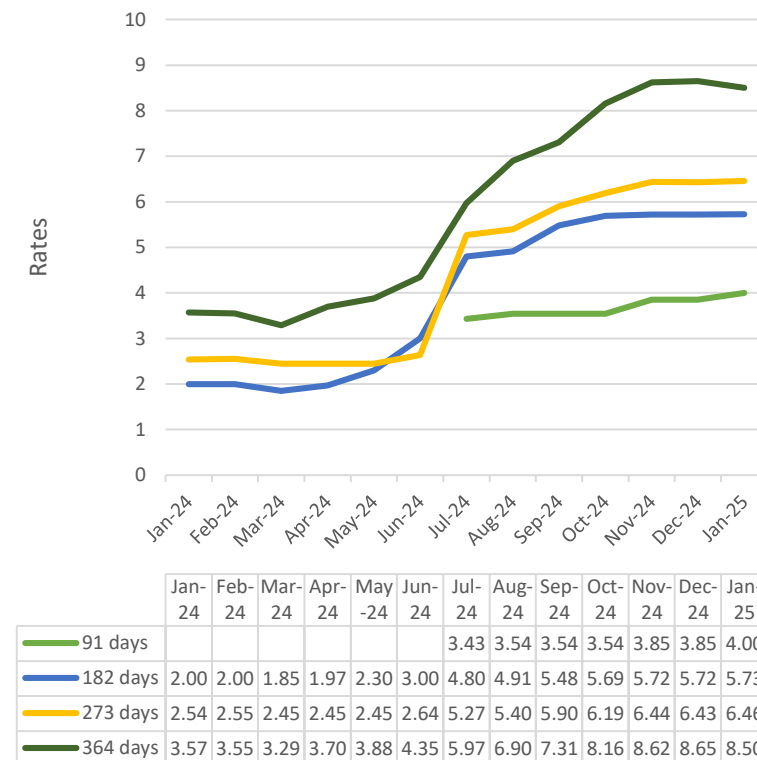
**Table 1 – Last Three Auction Results**

Auction Results 31 January 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R <sup>1</sup>	4.00%	5.73%	6.46%	8.50%	
Amount on offer (K'm)	20.000	60.000	60.000	260.620	400.620
Bids received (K'm)	20.000	80.510	60.000	661.520	822.030
Successful bids (K'm)	20.000	80.510	60.000	338.370	498.880
Successful bid rate <sup>2</sup>	100%	100%	100%	51%	61%

Auction Results 24 January 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R <sup>1</sup>	3.90%	5.73%	6.46%	8.57%	
Amount on offer (K'm)	15.000	30.000	30.000	295.000	370.000
Bids received (K'm)	30.000	70.000	50.000	437.710	587.710
Successful bids (K'm)	15.000	70.000	40.000	363.150	488.150
Successful bid rate <sup>2</sup>	50%	100%	80%	83%	84%

Auction Results 17 January 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R <sup>1</sup>	3.85%	5.73%	6.45%	8.61%	
Amount on offer (K'm)	0.000	10.000	10.000	368.200	388.200
Bids received (K'm)	0.000	32.500	20.000	480.300	532.800
Successful bids (K'm)	0.000	32.500	20.000	425.200	477.700
Successful bid rate <sup>2</sup>	-	100%	100%	89%	90%

**Graph 1.0. Yield curve showing 12-months Tbill rates movement.**



<sup>1</sup> W.A.R = Weighted Average Rate  
<sup>2</sup> Successful bid rate = Successful bids / Bids received  
<sup>3</sup> Basis Points; 100 bps = 1%

## Treasury Bonds (Government Inscribed Stock - GIS)

*'No GIS auction this week'*

- Government Inscribed Stocks (GIS) are a long term debt strategy utilized by the government to finance the deficit budget.
- 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**

<i>Auction results as at 27 December 2024</i>										
Issuer	Term & rates (Current)									
Term (years)	2	3	4	5	6	7	8	9	10	
Treasury bonds (GIS)										
Coupon	-	-	-	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%	

<i>Auction results from 20 December 2024</i>										
Issuer	Term & rates (Current)									
Term (years)	2	3	4	5	6	7	8	9	10	
Treasury bonds (GIS)										
Coupon	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%	

<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%	
Weighted Average Rates	-	-	-	-	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	

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

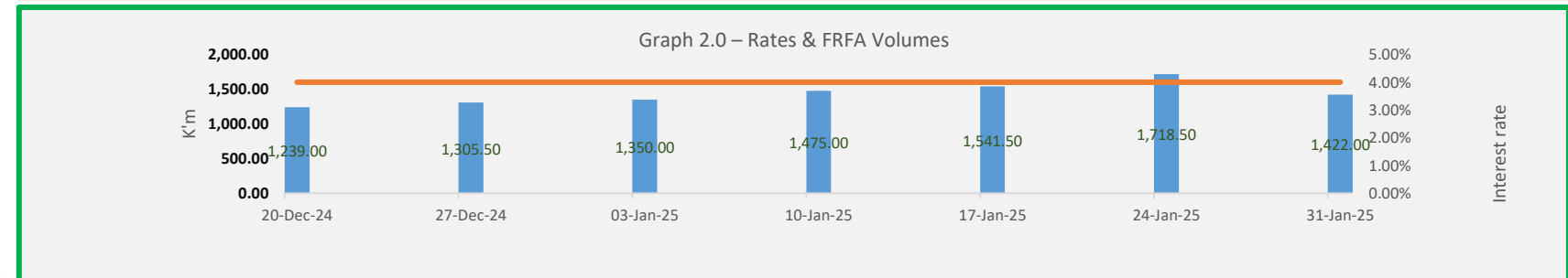
*'FRFA W.A.R remain unchanged at 4.00%'*

- 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.
- At this week CBB auction saw no issuance of the 28 days tenor since its first issuance for the year 2025 last week.
- The 7 day CBB's W.A.R remain unchanged at 4% with full allocation made on K1,422.00m total bids received in this auction.
- With K1,718.50m total CBB maturing this week, there is a difference of K296.50m (or K1,718.50m - K1,422.00m) indicating less was accepted compared to total maturities for this week.
- For four consecutive weeks, the 7-day FRFA rate still remained stable 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
<b>Commercial banks</b>															
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%
<b>ADI</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%
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%
<b>Government Securities</b>															
Treasury bills (W.A.R)		4.00%	5.73%	6.46%	8.50%		3.90%	5.73%	6.46%	8.57%		0.10%	0.00%	0.00%	0.07%
<b>Central Bank</b>															
Central Bank bills (W.A.R)	4.00%	-	4.25%	-	-	4.00%	-	4.25%	-	-	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 5 - Long dated papers T-Bill Tap and GIS Tap as at June 2023**

Issuer		Term & rates (Current)				
Term (Years)		2	4	8	10	
<b>BPNG Treasury Bond Tap</b>		CLOSED UNTIL FURTHER NOTICE				

Issuer		Term & rates (Previous)				
Term (Days)		63	91	182	273	364
<b>BPNG Treasury Bill Tap</b>		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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