

## Treasury Bills (T-Bills) Results

*‘W.A.R for 364 days T-Bill dropped to 8.26% as auction oversubscribed by K288.580m’*

- T-Bills are a short term debt strategy of the government.
- This week’s T-bill auction offered K257.600m. The W.A.R’s across all tenors experienced mixed results. The 91 and 182 days W.A.Rs remained stable at 3.97% and 5.85% respectively. An upside performance was recorded for the 273 days increasing by 34 bps to close at 7.84% whilst the 364 days tenor declined by 9 bps compared to previous auction to close at 8.26%.
- The 91 and 273 days recorded 100% successful bid rates whilst nil bids were recorded under the 182 days. The 364 days only took out 48% in total for bids received.
- The overall auction was oversubscribed by K288.580m which saw 88% of the oversubscriptions recorded under the 364 days tenor alone.
- 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 K3,782.240bn with total bids awarded to date at K4,096.710bn. A net gain of K314.470m by the central bank to mop up excess liquidity in the market.
- On year to date, T-Bills total amount offered stands at K3,782.940bn while total successful bids awarded is K4,096.710bn (difference of K313.770m).
- Graph 1.0 shows yield movement over a 12 month period for the 91, 182, 273 and 364 days Treasury Bills.

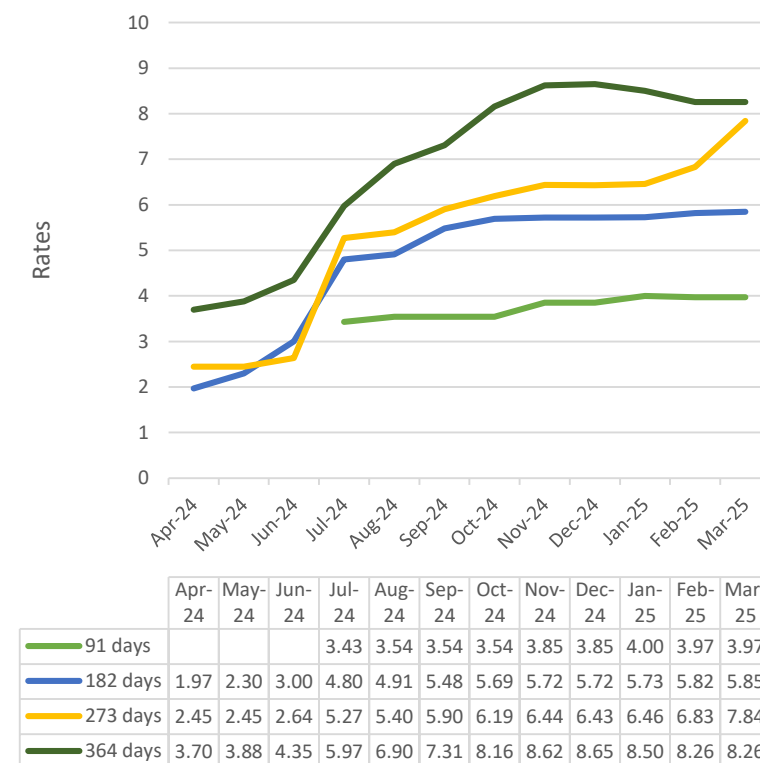
**Table 1 – Last Three Auction Results**

Auction Results 21 <sup>st</sup> March 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R <sup>1</sup>	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 <sup>2</sup>	100%	-	100%	48%	51%

Auction Results 14 <sup>th</sup> March 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R <sup>1</sup>	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 <sup>2</sup>	-	100%	100%	100%	100%

Auction Results 07 <sup>th</sup> March 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R <sup>1</sup>	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 <sup>2</sup>	100%	100%	100%	94%	95%

**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)

### 'GIS auction for this week undersubscribed by K10.00m'

- Government Inscribed Stocks (GIS) are a long term debt strategy utilized by the government to finance the deficit budget.
- GIS issuance is now being scheduled every week. The GIS issuance for this week offered K50.000m as the auction recorded an undersubscription of K10.00m. 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 fifth (5) GIS auction concluded this week, *W.A.Rs* for the 6,7,8,9 and 10 year tenors remained similar to coupon rates with the 6,7 & 8 years papers closing with nil subscriptions. The 2 and 4 year tenors experienced an upswing by 3bps closing both *W.A.Rs* at 8.63% and 8.95% in the respective tenors. The 7 year tenor declined by 15bps to close the auction at 9.15% compared to 9.30% in last week's auction.
- GIS invitations for next week have been disseminated with auction set for the 25<sup>th</sup> 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's budget deficit of PGK2.9billion is financed 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 21 <sup>st</sup> 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%	-	8.98%	9.15%	0.00%	0.00%	0.00%	9.40%	9.50%

Auction results as at 14 <sup>th</sup> 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%

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	0.03%	-	0.03%	0.15%	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 the last auction'*

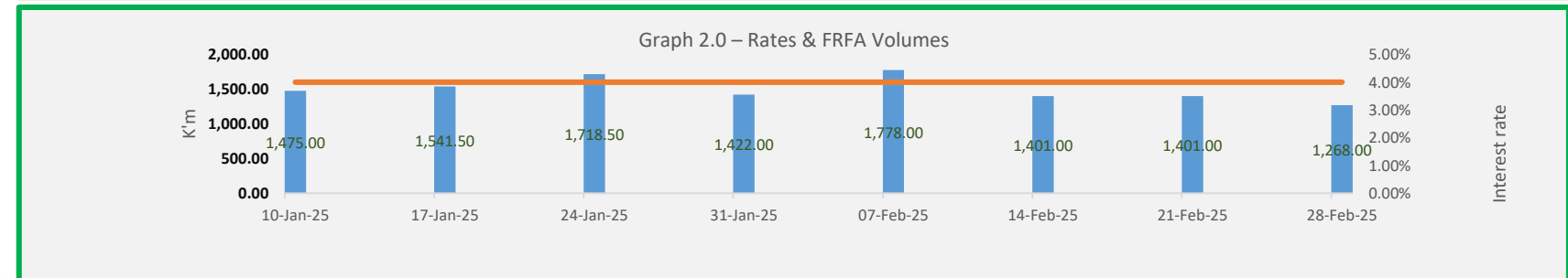
- Term deposit rates for all tenors remained unchanged for all issuers – refer Table 3.
- The Central Bank continues to strengthen the monetary policy operational framework by intensifying efforts to mop up excess liquidity and adopt more effective short-term liquidity management instruments. The introduction 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
<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)		91	182	273	364		91	182	273	364		91	182	273	364
		3.97%	5.85%	7.83%	8.26%		3.97%	5.85%	7.50%	8.35%		0.00%	0.00%	0.34%	0.09%
<b>Central Bank</b>															
Central Bank bills (W.A.R)	7	14	28	63	91	7	14	28	63	91	7	14	28	63	91
	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	
<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**

[bcapenquiries@bsp.com.pg](mailto:bcapenquiries@bsp.com.pg)

**Phoebe Endose**

Head of BSP Capital

Ph: +675 309 8505

Email: [pendose@bsp.com.pg](mailto:pendose@bsp.com.pg)

**Michelle Koredong**

Senior Portfolio Manager – Retail

Ph: +675 309 8507

Email: [mkoredong@bsp.com.pg](mailto:mkoredong@bsp.com.pg)

**Abigail Pepson**

Senior Portfolio Manager - Wholesale

Ph: +675 305 6149

Email: [apepson2@bsp.com.pg](mailto:apepson2@bsp.com.pg)

**Darren Terupo**

Portfolio Manager - Wholesale

Ph: +675 309 8531

Email: [DTerupo@bsp.com.pg](mailto:DTerupo@bsp.com.pg)

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