

T-Bills rates closed relatively stable. Meanwhile, Treasury Bonds interest rates (Government Inscribed Stock) waned further as demand for long term paper increase.

- The fixed income securities closed the month of September with an offer of K313.44m in the Government Treasury bill auction. Offers were only in the 273 and 364 days papers. The 364 days paper had K303.44m on offer.
- The total bid was K317.73m representing an oversubscription rate of 1.01x.
- Rates were mostly stable except for the 273 days which saw a minimal increase. The auction ended with an oversubscription of K4.29m.
- Graph 1.0 depicts movement in the 182, 273 and 364 days paper for a 12 month period.
- Rates expected to stabilise as liquidity

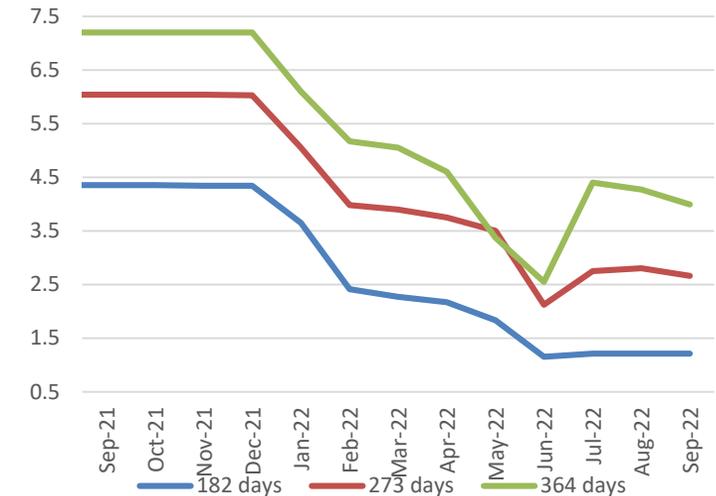
Table 1.0 – Previous auction results

Auction results 28th September 2022				
Terms	182 days	273 days	364 days	Total
W.A.Y -28/09	1.21%	2.66%	3.99%	
Amount on offer	0	10	303.44	313.44
Bids received	0	22	295.73	317.73
Successful bids	0	10	295.73	305.73
Overall-Subscription rate	0	2.20	0.97	1.01

Auction results 21 September 2022				
Terms	182 days	273 days	364 days	Total
W.A.Y -21/09	1.21%	2.65%	3.99%	
Amount on offer	0	50	199.55	249.55
Bids received	0	2.4	212.25	214.65
Successful bids	0	2.4	199.55	201.95
Overall-Subscription rate	0	0.05	1.06	0.86

Auction results 14 September 2022				
Terms	182 days	273 days	364 days	Total
W.A.Y -14/09	1.21%	2.65%	3.94%	
Amount on offer	0	30	203.2	233.2
Bids received	0	10	273.77	283.77
Successful bids	0	10	203.2	213.2
Overall-Subscription rate	0	0.33	1.35	1.22

Graph 1.0 – yield curve showing movement in the 182, 273 and 364 days T-bills in the 12 month period.



Money market insight

- Term deposit rates closed relatively unchanged. Credit Corp saw a decline in the rates across the board.
- Treasury Bond (GIS) 5th issuance was conducted on the 23rd of September 2022 with an offer of K300m. The total bid subscription was K332.86m.
- The auction was oversubscribed by K189.86m. The weighted interest rates edged lower for all papers as demand surged.
- The government plans to issue K1.75bn in Treasury Bonds this year 2022. K1.59bn was raised so far in the last five auctions.
- The next GIS issuance is expected on the 18th of October 2022.

Table 2.0 – Financial institutions rates and short term government paper rates as at 30th September 2022

Issuer	Term & rates (Current)					Term & rates (Previous)					Change/movement						
	30	60	90	180	365	30	60	90	180	365	30	60	90	180	365		
Commercial banks																	
BSP	0.60%	0.60%	0.65%	1.10%	1.60%	0.60%	0.60%	0.65%	1.10%	1.60%	0.00%	0.00%	0.00%	0.00%	0.00%		
Kina Bank	0.50%	0.75%	0.90%	1.15%	1.25%	0.50%	0.75%	0.90%	1.15%	1.25%	0.00%	0.00%	0.00%	0.00%	0.00%		
Westpac (PNG)	0.10%	0.10%	0.15%	0.25%	0.50%	0.10%	0.10%	0.15%	0.25%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%		
ADIs																	
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%		
Credit Corporation (PNG)	0.95%	1.25%	1.85%	2.40%	2.85%	1.00%	1.50%	2.50%	3.50%	4.60%	-0.05%	-0.25%	-0.65%	-1.10%	-1.75%		
FinCorp	0.50%	1.00%	1.50%	1.75%	1.85%	0.50%	1.00%	1.50%	1.75%	1.85%	0.00%	0.00%	0.00%	0.00%	0.00%		
Moniplus	1.00%	1.25%	1.50%	2.00%	2.50%	1.00%	1.25%	1.50%	2.00%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%		
First Investment Finance	0.70%	1.00%	1.10%	0.70%	2.50%	0.70%	1.00%	1.10%	0.70%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%		
Government Securities																	
Treasury bills (W.A.R)			182	273	364			182	273	364			182	273	364		
			1.21%	2.66%	3.99%			1.21%	2.65%	3.99%			0.00%	0.01%	0.00%		
Central Bank																	
Central Bank bills (W.A.R)	28	63	91	182	28	63	91	182	28	63	91	182	0.07%	0.07%	0.00%	0.00%	0.00%
	1.67%	2.11%	2.07%	1.60%	2.04%	2.07%	0.00%										

Table 3.0 – Long dated government paper rates – last auction results in September 2022

Issuer	Term & rates (Current)						
Term (years)	2	4	5	7	8	9	10
Treasury bonds (W.A.R)	4.37%	5.08%	5.26%	5.91%	6.18%	6.40%	6.35%

Auction results from 23/09/22

Issuer	Term & rates (Previous)						
Term (years)	2	4	5	7	8	9	10
Treasury bonds (W.A.R)	4.84%	5.35%	5.60%	6.20%	6.44%	6.67%	6.92%

Auction results from 23/08/22

Change/movement							
Term (years)	2	3	5	6	8	9	10
Treasury bonds (W.A.R)	-0.47%	-0.27%	-0.34%	-0.29%	-0.26%	-0.27%	-0.57%

Money market insight

- In the tap facilities, the Tbond Tap rates retracted compared to previous.
- The bonds are available in 2, 4, 8 & 10 year terms.
- Tbill Tap rates improved in the 63 and 273 days papers whilst the rest closed unchanged to previous close.
- The Tbill Tap papers are available in 63, 91,182,273 and 364 days terms.
- Eligible Investors can participate in the Tap Investments.

Table 4.0 – Long dated papers-BPNG Tbill Tap and BPNG Tbond Tap as at 30th September 2022

Issuer	Term & rates (Current)				
Term (years)	2	4	8	10	
BPNG TBOND TAP	3.87%	4.58%	5.68%	5.85%	

Auction results from 30/09/22

Issuer	Term & rates (Previous)				
Term (years)	2	4	8	10	
BPNG TBOND TAP	4.34%	4.85%	5.94%	6.42%	

Auction results from 23/09/22

Change/movement					
Term (years)	2	4	8	10	
BPNG TBOND TAP	-0.47%	-0.27%	-0.26%	-0.57%	

Issuer	Term & rates (Current)					
Term (Days)	63	91	182	273	364	
BPNG TREASURY BILL TAP	2.10%	2.04%	0.71%	2.31%	3.77%	

Auction results from 30/09/22

Issuer	Term & rates (Previous)					
Term (Days)	63	91	182	273	364	
BPNG TREASURY BILL TAP	2.03%	2.04%	0.71%	2.30%	3.77%	

Auction results from 23/09/22

Change/movement						
Term (Days)	63	91	182	273	364	
BPNG TREASURY BILL TAP	0.07%	0.00%	0.00%	0.01%	0.00%	

For more information on your bidding strategy, please contact the team on phone 309 8501 or email

bcapenquiries@bsp.com.pg

Gheno Minia

General Manager, BSP Capital

Ph: +675 309 8521

Email: gminia@bsp.com.pg

Willie Konga

Manager, Funds Management

Ph: +675 309 8513

Email: wkonga@bsp.com.pg

Phoebe Endose

Senior Portfolio Analyst

Ph: +675 309 8505

Email: pendose@bsp.com.pg

Marie Sourimant

Senior Portfolio Analyst

Ph: +675 309 8530

Email: msourimant@bsp.com.pg

Michelle Koredong

Investment Analyst – Money markets

Ph: +675 309 8507

Email: mkoredong@bsp.com.pg

Abigail Pepson

Senior Portfolio Analyst

Ph: +675 305 6149

Email: apepson2@bsp.com.pg

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