

## Treasury Bills (T-Bills) Results

**'91 days recorded first offering for the year at 3.90%; Overall auction oversubscribed by K217.710m'**

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

- All W.A.Rs across all tenors experienced mixed results. The 91 days and 273 days tenor experienced upside movements by 5bps and 1 basis point closing both tenors at 3.90% and 6.46% respectively. The 364 days tenor decreased by 4bps to close at 8.57% whilst the 182 days remained stable at 5.73% compared to previous results.

- The 182 days came out strongly recording a 100% successful bid rate for the week's auction. The 273 and 364 days only accepted 80% and 83% of the total bids received under each tenor respectively whilst the 91 days recorded a moderately successful bid rate at 50% in its first offering for the year.

- The overall auction was oversubscribed by K217.710m with 66% 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 seen in the first three auction this year.

- Total maturities across all tenors so far for the year stood at K1,271.360m with total bids awarded to date at K1,326.440. A net gain of K55.08m 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 K1286.560m while total successful bids awarded is K1326.440m, a difference of K39.880m.

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

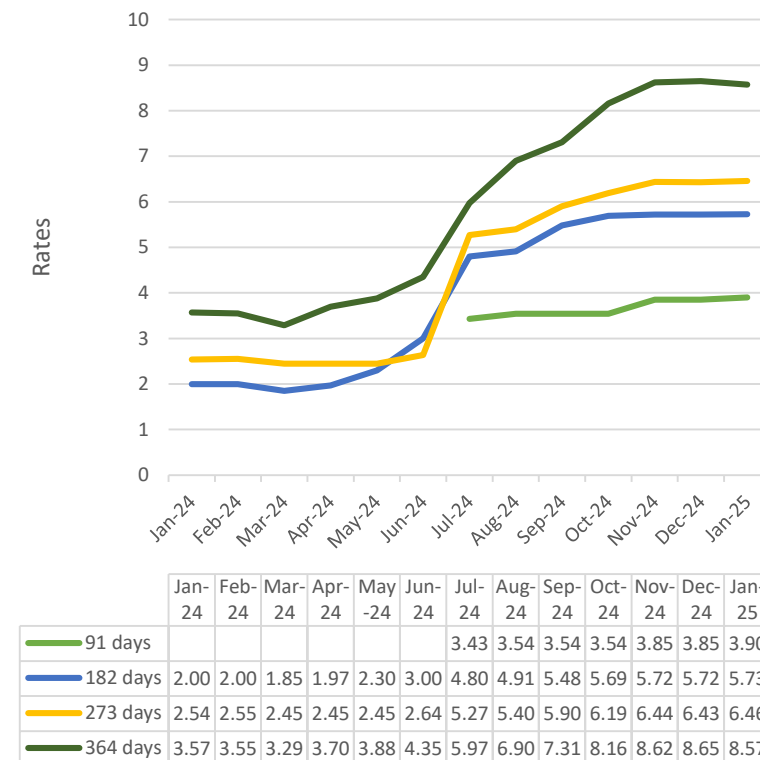
**Table 1 – Last Three Auction Results**

Auction Results 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%

Auction Results 10 January 2025					
Terms	91 days	182 days	273 days	364 days	Total
W.A.R <sup>1</sup>	3.85%	5.74%	6.44%	8.64%	
Amount on offer (K'm)	0.000	10.000	10.000	213.540	233.540
Bids received (K'm)	0.000	10.800	20.000	380.240	411.040
Successful bids (K'm)	0.000	10.000	15.000	213.540	238.540
Successful bid rate <sup>2</sup>	-	92%	75%	56%	58%

**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

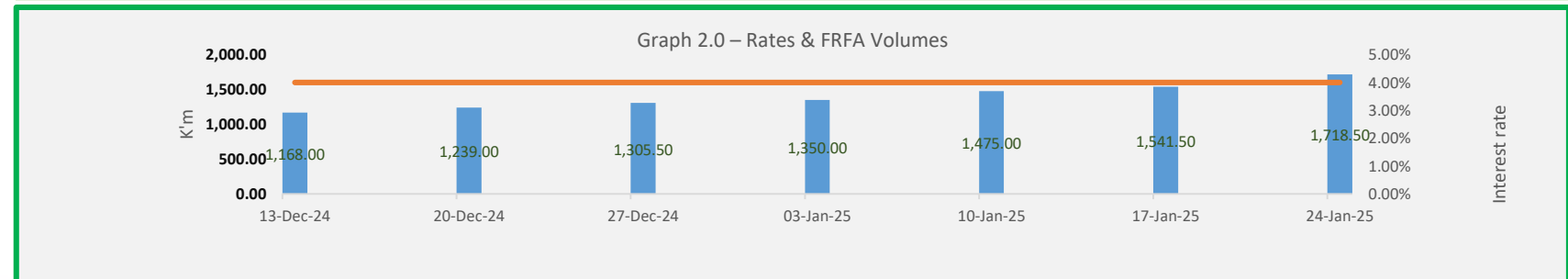
**'FRFA W.A.R remain unchanged at 4.00% as 28 Days Tenor CBB recorded first issuance at 4.25%'**

- 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, the 28 days tenor recorded its first issuance for the year 2025. Respective W.A.R for tenor closed at 4.25% with full allocation made on K20.00m total bids received.
- The 7 day CBB's W.A.R remain unchanged at 4% with full allocation made on K1,718.50m total bids received in this auction.
- With K1,541.50m total CBB maturing this week, there is a net gain of K177.00m (or K1,718.50m - K1,541.50m) by the Central Bank to mop up access liquidity in the market.
- For three 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)		91	182	273	364		91	182	273	364		91	182	273	364
		3.90%	5.73%	6.46%	8.57%		3.85%	5.73%	6.45%	8.61%		0.05%	0.00%	0.01%	0.04%
<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%	-	4.25%	-	-	4.00%	-	-	-	-	0.00%	-	0.00%	-	-

Graph 2 – 7 Day FRFA Rates & Volumes



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

- 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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