

Money Market Insight

Government Securities closed mixed as oversubscription continues for Central Bank Bills...

BPNG auctioned a total of K240.90m in CBB's for the 28 days term last week, while K270.87m was offered in T-bills across its 182, 273 & 364 day terms. All rates remained steady.

Last week's auction saw CBB come in over-subscribed by K72.5m whilst Treasury Bills undersubscribed by K159.53m.

On the secondary market, Treasury Bond Tap had mixed results with 4, 8 & 10 year papers dipped by 44bps, 57bps & 158bps respectively whilst 2 year paper climbed 13bps to 7.65%.

Inscribe stock auctions for April 2018 had mixed results. BSP unsecured notes last traded at K25,100. The corporate bond offers a current yield of 10.77% p.a. and is trading ex-interest. The next coupon is due 29th May, 2018. Meanwhile, Term Deposit* rates quoted by the financial institutions closed unchanged.

Term (days)	Current	Previous	Trend
Bank South Pacific Limited (PNG)			
30	0.30%	0.20%	0.00%
60	0.50%	0.40%	0.00%
90	0.70%	0.60%	0.00%
180	1.25%	1.00%	0.00%
365	1.60%	1.50%	0.00%
BSP Finance			
30	0.30%	0.30%	0.00%
60	0.50%	0.50%	0.00%
90	0.70%	0.70%	0.00%
180	1.20%	1.20%	0.00%
ANZ Bank (PNG)			
30	0.05%	0.05%	0.00%
60	0.10%	0.10%	0.00%
90	0.50%	0.50%	0.00%
180	0.70%	0.70%	0.00%
365	1.50%	1.50%	0.00%
Westpac Banking Corporation (PNG)			
30	0.05%	0.05%	0.00%
60	0.05%	0.05%	0.00%
90	0.05%	0.05%	0.00%
180	0.20%	0.20%	0.00%
365	0.30%	0.30%	0.00%
Credit Corporation Limited (PNG)			
30	1.25%	1.25%	0.00%
60	1.65%	1.65%	0.00%
90	2.50%	2.50%	0.00%
180	3.85%	3.85%	0.00%
365	5.50%	5.50%	0.00%
First Investment Finance Limited			
30	1.25%	1.25%	0.00%
60	1.35%	1.35%	0.00%
90	1.50%	1.50%	0.00%
180	3.50%	3.50%	0.00%
365	5.50%	5.50%	0.00%
Heduru Moni Ltd-Moni Plus			
30	1.75%	1.75%	0.00%
60	2.75%	2.75%	0.00%
90	3.75%	3.75%	0.00%
180	4.75%	4.75%	0.00%
365	6.00%	6.00%	0.00%

Minimum Investment amount with BSP Capital is K100, 000.00

Contact our Funds Management Team on +675 309 8513

Government Securities	Term	Current	Previous	Trend	
Central Bank Bills	28 days	1.40%	1.40%	0.00%	
	63 days	0.00%	0.00%	0.00%	
	91 days	0.00%	0.00%	0.00%	
Treasury Bills	63 days	0.00%	0.00%	0.00%	
	91 days	0.00%	2.40%	0.00%	
	182 days	4.72%	4.72%	0.00%	
	273 days	6.76%	6.76%	0.00%	
	364 days	8.04%	8.04%	0.00%	
Treasury Bill Tap Facility	63 days	2.01%	2.01%	0.00%	
	91 days	2.04%	2.04%	0.00%	
	182 days	2.85%	2.85%	0.00%	
	273 days	4.60%	4.60%	0.00%	
	364 days	5.69%	5.69%	0.00%	
Treasury Bond Tap Facility (inscribed stock)	2 years	7.65%	7.64%	0.13%	
	4 years	9.13%	9.17%	-0.44%	
	8 years	10.52%	10.58%	-0.57%	
	10 years	11.22%	11.40%	-1.58%	
Government Inscribed	Series	Coupon Rate	Buying Yields (Weighted Av.)		
Stock	4 years	9.00%	9.48%	9.46%	0.02%
	5 years	10.50%	10.48%	10.52%	-0.04%
	8 years	11.50%	0.00%	11.52%	0.00%
	10 years	12.50%	12.57%	12.75%	-0.18%

BSP Capital Limited Contacts

		<u>+675...</u>	<u>email:</u>
Chris Hagan	General Manager – Funds management	305 6646	chagan@bsp.com.pg
Willie Konga	Manager – Funds management	309 8513	wkonga@bsp.com.pg
Michelle Koredong	Snr. Fixed Interest Dealer	305 7804	mkoredong@bsp.com.pg
Marie Sourimant	Snr. Portfolio Analyst	309 8530	msourimant@bsp.com.pg

Disclaimer –

This Research comprises general market information and does not take account of your objectives, financial situation or needs. Before acting on this general advice, you should consider the appropriateness of the advice having regard to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision. This information has been prepared for the use of the clients of the BSP Capital Limited (BSPCL) and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient, you must not use or disclose this research in any way. If you received it in error, please tell us immediately by return e-mail and delete the document. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person. Nothing in this report shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. This report is based on information obtained from sources believed to be reliable, but BSPCL does not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. The BSPCL accepts no liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. BSP Capital Limited produces a variety of research products, recommendations contained in one type of research product may differ from recommendations contained in other types of research. BSPCL has established and implemented a conflicts policy at group level, which may be revised and updated from time to time, pursuant to regulatory requirements; which sets out how we must seek to identify and manage all material conflicts of interest. BSP Capital Limited, its officers and employees may have conflicting roles in the financial products referred to in this research and, as such, may effect transactions which are not consistent with the recommendations (if any) in this research. BSP Capital Limited may receive fees, brokerage or commissions for acting in those capacities and the reader should assume that this is the case. BSP Capital Limited employees or officers may provide oral or written opinions to its clients which are contrary to the opinions expressed in this report.