

## Money Market Insight

### The yield curve holds steady

Term (days)	Current	Previous	Trend
<b>Bank South Pacific Limited (PNG)</b>			
30	0.30%	0.20%	0.10%
60	0.50%	0.40%	0.10%
90	0.70%	0.60%	0.10%
180	1.25%	1.00%	0.25%
365	1.60%	1.50%	0.10%
<b>BSP Finance</b>			
30	0.25%	0.25%	0.00%
60	0.50%	0.50%	0.00%
90	1.00%	1.00%	0.00%
180	1.25%	1.25%	0.00%
365	1.75%	1.75%	0.00%
<b>ANZ Bank (PNG)</b>			
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%
<b>Westpac Banking Corporation (PNG)</b>			
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%
<b>Credit Corporation Limited (PNG)</b>			
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%
<b>First Investment Finance Limited</b>			
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%
<b>Heduru Moni Ltd-Moni Plus</b>			
30	1.00%	1.00%	0.00%
60	1.50%	1.50%	0.00%
90	3.00%	3.00%	0.00%
180	4.00%	4.00%	0.00%
365	5.00%	5.00%	0.00%

BPNG issued a total of K357.5m in CBBs for the 28 days tenor and K156.12m for T-bills in its 182, 273 & 364 day terms in last week's auction. Rates were steady across the board except the 364 days tenor which attracted a slight gain by **3bps**.

The last week's auction saw CBBs under-subscribed by K10m while T-bills were over-subscribed by K13.98m.

On the secondary Market, both Treasury Bill Tap and Treasury Bond rates closed unchanged.

The Weighted Average Rates (WAR) results remained steady on Tuesday's auction as the 8 year paper slid **1bps** to 11.53% and gained on the 11 year paper. Coupon rates for the fixed income segment closed unchanged. The next GIS auction will be announced early 2018.

BSP unsecured notes last traded at K25, 000. The corporate bond offers a current yield of 10.59% p.a. The notes are currently trading on an ex-interest status, with the payment date scheduled for 30<sup>th</sup> November.

Meanwhile, BSP rates picked up last week whilst all Term Deposit\* rates quoted by financial institutions closed unchanged. BSP Finance is currently not quoting to external customers.

Government Securities		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	28 days	0.00%	0.00%	0.00%	
	63 days	0.00%	0.00%	0.00%	
	91 days	0.00%	0.00%	0.00%	
	182 days	4.73%	4.73%	0.00%	
	273 days	6.76%	6.76%	0.00%	
	364 days	8.03%	8.01%	0.02%	
Treasury Bill Tap Facility	28 days	0.00%	0.00%	0.00%	
	63 days	2.04%	2.04%	0.00%	
	91 days	2.08%	2.08%	0.00%	
	182 days	2.75%	2.75%	0.00%	
	273 days	4.47%	4.47%	0.00%	
	364 days	5.53%	5.53%	0.00%	
Treasury Bond Tap Facility (inscribed stock)	2 years	7.25%	7.25%	0.00%	
	4 years	7.98%	7.98%	0.00%	
	8 years	10.04%	10.04%	0.00%	
	10 years	10.84%	10.84%	0.00%	
Government Inscribed Stock	Series	Coupon Rate	Buying Yields (Weighted Av.)		
	4 years	9.00%	9.48%	9.48%	0.00%
	5 years	10.50%	10.53%	10.53%	0.00%
	8 years	11.50%	11.53%	11.54%	-0.01%
	11 years	12.50%	12.77%	12.76%	0.01%

**Minimum Investment amount with BSP Capital is K100, 000.00**

**Contact our Funds Management Team on +675 309 8513**

#### BSP Capital Limited Contacts

Richard Borysiewicz General Manager  
 Willie Konga Manager – Funds management  
 Michelle Koredong Dealer – Money markets  
 Marie Sourimant Portfolio Administrator

**+675...**  
 3098504  
 3098513  
 3057804  
 3098530

**email:**  
 rborysiewicz@bsp.com.pg  
 wkonga@bsp.com.pg  
 mkoredong@bsp.com.pg  
 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.