

20-year bond fetches over 300bn/-

By DAILY NEWS
Reporter

THE government retained 168.29bn/- as successful amount fetched through the 20 years treasury bonds auctioned by the Bank of Tanzania (BoT) in Dar es Salaam last week.

The long term debt instrument, however, attracted bids worth 307.98bn/- as total amount tendered against 117bn/- sought to be raised.

The oversubscription of the bond instrument is an indication of high liquidity level among investors of the 20 year government note.

This is the fifth 20-year debt instrument to be auctioned this year and the seventh since when it was introduced in the market few years ago. High appetite continued to characterise all the sessions ending up over-subscribed.

Some of the corporate investors are pension funds, insurance companies, commercial banks and some microfinance institutions. In the debt instrument, retail investors are among the key investors.

The BoT said recently that stable exchange and inflation rates are among the

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major factors that make the 20 years treasury bonds to be attractive to investors.

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Some of the long term infrastructural projects that benefit from the funds include hydropower, roads, railways, bridges, ports, airports as well as social services like hospitals and schools.

The implementation of the projects would stimulate business growth, contribute

to improved living standards and the government collects more revenue.

The 17.02 per cent coupon rate was offered in the 20-year instrument held on Wednesday slightly down compared to 17.27 per cent of the session held in September.

The weighted average yield to maturity declined slightly to 17.08 per cent compared to 17.34 per cent of the previous session that took place in September.

The number of bids received during the session were 409 and 259 emerged to be successful bids.