Appetite for T-bills still high

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Dar es Salaam. Investor-appetite for the 364-day Treasury bill floated by the central bank for government financing is high despite reduced yields.

Wednesday's T-bills auction results showed that BoT wanted to raise Sh107 billion - but only Sh106 billion was tendered.

The results summary also shows that a total of 81 bids were made on Wednesday - with 80 targeteing the one year maturity bill.

The central bank wanted to raise Sh101.5 billion from the 364-day maturity bill - but Sh106.1 billion tendered, which translated into an oversubscription of Sh4.65 billion.

However, the central bank accepted only 64 bids worth Sh97.8 billion.

Consistent with strong demand and adequate liquidity in the banking system, the weighted average yield for the one-year maturity decreased to 5.49 percent from the 5.7 percent recorded at the preceding auction.

There were no bids for the 182-day and 91-day Treasuries.

Also, only a single bid worth Sh500 million was tendered for the 35-day maturity yield which fetched 2.98 percent yield.

A pedestrian wearing a face mask walks past an electric quotation board displaying the Nikkei 225 Index on the Tokyo Stock Exchange in Japan. Asian markets rallied Thursday following a surge on Wall Street, with confidence buoyed by global stimulus measures to mitigate the economic impact of the coronavirus. PHOTO | AFP

Asian markets rally as they build on gains

Hong Kong. Asian markets rallied Thursday following a surge on Wall Street, with confidence buoyed by global stimulus measures to mitigate the economic impact of the coronavirus.

After last week's rout -- the worst since the financial crisis -- equities have enjoyed a revival over the past few days as governments and central banks kick into gear in the face of recession warnings.

And while the worldwide death and infected toll continues to rise, China -- the centre of the outbreak -- is slowly grinding back to life after weeks of lockdown and quarantine that have battered the economic superpower.

In a bid to support economic growth, the US Federal Reserve on Tuesday slashed interest rates, with similar moves coming from Australia and Malaysia's central banks.

Canada later joined the party and AxiCorp's Stephen Innes said its reference to the cut being "in coordination with other G7 central banks and fiscal authorities" suggested the group was likely working more closely than thought.

Traders are now keeping an eye on the European Central Bank's policy meeting next week as well as the Bank of England, the Reserve Bank of New Zealand and the Swiss National Bank.

Meanwhile, US lawmakers announced a rare bipartisan agreement to pass $8 billion in emergency spending to combat the health and economic fallout of the disease.

And the International Monetary Fund said it had $1 trillion in overall financing capacity, including $50 billion available without a formal programme, and $10 billion in no-interest funds for the poorest countries. South Korea is planning a $10 billion stimulus budget while Australia has also hinted at a huge splurge.

The move to action has lifted spirits on trading floors, helping take a bite out of last week's losses.

Tokyo, Sydney, Seoul and Taipei ended more than one percent higher, while Hong Kong, Shanghai, Bangkok and Wellington gained two percent or more. Mumbai added 0.8 percent, while Singapore and Manila each added 0.2 percent.

In early trade, London edged up 0.1 percent, Paris added 0.4 percent and Frankfurt gained 0.5 percent. *(AFP)*