

# T-bills yields drop below inflation rate

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TREASURY bills yields to maturity across tenors maintained a downward slide during the mid-last week auction to echo back analyst projections.

The slide augured well with some analysts projection of the yield drop backed by previous trends.

The T-bill yield to maturi-

ties for the tenors went down by 10bps, 8bps, 47bps and 6bps for the 35days, 91days, 162days and 364days respectively.

These yields of 1.99 per cent, 2.42 per cent, 2.58 per cent and 4.00 per cent are barely above inflation rate of 3.2 per cent of last month.

Zan Securities CEO, Raphael Masumbuko said the bill yields echoed their last week sentiment

and predicted that the today auction for 2-years Treasury bond yield will follow similar patent.

"We expect yields to continue with the downward trend in [today's] 2-year bond auction," Mr Masumbuko said in the weekly market wrap-ups.

The Bank of Tanzania (BoT) offered a total of 90.23bn/- and except for the 35days, all other tenors

were undersubscribed as yields became increasingly less attractive.

The total tender size was 39.17bn/-, marking an under subscription rate of 56.6 per cent.

Nevertheless, BoT still accepted less than the tender size, at a total of 25.44bn/-, which is 72 per cent of the tender size.

"The yield to maturities for the tenors went down..., which the

yield is barely above inflation which stood at 3.2 per cent...." Orbit Securities said in its weekly market synopsis report.

Today the central bank will auction a 2-year fixed rate government bond at 7.82 per cent.

Debt analysts predicted that the bond yields rate will drop based on the trend established by couple of previous auctions.