



Agence  
**UMOA-Titres**

# AUT Newsletter

The Quarterly newsletter of WAMU Government Securities Market

N°05/2017 - February

QUARTERLY THEME  
EXPERT OPINION  
FOCUS ON PRIMARY DEALERS



Agence UMOA-Titres

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Agence UMOA-Titres, is a regional agency supporting the issuance and management of Government securities in the WAMU area, and has been tasked to assist the Member States of the Union in raising financial resources at a reasonable cost.

Information, transparency and good governance are key elements to assess the quality of an issuance policy in the new context of implementation of WAMU reforms to modernize and develop the debt market in the sub-region. Agence UMOA-Titres, is pleased to present its fifth issue of the quarterly newsletter, with the goal of popularizing concepts of WAMU Government securities market and promoting its expansion.

**Publication director** : Mr. Adrien Diouf, Director of the Agence UMOA-Titres

**Managing director** : Department of Communications, Investor Relations and Promotion of public securities

# EDITORIAL

The Agence UMOA-Titres presents its best wishes of health, happiness and prosperity through this first 2007 issue.

The market of Government securities by auction witnessed major challenges in 2016. First, it increased for more than twenty percent (20%) with a total of 3 330 billion FCFA of which 1 541 billion in Treasury bills and 1 789 billion in bonds. In addition, 2016 saw the operationalization of Primary Dealers, with the introduction of targeted auctions and Non Competitive Bids (ONC) enabling the raising of substantial funds on the market and the granting of benefits to Primary Dealers.

Furthermore, the past year was characterized by the establishment of new modalities of publication of the issuance schedules, the introduction of 3-year bonds 'In Fine', the generalization of the use of the assimilation technique, and the initiation of actions to shake up the secondary market and broaden the investor base.

With these developments, 2017 will be devoted to the effective implementation of key initiatives to develop the market in general and boost the secondary market in particular. And secondly, it will be geared toward the expansion and diversification of the investor base both within and outside the Union.

Hence, I would like to seize this opportunity to thank the National Treasuries for their trust and to renew our commitment to support them in raising funds to

finance their development programs. Moreover, I would like to invite them to redouble their efforts in adhering to best practices of governance and transparency in financial markets, including better communication with the market.

The Agence UMOA-Titres (AUT), resolutely committed to a participatory and transparent approach alongside all the market actors, hereby offers to you the fifth issue of its newsletter and the first of 2017.

Please warmly welcome this edition which, like the previous ones, contributes to the consolidation of WAEMU Government securities market in dealing with current issues.

The year 2017 will be what we make it. As such, the leitmotif of the Agency will be to enhance the efficiency of the market and offer to issuers the best conditions of funding their ambitious development program. This commitment is the foundation of our vision to build a public securities market in line with international standards able to support sustainable development of WAEMU Member States..

**Adrien DIOUF**

Director of the Agence UMOA-Titres

## FOCUS ON AUT



The Government securities market has experienced significant developments in recent years. For a matter of fact, the funds raised through this means went from less than 60 billion FCFA in 2001 to 3 300 billion in 2016 across the Union.

Certainly this market faces many challenges; notwithstanding, it has demonstrated its ability to meet the many requests of the Member States with regard to the financing of their development needs.

This fundraising capability offered by the market is the result of how it has evolved to include new actors such as the Agence UMOA-Titres and Primary Dealers. No doubt, these actors have played a key role in boosting the market and improving its environment.

The Government of Senegal will continue to play its part in the development of the market by issuing securities that meet international standards and by adopting best practices in order to earn the trust of investors. As a reminder, the country inaugurated in 2016, targeted tender that has facilitated the raising of substantial amounts.

Senegal intends, this year, to resort to the regional financial market to cover its needs. In keeping with the dynamics of innovation, the country plans, with the support of its Primary Dealers and under the supervision of the Agence UMOA-Titres, to propose to the market new products including synthetic bonds. A synthetic bond is a basket of bonds (bonds and bills), in fine, issued jointly in the primary market, of different maturities, according to a predefined allocation. It can be regarded as a depreciable bond broken down into several securities in fine, with less or equal maturity.

The first issue of this new product is expected during the third quarter of this year and will contribute, by improving the offer on several maturities, to address the shortcomings of conventional bonds namely:

- the issuance on a single point of the curve and for a long maturity excludes investors with 'short term' profile and thus reduces the ability of the market to absorb large volumes of issues;
- the amortization repayment terms practiced increases the cost of debt, reduces the life of the securities issued and does not improve both primary and the secondary markets and the yield curve.

Altogether, the reforms initiated by the monetary authorities of the Union which includes the creation of the Agence UMOA-Titres have been capital. More than ever, efforts should be made by all stakeholders to sustainably build a renowned regional Government securities market, as an alternative source of resource mobilization for the development of WAEMU Member States.

**Daouda SEMBENE**

General Director of Senegal Public Accounting  
and Treasury



# THEME OF THE QUARTER

## UNDERSTANDING THE ISSUANCE OF GOVERNMENT SECURITIES

The primary market, also called «new market», is the place where issuers of financial assets offer their newly issued instruments to investors in exchange for capital. On this market, Member States of the Union can issue two (2) types of securities which are Treasury Bills and Bonds. Those securities have already been described in the first two editions of this newsletter. However, in this edition, we are going to talk about means of issuance of Government securities, namely auction and syndication.

### I- THE AUCTION

#### a. Issuance technique

An invitation to tender is a technique of «auctioning» of movable and immovable property. In finance, this property may be currency or a financial security. An auction is a one way tender. It is intended either to the suppliers of resources or to the applicants of resources<sup>1</sup>. Pertaining to the issuance of public securities, it is a tender to suppliers of resources.

The auction of Government securities is a technique of collecting all of the investors' bids and then selecting priority offers for the issuer, within the limit of the amount put out to tender. For the issuance of Treasury bills, bids are expressed in rates. For Treasury bond issues, they are expressed in price.

In the WAEMU area, several types of auctions are provided by regulation. These various auctions can be classified according to different criteria.

According to the criterion of participation, there are:

- Open invitations for which all direct participants can bid, namely banks, financial institutions, regional financial institutions, brokerage firms and Primary Dealers;
- Targeted invitations which are reserved in primary subscription to Primary Dealers.

According to the payment criterion of selected bids, there are:

- auctions at multiple price or rate (or at requested prices or rates) where subscriptions are served at the price (or rate) of the bid actual.
- auctions at uniform price where subscriptions are served on the same basis. The latter may be the marginal price (or rate).

#### Practical example of auction

Let's take the example of the auction at multiple rates of the Senegalese Treasury bills, having the following characteristics :

## REPUBLIQUE DU SENEGAL

### L'Agence UMOA-Titres et le Trésor Sénégalais

PORTENT A LA CONNAISSANCE DU PUBLIC QU'ILS ORGANISENT UN APPEL D'OFFRES POUR LA CESSION DE BONS DU TRÉSOR DONT LES TERMES SONT LES SUIVANTS :

#### CARACTÉRISTIQUES DE L'OFFRE

Emetteur	: Etat du Sénégal
Montant mis en adjudication	: 40 000 millions de FCFA
Valeur nominale unitaire	: 1 million de FCFA
Durée	: 91 jours
Taux d'Intérêt	: multiples
Date de valeur	: Mardi 13 septembre 2016
Echéance	: Lundi 12 décembre 2016



<sup>1</sup>- The General Bank uses this method for monthly and weekly liquidity injections

Following the analysis of the characteristics by investors, tender proposals are as follows :

Proposed amounts and rates		
Participant X	Participating Y	Participant Z
<b>16 billion CFA francs of which:</b> -7 billion FCFA at 3.75% -5 billion FCFA at 4.00% -4 billion FCFA at 4.35%	<b>15 milliards de FCFA dont :</b> - 3 milliards de FCFA à 3,25 % - 9 milliards de FCFA à 3,75 % - 2 milliards de FCFA à 4,25 % - 1 milliard de FCFA à 4,75 %	<b>15 milliards de FCFA dont :</b> - 8 milliards de FCFA à 3,80 % - 6 milliards de FCFA à 4,50 % - 1 milliard de FCFA à 5,00 %

At auction, the proposed rates are ranked in ascending order and the results are as follows :

Proposed rates	Proposed amounts	Subscribers	Combination of offers	Status
3.2500%	3 billion FCFA	Y	3 billion FCFA	Bid selected
3.7500%	7 billion FCFA	X	10 billion FCFA	Bid selected
3.7500%	9 billion FCFA	Y	19 billion FCFA	Bid selected
3.8000%	8 billion FCFA	Z	27 billion FCFA	Bid selected
4.0000%	5 billion FCFA	X	32 billion FCFA	Bid selected
4.2500%	2 billion FCFA	Y	34 billion FCFA	Bid selected
4.3500%	4 billion FCFA	X	38 billion FCFA	Bid selected
4.5000%	6 billion FCFA	Z	44 billion FCFA	Partially successful bid
4.7500%	1 billion FCFA	Y	45 billion FCFA	Bid rejected

Bids selected to obtain the amount of 40 billion CFA FRANCS are those made at a rate between 3.2500% and 4.5000%, i.e.:

40 billion CFA = 3 billion at 3.25%  
 + 7 billion at 3.75%  
 + 9 billion at 3.75%  
 + 8 billion at 3.80%  
 + 5 billion at 4.00%  
 + 2 billion at 4.25%  
 + 4 billion at 4.35%  
 + 2 billion at 4.50%

Other bids are rejected because the combination of

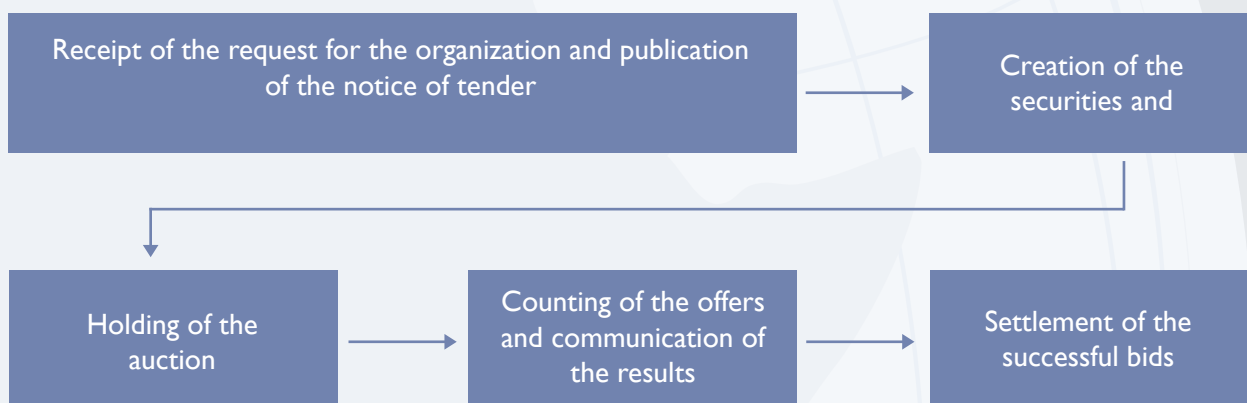
offers for the proposed amounts is greater than the amount put out to tender. It is the case for the partially successful bid as the amount put out to tender has been met.

#### Auction results

- The amount of the bids: the bid amount is the sum of all the offers received. In our example it is 46 billion CFA francs.
- The amount selected: the amount selected is the sum of all the selected bids. It may be equal to the amount put out to tender but not necessarily. The issuing State may decide after analysis to retain 110% of the amount put out to tender or still retain less if the offers are considered to be unsatisfactory in terms of price or rate.

- Coverage ratio: it's the ratio between the amount of the bids and the amount put out to tender. When this ratio is greater than 100%, we can consider that it has generated much interest with the investors. It can also be said that the issue has been oversubscribed.
- The uptake rate: it corresponds to the ratio of the amount selected and the total amount of bids.
- The marginal price (or rate) : the marginal price (or rate) is the price (or rate) associated with the last successful bid; in our example, it is 4.50000% as it is the rate at which the cumulative amount equals or exceeds the amount put out to tender.
- When several bids are expressed at the marginal rate, they are served in proportion to the amount needed to get the amount put out to tender.
- The average price (or rate): as its name suggests, is an average of the prices (or rates) served to selected investors and weighted by the amount of each bid.

## b Issuing procedure



One of the missions of the Agence UMOA-Titres is the material organization of auctions. At the beginning of each quarter, a schedule is published which retraces the various projected issuance by specifying the issuing State, date, maturity and the volume of the operation. Hence :

- Ten (10) days before the date of the auction, the issuing State has to approach AUT through a request for formal organization of the issuance. This request enables the preparation of the notice of tender which is then published to inform the market actors.
- The securities and auctions are then created through the application SAGETIL-UMOA. It is an automated management system of securities and the liquidity of the West African Monetary Union, which is the mechanism through which trades on securities held by the Central Bank are made.
- The day of the auction, from 9:00 to 10:30, investors are allowed to proceed with the registration of their bids.
- Then, follows the counting of offers and the determination of the results which are synthesized in the auction record available to the public on the website of the Agency and published in the local print media.
- Settlement takes place on J + 1. The funds raised are positioned in the account of the issuing State and securities in the accounts of subscribers.

## II- SYNDICATION

### a. Issuance technique

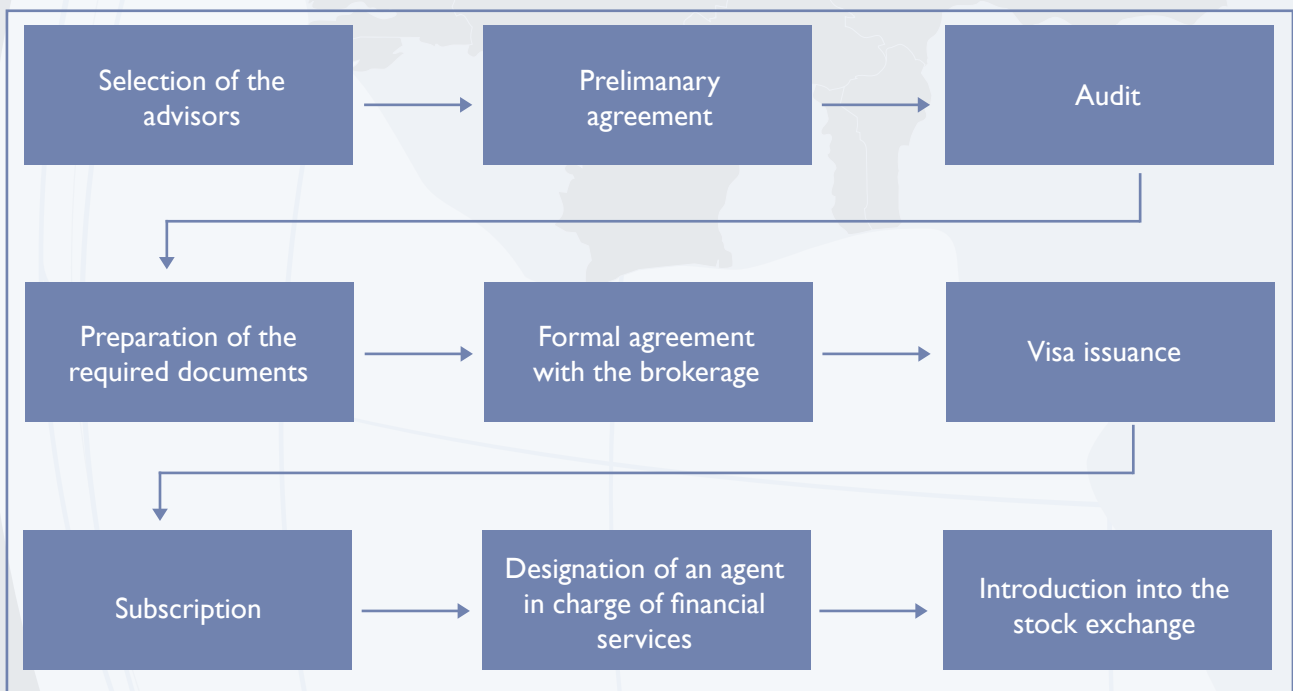
Syndication is the process by which a company, an institution, or a Government (the issuer) sells securities to the public investor through intermediaries into a syndicate of investment. This technique can be used in a Public offering or in a private placement.

Syndication is governed by the Regional Council for Public Savings and Financial Markets (CREPMF). Intermediaries authorized when it comes to issuance of securities by syndication are brokerage firms. Public securities issued by syndication are bonds. To ensure the success

of the operation, the period of placement of securities is longer than the tendering procedure (three to four weeks). Subscriptions are fixed-price, announced by the issuer, which is the issue price.

Syndication is a long process of fundraising on the Regional financial market (FRFM) in comparison to an auction; its preparation can take months. With it the market can be solicited for large amount of resources as the fixed costs that it generates are such that below a certain level, it becomes unjustifiable.

### b. Issuing procedure



- Organizing syndication requires the assistance of a brokerage firm, a law firm and an accounting firm. The brokerage firm is the main adviser to the issuer. The firm is there to guide the issuer through all the stages of the process and intervenes on his behalf. Accounting and legal firms serve as support for the development of the fact sheet as well

as financial and legal documents composing the file to submit to CREPMF.

- The brokerage firm designated by the issuer is in charge of the feasibility study of the public offering that will lead him to probe potential subscribers. It is on the basis of this study that it makes proposals to the issuer on the



characteristics of the issuance (size, number of securities, issue price, schedule, etc.).

- The pool of advisors will conduct an analysis and a comprehensive audit of the issuer and these operations. It is an essential step prior to the preparation of the fact sheet, the document which commits the issuer and his advisors.
- The fact sheet from the sovereign issuer has to contain, for decision making, among other necessary information the following :
  - the description of the securities being offered and their characteristics;
  - the destination of the funds raised;
  - the terms of offering securities to the public.
- The formal agreement between the issuer and the brokerage firm as well as the determination of the terms of issuance will intervene when the fact sheet is submitted to CREPMF in order to minimize the risks associated with the change in market conditions.
- Then, the visa process will ensue. Upon granting the visa, the operation can be started and the fact sheet may be widely circulated within the WAEMU area. However, the visa is not required for State bonds.
- At the opening of the subscription period, the brokerage firm agent uses his investment network, as well as the one of his partners, part of the syndicate to invite investors to subscribe to the issuance. This is usually done through a media campaign and a public

presentation of the operation. During the subscription period, the leading brokerage firm of the syndicate, controls the placement of bonds on a basis set with the issuer, and centralizes subscription bulletins transmitted by the Union members and addresses to the issuer; a summary report of sales made by the network agent. At the end of the subscription period, the brokerage firm will produce, on behalf of the issuer, a final summary statement of subscriptions made by socio-professional category, by nature of the subscribers (natural person and legal person) and by origin of the subscribers.

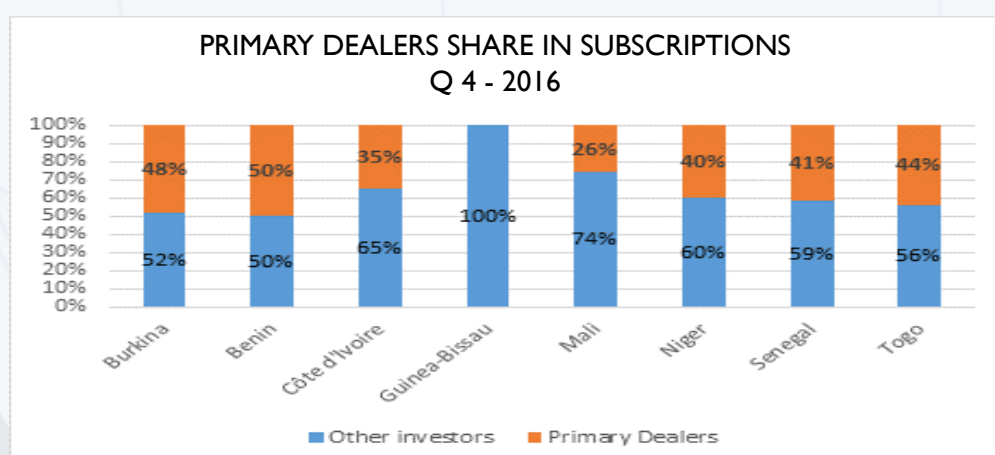
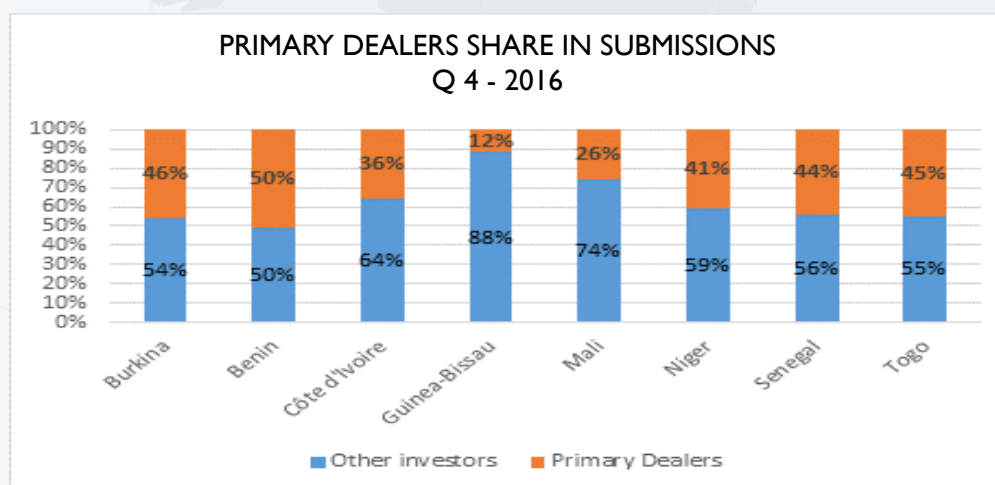
- The product of the subscriptions collected, net of the due commission, is positioned on the account of the issuer. The latter has to designate an intermediary (Bank or brokerage firm) that will provide financial services such as coupon payments and the repayment of capital during the lifetime of the securities.
- Following a public offering by syndication as the IPO, the brokerage firm agent will handle arrangements for the registration of securities on the regional stock exchange of securities values (BRVM) if the operation meets the following conditions:
  - the minimum nominal value of the issuance is 500 million FCFA;
  - the minimum number of securities at issuance 25,000.
- On this occasion, it will ensure the delivery of securities to placement institutions, through the Central Depository/ Regulation Bank (DC/BR), during their first listing.

## FOCUS ON PRIMARY DEALERS

The Primary Dealers system implemented since March 1, 2016, in order to revitalize the regional debt market, now has 29 financial institutions including twenty-three (23) banks and six (6) brokerage firms.

During the fourth quarter of 2016, ten (10) months after the inception of Primary Dealers, their transactions on the primary market can be summarized as follows:

- On 29 Primary Dealers, only 23 institutions effectively participated in the auctions;
- All the invitations to tender conducted between October 1 and December 30, 2016, registered the participation of the Primary Dealers of State issuers;
- On a total volume of CFAF 868.25 billion raised, Primary Dealers subscribed for 328.05 billion, representing a subscription rate of 37.78% ;
- On a total volume of CFAF 221.27 billion booked in non-competitive offers (25% of the total amount of issues), Primary Dealers subscribed up to 25.68 billion FCFA, or 11.31%.
- Subscriptions of the Primary Dealers for own account total 301.31 billion FCFA, or 92.46% of the total amount of their interventions;
- There was no targeted tender during the 4th quarter of 2016.



# OVERVIEW OF THE REGIONAL AND INTERNATIONAL MARKETS

## INTERNATIONAL ENVIRONMENT

- In 2016, the vote in favor of Brexit and the election of U.S. president created a climate of uncertainty in the markets coupled with a slow global economic growth, due to the slowdown of global trade and investment.
- According to the International Monetary Fund (IMF), the world economy grew at a steady rate in the third quarter of 2016 compared to the previous two (2). Growth is estimated at 3.1 % across the year 2016, below the historical average.
- In developed countries, only the US economy effectively bounced back and is approaching full employment. In Europe, growth remains modest. The European Central Bank (ECB), later in the year extended its program of purchases of bonds, but at a reduced pace. The slump continued in Japan, faced with slow growth and negative interest rates. Fears of a sharp slowdown in China did not materialize and the Chinese economy remained stable throughout the year.
- Commodity prices reached their lowest level in 2016. Given expectations of a resumption of activity in China in infrastructure and real estate, coupled with the loosening of fiscal policy in the United States of America (U.S.), commodity prices have begun a slight increase.
- Below the 30 USD at the beginning of the year 2016, a barrel of oil ended the year slightly above the 50 USD, following an agreement between oil producing countries, members and non-members of OPEC, to reduce production.
- Nominal and real long-term interest rates have increased considerably since August, particularly in the United Kingdom (Brexit) and the United States since the November election. As of January 3, 2017, nominal yields on U.S. 10-year Treasury bonds had increased by nearly 100 basis points since August and of 60 basis points since the U.S. election. These changes are due mainly

to a fiscal stimulus expected in the short term and a less progressive normalization of monetary policy in the USA. Hence, conditions of funding on the international financial markets continue to toughen.

- The American dollar appreciated in real effective terms for more than 6 % since August, 2016. Against the dollar, the euro depreciated by about 3% in 2016.
- According to IMF projections, global growth is expected to reach in 2017 and 2018 respectively 3.4% and 3.6%, under the assumption of a faster recovery in the USA. and in China. But the adoption of protectionist policies and tighter, stronger than expected global financial conditions appear as significant downturn risks.

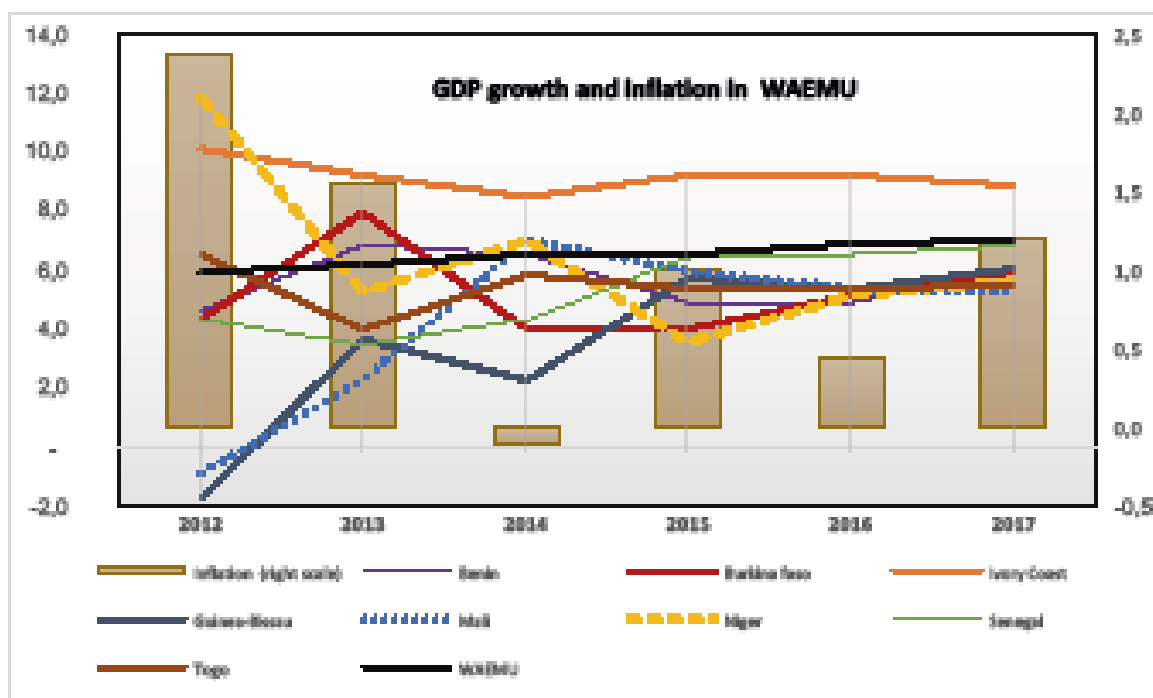
## REGIONAL ENVIRONMENT

- According to data from the Central Bank (BCEAO), economic activity is progressing at a steady pace. Thus, in the third quarter of 2016, growth in gross domestic product of the Union, YOY, resulted to 7.1 % against 6.8 % the previous quarter; thanks to the dynamism of tertiary sector; followed the secondary and primary sectors. For the whole of the year 2016, the economic growth of the Union is expected at 6.9%, after 6.6 % in 2015. All the States of the Union are on a path of sustained growth (chart 1) in an environment of slowing growth in sub-Saharan Africa.
- In the third quarter of 2016, prices of the major commodities exported by WAEMU countries evolved in a contrasting manner. The price of robusta coffee, cotton, palm oil and gold are directed upward, whereas those of the cashew nuts, rubber, cocoa and crude oil have recorded significant declines. Throughout the year 2016, prices of commodities exported by the Union experienced a positive trend.
- YOY, inflation stood at -0.1% in the third quarter of 2016 against a level of 1.2 % the previous quarter. This decline is as a result of the improvement in the supply of food products in

the period under review. In 24 months, the rate of inflation, YOY, is projected at 1.6 %. Inflation is expected throughout the year 2016 at 0.4% (graph 1).

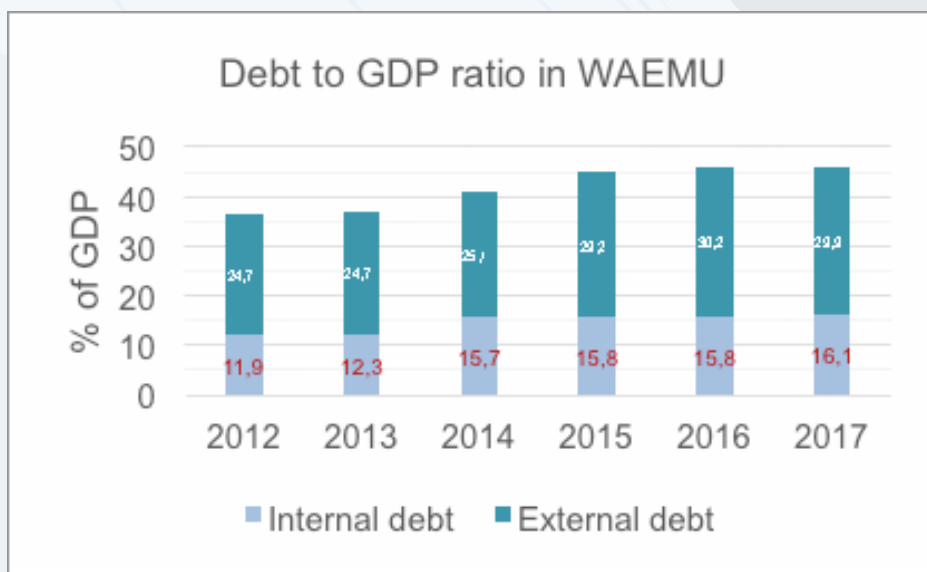
- At the financial level, the efforts of the Member States of the Union for a better fiscal consolidation have not borne fruit yet. Budget execution during the first nine (9) months of 2016 resulted in a deterioration in the overall deficit which reached 4.1% of GDP at end of September 2016 against 3.2% a year earlier, resulting from a more significant increase in expenditures. The budget deficit is expected throughout 2016 at 4% of GDP from 4.1% in 2015.

- In the money market, a relaxation of the rates on the injection of liquidity operations were observed during the 3rd quarter of 2016, in conjunction with the volumes put out to tender: the average rate of weekly operations came to 3.37% against 3.46 % in the previous quarter, and that of one month stabilized at 3.47%. On the interbank market, rates continued their upward trend above the rate of the marginal loan, which led the Monetary Policy Committee (CPM) to the decision of increasing the rate of the marginal loan for one (1) % point to 4.5 % at its meeting of December 06, 2016.

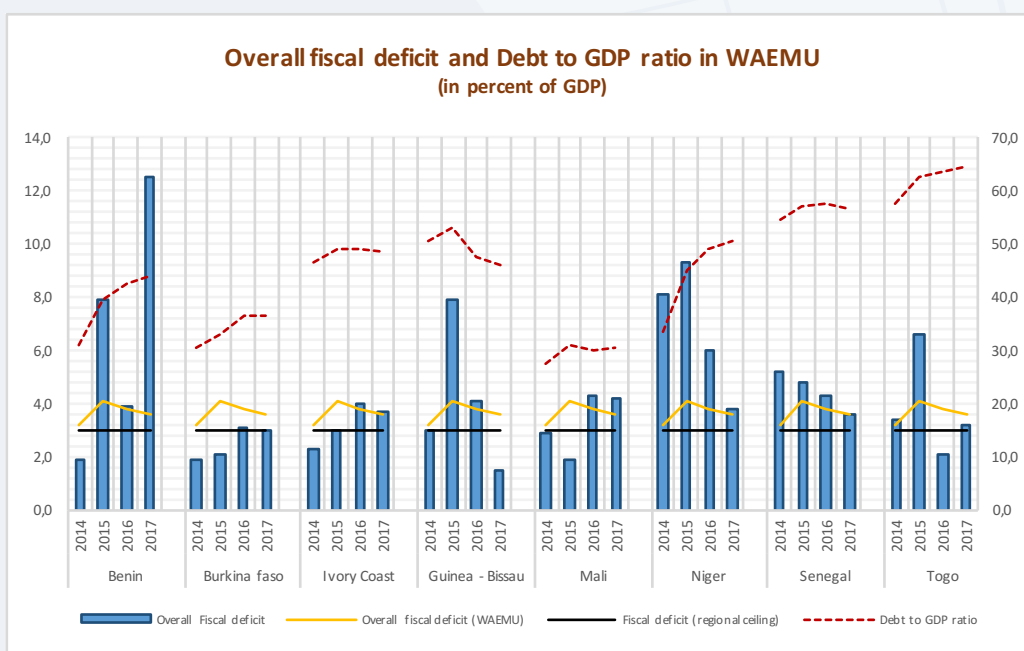


Source: BCEAO

# DEBT AND FINANCES WITHIN WAEMU



Sources: Regional Economic Outlook, IMF October 2016



- Global debt rate should stabilize within the 2015-2017 period around 46% of the GDP of the Union, which is about 10 % points of growth between 2012 and 2016, due to the increase in the external debt and the domestic debt.
- Although the ratios remain below the community ceiling of 70%, ratios of most States are directed upward and have reached high levels for some of them.
- The budgetary balance has deteriorated for most of the States in 2016



# WAEMU SECURITIES MARKET

## PRIMARY MARKET

- The total amount outstanding as at December 31, 2016, of WAEMU debt, including the Eurobonds market, is 9 736 billion FCFA. It increased by 5.6% compared to end of September 2016, i.e. 293 billion in net volume issued during the quarter.
- The total volume of the fourth quarter of 2016 issue came to 868 billion instead of the scheduled 893.90 billion.
- Output rates rising on almost all the pillars of maturity compared to the third quarter.
- There was no issue on 1 month, 3 months, and 10-year maturities

### Results of the public securities for the 4th quarter of 2016

Issuer	Value date	Maturity (years)	Means	Amount announced	Tendered amount (billion)	Amount selected (billion)	Marginal rate	Weighted average rate
Mali	10/06/16	3	Invitation to tender	30	31	30	7.02%	6.44%
Niger	10/07/16	2	Invitation to tender	40	34	34	6.50%	6.03%
Benin	10/14/16	5	Invitation to tender	40	80	44	6.79%	6.58%
Togo	10/21/16	7	Invitation to tender	30	37	33	7.69%	7.31%
Côte d'Ivoire	10/24/16	1/12	Invitation to tender	50	90	50	3.75%	3.44%
Guinea-Bissau	10/26/16	2	Invitation to tender	13	17	14	6.30%	6.00%
Burkina	10/28/16	2	Invitation to tender	35	49	35	6%	5.59%
Côte d'Ivoire	10/31/16	5	Invitation to tender	142	145	142	5.71%	5.48%
Mali	11/03/16	7	Invitation to tender	35	36	35	7.37%	6.89%
Benin	11/04/16	5	Invitation to tender	25	31	25	7.33%	6.97%
Burkina	11/11/16	5	Invitation to tender	35	39	35	7.49%	6.97%
Côte d'Ivoire	11/15/16	1/12	Invitation to tender	50	44	36	3.75%	3.63%
Senegal	11/17/16	3	Invitation to tender	40	44	40	6.06%	5.81%
Niger	11/18/16	7	Invitation to tender	30	31	30	7.64%	7.29%
Côte d'Ivoire	11/25/16	1	Invitation to tender	75	98	83	4.75%	4.54%
Burkina	12/02/16	1/4	Invitation to tender	40	51	40	5.15%	4.66%
Mali	12/07/16	2	Invitation to tender	35	38	35	6.24%	5.44%
Senegal	12/09/16	3	Invitation to tender	34	55	37	6.04%	5.82%
Togo	12/16/16	5	Invitation to tender	30	35	33	7.87%	7.21%
Côte d'Ivoire	12/21/16	2	Invitation to tender	78	59	57	5.50%	5.41%

Source: AUT; the amounts are expressed in billions of CFA francs; the posted rates correspond to the discount rate for the Treasury bills (maturity <= 2 years) and actuarial yield for Treasury bonds..

## Overview of Government securities market at the end of the first quarter of 2016 (including Eurobonds)

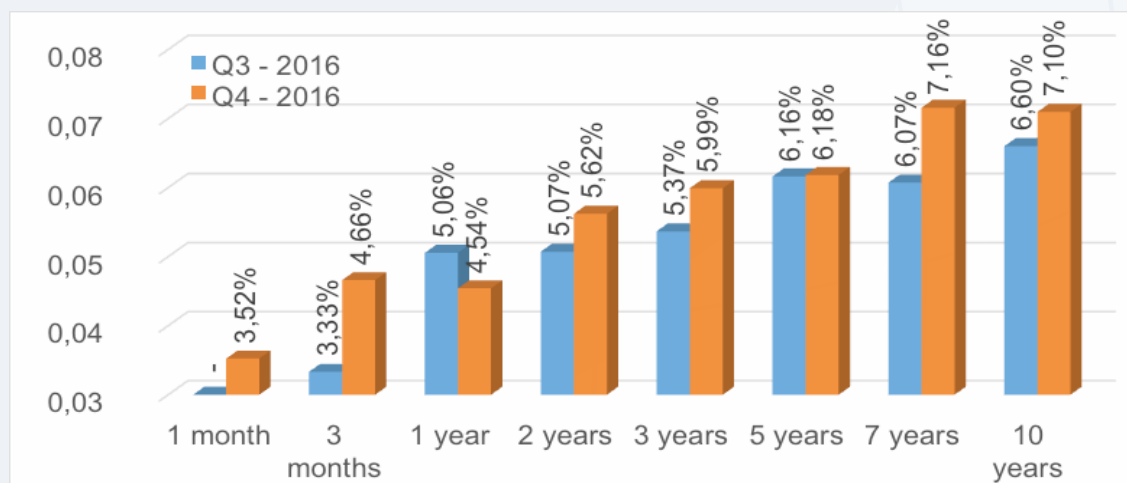
State	Outstanding debt market as at September 30, 2016	Issued volume during the quarter	Repaid volume during the quarter	Outstanding debt market as at 31 December 2016	Variation
Benin	1 007	69	84	1 011	0,4%
Burkina	620	110	102	647	4,3%
Côte d'Ivoire	3 938	367	373	3 981	1,1%
Guinea-Bissau	39	14	15	40	3,3%
Mali	859	100	58	910	5,9%
Niger	412	64	59	422	2,6%
Senegal	1 750	77	91	1 963	12,1%
Togo	590	66	55	762	29,2%
WAMU	9 215	868	838	9 736	5,6%

Source : AUT

Amounts expressed in billions of CFA francs

\* Calculated at the issue date exchange rate

## Comparison of output rates Q3 / Q4-2016



Source : AUT

## SECONDARY MARKET

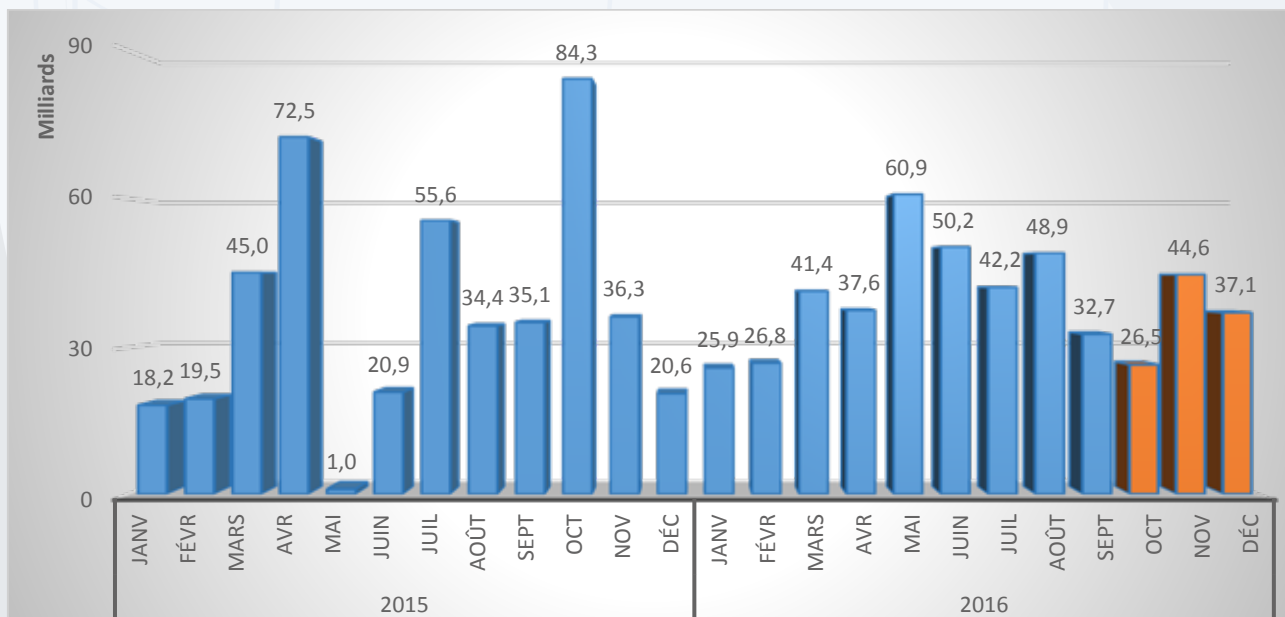
- In 2014, the total volume of transactions among primary banks on securities issued by tender came to 111 billion. It was established at 443 billion in 2015 and 475 billion in 2016.
- The secondary market of Government securities was less active in the fourth quarter of 2016 compared to the same quarter in 2015, with respective volumes of 108 and 141 billion.
- An upward trend is noted in rates of return of the Eurobonds of Côte d'Ivoire and Senegal.

### Breakdown by issuer of the volume of transactions on securities issued by tender

Issuer	Q3 2016	Q4 2016
Benin	9.00	1.40
Burkina Faso		19.79
Côte d'Ivoire	93.48	45.95
Guinea-Bissau		
Mali	1.00	0.24
Niger		7.75
Senegal	17.82	21.51
Togo	2.54	11.50
WAMU	123.84	108.13

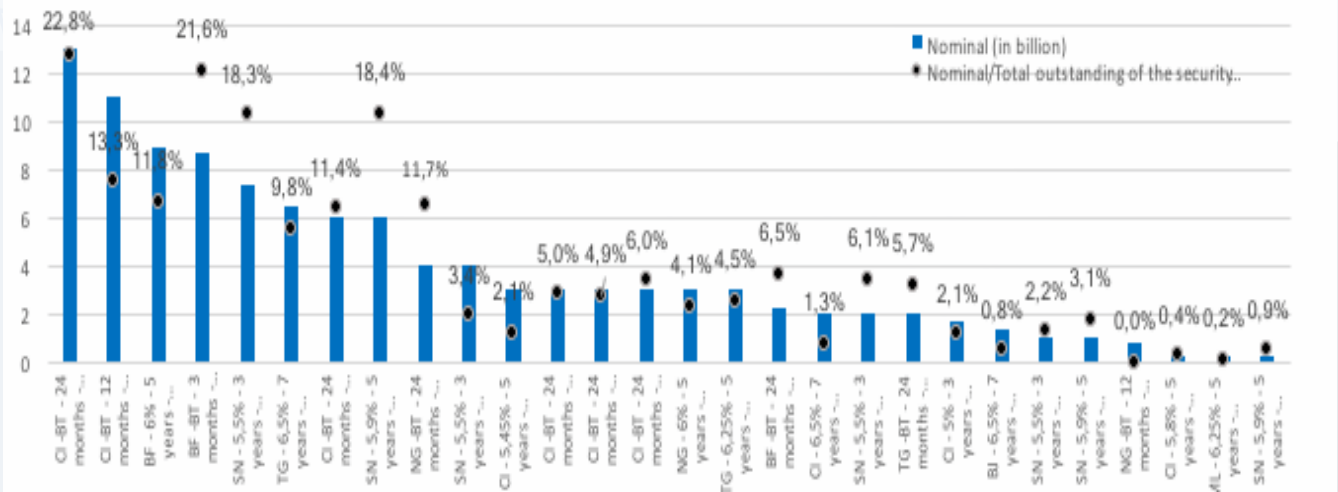
Source : BCEAO  
\* Amounts in billions of CFA francs

### Monthly volume of transactions as at end of December 2016



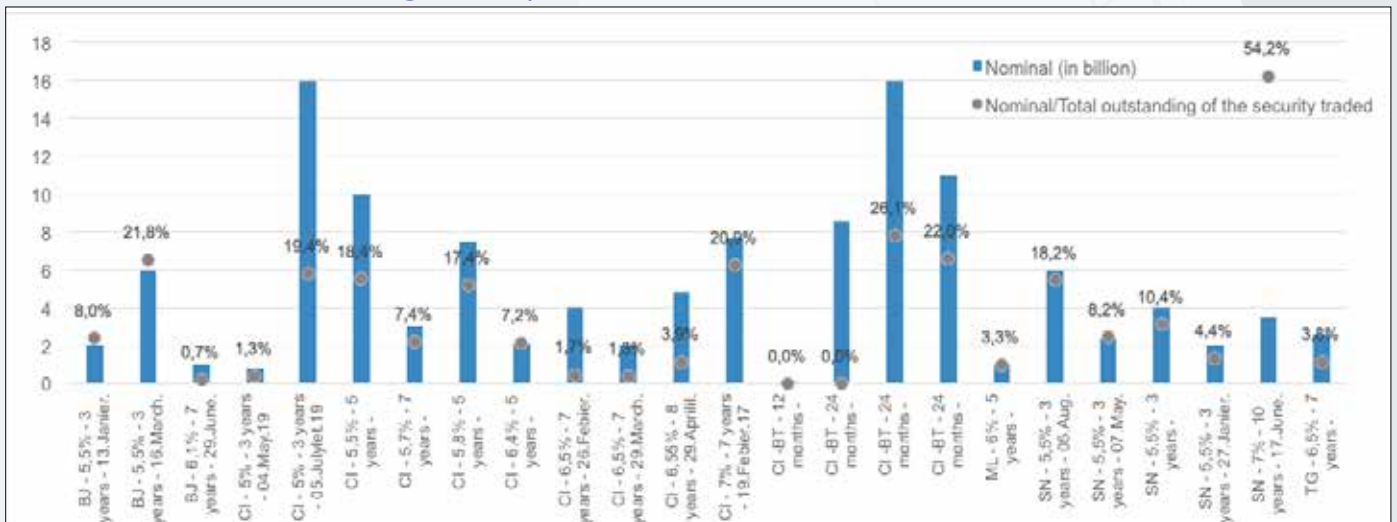
\* Amounts in billions of CFA francs

### Trading volume during the 3<sup>rd</sup> quarter



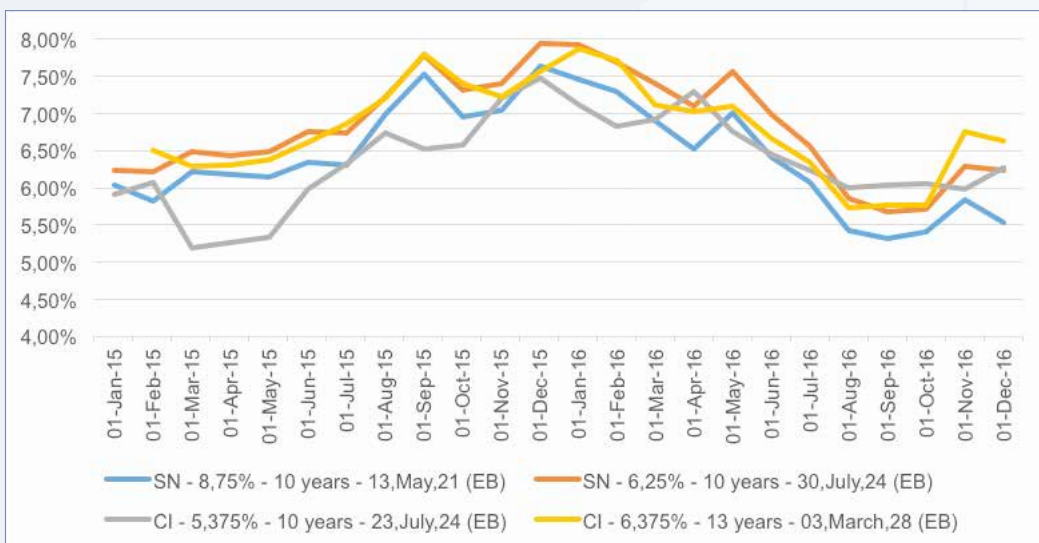
\* The analysis only takes into account transactions among primary banks on securities issued by tender

### Volume of the transactions during the 4th quarter of 2016



\* The analysis only takes into account transactions among primary banks on securities issued by tender

### Yields of Eurobonds of Côte d'Ivoire and Senegal as at December 31, 2016



## Implementation of the Medium-Term Debt Management Strategy (MTDS): the Agence UMOA-Titres builds the capacities of WAEMU National Treasuries officials

Third in a series of five (5) workshops, the training seminar on the Medium-Term Debt Management Strategy (MTDS), organized by the Agence UMOA-Titres, from 13 to 16 December 2016, witnessed the participation of eight (8) WAEMU Member States and exceptionally Guinea and Mauritania. It enabled participants to be better equipped in their tactical decision-making process on the characteristics of financial instruments, on securities issuance schedule, on market trends and management of liabilities within the MTDS.



«Our Government should have quality human resources to design and implement policies. Therefore, this third workshop for officials from the Union's ministries of Economy and Finance is vitally important”, so said the Deputy Director of the Agence UMOA-Titres, Mr. Badanam Patoki in his welcome speech. He also reiterated the Agency's gratitude towards the World Bank, the International Monetary Fund (IMF) and the U.S. Treasury, for the support they provided in the implementation of that capacity-building program. Mr. Patoki also welcomed the participation of Guinea and Mauritania in this workshop.

Mr. Gregory Horman, Senior Expert at the World Bank and co-facilitator of the seminar with Ms. Indhu Raghavan of the World Bank and Mr. Oumar Dissou West AFRITAC, urged participants «to search for, as part of this training, the practical applications of what

they have learned from the theoretical explanations received and the sharing of experiences among countries».

Concretely, participants worked on issues related to the implementation challenges of the medium term debt management strategy, such as the choice of financial instruments, mechanisms of appropriate issuance, the development of an annual funding plan and public securities issuance schedule as well as the mechanism of redemptions and exchanges of securities.

According to Mr. Oumar Dissou, MTDS gives information about the composition of the debt portfolio the Government would like to achieve. As a result, «it reflects the costs and risks preferences of decision makers with regard to debt management”.



On the link between the annual funding plan and the MTDS, Mr. Dissou explained that this plan describes how the MTDS is implemented during the successive fiscal years, in terms of volume of annual loans and their

breakdown into short and long terms instruments. As a result, he said, «the allocation of the debt portfolio, external and domestic, should, to the extent possible, reflect the allocation key and the goals in the MTDS».

THEMATIQUE DU TRIMESTRE  
REGARD SUR L'AUT  
FOCUS SUR LES SVT



# PHOTO ALBUM

## Workshop on the implementation of the Medium-Term Debt Management Strategy (MTDS)





# A BIT OF HUMOR



A very shrewd businessman discusses with his son:

-My son, I want you to marry a girl that I have chosen for you!

-How do you mean? Well, I want the choice to be mine!

The father then said:

- But this girl is the daughter of Bill Gates.

Son: «Ahhh, in this case...»

The next day, the father goes to Bill Gates:

-Hello, I have a husband for your daughter.

-How do you mean? Well, my daughter is too young to get married!

The businessman then responds:

- But this young man is Vice President of the World Bank...

Bill Gates: «Ahhh, in this case...»

Two days later, the father goes to see the president of the World Bank.

-Hello, I have someone to recommend you as Vice President of the Bank.

-How do you mean? Well, I already have more Vice Presidents than I need!

The father:- But this young man is the son-in-law of Bill Gates.

The president: «Ahhh, in this case...»

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A group of economists is trekking in the mountains. The one with the map reads stops and points at a mountain two hundred meters farther, and said to the rest: "you see that mountain? Well, according to the assumptions of the map, we are at the top..." .

## KEY FUTURE DATES

- 3<sup>rd</sup> edition of the Regional Exchange Conference from 08 to 10 March 2017 in Abidjan
- The conference on pension funds and alternative investments on the African continent from 14 to 16 March 2017 in Istand of Mauritius
- 5<sup>th</sup> edition of AFSIC (FINANCIAL SERVICES INVESTMENT CONFERENCE AFRICA) from 3 to 5 may 2017 in London

## ISSUANCE SCHEDULE FOR THE FIRST QUARTER OF 2017

### Issues by tender of WAE MU Member States in the first quarter of 2017 (in billion CFA francs)

Month	Issuer	Day	Instruments	Maturity (in years)	Amount	Total	
January	Togo	5	T-bills	1/2	20,00	342,00	
	Togo	5	T-bonds	3	20,00		
	Côte d'Ivoire	9	T-bills	1	50,00		
	Niger	10	T-bills	1	40,00		
	Côte d'Ivoire	13	T-bills	1/2	35,00		
	Benin	18	T-bills	1	27,00		
	Burkina Faso	19	T-bills	1/4	35,00		
	Senegal	23	T-bills	1/4	60,00		
	Côte d'Ivoire	24	T-bills	1/12	25,00		
	Mali	25	T-bills	1/4	30,00		
February	Mali	1	T-bonds	5	30,00	418,00	
	Benin	2	T-bills	1	35,00		
	Togo	8	T-bonds	3	25,00		
	Côte d'Ivoire	9	T-bonds	5	50,00		
	Burkina Faso	14	T-bills	1	35,00		
	Côte d'Ivoire	15	T-bills	1/12	50,00		
	Senegal	16	T-bills	1/4	45,00		
				T-bills	1		
	Côte d'Ivoire	21	T-bills	1/4	25,00		
	Guinea-Bissau	22	T-bills	1	13,00		
	Niger	23	T-bills	1/4	25,00		
	Burkina Faso	27	T-bonds	5	35,00		
	Mali	28	T-bills	1/2	50,00		
			T-bonds	3			
March	Côte d'Ivoire	1	T-bonds	3	50,00	230,00	
	Benin	15	T-bonds	3	25,00		
	Burkina Faso	16	T-bills	1/4	35,00		
	Senegal	21	T-bonds	7	30,00		
	Mali	23	T-bonds	5	30,00		
	Côte d'Ivoire	24	T-bills	1/2	25,00		
	Niger	30	T-bonds	5	35,00		
<b>Total issues by tender</b>						<b>990,00</b>	





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<http://www.umoatitres.org>

Avenue Abdoulaye FADIGA  
Tél.: 221 33 839 10 10 / Fax : 221 33 839 45 57  
Email : [Info@umoatitres.org](mailto:Info@umoatitres.org)  
SiteWeb : [www.umoatitres.org](http://www.umoatitres.org)