



Marché des Titres Publics
Assuré par l'Agence UMOA-Titres

WAEMU GOVERNMENT SECURITIES MARKET



UMOA-Titres
Bâtir un Marché intégré des Titres Publics

December 2019

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Summary

| | |
|--|----|
| ☑ What is the Government securities market ? | 3 |
| ☑ The stakeholders | 3 |
| ☑ The products | 5 |
| ☑ The auction paths | 6 |
| ☑ The partners | 8 |
| ☑ The benefits | 9 |
| ☑ How to invest | 10 |
| ☑ 2019 annual program | 11 |

What is the government securities market ?

The Government securities market is the unique local market, by tender, exclusively dedicated to the financing of the WAMU Member States. These sovereign issuers seek, through appropriate procedures, the issuance of Government securities by specific actors, either for their own account or for that of third parties. It is organized by Agence UMOA-Titres.

The stakeholders

1. Issuers

The securities market issuers are eight (8) Member States of the West African Monetary Union (WAMU) sharing a common currency: African Financial Community Franc (FCFA)

2. MARKET INTERMEDIARIES

This is the case for all banks and brokerage firms in the WAEMU zone. Any bid on the Government Securities Market must be done through them.

3. PRIMARY DEALERS

Some banks and brokerage companies have the additional status of Primary Dealers. In other words, these institutions are approved by the Public Treasuries of the member States as privileged but non-exclusive partners of one or more States. Primary Dealers have special obligations as per market-related operations of government securities and in return they benefit from certain exclusive advantages.

4. INVESTORS

The Government Securities Market is accessible to any natural or legal person, regardless of their profile, wishing to acquire sovereign securities. These may include market intermediaries, insurance companies, UCITS management companies, pension funds, foreign investors, firms, SMEs/SMIs, cooperatives or individuals (general public).

5. PARTNERS

Transactions among the parties are facilitated by support entities that ensure the regulation and promotion of the Government Securities Market. These entities develop, update the regulatory framework and assist States and investors. As such, alongside Agence UMOA-Titres, there are key institutions such as BCEAO, CREPMF, BRVM, AFD, BOAD.



Government securities market products

Fungible Treasury Bills (T-Bills)

The Fungible* Treasury Bills are government short-term debt securities issued by way of invitation to tender.

[Learn more](#)



Fungible Treasury Bonds (T-Bonds)

The Fungible* Treasury Bonds are government medium to long-term debt securities issued by way of invitation to tender.

[Learn more](#)



Synthetic Bond

The Synthetic Bond (SB) is defined as a structured product consisting of several instruments for bullet redemption. In other words, it's a basket of securities (T-Bills and/or T-Bonds). Securities are selected from the standard points of the yield curve. The amount borrowed by the State is split between the securities that make up the basket in proportions defined for each security. Thus, the amount sought by the State on each security is function of a coefficient expressed as a percentage of the total amount of the loan.

[Learn more](#)



*A fungible security can be issued, the first time, in form of a fixed size then subsequent issues are matched. Every new security issued is attached to the previous with the same characteristics (nominal unit, maturity date, basis for interest calculation). Only rates and issuance dates change. Fungibility increases the size of securities, and facilitates liquidity of securities thereby helping to boost trade in the secondary market.

The auction paths

Open tender or targeted tender

Auction is an acquisition technique of movable and real property assets through a bidding system.

In finance, it is an issuance technique of bills and bonds. Auction is regularly held by States to invest their Treasury bills and bonds. As part of the issuance of Treasury bills and bonds on the securities market, WAMU Member States use two types of tender:

- **Open tender**

Through this means, all direct participants have the opportunity to bid on part of the security put to tender by the issuer.

Direct participants to date are credit institutions, brokerage firms and regional financial institutions with a settlement in the books of the Central Bank (article 3 of the Regulation n° 06/2013/CM/UEMOA).

Other investors, individuals or companies can subscribe through credit institutions and brokerage firms within WAEMU.

- **Targeted tender**

States may decide to hold part of their issuance through targeted auctions. During these issues, Primary Dealers are the only intermediaries authorized to tender. Any investor who wishes to acquire the security put out to tender, can subscribe through the Primary Dealer of the issuing State.

In general, only one issue per day on the Government Securities Market is carried out.

However, sometimes, several issues may take place by one issuer on the same day; that is called: **simultaneous issuance**

Simultaneous Issuance

Simultaneous issuance is a method of offering, on the same day, several securities based on an aggregated amount on behalf of the same issuer.

The bidding rules for a simultaneous issue are identical to those of a classic issue.



Emissions par adjudication



The Partners

WAMU ZONE



Others parthners



LA BANQUE MONDIALE
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The benefits

- A Central Bank common to the eight (8) Member States
- A single market comprising eight issuers with different risk levels offering natural diversity and no foreign exchange risk for local investors
- No payment defaults since its creation
- A mechanism put in place by the Central Bank to make up for any shortcomings: the Financial Stability Fund
- Tax-exempted public securities in the country of issue
- Lower transaction costs guaranteed by the tendering process
- An attractive risk / return ratio
- A secondary market in development with the introduction of the Treasury Values Specialists (SVT) and the training of the actors

How to invest

Government securities auctions are held by Agence UMOA-Titres, in collaboration with BCEAO which plays the role of depository and settlement Bank.

1. The annual issuance calendar is published on AUT website with a quarterly update.
2. Prior to each period, the notice of tender, specific to each issue, is made available on AUT website.n.
3. Investors, regardless of the territory in which they are established, subscribe to the auctions of Treasury bonds and bills through a bank or a brokerage firm of their choice, within the Union.
4. Securities may trade on the secondary market through over-the-counter operations, namely with Primary Dealers.

2019 annual program

Provisional Annual Program of Auctions by WAMU Member States in 2019 (Billions of Francs CFA)

| | First Quarter - Q1 | | | | Second Quarter - Q2 | | | | Third Quarter - Q3 | | | | Fourth Quarter - Q4 | | | | Year 2019 | | | | | | |
|----------------|--------------------|-------|-----------------|------------|---------------------|---------------|-------|-----------------|--------------------|--------|---------------|-------|---------------------|------------|-------|-----------------|---------------------------|---------------------|------------------|------|-------|-------|-----|
| | T-Bill | Total | Maturing debt** | Net Issues | T-Bill | T-Bond | Total | Maturing debt** | Net Issues | T-Bill | T-Bond | Total | Maturing debt** | Net Issues | Total | Maturing debt** | Total amount to be issued | Total maturing debt | Total Net issues | | | | |
| Benin | 45 | 55 | 100 | 115 | -15 | 25 | 50 | 75 | 44 | 31 | 45 | 90 | 135 | 96 | 39 | 0 | 85 | 72 | 13 | 395 | 327 | 68 | |
| Burkina - Faso | 115 | 30 | 145 | 104 | 41 | 70 | 25 | 95 | 102 | -7 | 95 | 60 | 155 | 72 | 83 | 50 | 80 | 130 | 79 | 51 | 525 | 357 | 168 |
| Côte d'Ivoire | 250 | 95 | 345 | 116 | 229 | 35 | 104 | 139 | 137 | 2 | 0 | 125 | 125 | 143 | -18 | 0 | 0 | - | 118 | -118 | 609 | 513 | 96 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Guinea-Bissau | 6 | 6 | 12 | 4 | 8 | 6 | 0 | 6 | 11 | -5 | 5 | 11 | 16 | 17 | -1 | 0 | 0 | - | - | - | 34 | 32 | 2 |
| Mali | 40 | 90 | 130 | 75 | 55 | 25 | 50 | 75 | 99 | -24 | 25 | 85 | 110 | 48 | 62 | 45 | 60 | 105 | 90 | 15 | 420 | 311 | 109 |
| Niger | 45 | 50 | 95 | 44 | 51 | 20 | 15 | 35 | 91 | -56 | 105 | 40 | 145 | 122 | 23 | 60 | 15 | 75 | 41 | 34 | 350 | 297 | 53 |
| Senegal | Not available | | | 53 | -53 | Not available | | | 15 | -15 | Not available | | | 56 | -56 | Not available | | 77 | -77 | - | 201 | -201 | |
| Togo | 20 | 75 | 95 | 50 | 45 | 20 | 55 | 75 | 71 | 4 | 55 | 100 | 155 | 45 | 110 | 15 | 50 | 65 | 41 | 24 | 390 | 207 | 183 |
| Total | 521 | 401 | 922 | 560 | 362 | 201 | 299 | 500 | 570 | -70 | 330 | 511 | 841 | 598 | 243 | 170 | 290 | 460 | 518 | -58 | 2 723 | 2 246 | 477 |

* Including intra-annual maturities

We want to build, in collaboration with all stakeholders, a regional market of government securities able to play a critical role in the development of WAMU Member States.

Together and from now on, let's build the WAEMU of tomorrow!



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