



THE FINANCIAL MARKETS COMMISSION - CAMEROON (CMF)

LOCAL CURRENCY BOND MARKETS: ROLE OF CENTRAL BANKS IN THE DEVELOPMENT OF TWIN ISSUANCE PRIMARY MARKETS

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- ❑ A TWIN ISSUANCE MODEL FOR GOVERNMENT LCBM DEVELOPED IN CAMEROON FROM 2010 EVEN BEFORE THE G20 RECOMMENDATION.
- ❑ THE PRIMARY SYNDICATED AND AUCTION MARKETS
- ❑ THE ROLE OF THE CENTRAL BANK IN THE DEVELOPMENT OF PRIMARY MARKETS IN THE ZONE CAN BE ASSESSED WITH TWO LENSES.





LA COMMISSION DES MARCHÉS FINANCIERS (CMF)

A- Role of Central bank in the development of the syndicated LCBM: case of Cameroon

Year of government bond issuance	Amount	Success factors/Constraints
2010	200 billion XAF (400 mil dollars) @ 5.6% 5 years	None, excess liquidity in the banking sector
2011	Black out	Central bank denies refinancing
2012	Black out	Central bank denies refinancing
2013	80 billion XAF @ 5.9% 5 years	Refinancing begins
2014	150 billion XAF @ 5.5% 5 years	Refinancing continues
2015	Black out	
2016	165 billion XAF @ 5.5% 5 years	Refinancing continues
2017	Black out	Countries fail to respect a convergence criteria of non-accumulation of arrears. Central bank places 100% weight on bonds issued by these countries, limiting the capacity of banks to respect prudential ratios.





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B- Role of the Central Bank in the development of the auction LCBM primary markets

- Volume of Treasury bill issuances 2015 – 2017 (billion XAF)

Issuers	2015	2016	2017
Cameroon	125,2	174,2	173,4
Congo	-	-	23,7
Gabon	132,0	273,9	387,2
Equatorial Guinea	15,0	60,0	78,0
CAR	16,0	19,0	23,0
Chad	142,0	269,7	160,7
Total	430,2	796,8	845,9



- Volume of 2-year Treasury note issuances 2015-2017 (billion XOF)**

Issuers	2015	2016	2017
Gabon	17,5	20,3	8,0
Chad	139,3	174,4	26,8
Total	156,8	194,7	34,8





THANK
YOU

