

February 14, 2013

SBP launches Automated System for conduct of Primary Auction of MTBs & PIBs

The State Bank of Pakistan (SBP) today announced that the auction of Government of Pakistan Market Treasury Bills (MTBs) and Pakistan Investment Bonds (PIBs) will be conducted online via Bloomberg Auction system(Ticker: AUPD) with effect from February 20, 2013.

This decision has been taken by SBP in order to automate and bring more efficiency in the Primary Auction process which will not only reduce operational risk in manual auction process but also bring Pakistan at par with other countries that have already implemented an automated electronic auction system.

The online auction system has been customized to the needs of Pakistan market, which has enabled SBP to implement the straight through processing of accepted bids in auction. Hence, the process of auction from bid submission to settlement of accepted bids has been completely automated. The bid reports of auction will now be available on SBP website after announcement of the auction results at the following links:

PIB Auction Bid Report: <http://www.sbp.org.pk/ecodata/PIB-BID.pdf>
MTB Auction Bid Report: <http://www.sbp.org.pk/ecodata/MTB-BID.pdf>

The State Bank has issued detailed instructions and guidelines in this regard to the Presidents/Chief Executives of all Primary Dealers through a Circular (DMMD Circular No.3 dated February 14) which is available on SBP website.

It may be mentioned here that the secondary market trading of Government of Pakistan (GOP) securities is already being done on Electronic Bond Trading Platform (EBND) since January 2010, which has enhanced the visibility and price discovery of government securities. The introduction of primary market auction will further complement and augment the capabilities of Fixed Income market of Pakistan, as liquid and vibrant government securities market provides strong foundation for the development of debt markets.
