

Press Release

Tender results of the 10-year Government Bonds under the Institutional Bond Issuance Programme

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (Wednesday) that tender for a 10-year Government Bond (issue number 10GB2601) under the Institutional Bond Issuance Programme was held today.

A total of HK\$1.0 billion 10-year Government Bonds were allocated today. A total of HK\$3.150 billion tender applications were received. The bid-to-cover ratio, i.e. the ratio of bonds applied for to bonds issued, is 3.15. The average price accepted is 96.47, implying an annualised yield of 2.084%.

The Federal Reserve started to increase policy rate last December. Markets expect interest rates to be on the rise and the demand for long term fixed income products has decreased. The HKMA has adjusted the issue size to HK\$1.0 billion from HK\$1.8 billion announced earlier according to the established tender arrangement. The HKMA will closely monitor the market situation and make appropriate arrangement.

Hong Kong Monetary Authority

20 January 2016

**HKSAR GOVERNMENT
INSTITUTIONAL BOND ISSUANCE PROGRAMME
GOVERNMENT BOND TENDER RESULTS**

Tender results of 10-year Government Bonds under the Institutional Bond Issuance Programme:-

Tender Date	: 20 January 2016
Issue Number	: 10GB2601
Stock Code	: 4230 (HKGB 1.68 2601)
Issue and Settlement Date	: 21 January 2016
Tenor	: 10-year
Maturity Date	: 21 January 2026
Coupon Rate	: 1.68%
Amount Applied	: HK\$3.150 billion
Amount Allotted	: HK\$1.0 billion
Bid-to-Cover Ratio*	: 3.15
Average Price Accepted (Yield)	: 96.47 (2.084%)
Lowest Price Accepted (Yield)	: 95.25 (2.224%)
Pro-rata Ratio	: About 40%
Average Tender Price (Yield)	: 78.99 (4.332%)

* *Calculated as the amount of bonds applied for over the amount of bonds issued.*

Hong Kong Monetary Authority
20 January 2016