

T-bills auction fetches Rs154.8bln

KARACHI: The government managed to raise Rs154.8 billion through an auction of market treasury bills on Wednesday. The fetched amount was lower than the previous auction target of Rs325 billion.

The cutoff yield on three months paper stood at 8.1297 percent, compared with 8.1496 percent in the previous auction. The government raised 32.815 billion through the auction of this shorter tenor T-bills.

The yield on six-month T-bills was 7.9757 percent. It was 7.8050 percent in the auction held on May 21.

The fetching amount via this sale stood at Rs29.8 billion.

The cutoff yield on 12-month paper was 7.7101 percent. It stood at 7.7499 percent in the previous auction. The raised amount was Rs92.2 billion.

Analysts said the recent pattern of the auction shows the market now expecting a lesser fall in the interest rates.

The monetary policy easing cycle is likely to be nearing the end. However, the recent cut in retail fuel prices may compel the SBP to slash the policy rate further in the coming policy reviews. Inflation fell to 8.2 percent in May from 8.5 percent in April.