

Rs391bn raised through T-bills

KARACHI: The government raised Rs391.3 billion through the auction of treasury bills on Wednesday, reported the latest State Bank of Pakistan data.

Short-term instruments continued to be the main attraction for investors while the only change in cut-off yields was seen for the 12-month papers.

Highest bids worth Rs148.5bn were accepted for the six-month bills at a cut-off yield of 7.99 per cent, staying unchanged.

The government also raised Rs136.7bn from three-month treasuries at cut-off yield of 8.38pc which showed only a change of single basis point.

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The biggest change was noted in the yield of 12-month paper as it jumped by 28bps to 7.75pc with the amount raised clocking in at Rs106 billion.

Total bids for the auction were Rs674bn.

The cut-off yields on the government papers have been declining for the last couple of months mainly due to the decline in interest rates, which the SBP has slashed by a cumulative 4.25pc to 9pc since mid March.

Market experts believe that further cut in the interest rate is possible mainly on account of weakening health of trade and industry due to lockdowns and shrinking global demand on account of Covid-19.