



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

SWITCH AUCTION IN THE R153 (13.0%:2010) GOVERNMENT BOND

1. The National Treasury will subject to market appetite, switch the R153 government bond with a coupon of 13.0% maturing on 31 August 2010.
2. The switch auction will be conducted on **26 March 2009**.
3. The destination bonds for the auction are the :
 - R206 (7.50%: 2014)
 - R208 (6.75%: 2021)
 - R186 (10.50%: 2026)

The Terms and Conditions of the R153 (13.0%:2010) switch auction are as follows:

4. **Methodology:** The switch auction will be on a cash neutral basis and an **All-In-Pricing** method is applicable. However, bids will be submitted in terms of yield.
5. **Participation:** Although the switch auction is on a voluntary basis, only primary dealers are eligible to participate.
6. The National Treasury reserves the right to decide the maximum amount to be switched.
7. The **source bond** for this auction is the R153 (13.0% : 2010) and the **destination bond is** the R206 (7.50%: 2014); R208 (6.75%: 2021), and R186 (10.50%:2026).
8. Participants should switch from the source bond into the applicable destination bond mentioned above.
9. The switch auction will be conducted on a multiple yield/price basis (American style).
10. Participants should submit their bids for the destination bond at competitive yields.

11. Participants should submit their offers to switch a nominal amount of source bonds, at the released indicative yield, into the destination bond.
12. Offers to switch out of the source bond (R153) should be for a minimum nominal amount of R10 million and thereafter in multiples of R5 million.
13. Settlement will be on a T+3 basis.
14. The applicable times on the day of the auction are as follows:
 - Auction start : 10h00
 - Auction close : 10h30
 - Results : 11h30
15. An indicative yield for the source bond will be published at 09h30 on the day of the auction on Reuters, Bloomberg and the SARB's website.
16. Handling of odd-lots:
 - 16.1 A facility is available to successful participants to top-up any odd-lots of the destination bonds allotted to the nearest R1 million.
 - 16.2 The top-up amounts will be sold to the participants at their respective allotted yields/prices.
 - 16.3 This facility will be available until 12h00 on the following business day and the SARB dealing desk can be contacted in this regard.
 - 16.4 Odd-lots will settle on a T+2 basis.

For further information:

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