



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

GOVERNMENT BOND SWITCH AUCTION CALENDAR FOR 2012

The National Treasury today released an updated switch auction calendar for 2012. The government switch auctions will be conducted on a weekly basis with effect from June 2012.

The announcement of the switches will take place on Thursdays at 14h00 with the auction conducted on the next Thursday at 10h00, as stipulated in the Terms and Conditions of the switch auction programme.

Weekly switch auction calendar for 2012

SWITCH AUCTION CALENDAR FOR : 2012																							
Apr-12							May-12							Jun-12									
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S			
									1	2	3	4	5						1	2			
1	2	3	4	5	6	7	6	7	8	9	10	11	12	3	4	5	6	7	8	9			
8	9	10	11	12	13	14	13	14	15	16	17	18	19	10	11	12	13	14	15	16			
15	16	17	18	19	20	21	20	21	22	23	24	25	26	17	18	19	20	21	22	23			
22	23	24	25	26	27	28	27	28	29	30	31			24	25	26	27	28	29	30			
29	30																						
Jul-12							Aug-12							Sep-12									
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S			
										1	2	3	4							1			
1	2	3	4	5	6	7	5	6	7	8	9	10	11	2	3	4	5	6	7	8			
8	9	10	11	12	13	14	12	13	14	15	16	17	18	9	10	11	12	13	14	15			
15	16	17	18	19	20	21	19	20	21	22	23	24	25	16	17	18	19	20	21	22			
22	23	24	25	26	27	28	26	27	28	29	30	31		23	24	25	26	27	28	29			
29	30	31												30									
Oct-12							Nov-12							Dec-12									
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S			
	1	2	3	4	5	6					1	2	3							1			
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8			
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15			
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22			
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29			
														30	31								
Legend							Legend							Legend									
 Holiday Auction Announcement Settlement Auction/Announcement																							
Actual bonds and amounts to be switched will be published on announcement dates.																							
Issued by National Treasury																							



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TERMS AND CONDITIONS OF THE SWITCH AUCTION PROGRAMME 2010/11 -2012/13

THE SWITCH AUCTION PROGRAMME

1. The National Treasury will conduct the switch auction programme over three years. The purpose of the programme is to manage the refinancing risk of the government debt portfolio.
2. The switch auction programme will commence in June 2010 and will be concluded by the end of the financial year 2012/13.
3. The switch auctions calendar will be published in June and January of each year until the end of the programme.
4. The calendar will include the following information:
 - Auction Announcement dates;
 - Auction dates, and
 - Settlement dates.
5. The National Treasury reserves the right to decide the minimum and maximum amounts to be switched during this programme.

METHODOLOGY

6. The switch auctions will be on a cash neutral basis and an All-In-Price pricing method is applicable.
7. Bids should be submitted on a yield basis.
8. The auctions will be conducted on a multiple yield basis (American style where each bid is allocated to the amount), thus submitted bids should be competitive yield.

9. The bids submitted are applicable to the destination bonds.

THE SWITCH AUCTIONS

Frequency

10. The switch auctions will be conducted on a monthly basis, on the dates indicated on the published calendar.

Announcements

11. The announcements will be made seven (7) days before the auction is conducted.

12. Auction announcements will include the following:

- Source bond;
- Destination bond(s), and
- Amount to be switched

Auction day

13. The applicable times on the day of the auctions are as follows:

- Auction start : 10h00
- Auction close : 10h30
- Results published : 11h30

Settlement

14. Settlement will be on a T+3 basis

Indicative yield of the source bond

15. An indicative yield of the source bond will be published at **09h30** on the day of the auction on Reuters, Bloomberg and the South African Reserve Bank (SARB) website.

PARTICIPATION

16. Participation in the switch auctions is voluntary through any of the current Primary Dealers in RSA government bonds. Only Primary Dealers are eligible to submit the bids during these auctions.

17. Participants should submit their offers to switch a nominal amount of the source bond, at the indicative yield, into the destination bond(s).

18. Offers to switch out of the source bond should be for a minimum nominal amount of R10 million.

HANDLING OF ODD-LOTS

19. A facility is available to successful participants to top-up any odd-lots of the destination bonds allotted upward to the nearest R1 million.

20. The top-up amount will be sold to the participants at their respective allotted yield/prices.

21. This facility will be available until 12h00 on the following business day and the SARB dealing desk may be contacted in this regard.

22. Odd-lots will settle on T+2 basis.

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