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## 182-day bills approved

THE Government would soon issue 182-day exchange fund bills in addition to the 91-day bills issued in March, Secretary for Monetary Affairs David Nendick said yesterday.

Sir Piers Jacobs, the Financial Secretary, approved the issue, the first tender of which will be held next Tuesday.

Up to \$200 million of the 182-day bills will be issued on alternate weeks, and the reserve held by the exchange will be \$60 million per issue.

The bills are issued as a financial instrument to help adjust liquidity of Hongkong's interbank money market.

The Government intro-

duced the 91-day bills in March as a short-term debt issue designed as market intervention rather than to raise funds.

It intervenes by selling the bills with an interest rate designed to ensure the Hongkong dollar does not deviate substantially from its peg level of \$7.80 to the US dollar.

The interest rate is announced at each tender.

The new bills are intended to give the Government a better feel for long-term interest rates, which should in turn lead to more effective market intervention.

Mr Nendick said the Government had received the support of the market



■ Sir Piers Jacobs

committee and the Hongkong Capital Markets Association for the issue.

The tender systems and procedures would be the same as for the 91-day issues, and the frequency and size of the issue would be kept under review.