



## THE NATIONAL TREASURY ISSUES ITS NEW 10-YEAR FIXED RATE BOND

The National Treasury will carry out, on March 8<sup>th</sup> 2012, the first auction of the NTN-F due on January 2023, which will be the new 10-year benchmark fixed rate bond in the domestic market. The main goal is to consolidate the 10-year reference on the fixed rate yield curve and enhance the investor base diversification for this maturity. This operation is aligned with the guidelines of improving public debt composition and lengthening its maturity profile.

Aiming at stimulating the dealers participation in this first auction, mainly in the distribution of the new securities, the National Treasury, in partnership with Central Bank, improved the rules concerning the dealership system, such as:

- The performance in this first issuance will have triple weight in dealer's evaluation;
- The second round will be extended to the next day, March 9<sup>th</sup> 2012;
- The amount to be offered in the second round of the auction will be increased from 20% to 50% of the amount issued in the first round;
- The selection criteria for the auction proposals will be uniform price, replacing the multiple price criteria; and
- Dealers are allowed to submit up to seven proposals, compared to three of the other participants.

The National Treasury believes that these measures will enhance the deepness of the domestic bonds secondary market as well contribute to the development of the Brazilian capital market.