

# Tender results of re-opening of 3-year HKD HKSAR Institutional Government Bonds

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority, as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announced that a tender of 3-year HKD institutional Government Bonds through the re-opening of existing Government Bond (issue number 03GB2710001) under the Infrastructure Bond Programme was held today (February 19).

A total of HK\$2.0 billion 3-year Government Bonds were offered today. A total of HK\$9.320 billion tender applications were received. The bid-to-cover ratio, i.e. the ratio of bonds applied for to bonds issued, is 4.66. The average price accepted is 98.80, implying an annualised yield of 3.391 per cent.

## HKSAR Institutional Government Bonds Tender Results

Tender results of 3-year HKD HKSAR Institutional Government Bonds:

Tender Date	: February 19, 2025
Issue Number	: 03GB2710001 (Re-open)
Stock Code	: 4283 (HKGB 2.89 2710)
Issue and Settlement Date	: February 20, 2025
Tenor	: 3 years
Maturity Date	: October 25, 2027
Coupon Rate	: 2.89 per cent
Amount Applied	: HK\$9.320 billion
Amount Allotted	: HK\$2.0 billion
Bid-to-Cover Ratio*	: 4.66
Average Price Accepted (Yield)	: 98.80 (3.391 per cent)
Lowest Price Accepted (Yield)	: 98.65 (3.450 per cent)
Pro-rata Ratio	: About 80 per cent
Average Tender Price (Yield)	: 98.42 (3.542 per cent)

\* Calculated as the amount of bonds applied for over the amount of bonds issued.

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# Tender results of 1-year HONIA-indexed Floating Rate Notes

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority, as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announced that a tender for 1-year HONIA-indexed Floating Rate Notes (issue number 01GH2602001) under the Infrastructure Bond Programme was held today (February 19).

A total of HK\$1.5 billion 1-year HONIA-indexed Floating Rate Notes were offered today. A total of HK\$7.299 billion tender applications were received. The bid-to-cover ratio, i.e. the ratio of notes applied for to notes issued, is 4.87. The highest spread accepted is 0.20 per cent.

## HKSAR Institutional Government Bonds Tender Results

### Tender results of 1-year HONIA-indexed Floating Rate Notes:

Tender Date	: February 19, 2025
Issue Number	: 01GH2602001
Stock Code	: 4289 (HKGB FRN 2602)
Issue and Settlement Date	: February 20, 2025
Tenor	: 1 year
Maturity Date	: February 20, 2026
Amount Applied	: HK\$7.299 billion
Amount Allotted	: HK\$1.5 billion
Bid-to-Cover Ratio*	: 4.87
Highest Spread Accepted	: 0.20 per cent
Average Spread Accepted	: 0.18 per cent
Pro-rata Ratio	: About 27 per cent
Average Tender Spread	: 0.35 per cent

\* Calculated as the amount of notes applied for over the amount of notes issued.

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## Import of poultry meat and products from Auglaize County of State of Ohio in US suspended

â€‹The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced today (February 19) that in view of a notification from the World Organisation for Animal Health (WOAH) about an outbreak of highly pathogenic H5N1 avian influenza in Auglaize County of the State of Ohio in the United States (US), the CFS has instructed the trade to suspend the import of poultry meat and products (including poultry eggs) from the area with immediate effect to protect public health in Hong Kong.

A CFS spokesman said that according to the Census and Statistics Department, Hong Kong imported about 79 630 tonnes of chilled and frozen poultry meat, and about 19.6 million poultry eggs from the US last year.

"The CFS has contacted the American authority over the issue and will closely monitor information issued by the WOAH and the relevant authorities on the avian influenza outbreaks. Appropriate action will be taken in response to the development of the situation," the spokesman said.

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## Record of discussion of meeting of Exchange Fund Advisory Committee Currency Board Sub-Committee held on January 8

The following is issued on behalf of the Hong Kong Monetary Authority:

(Approved for Issue by the Exchange Fund Advisory Committee on February 5, 2025)

Report on Currency Board Operations (October 19 – December 24, 2024)

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The Currency Board Sub-Committee (Sub-Committee) noted that the Hong Kong dollar (HKD) traded within a range of 7.7656 – 7.7848 against the US dollar (USD) during the review period. The HKD exchange rate moderated slightly in the first half of November amid a pullback of the local stock market, and then recovered in December. HKD interbank rates continued to track the USD rates while also being affected by local supply and demand.

Meanwhile, following the decreases in the target range for the US federal funds rate in early November and mid-December, many banks reduced their Best Lending Rates by a total of 37.5 basis points, and the Best Lending Rates in the market ranged from 5.25 per cent – 5.75 per cent at the end of the review period. The Convertibility Undertakings were not triggered and the Aggregate Balance was stable at around HK\$45 billion. No abnormality was noted in the usage of the Discount Window. Overall, the HKD exchange and interbank markets continued to trade in a smooth and orderly manner.

â€‹The Sub-Committee noted that the Monetary Base increased to HK\$1,958.14 billion at the end of the review period. In accordance with the Currency Board principles, all changes in the Monetary Base had been fully matched by changes in foreign reserves.

â€‹The Report on Currency Board Operations for the review period is at Annex.

### Monitoring of Risks and Vulnerabilities

The Sub-Committee noted that with the incoming US administration, uncertainties over US fiscal sustainability and trade policies, the future policy direction of the US Federal Reserve and the global economic outlook had increased considerably.

The Sub-Committee noted that in Mainland China, the introduction of a series of new policy measures since late-September 2024 had boosted asset market sentiment and led to some signs of improvement in the real economy moving into Q4 2024. At the Central Economic Work Conference and the Politburo Meeting in December 2024, the authorities further signalled more stimulus measures. However, the economic outlook was still subject to the tussle between the challenging external environment and domestic policy response. The renminbi exchange rate had remained relatively stable against the currency basket but had recently come under pressure against the USD amid a strengthening dollar, reversing the rally in August and September 2024.

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The Sub-Committee noted that in Hong Kong, the economy continued to grow but the momentum had softened in Q3 2024 amid subdued private consumption and decelerated growth of merchandise exports. Looking ahead, Hong Kong's economy was expected to grow moderately in 2025, with downside risks stemming from the US policy rate path, global growth prospects, and the trade policies under the new US administration. Despite the sharp increase in housing market transactions in October and November 2024, market sentiment had softened in recent weeks amid increased concerns about a slower pace of US interest rate cuts. Meanwhile, the commercial real estate markets remained subdued especially in the office segment.

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# Composite Interest Rate: End of January 2025

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (February 19) the composite interest rate at the end of January 2025 (Note 1).

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 8 basis points to 2.16 per cent at the end of January 2025, from 2.24 per cent at the end of December 2024 (see Chart 1 in the Annex). The decrease in composite interest rate reflected the decreases in the weighted funding cost for deposits and interbank funds during the month (see Chart 2 in the Annex) (Note 2).

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of January 2025 are available in the Monthly Statistical Bulletin on the HKMA website ([www.hkma.gov.hk](http://www.hkma.gov.hk)).

Note 1: The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest-rate-sensitive liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and all other liabilities that do not involve any formal payment of interest but the values of which are sensitive to interest rate movements (such as Hong Kong dollar non-interest bearing demand deposits) on the books of banks. Data from retail banks, which account for about 90 per cent of the total customers' deposits in the banking sector, are used in the calculation. It should be noted that the composite interest rate represents only average interest expenses. There are various other costs involved in the making of a loan, such as operating costs (e.g. staff and rental expenses), credit cost and hedging cost, which are not covered by the composite interest rate.

Note 2: Since June 2019, the composite interest rate and weighted deposit rate have been calculated based on the new local "Interest rate risk in the banking book" (IRRBB) framework. As such, these figures are not strictly comparable with those of previous months.