

Auctions of public securities in Bolivia

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ABSTRACT

This research analyzes alternative modalities of auctions of public securities and evaluates the advantages and disadvantages of the most common modalities in primary markets: the modality of uniform price and the modality of discriminant price. Even though there is theoretical evidence about uniform price modality is superior to discriminant modality, few countries in the world issue public securities in this format. In Bolivia, weekly securities auctions play an important role for monetary control and for financing of public debt, reason for it is desirable to have an auction modality that promotes participation and deepens the market of public securities.