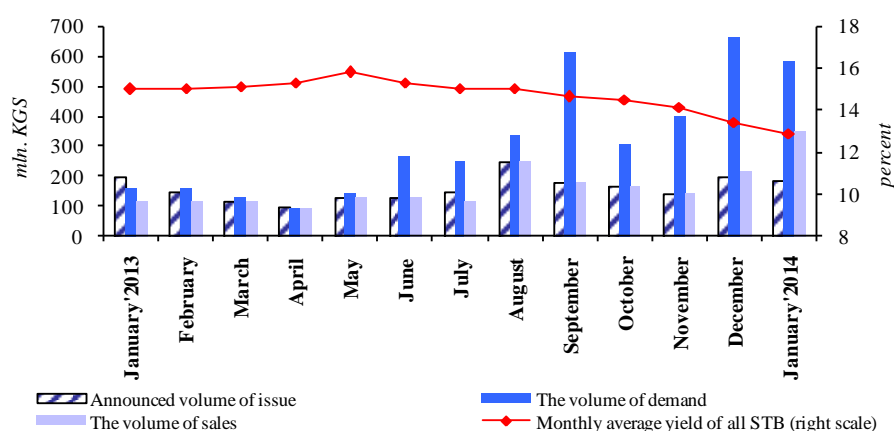


Market of State Treasury Bonds (January, 2014)

In January, there was one auction for settlement of the Ministry of finance Treasury bonds and one additional settlement in the primary market. Market participants purchased the securities in the amount of 348.0 million soms, this volume has been increased compared to the previous month by 58.2 percent. Such increase in sales was a result of increase in activity of commercial banks (as well as earlier, one commercial bank showed the highest activity), interest from institutional investors was on the same level.

Level of filled demand increased by 1.0 percentage points and amounted to 32.3 percent. The securities yield decreased as compared with the previous month by 0.6 percentage points, amounted to 12.9 percent. Average auction volume of demand on the part of market participants totaled 581.7 million soms.

Graph 1. Dynamics of demand and supply volume and ST-bonds yield



In this period, the volume of ST-bonds in circulation increased to 5.8 billion soms (+0.8 percent). Portfolio of institutional investors increased by 4.6 percent, in percentage terms of 40.0 percent (+1.4 percentage points). At the same time it was observed a decrease in the share of commercial banks by 1.5 percentage points (to 58.3 percent). Share of resident legal entities, as in the previous month was 0.1 percent.

Over the month, the concentration index¹ of the primary market of ST-bills was 0.31 that indicates a high level of concentration and corresponds to the presence of three investors in the market with equal shares.

In the reporting period operations with ST-bonds in the secondary market were not committed.

Table 1. Structure of ST-bonds holders by nominal cost

¹ This index shows the degree of concentration of the securities in the portfolio of banks. The concentration index is calculated by the method of Herfindahl-Hirschman and represents the sum of the squares of the proportions of index in total volume. Possible index values are in the range from 0 to 1. Index value less than 0.10 corresponds to a low concentration level; from 0.10 to 0.18 – to an average level of concentration; over 0.18 - to a high level of concentration. For example, the concentration index equal to 0.50 is equivalent to the presence of two market participants with equal shares; 0.30 – of three participants, etc.

thous. KGS

Date	TOTAL						
		Commercial Banks		Institutional Investors		Resident companies	
		Amount	Share	Amount	Share	Amount	Share
January'2013	4 841 300,0	2 536 223,2	52,4%	2 301 874,6	47,5%	3 160,2	0,1%
February	4 955 200,0	2 650 123,2	53,5%	2 301 874,6	46,5%	3 160,2	0,1%
March	5 075 200,0	2 770 123,2	54,6%	2 301 874,6	45,4%	3 160,2	0,1%
April	5 089 700,0	2 784 623,2	54,7%	2 301 874,6	45,2%	3 160,2	0,1%
May	5 107 700,0	2 707 009,2	53,0%	2 397 488,6	46,9%	3 160,2	0,1%
June	5 612 700,0	2 796 903,1	49,8%	2 812 594,7	50,1%	3 160,2	0,1%
July	5 728 700,0	2 796 903,1	48,8%	2 928 594,7	51,1%	3 160,2	0,1%
August	5 598 700,0	2 838 031,9	50,7%	2 757 465,9	49,3%	3 160,2	0,1%
September	5 720 480,0	3 012 511,9	52,7%	2 704 765,9	47,3%	3 160,2	0,1%
October	5 437 480,0	2 627 076,6	48,3%	2 717 403,4	50,0%	3 000,0	0,1%
November	5 318 580,0	2 635 176,6	49,5%	2 588 703,4	48,7%	4 700,0	0,1%
December	5 740 680,0	3 431 385,9	59,8%	2 214 594,1	38,6%	4 700,0	0,1%
January'2014	5 785 280,0	3 374 033,5	58,3%	2 315 546,5	40,0%	5 700,0	0,1%