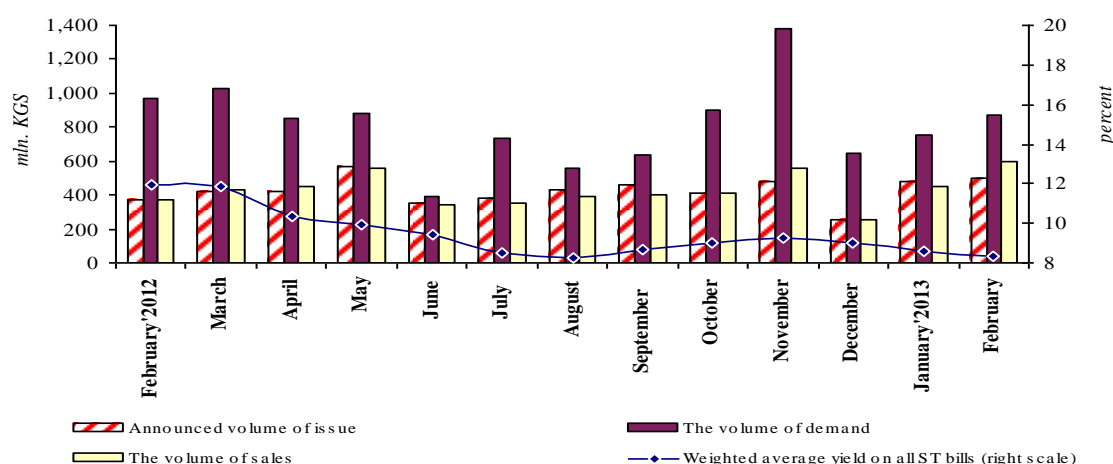


Market of State Treasury Bills (February 2013)

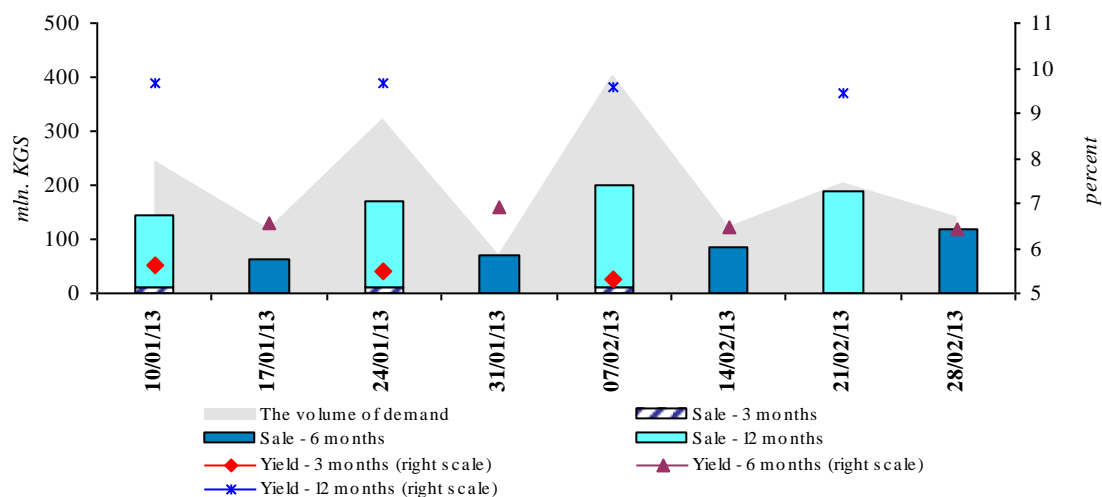
Graph 1. Demand and placement of state treasury bills



In February the total volume of placement of government treasury bills of the Ministry of Finance increased by 32.2 percent and constituted 592.5 million KGS. The volume of demand due to the increased activity of commercial banks also increased (by 14.7 percent) to 869.4 million KGS. As a result, the sales of 6 and 12-month securities expanded. Thus, the sale of 6-month STBills increased by 54.6 percent and constituted 200.0 million KGS; the sale of 12-month STBills increased by 26.9 percent, which amounted to 375 million KGS. The sale of 3-month bills, in contrast, decreased by 37.5 percent and constituted 12.5 million KGS.

The overall average monthly yield on all types of STBills in the reporting period was observed at a rate of 8.4 percent having decreased over the month by 0.3 percentage points. The yield on 12-month securities in February fell by 0.2 percentage points and amounted to 9.5 percent; the 3-month STBills - by 0.2 percentage points to 5.3 percent; the 6-month STBills decreased by 0.3 percentage points and amounted to 6.5 percent.

Graph 2. The dynamics of demand and sales and yield of the ST bills



The average auction volume of demand¹ in February was 217.4 million KGS having increased by 14.7 percent compared to the previous month; the average auction volume of sales also increased by 32.2 percent and constituted 148.1 million KGS.

¹ This index is used instead of the general volume of demand/supply for the month since the number of auctions within a month is a constant value.

The net financing of the budget deficit in January increased significantly (2.7 times) to 258.6 million KGS. In the reporting period, the Ministry of Finance also made significant recoveries of previously issued STBills in the amount of 595.2 million KGS. In this regard, market efficiency of STBills from the beginning of the year calculated as the ratio of the total value of net financing to total sales at actual costs increased as compared with the indicators of January by 2.3 percentage points and constituted 29.3 percent.

The duration index increased from 162 to 166 days by increasing the share of 6-month STBills in the total volume of issued STBills.

In February, compared with the previous month, the volume of STBills in circulation increased to 4.4 billion KGS (+4.0 percent); the increase only affected the portfolio of resident legal entities (+2.4 percentage points) and constituted 3.5 percent.

The share of commercial banks, on the other hand, decreased by 0.9 percentage points; the share of institutional investors also fell by 1.4 percentage points, while the share of individuals remained unchanged compared to the previous month.

In comparing the share of portfolios of STBills holders, the share of commercial banks decreased from 84.2 to 83.3 percent; the share of institutional investors decreased from 14.5 to 13.1 percent.

In the reporting period no transactions with STBills on the secondary market were made.

Table 1. The dynamics of average monthly yield of ST bills

percent

Period	Weighted average yield	By types of urgency		
		3-month ST bills	6-month ST bills	12-month ST bills
February'2012	12.0	6.5	11.3	13.4
March	11.9	-	10.7	12.3
April	10.3	6.5	8.8	10.8
May	9.9	6.6	8.1	10.2
June	9.4	6.6	7.8	10.0
July	8.5	6.3	7.3	9.4
August	8.2	6.0	7.1	9.4
September	8.7	5.5	7.0	9.9
October	9.0	6.1	7.2	10.2
November	9.3	5.7	7.0	10.1
December	9.0	5.2	6.8	9.5
January'2013	8.6	5.6	6.7	9.7
February	8.4	5.3	6.5	9.5

"-" all announced auctions were declared invalid

Table 2. The structure of ST bills holders at face value

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Date	TOTAL	Including											
		NBKR		Commercial Banks		Institutional Investor		Resident Individuals		Resident companies		Non-resident individuals	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.03.2012	3,642,003.0	0.0	0%	2,839,026.4	78.0%	637,663.9	17.5%	20,192.3	0.6%	145,120.4	4.0%	0.0	0.0%
01.04.2012	3,802,423.0	0.0	0%	3,005,516.9	79.0%	631,709.3	16.6%	18,898.8	0.5%	146,298.0	3.8%	0.0	0.0%
01.05.2012	3,931,115.0	0.0	0%	3,155,496.6	80.3%	623,228.2	15.9%	21,541.1	0.5%	130,849.1	3.3%	0.0	0.0%
01.06.2012	4,018,528.0	0.0	0%	3,174,357.1	79.0%	700,074.6	17.4%	17,004.5	0.4%	126,011.8	3.1%	1,080.0	0.03%
01.07.2012	4,120,877.0	0.0	0%	3,210,203.8	77.9%	780,516.2	18.9%	14,226.7	0.3%	114,850.3	2.8%	1,080.0	0.03%
01.08.2012	4,358,327.0	0.0	0%	3,288,649.3	75.5%	953,330.3	21.9%	13,843.2	0.3%	101,424.2	2.3%	1,080.0	0.02%
01.09.2012	3,850,475.0	0.0	0%	3,156,830.1	82.0%	631,022.4	16.4%	8,565.8	0.2%	52,976.7	1.4%	1,080.0	0.03%
01.10.2012	3,783,180.0	0.0	0%	3,104,572.8	82.1%	610,877.4	16.1%	7,601.3	0.2%	59,048.5	1.6%	1,080.0	0.03%
01.11.2012	3,824,430	0	0.0%	3,136,292	82.0%	636,081	16.6%	5,034	0.1%	45,944	1.2%	1,080	0.0%
01.12.2012	4,056,400	0	0.0%	3,380,672	83.3%	616,563	15.2%	7,139	0.2%	50,947	1.3%	1,080	0.0%
01.01.2013	4,099,690	0	0.0%	3,406,475	83.1%	638,306	15.6%	7,119	0.2%	46,710	1.1%	1,080	0.0%
01.02.2013	4,201,340	0	0.0%	3,539,406	84.2%	609,356	14.5%	4,788	0.1%	46,710	1.1%	1,080	0.0%
01.03.2013	4,371,370	0	0.0%	3,641,840	83.3%	571,776	13.1%	5,289	0.1%	151,385	3.5%	1,080	0.0%