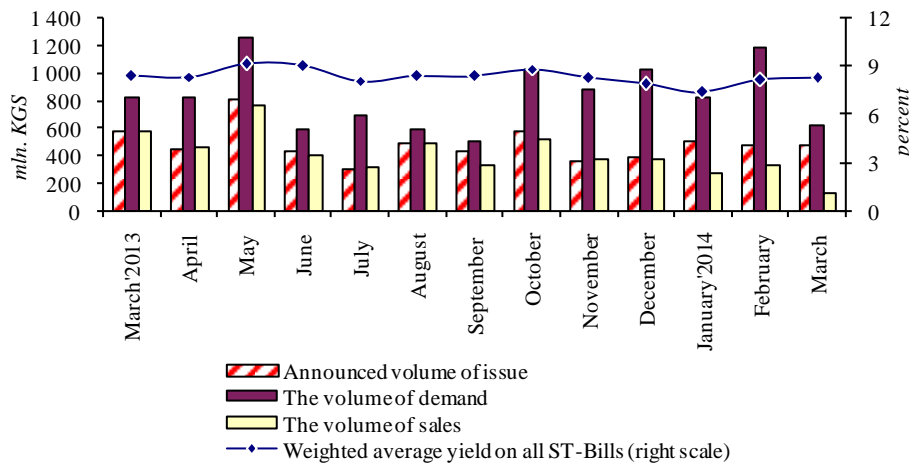


## Market of State Treasury Bills (March 2014)

**Graph 1. Demand and placement of ST-Bills**

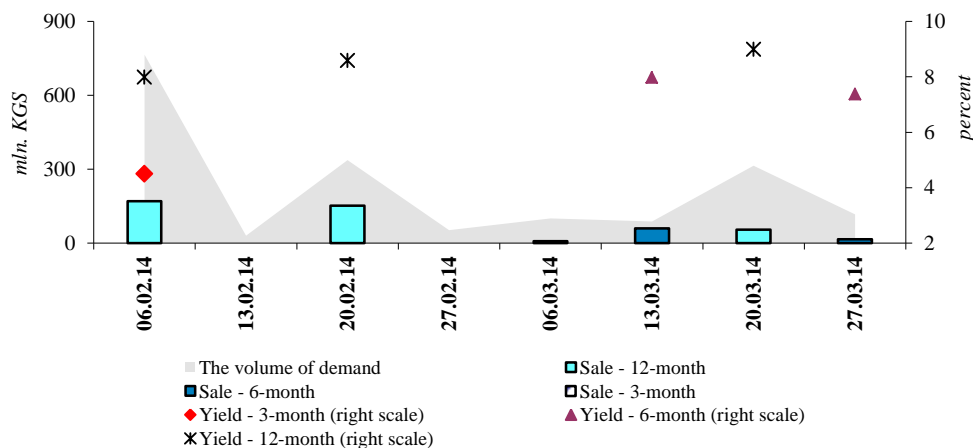


In March, the cumulative supply of ST-Bills of the Ministry of Finance decreased 1.4 percent and amounted to KGS 487.0 million.

The volume of demand decreased by 47.8 percent and amounted to KGS 618.7 million due to lower activity of commercial banks. Finally, sales of 12-month ST-Bills decreased sales of 6-month ST-Bills were restarted. Thus, sales of 12-month ST-Bills decreased by 85.9 percent to KGS 54.0 million. Sales of 6-month ST-Bills amounted to KGS 75.0 million, interest to 3-month securities from market participants was not observed.

The overall average monthly yield for all types of ST-Bills in the period under review constituted at a level of 8.3 percent, having increased by 0.1 percentage points per a month. The yield of 6-month securities in March constituted 7.9 percent, 12-month – 9.0 percent (-0.7 percentage points).

**Graph 2. The dynamics of demand and sales and yield of ST-Bills**



The average auction<sup>1</sup> volume of demand in March constituted KGS 154.7 million, having decreased by 47.8 percent compared to the previous month, average auction volume of sales also decreased by 60.8 percent to KGS 32.3 million.

In March, the value of the budget deficit net financing formed in the amount of KGS -342.2 million. In the period under review, the Ministry of Finance redeemed previously issued ST-Bills valued at KGS 463.9 million (+4.7 percent). In this connection, the effectiveness of the ST-Bills market since the beginning of the year, calculated as the ratio of the total value of net financing to

<sup>1</sup> This indicator is used instead of the total demand/supply for a month, as the number of auctions for the month is volatile variable.

total sales at face value, constituted -76.1 percent.

Duration index decreased from 163 to 153 days, due to increase of share of 12-month ST-Bills in the total volume of issued ST-Bills.

In March, compared to the previous month, the volume of ST-Bills in circulation decreased to KGS 4.0 billion (-8.4 percent): the decrease affected portfolio of resident legal entities (-22.9 percent), with the share of 5.8 percent and commercial banks (-9.4 percent), with the share of 76.5 percent. The share of institutional investors in the structure of ST-Bills increased to 17.7 percent. The share of resident individuals remained at the level of 0.1 percent.

In the period under review, operations with ST-Bills on the secondary market were conducted to the amount of KGS 31.9 million.

**Table 1. The dynamics of average monthly yield of ST-Bills**

Period	Weighted average yield	By types of urgency		
		3-month ST-Bills	6-month ST-Bills	12-month ST-Bills
		percent		
March'2013	8,4	5,3	6,8	9,5
April	8,4	5,0	6,1	9,5
May	9,2	5,0	6,5	10,2
June	9,1	5,1	6,5	10,0
July	8,1	4,9	6,4	9,6
August	8,4	4,5	6,5	9,4
September	8,4	3,5	6,5	9,4
October	8,9	4,5	6,5	9,5
November	8,3	4,9	6,4	9,3
December	7,9	4,5	6,2	8,9
January'2014	7,4	-	6,1	8,4
February	8,2	4,5	-	8,3
March	8,3	-	7,9	9,0

"-" all announced auctions were declared invalid

**Table 2. The structure of the ST-Bills holders at face value**

Date	TOTAL	Including											
		NBKR		Commercial Banks		Institutional Investors		Resident individuals		Resident companies		Non-resident individuals	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.04.2013	4 562 700,0	0,0	0%	3 614 332,9	79,2%	588 790,7	12,9%	5 289,0	0,1%	353 207,4	7,7%	1 080,0	0,02%
01.05.2013	4 501 700,0	0,0	0%	3 454 972,8	76,7%	620 290,7	13,8%	5 106,2	0,1%	420 250,3	9,3%	1 080,0	0,02%
01.06.2013	4 578 520,0	0,0	0%	3 358 623,7	73,4%	523 396,4	11,4%	3 121,2	0,1%	693 378,7	15,1%	0,0	0,00%
01.07.2013	4 765 570,0	0,0	0%	3 471 615,4	72,8%	575 694,8	12,1%	3 121,2	0,1%	715 138,6	15,0%	0,0	0,00%
01.08.2013	4 768 320,0	0,0	0%	3 539 517,5	74,2%	583 276,8	12,2%	2 945,2	0,1%	642 580,5	13,5%	0,0	0,00%
01.09.2013	4 846 990,0	0,0	0%	3 495 177,5	72,1%	675 776,8	13,9%	2 945,2	0,1%	673 090,5	13,9%	0,0	0,00%
01.10.2013	4 661 140,0	0,0	0%	3 515 157,5	75,4%	601 401,8	12,9%	2 945,2	0,1%	541 635,5	11,6%	0,0	0,00%
01.11.2013	4 706 640,0	0,0	0%	3 474 129,5	73,8%	579 863,3	12,3%	3 494,2	0,1%	569 153,0	12,1%	0,0	0,00%
01.12.2013	4 562 140,0	0,0	0%	3 502 372,1	76,8%	587 863,3	12,9%	3 494,2	0,1%	468 410,4	10,3%	0,0	0,00%
01.01.2014	4 662 740,0	0,0	0%	3 539 040,3	75,9%	664 263,4	14,2%	3 494,2	0,1%	455 942,1	9,8%	0,0	0,00%
01.02.2014	4 490 490,0	0,0	0%	3 366 701,5	75,0%	631 313,4	14,1%	3 494,2	0,1%	488 980,9	10,9%	0,0	0,00%
01.03.2014	4 420 490,0	0,0	0%	3 415 779,0	77,3%	698 641,2	15,8%	3 494,2	0,1%	302 575,6	6,8%	0,0	0,00%
01.04.2014	4 049 410,0	0,0	0%	3 096 123,4	76,5%	716 556,8	17,7%	3 494,2	0,1%	233 235,6	5,8%	0,0	0,00%