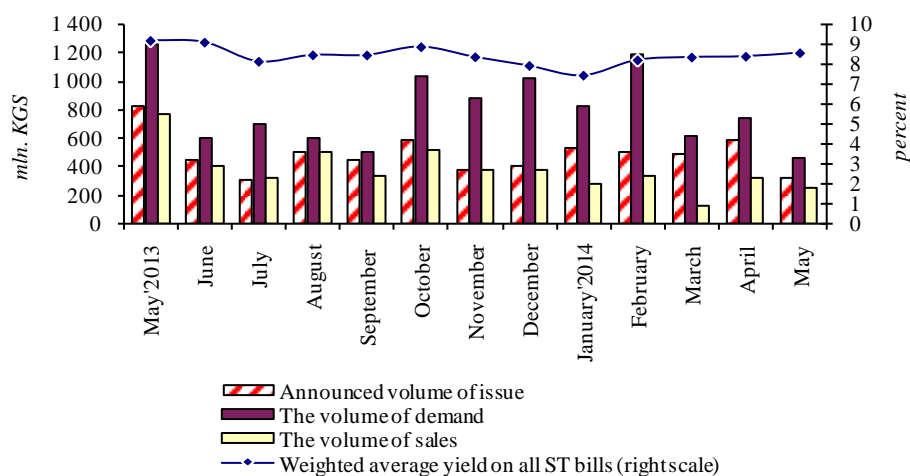


## Market of State Treasury Bills (May, 2014)

**Graph 1. Demand and placement of state treasury bills**

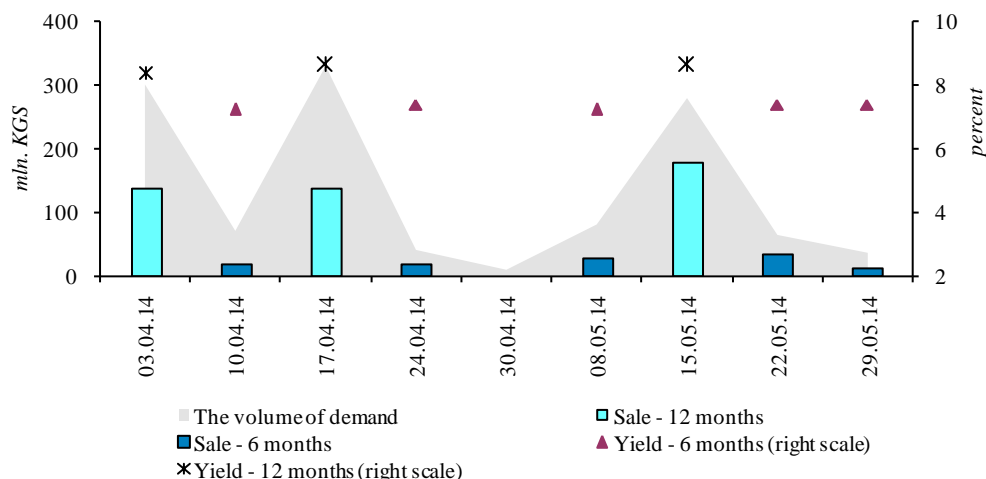


In May, compared with the previous month, the volume of supply of State treasury bills of the Ministry of finance were reduced by 46.7 percent, amounted to 308.5 million som.

Due to a decrease in activity of commercial banks the volume of demand, also declined by 38.8 percent to 458.2 million som. As a result, the sales of 12-month ST-bills decreased by 35.7 percent to 180.0 million som, and there was no demand for 3-month bills from market participants. Sales of 6-month ST-bills increased in 1.9 times and amounted to 77.7 million som.

The overall average yield of all types of ST-bills in this period was observed at a rate of 8.6 percent, an increase over the month by 0.2 percentage points. 6-month securities yield was 7.5 percent (+0.2 percentage points), 12-month ones – 9.0 percent (+0.5 percentage points).

**Graph 2. The dynamics of volume of demand and sales and yield of STB**



Average auction<sup>1</sup> demand amounted to 114.5 million som, having decreased by 23.5 percent compared to the previous month, thus average auction sales increased by 0.7 percent to 64.4 million som.

Value of net finance of budget deficit in this month formed at -192.6 million som. In the reporting period, the Ministry of finance redeemed previously issued ST-bills in the amount of 419.0 million som (+6.7 percent). In this regard, ST-bills market efficiency from the beginning of the year, calculated as the ratio of the total value of net financing to total sales at actual cost, amounted to -67.5 percent.

<sup>1</sup> This indicator is used instead of the total demand/ supply over the month, as the number of auctions over the month is not constant value.

Index of duration decreased from 155 to 152 days by reducing the proportion of 12-month ST-bills in total issued ST-bills.

In the reporting period compared with the previous month, the volume of ST-bills in circulation decreased to 3.7 billion soms (-5.4 percent): reduction affected portfolio of commercial banks, which share was 74.3 percent (-2.1 percentage points). Share of institutional investors amounted to 21.3 percent (+1.8 percentage points), of resident legal entities – 4.3 percent (+0.2 percentage points). Share of resident individuals was negligible. Non-resident individuals in the reporting month didn't purchase these securities.

In the reporting period operations with ST-bills on the secondary market were not committed.

**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
May'2013	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
April	8,4	-	7,3	8,5
May	8,6	-	7,5	9,0

"-" all announced auctions were declared invalid

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

*thous. som*

Date	TOTAL	Commercial Banks		Institutional Investor		Resident Individuals		Resident companies		Non-resident individuals	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
		01.06.2013	4 578 520,0	3 358 623,7	73,4%	523 396,4	11,4%	3 121,2	0,1%	693 378,7	15,1%
01.07.2013	4 765 570,0	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	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	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	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	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	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	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	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	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	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%
01.05.2014	3 945 410,0	3 014 351,7	76,4%	769 808,3	19,5%	750,0	0,0%	160 500,0	4,1%	0,0	0,00%
01.06.2014	3 733 550,0	2 775 476,7	74,3%	795 678,3	21,3%	1 400,0	0,0%	160 995,0	4,3%	0,0	0,00%