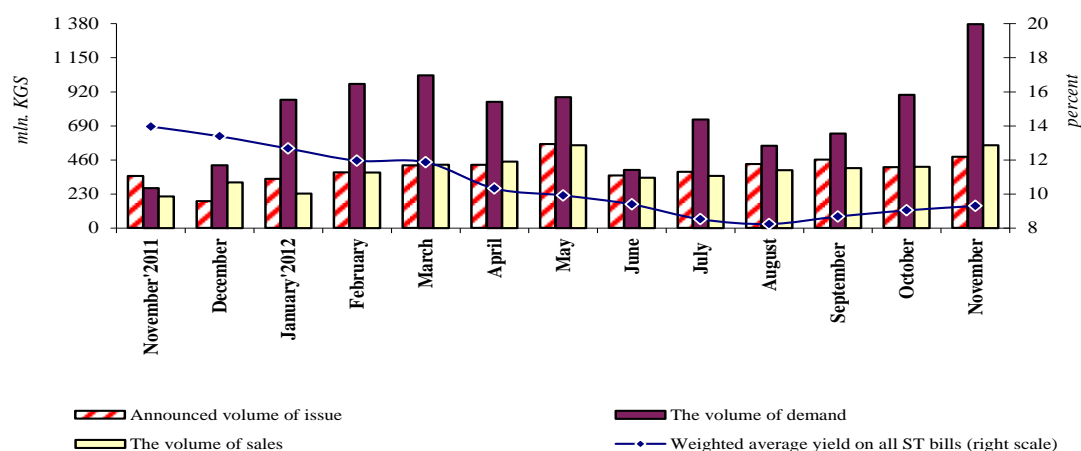


## Market of State Treasury Bills (November 2012)

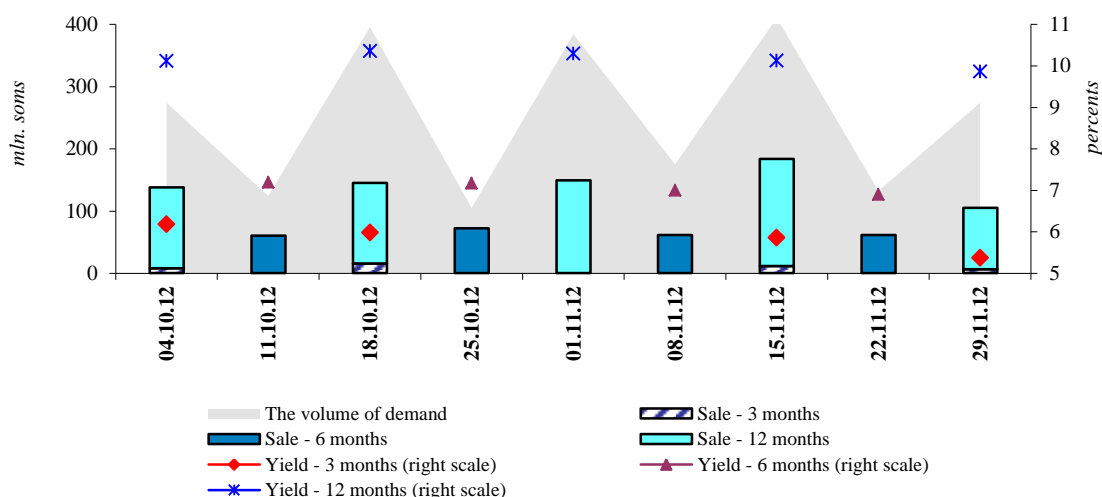
**Graph 1. Demand and placement of state treasury bills**



In November, the cumulative placement of government treasury bills of the Ministry of Finance increased to KGS 559.5 mln. by 35.0 percent. The volume of demand amounted to KGS 1.4 billion, increased during the month by 53.1 percent. Sales of 3-month ST-Bills, due to lower activity of commercial banks decreased by 24.4 percent and amounted to KGS 17.0 million. Sales 6-month ST-Bills also declined by 7.4 percent to KGS 122.3 million. In the segment of 12-month ST-Bills interest from four commercial banks increased sales during the month by 61.6 percent, accounting for KGS 420.3 million.

The overall average yield for all types of ST-Bills in the period under review constituted at a level of 9.3 percent, increased in a month by 0.3 percentage point. The yield of 12-month securities in November fell by 0.1 percentage points (10.1 percent). The average month yield of 6-month ST-Bills decreased by 0.2 percentage points and 7.0 percent, 3-month ST-Bills - by 0.4 percentage points and amounted to 5.7 percent.

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



The average auction<sup>1</sup> volume of demand in November constituted KGS 275.4 million, having increased by 22.5 percent compared to the previous month; average auction volume of sales also increased by 8.0 percent to KGS 111.9 million.

The value of the budget deficit net financing in November increased to KGS 220.1 million. In the period under review, the Ministry of Finance redeemed ST-Bills valued at KGS 200.0 million. In this connection, the effectiveness of the ST-Bills market since the beginning of the year,

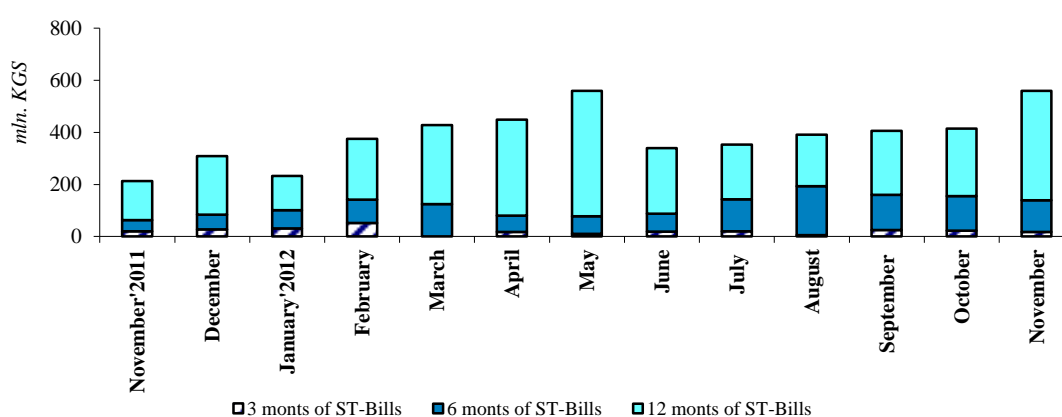
<sup>1</sup> This indicator is used instead of the total demand/supply for the month, as the number of auctions for the month is volatile variable.

calculated as the ratio of the total value of net financing to total sales at face value, increased compared to the end of October by 4.3 percentage points, constituted 14.9 percent.

Duration index decreased in a month from 175 days to 170 days, due to the decrease of share of 12-month ST-Bills.

In November, compared to the previous month, the volume of ST-Bills in circulation has increased to KGS 4.0 billion (+6.0) percent: the increase has affected portfolios of all main groups of holders of securities, except institutional investors (-1.4 percentage points), constituted 15.2 percent. The share of non-resident individuals with a small share of the total securities in circulation also has not changed. The share comparison of portfolios of holders of ST-Bills, a slight increase in the share of commercial banks from 82.0 to 83.3 was noted, while the share of resident legal entities constituted 1.3 percent (+0.1 percentage points). The share of resident individuals for the month also increased by 0.1 percentage point and constituted 0.2 percent. In the period under review operations with ST-Bills on the secondary market occurred to the amount of KGS 27.0 million.

**Graph 3. The dynamics of sales of ST-Bills**



**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
November'2011	14,0	6,9	13,4	15,0
December	13,4	6,6	13,3	14,9
January'2012	12,7	6,4	12,5	14,3
February	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

"-" 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
01.12.2011	3 546 108,0	0,0	0%	2 896 673,4	81,7%	514 146,1	14,5%	14 122,8	0,4%	121 165,7	3,4%	0,0	0,0%
01.01.2012	3 579 218,0	0,0	0%	2 839 461,4	79,3%	584 286,1	16,3%	16 694,9	0,5%	138 775,6	3,9%	0,0	0,0%
01.02.2012	3 525 973,0	0,0	0%	2 801 197,9	79,4%	570 286,1	16,2%	17 172,4	0,5%	137 316,6	3,9%	0,0	0,0%
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	0%	3 136 291,6	82,0%	636 080,9	16,6%	5 034,0	0,1%	45 943,5	1,2%	1 080,0	0,03%
01.12.2012	4 056 400,0	0,0	0%	3 380 671,7	83,3%	616 562,8	15,2%	7 139,0	0,2%	50 946,5	1,3%	1 080,0	0,03%