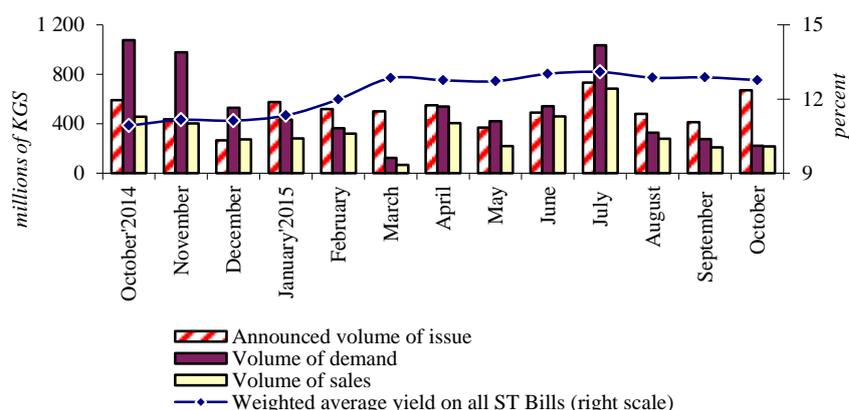


## Market of State Treasury Bills (October 2015)

**Chart 1. Demand and Placement of ST Bills**

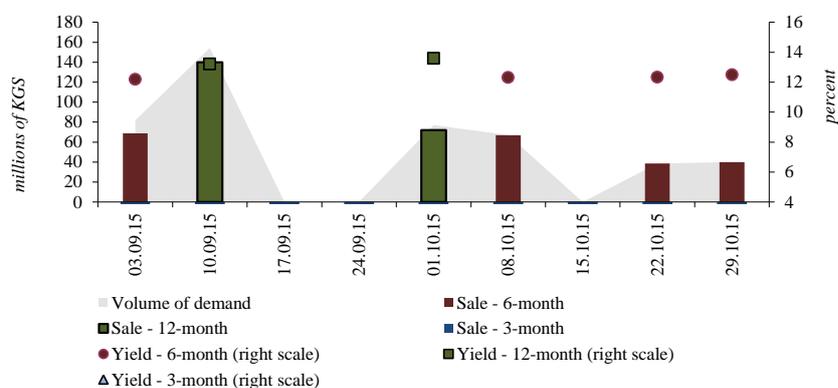


In the reporting period, as compared with the previous month, the announced volume of issue of state treasury bills of the Ministry of Finance was increased by 62.6 percent and constituted KGS 670.0 million.

The volume of demand decreased by 19.3 percent over the month, to KGS 222.5 million, due to slight decrease in the activity of commercial banks in this segment of the financial market. At the same time, the sales of 12-month ST Bills decreased by 48.6 percent and amounted to KGS 72.0 million, the sales of 6-month ST Bills increased by 2.1 times, to KGS 145.5 million, market participants did not use 3-month ST Bills.

In the reporting period, the overall weighted average yield on all types of ST Bills was observed at the rate of 12.8 percent having decreased by 0.1 percentage point over the month. The yield on 6-month securities was 12.4 percent (+0.2 percentage points), on 12-month securities constituted 13.6 percent (+0.4 percentage points).

**Chart 2. Dynamics of Volume of Supply, Demand and Yield of ST Bills**

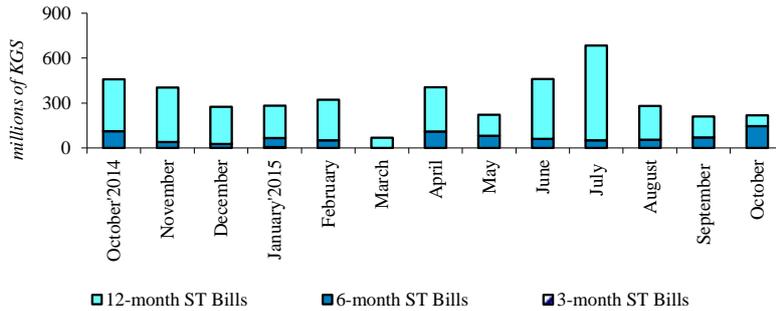


The average auction<sup>1</sup> volume of demand amounted to KGC 55.6 million, having decreased by 19.3 percent as compared to the previous month, the average auction volume of sales increased by 4.2 percent, to KGS 54.4 million.

The net financing of the budget deficit within the reporting month was formed in the amount of KGS (-) 95.6 million. In the reporting period, the Ministry of Finance redeemed previously issued ST Bills to the amount of KGS 258.3 million (+50.1 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 0.0 percent.

<sup>1</sup> This index is used instead of total volume of demand/supply for a month as the quantity of auctions held during the month is not constant.

**Chart 2. Dynamics of ST Bills Sales**



In the reporting period, as compared to the beginning of this year, the volume of ST Bills in circulation increased to KGS 3.8 billion (+24.3 percent): the share of principal holders of ST Bills – commercial banks decreased by 6.1 percentage points, to 51.6 percent. The share of institutional investors constituted 47.5 percent (+6.2 percentage points), the share of resident legal entities made 0.9 percent (-0.1 percentage point).

In the reporting period, no transactions with ST Bills were carried out in the secondary market.

**Table 1. Dynamics of ST Bills Average Monthly Yield**

Period	Weighted average yield	By types of urgency		
		3-month ST Bills	6-month ST Bills	12-month ST Bills
October'2014	10,9	-	10,0	11,2
November	11,2	-	10,2	11,3
December	11,1	-	10,6	11,2
January'2014	11,3	4,6	11,2	11,5
February	12,0	-	11,7	12,0
March	12,9	-	-	12,9
April	12,8	-	11,9	13,1
May	12,7	-	11,9	13,2
June	13,0	-	11,8	13,2
July	13,1	-	12,0	13,2
August	12,9	-	12,0	13,1
September	12,9	-	12,2	13,2
October	12,8	-	12,4	13,6

"-" all announced auctions were declared invalid

**Table 2. Structure of ST Bills Holders at Face Value**

*thousands of KGS*

Date	TOTAL	including							
		Commercial Banks		Institutional Investors		Resident Individuals		Resident Legal Entities	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.11.2014	2 979 360,0	2 039 143,0	68,4%	879 052,0	29,5%	1 000,0	0,0%	60 165,0	2,0%
01.12.2014	3 036 650,0	1 797 448,0	59,2%	1 180 052,0	38,9%	1 000,0	0,0%	58 150,0	1,9%
01.01.2015	3 048 150,0	1 758 855,4	57,7%	1 258 168,7	41,3%	1 000,0	0,0%	30 125,9	1,0%
01.02.2015	3 084 670,0	1 763 575,4	57,2%	1 289 968,7	41,8%	1 000,0	0,0%	30 125,9	1,0%
01.03.2015	3 016 170,0	1 771 153,2	58,7%	1 213 890,9	40,2%	1 000,0	0,0%	30 125,9	1,0%
01.04.2015	3 045 170,0	1 737 808,8	57,1%	1 281 075,3	42,1%	1 000,0	0,0%	25 285,9	0,8%
01.05.2015	3 087 710,0	1 579 420,3	51,2%	1 491 149,7	48,3%	1 000,0	0,0%	16 140,0	0,5%
01.06.2015	3 066 260,0	1 559 035,7	50,8%	1 490 034,3	48,6%	0,0	0,0%	17 190,0	0,6%
01.07.2015	3 398 360,0	1 675 842,8	49,3%	1 697 227,2	49,9%	0,0	0,0%	25 290,0	0,7%
01.08.2015	3 580 210,0	1 871 881,5	52,3%	1 681 413,5	47,0%	0,0	0,0%	26 915,0	0,8%
01.09.2015	3 925 210,0	2 087 081,8	53,2%	1 804 663,2	46,0%	0,0	0,0%	33 465,0	0,9%
01.10.2015	3 893 960,0	2 032 681,8	52,2%	1 827 363,2	46,9%	1,0	0,0%	33 915,0	0,9%
01.11.2015	3 789 040,0	1 956 331,8	51,6%	1 798 793,2	47,5%	0,0	0,0%	33 915,0	0,9%