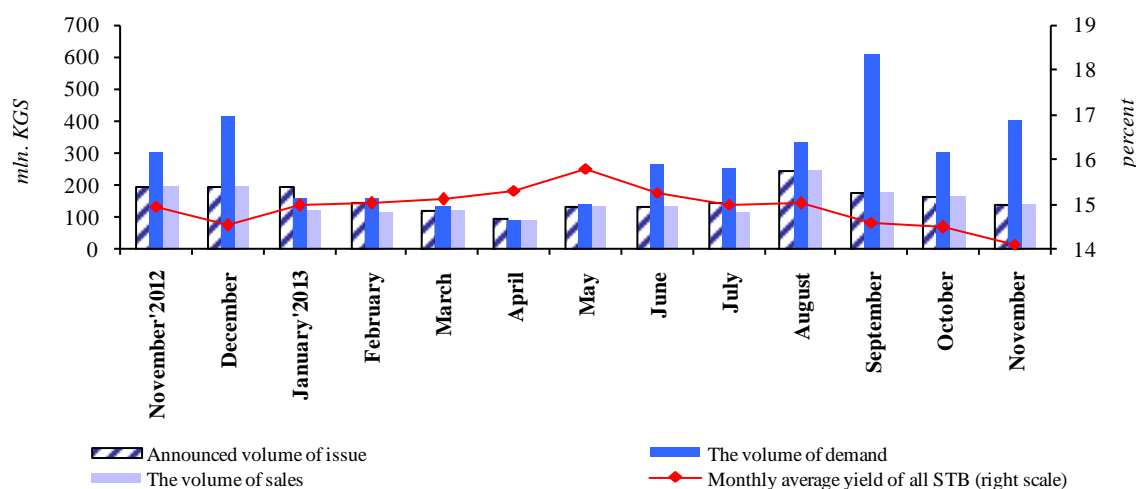


## Market of State Treasury Bonds (November, 2013)

In November, there was one auction for settlement of the Ministry of finances Treasury bonds in the primary market. Market participants purchased the securities in the amount of 142.0 million soms, having decreased compared to the previous month by 15.0 percent. Such decline in sales was a result of decrease in activity of commercial banks (one commercial bank was most active), interest of institutional investors actively participated from June 2012 was at the same level.

Level of filled demand increased by 19.3 percentage points and amounted to 35.3 percent. The securities yield decreased as compared with the previous month (-0.4 percentage points), amounted to 14.1 percent. Due to the relatively high yield of ST-bonds, the interest in this type of government securities by the majority of banks in the third month remains at a relatively high level.

**Graph 1. Dynamics of demand and supply volume and ST-bonds yield**



In November, the volume of ST-bonds in circulation dropped to 5.3 billion soms (-2.2 percent). At the same time, there was an increase in the share of commercial banks by 1.2 percentage points (to 49.5 percent), the proportion of institutional investors fell by 1.3 percentage points and developed at a rate of 48.7 percent. In the previous month nonresident legal entities intensified their participation in the ST-bonds market, retaining a share in November to 1.7 percent.

Over the month, the concentration index<sup>1</sup> of the primary market of ST-bonds was 0.34 that indicates a high level of concentration and corresponds to the presence of three investors in the market with equal shares.

In the reporting period operations with ST-bonds in the secondary market were not committed.

<sup>1</sup> This index shows the degree of concentration of the securities in the portfolio of banks. The concentration index is calculated by the method of Herfindahl-Hirschman and represents the sum of the squares of the proportions of index in total volume. Possible index values are in the range from 0 to 1. Index value less than 0.10 corresponds to a low concentration level; from 0.10 to 0.18 – to an average level of concentration; over 0.18 - to a high level of concentration. For example, the concentration index equal to 0.50 is equivalent to the presence of two market participants with equal shares; 0.30 – of three participants, etc.

**Table 1. Structure of ST-bonds holders by nominal cost***thous. KGS*

Date	TOTAL	Including							
		NBKR		Commercial Banks		Institutional Investors		Resident companies	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
November 2012	4 561 550,0	0,0	0,0%	2 476 473,2	54,3%	2 081 874,6	45,6%	3 160,2	0,1%
December	4 750 550,0	0,0	0,0%	2 486 473,2	52,3%	2 260 874,6	47,6%	3 160,2	0,1%
January 2013	4 841 300,0	0,0	0,0%	2 536 223,2	52,4%	2 301 874,6	47,5%	3 160,2	0,1%
February	4 955 200,0	0,0	0,0%	2 650 123,2	53,5%	2 301 874,6	46,5%	3 160,2	0,1%
March	5 075 200,0	0,0	0,0%	2 770 123,2	54,6%	2 301 874,6	45,4%	3 160,2	0,1%
April	5 089 700,0	0,0	0,0%	2 784 623,2	54,7%	2 301 874,6	45,2%	3 160,2	0,1%
May	5 107 700,0	0,0	0,0%	2 707 009,2	53,0%	2 397 488,6	46,9%	3 160,2	0,1%
June	5 612 700,0	0,0	0,0%	2 796 903,1	49,8%	2 812 594,7	50,1%	3 160,2	0,1%
July	5 728 700,0	0,0	0,0%	2 796 903,1	48,8%	2 928 594,7	51,1%	3 160,2	0,1%
August	5 598 700,0	0,0	0,0%	2 838 031,9	50,7%	2 757 465,9	49,3%	3 160,2	0,1%
September	5 720 480,0	0,0	0,0%	3 012 511,9	52,7%	2 704 765,9	47,3%	3 160,2	0,1%
October	5 437 480,0	0,0	0,0%	2 627 076,6	48,3%	2 717 403,4	50,0%	3 000,0	0,1%
November	5 318 580,0	0,0	0,0%	2 635 176,6	49,5%	2 588 703,4	48,7%	4 700,0	0,1%