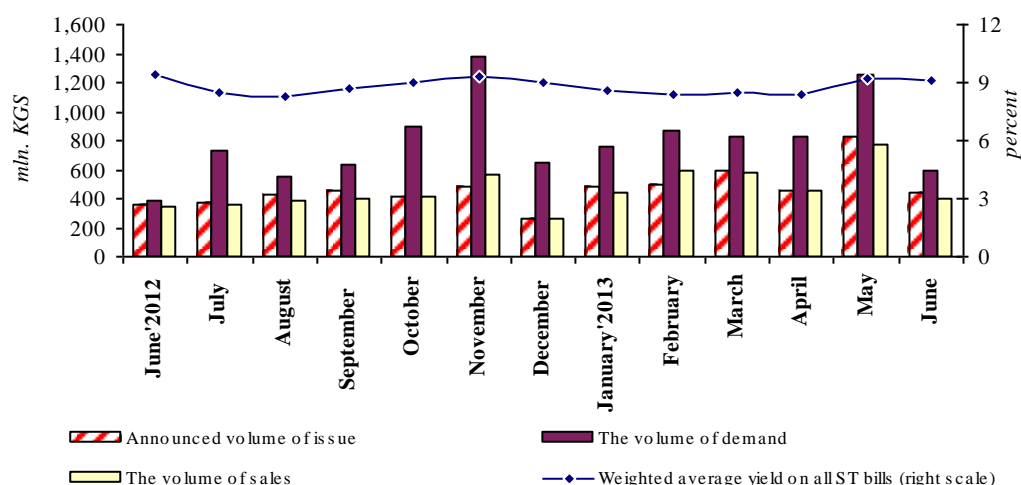


Market of State treasury bills (June 2013)

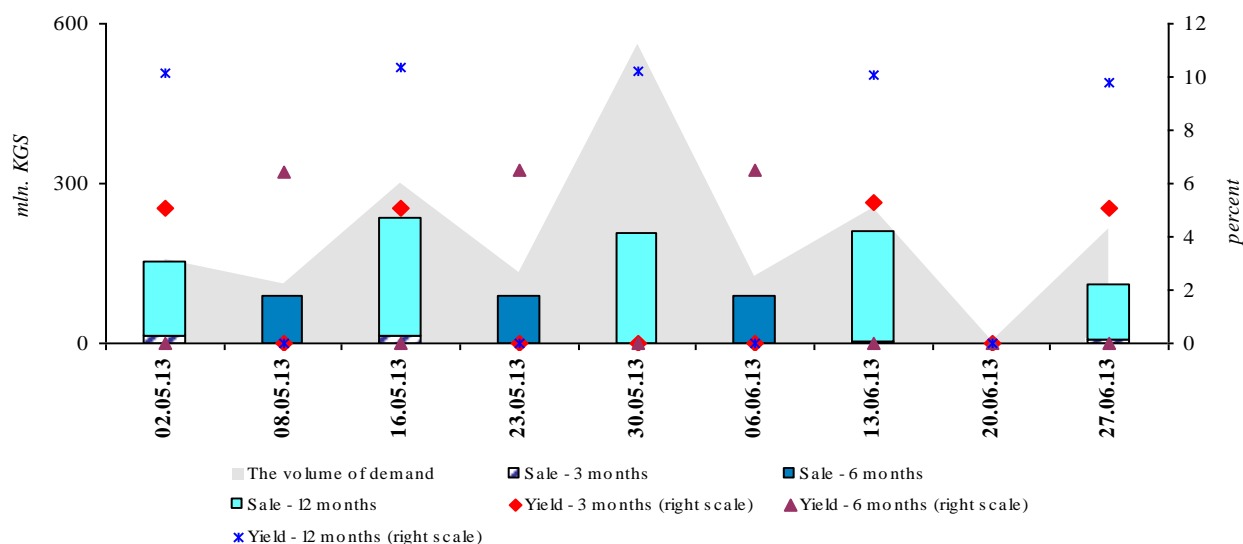


In June, the overall supply of State treasury bills of the Ministry of Finance decreased by 46.4 percent and constituted 442.0 million KGS.

The volume of demand due to low activity of commercial banks decreased by 52.7 percent and constituted 595.7 million KGS. As a result, sales of all types of ST-bills decreased. Thus, sale of 3-month ST-bills decreased by 60.7 percent to 11.0 million KGS, 6-month ST-bills decreased by 51.1 percent to 88.0 million KGS, 12-month ST-bills decreased by 45.6 percent to 307.5 million KGS.

The overall average yield on all types of ST-bills in this period was observed at a rate of 9.1 percent having decreased by 0.1 percentage points within a month. Yield of 3-month bills in June constituted 5.1 percent (-0.1 percentage points), 6-months bills by 6.5 percent, 12-months bills by 10.0 percent (-0.2 percentage points).

Graph 2. The dynamics of demand and sales and yield of the ST bills



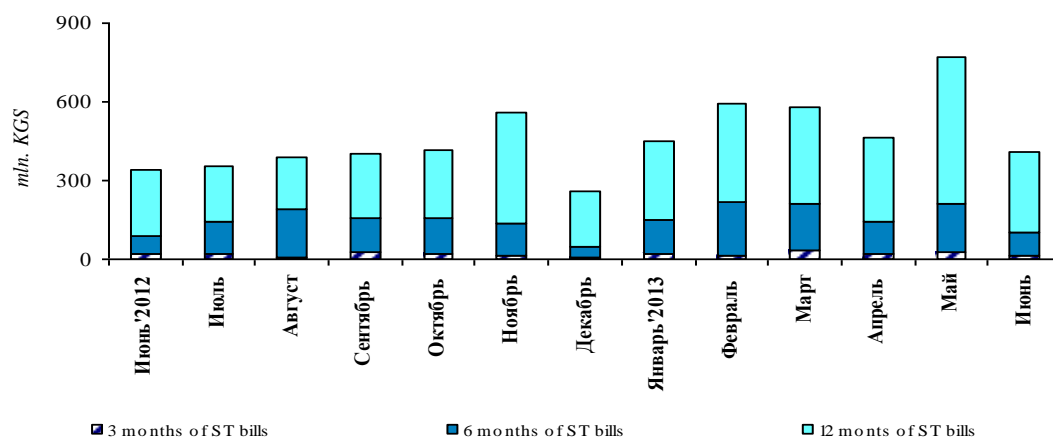
Average auction¹ demand in the reporting period was 148.9 million KGS having decreased by 40.9 percent as compared to the indicator of the previous month, average auction sales decreased by 34.3 percent and constituted 101.6 million KGS.

Value of net finance of budget deficit in the reporting period formed at 641.0 million KGS. In the reporting period, the Ministry of Finance redeemed previously issued ST-bills in the amount

¹ 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.

of 2.3 billion KGS (+14.6 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 23.1 percent.

Graph 3. The dynamics of sales of ST bills



In June compared to the previous month, the volume of ST-bills in circulation increased to 4.8 billion KGS (+4.1 percent): growth affected portfolio of resident individuals (+3.4 percent), resident legal entities (+3.1 percent) and institutional investors (+10,0 percent). Specific weight of resident legal entities in the structure of ST-bills decreased by 15.0 percent (-0.1 percentage points), commercial banks to 72.8 percent (-0.5 percentage points). The volume of ST-bills in circulation of institutional investors increased by 12.1 (+0.6 percentage points), the share of resident physical entities remained unchanged at level of 0.1 percent. Non-resident individuals and non-resident legal entities in the reporting month did not purchase these securities.

Transactions with ST-bills on the secondary market were not committed in the reporting period.

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
June'2012	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
December	9.0	5.2	6.8	9.5
January'2013	8.6	5.6	6.7	9.7
February	8.4	5.3	6.5	9.5
March	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

"-" all announced auctions were declared invalid

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

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Date	TOTAL										
		Commercial Banks		Institutional Investor		Resident Individuals		Resident companies		Non-resident individuals	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.07.2012	4,120,877.0	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	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	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	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	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	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%
01.01.2013	4,099,690.0	3,406,475.2	83.1%	638,306.1	15.6%	7,119.0	0.2%	46,709.7	1.1%	1,080.0	0.03%
01.02.2013	4,201,340.0	3,539,406.2	84.2%	609,356.1	14.5%	4,788.0	0.1%	46,709.7	1.1%	1,080.0	0.03%
01.03.2013	4,371,370.0	3,641,839.9	83.3%	571,776.1	13.1%	5,289.0	0.1%	151,385.0	3.5%	1,080.0	0.02%
01.04.2013	4,562,700.0	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	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	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	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%