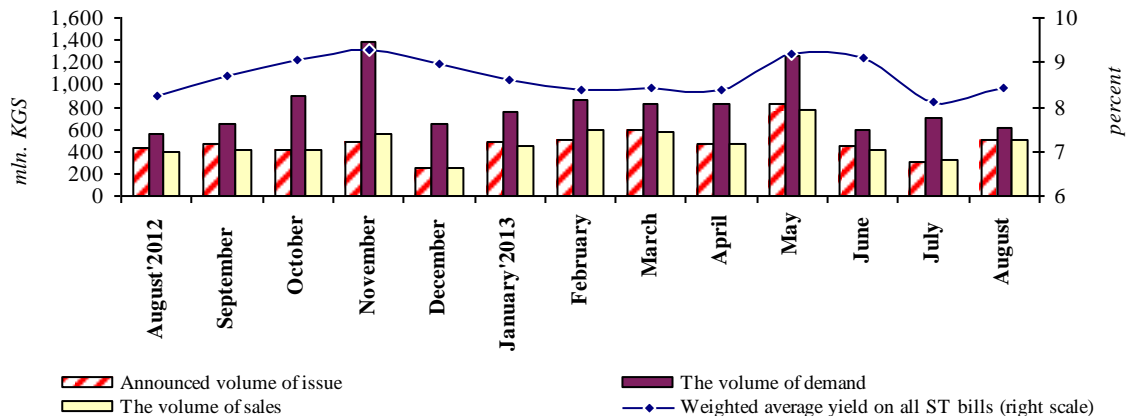


## Market of State Treasury Bills (August 2013)

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

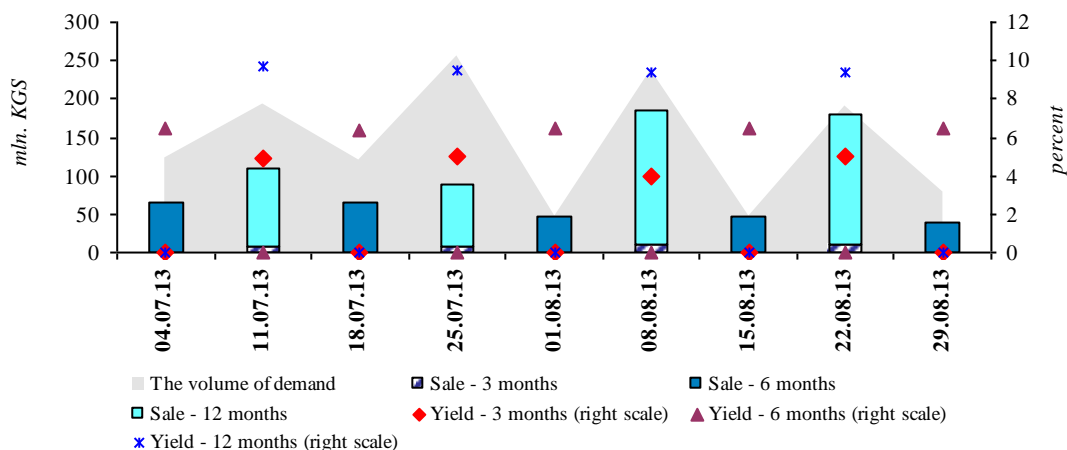


In August the total supply of government treasury bills of the Ministry of Finance increased by 63.8 percent and constituted 503.0 million KGS.

On the background of reduction in the activity of commercial banks, the volume of demand decreased by 13.1 percent and constituted 602.6 million KGS. However, the total volume of sales constituted 497.9 million KGS having increased by 52.2 percent. Thus, the sale of 3-month STBills increased by 25.0 percent to 20.0 million KGS; 6-month STBills by 3.1 percent to 133.0 million KGS; 12-month STBills by 89.3 percent to 344.9 million KGS.

The overall weighted average yield on all types of STBills in the reporting period was observed at a rate of 8.4 percent having increased over the month by 0.3 percentage points. The yield on 3-month securities in the reporting period amounted to 4.5 percent (-0.5 percentage points); 6-month securities by 6.5 percent (+0.1 percentage points); 12-month securities by 9.4 percent (-0.2 percentage points).

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



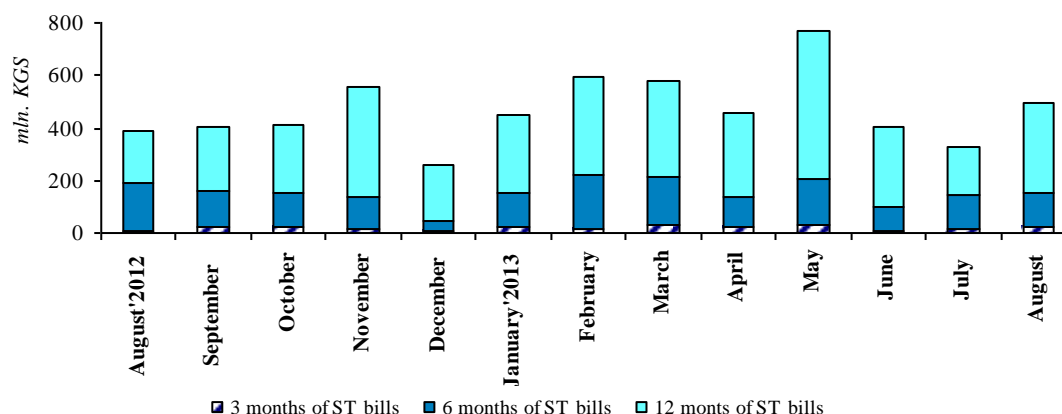
The average auction volume of demand<sup>1</sup> in the reporting period amounted to 120.5 million KGS having decreased by 30.5 percent compared to the previous month; the average auction volume of sales increased by 21.7 percent and constituted 99.6 million KGS.

The volume of net financing of the budget deficit for the month was formed in the amount of 67.9 million KGS. In the reporting period, the Ministry of Finance redeemed STBills previously issued in the amount of 357.8 million KGS (-10.7 percent). In this regard, market efficiency of

<sup>1</sup> This index is used instead of the general volume of demand/supply for the month since the number of auctions within a month is a constant value.

STBills 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 19.0 percent.

**Graph 3. The dynamics of sales of ST bills**



In August compared to the previous month, the volume of STBills in circulation increased to 4.8 billion KGS (1.6 percent); the growth affected the portfolio of institutional investors (+15.9 percent); resident legal entities (+4.7 percent). STBills portfolio of commercial banks, on the contrary, decreased (-1.3 percent); the portfolio of resident individuals remained at the same level. The share of institutional investors in the structure of STBills holders increased to 13.9 percent (+1.7 percentage points); resident legal entities to 13.9 percent (+0.4 percentage points). The share of commercial banks decreased to 72.1 (-2.1 percentage points); the share of resident individuals remained unchanged at 0.1 percent. Non-resident individuals and legal entities did not purchase securities in the reporting period.

No transactions were carried out in the secondary market of STBills during the reporting period.

**Table 1. The dynamics of average monthly yield of ST bills**

Period	Weighted average	By types of urgency		
		3-month	6-month	12-month
August'2012	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
July	8.1	4.9	6.4	9.6
August	8.4	4.5	6.5	9.4

"-" all announced auctions were declared invalid

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

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Date	TOTAL	Including									
		Commercial Banks		Institutional Investor		Resident Individuals		Resident companies		Non-resident individuals	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.09.12	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%
01.10.12	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%
01.11.12	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%
01.12.12	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%
01.01.13	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%
01.02.13	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%
01.03.13	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%
01.04.13	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%
01.05.13	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%
01.06.13	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%
01.07.13	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%
01.08.13	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%
01.09.13	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%