

Market of State treasury bonds

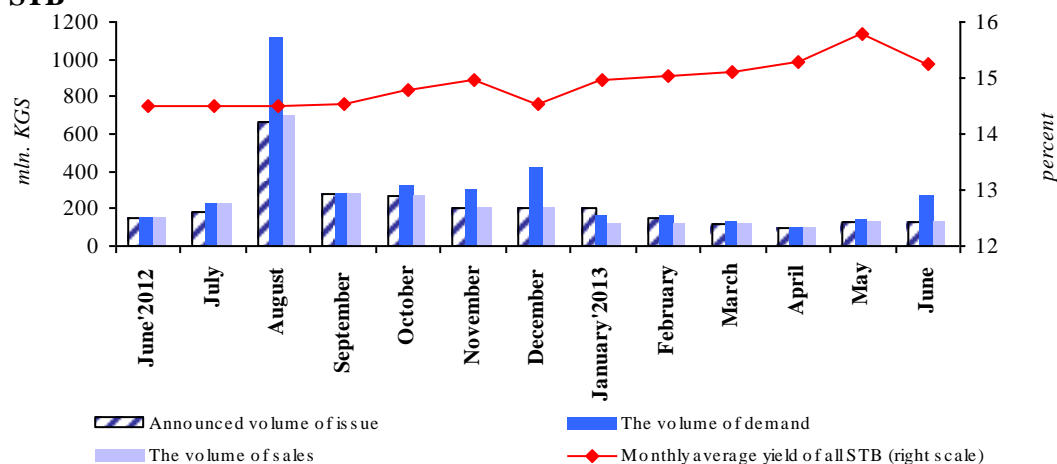
(June 2013)

In June there was one auction for settlement of the Ministry of finance Treasury bonds and one additional settlement on the primary market.

In total the market participants purchased the securities in the amount of 505.0 million KGS, having increased compared to the previous month in 2.2 times. Such growth in sales was a result of significant increase in activity of commercial banks (one commercial bank was the most active) and growth of interest of the institutional investors.

Level of filled demand decreased by 42.9 percentage points and amounted to 49.4 percent. At the same time yield of securities decreased compared to the previous month by 0.5 percentage points and constituted 15.3 percent. The average auction volume of demand of the market participants constituted 267.0 million KGS.

Graph 1. The dynamics of volume of supply and demand and yield of STB



In this period, the volume of ST-bonds in circulation increased by 5.6 billion KGS (+9.9 percent). The portfolio of institutional investors has increased by 17.3 percent, having constituted 50.1 percent (+3.2 percentage points). The decrease in the share of commercial banks by 3.2 percentage points (up to 49.8 percent) was observed. The share of legal entities-residents as in the previous month constituted 0.1 percent.

Over the month, the concentration index¹ of the primary market of ST-bonds constituted 0.42 that indicates a high level of concentration and corresponds to the presence of two investors with equal shares on the market.

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

¹ 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. The structure of the STB holders at face value*thous. KGS*

Date	TOTAL						
		Commercial Banks		Institutional Investors		Resident companies	
		Amount	Share	Amount	Share	Amount	Share
June'2012	3,229,690.0	1,994,368.9	61.8%	1,231,173.9	38.1%	4,105.2	0.1%
July	3,449,700.0	2,164,368.9	62.7%	1,281,183.9	37.1%	4,105.2	0.1%
August	3,936,450.0	2,563,273.2	65.1%	1,369,974.6	34.8%	3,160.2	0.1%
September	4,092,450.0	2,441,373.2	59.7%	1,647,874.6	40.3%	3,160.2	0.1%
October	4,362,550.0	2,441,473.2	56.0%	1,917,874.6	44.0%	3,160.2	0.1%
November	4,561,550.0	2,476,473.2	54.3%	2,081,874.6	45.6%	3,160.2	0.1%
December	4,750,550.0	2,486,473.2	52.3%	2,260,874.6	47.6%	3,160.2	0.1%
January'2013	4,841,300.0	2,536,223.2	52.4%	2,301,874.6	47.5%	3,160.2	0.1%
February	4,955,200.0	2,650,123.2	53.5%	2,301,874.6	46.5%	3,160.2	0.1%
March	5,075,200.0	2,770,123.2	54.6%	2,301,874.6	45.4%	3,160.2	0.1%
April	5,089,700.0	2,784,623.2	54.7%	2,301,874.6	45.2%	3,160.2	0.1%
May	5,107,700.0	2,707,009.2	53.0%	2,397,488.6	46.9%	3,160.2	0.1%
June	5,612,700.0	2,796,903.1	49.8%	2,812,594.7	50.1%	3,160.2	0.1%