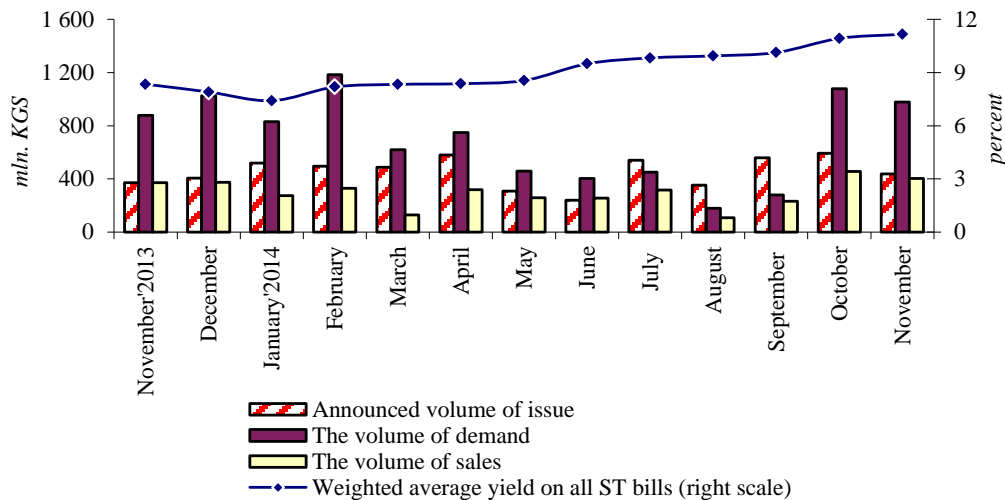


## Market of State Treasury Bills (November 2014)

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

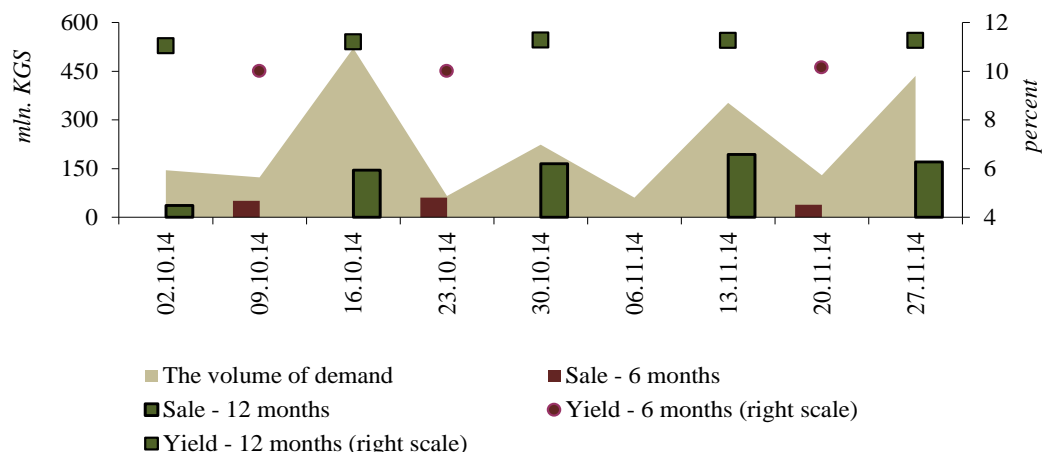


In the reporting period, as compared to the previous month, the volume of supply of government treasury bills of the Ministry of Finance was decreased by 26,2 percent and constituted 436.5 million KGS.

The volume of demand due to a decrease in the activity of commercial banks in this segment of the financial market fell by 9.3 percent and constituted 978.2 million KGS. At the same time, the sales of 6-month STBills decreased by 64.9 percent to 39.0 million KGS, and 12-month STBills increased by 5.1 percent, to 364.0 million KGS. There was no demand for 3-month bills on the part of market participants due to short-term resource base.

The overall weighted average yield on all types of STBills in the reporting period was observed at a rate of 11.2 percent, by having increased by 0.2 percentage points over the month. The yield on 6-month securities was 10.2 percent (+0.1 percentage points), 12-month securities – 11.3 percent (+0.04 percentage points).

**Graph 2. The dynamics of volume of supply and demand and yield of STB**



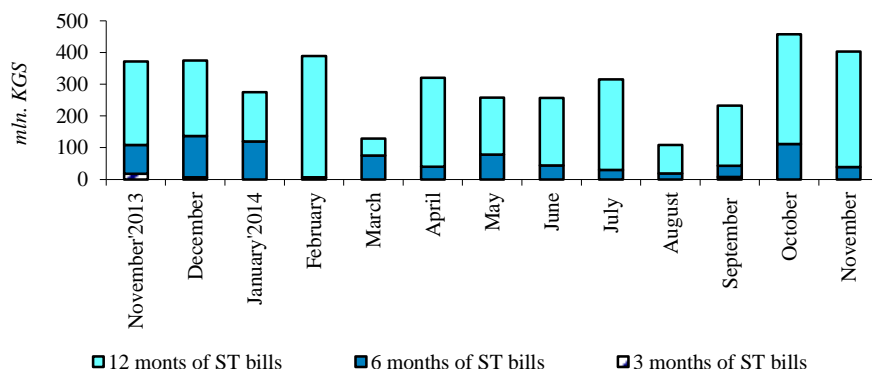
The average auction<sup>1</sup> volume of demand amounted to 244.6 million KGS, by having increased by 13.4 percent as compared to the previous month, average auction volume of sales – by 10.2 percent and constituted 100.8 million KGS.

The net financing of the budget deficit within the month under consideration was formed at the rate of 45.1 million KGS. In the reporting period, the Ministry of Finance redeemed previously

<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 inconstant value.

issued STBills in the amount of 314.2 million KGS (-8.2 percent). In this regard, market efficiency of 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 (-)55.0 percent.

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



The duration index within the reporting month increased from 157 to 170 days due to increasing the share of 12-month STBills in the total volume of issued STBills.

In the reporting period, as compared to the previous month, the volume of STBills in circulation slightly increased to 3.0 billion KGS (+1.9 percent): the share of principal holders of STBills – commercial banks decreased by 9.3 percentage points, to 59.2 percent over the month. The share of institutional investors was 38.9 percent (+9.4 percentage points). The share of resident legal entities remained at the previous level and amounted to 1.9 percent (-0.1 percentage points), and the share of individuals was not significant.

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

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

Period	Weighted average yield	By types of urgency		
		3-month ST bills	6-month ST bills	12-month ST bills
November'2013	8,3	4,9	6,4	9,3
December	7,9	4,5	6,2	8,9
January'2014	7,4	-	6,1	8,4
February	8,2	4,5	-	8,3
March	8,3	-	7,9	9,0
April	8,4	-	7,3	8,5
May	8,6	-	7,5	9,0
June	9,5	-	8,5	9,7
July	9,8	-	9,0	9,9
August	9,9	-	9,4	10,1
September	10,1	5,8	10,1	10,3
October	10,9	-	10,0	11,2
November	11,2	10,2	11,3	-

"-" all announced auctions were declared invalid

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

*thous.KGS*

Date	TOTAL	Including							
		Commercial Banks		Institutional Investors		Resident Individuals		Resident companies	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.12.2013	4 562 140,0	3 502 372,1	76,8%	587 863,3	12,9%	3 494,2	0,1%	468 410,4	10,3%
01.01.2014	4 662 740,0	3 539 040,3	75,9%	664 263,4	14,2%	3 494,2	0,1%	455 942,1	9,8%
01.02.2014	4 490 490,0	3 366 701,5	75,0%	631 313,4	14,1%	3 494,2	0,1%	488 980,9	10,9%
01.03.2014	4 420 490,0	3 415 779,0	77,3%	698 641,2	15,8%	3 494,2	0,1%	302 575,6	6,8%
01.04.2014	4 049 410,0	3 096 123,4	76,5%	716 556,8	17,7%	3 494,2	0,1%	233 235,6	5,8%
01.05.2014	3 945 410,0	3 014 351,7	76,4%	769 808,3	19,5%	750,0	0,0%	160 500,0	4,1%
01.06.2014	3 733 550,0	2 775 476,7	74,3%	795 678,3	21,3%	1 400,0	0,0%	160 995,0	4,3%
01.07.2014	3 360 300,0	2 529 906,7	75,3%	683 068,3	20,3%	1 400,0	0,0%	145 925,0	4,3%
01.08.2014	3 393 700,0	2 515 653,0	74,1%	814 382,0	24,0%	1 400,0	0,0%	62 265,0	1,8%
01.09.2014	3 137 510,0	2 350 153,0	74,9%	751 332,0	23,9%	1 400,0	0,0%	34 625,0	1,1%
01.10.2014	3 060 110,0	2 175 413,0	71,1%	822 132,0	26,9%	1 400,0	0,0%	61 165,0	2,0%
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%