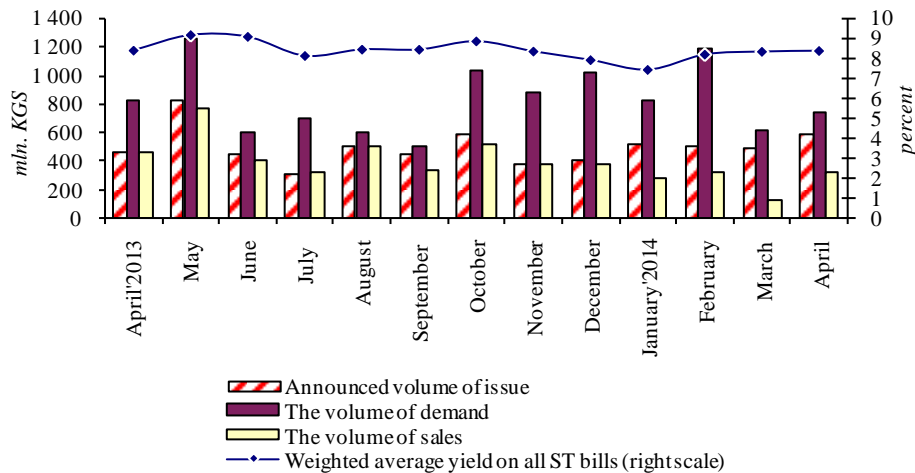


Market of State Treasury Bills (April, 2014)

Graph 1. Demand and placement of state treasury bills

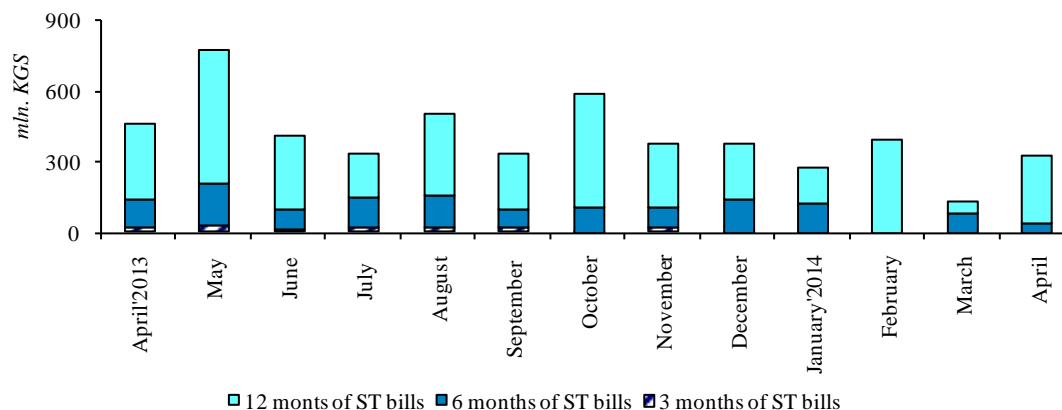


In April, the overall supply of State treasury bills of the Ministry of finance increased by 18.8 percent, amounted to 578.5 million soms.

The volume of demand due to rising activity of commercial banks also increased by 21.0 percent to 748.6 million soms. As a result, sales of 12-month ST-bills increased and sales of 6-month ST-bills decreased. Thus, the sale of 12-month ST-bills increased in 5.2 times to 280.0 million soms. Sales of 6-month ST-bills amounted to 40.0 million soms, having decreased over the month by 46.7 percent, 3-month securities did not interest the market participants.

The overall average yield on all types of ST-bills in this period was observed at a rate of 8.4 percent, an increase over the month by 0.1 percentage points. 6-month securities yield in April was 7.3 percent (-0.6 percentage points), 12-month ones – 8.5 percent (-0.5 percentage points).

Graph 2. The dynamics of sales of ST bills



Average auction¹ demand in April was 149.7 million soms, having decreased by 3.2 percent compared to the previous month, average auction sales increased in 2.0 times to 64.0 million soms.

Value of net finance of budget deficit in April formed at -96.4 million soms. In the reporting period, the Ministry of finance redeemed previously issued ST-bills in the amount of 392.7 million soms (-15.3 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 -63.6 percent.

Index of duration increased from 153 to 155 days by increasing the proportion of 12-month ST-bills in total issued ST-bills.

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.

In April compared to the previous month, the volume of ST-bills in circulation decreased to 3.9 billion soms (-2.6 percent): reduction affected portfolio of resident individuals (-78.5 percent), with a share of 0.02 percent, resident legal entities (-31.2 percent), with a share of 4.1 percent and commercial banks (-2.6 percent), with a share of 76.4 percent. The volume of ST-bills in circulation of institutional investors increased by 7.4 percent, while the share – to 19.5 percent. Non-resident individuals and non-resident legal entities in the reporting month didn't purchase these securities.

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

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
April'2013	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
September	8,4	3,5	6,5	9,4
October	8,9	4,5	6,5	9,5
November	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

"-" all announced auctions were declared invalid

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

thous. som

Date	TOTAL	Including											
		NBKR		Commercial Banks		Institutional Investor		Resident Individuals		Resident companies		Non-resident individuals	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.05.2013	4 501 700,0	0,0	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	0,0	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	0,0	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%
01.08.2013	4 768 320,0	0,0	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%
01.09.2013	4 846 990,0	0,0	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%
01.10.2013	4 661 140,0	0,0	0%	3 515 157,5	75,4%	601 401,8	12,9%	2 945,2	0,1%	541 635,5	11,6%	0,0	0,00%
01.11.2013	4 706 640,0	0,0	0%	3 474 129,5	73,8%	579 863,3	12,3%	3 494,2	0,1%	569 153,0	12,1%	0,0	0,00%
01.12.2013	4 562 140,0	0,0	0%	3 502 372,1	76,8%	587 863,3	12,9%	3 494,2	0,1%	468 410,4	10,3%	0,0	0,00%
01.01.2014	4 662 740,0	0,0	0%	3 539 040,3	75,9%	664 263,4	14,2%	3 494,2	0,1%	455 942,1	9,8%	0,0	0,00%
01.02.2014	4 490 490,0	0,0	0%	3 366 701,5	75,0%	631 313,4	14,1%	3 494,2	0,1%	488 980,9	10,9%	0,0	0,00%
01.03.2014	4 420 490,0	0,0	0%	3 415 779,0	77,3%	698 641,2	15,8%	3 494,2	0,1%	302 575,6	6,8%	0,0	0,00%
01.04.2014	4 049 410,0	0,0	0%	3 096 123,4	76,5%	716 556,8	17,7%	3 494,2	0,1%	233 235,6	5,8%	0,0	0,00%
01.05.2014	3 945 410,0	0,0	0%	3 014 351,7	76,4%	769 808,3	19,5%	750,0	0,0%	160 500,0	4,1%	0,0	0,00%