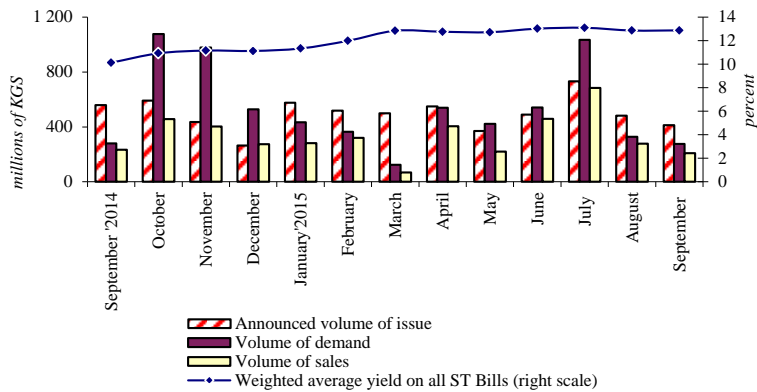


Market of State Treasury Bills (September 2015)

Chart 1. Demand and Placement of ST Bills

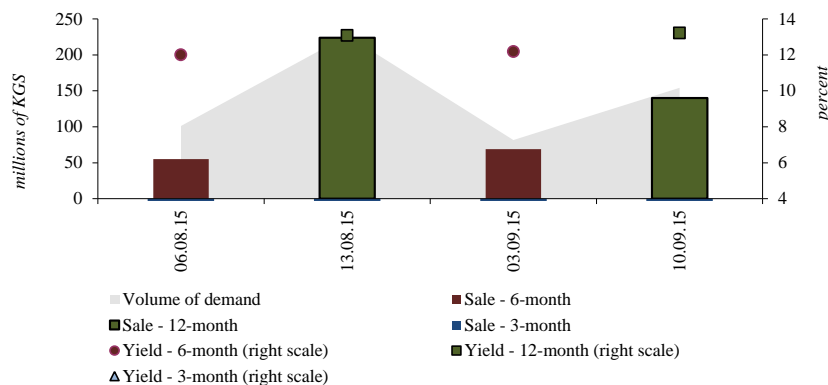


In the reporting period, as compared with the previous month, the announced volume of issue of state treasury bills of the Ministry of Finance was decreased by 14.3 percent and constituted KGS 412.0 million.

The volume of demand decreased by 16.1 percent, to KGS 275.9 million, due to decrease in the activity of commercial banks in this segment of the financial market. At the same time, the sales of 12-month ST Bills decreased by 37.5 percent and amounted to KGS 140.0 million, on the other hand, the sales of 6-month ST Bills increased by 25.0 percent, to KGS 68.8 million, market participants did not use 3-month ST Bills.

In the reporting period, the overall weighted average yield on all types of ST Bills was observed at the rate of 12.9 percent having not changed over the month. The yield on 6-month securities was 12.2 percent (+0.2 percentage points), on 12-month securities constituted 13.2 percent (+0.1 percentage point).

Chart 2. Dynamics of Volume of Supply, Demand and Yield of ST Bills

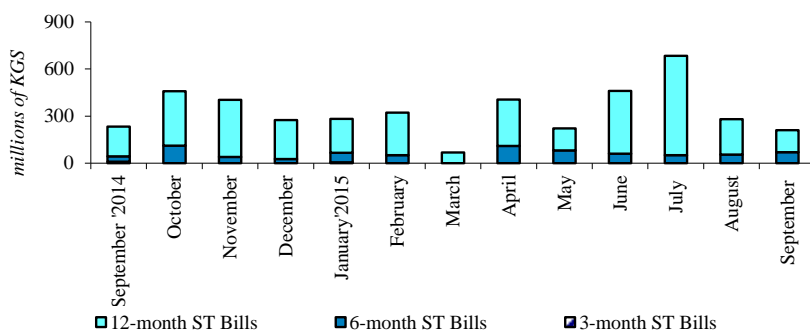


The average auction¹ volume of demand amounted to KGS 69.0 million, having decreased by 37.0 percent as compared to the previous month, the average auction volume of sales decreased by 25.2 percent, to KGS 104.4 million.

The net financing of the budget deficit within the reporting month was formed in the amount of KGS 16.2 million. In the reporting period, the Ministry of Finance redeemed previously issued ST Bills to the amount of KGS 172.1 million (-7.8 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 0.0 percent.

¹ This index is used instead of total volume of demand/supply for a month as the quantity of auctions held during the month is not constant.

Chart 2. Dynamics of ST Bills Sales



In the reporting period, as compared to the beginning of this year, the volume of ST Bills in circulation increased to KGS 3.9 billion (+27.7 percent): the share of principal holders of ST Bills – commercial banks decreased by 5.5 percentage points, to 52.2 percent. The share of institutional investors constituted 46.9 percent (+5.7 percentage points), the share of resident legal entities made 0.9 percent (-0.1 percentage point).

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

Table 1. Dynamics of ST Bills Average Monthly Yield

Period	Weighted average yield	By types of urgency		
		3-month ST bills	6-month ST bills	12-month ST bills
September 2014	10,1	5,8	10,1	10,3
October	10,9	-	10,0	11,2
November	11,2	-	10,2	11,3
December	11,1	-	10,6	11,2
January 2014	11,3	4,6	11,2	11,5
February	12,0	-	11,7	12,0
March	12,9	-	-	12,9
April	12,8	-	11,9	13,1
May	12,7	-	11,9	13,2
June	13,0	-	11,8	13,2
July	13,1	-	12,0	13,2
August	12,9	-	12,0	13,1
September	12,9	-	12,2	13,2

"-" all announced auctions were declared invalid

Table 2. Structure of ST Bills Holders at Face Value

thousands of KGS

Date	TOTAL	including							
		Commercial Banks		Institutional Investors		Resident Individuals		Resident Legal Entities	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
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%
01.01.2015	3 048 150,0	1 758 855,4	57,7%	1 258 168,7	41,3%	1 000,0	0,0%	30 125,9	1,0%
01.02.2015	3 084 670,0	1 763 575,4	57,2%	1 289 968,7	41,8%	1 000,0	0,0%	30 125,9	1,0%
01.03.2015	3 016 170,0	1 771 153,2	58,7%	1 213 890,9	40,2%	1 000,0	0,0%	30 125,9	1,0%
01.04.2015	3 045 170,0	1 737 808,8	57,1%	1 281 075,3	42,1%	1 000,0	0,0%	25 285,9	0,8%
01.05.2015	3 087 710,0	1 579 420,3	51,2%	1 491 149,7	48,3%	1 000,0	0,0%	16 140,0	0,5%
01.06.2015	3 066 260,0	1 559 035,7	50,8%	1 490 034,3	48,6%	0,0	0,0%	17 190,0	0,6%
01.07.2015	3 398 360,0	1 675 842,8	49,3%	1 697 227,2	49,9%	0,0	0,0%	25 290,0	0,7%
01.08.2015	3 580 210,0	1 871 881,5	52,3%	1 681 413,5	47,0%	0,0	0,0%	26 915,0	0,8%
01.09.2015	3 925 210,0	2 087 081,8	53,2%	1 804 663,2	46,0%	0,0	0,0%	33 465,0	0,9%
01.10.2015	3 893 960,0	2 032 681,8	52,2%	1 827 363	46,9%	1,0	0,0%	33 915,0	0,9%