



FEBRUARY

**Secondary
Market of
Government
Securities**

1999

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Abbreviations

BGL – National Currency of the Republic of Bulgaria
BIR – Base Interest Rate
BNB – Bulgarian National Bank
CGB – Central Government Budget
CM – Council of Ministers
DISCs – Discount Bonds
FLIRBs – Front-loaded Interest Reduction Bonds
IABs – Interest Arrears Bonds
LSPDACB – Law on State Protection of Deposits and Accounts with Commercial Banks in respect whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings
MF – Ministry of Finance
ZUNK – Bulgarian Abbreviation of the Law on Settlement of Nonperforming Credits Negotiated prior to 31 December 1990 (LSNC)

GOVERNMENT SECURITIES INTERBANK MARKET

Interbank Market of Government Securities Issued under Regulation No. 5 of 1998 and Target Issues

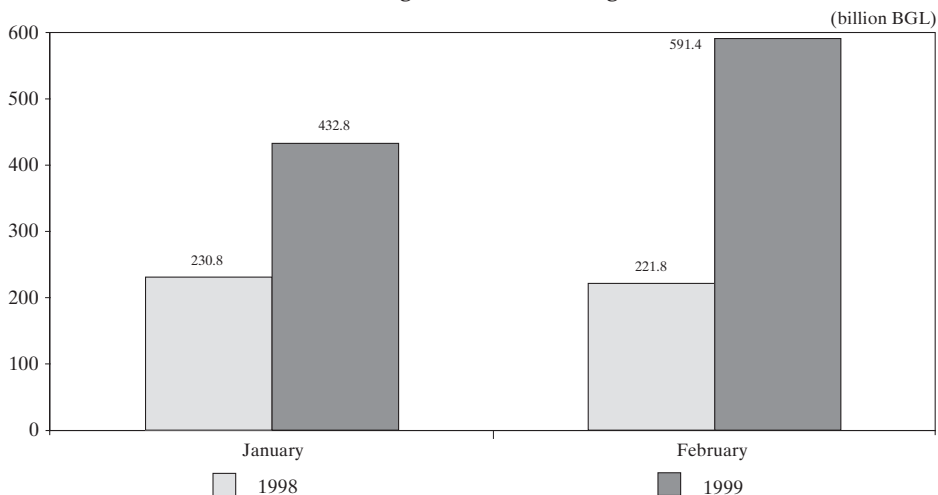
In February 1999 financial institutions concluded 363 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGL 591,393.2 million nominal value. In February 1999 transactions of BGL 221,820.9 million nominal value were registered, Chart 1.

Over the period under review the volume of secondary market transactions in

government securities between primary dealers issued under Regulation No. 5 of 1998 and target issues (reverse repo agreements volume excluded) totaled BGL 331,852.4 million, including three-month treasury bills of BGL 16,798.9 million, six-month of BGL 64,665.4 million, twelve-month of BGL 207,955.4 million, two-year of BGL 30,924.7 million and up to five years of BGL 11,508 million (Chart 2). In February sales in government securities intensified compared with the previous month and the volume of transactions increased by 146.1%; structurally, demand for twelve-

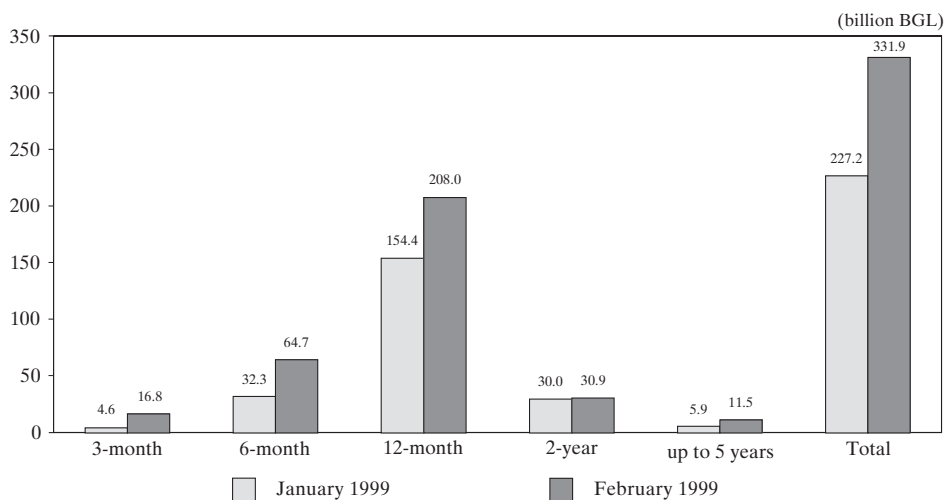
Chart 1

Volume of Transactions in Government Securities Issued for Budget Deficit Financing



Source: BNB.

Structure of Transactions in Government Securities Issued for Budget Deficit Financing



Source: BNB.

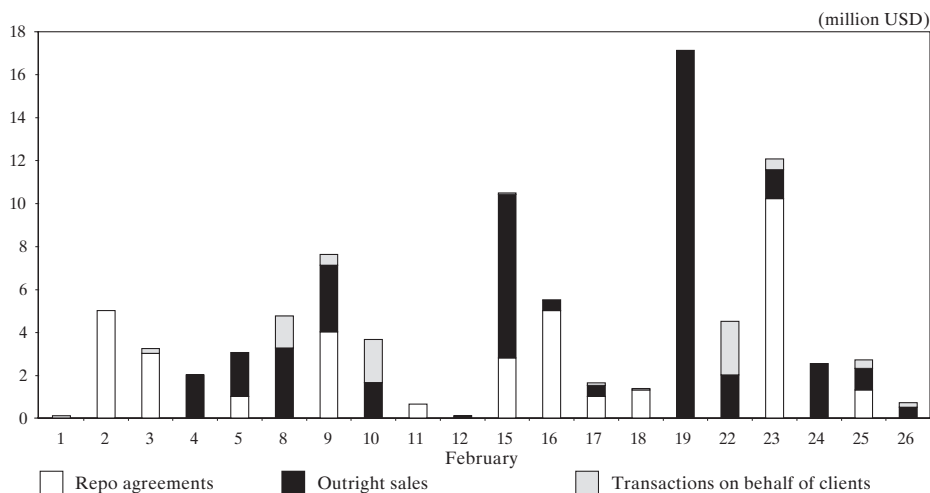
month treasury bills occupied the largest share, their volume increasing by 134.7%.

In February 1999 secondary market transactions on behalf of clients (i. e. under Article 20 of Regulation No. 5 of 1998) of BGL 5.8 million were effected. Transactions between nonprimary dealers and physical or legal persons (i. e. transactions under Article 21 of Regulation No. 5 of 1998) decreased on January, reaching BGL 242.1 million. The volume of transactions between primary and nonprimary dealers (under Article 14 of Regulation No. 5) increased from January, reaching BGL 14,439.6 million, including bids approved at the government securities auctions on behalf of nonprimary dealers of BGL 5,500 million.

Interbank Market of Government Securities Issued as a Result of Structural Reform

In February financial institutions concluded 91 transactions in USD-denominated government securities issued as a result of structural reform, totaling USD 79.3 million nominal value (including the number and volume of reverse repurchase agreements). In January 56 outright transactions of USD 35.9 million (including 13 transactions of USD 17,095,400 at the auction held by the BNB), 19 repo agreements of USD 35.3 million, and 16 transactions on behalf of clients of USD 8.2 million (under Articles 14, 20 and 21 of Regulation No. 5) were concluded. Fifteen transactions of

Volume of Transactions in USD-denominated Government Securities in the Interbank Market



Source: BNB.

USD 14.8 million were concluded pursuant to Article 14, para. 6 of Regulation No. 5.

Two transactions of USD 9.4 million were registered in foreign currency guaranty government securities.

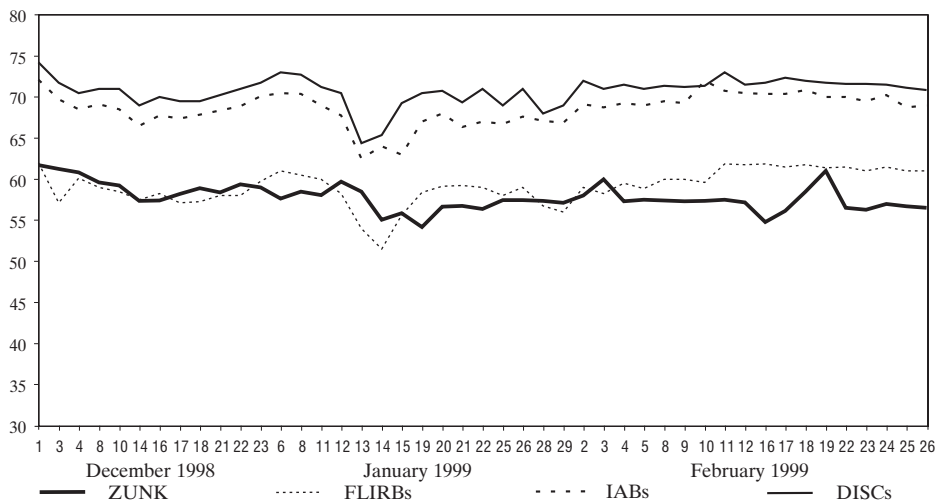
On 18 February 1999 an auction was held by the Bulgarian National Bank for sale of USD-denominated government securities (issue No. 97 of 1994) issued under Article 5 of ZUNK and used as a collateral against a Lombard credit and foreign currency refinancing in the amount of USD 17,095,400; the whole amount was sold at an average price of USD 55.22 per USD 100 nominal value. The maximum price of the approved bids was USD 56.77 and the minimum price was USD 54.81 per USD 100 nominal

value. The transfer of government securities on the register and the payment were effected on 19 February 1999.

Sales in forex ZUNK bonds intensified in February compared with the previous month. The volume of registered transactions increased by 51%. Outright transactions and repo agreements occupied the predominant share (Chart 9).

Prices at which forex ZUNK bonds were traded in February were varied; the spread between registered minimum (USD 47 per USD 100 nominal value) and maximum (USD 63 per USD 100 nominal value) was very large, which indicated that demand and supply are not necessarily the main factors impacting formation of forex ZUNK bonds prices.

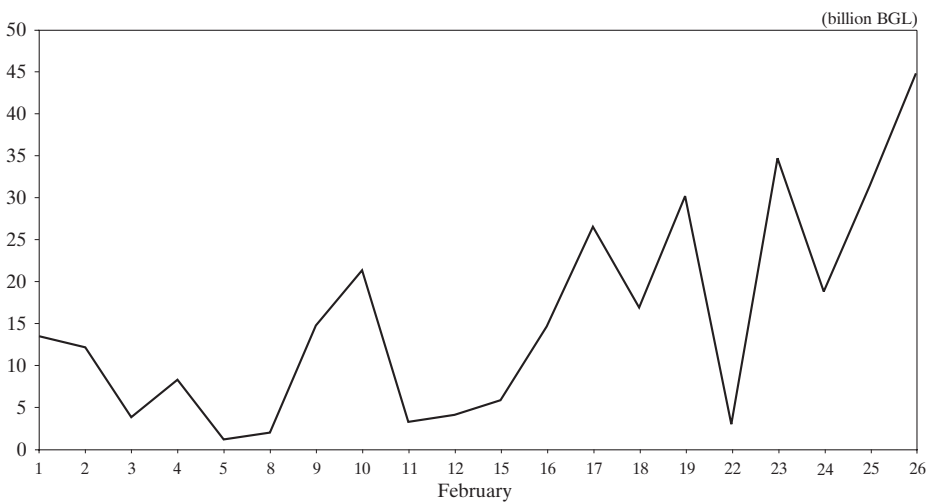
Price Movements of USD-denominated Government Securities (Issued under ZUNK) and Bulgarian Brady Bonds in the Interbank Market*



* Reuters offer quotations for Brady bonds.

Source: BNB, Reuters.

Volume of Repo Agreements in the Secondary Interbank Market



Source: BNB.

**Prices of Transactions in USD-denominated Government Securities
Issued under Article 5 of ZUNK**

(USD)

Date February 1999	Price		
	Minimum	Maximum	Average weighted
2	58.00	58.00	58.00
3	60.00	60.00	60.00
4	57.00	59.75	57.32
5	57.50	57.63	57.53
8	57.25	63.00	57.43
9	55.30	58.00	57.30
10	56.56	58.75	57.37
11	57.50	58.00	57.51
12	57.00	59.00	57.16
15	56.50	58.74	56.58
16	47.00	58.75	54.81
17	55.50	58.00	56.14
18	58.50	58.50	58.50
19	61.00	61.00	61.00
22	56.00	58.51	56.50
23	55.60	59.74	56.28
24	56.40	59.54	56.97
25	56.63	56.75	56.69
26	56.37	57.95	56.50
Monthly	47.00	63.00	57.35

Note: Data is based on privatization and outright transactions registered by the BNB.

Quotations of Bulgarian Brady Bonds*

Date February	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	70.25	69.00	58.50	58.38	68.25	67.25
2	72.00	69.50	59.00	57.38	69.13	68.25
3	71.00	69.50	58.25	57.75	68.75	67.75
4	71.50	70.00	59.50	57.63	69.25	68.00
5	71.00	70.50	58.88	58.38	69.00	68.00
8	71.38	70.13	60.00	58.00	69.50	68.25
9	71.25	70.75	60.00	58.50	69.25	68.25
10	71.38	71.00	59.63	59.13	72.00	69.63
11	73.00	71.75	61.88	59.00	70.75	69.75
12	71.50	71.00	61.75	61.25	70.50	69.50
16	71.75	71.25	61.88	61.38	70.38	69.38
17	72.38	71.88	61.50	61.38	70.38	69.38
18	72.00	71.50	61.75	60.75	70.88	69.88
19	71.75	71.25	61.38	60.25	70.00	69.00
22	71.63	71.25	61.50	60.63	70.00	69.13
23	71.63	71.25	61.00	60.25	69.50	68.50
24	71.50	70.75	61.50	60.88	70.25	69.25
25	71.13	69.50	61.00	58.00	68.75	67.75
26	70.88	69.75	61.00	59.50	69.00	68.00

* Reuters quotations.

Volume and Structure of Government Securities Secondary Market Transactions in February

1. Volume of transactions in government securities denominated in levs (billion BGL nominal value)	331.85
- repo agreements*	304.94
- outright sales	26.91
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars (lev equivalent, billion BGL)	109.18
- repo agreements*	27.28
- outright sales	79.06
- privatization transactions	2.84
3. Number of secondary market transactions	311
- repo agreements**	171
- outright sales	116
- privatization transactions	24
4. Average term of secondary market repo agreements (days)	7.77
5. Average monthly yield (simple interest) on secondary market repo agreements depending on the term (%)	
1 day	0.19
from 2 to 3 days	0.21
from 4 to 7 days	0.23
up to 1 month	0.27

* Volume of reverse repo agreements excluded.

** Number of reverse repo agreements excluded.

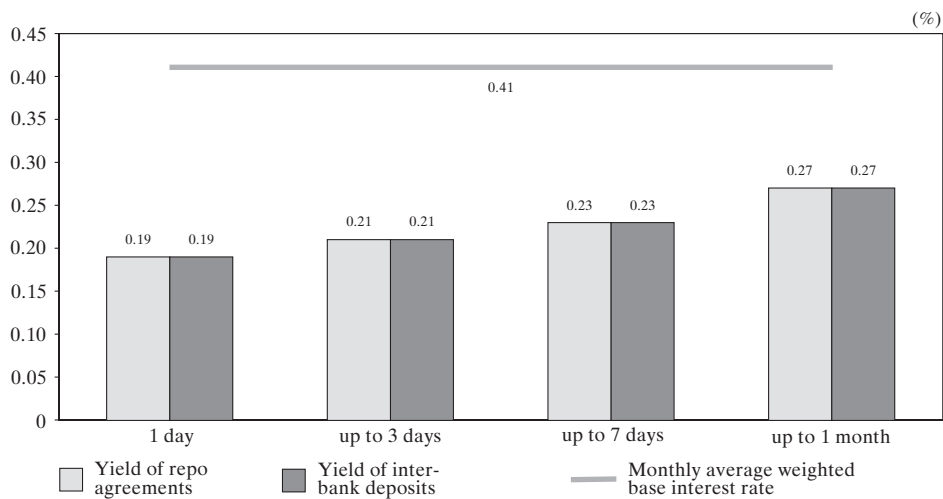
Government Securities Repo Agreements in the Interbank Market

In February the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5). The high was registered on 26 February 1999, when banks' demand for funds increased, consistent with the forthcoming deadline for the regulation of minimum required reserves. On the same date the highest interest rates on interbank deposits were registered. The volume of traded deposits indicated a low on 5 February, consistent with the pending injection of liquidity into banks from government securities interest and maturities.

In February the yield of repo agreements reflected frequent insignificant changes in the base interest rate; February saw a decrease in the average term (in terms of days) and a significant increase in the volume of outright transactions in government securities. The yield of repo agreements in government securities with one day, up to three and seven days, as well as up to one month was equal to the yield of interbank deposits with the same maturity (Chart 6). February saw a significant activity in the interbank market, the most significant being on the days of new issues (every Wednesday), as well as during regulation of minimum required reserves with the BNB.

Chart 6

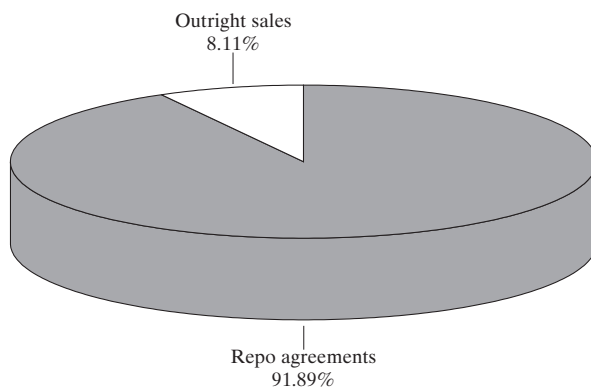
Yield of Repo Agreements in Government Securities and Interest Rate on Interbank Deposits on a Monthly Basis (February)



Source: BNB.

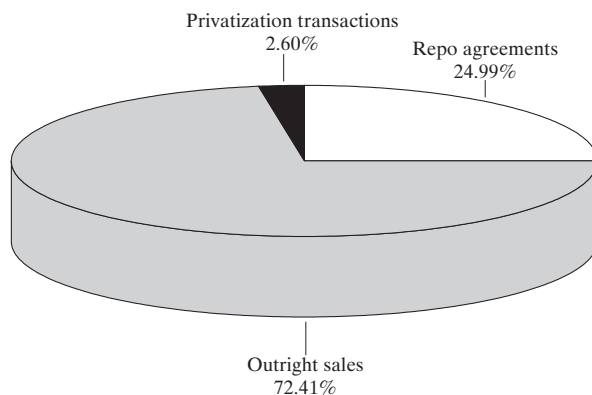
Chart 7

Structure of Secondary Market Transactions in Lev-denominated Government Securities in February



Source: BNB.

Structure of Secondary Market Transactions in USD-denominated Government Securities in February



Source: BNB.

Volume and Yield of Deposits in the Interbank Market and Repo Agreements in Government Securities

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
1.02.1999											
Deposits	2 000	2.27	16 200	2.45	5 500	2.67	800	3.50			24 500
Repo agreements			10 177	2.59	1 080	3.08	2 408	3.36			13 665
2.02.1999											
Deposits	2 900	2.42	4 500	2.46	1 500	3.07	1 000	2.98			9 900
Repo agreements			6 008	2.39	1 302	3.07	7 137	3.38			14 447
3.02.1999											
Deposits	2 000	2.30	1 700	1.99	4 700	2.68					8 400
Repo agreements					1 000	2.94	3 000	3.21			4 000
4.02.1999											
Deposits	3 000	2.37			16 800	2.66	800	3.65			20 600
Repo agreements					8 043	2.76	400	3.24			8 443
5.02.1999											
Deposits			11 500	2.46	8 200	2.61	2 750	3.39			22 450
Repo agreements							1 200	3.31			1 200
8.02.1999											
Deposits	5 400	1.81	9 800	2.20	4 000	2.80	4 200	3.66			23 400
Repo agreements					2 131	2.34					2 131
9.02.1999											
Deposits	4 500	2.33	6 200	2.22	12 500	2.76	3 700	3.15			26 900
Repo agreements					8 033	2.60	10 057	3.03			18 090

(continued)

(continued)

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
10.02.1999											
Deposits	8 600	2.16	5 800	2.16	17 300	2.67	3 800	3.18			35 500
Repo agreements	3 175	2.13			14 906	2.57	4 000	3.39			22 081
11.02.1999											
Deposits	5 300	2.06			7 200	2.67	7 500	3.09			20 000
Repo agreements					1 121	3.16	2 728	2.97			3 849
12.02.1999											
Deposits			8 400	2.12	5 800	2.43	2 500	3.20			16 700
Repo agreements					3 722	2.44	608	3.04			4 330
15.02.1999											
Deposits	4 300	2.33	6 000	2.54	4 000	2.75	4 390	3.41			18 690
Repo agreements			4 016	2.54			2 972	2.97			6 988
16.02.1999											
Deposits	3 400	2.50	5 300	2.34	16 300	3.08	4 900	3.21			29 900
Repo agreements	4 500	2.40	3 000	2.38	9 347	2.90	350	3.86			17 197
17.02.1999											
Deposits	4 500	2.62	3 400	2.36	5 000	2.76	3 219	3.04			16 119
Repo agreements	10 497	2.13	8 060	2.44	3 121	2.92	6 477	3.45			28 155
18.02.1999											
Deposits	3 750	2.36			2 300	2.37	800	3.65			6 850
Repo agreements	11 174	2.15			5 354	2.59	1 450	3.91			17 978
19.02.1999											
Deposits			6 854	2.41	3 800	2.71	1 200	3.06			11 854
Repo agreements			10 130	2.42	16 914	2.74	4 111	2.79			31 155
22.02.1999											
Deposits	6 750	2.24	8 100	2.58	8 100	2.88	5 680	3.50			28 630
Repo agreements	3 166	2.20									3 166
23.02.1999											
Deposits	13 974	2.42	10 700	2.72	11 300	2.95	2 000	3.10			37 974
Repo agreements	12 060	2.35	4 000	2.53	21 603	2.63					37 663
24.02.1999											
Deposits	12 600	2.36	4 500	2.59	4 500	2.84	2 500	2.64			24 100
Repo agreements					14 024	2.64	5 207	2.98			19 231
25.02.1999											
Deposits	4 200	2.34			23 014	2.79					27 214
Repo agreements	17 070	2.33			12 387	2.68	3 121	3.11			32 578
26.02.1999											
Deposits			8 900	2.67	5 000	3.09	1 939	3.51			15 839
Repo agreements			28 956	2.64	13 813	2.89	3 134	3.45			45 903

Notes:

1. Volumes of transactions and deposits in million BGL.
2. Обемът на Repo agreementsте включва само тези, сключени през текущия ден.
3. Yield is calculated on an annual basis.
4. Сделките с ДЦК, деноминирани в щатски долари, са в левова равностойност по обявения от БНБ курс на щатския долар в деня на сделката.

Volume of Government Securities Transactions in the Secondary Market

(thousand BGL)

Date February	Repo agreements	Outright transactions	Regulation No. 5 of 1998				Total сделки с ДЦК	Сделки с ценни книжа на БФБ		
			Art. 14	Art. 15	Art. 20	Art. 21		Борсов пазар	Извънборсов пазар	Общо
1	48 163 176	223 648	172 502	472 610	-	51 907	49 083 843	1 112 000	15 000	1 127 000
2	28 066 771	-	51 907	177 070	-	108 400	28 404 148	458 000	36 000	494 000
3	25 494 923	1 670 249	4 617 774	5 553 732	-	398 515	37 735 192	349 000	9 000	358 000
4	20 528 000	3 473 018	-	425 723	-	-	24 426 741	2 235 000	90 000	2 325 000
5	4 912 049	3 550 701	-	1 493 532	5 754	-	9 962 036	409 000	40 000	449 000
8	3 431 060	7 421 359	869 567	3 565 224	1 739 134	1 739	17 028 084	221 000	33 000	254 000
9	20 137 792	5 349 928	862 892	1 193 138	-	-	27 543 750	210 000	1 433 000	1 643 000
10	25 201 940	5 121 422	3 000 000	3 162 534	3 448 827	54 000	39 988 723	12 969 000	10 000	12 979 000
11	15 845 041	3 071 697	-	3 654 412	-	-	22 571 151	404 000	76 000	480 000
12	3 930 000	3 555 004	505 730	882 904	-	-	8 873 638	58 000	86 000	144 000
15	27 215 102	13 226 827	4 000 000	2 001 796	104 422	-	46 548 147	209 000	34 000	243 000
16	28 748 634	875 013	4 900 075	4 916 348	-	-	39 440 071	578 000	12 000	590 000
17	44 084 352	6 728 903	8 160 775	3 052 208	-	-	62 026 237	119 000	10 000	129 000
18	35 208 492	2 000 000	126 418	3 867 427	-	2 847 202	44 049 540	288 000	155 000	443 000
19	54 531 800	32 792 250	1 611 900	1 093 114	-	112 132	90 141 197	245 000	27 000	272 000
22	22 629 700	3 558 643	12 455 249	7 674 200	-	4 533 355	50 851 147	358 000	57 000	415 000
23	62 814 471	4 068 220	-	1 114 220	-	891 526	68 888 438	416 000	22 000	438 000
24	36 006 543	6 833 143	4 500 000	5 975 383	-	100	53 315 168	280 000	16 000	296 000
25	42 772 340	2 919 053	400 000	1 656 945	709 212	27 730	48 485 280	68 000	67 000	135 000
26	71 387 600	2 877 561	1 159 442	2 332 051	381 651	-	78 138 305	1 290 000	32 000	1 322 000
TOTAL	621 109 787	109 316 638	47 394 231	54 264 573	6 389 001	9 026 607	847 500 836	22 276 000	2 260 000	24 536 000

Notes: 1. The amount of the bids approved for participation in government securities auctions on behalf of nonprimary dealers of BGL 5 500 000 thousand is included.

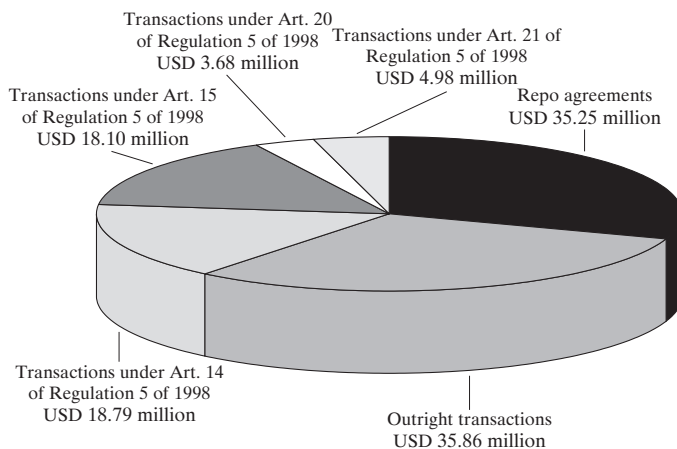
2. The amount of approved noncompetitive bids of BGL 2,106,700 thousand is included.

3. The volume of repo agreements includes reverse repo agreements and repo agreements concluded during the current day.

4. Transactions in USD-denominated government securities are in levs at the US dollar exchange rate quoted by the BNB on the day of the transaction.

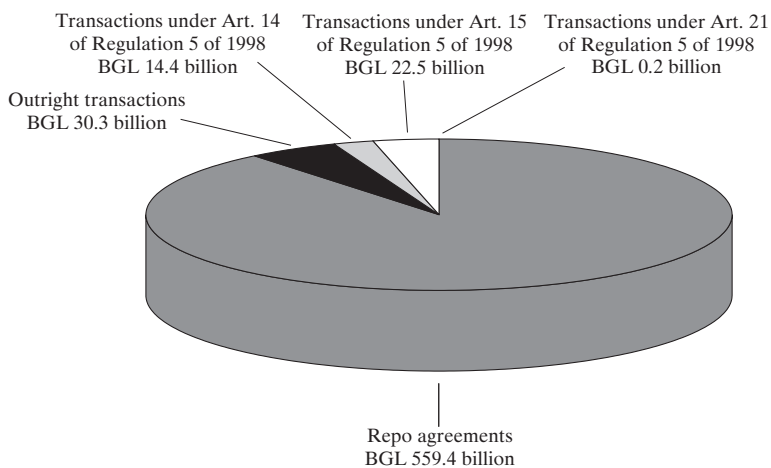
5. Информацията за обема на сделките на БФБ е предоставен от управление „Банково“.

Volume of Secondary Market Transactions in Government Securities Issued for Structural Reform in February



Source: BNB.

Volume of Secondary Market Transactions in Government Securities Issued for Budget Deficit Financing in February



Source: BNB.

SALES OF GOVERNMENT SECURITIES TO NONBANK FINANCIAL INSTITUTIONS, COMPANIES AND INDIVIDUALS

Sales of Government Securities Issued under Regulation No. 5 of 1998 and Target Issues

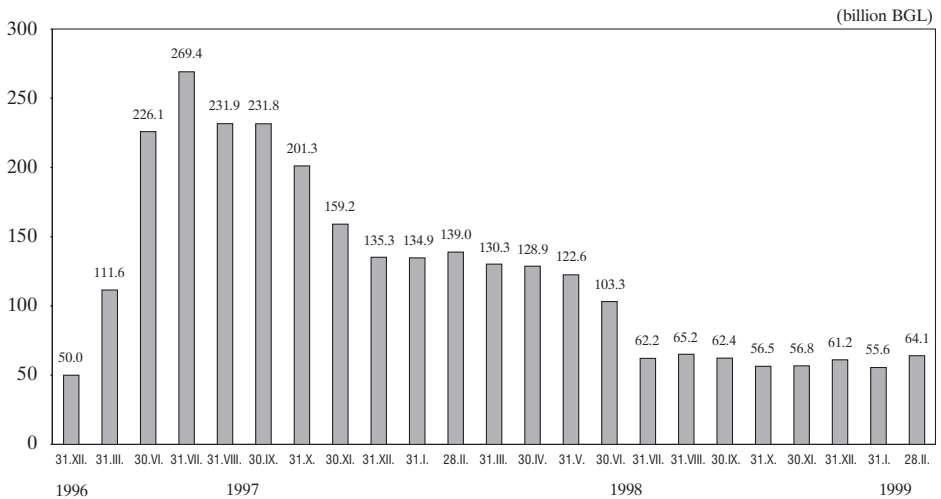
The volume of government securities sales for budget deficit financing increased in February. As of 28 February 1999 government securities (issued under Regulation No. 5 of 1998) held by individuals, companies and nonbank financial institutions totaled BGL 64,079 million (Chart 11), an increase of BGL 8,496 million, or 15.28%, on the previous month. Target government securities

sold to nonbank financial institutions, companies and individuals accounted for BGL 15,028 million (Chart 12), an increase of BGL 734 million, or 5.14%, on January.

In January sales of government securities issued under Regulation No. 5 of 1998 included three-month treasury bills of BGL 500.6 million, one-year of BGL 2,303.9 million, and two-year treasury bonds of BGL 2,785.5 million. Two-year government securities occupied the largest share in total government securities sales in February, 49,83%.

Chart 11

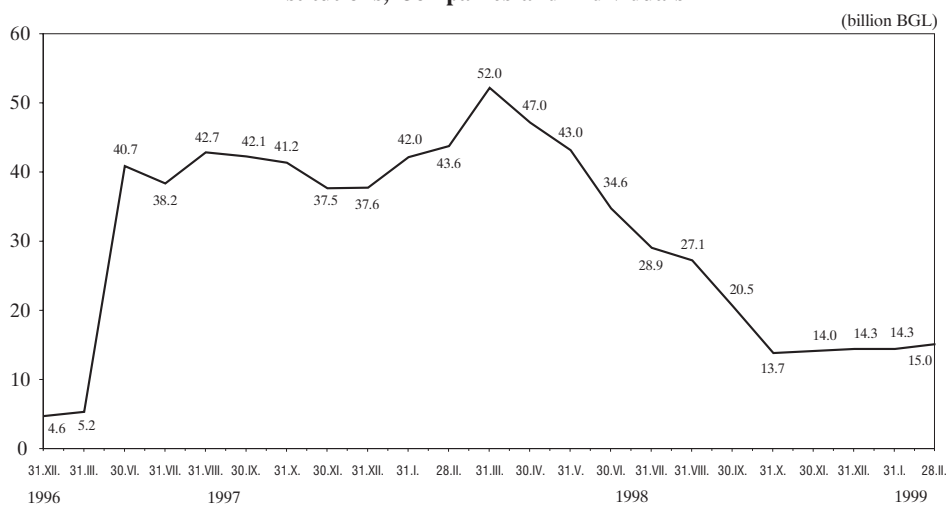
Net Sales of Government Securities Issued under Regulation No. 5 to Nonbank Financial Institutions, Companies and Individuals



Note: Preliminary data.

Source: BNB.

Net Sales of Government Securities from Target Issues to Nonbank Financial Institutions, Companies and Individuals



Note: 1. Preliminary data.
2. Target issues dated 27 January 1999 excluded.

Source: BNB.

Target Issues of Government Securities Earmarked for Physical Persons

Between 20 January and 16 February 1999¹ the MF offered for sale six issues of government securities earmarked for physical persons under the following conditions:

- Two issues of six-month target discount government treasury bills yielding 5.9% annually. Their average weighted monthly yield is 0.49% (Chart 13). No repurchases are effected by the clients

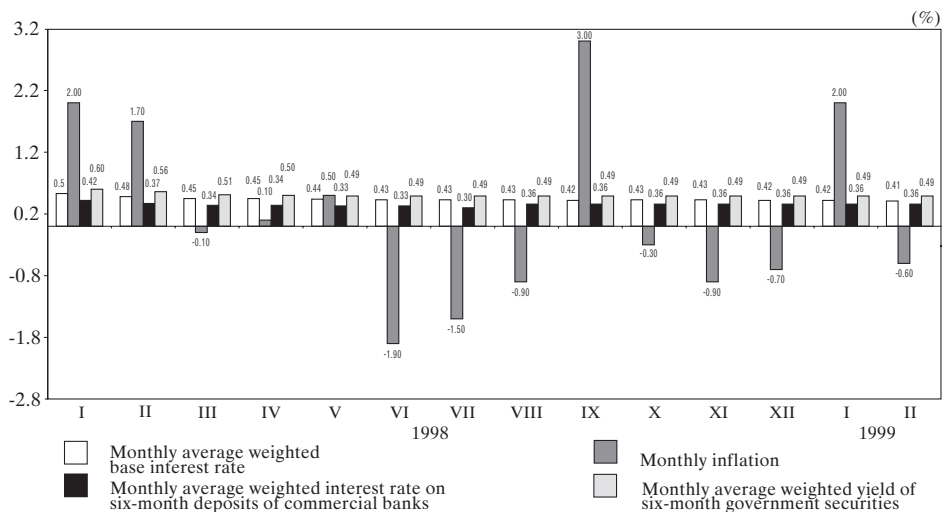
¹ The period under review starts from the issue date and finishes at the end of issue periods, since data is obtained and registered after the sale of a particular issue has been finished. Therefore, this period does not correspond to the calendar month and includes three issue periods or six weeks.

prior to maturity of these government securities.

- Two issues of twelve-month target discount government treasury bills ensuring 6.99% annual yield. Their average weighted monthly yield is 0.58% (Chart 14). Reverse repurchase of these government securities starts six months after their issue at prices set by the issuer, with their effective annual yield increasing proportionally from beginning to end of the reverse repurchase period.

- Two issues of two-year savings government treasury bonds with fixed annual yield in the form of semiannual interest payment, effective as of the issue date. The last interest payment is effected at maturity together with the nominal value of government securities. The annual interest rate of the first interest coupon is 9%, the second 10%, the

Yield of Six-month Government Securities from Target Issues



Source: BNB.

third 11%, and fourth 12%. Effective annual yield of two-year savings bonds (10.71%) is higher than the yield of government securities with the same term attained at the auction held in the reporting period (9.19%). Reverse repurchases of these bonds start six months after their issue at prices set by the issuer. Reverse repurchase price of two-year savings government securities issues is set by accruing the previous coupon annual rate of interest to the nominal value for the period since the latest interest payment until the reverse repurchase date.

Sales of these government securities totaled BGL 1,245.5 million nominal value: six-month treasury bills of BGL 150.9 million (12.12%), twelve-month treasury bills of BGL 85.4 million (6.85%) and two-year savings treasury bonds of BGL 1,009.2 million (81.03%).

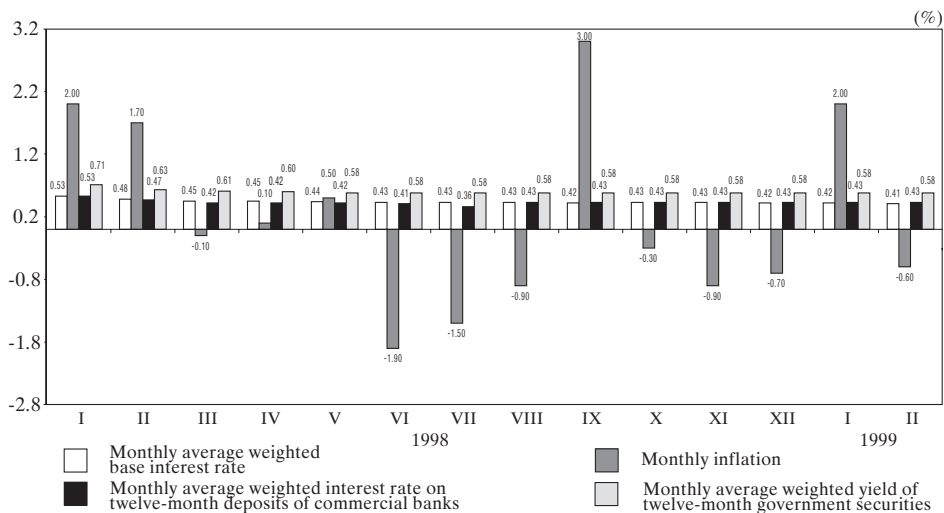
Data shows that during the reporting period investors opted for two-year savings treasury bonds (Chart 15) generating higher yield. Compared with the volume of government securities sold in the previous periods, investments in these government securities slightly decreased during the period under review (Chart 16).

Sales of Government Securities Issued for Structural Reform

An upward trend in the volume of government securities acquired by individuals, companies and nonbank financial institutions and issued for structural reform continued in February. As of 28 February total sales of government securities accounted for BGL 312,113.7 million (including sales to foreign investors), an increase of BGL 11,533.3 million

Chart 14

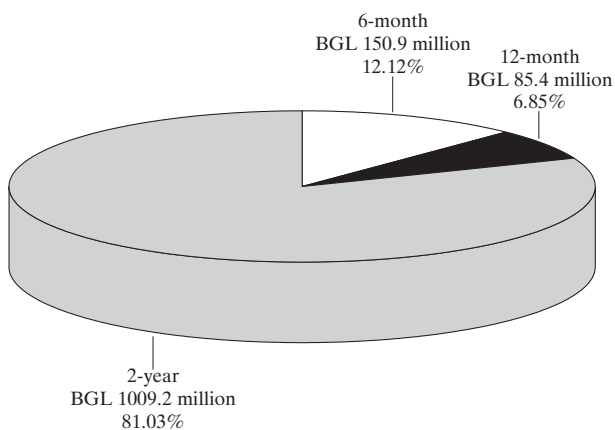
Yield of Twelve-month Government Securities from Target Issues



Source: BNB.

Chart 15

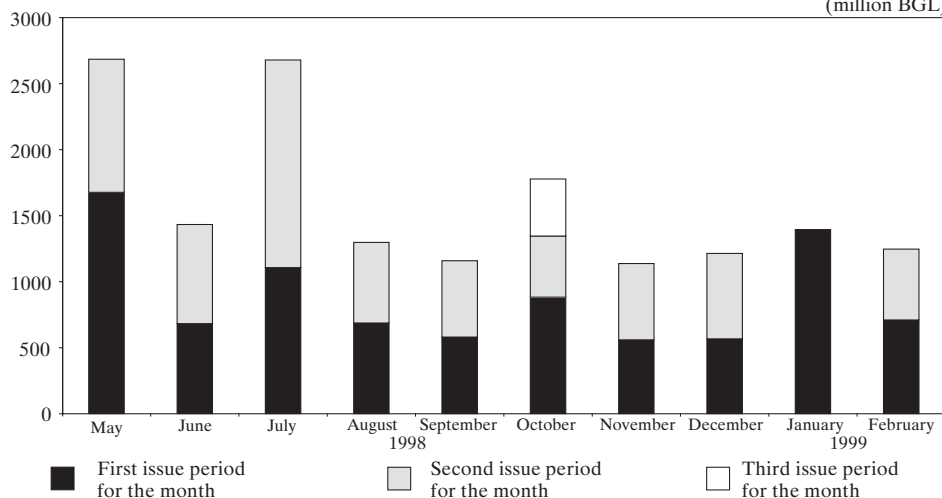
Maturity Structure of Target Government Securities Sold through the BNB and Primary Dealers in February



Source: BNB.

Volume of Target Government Securities Sales to Physical Persons

(million BGL)



Source: BNB.

(3.8%) from January (Chart 17).

The bulk of government securities issued for structural reform was sold by commercial banks (80.5%) and other financial institutions (19.5%).

Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGL 8,389.2 million (2.8% of total sales), while USD-denominated government securities issued under ZUNK accounted for BGL 303,724.5 million.

Sales of Government Securities to Foreign Investors

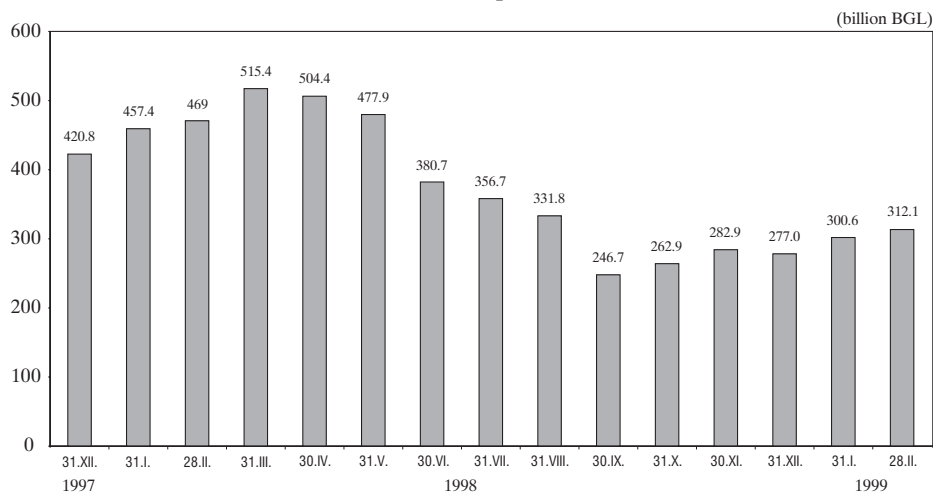
In January government securities acquired by foreign As of 28 February 1999 government securities acquired by foreign investors totaled BGL 130,560.1 million (Chart 18), an increase of BGL 4,079.7 million (3.2%) on January,

due to the appreciation of the US dollar against the Bulgarian lev compared with the previous month.

Government securities issued under Regulation No. 5 of 1996 and held by foreign investors totaled BGL 433.9 million. In February new sales of BGL 19 million and reverse repurchases of BGL 123 million were registered. By end-February target government securities (earmarked for direct sale to physical persons) sold to nonresidents totaled BGL 6.7 million.

As of 28 February USD-denominated long-term government bonds held by foreign investors totaled USD 73.3 million (equivalent to BGL 130,119.5 million, Chart 19), an increase of BGL 4.2 million, or 3.3%, on the previous month. Forex bonds on domestic debt continued to occupy the largest share in foreign investors' portfolios (99.7%).

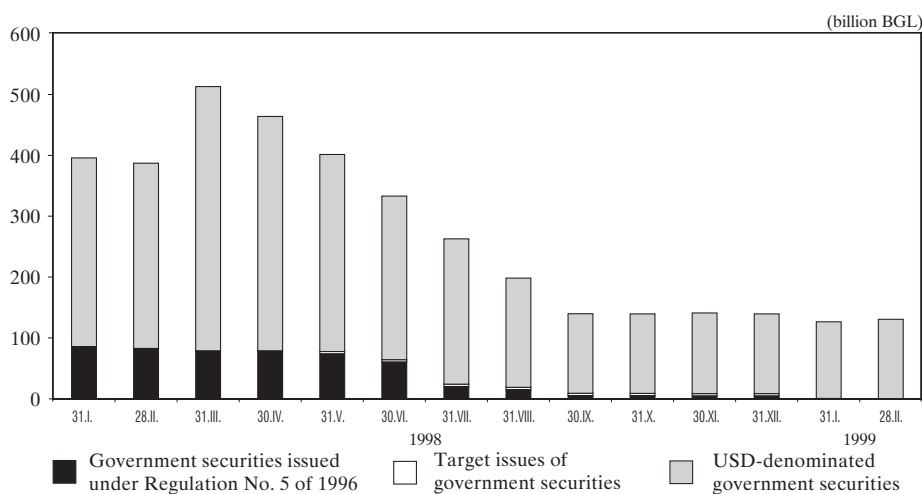
Net Sales of Government Securities Issued for Structural Reform to Nonbank Financial Institutions, Companies and Individuals



Notes: 1. Data on USD-denominated government securities shows the lev equivalent based on the USD exchange rate at the end of month.
 2. Preliminary data.

Source: BNB.

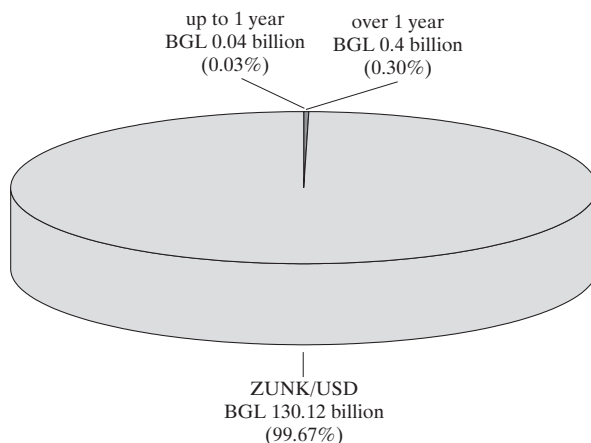
Government Securities in Foreign Investors' Portfolios



Note: Preliminary data.

Source: BNB.

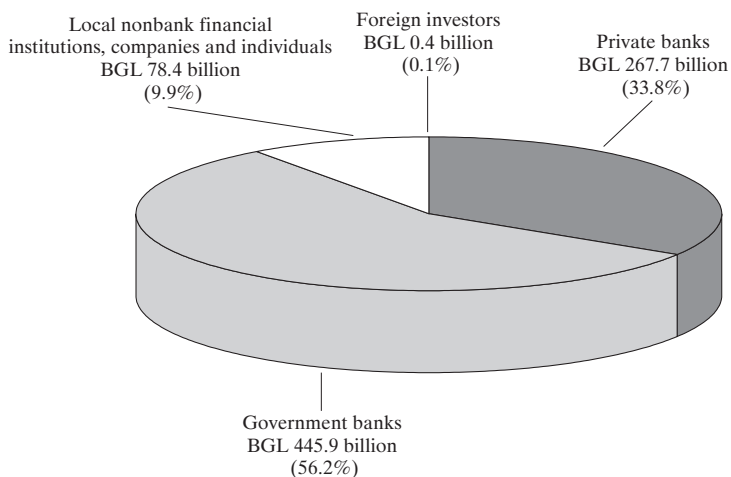
Volume and Maturity Structure of Government Securities Acquired by Foreign Investors by 28 February



Note: Preliminary data.

Source: BNB.

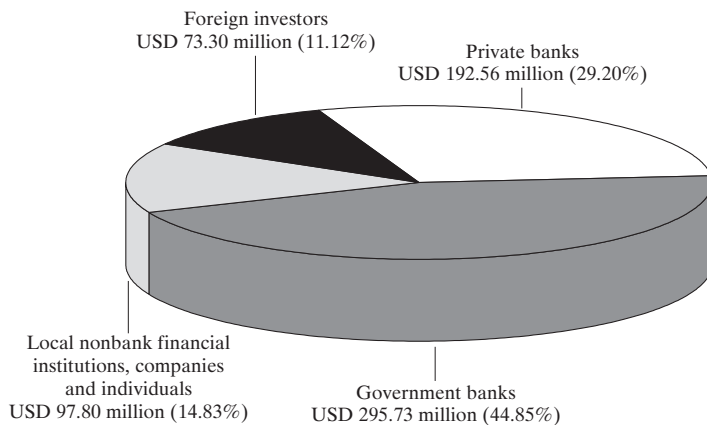
Holder of Government Securities Issued under Regulation No. 5 of 1998 and of Target Issues by 28 February



- Notes:*
1. Including frozen government securities by financial institutions.
 2. Guaranty government securities issued under the LSPDACB excluded.
 3. Preliminary data.

Source: BNB.

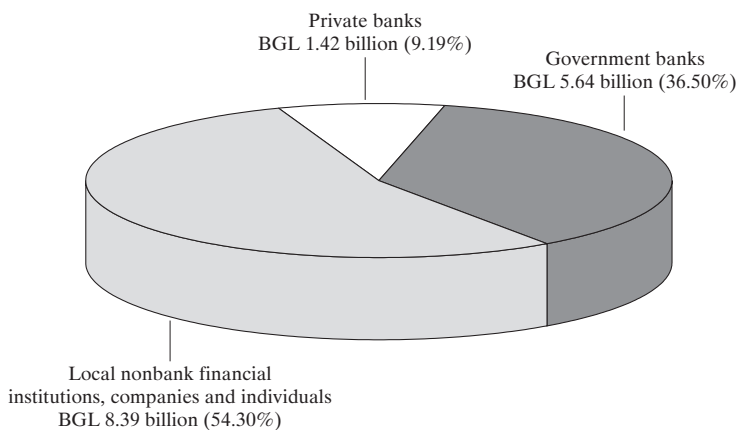
Holders of USD-denominated Government Securities Issued under ZUNK by 28 February



Notes: 1. Including frozen government securities by financial institutions.
 2. Preliminary data.

Source: BNB.

Holders of Lev-denominated Government Securities Issued for Structural Reform (as of 28 February)



Notes: 1. Including frozen government securities by financial institutions.
 2. Preliminary data.

Source: BNB.

SALES OF GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM FOR PARTICIPATION IN PRIVATIZATION TRANSACTIONS

In February long-term government bonds issued under Article 5 of ZUNK, totaling USD 1.6 million, were sold for participation in privatization. Pursuant to Article 5 of the Regulation on participation in privatization of holders of long-term government bonds issued under the terms of ZUNK, CM Decrees Nos. 244 of 1991, 186 of 1993 and 3 of 1994 (government securities for structural reform),

these government securities were transferred to the MF account for participation in 24 privatization transactions as legal tender.

The average weighted price of the bonds issued under Article 5 of ZUNK and sold for participation in privatization was USD 57.07 per USD 100 nominal value (Chart 23). In February no transfer transactions in government securities

Chart 23

**Price Dynamics of Government Securities Issued under Articles 4 and 5
of ZUNK and Sold to Companies and Individuals
for Participation in Privatization**



Source: BNB.

from issue No. 98 of 1993 (to be used as legal tender in privatization transactions) were registered.

In February pursuant to Article 1 of the Regulation on the procedure for utilization of long-term government bonds issued under ZUNK for repayment of

debts to the government arising under the same law (published in the State Gazette, issue 12 of 3 February 1995), maturing long-term government bonds of USD 2.2 million (issued under Article 5 of ZUNK) were used.

Sales of Long-term Government Bonds Issued for Structural Reform for Participation in Privatization Transactions

	Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
I. Government securities in BGL (million BGL)	1994					19.20	0.10	501.40	110.70	177.00	76.70	609.80	28.30	1523.20
	1995	88.20	257.20	65.00	35.50	143.60	132.40	262.90	148.90	59.80	54.90	242.50	354.90	1845.80
	1996	5.70	53.90	16.50	113.90	16.60	147.80	19.90	46.00	121.30	309.60	541.20	1151.20	2543.60
	1997	210.70	1374.90	114.90	1259.35	4354.90	744.30	500.80	175.00	209.10	184.50	135.60	144.70	9408.75
	1998	3916.30	17.18	238.60	13.70	60.00	90.72	27.30	3.96	0.00	11.47	0.00	0.00	4379.23
	1999	0.00	0.00											0.00
II. Government securities in USD (million USD)	1994													
	1995						0.80	0.10	0.10	0.90	1.70		3.90	7.50
	1996	0.18	0.23	0.32	2.22	0.04	2.47	0.20	2.21	0.22	4.29	1.22	0.76	14.37
	1997	4.96	0.68	4.10	0.11	1.54	1.41	6.22	1.73	3.86	2.63	2.15	10.26	39.64
	1998	31.50	4.79	11.00	13.00	13.15	10.59	5.18	13.78	4.77	3.60	4.55	2.81	118.72
	1999	9.50	1.61											11.11

Notes: 1. Government securities in BGL include long-term government bonds issued under Article 4 of ZUNK, CM Decrees No. 186 of 1993 and No. 3 of 1994.

2. Government securities in USD include long-term government bonds issued under Article 5 of ZUNK and denominated in US dollars.

GOVERNMENT SECURITIES PRIMARY DEALERS AND REUTERS PAGES FOR GOVERNMENT SECURITIES QUOTATIONS

Pursuant to Article 4, para. 1 of Regulation No. 5 of 1998, by resolution of BNB Managing Board and letter of the Minister of Finance, the following are approved as government securities primary dealers:

FOR THE PERIOD 1 JANUARY – 30 JUNE 1999

BIOCHIM	CBBB 01-03
BNP – DRESDNERBANK	BSBD 01-03
BULBANK	BGTB 01-03
BULGARIAN POST BANK	BPBB 01-03
BULGARIA-INVEST	BGIN 01-03
BRIBANK	RIBB 01-03
STATE SAVINGS BANK	SSBG 01-03
EUROBANK	EBSF 01-03
EXPRESSBANK	EBVB 01
ING BANK	INBS 01-03
UNITED BULGARIAN BANK	UBBB 01-03
MUNICIPAL BANK	SMBK 01-03
FIRST INVESTMENT BANK	BFIB 01-03
RAIFFEISENBANK	RBBS 01-03
ROSSEXIMBANK	REBS 01
SOCIETE GENERALE	SGBG 01
HEBROS	AGBG 01-03
UNIONBANK	UNBS 01-03
EUROFINANCE FINANCIAL HOUSE	EUF1 01-03
ELANA FINANCIAL BROKERAGE HOUSE	ELAN 01-03

SUMMARIZED QUOTATION PAGES

BGTSY=
BGZUNK=

BNB pages containing information on the government securities interbank market
BGBNB 5
BGBNB 7

Published by the Bulgarian National Bank
Fiscal Services Department, tel. 886-1486.
1000 Sofia, 1 Alexander Battenberg Square
Telephone: 85-51
Telex: 24090, 24091
Fax: 980 2425, 980 6493
Printed by BNB Printing Center

© Bulgarian National Bank, 1999

ISSN 1311-0055

This issue includes materials and data received
up to 19 March 1999.

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