



MARCH

**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

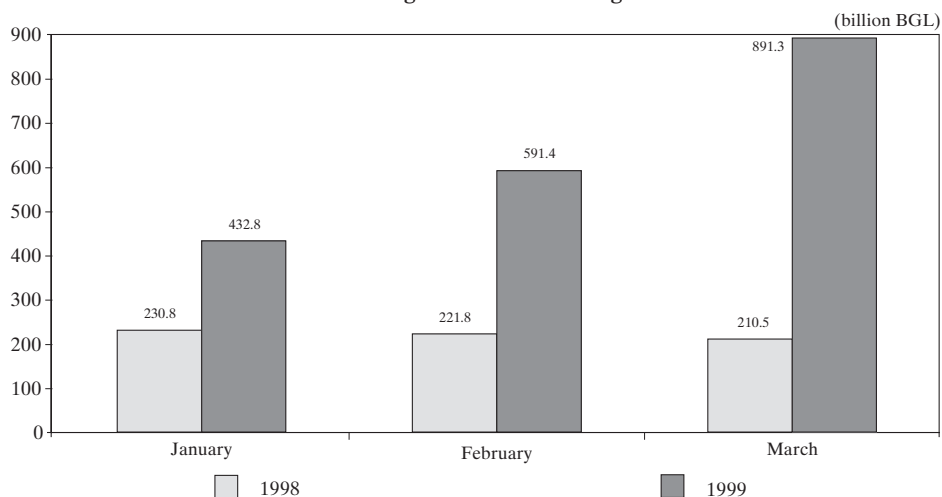
Interbank Market of Government Securities Issued under Regulation No. 5 of 1998 and Target Issues

In March 1999 financial institutions concluded 618 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGL 891,256.2 million nominal value, a four-fold increase compared with the same period of the previous year. In March 1998 transactions of BGL 210,445.1 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 439,750.3 million, including three-month treasury bills of BGL 13,122.4 million, six-month of BGL 46,533.2 million, twelve-month of BGL 286,456.7 million, two-year of BGL 58,200 million and up to five years of BGL 35,438 million (Chart 2). In March sales in government securities intensified compared with the previous month and the volume

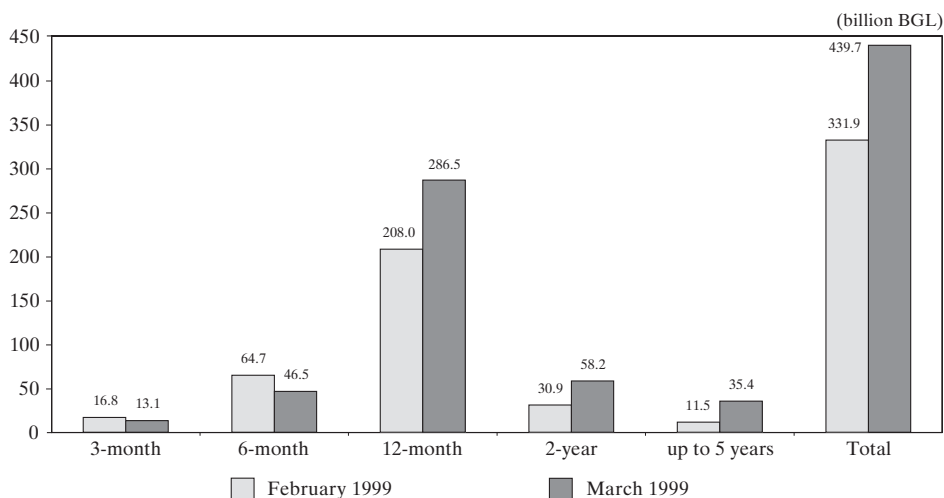
Chart 1

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.

of transactions increased by 32.5%; structurally, demand for twelve-month treasury bills occupied the largest share, their volume increasing by 37.7%.

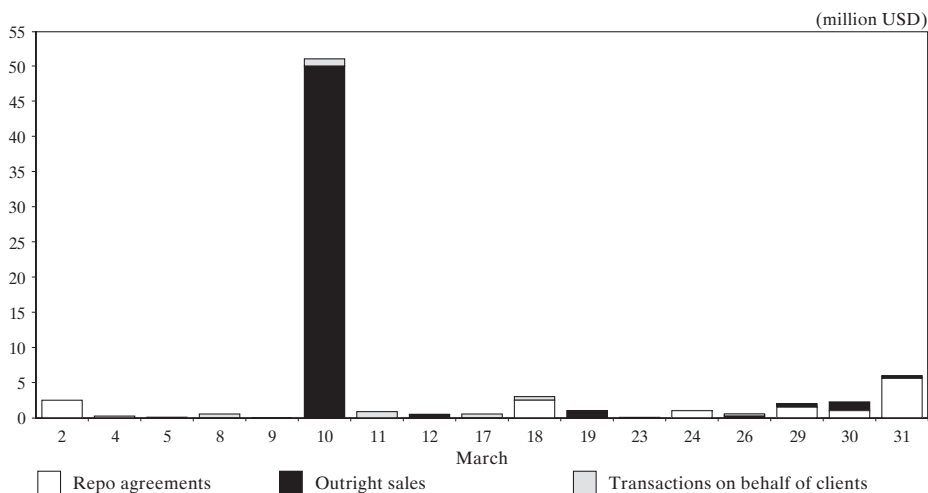
In March 1999 secondary market transactions on behalf of clients (i. e. under Article 20 of Regulation No. 5 of 1998) increased on the previous month (BGL 36.8 million). Transactions between nonprimary dealers and physical or legal persons (i. e. transactions under Article 21 of Regulation No. 5 of 1998) significantly increased on February, reaching BGL 1,262.8 million. The volume of transactions between primary and nonprimary dealers (under Article 14 of Regulation No. 5) also rose from February, reaching BGL 39,224.7 million, including bids approved at the gov-

ernment securities auctions on behalf of nonprimary dealers of BGL 11,192.7 million.

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

In March financial institutions concluded 45 transactions in USD-denominated government securities issued as a result of structural reform, totaling USD 73.1 million nominal value (including the number and volume of reverse repurchase agreements). In March, 19 outright transactions of USD 53.9 million, 10 repo agreements of USD 14.8 million, and 16 transactions on behalf of clients of USD 4.4 million (under Articles 14, 20

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



Source: BNB.

and 21 of Regulation No. 5) were concluded. Ten transactions of USD 6.7 million were concluded pursuant to Article 14, para. 6 of Regulation No. 5.

Seven transactions of BGL 952.9 million were concluded in lev-denominated government securities. Two transactions of USD 6 million were registered in foreign currency guaranty government securities.

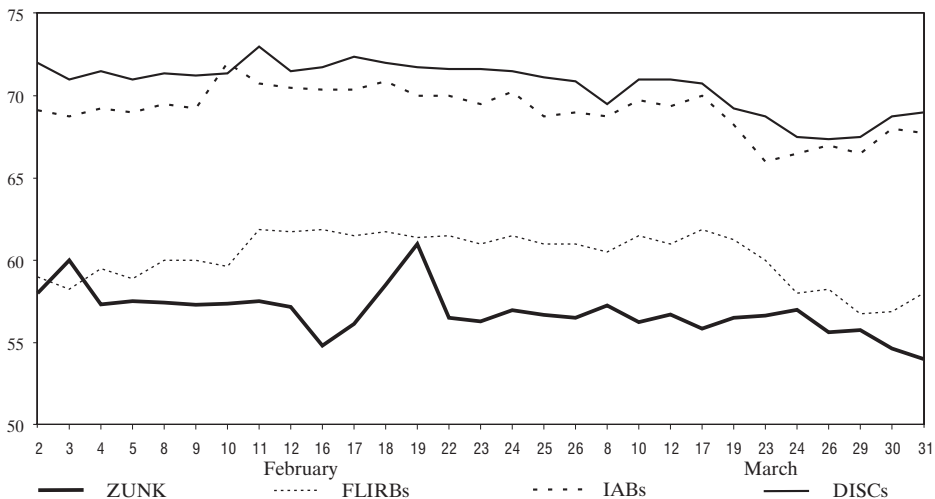
A downward trend in forex ZUNK bonds sales was registered in March. Sales volumes were small, except for 10 March. Prices at which forex ZUNK bonds traded in the interbank market stood stable in most days: USD 56 – 57 per USD 100 nominal value; Bulgarian Brady bonds prices in the international markets did not impact ZUNK bonds

prices. In the last week of March their market values fell, reaching USD 54 per USD 100 nominal value.

Government Securities Repo Agreements in the Interbank Market

In March the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5). The high was registered on 1 March 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 reported. The volume of traded deposits indicated a low on 19 March due to the pending injection of liquidity into banks

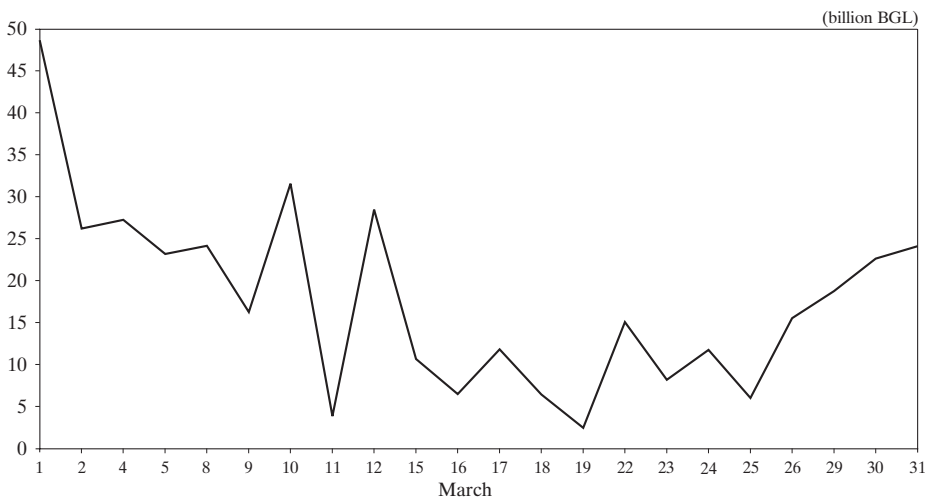
Price Movements of USD-denominated Government Securities (Issued under ZUNK) and Bulgarian Brady Bonds in the Interbank Market*



* Reuters offer quotations for Brady bonds.

Sources: 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 March	Price		
	Minimum	Maximum	Average weighted
1	58.50	60.00	58.94
2	56.20	58.00	57.14
4	57.50	61.00	58.72
5	57.75	58.00	57.97
8	57.00	57.25	57.00
9	57.24	60.49	58.73
10	56.25	56.25	56.25
11	58.20	60.25	59.04
12	56.30	56.75	56.72
17	55.85	59.50	56.12
19	56.50	57.00	56.50
22	57.50	59.00	57.89
23	56.60	59.00	57.46
24	57.00	59.00	58.00
25	57.85	58.00	57.88
26	55.62	55.62	55.62
29	55.75	58.74	55.77
30	54.25	55.00	54.65
31	54.00	58.00	54.43
Monthly	54.00	61.00	57.10

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

Quotations of Bulgarian Brady Bonds*

Date March	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	71.00	69.88	61.00	59.63	68.50	67.50
2	70.25	69.50	61.25	59.50	69.00	68.00
3	69.25	68.75	60.50	58.75	69.00	67.75
4	71.00	69.00	61.00	59.00	69.00	68.00
5	70.50	69.75	60.50	59.75	69.00	68.00
8	69.50	69.00	60.50	59.75	68.75	67.75
9	70.50	68.00	60.50	60.13	69.38	68.38
10	71.00	70.25	61.50	61.00	69.75	68.75
11	71.00	69.00	60.88	59.00	69.50	68.00
12	71.00	70.00	61.00	60.50	69.38	68.38
15	71.38	70.75	61.75	61.25	70.50	69.50
16	70.75	70.25	61.25	60.75	70.25	69.25
17	70.75	69.75	61.88	60.88	70.00	68.25
18	70.75	69.63	62.38	61.88	69.13	68.13
19	69.25	68.25	61.25	59.63	68.25	67.38
22	69.00	64.00	59.75	58.88	67.50	66.50
23	68.75	67.00	60.00	55.00	66.00	65.00
24	67.50	66.00	58.00	55.50	66.50	65.38
25	68.50	68.00	58.50	57.00	67.50	66.50
26	67.38	66.50	58.25	58.00	67.00	65.75
29	67.50	66.50	56.75	55.50	66.50	65.50
30	68.75	67.75	56.88	56.75	68.00	67.00
31	69.00	67.00	58.00	56.50	67.75	66.75

* Reuters quotations.

Volume and Structure of Government Securities Secondary Market Transactions in March

1. Volume of transactions in government securities denominated in levs (billion BGL nominal value)	440.51
- repo agreements*	411.19
- outright sales	29.32
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars (lev equivalent, billion BGL)	123.44
- repo agreements*	14.66
- outright sales	99.20
- privatization transactions	9.58
3. Number of secondary market transactions	397
- repo agreements**	259
- outright sales	111
- privatization transactions	27
4. Average term of secondary market repo agreements (days)	5.87
5. Average monthly yield (simple interest) on secondary market repo agreements depending on the term (%)	
1 day	0.23
from 2 to 3 days	0.25
from 4 to 7 days	0.25
up to 1 month	0.27

* *Volume of reverse repo agreements excluded.*

** *Number of reverse repo agreements excluded.*

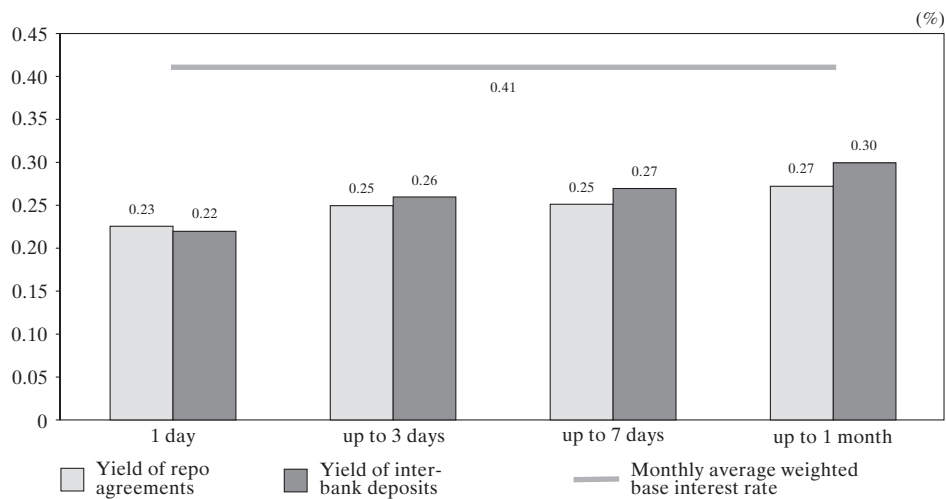
from government securities interest and maturities.

In March the yield of repo agreements reflected frequent insignificant changes in the base interest rate; March saw a further 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 term was higher

than the yield of interbank deposits with the same maturity while the yield of repo agreements in government securities with up to three and seven-day term and up to one-month term was insignificantly lower than the yield of interbank deposits (Chart 6). March saw a boost in the interbank secondary market compared with February, especially strong at the end of the base period for BNB required minimum reserve regulation.

Chart 6

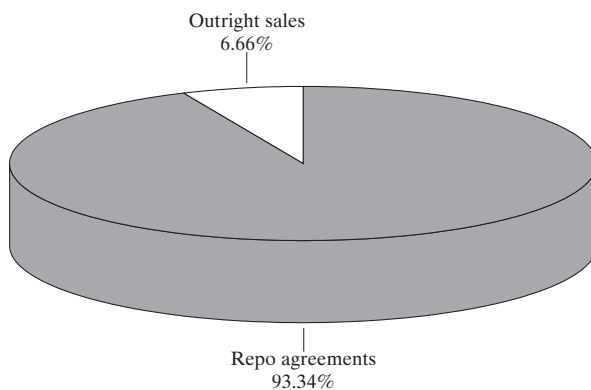
Yield of Repo Agreements in Government Securities and Interest Rate on Interbank Deposits on a Monthly Basis (March)



Source: BNB.

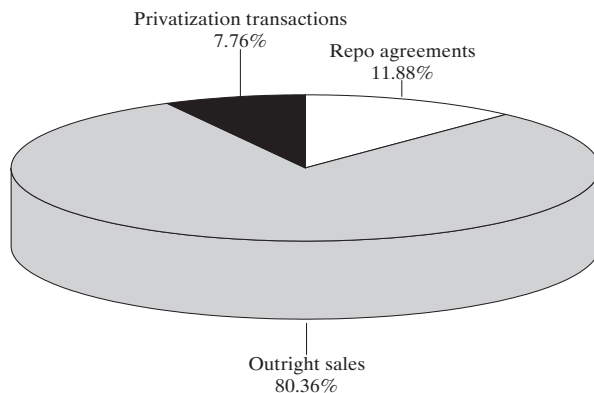
Chart 7

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



Source: BNB.

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



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
1.03.1999											
Deposits	13 500	2.89	2 800	2.64	4 706	3.30	1 690	3.52			22 696
Repo agreements	19 325	2.54	17 097	2.83	13 290	2.90	675	2.64			50 387
2.03.1999											
Deposits			21 300	2.76	7 250	3.32	2 400	3.49			30 950
Repo agreements			19 948	2.77	3 586	2.94	3 251	3.25			26 785
4.03.1999											
Deposits	14 800	2.39			20 652	2.65	3 700	3.41			39 152
Repo agreements					17 413	2.58	10 594	3.06			28 007
5.03.1999											
Deposits			15 731	2.55	13 700	2.89	1 000	3.00			30 431
Repo agreements			9 869	2.54	14 172	2.61					24 041
8.03.1999											
Deposits	12 400	2.22	7 000	2.66	3 645	2.97	3 200	2.82	2 000	3.90	28 245
Repo agreements	3 563	2.55	10 114	2.64	9 814	2.84	1 000	3.35			24 491
9.03.1999											
Deposits	18 800	2.76	2 500	2.74	2 700	3.13	4 600	3.32			28 600
Repo agreements	2 605	2.51	6 089	2.83	3 668	3.10	4 338	3.01			16 700
10.03.1999											
Deposits	15 050	2.85	6 100	3.09	1 000	3.20	500	3.50			22 650
Repo agreements	8 658	2.92	10 723	2.90	8 731	3.20	4 190	2.91			32 302

(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
11.03.1999											
Deposits	14 075	2.69			10 064	3.31	618	3.63			24 757
Repo agreements					3 927	3.65					3 927
12.03.1999											
Deposits			13 700	4.34	2 600	4.00	4 500	5.21			20 800
Repo agreements			19 242	3.90	9 017	3.78	1 000	3.45			29 259
15.03.1999											
Deposits	4 800	3.64	5 500	3.49	5 645	3.91	890	3.99			16 835
Repo agreements			8 870	3.53	2 058	3.61					10 928
16.03.1999											
Deposits	7 200	3.76	5 200	3.52	3 800	3.68	700	3.61			16 900
Repo agreements	5 501	3.13			601	4.09	570	3.57			6 672
17.03.1999											
Deposits	8 000	2.85	500	2.90	3 782	3.26	500	3.80	780	4.20	13 562
Repo agreements	2 000	2.88	4 000	3.05	3 037	3.04	3 000	3.52			12 037
18.03.1999											
Deposits	12 100	3.01			12 114	3.47	7 280	3.36			31 494
Repo agreements	2 062	3.29			2 225	3.14	3 675	3.80			7 962
19.03.1999											
Deposits			5 700	3.12	7 100	3.34	600	3.80			13 400
Repo agreements					1 000	3.04	1 510	3.93			2 510
22.03.1999											
Deposits	6 803	2.88	2 000	3.20	5 639	3.20	700	3.61	4 900	4.02	20 042
Repo agreements			4 578	2.88	7 668	3.25	3 512	3.38			15 758
23.03.1999											
Deposits	7 178	2.59	3 000	2.70	3 350	3.14	3 300	3.49			16 828
Repo agreements					5 337	2.89	3 000	3.04			8 337
24.03.1999											
Deposits	6 700	2.13	2 000	3.00	6 473	2.94	1 000	3.30			16 173
Repo agreements	2 704	2.38			6 005	2.90	1 081	3.56	3 000	3.04	12 790
25.03.1999											
Deposits	3 800	2.61			7 788	3.01			1 700	4.00	13 288
Repo agreements					3 102	2.70	3 174	3.25			6 276
26.03.1999											
Deposits			6 314	2.81	3 500	2.69	4 600	3.51			14 414
Repo agreements			7 247	2.64	7 730	2.99	1 000	3.55			15 977
29.03.1999											
Deposits	5 900	2.42	7 100	2.77	2 653	3.35	2 406	3.41			18 059
Repo agreements	6 702	2.69	5 244	2.85	5 008	3.15	2 300	3.51			19 254
30.03.1999											
Deposits	10 700	2.58	3 000	3.10	1 891	3.46	2 000	3.30			17 591
Repo agreements	11 296	2.59	4 545	2.92	6 106	3.34	2 250	3.48			24 197
31.03.1999											
Deposits	29 600	2.36	1 000	2.90	1 282	3.38	300	3.90			32 182
Repo agreements	10 816	2.79	4 699	2.95	12 765	3.20	547	3.75			28 827

Notes: 1. Volumes of transactions and deposits in million BGL.

2. The volume of repo agreements includes the agreements concluded during the current day.

3. Yield is calculated on an annual basis.

4. Lev equivalent of the transactions in USD-denominated government securities based on the USD exchange rate on the day of the transaction.

Volume of Government Securities Transactions in the Secondary Market and Transactions in Securities in the Bulgarian Stock Exchange (thousand BGL)

Date March	Repo agreements	Outright transactions	Regulation No. 5 of 1998				Transactions in government securities, total		Transactions in securities in the Bulgarian Stock Exchange		
			Art. 14	Art. 15	Art. 20	Art. 21	Stock exchange market	OTC market	Total		
1	111 095 200	9 401 466	-	90 630	-	-	120 587 296	677 000	61 000	6 831 000	
2	74 167 205	2 790 000	-	1 235 592	-	431 156	78 623 953	52 000	1 200	64 000	
4	76 158 768	3 154 106	8 590 737	8 563 182	-	-	96 466 793	22 350 000	90 000	2 325 000	
5	34 781 000	2 800 090	48 270	119 388	148 032	-	37 896 780	187 000	39 000	226 000	
8	54 710 800	2 536 826	1 111 675	758 588	17 930	896 512	60 032 331	461 000	15 000	476 000	
9	35 558 600	-	-	199 758	2 701	-	35 761 059	40 380 000	11 600	4 154 000	
10	52 456 000	94 357 886	13 374 091	270 700 925	1 785 657	-	432 674 559	859 000	30 000	889 000	
11	18 985 300	4 636 427	2 779 733	5 535 476	116 728	-	32 053 664	274 000	8 000	282 000	
12	69 384 293	1 866 378	939 934	13 247 233	-	-	85 437 838	189 500	14 000	1 909 000	
15	39 288 000	735 000	4 645 390	7 210 486	-	-	51 878 876	168 600	81 000	1 767 000	
16	20 007 143	207 143	408 286	143 752	-	-	20 766 324	320 000	42 000	362 000	
17	28 637 500	1 875 260	8 076 090	10 051 417	17 761	-	48 658 028	324 500	9 300	3 338 000	
18	19 970 284	2 000 000	4 006 898	15 045 058	-	-	41 022 240	25 180 000	8 000	2 526 000	
19	22 085 293	6 098 670	-	6 889 201	-	51 300	35 124 464	200 000	11 000	211 000	
22	22 444 000	-	-	5 267 034	-	43 816	27 754 850	125 000	4 000	129 000	
23	12 438 000	1 412 957	1 014 286	190 467	-	415 812	15 471 523	225 000	70 000	295 000	
24	18 508 342	5 206 427	7 476 527	6 683 184	-	197 674	38 072 153	201 000	75 000	276 000	
25	12 698 000	2 352 925	1 105 706	303 896	-	-	16 460 527	256 000	13 000	269 000	
26	18 307 000	525 711	2 085 065	-	36 800	-	20 954 576	25 100	34 000	285 000	
29	43 030 869	1 009 323	-	549 511	62 194	554 226	45 206 124	143 300	16 000	1 449 000	
30	36 842 201	2 377 202	-	5 649 951	-	-	44 869 354	163 000	6 000	169 000	
31	55 049 807	3 754 822	1 050 133	4 036 081	254 910	-	64 145 753	155 000	3 000	158 000	
Total	876 603 606	149 098 618	56 712 821	362 470 809	2 442 713	2 590 495	1 449 919 063	27 549 000	841 000	28 390 000	

Notes: 1. The amount of the bids approved in the name of the Deposits Insurance Fund of BGL 2,666,452 thousand is included.

2. The amount of the bids approved for participation in government securities auctions on behalf of nonprimary dealers of BGL 11,192,654 thousand is included.

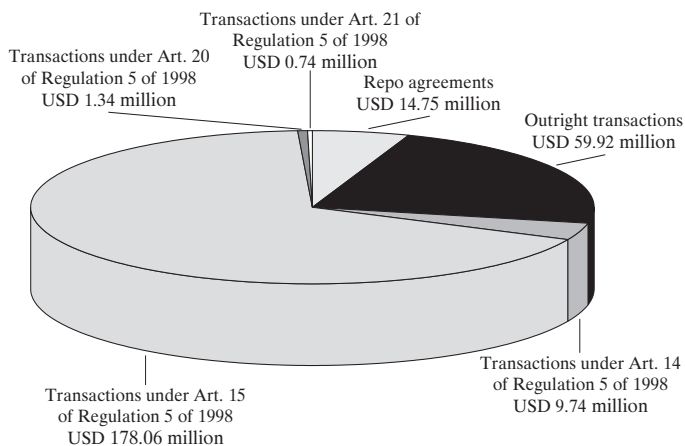
3. The amount of approved competitive and noncompetitive bids of BGL 7,058,186 thousand is included.

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

5. 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.

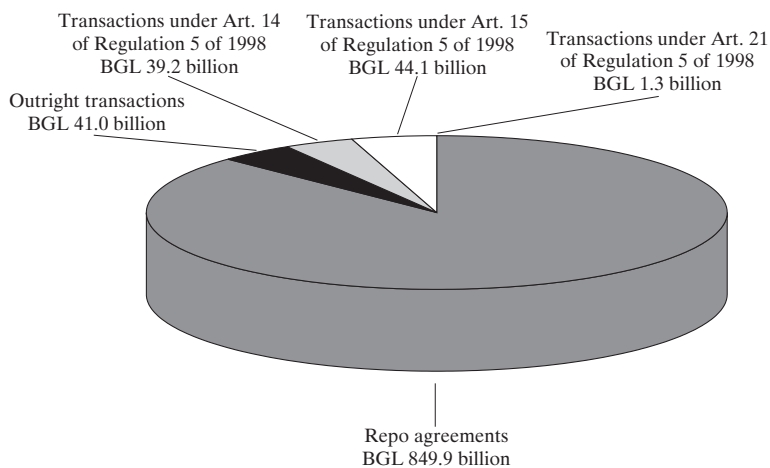
6. Banking Department data on the volume of transactions in the Bulgarian Stock Exchange.

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



Source: BNB.

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



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

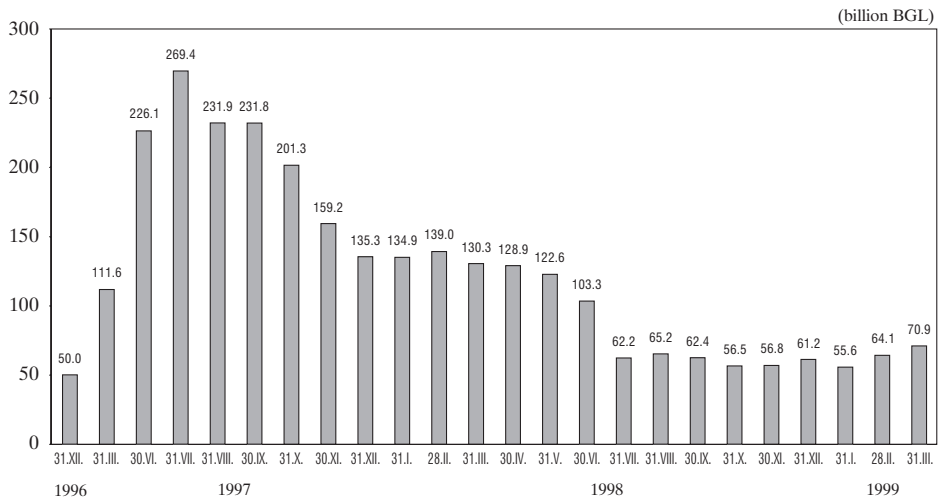
The volume of government securities sales for budget deficit financing increased in March. As of 31 March 1999 government securities (issued under Regulation No. 5 of 1998) held by individuals, companies and nonbank financial institutions totaled BGL 70,850 million (Chart 11), an increase of BGL 6,771 million, or 10.57%, on the previous month. Target government securities sold to nonbank financial institu-

tions, companies and individuals accounted for BGL 15,350 million (Chart 12), an increase of BGL 322 million, or 2.14%, on February.

In March sales of government securities issued under Regulation No. 5 of 1998 included three-month treasury bills of BGL 849.5 million, six-month of BGL 388.9 million, one-year of BGL 2,466.2 million, and two-year treasury bonds of BGL 2,175.4 million. One-year government securities occupied the largest share in total government securities sales in March, 41.94%.

Chart 11

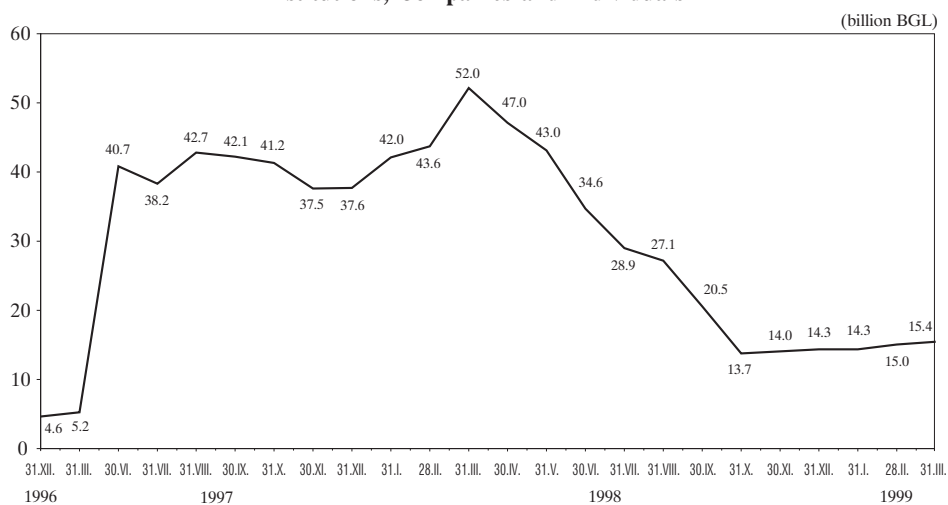
Net Sales of Government Securities Issued under Regulation No. 5 to Nonbank Financial Institutions, Companies and Individuals



Note: Preliminary data.

Source: BNB.

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



Notes: 1. Preliminary data.

2. Target issues dated 17 March 1999 excluded.

Source: BNB.

Target Issues of Government Securities Earmarked for Physical Persons

Between 17 February and 16 March 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

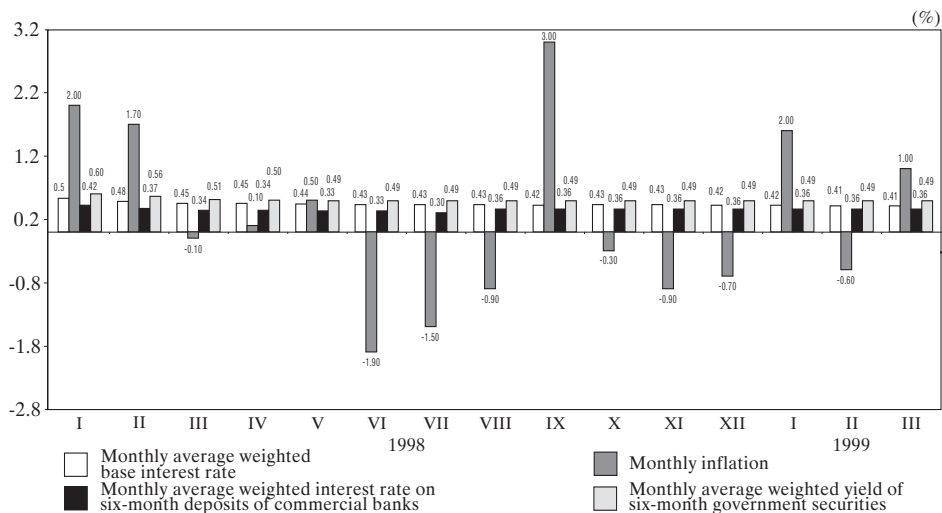
¹ The period under review starts from the issue date and finishes at the end of issue periods, since data is obtained and registered after the sale of a particular issue has been finished. Therefore, this period does not correspond to the calendar month and includes two issue periods or four weeks.

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 inter-

Yield of Six-month Government Securities from Target Issues



Note: The change in inflation rate for January 1999 is based on NSI data (source: Reuters).

Source: BNB.

est coupon is 9%, the second 10%, the third 11%, and fourth 12%. 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 934.4 million nominal value: six-month treasury bills of BGL 50.40 million (5.39%), twelve-month treasury bills of BGL 49.3 million (5.28%) and two-year savings treasury bonds of BGL 834.7 million (89.33%). Data shows that during the reporting period investors opted for two-year savings

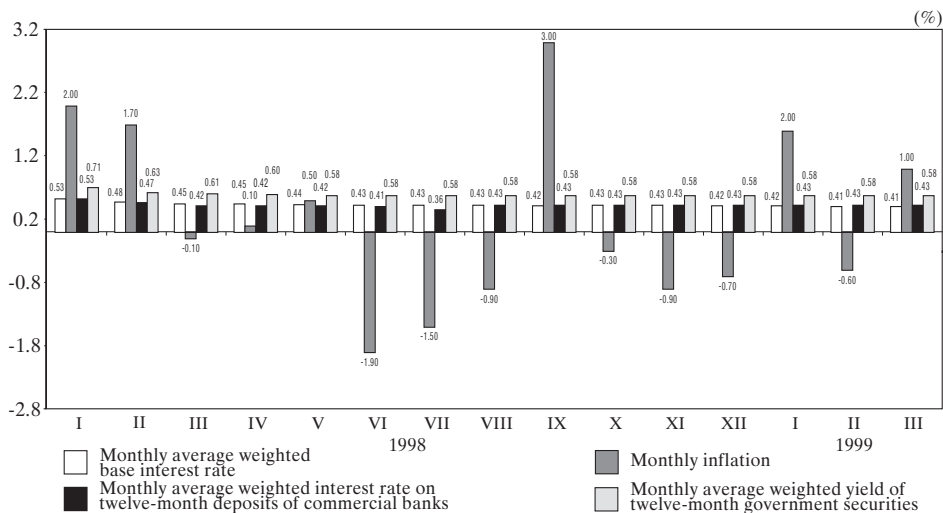
treasury bonds (Chart 15) generating higher yield. Compared with the volume of government securities sold in the previous periods, investments in these government securities decreased during the period under review (Chart 16).

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 March. As of 31 March total sales of government securities accounted for BGL 595,954.1 million (including sales to foreign investors), an increase of BGL 283,840.4 million (90.9%) from February (Chart 17).

Chart 14

Yield of Twelve-month Government Securities from Target Issues

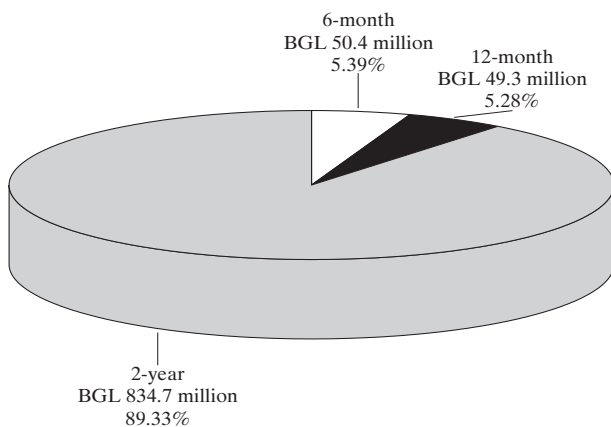


Note: The change in inflation rate for January 1999 is based on NSI data (source: Reuters).

Source: BNB.

Chart 15

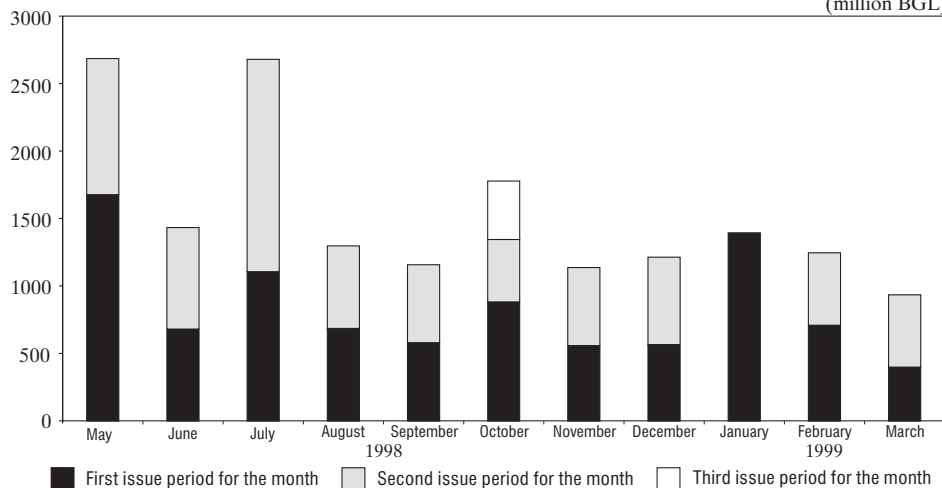
Maturity Structure of Target Government Securities Sold through the BNB and Primary Dealers in March



Source: BNB.

Volume of Target Government Securities Sales to Physical Persons

(million BGL)



Source: BNB.

The bulk of government securities issued for structural reform was sold by commercial banks (88.2%) and other financial institutions (11.8%).

Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGL 8,188.8 million (1.4% of total sales), while USD-denominated government securities issued under ZUNK accounted for BGL 587,765.3 million.

Sales of Government Securities to Foreign Investors

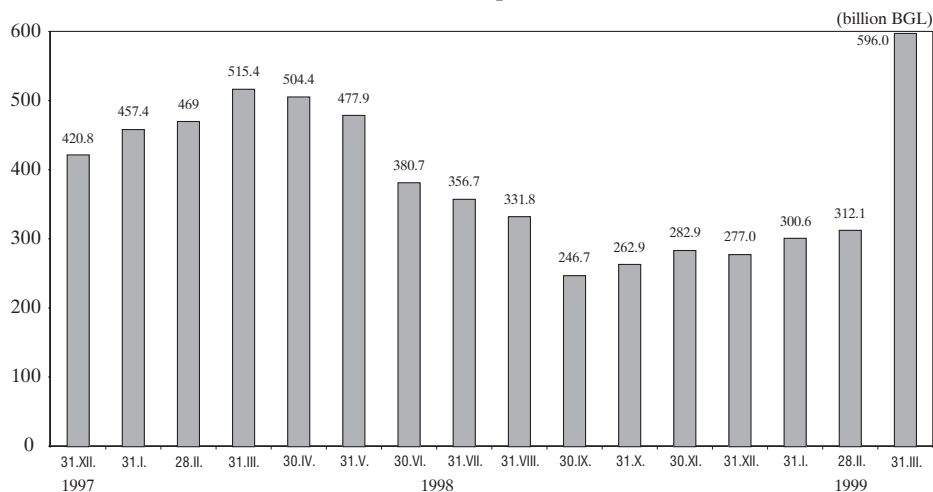
As of 31 March 1999 government securities acquired by foreign investors totaled BGL 132,429.4 million (Chart 18), an increase of BGL 1,869.3 million (1.4%) on February, due to the appreciation of the US dollar against the Bulgarian lev com-

pared with the previous month.

Government securities issued under Regulation No. 5 of 1996 and held by foreign investors totaled BGL 390 million. In March maturing government securities of BGL 44 million were reported and at the same time no sales were registered. By end-March target government securities (earmarked for direct sale to physical persons) sold to nonresidents totaled BGL 6.7 million.

As of 31 March USD-denominated long-term government bonds held by foreign investors decreased by USD 0.8 million, reaching USD 72.5 million (equivalent to BGL 132,032.7 million, Chart 19, an increase of BGL 1,913.2 million, or 1.5%, on the previous month). Forex bonds on domestic debt continued to occupy the largest share in foreign investors' portfolios (99.7%).

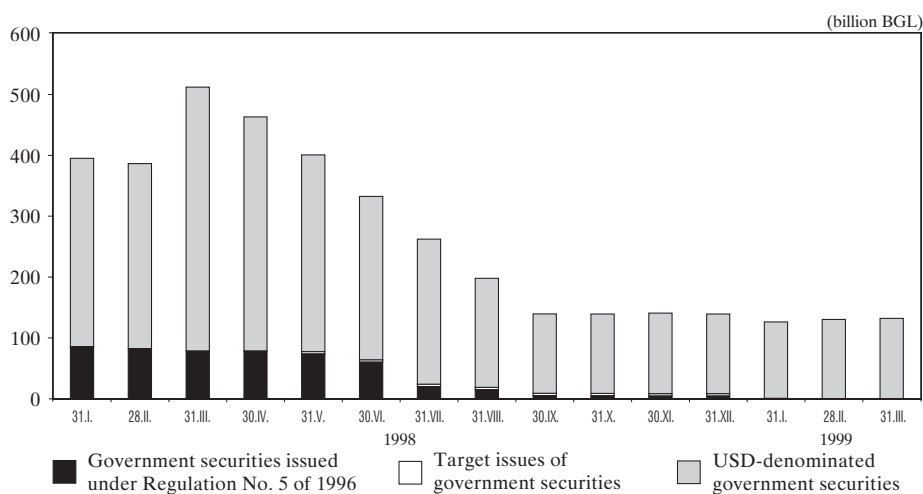
Net Sales of Government Securities Issued for Structural Reform to Nonbank Financial Institutions, Companies and Individuals



- 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.

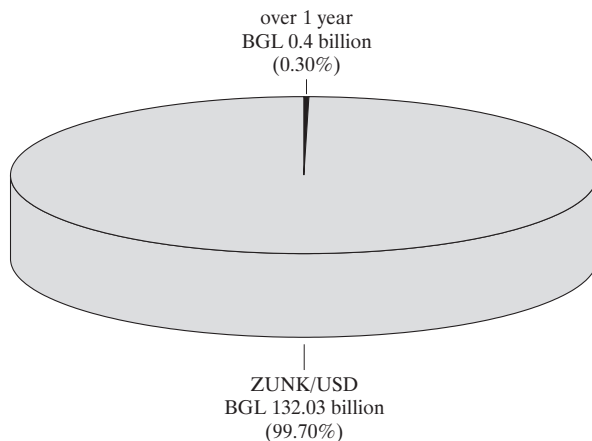
Government Securities in Foreign Investors' Portfolios



Note: Preliminary data.

Source: BNB.

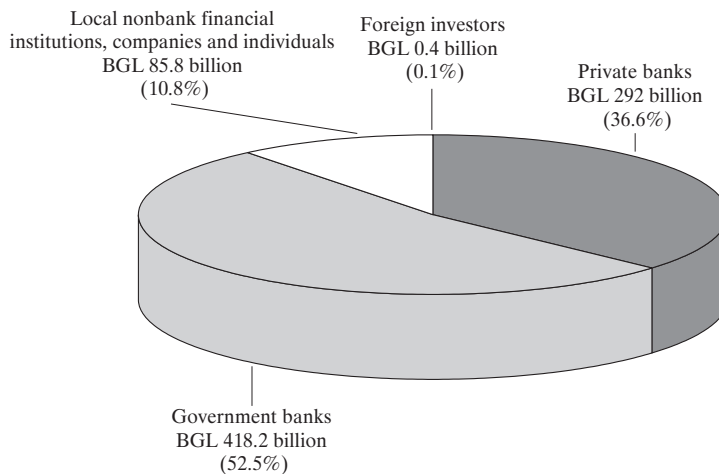
Volume and Maturity Structure of Government Securities Acquired by Foreign Investors by 31 March



Note: Preliminary data.

Source: BNB.

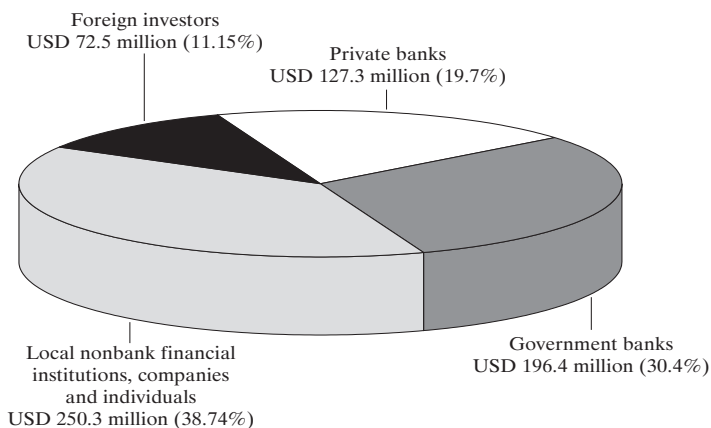
Holders of Government Securities Issued under Regulation No. 5 of 1998 and of Target Issues by 31 March



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

Source: BNB.

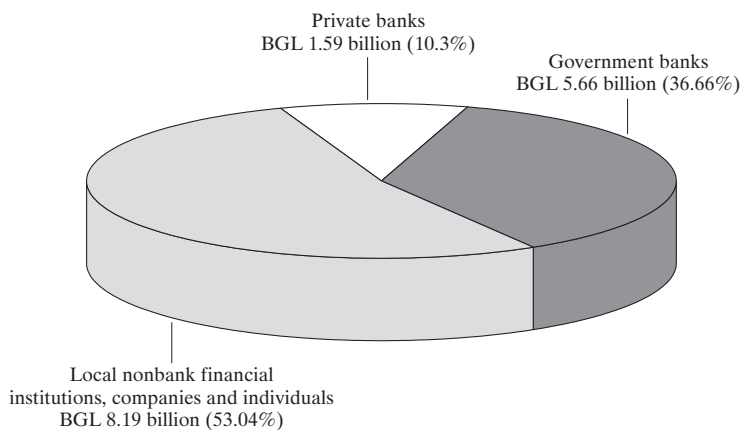
Holders of USD-denominated Government Securities Issued under ZUNK by 31 March



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 31 March)



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 March long-term government bonds issued under Article 5 of ZUNK, totaling USD 5.3 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 27 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 57.09 per USD 100 nominal value (Chart 23). In March 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 March 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 0.9 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										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	5.34										16.45

- 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, BGBNB 9

Published by the Bulgarian National Bank
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Telephone: 85-51
Telex: 24090, 24091
Fax: 980 2425, 980 6493
Printed by BNB Printing Center

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ISSN 1311-0055

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

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Bulletin may be quoted or reproduced without further permission.
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