

Inter-Bank Market of Credit Resources (August 2014)

An increase was observed in the average daily level of liquidity of commercial banks at the interbank market by 6.3 percent, to 772.9 million KGS in the period under consideration as compared to similar index for the previous month.

In the reporting period, there were transactions on REPO conditions in the interbank market of credits and credit transactions based on standard conditions in the national currency. At the same time, the transactions on REPO conditions were committed according to the weighted average rate of 5.3 percent per annum (-1.3 percentage points). The volume of these credits amounted to 8.4 billion KGS by having increased by 8.8 percent as compared to the previous month.

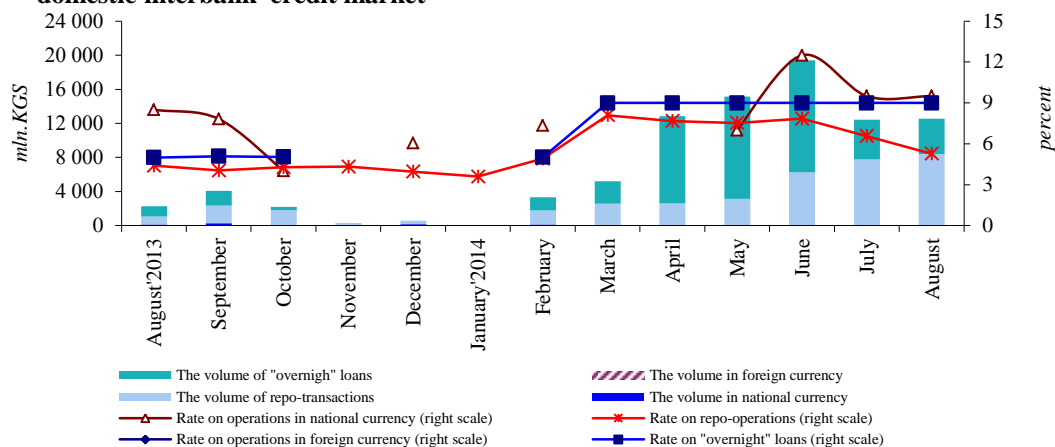
The volume of transactions in the national currency amounted to 26.2 million KGS by having decreased by 49.5 percent in comparison with the same period of the previous month. The weighted average interest rate on these credits constituted 9.5 percent by remaining unchanged as compared to the similar index of the previous month. No credits were granted in foreign currency at the domestic market within the reporting period.

Besides, in the reporting period there was some decrease in demand for overnight credits, a tool of the National Bank of the Kyrgyz Republic, the volume of which amounted to 4.1 billion KGS, (-12.9 percent). The weighted average rate on overnight credits established by the National Bank of the Kyrgyz Republic remained at 9.0 percent.

At the same time, the National Bank continued to issue credits in the reporting period based on credit auctions at the total amount of 500.0 million KGS; issuance of 7-day credits to commercial banks amounted to 300.0 million KGS, intraday credits amounting to 300.0 million KGS kept on being issued.

In the reporting period, the National Bank continued to allocate funds of commercial banks on deposits based on overnight conditions in the amount of 14.4 billion KGS (-21,2 percent).

Graph 1. The dynamics of the transactions and the interest rates in the domestic interbank credit market



The concentration index of creditors increased over the last month from 0.72 to 0.74, and the concentration index of debtors from 0.47 to 0.65. The values of these indices indicate to the declining average level of market concentration and correspond to the presence of two creditors and two debtors in the market with equal shares.

