

Interbank Market of Credit Resources

(April 2017)

In the reporting period, the average monthly level of excess liquidity of commercial banks increased by 14.1 percent and amounted to KGS 1.4 billion in the interbank market against the previous month.

Activity of the market participants increased in the domestic interbank credit market. Thus, in the reporting period, the volume of repo transactions increased 2.5 times up to KGS 223.1 million at a weighted average rate of 1.13 percent (-0.51 percentage points) in the domestic market. Standard transactions in the national currency were also carried out at the interbank market of credit resources at a weighted average rate of 1.60 percent per annum (-0.02 percentage points) to make KGS 59.1 million (16.2 percent).

“Overnight” credits of the National Bank of the Kyrgyz Republic were issued by commercial banks for the amount of KGS 50.0 million in the reporting period. At the same time, commercial banks continued to allocate funds in the National Bank on deposits based on “overnight” conditions in the amount of KGS 185.6 billion (-17.4 percent). The National Bank conducted credit auctions to refinance banks. At the same time, the total volume of allocation made KGS 950.0 million, by 48.4 percent higher than a month earlier, at a weighted average rate of 5.07 percent.

The reporting period was characterized by some decrease in the concentration index of creditors by 0.08 to 0.28, and the concentration index of debtors – by 0.44 to 0.29. The values of these indexes indicate a high level of market concentration and correspond to the presence of four principle creditors and three debtors in the market in the reporting period.

In the reporting period, the volume of credit transactions in foreign currency with non-resident banks decreased to some extent down to KGS 5.8 billion (-4.3 percent). The weighted average interest rate on credit transactions with non-resident banks decreased by 0.3 percentage points compared to the previous month to make 0.6 percent.

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



