

## NBKR Notes (June 2017)

Against low demand for the National Bank of the Kyrgyz Republic notes (-37.6), in the reporting period, the National Bank held four auctions for notes placement with the total volume of the announced issue amounting to KGS 8.5 billion, having decreased by 39.3 percent as compared to the previous month.

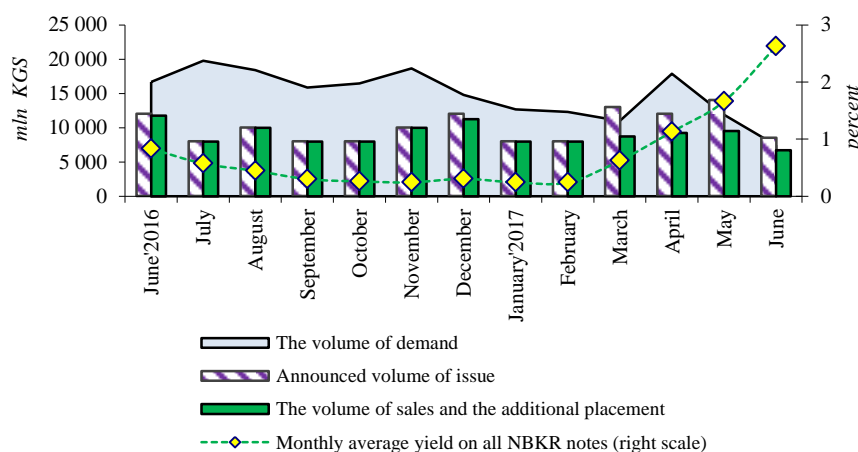
At the same time, the average auction<sup>1</sup> volume of demand for the notes of the National Bank of the Kyrgyz Republic decreased by 21.9 percent during the month and amounted to KGS 1.9 billion. The average auction volume of sales in the reporting period amounted to KGS 1.7 billion, having decreased by 11.6 percent during the month.

In line with the National Bank of the Kyrgyz Republic monetary policy, the sales volume in the reporting period in order to withdraw excess liquidity in the banking system was presented by 7-day and 28-day notes like in the previous month. The total volume of sales thereof amounted to KGS 6.7 billion (-29.3 percent). At the same time, it should be noted that the yield on the 7-day notes was within the policy rate corridor, where the bottom boundary is “overnight” deposits at the rate of 0.25 percent, and the top boundary is “overnight” credits at the rate of 6.25 percent.

The volume of notes in circulation amounted to KGS 3.5 billion at the end of the reporting period having decreased by 33.3 percent year to date. The commercial banks with the share of 100.0 percent (+1.9 percentage points year-to-date) were the holders of the National Bank of the Kyrgyz Republic notes.

Thus, the weighted average yield of the National Bank of the Kyrgyz Republic notes identified by the market amounted to 2.6 percent in the reporting period, having increased by 1.0 percentage points during the month due to a higher yield of 28-day notes (3.6 percent; +0.6 percentage points). The weighted average yield of the National Bank 7-day notes made 2.1 percent (+1.1 percentage points).

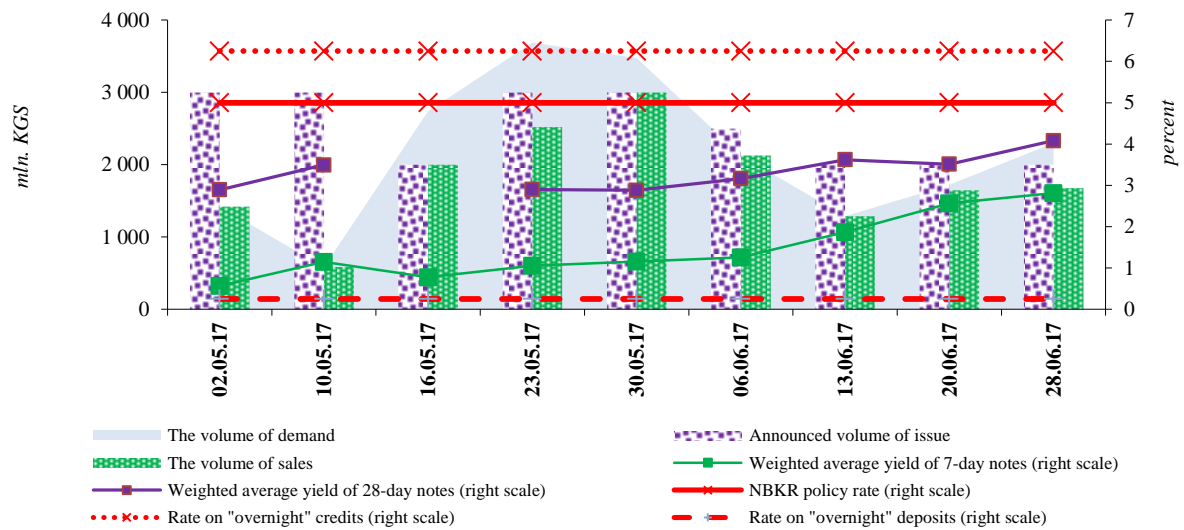
**Graph 1. Demand and placement of NBKR notes**



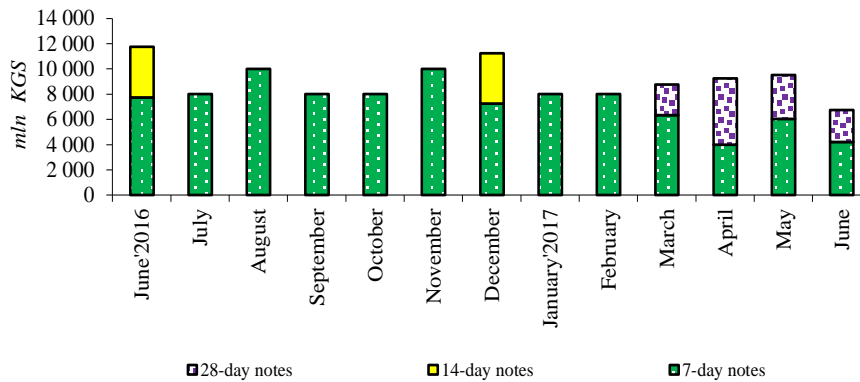
<sup>1</sup>

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.

**Graph 2. The dynamics of demand, sales and yield of NBKR notes**



**Graph 3. The dynamics of sales of NBKR notes**



**Table 1. The structure of the holders of NBKR notes at par value**

Date	TOTAL	Including							
		Commercial Banks		Legal entities - residents		Resident individuals		Institutional investors	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.07.2016	5 986,0	5 979,0	99,9%	7,0	0,1%	0,0	0,0%	0,0	0,0%
01.08.2016	2 000,0	2 000,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.09.2016	2 000,0	2 000,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.10.2016	2 000,0	2 000,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.11.2016	2 000,0	1 976,6	98,8%	23,4	1,2%	0,0	0,0%	0,0	0,0%
01.12.2016	2 000,0	1 986,2	99,3%	13,8	0,7%	0,0	0,0%	0,0	0,0%
01.01.2017	5 244,0	5 142,4	98,1%	0,0	0,0%	0,0	0,0%	101,6	1,9%
01.02.2017	2 000,0	2 000,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.03.2017	2 000,0	2 000,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.04.2017	4 280,0	4 280,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.05.2017	5 250,0	5 250,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.06.2017	4 325,0	4 325,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.07.2017	3 511,0	3 511,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%