

Inter-Bank Market of Credit Resources (October 2014)

A decrease was observed in the average daily level of liquidity of commercial banks at the interbank market by 9.8 percent, to 673.2 million KGS in the period under consideration as compared to similar index for the previous month.

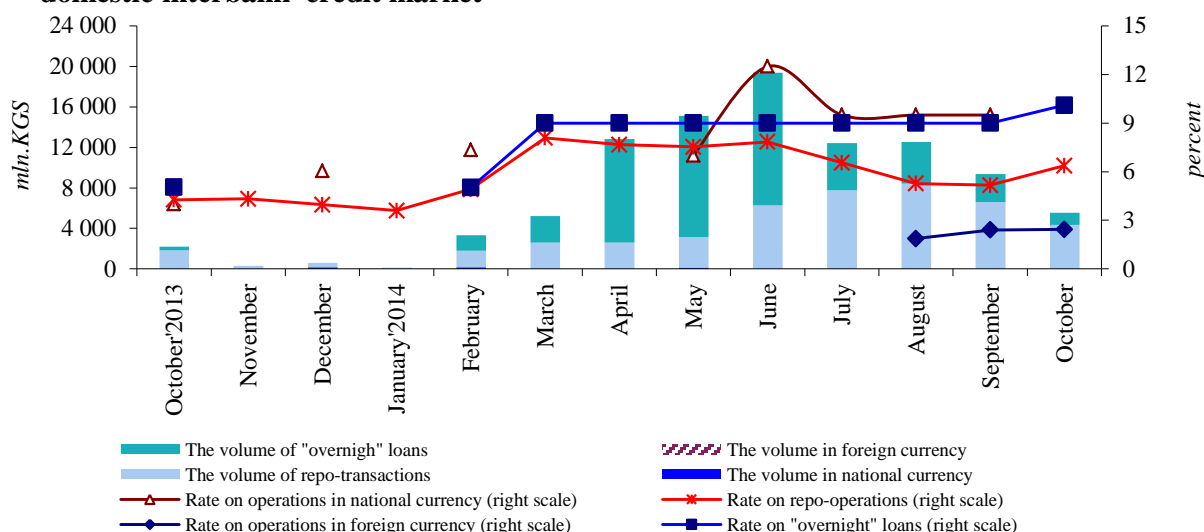
In the reporting period, only REPO conditions based transactions were committed at the interbank market of credits. No credit transactions in foreign and national currency were committed between banks. At the same time, the transactions on REPO conditions were committed according to the weighted average rate of 6.4 percent per annum (+1.2 percentage points). The volume of these credits amounted to 4.3 billion KGS, by having decreased by 34.3 percent as compared to the previous month.

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 1.2 billion KGS, (-55.5 percent). The weighted average rate on overnight credits established by the National Bank of the Kyrgyz Republic increased to 10.1 percent (+1.1 percentage points).

In the reporting period, the National Bank issued credits to commercial banks based on credit auctions at the total amount of 280.0 million KGS (-61.1 percent), 7-day credits and intraday credits were not 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 15.6 billion KGS, which is by 2.5 times more than funds allocated in September.

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



The concentration index of creditors decreased over the month from 0.57 to 0.36, and the concentration index of debtors from 0.27 to 0.25. The values of these indices indicate to the high level of market concentration and correspond to the presence of three creditors and four debtors in the market with equal shares.

