

Market of State Treasury Bills (July 2017)

In the reporting period, 4 auctions were planned to be held on placement of treasury bills in the primary market by the Ministry of Finance of the Kyrgyz Republic. As a result one of the auctions was not held due to insufficient amount of participants and 3-month ST-Bills were not placed in one auction due to lack of demand. Despite this fact, in the reporting period, the total volume of announced issue increased by 23.5 percent compared to the previous month and amounted to KGS 420.0 million. However, the volume of demand for ST-Bills decreased by 28.0 percent over the month, down to KGS 378.0 million. At the same time, in July 2017, the volume of ST-Bills sales increased and made KGS 320.3 million (+ 15.0 percent). The volumes of sales, broken down by urgency, were as follows: the sale of 3-month ST-Bills amounted to KGS 10.0 million, the sales of 6-month ST-Bills – KGS 40.0 million (-31.6 percent); the sales of 12-month ST-Bills – KGS 270.3 million (+22.9 percent per month).

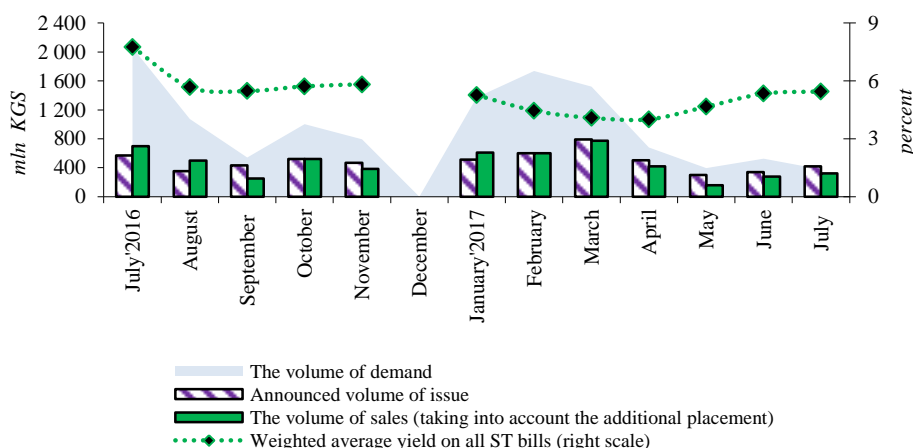
The overall weighted average yield on all types of the ST-Bills made 5.5 percent in the reporting period, having increased by 0.1 percentage point due to increased yield of 6-month ST-Bills. Thus, the yield on 3-month ST-Bills accounted for 2.5 percent, on 6-month ST-Bills – 4.6 percent (+0.6 percentage points) and on 12-month ST-Bills – 5.7 percent.

The net financing of the Kyrgyz Republic budget deficit within the reporting period was formed in the amount of KGS -398.2 million. In the reporting period, the Ministry of Finance of the Kyrgyz Republic redeemed previously issued ST-Bills in the amount of KGS 702.9 million (+75.4 percent).

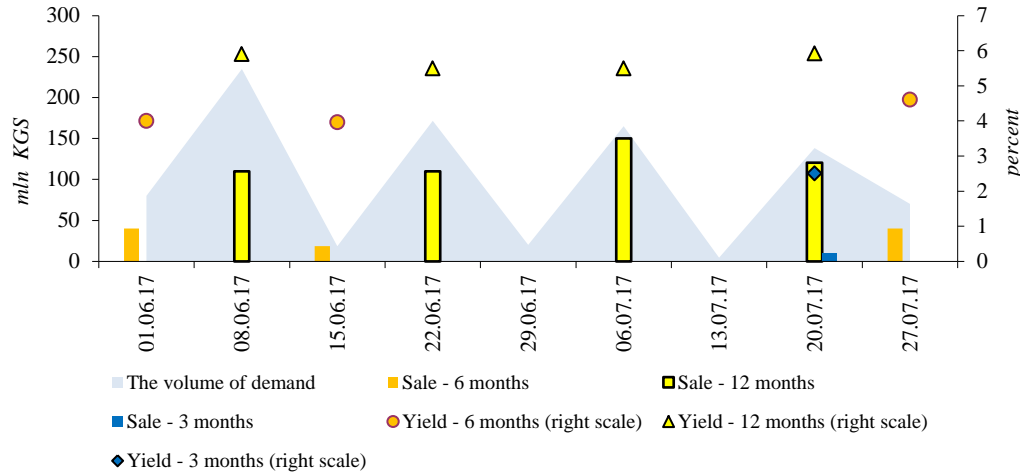
In the reporting period, the volume of ST-Bills in circulation decreased down to KGS 3.6 billion (-15.8 percent) year-to-date. Therefore, the structure of ST-Bills main holders was as follows: the share of ST-Bills main holders – commercial banks increased by 13.2 percentage points, up to 79.0 percent; the share of institutional investors, by contrast, decreased by 13.2 percentage points, down to 20.2 percent, and the share of resident legal entities decreased down to 0.8 percent (-0.1 percentage point).

In the reporting period, the transactions with ST-Bills were not conducted in the secondary market.

Graph 1. Demand and placement of state treasury bills



Graph 2. Dynamics of volume of supply, demand and yield of ST-Bills



Graph 3. The dynamics of sales of ST-Bills

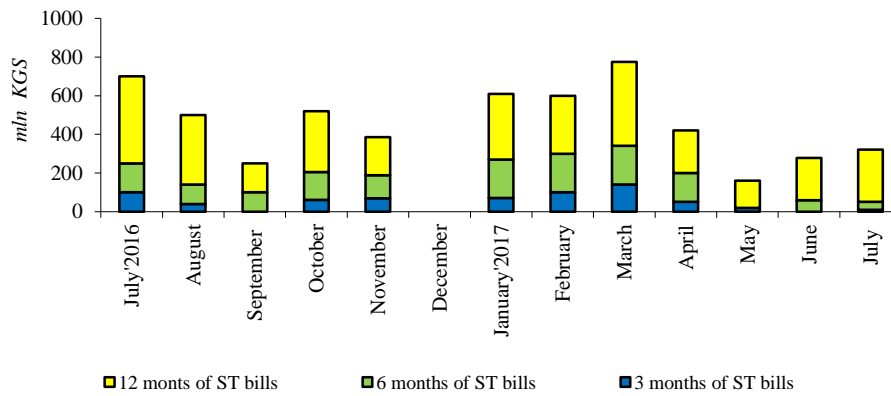


Table 1. The structure of ST bills holders at face value

Date	TOTAL	of which							
		Commercial Banks		Institutional Investors		Resident Individuals		Resident companies	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.08.2016	4 841 910,0	2 966 745,4	61,3%	1 849 194,6	38,2%	0,0	0,0%	25 970,0	0,5%
01.09.2016	4 950 910,0	3 018 660,4	61,0%	1 891 879,6	38,2%	0,0	0,0%	40 370,0	0,8%
01.10.2016	4 818 410,0	2 971 010,4	61,7%	1 802 379,6	37,4%	0,0	0,0%	45 020,0	0,9%
01.11.2016	4 998 910,0	3 176 484,1	63,5%	1 777 405,9	35,6%	0,0	0,0%	45 020,0	0,9%
01.12.2016	4 587 210,0	3 055 547,5	66,6%	1 494 642,5	32,6%	0,0	0,0%	37 020,0	0,8%
01.01.2017	4 307 710,0	2 835 547,5	65,8%	1 435 142,5	33,3%	0,0	0,0%	37 020,0	0,9%
01.02.2017	4 511 920,0	2 947 828,0	65,3%	1 530 072,0	33,9%	0,0	0,0%	34 020,0	0,8%
01.03.2017	4 713 900,0	3 168 404,2	67,2%	1 520 525,8	32,3%	0,0	0,0%	24 970,0	0,5%
01.04.2017	4 906 400,0	3 416 240,2	69,6%	1 459 925,8	29,8%	0,0	0,0%	30 234,0	0,6%
01.05.2017	4 719 100,0	3 583 635,2	75,9%	1 107 775,8	23,5%	0,0	0,0%	27 689,0	0,6%
01.06.2017	4 216 600,0	3 318 030,8	78,7%	870 880,2	20,7%	0,0	0,0%	27 689,0	0,7%
01.07.2017	4 055 100,0	3 362 220,2	82,9%	664 470,8	16,4%	0,0	0,0%	28 409,0	0,7%
01.08.2017	3 625 400,0	2 865 164,8	79,0%	730 801,2	20,2%	0,0	0,0%	29 434,0	0,8%

Table 2. The dynamics of average montly yield of ST bills*percent*

Period	Weighted average yield	By types of urgency		
		3-month ST bills	6-month ST bills	12-month ST bills
July'2016	7,8	2,7	6,4	10,1
August	5,7	2,2	3,8	7,2
September	5,5	-	4,2	6,4
October	5,7	2,8	4,8	6,7
November	5,8	3,0	4,9	7,4
December	-	-	-	-
January'2017	5,3	2,7	4,3	6,8
February	4,5	2,0	3,2	6,1
March	4,1	1,6	2,8	5,5
April	4,0	1,5	2,9	5,3
May	4,7	2,0	-	5,0
June	4,3	-	4,0	5,7
July	5,5	2,5	4,6	5,7

"-" all announced auctions were declared invalid