

Market of State Treasury Bonds (June 2017)

Three auctions on placement of treasury bonds in the primary market were held by the Ministry of Finance of the Kyrgyz Republic in June. In the reporting month, demand for ST-Bonds exceeded the amount of the announced ST-Bonds issue by 5.1 percent, therefore one more additional placement in the amount of KGS 60.0 million was held.

Thus, the amount of the announced ST-Bonds issue at the auctions made KGS 1.4 billion having increased by 2.2 times over the month. Demand exceeded supply, however, it decreased by 18.4 percent compared to the previous year and amounted to KGS 1.5 billion. Meanwhile, market participants purchased 2-year and 5-year ST-Bonds in the amount of KGS 260.0 million and 1.2 billion, respectively.

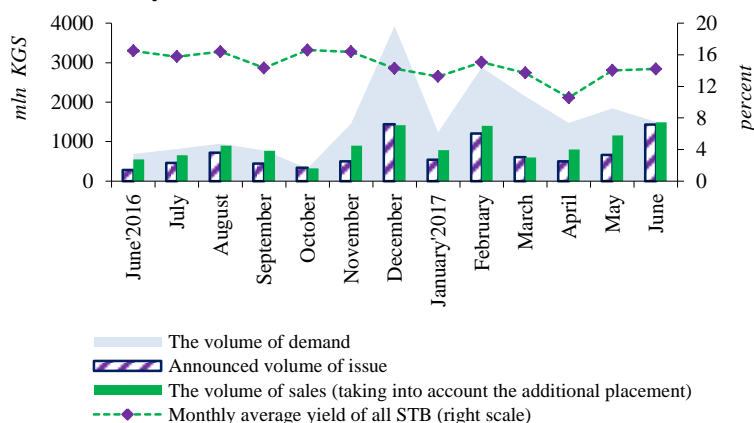
In the reporting period, the overall average monthly yield on ST-Bonds increased insignificantly by 0.2 percentage points to account for 14.2 percent.

At the end of June 2017, the volume of ST-Bonds in circulation increased by 27.7 percent from the beginning of the year and amounted to KGS 17.5 billion. Meanwhile, in the structure of ST-Bonds holders the share of the institutional investors decreased down to 59.1 percent (-3.9 percentage points), the share of the commercial banks, on the contrary, increased up to 40.2 percent (+3.8 percentage points). The share of resident legal entities made 0.7 percent (+0.1 percentage point).

Over the month, the concentration index of the ST-Bonds primary market was 0.31 which indicated a high level of concentration and corresponded to the presence of three main investors at the market.

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

Graph 1. The dynamics of volume of supply and demand and yield of STB



Graph 2. The dynamics of volume of supply and demand and yield of STB

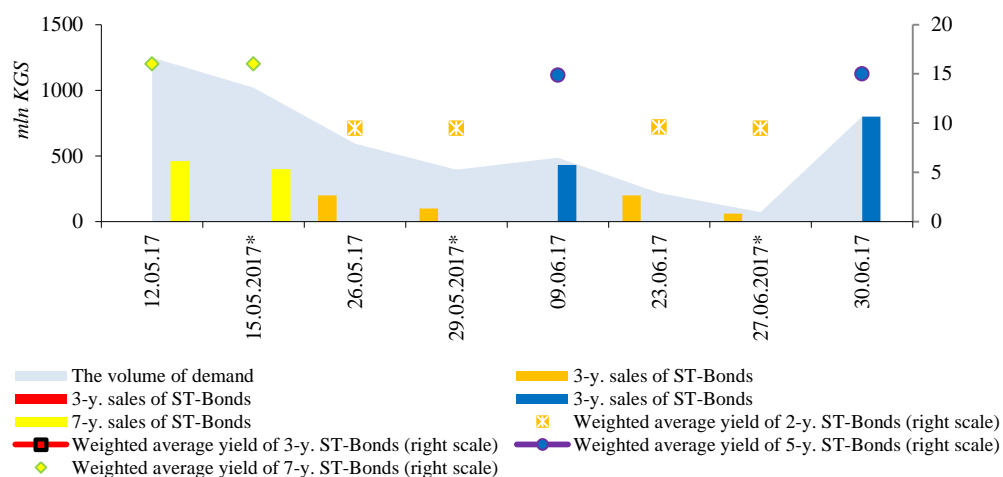


Table 1. The structure of the STB holders at face value

thous KGS

Date	TOTAL	of which							
		Commercial Banks		Institutional Investors		Legal entities - residents		individuals - residents	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.07.2016	10 558 061,3	4 590 605,3	43,5	5 926 440,0	56,1	40 966,0	0,4	50,0	0,0
01.08.2016	11 003 061,3	4 558 692,2	41,4	6 404 353,1	58,2	39 966,0	0,4	50,0	0,0
01.09.2016	11 288 061,3	4 360 364,9	38,6	6 884 533,4	61,0	43 113,0	0,4	50,0	0,0
01.10.2016	11 563 561,3	4 422 089,3	38,2	7 095 809,0	61,4	45 613,0	0,4	50,0	0,0
01.11.2016	11 646 061,3	4 537 941,4	39,0	7 062 456,9	60,6	45 613,0	0,4	50,0	0,0
01.12.2016	12 417 661,3	4 747 209,6	38,2	7 584 588,7	61,1	85 813,0	0,7	50,0	0,0
01.01.2017	13 698 111,3	4 983 163,1	36,4	8 629 085,2	63,0	85 813,0	0,6	50,0	0,0
01.02.2017	14 026 261,3	5 318 167,4	37,9	8 612 280,9	61,4	95 813,0	0,7	0,0	0,0
01.03.2017	15 086 261,3	5 968 583,8	39,6	9 021 864,5	59,8	95 813,0	0,6	0,0	0,0
01.04.2017	15 242 261,3	6 093 383,8	40,0	9 032 864,5	59,3	116 013,0	0,8	0,0	0,0
01.05.2017	16 042 261,3	6 658 175,0	41,5	9 271 073,3	57,8	113 013,0	0,7	0,0	0,0
01.06.2017	17 002 261,3	7 025 135,2	41,3	9 854 005,1	58,0	123 121,0	0,7	0,0	0,0
01.07.2017	17 492 261,3	7 036 419,6	40,2	10 332 720,7	59,1	123 121,0	0,7	0,0	0,0