

Market of State Treasury Bonds (July 2017)

Two auctions on placement of treasury bonds in the primary market were held by the Ministry of Finance of the Kyrgyz Republic in the reporting period. Given that, in the reporting month, demand for ST-Bonds exceeded the amount of the announced ST-Bonds issue by 28.4 percent, therefore one more additional placement in the amount of KGS 100.0 million was held.

Thus, the amount of the announced ST-Bonds issue at the auctions made KGS 600.0 million having decreased by 58.0 percent over the month. Demand exceeded supply, however, it decreased by 48.7 percent compared to the previous year and amounted to KGS 770.6 million. Meanwhile, market participants, taking into account additional placement, purchased 2-year and 3-year ST-Bonds in the total amount of KGS 728.9 million.

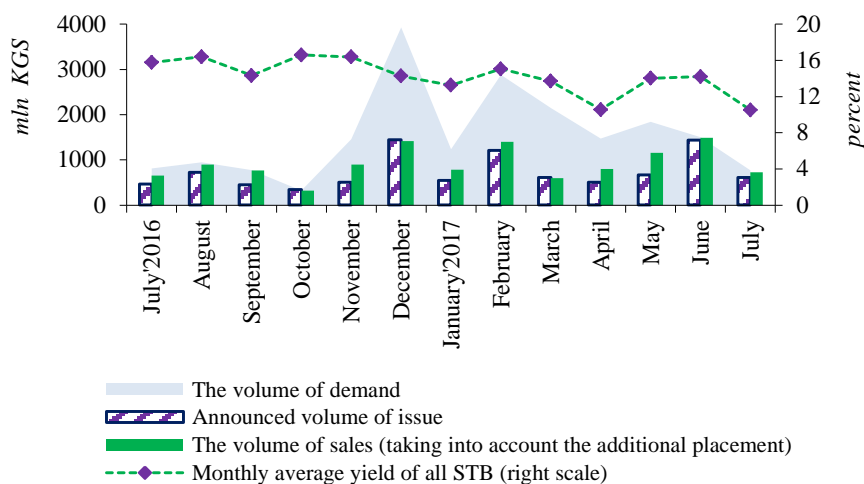
In the reporting period, the overall average monthly yield on ST-Bonds decreased by 3.7 percentage points mainly due to the lack of relatively high-yield 5- and 7-year ST-Bonds and made 10.5 percent.

At the end of July of the reporting period, the volume of ST-Bonds in circulation increased by 36.7 percent from the beginning of the year and amounted to KGS 18.7 billion. Meanwhile, in the structure of ST-Bonds holders the share of the institutional investors decreased down to 61.2 percent (-1.8 percentage points), the share of the commercial banks, on the contrary, increased up to 38.1 percent (+1.7 percentage points). The share of the resident legal entities made 0.7 percent (+0.1 percentage point).

Over the month, the concentration index of the ST-Bonds primary market was 0.34 (+0.03) 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 an yield of ST-Bonds

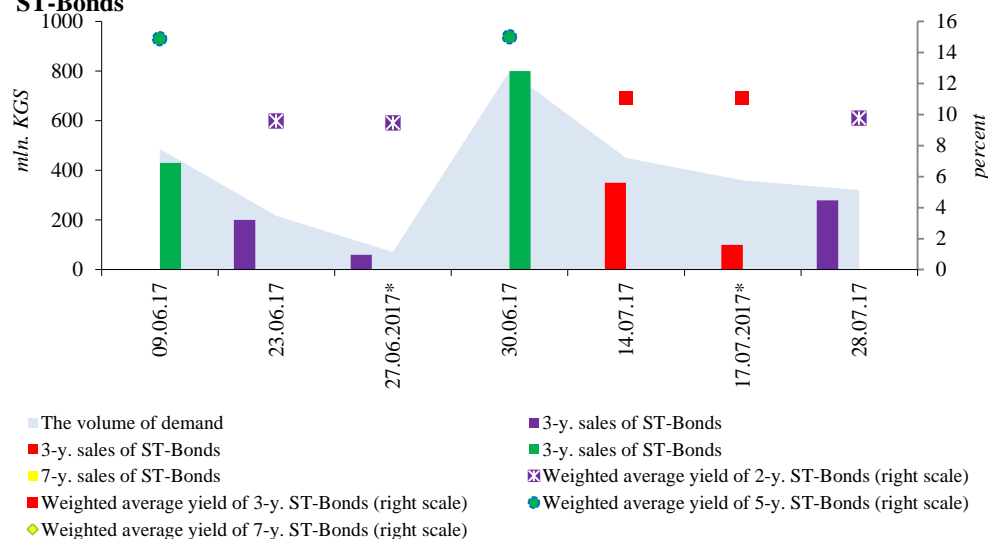


Table 1. The structure of the STB holders at face value

Date	TOTAL	of which							
		Commercial Banks		Institutional Investors		Legal entities - residents		individuals - residents	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
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
01.08.2017	18 731 111,3	7 140 239,8	38,1	11 465 900,5	61,2	124 971,0	0,7	0,0	0,0