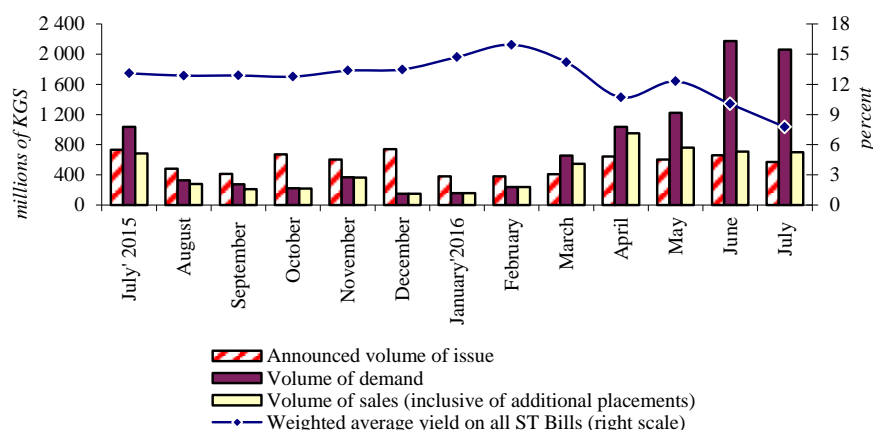


Market of State Treasury Bills (July 2016)

Chart 1. Demand and Placement of ST Bills

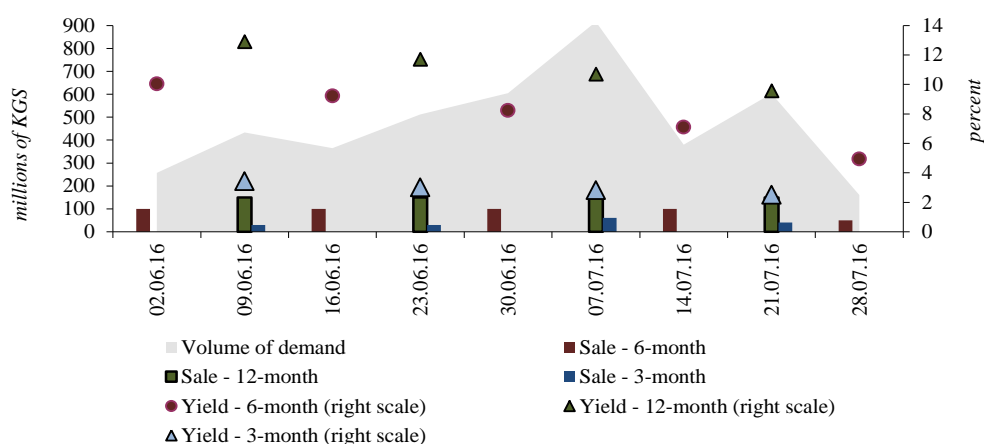


In the reporting period, four auctions on placement of treasury bills by the Ministry of Finance of the Kyrgyz Republic and one additional placement were held at the primary market. The total amount of the announced ST Bills issue at the auctions amounted to KGS 570.0 million having decreased by 13.6 percent as compared to the previous month.

The volume of demand decreased by 5.2 percent over the month, to KGS 2.1 billion. At the same time, the sales of 12-month ST Bills increased by 28.6 percent and amounted to KGS 450.0 million, the sales of 3-month ST Bills increased by 66.7 percent, to KGS 100.0 million, the sales of 6-month ST Bills, on the other hand, decreased by 50.0 percent, to KGS 150.0 million.

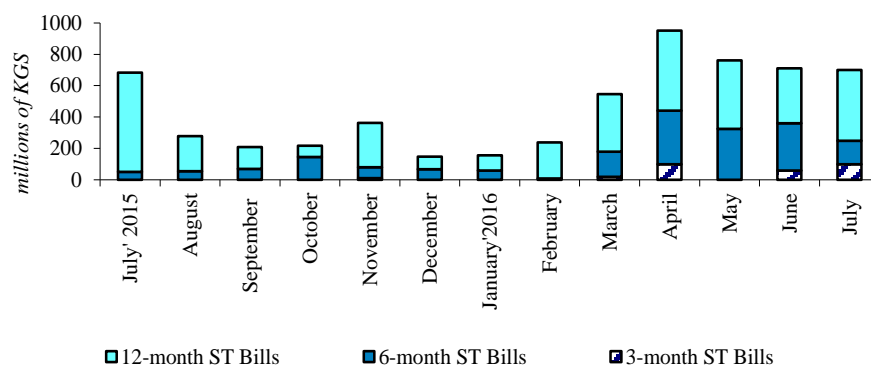
In the reporting period, the overall weighted average yield on all types of ST Bills was observed at the rate of 7.8 percent (-2.3 percentage points). At the same time, the yield on 3-month securities was 2.7 percent (-0.5 percentage points), on 6-month securities was 6.4 percent (-2.8 percentage points), on 12-month securities - 10.1 percent (-2.2 percentage points).

Chart 2. Dynamics of Volume of Supply, Demand and Yield of ST Bills



The net financing of the budget deficit within the reporting month was formed in the amount of KGS 128.8 million (-42.1 percent). In the reporting period, the Ministry of Finance redeemed previously issued ST Bills to the amount of KGS 523.4 million (+20.3 percent).

Chart 3. Dynamics of ST Bills Sales



In the reporting period, as compared to the beginning of this year, the volume of ST Bills in circulation increased to KGS 4.8 billion (+44.4 percent): the share of principal holders of ST Bills – commercial banks increased by 6.8 percentage points, to 61.3 percent. The share of institutional investors constituted 38.2 percent (-7.0 percentage points), the share of resident legal entities made 0.5 percent (+0.1 percentage point).

In the reporting period, transactions with ST Bills were not carried out in the secondary market.

Table 1. Dynamics of ST Bills Average Monthly Yield

percent

| Period | Weighted average yield | By types of urgency | | |
|--------------|------------------------|---------------------|------------------|-------------------|
| | | 3-month ST Bills | 6-month ST Bills | 12-month ST Bills |
| July' 2015 | 13,1 | - | 12,0 | 13,2 |
| August | 12,9 | - | 12,0 | 13,1 |
| September | 12,9 | - | 12,2 | 13,2 |
| October | 12,8 | - | 12,4 | 13,6 |
| November | 13,4 | 11,5 | 12,7 | 13,6 |
| December | 13,5 | - | 13,2 | 13,7 |
| January'2016 | 14,7 | - | 14,0 | 15,2 |
| February | 15,9 | 5,0 | - | 16,3 |
| March | 14,2 | 5,7 | 12,5 | 15,1 |
| April | 10,7 | 4,3 | 10,7 | 13,7 |
| May | 12,3 | - | 10,4 | 13,6 |
| June | 10,1 | 3,2 | 9,2 | 12,3 |
| July | 7,8 | 2,7 | 6,4 | 10,1 |

"-" all announced auctions were declared invalid

Table 2. Structure of ST Bills Holders at Face Value

thousand KGS

| Date | TOTAL | including | | | | | | | |
|------------|-------------|------------------|-------|-------------------------|-------|----------------------|-------|-------------------------|-------|
| | | Commercial Banks | | Institutional Investors | | Resident Individuals | | Resident Legal Entities | |
| | | Amount | Share | Amount | Share | Amount | Share | Amount | Share |
| 01.08.2015 | 3 580 210,0 | 1 871 881,5 | 52,3% | 1 681 413,5 | 47,0% | 0,0 | 0,0% | 26 915,0 | 0,8% |
| 01.09.2015 | 3 925 210,0 | 2 087 081,8 | 53,2% | 1 804 663,2 | 46,0% | 0,0 | 0,0% | 33 465,0 | 0,9% |
| 01.10.2015 | 3 893 960,0 | 2 032 681,8 | 52,2% | 1 827 363,2 | 46,9% | 0,0 | 0,0% | 33 915,0 | 0,9% |
| 01.11.2015 | 3 789 040,0 | 1 956 331,8 | 51,6% | 1 798 793,2 | 47,5% | 0,0 | 0,0% | 33 915,0 | 0,9% |
| 01.12.2015 | 3 514 990,0 | 1 899 330,4 | 54,0% | 1 582 794,6 | 45,0% | 0,0 | 0,0% | 32 865,0 | 0,9% |
| 01.01.2016 | 3 353 030,0 | 1 825 700,7 | 54,4% | 1 513 964,3 | 45,2% | 0,0 | 0,0% | 13 365,0 | 0,4% |
| 01.02.2016 | 3 188 300,0 | 1 692 770,7 | 53,1% | 1 482 164,3 | 46,5% | 0,0 | 0,0% | 13 365,0 | 0,4% |
| 01.03.2016 | 3 142 570,0 | 1 685 144,1 | 53,6% | 1 444 910,9 | 46,0% | 0,0 | 0,0% | 12 515,0 | 0,4% |
| 01.04.2016 | 3 504 320,0 | 2 087 444,1 | 59,6% | 1 404 360,9 | 40,1% | 0,0 | 0,0% | 12 515,0 | 0,4% |
| 01.05.2016 | 3 912 250,0 | 2 417 635,4 | 61,8% | 1 479 554,6 | 37,8% | 0,0 | 0,0% | 15 060,0 | 0,4% |
| 01.06.2016 | 4 546 050,0 | 2 691 604,4 | 59,2% | 1 839 585,6 | 40,5% | 0,0 | 0,0% | 14 860,0 | 0,3% |
| 01.07.2016 | 4 669 410,0 | 2 730 525,0 | 58,5% | 1 914 675,0 | 41,0% | 0,0 | 0,0% | 24 210,0 | 0,5% |
| 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% |