

## Market of State Treasury Bills (October 2017)

In the reporting period, 6 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 3-month ST-Bills were not placed in two auctions due to insufficient amount of participants and due to lack of demand respectively. Thus, in the reporting period, the total volume of announced issue decreased by 58.0 percent and amounted to KGS 210.0 million. However, the volume of demand for ST-Bills decreased over the month by 13.4 percent (down to KGS 407.3 million) and the volume of ST-Bills sales decreased by 36.7 percent and made KGS 190.0 million.

The volumes of sales, broken down by urgency, were as follows: the sales of 6-month ST-Bills – KGS 50.0 million (-37.5 percent); the sales of 12-month ST-Bills – KGS 140.0 million (-36.4 percent per month).

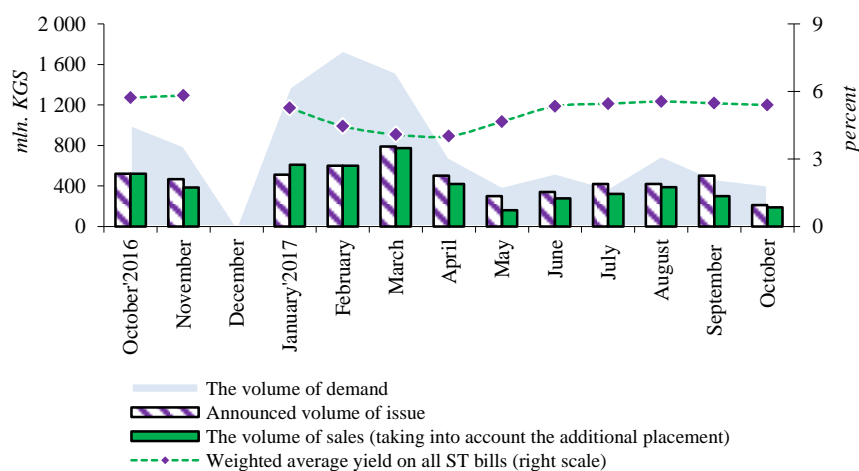
The overall weighted average yield on all types of the ST-Bills made 5.4 percent in the reporting period, having decreased by 0.1 percentage point due to decreased yield on 12-month ST-Bills as in the previous month. Thus, the yield on 6-month ST-Bills – 5.0 percent, having not changed over the month and on 12-month ST-Bills – 5.6 percent (-0.1 percentage point).

The net financing of the Kyrgyz Republic budget deficit within the reporting period was formed in the amount of KGS -205.2 million. In the reporting period, the Ministry of Finance of the Kyrgyz Republic redeemed previously issued ST-Bills in the amount of KGS 452.8 million (+33.9 percent).

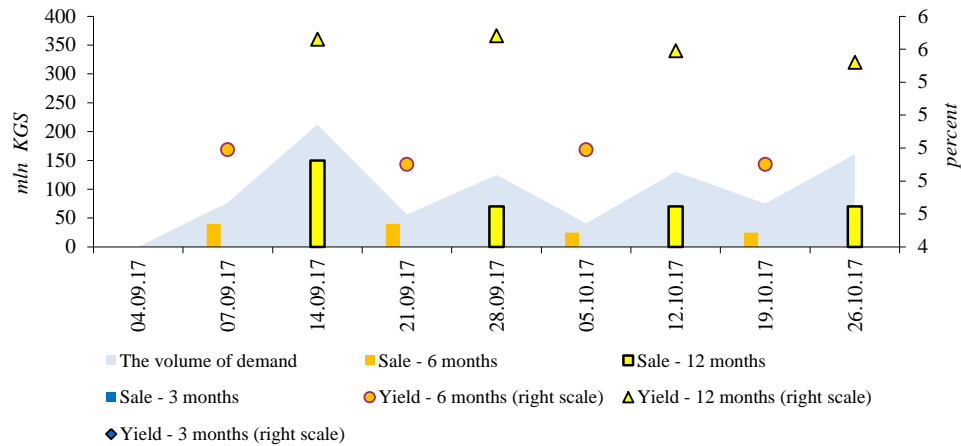
In the reporting period, the volume of ST-Bills in circulation decreased down to KGS 3.1 billion (-28.1 percent) year-to-date. Therefore, the structure of ST-Bills main holders was as follows: the share of ST-Bills main holders – commercial banks increased by 9.1 percentage points, up to 74.9 percent; the share of institutional investors, by contrast, decreased by 8.7 percentage points, down to 24.6 percent, and the share of resident legal entities decreased down to 0.5 percent (-0.4 percentage points).

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

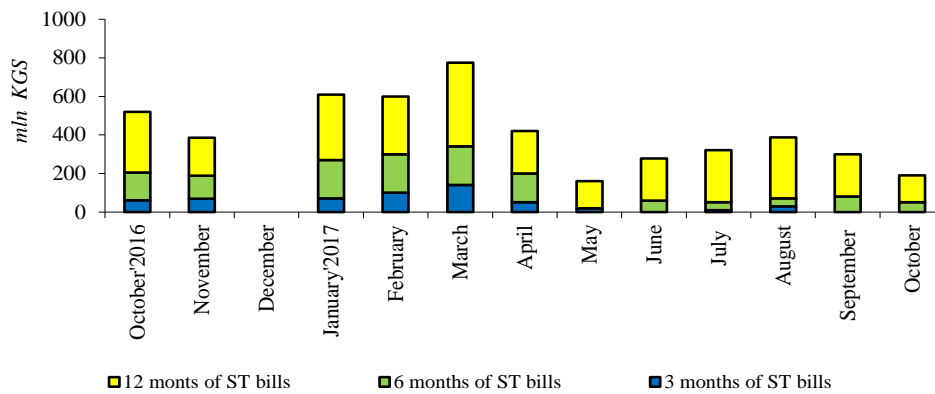
**Graph 1. Demand and placement of state treasury bills**



**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
01.11.2016	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%
01.09.2017	3 432 900,0	2 676 586,5	78,0%	726 829,5	21,2%	0,0	0,0%	29 484,0	0,9%
01.10.2017	3 312 900,0	2 586 486,5	78,1%	710 779,5	21,5%	0,0	0,0%	15 634,0	0,5%
01.11.2017	3 097 900,0	2 320 486,5	74,9%	760 779,5	24,6%	0,0	0,0%	16 634,0	0,5%

thousand KGS

**Table 2. The dynamics of average monthly 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
October 2016	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
August	5,6	2,7	4,7	5,9
September	5,5	-	5,0	5,7
October	5,4	-	5,0	5,6

*"-" all announced auctions were declared invalid*