

## Market of State Treasury Bonds (August 2017)

Two auctions on placement of state 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, the amount of the announced ST-Bonds issue exceeded demand for ST-Bonds by 43.8 percent, additional placement of ST-Bonds was not held.

The amount of the announced ST-Bonds issue at the auctions made KGS 850.0 million having increased by 41.7 percent against the previous month. Meanwhile, demand for ST-Bonds decreased by 23.3 percent compared to the previous month and amounted to KGS 590.9 million. Thus, market participants purchased 2-year and 7-year ST-Bonds in the total amount of KGS 575.9 million.

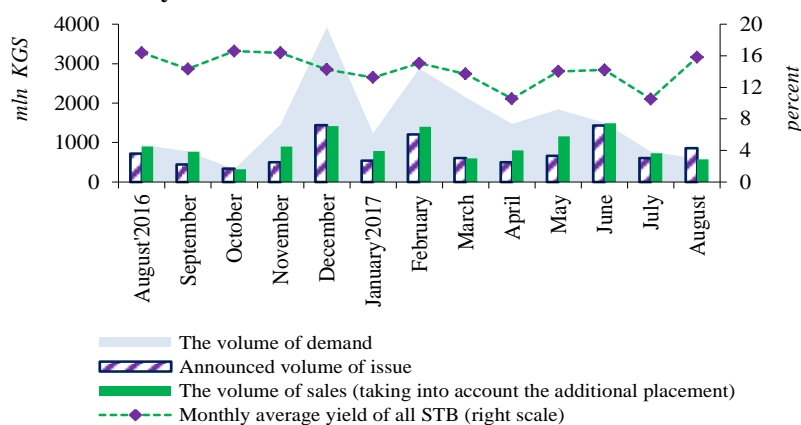
In the reporting period, the overall average monthly yield on ST-Bonds increased by 5.3 percentage points mainly due to sale of relatively high-yield 7-year ST-Bonds and made 15.8 percent.

At the end of August 2017, the volume of ST-Bonds in circulation increased by 40.9 percent from the beginning of the year and amounted to KGS 19.3 billion. Meanwhile, in the structure of ST-Bonds holders the share of the institutional investors decreased down to 60.7 percent (-2.3 percentage points), the share of the commercial banks, on the contrary, increased up to 38.6 percent (+2.2 percentage points). The share of the resident legal entities made 0.7 percent (+0.1 percentage point).

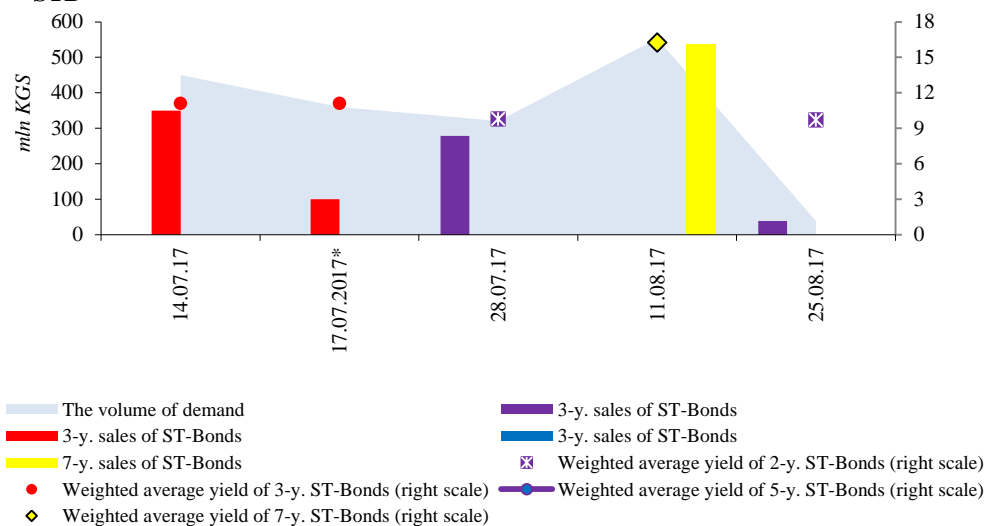
Over the month, the concentration index of the ST-Bonds primary market was 0.34 (-0.44) which indicated a high level of concentration and corresponded to the presence of three main investors at the market.

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
01.09.2016	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
01.09.2017	19 307 011,3	7 444 739,8	38,6	11 721 900,5	60,7	140 371,0	0,7	0,0	0,0