

NBKR Notes (September 2017)

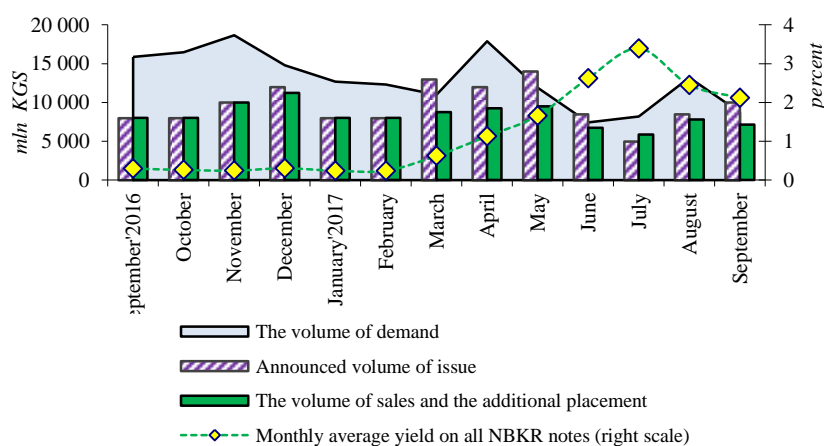
In the reporting period, the National Bank held four auctions for notes placement with the total volume of the announced issue amounting to KGS 10.0 billion, having increased by 17.6 percent compared to the previous month.

At the same time, the volume of announced issue exceeded demand for the National Bank of the Kyrgyz Republic notes by 12.7 percent; therefore additional placement of notes was not held in the reporting month. The average auction¹ volume of demand for the notes of the National Bank of the Kyrgyz Republic decreased by 17.4 percent during the month and amounted to KGS 2.2 billion. In line with the National Bank of the Kyrgyz Republic monetary policy, the sales volume in the reporting period in order to withdraw excess liquidity of the commercial banks was presented by 7-day, 14-day, 28-day and 91-day notes, the total volume of placement amounted to KGS 7.1 billion (-4.2 percent per month).

Thus, the weighted average yield of the National Bank of the Kyrgyz Republic notes amounted to 2.1 percent in the reporting period, having decreased by 0.3 percentage points during the month. Thus, the weighted average yield of the National Bank 7-day notes made 1.1 percent (-0.5 percentage points). The yield on 7-day notes was within the policy rate corridor as in the previous month. The boundaries of the interest rate corridor were also retained: the top boundary of the interest rate corridor (the rate on “overnight” credits) was at the level of 6.25 percent, and the bottom boundary (the rate of “overnight” deposits) - at the level of 0.25 percent. The weighted average rate on 14-day notes was at the level of 2.4 percent, on 28-day notes it was at the level of 2.9 percent (-0.2 percentage points) and on 91-day notes – 5.0 percent (+0.33).

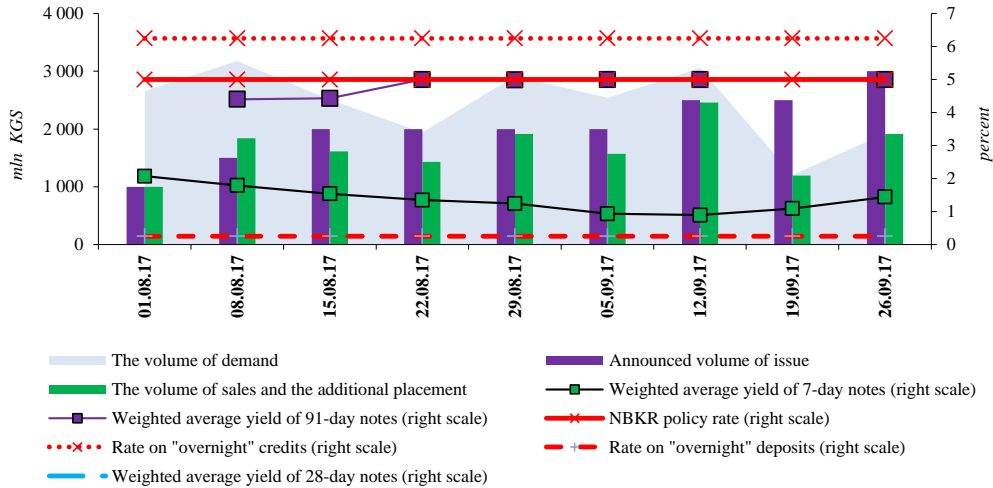
At the end of the reporting period, the volume of notes in circulation increased by 20.0 percent year-to-date and amounted to KGS 6.3 billion. The commercial banks with the share of 99.8 percent (-0.2 percentage points year-to-date) and the resident legal entities with the share of 0.2 percent were the principal holders of the National Bank of the Kyrgyz Republic notes. In the reporting period, the average auction volume of sales increased by 19.7 percent during the month and amounted to KGS 1.8 billion.

Graph 1. Demand and placement of NBKR notes



¹ This index is used instead of total volume of demand/supply for a month as the quantity of auctions held during the month is not constant.

Graph 2. The dynamics of demand, sales and yield of NBKR notes



Graph 3. The dynamics of sales of NBKR notes

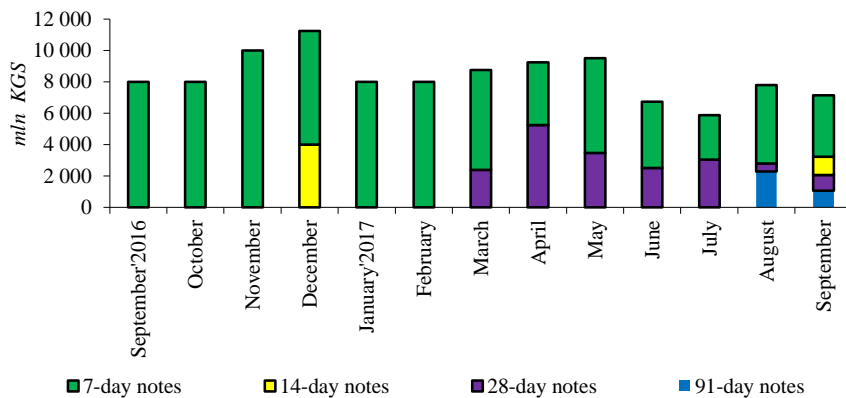


Table 1. The structure of the holders of NBKR notes at par value

Date	TOTAL	Including							
		Commercial Banks		Legal entities - residents		Resident individuals		Institutional investors	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.10.2016	2 000,0	2 000,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.11.2016	2 000,0	1 976,6	98,8%	23,4	1,2%	0,0	0,0%	0,0	0,0%
01.12.2016	2 000,0	1 986,2	99,3%	13,8	0,7%	0,0	0,0%	0,0	0,0%
01.01.2017	5 244,0	5 142,4	98,1%	0,0	0,0%	0,0	0,0%	101,6	1,9%
01.02.2017	2 000,0	2 000,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.03.2017	2 000,0	2 000,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.04.2017	4 280,0	4 280,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.05.2017	5 250,0	5 250,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.06.2017	4 325,0	4 325,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.07.2017	3 511,0	3 511,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.08.2017	3 555,0	3 555,0	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.09.2017	3 795,5	3 795,5	100,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%
01.10.2017	6 290,5	6 279,1	99,8%	11,4	0,2%	0,0	0,0%	0,0	0,0%