**Market of State Treasury Bills**
*(November 2017)*

In the reporting period, 5 auctions were planned to be held on placement of treasury bills in the primary market by the Ministry of Finance of the Kyrgyz Republic. In the reporting period, activity of the participants was low in this market. 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. Moreover, 6-month ST-Bills were also not placed at two auctions due to insufficient number of the participants and due to high volatility of yield, respectively. Meanwhile, in the reporting period, the total volume of announced issue increased by 52.4 percent and amounted to KGS 320.0 million. However, the volume of demand for ST-Bills decreased over the month by 38.9 percent (down to KGS 248.8 million) and the volume of ST-Bills sales decreased by 42.1 percent and made KGS 110.0 million.

The volumes of sales, broken down by urgency, were as follows: the sales of 6-month ST-Bills – KGS 14.5 million (-70.9 percent); the sales of 12-month ST-Bills – KGS 95.5 million (-31.8 percent per month).

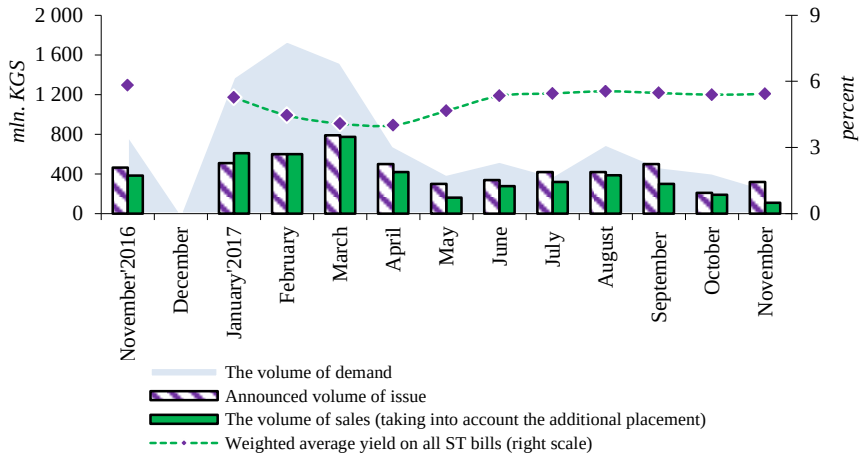
The overall weighted average yield on all types of the ST-Bills made 5.4 percent in the reporting period, having increased by 0.04 percentage point due to lack of relatively low-yielding 3-month ST-Bills. Thus, the yield on 6-month ST-Bills – 4.7 percent (-0.2 percentage points) and on 12-month ST-Bills – 5.5 percent (-0.03 percentage points).

The net financing of the Kyrgyz Republic budget deficit within the reporting period was formed in the amount of KGS -108.2 million. In the reporting period, the Ministry of Finance of the Kyrgyz Republic redeemed previously issued ST-Bills in the amount of KGS 212.8 million (-53.0 percent).

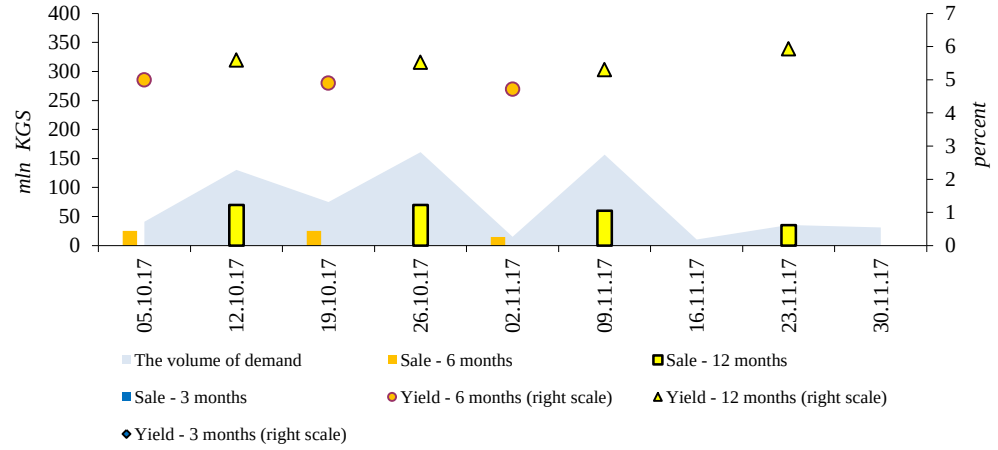
In the reporting period, the volume of ST-Bills in circulation decreased down to KGS 3.0 billion (-30.8 percent) year-to-date. Therefore, the structure of ST-Bills main holders changed insignificantly: the share of ST-Bills main holders – commercial banks increased by 10.8 percentage points, up to 76.6 percent; the share of institutional investors, by contrast, decreased by 10.7 percentage points, down to 22.6 percent, and the share of resident legal entities decreased down to 0.7 percent (-0.2 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. Dinamics of Volume of supply, Demand and Yield of ST Bills**




**Graph 3. The dynamics of sales of ST bills**

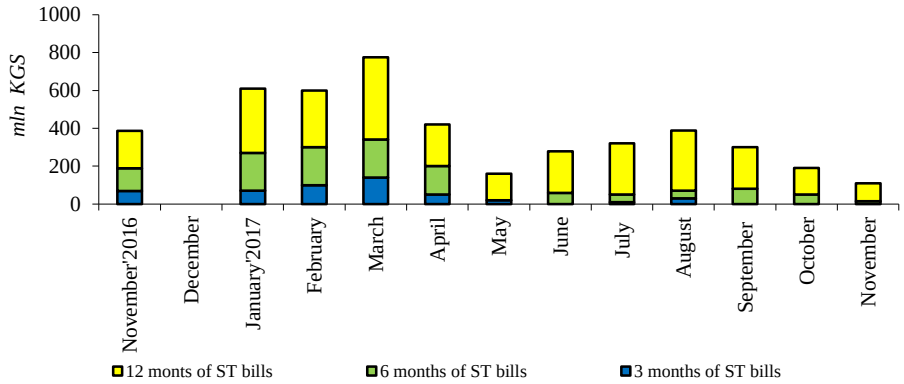



**Table 1. The structure of ST bills holders at face value**

*thousand KGS*

| Date | TOTAL | of which | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Commercial Banks | | Institutional Investors | | Resident Individuals | | Resident companies | |
| | | Amount | Share | Amount | Share | Amount | Share | Amount | Share |
| 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% |
| 01.12.2017 | 2 980 950,0 | 2 284 826,5 | 76,6% | 674 779,5 | 22,6% | 0,0 | 0,0% | 21 344,0 | 0,7% |

**Table 2. The dynamics of average montly 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 |
| November'2016 | 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 |
| November | 5,4 | | 4,7 | 5,5 |

*"-" all announced auctions were declared invalid*