

Foreign Exchange Market

(January 2018)

In the reporting period, USD exchange rate decreased by 0.7 percent from KGS 68.8395 to 68.3900 per USD at the foreign exchange market year-to-date. The currency supply was maintained by market participants, mainly due to the US dollars received as a result of the conversion transactions, placement of funds on the deposits, decashing, and SWAP transactions.

In the reporting period, the aggregate turnover of interbank foreign exchange trades increased by 4.2 percent compared to the same indicator of the previous month and amounted to USD 51.5 million. The National Bank of the Kyrgyz Republic conducted interventions on the sale of foreign currency in the amount of USD 5.4 million and on the purchase of foreign currency in the amount of USD 15.1 million in order to smooth sharp fluctuations of USD exchange rate.

The total volume of transactions on foreign currency purchase and sale decreased by 14.1 percent over the month, due to the decrease in the volume of cash transactions of the commercial banks (-24.9 percent) and cash transactions of the exchange offices (-6.9 percent), and made KGS 51.1 billion. The volume of non-cash transactions of the commercial banks on the contrary decreased down to KGS 4.3 billion (+4.9 percent over the month).

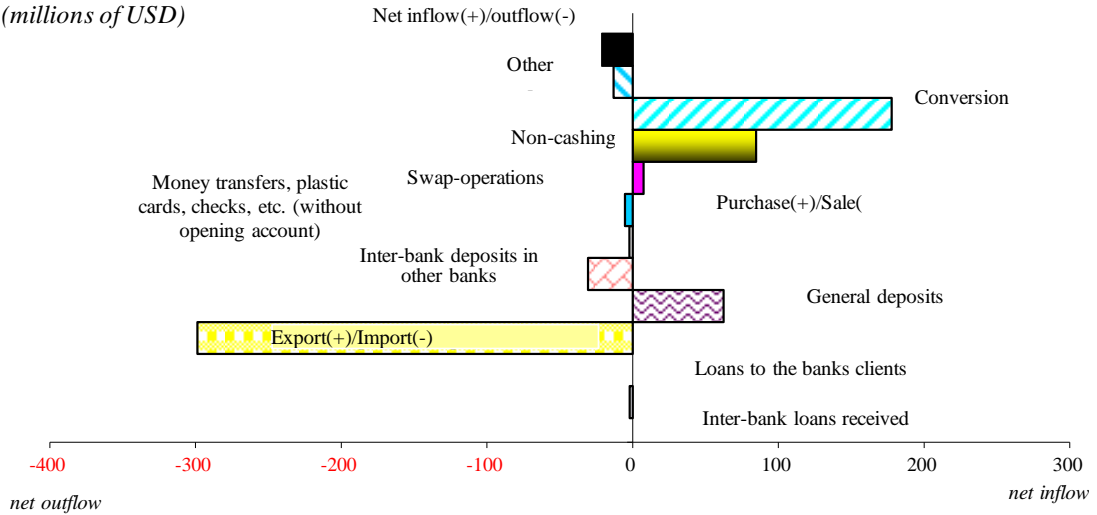
Thus, the structure of transactions conducted in foreign currency was as follows: cash transactions of the exchange offices – 52.8 percent (+4.1 percentage points), cash transactions of the commercial banks – 38.8 percent (-5.6 percentage points) and non-cash transactions of the commercial banks – 8.4 percent (+1.5 percentage points).

In the reporting period, the decrease was observed in the volumes of transactions in all currencies. Thus, the volume of transactions conducted in the Kazakh tenge decreased by 27.1 percent, in euro – by 23.8 percent, in the US dollars – by 15.1 percent, in the Russian rubles – by 11.6 percent and in other currencies – by 4.2 percent. As a consequence, the equity ratio of currencies in the total volume of transactions was distributed as follows: the share of USD transactions was 58.7 percent (-0.7 percentage points), the share of ruble transactions – 38.4 percent (+1.1 percentage points), the share of euro transactions – 1.7 percent (-0.2 percentage points), and the share of transactions in Kazakh tenge – 1.1 percent (-0.2 percentage points).

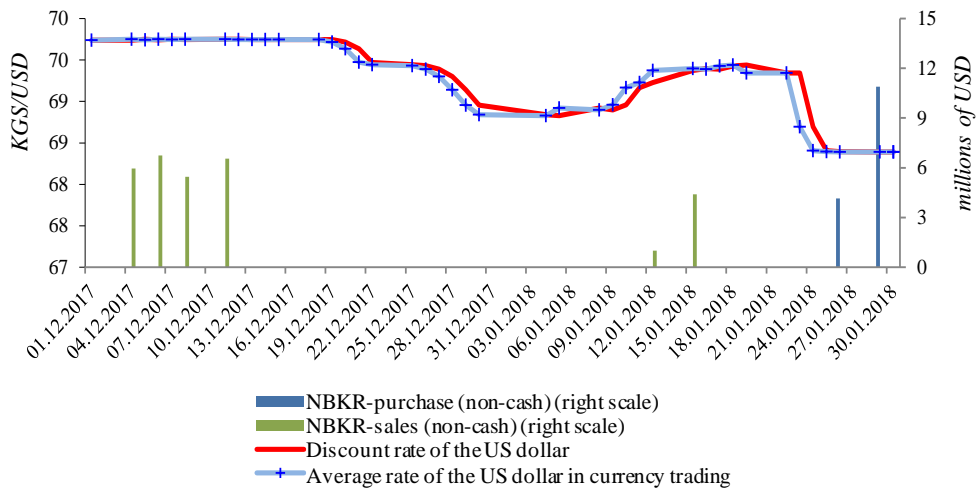
In the reporting period, the National Bank of the Kyrgyz Republic did not conduct any SWAP transactions with the commercial banks.

Graph 1. Inflow (outflow) of non-cash US dollars in commercial banks

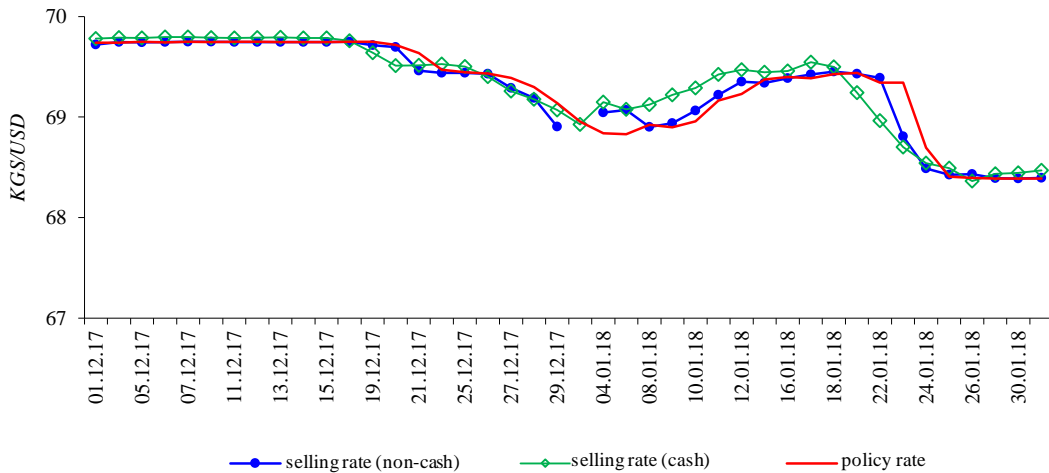
(millions of USD)



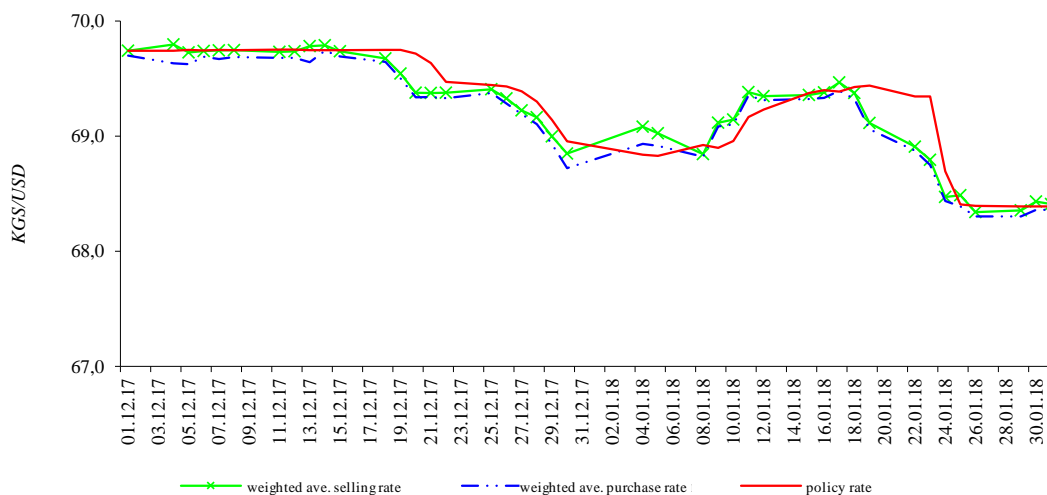
Graph 2. Dynamics of the US dollar in the interbank foreign exchange markets



Graph 3. Dynamics of selling rate on non-cash and cash US dollars in commercial banks



Graph 4. Dynamics of the US dollars exchange rate in exchange offices



Graph 5. Dynamics of major currency rates in exchange offices, and the US dollar rates in world markets

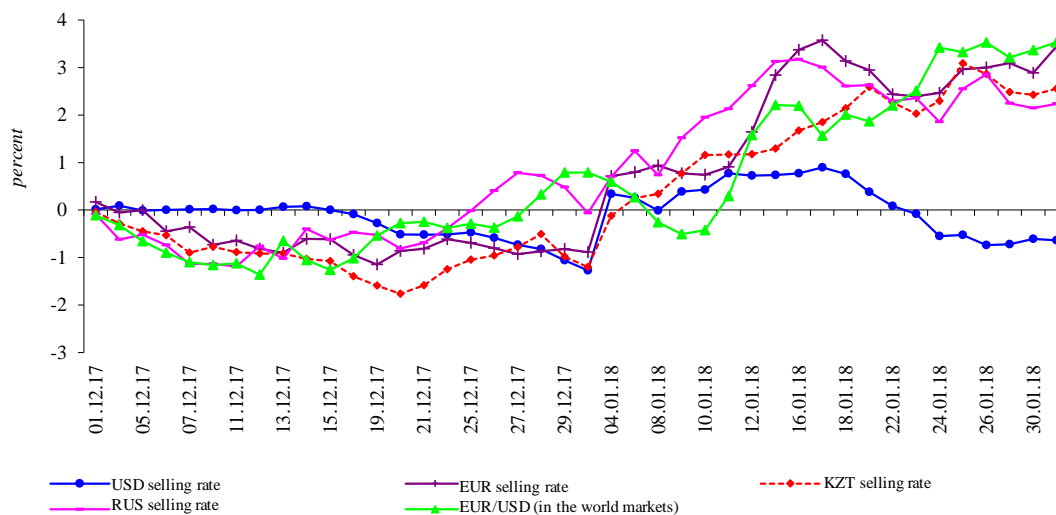


Table 1. The volume of purchases and sales of foreign exchange transactions by type (in som equivalent)

mln KGS

Period		Total amount of transactions	non-cash operations of comm. banks		cash operations of comm. banks		cash operations of exchange offices	
			volume of operations	share (%)	volume of operations	share (%)	volume of operations	share (%)
2017	01	30 124,9	4 716,7	15,7	14 345,3	47,6	11 062,9	36,7
	02	28 407,2	2 906,1	10,2	14 907,4	52,5	10 593,7	37,3
	03	38 033,4	3 370,5	8,9	19 541,2	51,4	15 121,7	39,8
	04	35 522,7	3 911,6	11,0	18 998,5	53,5	12 612,6	35,5
	05	40 313,7	3 129,4	7,7	21 173,7	52,5	16 010,6	39,7
	06	38 576,2	2 914,2	7,6	22 379,7	58,0	13 282,4	34,4
	07	44 359,4	5 995,3	13,5	23 635,7	53,3	14 728,4	33,2
	08	64 314,9	3 613,0	5,6	26 399,3	41,0	34 302,6	53,3
	09	58 537,3	4 429,9	7,6	25 265,2	43,2	28 842,2	49,3
	10	61 742,6	4 202,7	6,8	28 424,6	46,0	29 115,4	47,2
	11	66 769,6	5 599,9	8,4	25 619,5	38,4	35 550,2	53,2
	12	59 510,7	4 077,6	6,9	26 446,3	44,4	28 986,8	48,7
2018	01	51 119,9	4 276,4	8,4	19 849,1	38,8	26 994,4	52,8

Table 2. The volume of purchases and sales of foreign currency by currency (in some equivalent)

mln. KGS

Period		Total volume of operations	USD		EUR		RUB		KZT		Other	
		volume	volume	share	volume	share	volume	share	volume	share	volume	share
2017	01	30 124,9	19 473,2	64,6	839,1	2,8	9 233,9	30,7	567,1	1,9	11,6	0,0
	02	28 407,2	17 028,7	59,9	844,8	3,0	9 926,5	34,9	596,7	2,1	10,4	0,0
	03	38 033,4	21 831,5	57,4	1 261,5	3,3	14 242,5	37,4	687,9	1,8	10,0	0,0
	04	35 522,7	21 324,3	60,0	830,4	2,3	12 692,8	35,7	665,2	1,9	10,0	0,0
	05	40 313,7	22 297,3	55,3	842,9	2,1	16 455,8	40,8	707,8	1,8	9,9	0,0
	06	38 576,2	22 251,5	57,7	851,9	2,2	14 723,5	38,2	733,1	1,9	16,2	0,0
	07	44 359,4	26 652,0	60,1	1 057,8	2,4	15 803,5	35,6	828,1	1,9	17,9	0,0
	08	64 314,9	35 304,3	54,9	1 105,1	1,7	27 068,7	42,1	822,8	1,3	13,9	0,0
	09	58 537,3	32 785,7	56,0	1 266,6	2,2	23 757,1	40,6	711,3	1,2	16,7	0,0
	10	61 742,6	35 766,2	57,9	1 109,5	1,8	24 103,0	39,0	748,4	1,2	15,5	0,0
	11	66 769,6	38 703,1	58,0	1 271,7	1,9	25 979,5	38,9	794,5	1,2	20,8	0,0
	12	59 510,7	35 324,7	59,4	1 168,3	2,0	22 187,3	37,3	804,5	1,4	25,9	0,0
2018	01	51 119,9	30 001,9	58,7	890,0	1,7	19 616,4	38,4	586,8	1,1	24,8	0,0

Table 3. Data on the discount rate of foreign currencies to the som

Period		Discount rate at end of month				Changing the discount rate for the month			
		USD	EUR	RUB	KZT	USD	EUR	RUB	KZT
2017	01	69,1338	73,9386	1,1491	0,2121	-0,1%	1,5%	0,7%	2,0%
	02	69,1298	73,1324	1,1932	0,2213	0,0%	-1,1%	3,8%	4,3%
	03	68,6069	73,6358	1,2169	0,2179	-0,8%	0,7%	2,0%	-1,5%
	04	67,5000	73,5818	1,1845	0,2147	-1,6%	-0,1%	-2,7%	-1,5%
	05	68,0492	75,8068	1,2041	0,2189	0,8%	3,0%	1,7%	2,0%
	06	69,1367	78,9956	1,1701	0,2151	1,6%	4,2%	-2,8%	-1,7%
	07	68,6500	80,3617	1,1529	0,2103	-0,7%	1,7%	-1,5%	-2,2%
	08	68,6880	82,0513	1,1695	0,2052	0,1%	2,1%	1,4%	-2,4%
	09	68,6585	80,9518	1,1834	0,2012	0,0%	-1,3%	1,2%	-1,9%
	10	68,7200	79,9282	1,1875	0,2057	0,1%	-1,3%	0,3%	2,2%
	11	69,7399	82,7987	1,1956	0,2101	1,5%	3,6%	0,7%	2,1%
	12	68,8395	82,5936	1,1951	0,2071	-1,3%	-0,2%	0,0%	-1,4%
2018	01	68,3900	84,6908	1,2149	0,2121	-0,7%	2,5%	1,7%	2,4%

Table 4. Data on exchange rate of the som in the exchange offices

Period		Average margin for the month				Average daily deviation of the currency				Changing the currency selling rate for the			
		USD	EUR	RUB	KZT	USD	EUR	RUB	KZT	USD	EUR	RUB	KZT
2017	01	0,1%	0,4%	0,3%	0,8%	0,1%	0,3%	0,3%	0,1%	0,0%	1,8%	1,4%	1,4%
	02	0,2%	0,4%	0,3%	0,8%	0,0%	0,2%	0,4%	0,2%	0,0%	-0,9%	3,2%	4,5%
	03	0,1%	0,4%	0,2%	0,8%	0,1%	0,3%	0,2%	0,1%	-0,9%	0,1%	2,1%	-1,4%
	04	0,2%	0,4%	0,2%	0,8%	0,1%	0,3%	0,2%	0,1%	-1,2%	0,5%	-2,5%	-1,1%
	05	0,2%	0,5%	0,2%	0,8%	0,1%	0,2%	0,4%	0,2%	0,5%	3,1%	1,1%	1,2%
	06	0,1%	0,5%	0,2%	0,8%	0,1%	0,2%	0,3%	0,2%	1,7%	4,1%	-2,6%	-1,5%
	07	0,2%	0,4%	0,3%	0,8%	0,1%	0,2%	0,2%	0,1%	-0,7%	1,4%	-1,9%	-2,4%
	08	0,1%	0,6%	0,1%	0,8%	0,1%	0,2%	0,2%	0,1%	-0,1%	2,0%	1,6%	-1,8%
	09	0,1%	0,3%	0,1%	0,8%	0,1%	0,3%	0,4%	0,1%	-0,1%	-1,1%	1,2%	-2,0%
	10	0,1%	0,4%	0,1%	0,8%	0,1%	0,2%	0,1%	0,2%	0,4%	-1,1%	0,2%	1,8%
	11	0,1%	0,4%	0,1%	0,7%	0,1%	0,1%	0,3%	0,1%	1,3%	3,5%	0,7%	2,4%
	12	0,1%	0,3%	0,1%	0,8%	0,0%	0,1%	0,2%	0,1%	-1,3%	-0,9%	-0,1%	-1,2%
2018	01	0,1%	0,4%	0,1%	0,8%	0,1%	0,2%	0,3%	0,2%	-0,6%	3,4%	2,2%	2,6%