

## Foreign Exchange Market (March 2017)

In the reporting period, the exchange rate of the US dollar slightly decreased from KGS 69.2301 to KGS 68.6069 per USD (-0.9 percent) compared to the beginning of the year. The currency supply was maintained by market participants mainly due to US dollars received as a result of the banks' conversion transactions, non-cashing and money transfers.

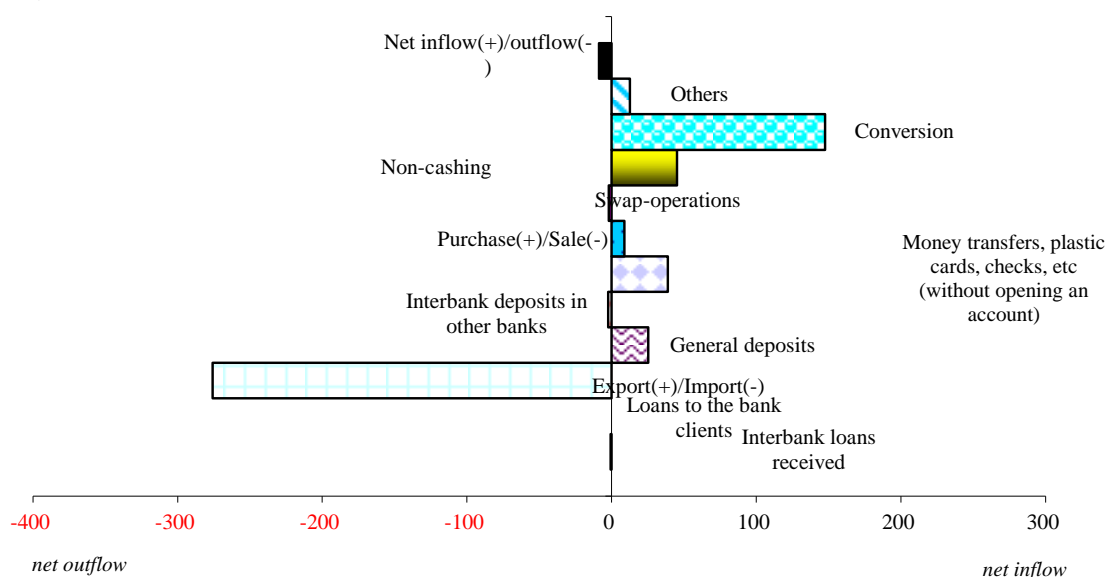
The aggregate turnover of interbank foreign exchange trades increased to USD 34.8 million, which was by 5.7 percent higher against the comparable indicator of the previous month. It was caused by the 5.7 percent increase in foreign exchange transactions between commercial banks up to USD 34.8 million. The National Bank of the Kyrgyz Republic did not perform any currency interventions during the reporting period.

The total volume of foreign currency purchase and sale transactions increased by 34.0 percent against the comparable indicator of the previous month to make KGS 38.1 billion. It was caused by the 16.0 percent increase in the volume of non-cash transactions of commercial banks and amounted to KGS 3.4 billion as well as the increase in the volumes of cash transactions performed by exchange offices was observed up to KGS 15.1 billion (+42.9 percent) and the increase in cash transactions performed by commercial banks by 31.1 percent, up to KGS 19.5 billion.

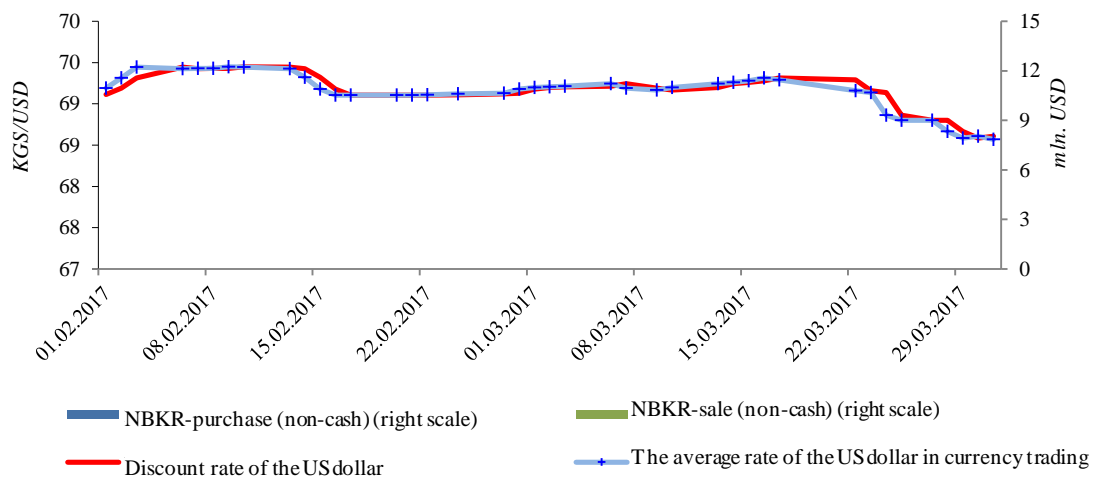
By types of currencies, a decrease in the volume of transactions in all currencies were observed. At the same time, the equity ratio of currencies in the total volume of transactions was distributed as follows: the share of USD transactions was 57.4 percent (-2.5 percentage points), the share of ruble transactions accounted for 37.4 percent (+2.5 percentage points), the share of euro transactions – 3.3 percent (+0.3 percentage points), and the share of transactions in tenge – 1.8 percent (-0.3 percentage points).

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

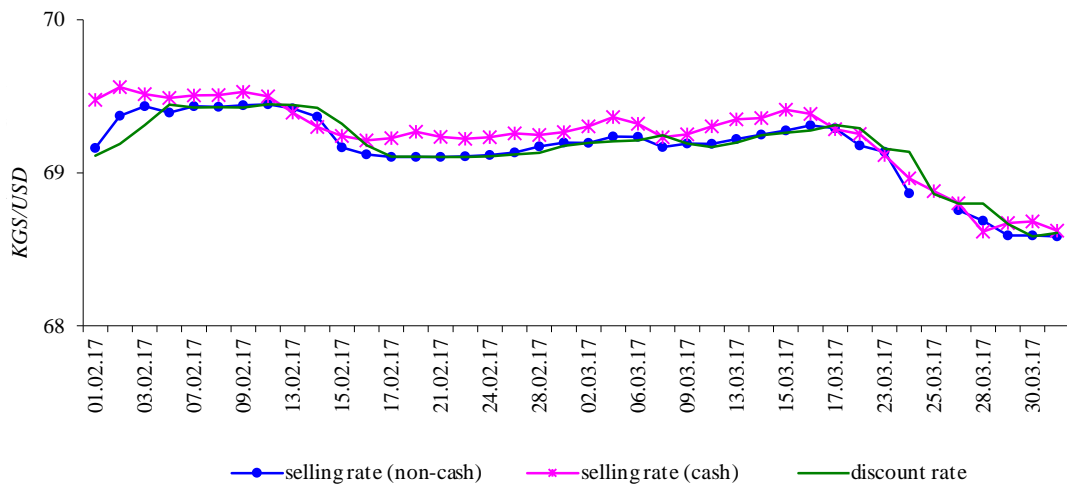
**Graph 1. Net inflow (outflow) of non-cash US dollars in commercial banks (mln. USD)**



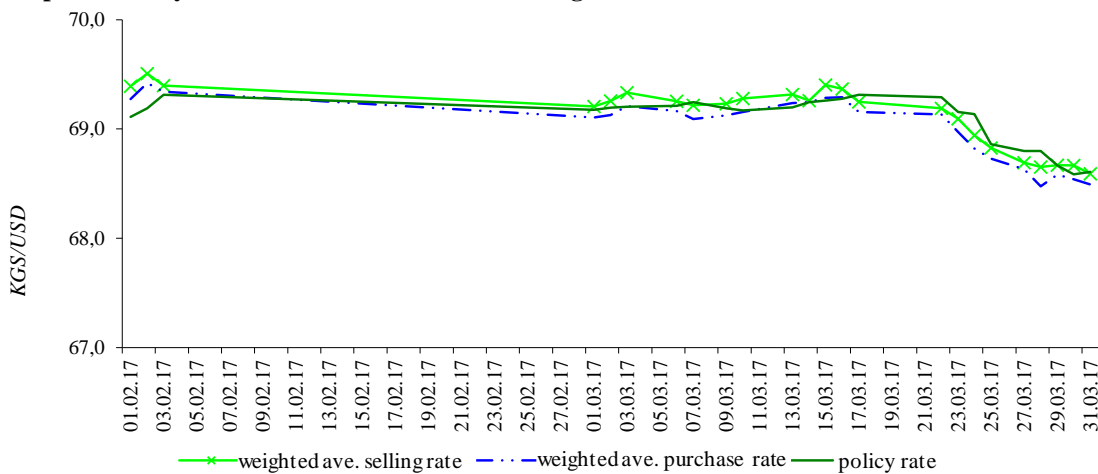
**Chart 2. Dynamics of US Dollar Exchange Rate in the Interbank Foreign Exchange Market**



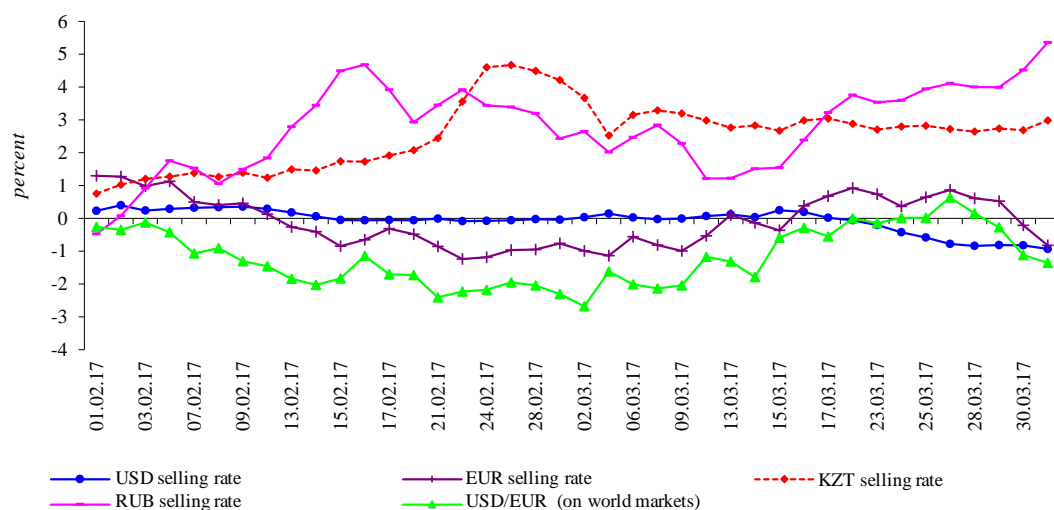
**Graph 3. The dynamics of the selling rate of non-cash and cash UD dollar in commercial banks**



**Graph 4. The dynamics of the US dollar in exchange offices**



**Graph 5. Dynamics of major currencies rates in exchange offices and the US dollar rates in the 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 (%)		
2016	03	32 735,6	8 112,3	24,8	14 513,1	44,3	10 110,3	30,9	
	04	32 370,0	4 969,6	15,4	15 331,1	47,4	12 069,3	37,3	
	05	27 596,3	2 419,6	8,8	15 191,9	55,1	9 984,7	36,2	
	06	36 827,9	5 009,8	13,6	17 788,5	48,3	14 029,6	38,1	
	07	34 708,9	5 748,0	16,6	16 374,1	47,2	12 586,9	36,3	
	08	42 431,9	4 698,6	11,1	21 022,2	49,5	16 711,2	39,4	
	09	38 716,7	4 607,9	11,9	18 969,7	49,0	15 139,1	39,1	
	10	36 794,2	3 323,4	9,0	18 462,2	50,2	15 008,6	40,8	
	11	34 313,4	4 179,0	12,2	17 218,0	50,2	12 916,3	37,6	
	12	34 447,2	3 348,7	9,7	18 829,0	54,7	12 269,5	35,6	
	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		38 055,2	3 370,5	8,9	19 541,2	51,3	15 143,6	39,8	

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

Период		Total volume of operations	USD		EUR		RUB		KZT		Other		
			volume	share	volume	share	volume	share	volume	share	volume	share	
		volume	share	volume	share	volume	share	volume	share	volume	share	volume	share
2016	03	32 735,6	21 311,8	65,1	1 562,5	4,8	9 218,0	28,2	636,7	1,9	6,7	0,0	
	04	32 370,0	19 847,0	61,3	694,8	2,2	11 181,0	34,5	637,0	2,0	10,2	0,0	
	05	27 596,3	16 058,9	58,2	590,7	2,1	10 351,6	37,5	584,7	2,1	10,4	0,0	
	06	36 827,9	21 745,2	59,1	675,5	1,8	13 751,6	37,3	645,8	1,8	9,9	0,0	
	07	34 708,9	20 702,2	59,6	863,5	2,5	12 356,2	35,6	773,9	2,2	13,1	0,0	
	08	42 431,9	24 457,1	58,1	942,2	1,7	15 542,0	38,9	1 466,0	1,3	24,6	0,0	
	09	38 716,7	22 917,0	59,7	892,6	1,9	14 050,4	37,9	843,2	0,5	13,5	0,0	
	10	36 794,2	22 164,2	60,2	920,4	2,5	12 791,7	34,8	904,8	2,5	13,0	0,0	
	11	34 313,4	21 600,1	62,9	896,8	2,6	10 984,6	32,0	818,1	2,4	13,7	0,0	
	12	34 447,2	20 983,3	60,9	818,2	2,4	11 918,4	34,6	713,5	2,1	13,7	0,0	
	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		38 055,2	21 850,1	57,4	1 263,0	3,3	14 243,9	37,4	688,3	1,8	10,0	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	
2016	03	70,0158	79,2439	1,0356	0,2037	-5,7%	-3,2%	4,7%	-4,1%	
	04	68,4200	77,8483	1,0635	0,2086	-2,3%	-1,8%	2,7%	2,4%	
	05	68,2986	76,0471	1,0335	0,2027	-0,2%	-2,3%	-2,8%	-2,8%	
	06	67,4860	74,6530	1,0502	0,1992	-1,2%	-1,8%	1,6%	-1,7%	
	07	67,9699	75,4364	1,0137	0,1930	0,7%	1,0%	-3,5%	-3,1%	
	08	68,8260	76,9853	1,0575	0,2031	1,3%	2,1%	4,3%	5,2%	
	09	67,9346	76,1853	1,0756	0,2027	-1,4%	-1,0%	1,3%	-0,3%	
	10	68,6538	74,8704	1,0914	0,2062	1,1%	-1,7%	1,5%	1,7%	
	11	69,1565	73,2575	1,0648	0,2033	0,7%	-2,2%	-2,4%	-1,4%	
	12	69,2301	72,8439	1,1413	0,2079	0,1%	-0,6%	7,2%	2,3%	
	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%	

**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 selling				Changing the currency selling rate for the				
		USD	EUR	RUB	KZT	USD	EUR	RUB	KZT	USD	EUR	RUB	KZT	
2016	03	0,2%	0,6%	0,5%	1,1%	0,2%	0,2%	0,4%	0,4%	-6,2%	-3,0%	4,7%	-3,2%	
	04	0,3%	0,6%	0,6%	1,0%	0,3%	0,3%	0,6%	0,3%	-0,8%	-0,3%	2,2%	3,2%	
	05	0,2%	0,6%	0,5%	1,1%	0,1%	0,1%	0,5%	0,3%	-0,2%	-2,5%	-0,5%	-3,8%	
	06	0,1%	0,6%	0,4%	0,9%	0,1%	0,1%	0,5%	0,2%	-1,3%	-1,7%	1,4%	-1,2%	
	07	0,0%	1,1%	1,4%	1,4%	0,1%	0,3%	1,4%	1,4%	0,9%	0,4%	-1,7%	-3,5%	
	08	0,4%	0,9%	0,9%	2,9%	0,1%	0,3%	0,3%	0,3%	1,3%	1,3%	3,9%	4,7%	
	09	0,3%	0,9%	0,8%	2,1%	0,1%	0,2%	0,3%	0,3%	-1,4%	0,3%	0,8%	0,5%	
	10	0,3%	1,2%	0,8%	2,2%	0,1%	0,2%	0,3%	0,3%	1,0%	-1,9%	1,8%	0,4%	
	11	0,1%	0,8%	0,8%	1,9%	0,1%	0,3%	0,3%	0,2%	0,7%	-1,9%	-2,4%	-0,7%	
	12	0,1%	0,5%	0,3%	0,8%	0,0%	0,2%	0,4%	0,2%	0,0%	-1,1%	7,3%	2,5%	
	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%	