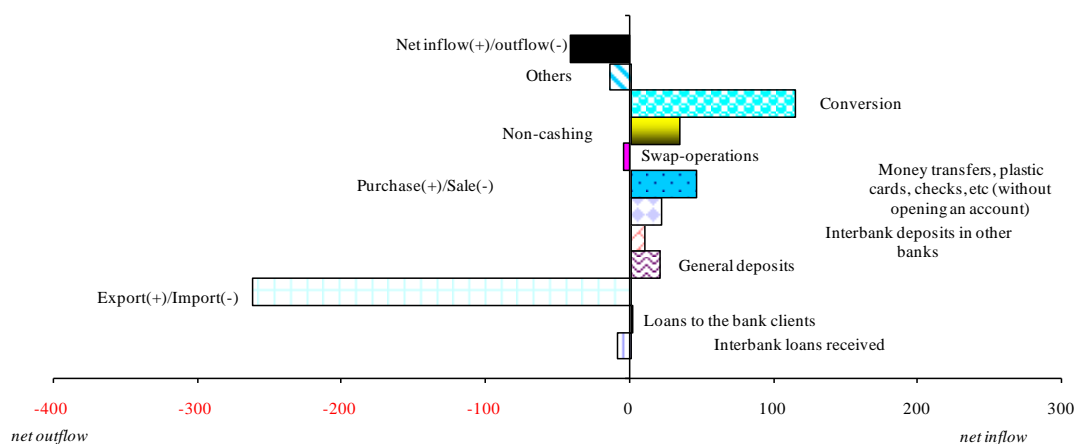


Foreign exchange market (March 2014)

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

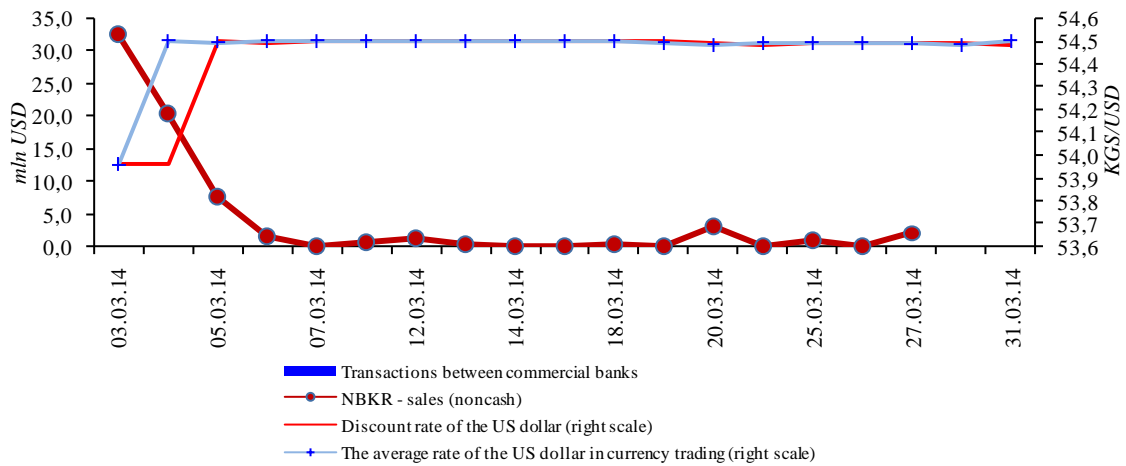


In February, on the background of upward trend, the exchange rate of the US dollar increased from KGS 52.4359 to 54.4813 per USD 1 resulted from increase of monthly indicator of non-cash currency purchase-sale in the interbank foreign exchange market (in March 2013, this rate increased by 0.8 percent compared to the previous month). The main stage of discount rate increasing was in the first half of the period under review. Support of supply to satisfy high demand for currency of the part of significant market participants was primarily fulfilled by means of funds inflowing to the country via money transfer systems, non-cashing, as well as the US dollars received as a result of conversion operations conducted by the banks (Graph 1).

In the period under review, the total volume of operations on purchase and sale of foreign currency increased by 49.9 percent and formed in the amount of KGS 45.1 billion due to significant increase of business activity in the segment of non-cash operations of exchange offices by 3.6 times, to KGS 14.8 billion in quantitative terms. Moreover, the volume of cash transactions of commercial banks increased by KGS 21.8 billion, having increased by 20.9 percent compared to the same indicator of the previous month. The volume of non-cash transactions of commercial banks increased by 6.9 percent, to KGS 8.5 billion.

The aggregate turnover of interbank currency trading increased to USD 155.4 million (by 35.4 percent), due to increased volume of foreign currency sold by the National Bank. In the period under review, the National Bank carried out interventions for the purpose of selling non-cash foreign currency to the amount of USD 71.4 million and balancing the volume of cash in the economy – USD 1.1 million in cash (interventions were not carried out in the same period of 2013). (Graph 2).

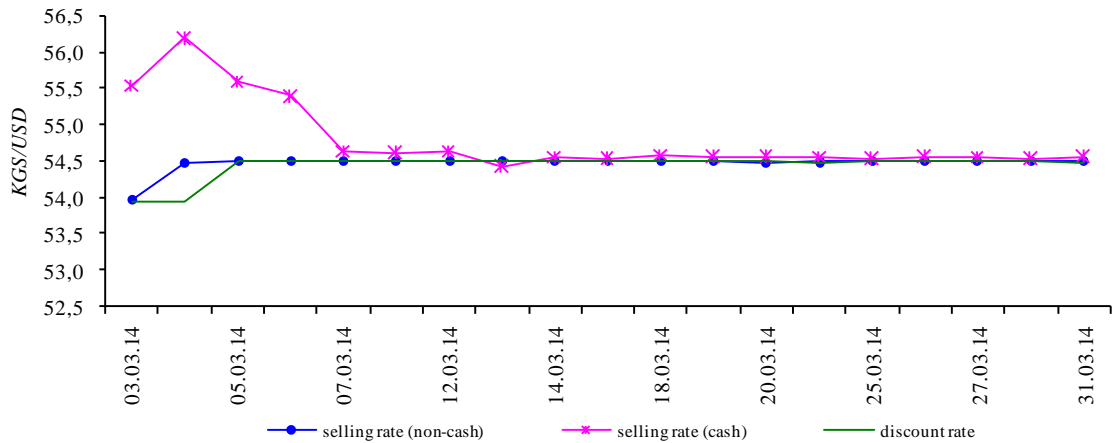
Graph 2. The dynamics of the US dollar and the volume of transactions in the interbank foreign exchange markets



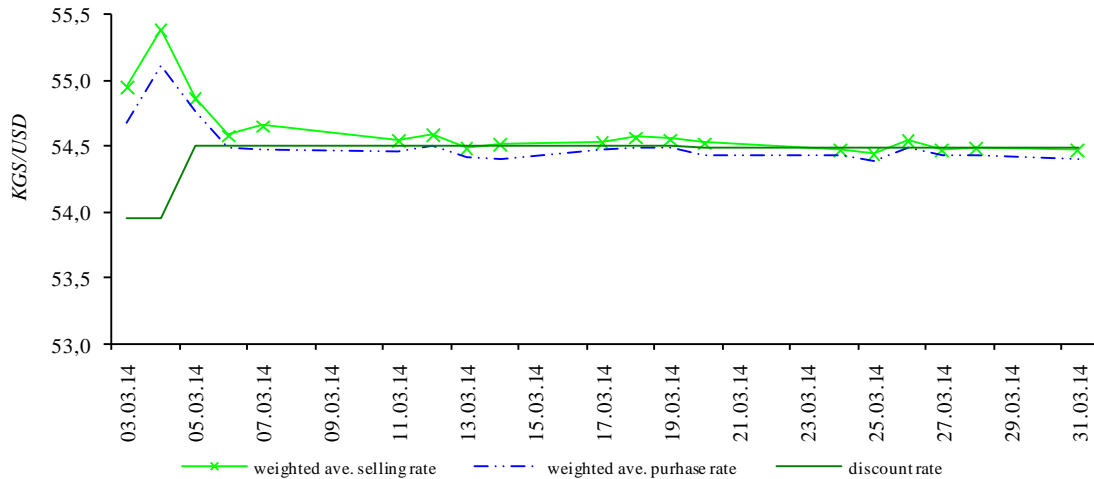
In the period under review, NBKR did not conduct swap-operations with commercial banks.

In the currency breakdown, there was increase of operations in Russian rubles, Kazakh tenge and US dollars. At the same time, the share of ratio on currencies in total operations performed was distributed as follows: the share of operations in Russian rubles increased by 8.2 percentage points, to 31.2 percent; in Kazakh tenge – increased by 1.2 percentage points, to 4.5 percent; in US dollars – decreased by 8.3 percentage points, to 62.7 percent. The share of operations in euro constituted 1.6 percent, having decreased within a month by 1.1 percentage points, in other currencies – 0.01 percent.

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



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



Graph 5. The dynamics of rates of changes in the rates of major currencies in exchange offices and the US dollars rate on world markets

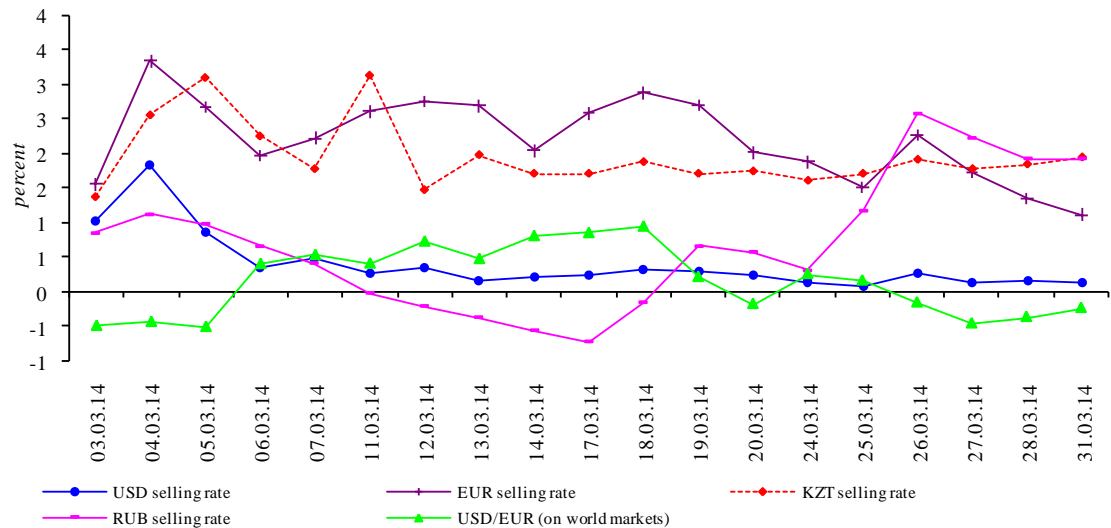


Table 1. The volume of purchases and sales of foreign exchange transactions by types (in som equivalent)

mln. KGS

Period		Total volume of operations	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 (%)	
2013	03	23 135,9	4 960,9	21,4	14 642,8	63,3	3 532,2	15,3	
	04	28 218,6	4 969,0	17,6	19 157,7	67,9	4 092,0	14,5	
	05	26 955,3	5 200,4	19,3	18 183,9	67,5	3 570,9	13,3	
	06	28 266,2	4 678,1	16,6	19 944,9	70,6	3 643,2	12,9	
	07	37 930,0	5 752,4	15,2	27 754,2	73,2	4 423,4	11,7	
	08	38 826,0	6 616,9	17,0	28 199,8	72,6	4 009,3	10,3	
	09	39 130,5	6 104,3	15,6	29 125,7	74,4	3 900,5	10,0	
	10	42 897,0	7 102,4	16,6	31 612,2	73,7	4 182,4	9,8	
	11	33 607,6	4 884,3	16,6	24 675,1	73,4	4 048,2	12,1	
	12	36 538,7	4 492,4	14,5	27 766,9	76,0	4 279,3	11,7	
	2014	01	24 803,9	2 945,5	12,3	18 519,1	74,7	3 339,2	13,5
		02	30 071,0	7 961,2	11,9	17 994,7	59,8	4 115,0	13,7
03		45 081,1	8 512,6	26,5	21 763,0	48,3	14 805,5	32,8	

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

mln. KGS

Period		Total volume of operations	USD			EUR		RUB		KZT		Other	
			volume	volume	share	volume	share	volume	share	volume	share	volume	share
2013	03	23 135,9	14 183,3	61,3	840,9	3,6	5 893,0	25,5	2 210,0	9,6	8,7	0,0	
	04	28 218,6	17 043,6	60,4	954,3	3,4	7 487,5	26,5	2 722,6	9,6	10,6	0,0	
	05	26 955,3	15 437,5	57,3	889,9	3,3	7 674,7	28,5	2 942,7	10,9	10,3	0,0	
	06	28 266,2	16 175,0	57,2	961,9	3,4	8 522,8	30,2	2 597,1	9,2	9,5	0,0	
	07	37 930,0	22 098,6	58,3	1 035,7	2,7	11 164,6	29,4	3 615,8	9,5	15,5	0,0	
	08	38 826,0	22 692,5	58,5	1 210,1	3,1	10 660,6	27,5	4 253,1	11,0	9,7	0,0	
	09	39 130,5	23 373,9	59,7	1 091,5	2,8	11 996,7	30,7	2 655,5	6,8	13,0	0,0	
	10	42 897,0	25 505,5	59,5	1 594,2	3,7	12 772,4	29,8	3 016,8	7,0	8,2	0,0	
	11	33 607,6	20 652,9	61,5	1 017,2	3,0	9 355,4	27,8	2 575,5	7,7	6,7	0,0	
	12	36 538,7	22 098,3	60,5	860,5	2,4	11 222,1	30,7	2 348,7	6,4	9,0	0,0	
	2014	01	24 803,9	15 311,8	61,7	746,4	3,0	7 694,2	31,0	1 044,2	4,2	7,3	0,0
		02	30 071,0	21 360,4	71,0	811,7	2,7	6 903,4	23,0	986,6	3,3	8,8	0,0
03		45 081,1	28 272,0	62,7	704,4	1,6	14 064,5	31,2	2 034,4	4,5	5,9	0,0	

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

Period		Discount rate at the end of month				Change of the discount rate for the month				
		USD	EUR	RUB	KZT	USD	EUR	RUB	KZT	
2013	03	47,9610	61,4884	1,5430	0,3180	0,8%	-1,2%	-0,7%	0,6%	
	04	48,1717	63,0543	1,5412	0,3185	0,4%	2,5%	-0,1%	0,2%	
	05	48,2300	62,5230	1,5268	0,3192	0,1%	-0,8%	-0,9%	0,2%	
	06	48,6409	63,4543	1,4867	0,3207	0,9%	1,5%	-2,6%	0,5%	
	07	48,8745	64,8613	1,4860	0,3192	0,5%	2,2%	0,0%	-0,5%	
	08	48,7243	64,5305	1,4655	0,3189	-0,3%	-0,5%	-1,4%	-0,1%	
	09	48,6197	65,6731	1,5032	0,3165	-0,2%	1,8%	2,6%	-0,7%	
	10	48,5027	66,7809	1,5128	0,3143	-0,2%	1,7%	0,6%	-0,7%	
	11	48,9590	66,6234	1,4750	0,3186	0,9%	-0,2%	-2,5%	1,4%	
	12	49,2470	67,7048	1,5047	0,3206	0,6%	1,6%	2,0%	0,6%	
	2014	01	50,4158	68,6613	1,4304	0,3241	2,4%	1,4%	-4,9%	1,1%
		02	52,4359	71,6379	1,4545	0,2849	4,0%	4,3%	1,7%	-12,1%
03		54,4813	74,6884	1,3723	0,2993	3,9%	4,3%	-5,7%	5,1%	

Table 4. Data on exchange rates to the som in the exchange offices

Period		Average margin for the month				Average daily deviation of the currency selling rate				Changing the currency selling rate for the month				
		USD	EUR	RUB	KZT	USD	EUR	RUB	KZT	USD	EUR	RUB	KZT	
2013	03	0,2%	0,5%	0,6%	0,7%	0,0%	0,1%	0,2%	0,1%	0,6%	-1,5%	-1,1%	0,4%	
	04	0,2%	0,4%	0,6%	0,7%	0,1%	0,2%	0,2%	0,1%	0,5%	2,3%	-0,2%	0,0%	
	05	0,2%	0,5%	0,6%	0,7%	0,0%	0,2%	0,1%	0,1%	0,3%	-0,4%	-1,0%	0,4%	
	06	0,2%	0,4%	0,7%	0,7%	0,1%	0,2%	0,3%	0,1%	0,5%	1,1%	-2,7%	0,1%	
	07	0,2%	0,4%	0,6%	0,7%	0,1%	0,2%	0,2%	0,1%	0,8%	1,8%	0,8%	-0,3%	
	08	0,3%	0,5%	0,7%	0,7%	0,0%	0,1%	0,2%	0,1%	-0,4%	-0,1%	-2,9%	-0,4%	
	09	0,3%	0,4%	0,6%	0,8%	0,1%	0,2%	0,2%	0,2%	-0,1%	1,7%	4,1%	-0,3%	
	10	0,2%	0,4%	0,6%	0,7%	0,1%	0,1%	0,2%	0,1%	-0,3%	1,6%	0,8%	-0,5%	
	11	0,2%	0,4%	0,6%	0,6%	0,0%	0,1%	0,2%	0,1%	0,9%	0,0%	-2,2%	0,8%	
	12	0,3%	0,4%	0,6%	0,6%	0,1%	0,1%	0,2%	0,1%	0,8%	1,0%	0,9%	0,1%	
	2014	01	0,3%	0,4%	0,7%	0,8%	0,2%	0,2%	0,2%	0,2%	2,0%	1,7%	-3,8%	2,2%
		02	0,4%	0,6%	0,6%	2,3%	0,3%	0,3%	0,3%	0,4%	8,0%	8,5%	4,2%	-9,5%
03		0,2%	0,6%	0,2%	0,7%	0,1%	0,4%	0,3%	0,3%	0,1%	1,1%	1,9%	1,9%	