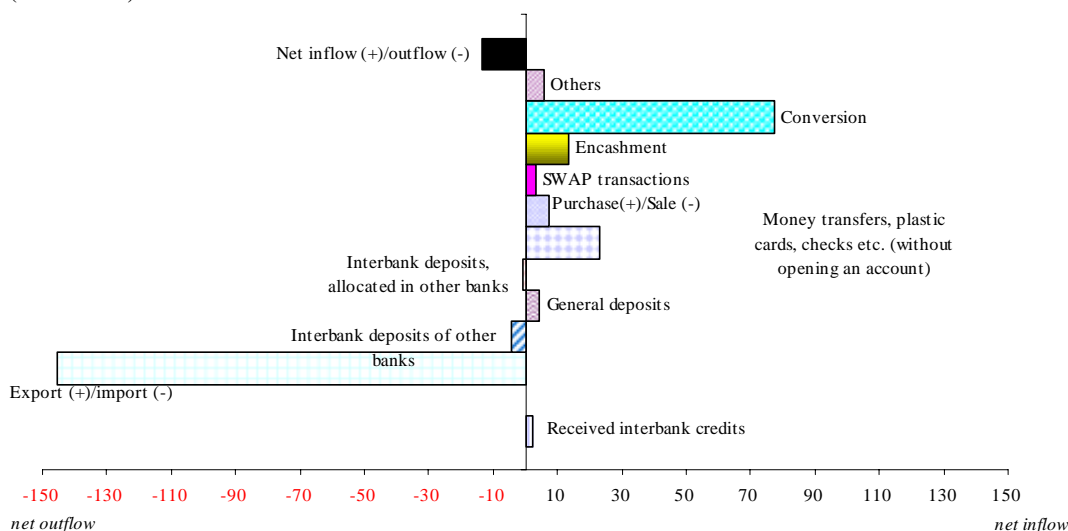
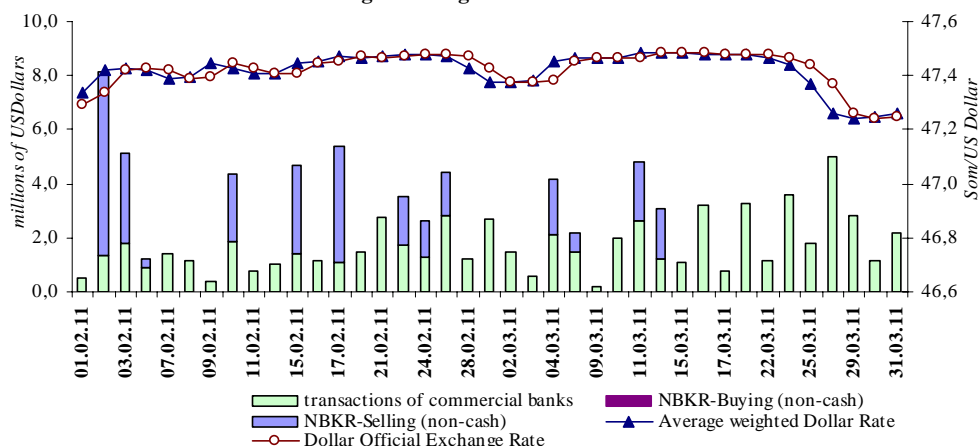


## Foreign exchange market (March 2011)

**Chart 1. Net inflow (outflow) of non-cash US dollars at commercial banks ( USD mln)  
(March'2011)**



**Chart 2. Movement in Interbank Foreign Exchange Auctions**



As per results of March, there was weakening of the USD on the domestic market. At the beginning of the month, there was a short-term growth of the currency exchange rate; after that the market dynamics was rather stable and fluctuation range constituted 47.4639-47.4872 KGS/USD. By the end of the reporting month there was decrease in the USD exchange rate. The main volume of the USD supply in the market was provided by one of the banks, which had an increase in the currency balance as a result of increase in receipt of funds by the money transfer systems. At that, the demand for foreign currency remained at rather high level against increase in the volume of banks' operations on servicing of import contracts of their clients. However, the increased supply of the currency in the market to certain extent decreased pressure on the exchange rate and the National Bank of the Kyrgyz Republic participated in the market only at the beginning of March, acting as the USD seller.

Within the reporting month, the USD discount rate decreased by 0.5 percent and constituted 47.2448 KGS/USD by the end of March.

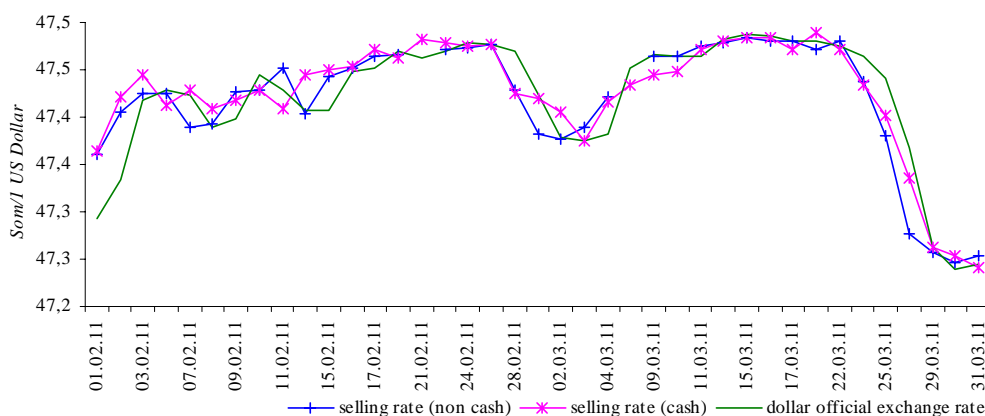
The total volume of bargains on purchase/sale of non-cash currency in the inter-bank foreign exchange markets constituted 47.3 million soms, having decreased by 7.7 percent within the reporting month. Decrease in the volume of transactions was provided by reduction of the volume of the NBKR transactions on USD sale by 72.3

percent up to 6.8 million USD. At that, the volume of transactions between commercial banks increased by 55.5 percent and constituted 40.6 million USD.

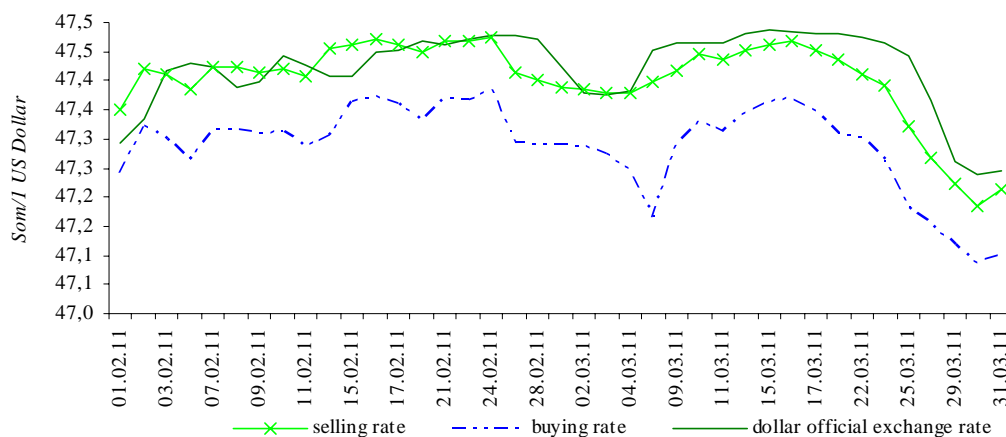
The total volume of transactions on the foreign currency purchase and sale in the domestic foreign exchange market constituted 16.9 billion soms, having increased by 15.6 percent in comparison with the corresponding index of February. Increase in the volume of transactions was noted for all types of currencies, except for transactions with the currencies, which are referred to “OTHER”<sup>1</sup>. As per result of the reporting month, the share of USD transactions constituted 59.1 percent (-6.4 percentage points), RUB transactions – 25.7 percent (+2.9 percentage points), KZT transaction – 10.2 percent (+2.6 percentage points). The share of transactions with EUR constituted 5.0 percent (+0.9 percentage points). The share of transactions with other currencies decreased to 0.04 percent.

The cash segment of the foreign exchange market made up 85.7 percent of currency transactions, the main share of which was accounted for transactions of commercial banks (71.2 percent).

**Chart 3. Movement in the Rate of Cash and Non-Cash US Dollar in Commercial Banks**

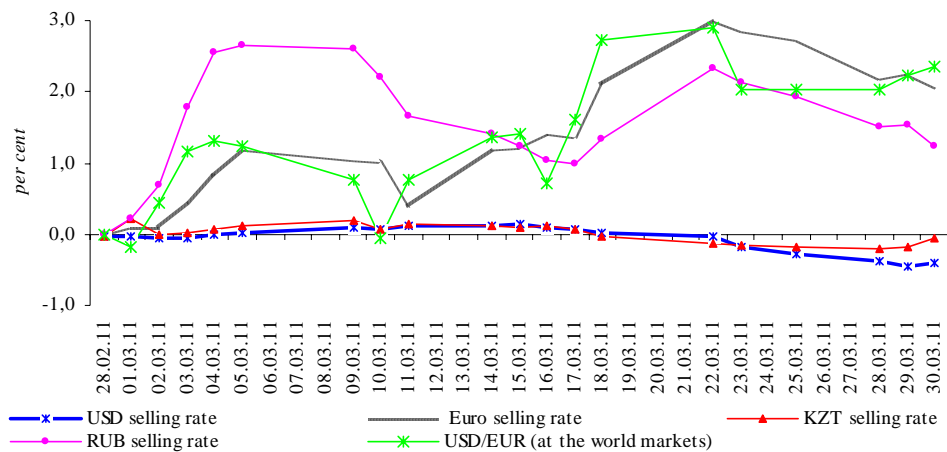


**Chart 4 Movement in the Rate of US Dollar in Exchange Offices**



<sup>1</sup> English pound sterling, Swiss franc, Turkish lira, Uzbek sum and Chinese yuan.

**Chart 5 Dynamics of the increment rate of currency rates in Exchange Offices and USD rate at the world markets**



**Table 1. The volume of purchase-and-sale of foreign currencies by the category of transactions (in KGZ equivalent)**  
*Som mln.*

Period	overall transactions volume	noncash transactions of commercial banks		cash transactions of commercial banks		cash transactions of exchange offices	
		transactions volume	share (%)	transactions volume	share (%)	transactions volume	share (%)
March'2010	13582,1	2541,4	18,7	8293,0	61,1	2747,7	20,2
April	10187,7	3170,6	31,1	4838,8	47,5	2178,3	21,4
May	11041,3	2892,9	26,2	6038,8	54,7	2109,5	19,1
June	11949,6	3106,3	26,0	6457,5	54,0	2385,7	20,0
July	14913,5	3467,0	23,2	8767,5	58,8	2679,0	18,0
August	14566,5	2975,2	20,4	9178,1	63,0	2413,2	16,6
September	15611,6	3037,4	19,5	9990,4	64,0	2583,8	16,6
October	14930,3	2561,4	17,2	9590,7	64,2	2778,2	18,6
November	15975,1	3009,1	18,8	10349,6	64,8	2616,4	16,4
December	15831,1	1677,0	10,6	11372,1	71,8	2782,1	17,6
January'2011	12944,2	2531,4	19,6	8260,7	63,8	2152,1	16,6
February	14576,0	3064,1	21,0	9288,0	63,7	2224,0	15,3
March	16854,8	2418,5	14,3	12000,9	71,2	2435,4	14,4

**Table 2. The volume of purchase-and-sale of foreign currencies in the sectional view of currencies (in KGZ equivalent)**

Period	overall transactions volume	<i>Som mln/%</i>									
		Dollar		Euro		Russian Ruble		Kazakh Tenge		Other	
		volume	share	volume	share	volume	share	volume	share	volume	share
March'2010	13582,1	8892,2	65,5	742,7	5,5	2317,1	17,1	1599,3	11,8	30,8	0,2
April	10187,7	7244,5	71,1	441,4	4,3	2082,9	20,4	397,4	3,9	21,5	0,2
May	11041,3	7725,6	70,0	572,9	5,2	2530,7	22,9	188,7	1,7	23,4	0,2
June	11949,6	8205,8	68,7	556,9	4,7	2465,5	20,6	692,8	5,8	28,5	0,2
July	14913,5	9814,3	65,8	615,9	4,1	3338,0	22,4	1129,8	7,6	15,5	0,1
August	14566,5	9107,9	62,5	512,8	3,5	3466,4	23,8	1469,3	10,1	10,1	0,1
September	15611,6	10065,0	64,5	808,6	5,2	3414,6	21,9	1307,2	8,4	16,3	0,1
October	14930,3	9725,8	65,1	752,4	5,0	3111,4	20,8	1327,4	8,9	13,4	0,1
November	15975,1	10495,6	65,7	810,1	5,1	3258,7	20,4	1398,9	8,8	11,9	0,1
December	15831,1	10060,4	63,5	797,3	5,0	3654,9	23,1	1310,2	8,3	8,3	0,1
January'2011	12944,2	8704,7	67,2	589,9	4,6	2796,4	21,6	845,7	6,5	7,6	0,1
February	14576,0	9537,7	65,4	595,4	4,1	3323,7	22,8	1112,1	7,6	7,2	0,0
March	16854,8	9953,8	59,1	837,9	5,0	4336,3	25,7	1720,4	10,2	6,4	0,0

**Table 3. Data on Foreign Currency Official Exchange Rate to Som**

Period	Official Exchange Rate as of Month End				Cumulative Deviation of the Discount Rate per Month			
	USD	RUB	KZT	EUR	USD	RUB	KZT	EUR
March'2010	45,2203	1,5293	0,3072	60,3496	1,3%	2,9%	1,4%	-0,4%
April	45,5518	1,5496	0,3096	60,4545	0,7%	1,3%	0,8%	0,2%
May	45,9397	1,5064	0,3136	57,1191	0,9%	-2,8%	1,3%	-5,5%
June	46,3896	1,4892	0,3142	56,8557	1,0%	-1,1%	0,2%	-0,5%
July	46,7075	1,5473	0,3163	60,9416	0,7%	3,9%	0,7%	7,2%
August	46,7115	1,5218	0,3175	59,3683	0,0%	-1,6%	0,4%	-2,6%
September	46,6377	1,5151	0,3178	62,7318	-0,2%	-0,4%	0,1%	5,7%
October	46,7409	1,5184	0,3169	64,6403	0,2%	0,2%	-0,3%	3,0%
November	46,8600	1,4942	0,3178	62,1292	0,3%	-1,6%	0,3%	-3,9%
December	47,0992	1,5375	0,3195	61,7949	0,5%	2,9%	0,5%	-0,5%
January'2011	47,2700	1,5933	0,3219	64,7835	0,4%	3,6%	0,8%	4,8%
February	47,4705	1,6403	0,3251	65,5330	0,4%	2,9%	1,0%	1,2%
March	47,2448	1,6783	0,3253	67,0669	-0,5%	2,3%	0,0%	2,3%

**Table 4. Data on Foreign Currency Rates to Som in Exchange Offices**

Period	Average Margin per Month				Average Chain Deviation of Foreign Currency Selling Rate				Cumulative Deviation of Foreign Currency Selling Rate per Month			
	USD	RUB	KZT	EUR	USD	RUB	KZT	EUR	USD	RUB	KZT	EUR
March'2010	0,2%	0,6%	0,7%	0,5%	0,1%	0,2%	0,2%	0,2%	1,4%	3,0%	1,5%	0,5%
April	0,3%	0,8%	0,6%	0,5%	0,0%	0,1%	0,1%	0,2%	0,5%	1,0%	0,0%	-0,8%
May	0,3%	1,0%	0,6%	1,0%	0,1%	0,4%	0,1%	0,4%	0,3%	-3,9%	0,3%	-7,1%
June	0,3%	0,7%	0,7%	0,6%	0,1%	0,2%	0,1%	0,2%	1,7%	-0,4%	1,8%	1,3%
July	0,3%	0,6%	0,6%	0,6%	0,1%	0,2%	0,1%	0,2%	-0,6%	2,2%	-0,5%	6,2%
August	0,3%	0,7%	0,6%	0,5%	0,1%	0,2%	0,1%	0,2%	1,2%	0,3%	1,1%	-1,7%
September	0,3%	0,7%	0,6%	0,5%	0,1%	0,2%	0,1%	0,3%	-0,3%	-0,1%	-0,1%	6,7%
October	0,3%	0,8%	0,8%	0,5%	0,1%	0,3%	0,2%	0,2%	0,6%	0,3%	0,2%	2,7%
November	0,3%	0,6%	0,6%	0,5%	0,0%	0,1%	0,0%	0,4%	0,3%	-1,7%	0,4%	-4,3%
December	0,3%	0,6%	0,6%	0,6%	0,0%	0,2%	0,1%	0,2%	0,6%	1,9%	0,0%	0,5%
January'2011	0,3%	0,7%	0,7%	0,5%	0,1%	0,2%	0,2%	0,2%	0,1%	4,0%	1,5%	3,3%
February	0,2%	0,7%	0,6%	0,4%	0,0%	0,2%	0,0%	0,2%	0,3%	3,0%	0,7%	1,1%
March	0,3%	0,6%	0,7%	0,4%	0,0%	0,2%	0,1%	0,1%	-0,4%	1,4%	-0,1%	2,4%