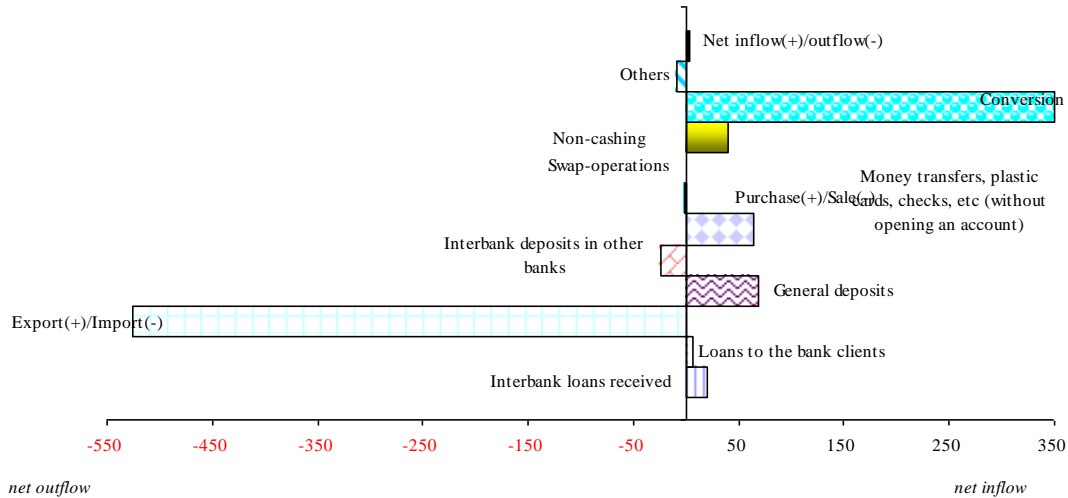
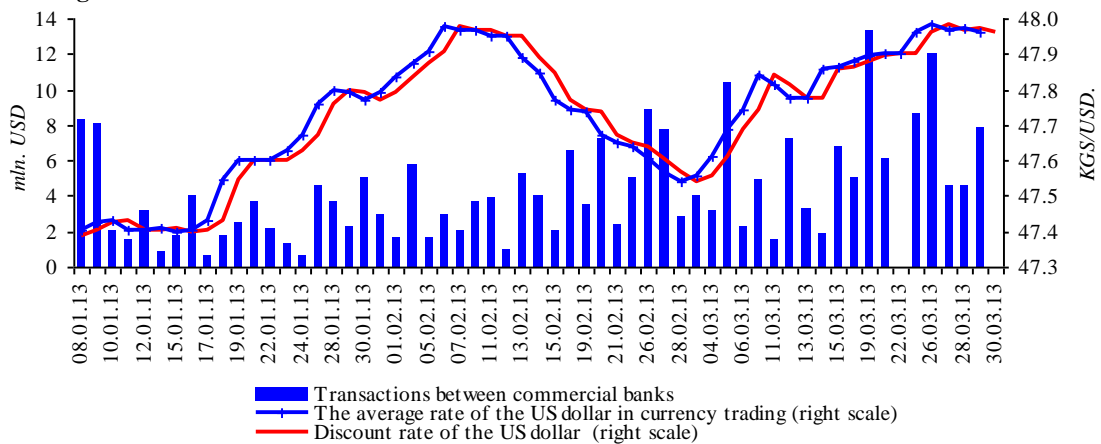


Foreign exchange market (January-March 2013)

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



Graph 2. Dynamics of USD exchange and operations volume in the interbank exchange auctions



Despite the volatility of exchange rate in January-March 2013, the US dollar continued to strengthen its position having increased in price over the period by 1.2 percent (in the first quarter 2012, the exchange rate increased by 0.7 percent). In particular, in January there was the continuing trend of moderate growth of the exchange rate of the US dollar outlined at the end of the previous year. Throughout the whole month, the dynamics of change of the exchange rate was diverse, but consistent acceleration of growth rates was noted, as a result of which the value of the currency increased to 47.7696 KGS/ US dollar (0.8 percent). In February, for the first time since the summer of 2012, the exchange rate fell to 47.5676 KGS per US dollar. In this case, the main stage of the depreciation occurred in the second half of the month, during which the dollar which increased slightly depreciated by 0.7 percent. However, in March, under the influence of increased demand for the currency reflected, inter alia, in the form of increased monthly indicator of the volume of purchase and sale of non-cash currency in the interbank foreign exchange market, the US dollar again rose by 0.8 percent to 47.9610 KGS.

Maintenance of the market balance of the traditionally high demand for currency by major market participants was carried out with the funds obtained through conversion operations of banks, deposits, and money remittances (Chart 1). In particular, the volume of incoming cross-border money transfers of individuals still moderating the pressure on the exchange rate of KGS from the part of the prevailing

imports increased by 11.8 percent compared to the same period of 2012 and constituted 351.2 million US dollar.¹

In the reporting period, the total volume of transactions on the purchase and sale of foreign currency decreased in comparison with the figure of October-December 2012 by 20.3 percent and constituted 67.4 million KGS. The main reason was the decline of business activity in the segment of cash operations of commercial banks by 22.1 percent to 45.2 billion KGS in quantitative terms. The volume of non-cash transactions of commercial banks decreased to 12.2 billion KGS, which is by 19.8 percent lower than it was in the previous quarter. The volume of transactions of exchange offices was formed in the amount of 10.1 billion KGS having decreased by 11.3 percent.

The total turnover of interbank currency trading decreased compared to the previous quarter to 246.8 million US dollars (-13.5 percent) due to a corresponding decrease in the volume of transactions between commercial banks (in annual terms, the volume of transactions increased by 23.5 percent). In the reporting period, no interventions of the National Bank were made (Chart 2).

In January-March 2013, the National Bank did not conduct SWAP operations with commercial banks.

By types of currencies, a decrease in the volume of transactions in all major currencies was observed. At the same time, the equity ratio of currency in the total volume of transactions was distributed as follows: the share of transactions in US dollars increased by 0.9 percentage points to 60.5 percent; in Euro by 0.3 percentage points to 3.5 percent; in Russian ruble by 0.8 percentage points to 28.1 percent. The share of transactions in the Kazakh tenge was 7.9 percent having decreased by 2.0 percentage points within the quarter.

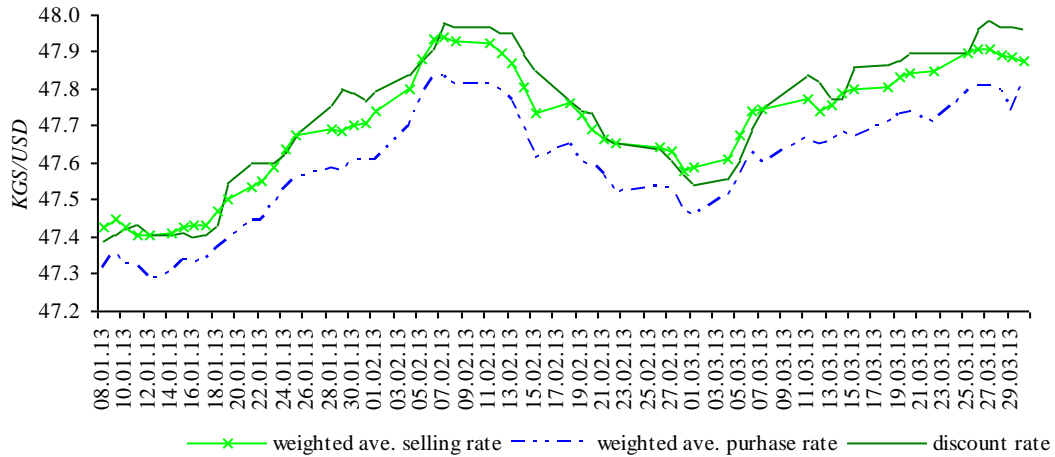
Graph 3. Dynamics of sale rates of non-cash and cash USD in commercial banks



*Breaks in the chart are based on the absence of the transactions

¹ The data on the net inflow

Graph 4. Dynamics of USD rate 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

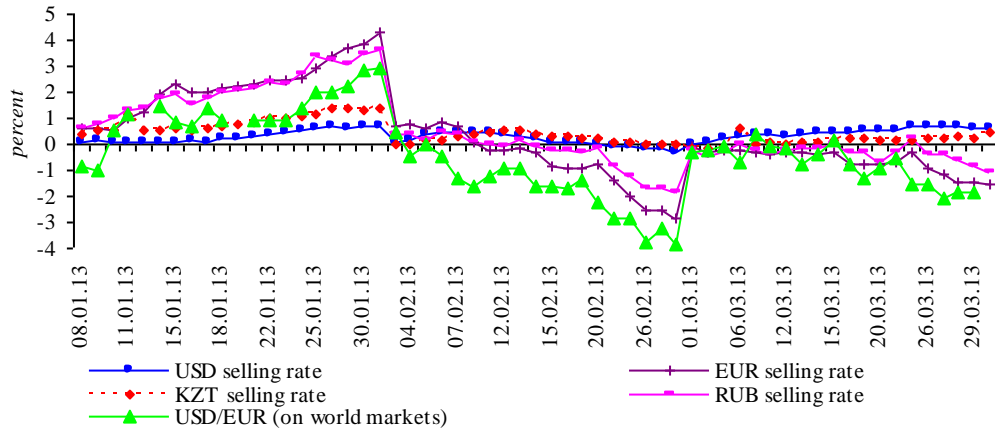


Table 1. The volume of purchases and sales of foreign exchange transactions by type (in som equivalent)

Period	Total amount of transactions	non-cash operations of comm.		cash operations of comm.		cash operations of exchange	
		volume of operations	share (%)	volume of operations	share (%)	volume of operations	share (%)
January 2012	16,603.8	3,735.1	22.5	10,272.7	61.9	2,596.0	15.6
February	17,006.6	2,779.5	16.3	11,123.2	65.4	3,103.9	18.3
March	19,121.0	3,583.7	18.7	12,287.9	64.3	3,249.3	17.0
April	20,350.6	3,357.6	16.5	13,811.8	67.9	3,181.1	15.6
May	22,178.7	4,749.7	21.4	14,164.9	63.9	3,264.1	14.7
June	21,816.2	3,649.6	16.7	14,943.6	68.5	3,223.1	14.8
July	26,251.1	4,816.3	18.4	17,906.6	68.2	3,528.2	13.4
August	27,886.3	5,568.0	20.0	18,670.4	67.0	3,647.9	13.1
September	26,294.6	5,115.6	19.5	17,689.1	67.3	3,489.9	13.3
October	29,651.0	6,215.6	21.0	19,649.2	66.3	3,786.2	12.8
November	28,722.7	5,018.0	17.5	19,820.7	69.0	3,884.0	13.5
December	26,180.1	3,958.3	15.1	18,549.8	70.9	3,672.1	14.0
January 2013	22,335.6	3,330.8	14.9	15,850.9	71.0	3,153.8	14.1
February	21,941.7	3,886.7	17.7	14,684.9	66.9	3,370.1	15.4
March	23,135.9	4,960.9	21.4	14,642.8	63.3	3,532.2	15.3

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	share	volume	share	volume	share	volume	share	volume	share
January'2012	16,603.8	10,613.6	63.9	804.8	4.8	3,840.3	23.1	1,340.1	8.1	5.1	0.0
February	17,006.6	9,995.9	58.8	799.3	4.7	4,612.5	27.1	1,593.0	9.4	5.9	0.0
March	19,121.0	11,570.1	60.5	738.8	3.9	5,208.2	27.2	1,597.7	8.4	6.1	0.0
April	20,350.6	11,828.5	58.1	851.6	4.2	6,054.5	29.8	1,609.5	7.9	6.5	0.0
May	22,178.7	13,619.2	61.4	763.8	3.4	5,899.4	26.6	1,887.6	8.5	8.7	0.0
June	21,816.2	12,853.2	58.9	725.5	3.3	5,871.4	26.9	2,354.9	10.8	11.2	0.1
July	26,251.1	15,332.9	58.4	852.5	3.2	7,261.0	27.7	2,789.6	10.6	15.1	0.1
August	27,886.3	16,310.4	58.5	783.4	2.8	7,674.5	27.5	3,109.5	11.2	8.4	0.0
September	26,294.6	15,579.2	59.2	895.6	3.4	7,392.4	28.1	2,417.6	9.2	9.8	0.0
October	29,651.0	17,967.8	60.6	1,011.8	3.4	7,754.5	26.2	2,906.2	9.8	10.8	0.0
November	28,722.7	17,122.7	59.6	931.1	3.2	7,595.5	26.4	3,065.3	10.7	8.0	0.0
December	26,180.1	15,270.4	58.3	799.9	3.1	7,780.8	29.7	2,322.7	8.9	6.3	0.0
January'2013	22,335.6	13,317.6	59.6	763.0	3.4	6,716.9	30.1	1,532.3	6.9	5.8	0.0
February	21,941.7	13,266.5	60.5	778.9	3.6	6,338.3	28.9	1,551.9	7.1	6.1	0.0
March	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

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
January'2012	46.7757	61.4773	1.5405	0.3148	0.6%	2.4%	6.7%	0.5%
February	46.4900	62.4547	1.6059	0.3149	-0.6%	1.6%	4.2%	0.0%
March	46.8275	62.4819	1.5967	0.3169	0.7%	0.0%	-0.6%	0.6%
April	46.8494	62.0428	1.5960	0.3169	0.0%	-0.7%	0.0%	0.0%
May	46.9352	58.4085	1.4463	0.3173	0.2%	-5.9%	-9.4%	0.1%
June	47.2445	59.4241	1.4396	0.3162	0.7%	1.7%	-0.5%	-0.4%
July	47.1487	57.7998	1.4640	0.3143	-0.2%	-2.7%	1.7%	-0.6%
August	46.0274	57.8127	1.4341	0.3081	-2.4%	0.0%	-2.0%	-2.0%
September	47.1484	61.0289	1.5250	0.3146	2.4%	5.6%	6.3%	2.1%
October	47.1513	60.9838	1.4952	0.3129	0.0%	-0.1%	-2.0%	-0.6%
November	47.2578	61.3170	1.5217	0.3140	0.3%	0.5%	1.8%	0.4%
December	47.4012	62.6573	1.5607	0.3145	0.3%	2.2%	2.6%	0.2%
January'2013	47.7696	64.5105	1.5909	0.3167	0.8%	3.0%	1.9%	0.7%
February	47.5676	62.2279	1.5535	0.3162	-0.4%	-3.5%	-2.3%	-0.2%
March	47.9610	61.4884	1.5430	0.3180	0.8%	-1.2%	-0.7%	0.6%

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
January'2012	0.3%	0.5%	0.9%	0.7%	0.0%	0.3%	0.3%	0.1%	-0.3%	1.8%	6.6%	0.3%
February	0.3%	0.5%	1.0%	0.7%	0.1%	0.1%	0.3%	0.1%	-0.3%	1.7%	3.7%	0.2%
March	0.3%	0.6%	0.8%	0.7%	0.1%	0.3%	0.3%	0.1%	0.0%	0.4%	0.6%	-0.1%
April	0.2%	0.5%	0.6%	0.7%	0.0%	0.1%	0.2%	0.1%	0.4%	-0.6%	-1.1%	0.1%
May	0.3%	0.5%	0.8%	0.7%	0.1%	0.2%	0.4%	0.1%	0.4%	-5.2%	-9.3%	0.4%
June	0.3%	0.6%	0.8%	0.7%	0.0%	0.2%	0.4%	0.1%	0.6%	1.1%	-1.0%	-0.2%
July	0.2%	0.5%	0.7%	0.7%	0.0%	0.2%	0.3%	0.1%	0.2%	-2.6%	1.9%	-0.1%
August	0.3%	0.5%	0.8%	0.5%	0.1%	0.2%	0.2%	0.2%	-1.2%	0.3%	-1.0%	-2.0%
September	0.3%	0.5%	0.6%	1.0%	0.1%	0.2%	0.4%	0.2%	0.8%	4.9%	4.8%	1.3%
October	0.2%	0.4%	0.6%	0.7%	0.0%	0.1%	0.2%	0.1%	0.4%	0.6%	-0.2%	-0.2%
November	0.2%	0.4%	0.7%	0.7%	0.0%	0.1%	0.1%	0.1%	0.3%	0.3%	1.5%	0.4%
December	0.2%	0.4%	0.6%	0.7%	0.0%	0.1%	0.2%	0.1%	0.1%	0.9%	0.7%	-0.5%
January'2013	0.2%	0.4%	0.6%	0.6%	0.0%	0.2%	0.2%	0.1%	0.7%	4.3%	3.6%	1.4%
February	0.2%	0.5%	0.6%	0.7%	0.1%	0.1%	0.1%	0.1%	-0.3%	-2.9%	-1.8%	0.0%
March	0.2%	0.5%	0.6%	0.7%	0.0%	0.1%	0.2%	0.1%	0.6%	-1.5%	-1.1%	0.4%