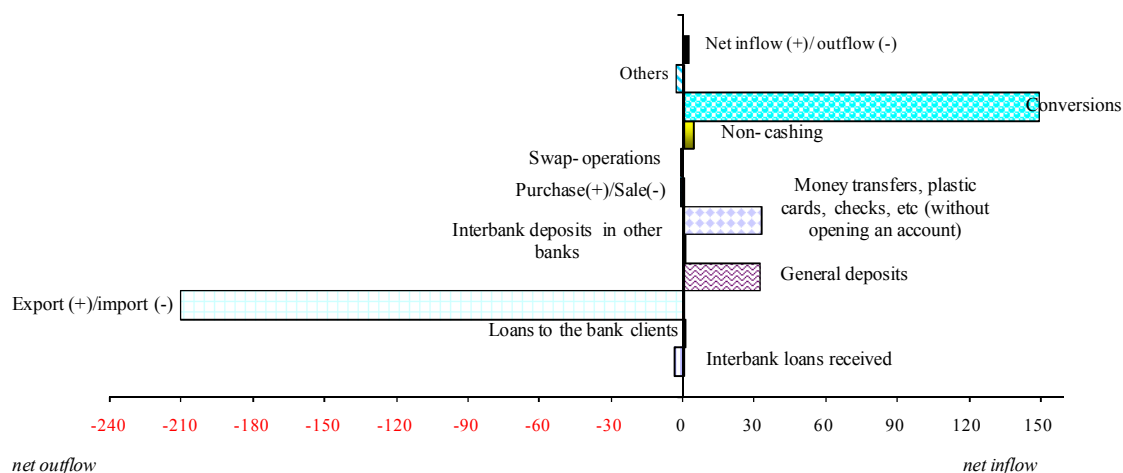
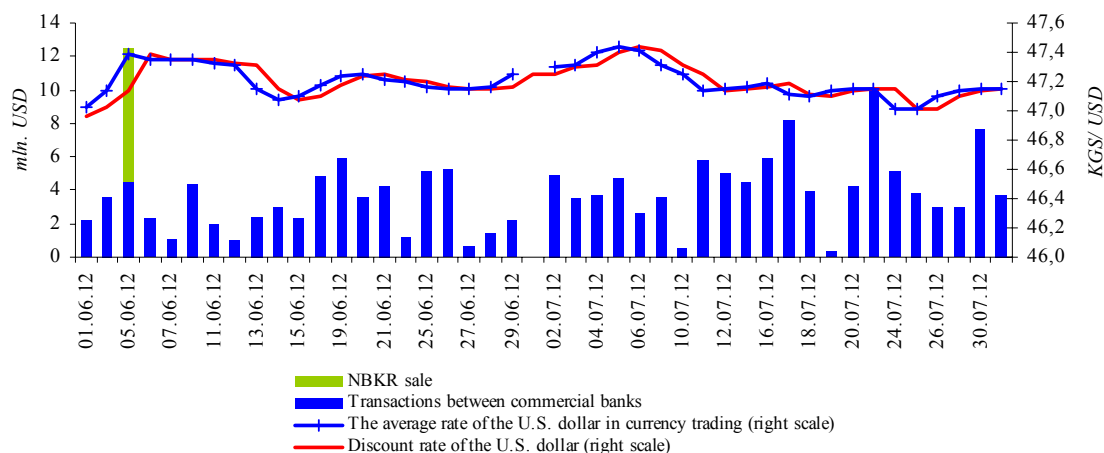


## Currency Market (July 2012)

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



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



In general, the period under review was characterized by changing the vector of growth dynamics of the exchange rate of U.S. dollar after a sufficiently long period of weakening of the national currency, observed in March of this year; at the end of July, the cost of the U.S. currency fell by 0.2 percent from 47.2445 to 47.1487 KGS per U.S. dollar (in July 2011, the rate decreased by 1.4 percent)<sup>1</sup>. At the same time, the strengthening of the som occurred against volume growth of currencies coming into the country through the money transfer systems, as well as the seasonal increase in tourist flow.

The volume of operations on purchase and sale of foreign currency increased by 20.3 percent to 26.3 billion KGS due to increasing the quantitative indicators of transactions in all market segments. Thus, the amount of non-cash and cash operations of commercial banks increased over the month to 4.8 billion KGS (+32.0 percent) and 17.9 billion KGS (+19.8 percent), respectively. The value of cash operations conducted by exchange offices showed a more modest increase of 9.5 percent, having formed in the amount of 3.5 billion KGS based on the results of the month.

<sup>1</sup> Here and below, we consider values of the exchange rate at the end of each of the periods used in the context.

The aggregate turnover of interbank currency trading in July rose to 97.9 million USD (+37.1 percent) as a result of the growing volume of transactions between commercial banks. In the period under review, the interventions of the National Bank were not carried out for the purpose of smoothing sharp fluctuations of the exchange rate.

In the period under review, NBKR did not conduct swaps with commercial banks.

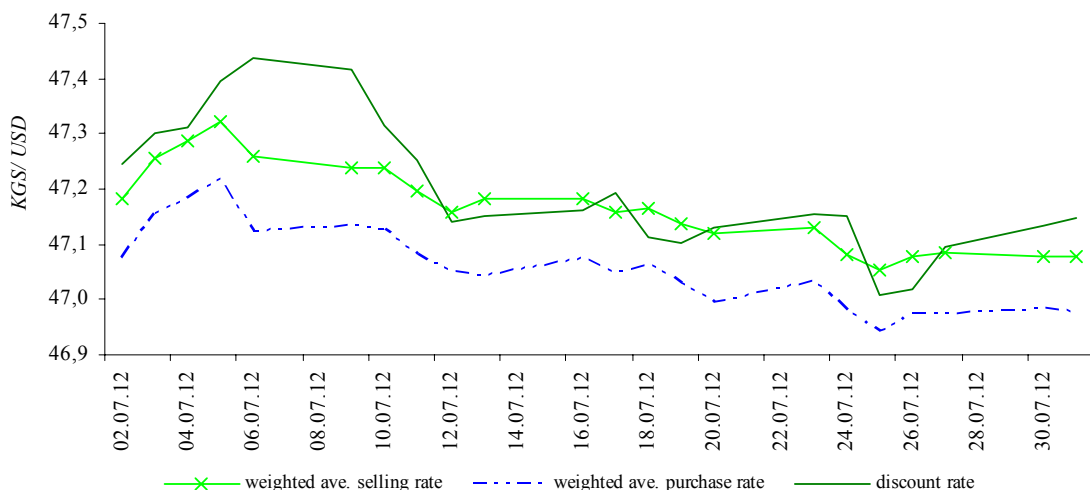
In the currency breakdown, in July, there was an increase in the volume of operations on all major currency types. At the same time, the share ratio of currencies in total operations performed was distributed as follows: the share of operations in U.S. dollars decreased by 0.5 percentage points to 58.4 percent, the euro – by 0.1 percentage points to 3.2 percent, the Kazakh tenge – by 0.2 percentage points to 10.6 percent, while the share of transactions in Russian rubles increased from 26.9 to 27.7 percent.

**Graph 3. The dynamics of the selling rates of non-cash and cash U.S. dollar in commercial banks**

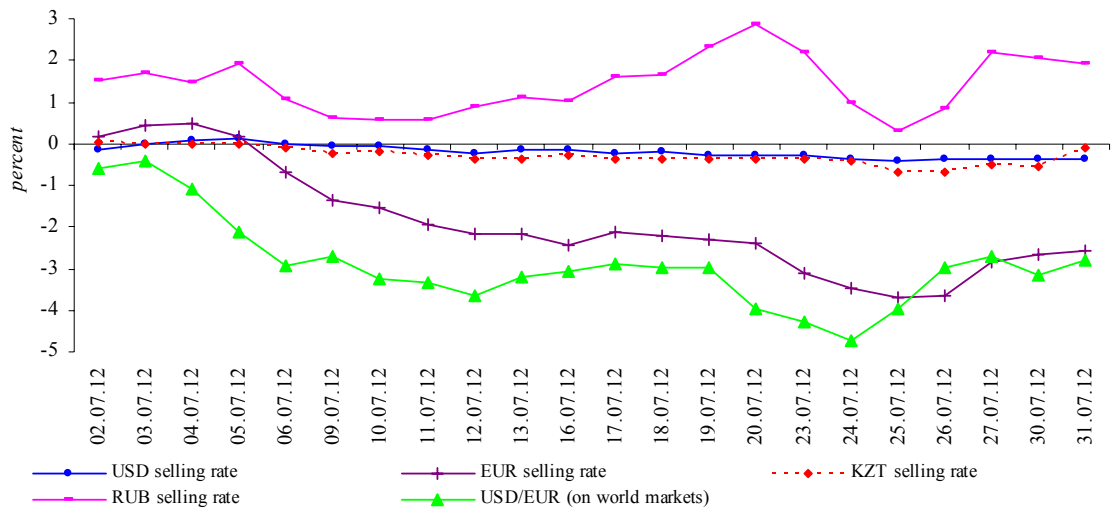


\* gaps in the graph are due to the lack of transactions

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



**Graph 5. The dynamics of rates of changes in the rates of major currencies in exchange offices and the U.S. dollars rate on 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 (%)
July 2011	21 594,3	3 909,9	18,1	14 534,5	67,3	3 149,9	14,6
August	24 579,1	5 104,5	20,8	16 240,3	66,1	3 234,3	13,2
September	22 689,5	4 021,6	17,7	15 460,6	68,1	3 207,3	14,1
October	22 334,5	3 760,0	16,8	15 490,1	69,4	3 084,4	13,8
November	23 528,6	5 756,1	24,5	14 658,9	62,3	3 113,6	13,2
December	22 208,8	4 389,9	19,8	14 350,8	64,6	3 468,0	15,6
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

**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	share	volume	share	volume	share	volume	share	volume	share
July 2011	21 594,3	12 685,6	58,7	947,3	4,4	5 951,8	27,6	2 002,3	9,3	7,2	0,0
August	24 579,1	15 123,5	61,5	848,8	3,5	6 357,2	25,9	2 238,0	9,1	11,6	0,0
September	22 689,5	14 154,9	62,4	1 113,4	4,9	5 493,7	24,2	1 901,3	8,4	26,2	0,1
October	22 334,5	14 158,1	63,4	937,2	4,2	5 086,1	22,8	2 143,3	9,6	9,8	0,0
November	23 528,6	15 176,6	64,5	1 098,5	4,7	5 013,5	21,3	2 232,5	9,5	7,5	0,0
December	22 208,8	13 816,9	62,2	1 034,4	4,7	5 047,1	22,7	2 294,8	10,3	15,6	0,1
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

**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
July 2011	44,5952	63,6864	1,6111	0,3052	-1,4%	-1,6%	0,3%	-1,4%
August	44,8925	64,8392	1,5551	0,3066	0,7%	1,8%	-3,5%	0,5%
September	45,0008	61,1059	1,4053	0,3055	0,2%	-5,8%	-9,6%	-0,4%
October	45,5976	64,6528	1,5251	0,3084	1,3%	8,5%	0,9%	5,8%
November	46,8308	61,9873	1,4792	0,3173	2,7%	-4,1%	-3,0%	2,9%
December	46,4847	60,0652	1,4438	0,3132	-0,7%	-3,1%	-2,4%	-1,3%
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%

**Table 4. Data on exchange rates of foreign currencies 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
July 2011	0,3%	0,6%	0,7%	0,7%	0,1%	0,2%	0,1%	0,1%	-2,1%	-2,0%	-2,2%	-2,1%
August	0,4%	0,6%	0,9%	1,2%	0,2%	0,2%	0,3%	0,3%	1,5%	1,5%	-2,8%	0,7%
September	0,3%	0,6%	0,9%	0,9%	0,1%	0,3%	0,3%	0,1%	0,2%	-6,0%	-8,6%	-0,4%
October	0,3%	0,5%	0,8%	0,8%	0,1%	0,2%	0,6%	0,2%	1,1%	4,9%	5,9%	1,2%
November	0,3%	0,5%	0,9%	0,7%	0,1%	0,3%	0,2%	0,1%	2,9%	-2,3%	-0,2%	3,0%
December	0,3%	0,5%	1,0%	0,9%	0,1%	0,2%	0,2%	0,2%	-0,1%	-3,6%	-3,0%	-1,0%
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%