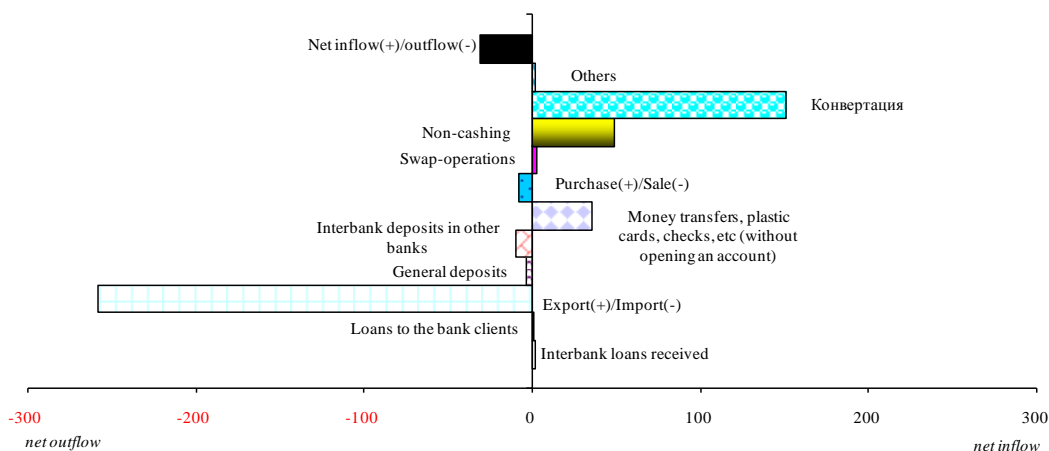


## Foreign exchange market (May, 2014)

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

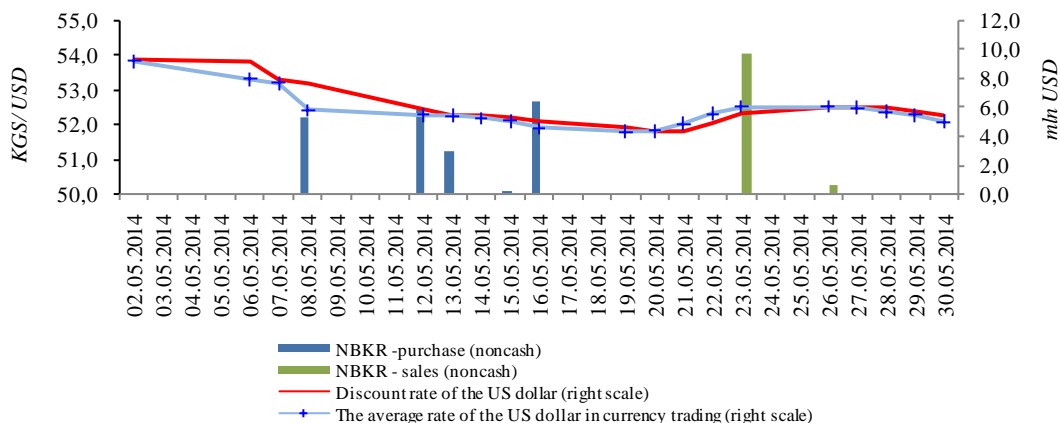


In May, downward trend of US dollar exchange rate continued from 53.9615 to 52.0806 soms per US dollar, due to the predominance of foreign currency supply over its demand caused by seasonal factors. The main stage of discount rate reduction occurred in the second decade of the reporting period. Increasing of foreign currency supply by the major market participants carried out mainly due to received interbank loans, transfer money into noncash and dollars resulting from conversion operations of banks (Graph 1).

In the reporting period, the total volume of transactions for the purchase and sale of foreign currency increased in comparison with the same figure in the previous month by 2.4 percent, developed in the amount of 47.9 billion soms. The reason was the increase in business activity in the segment of the cash transactions of commercial banks by 8.5 percent to 23.5 billion soms in quantitative terms, as well as exchange offices - 17.8 billion soms (+5.0 percent). In addition, the volume of cashless transactions of commercial banks fell to 6.5 billion soms that is by 19.3 percent lower than in the previous month.

Aggregate turnover of interbank currency trades declined to 52.5 million US dollars, having decreased by 59.9 percent. In order to regulate the exchange rate surges, the National Bank in the reporting period made interventions on sale in the amount of 10.2 million US dollars) and on the purchase of foreign currency in the amount of 20.5 million US dollars (in the corresponding period of 2013 interventions on buying and selling of foreign currency were not conducted) (Graph 2).

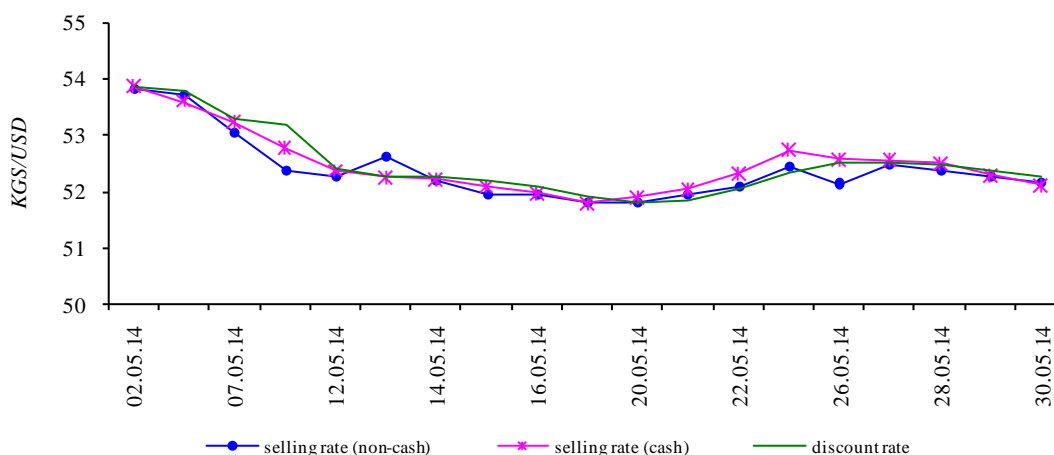
**Graph 2. The dynamics of the US dollar in the interbank foreign exchange markets**



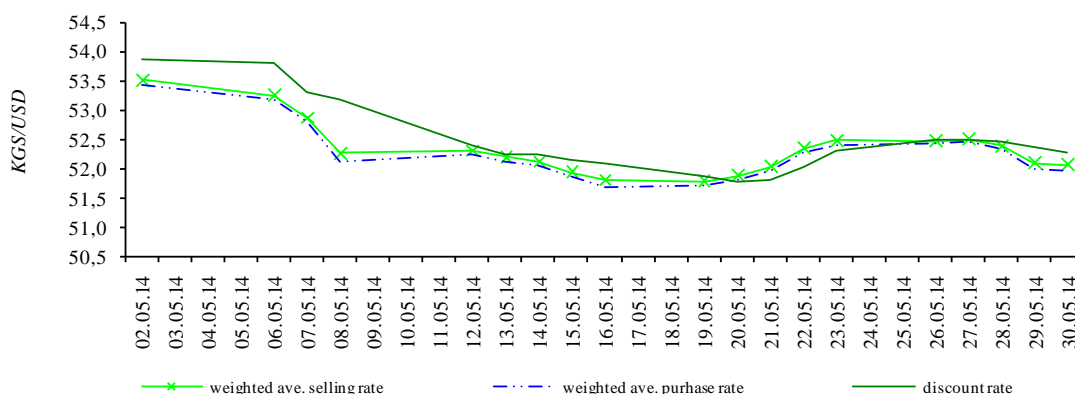
In the reporting period, the NBKR did not conduct SWAP-operations with commercial banks.

In split for main currencies, it was observed an increase in the volume of transactions in Russian rubles and Kazakh tenge. At the same time share ratio of currencies in the total volume of transactions was distributed as follows: the share of transactions in US dollars decreased by 2.8 percentage points to 58.7 percent; in Russian ruble increased by 1.4 percentage points to 34.0 percent. The share of transactions in the Kazakh tenge was 5.7 percent, having increased over the month by 1.5 percentage points, in Euro was 1.7 percent, having decreased by 0.1 percentage points.

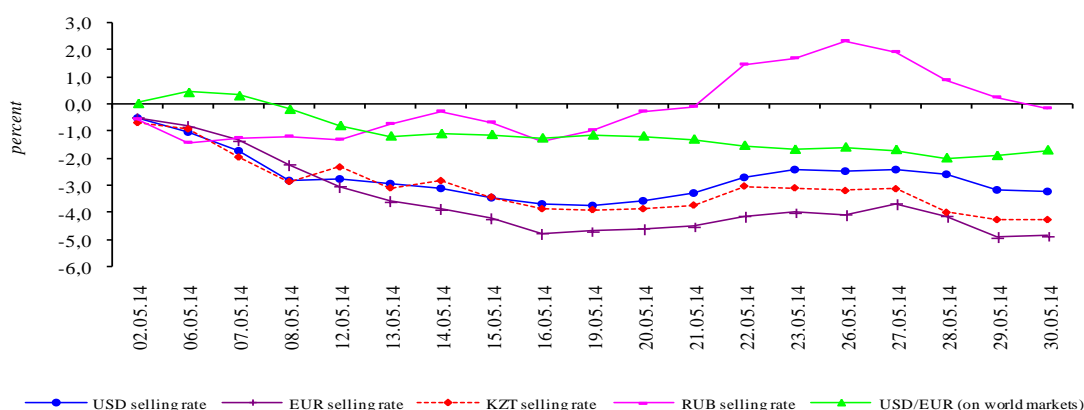
**Graph 3. The dynamics of the selling rate of non-cash and cash US dollar in commercial banks**



**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 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 (%)	
2013	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					
	04	46 760,3	8 085,1	17,3	21 670,9	46,3	17 004,3	36,4					
	05	47 882,3	6 522,9	13,6	23 511,3	49,1	17 848,1	37,3					

**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	
2013	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
	04	46 760,3	28 744,6	61,5	837,9	1,8	15 243,2	32,6	1 925,7	4,1	8,9	0,0
	05	47 882,3	28 093,5	58,7	803,8	1,7	16 273,7	34,0	2 705,4	5,7	6,0	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
2013	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%
	04	53,9615	74,8365	1,5116	0,2964	-1,0%	0,2%	10,2%	-1,0%
	05	52,2705	71,1872	1,5086	0,2849	-3,1%	-4,9%	-0,2%	-3,9%

**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 rate				Changing the currency selling rate for the month			
		USD	EUR	RUB	KZT	USD	EUR	RUB	KZT	USD	EUR	RUB	KZT
2013	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%
	04	0,1%	0,4%	0,1%	0,4%	0,0%	0,2%	0,4%	0,1%	-1,2%	-0,5%	-1,3%	-1,1%
	05	0,1%	0,6%	0,2%	0,4%	0,2%	0,3%	0,4%	0,3%	-3,2%	-4,9%	-0,2%	-4,3%