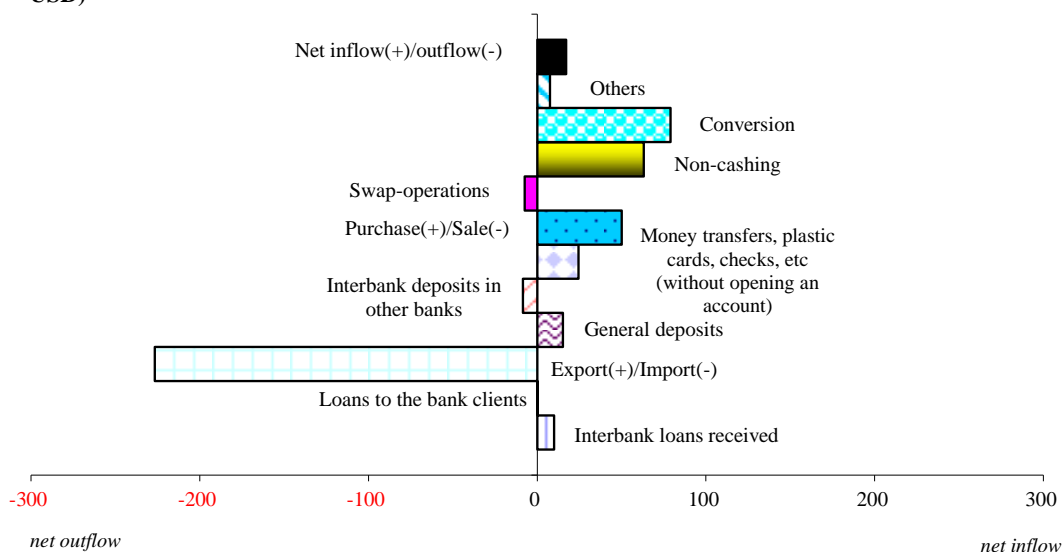


Foreign Exchange Market (March 2015)

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

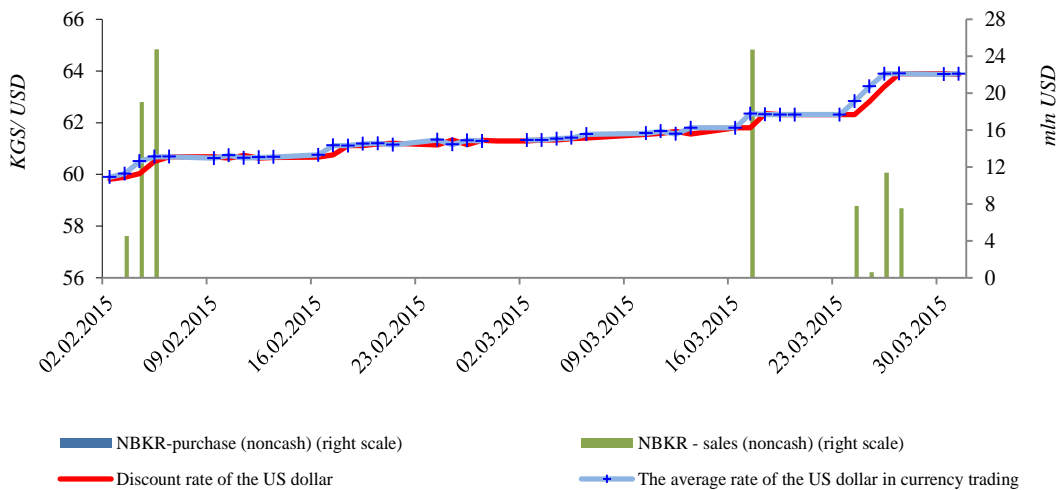


Global trend of USD strengthening remained among fundamental reasons of increase in USD/KGS exchange rate in the reporting period. As opposed to the previous month, there was increase in the exchange rate of the US dollar from KGS 61.2914 to 63.8736 per USD. Supply of currency on the background of traditionally high demand on the part of large market participants was primarily supported by means of US dollars, obtained as a result of conversion bank transactions, withdrawal of cash assets and received remittances (Chart 1).

In the reporting period, the total volume of transactions on the purchase and sale of foreign currency increased in comparison with the same period of the previous month by 8.3 percent and constituted KGS 39.1 billion. The reason was the increase in business activity by 20.7 percent, to KGS 18.3 billion in the segment of cash transactions conducted by the commercial banks. Moreover, the amount of cash transactions of exchange offices increased by 17.7 percent as compared to the previous month, up to KGS 11.1 billion, however, the amount of non-cash transactions of commercial banks decreased to KGS 9.7 billion (-15.7 percent).

The total turnover of interbank currency trading decreased by 16.6 percent as compared to the previous month and amounted to USD 132.2 million. The National Bank performed interventions in the reporting period by selling foreign currency in the amount of USD 52.1 million (+7.7 percent).

Chart 2. Dynamics of US Dollar Exchange Rate in the Interbank Foreign Exchange Market



In the reporting period, the National Bank did not conduct SWAP operations with commercial banks.

By types of currencies, there was a diverse trend in the volume of transactions. At the same time, the equity ratio of currency in the total volume of transactions was distributed as follows: the share of transactions in USD decreased by 5.6 percentage points, to 65.0 percent; in KZT – by 1.0 percentage points, to 6.2 percent. The share of transactions in RUB amounted to 23.9 percent having increased by 5.2 percentage points, in EUR – by 1.4 percentage points, to 5.0 percent over the month.

Chart 3. Dynamics of Selling Rate of Non-Cash and Cash US Dollar in Commercial Banks

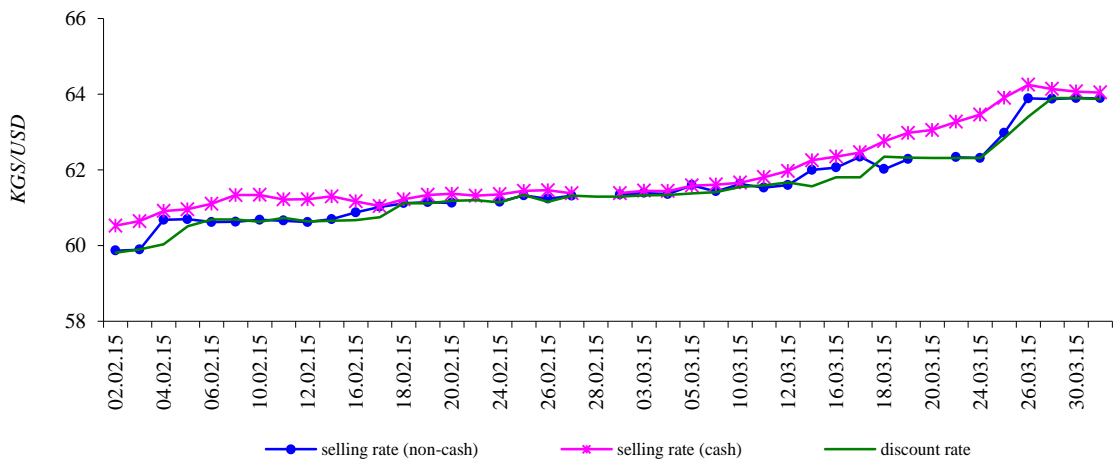


Chart 4. Dynamics of the US Dollar in Exchange Offices

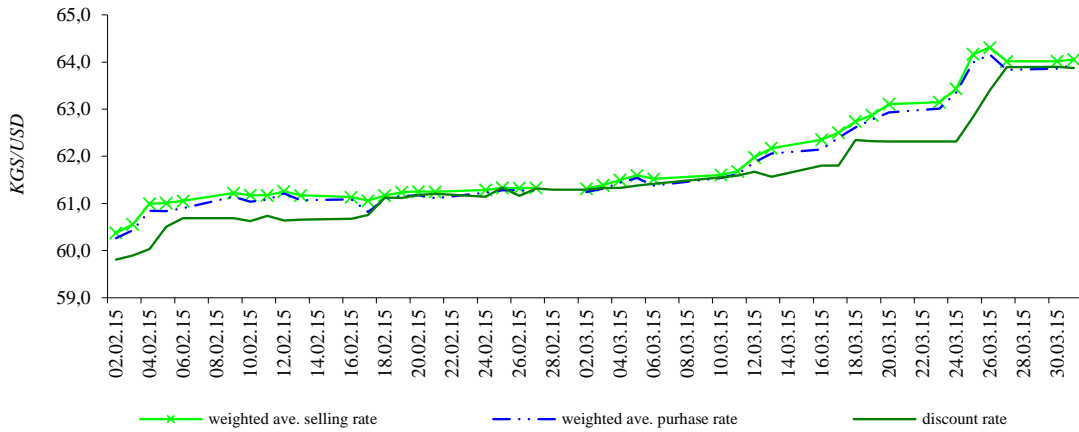


Chart 5. Dynamics of Major Currencies Rates in Exchange Offices, the US Dollar Rates in Exchange Offices and the US Dollar Rates in World Markets

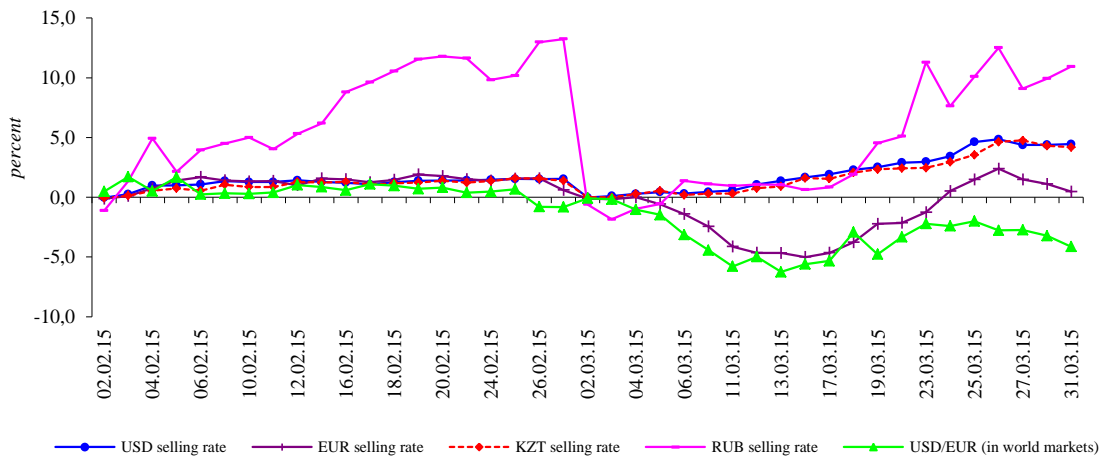


Table 1. Volume of Purchases and Sales of Foreign Exchange Transactions by Type (in KGS Equivalent)

Period		Total amount of transactions	Non-cash operations of commercial banks		Cash operations of commercial banks		Cash operations of exchange offices		
			Volume of operations	Share (%)	Volume of operations	Share (%)	Volume of operations	Share (%)	
									millions of KGS
2014	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	
	06	53 731,2	8 922,2	16,6	26 024,8	48,4	18 784,2	35,0	
	07	52 421,0	10 187,8	19,4	26 195,6	50,0	16 037,6	30,6	
	08	62 126,6	11 917,4	19,2	27 774,5	44,7	22 434,7	36,1	
	09	57 719,9	8 348,9	14,5	27 483,5	47,6	21 887,5	37,9	
	10	73 683,0	11 026,1	15,0	31 622,3	42,9	31 034,6	42,1	
	11	48 907,3	8 735,4	17,9	22 393,5	45,8	17 778,5	36,4	
	12	50 304,0	16 479,8	32,8	21 729,5	43,2	12 094,7	24,0	
	2015	01	22 246,6	4 889,3	22,0	11 257,6	50,6	6 099,8	27,4
		02	36 137,0	11 550,7	32,0	15 130,3	41,9	9 456,0	26,2
03		39 131,7	9 733,8	24,9	18 263,6	46,7	11 134,3	28,5	

Table 2. Volume of Purchases and Sales of Foreign Currency by Currency (in KGS Equivalent)
millions of KGS

Period	Total volume of operations	USD		EUR		RUB		KZT		Other			
		Volume	Volume	Share	Volume	Share	Volume	Share	Volume	Share	Volume	Share	
2014	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	
	06	53 731,2	31 970,2	59,5	856,9	1,6	17 628,7	32,8	3 264,5	6,1	10,9	0,0	
	07	52 421,0	32 505,9	62,0	1 011,8	1,9	14 429,8	27,5	4 464,2	8,5	9,3	0,0	
	08	62 126,6	38 361,8	61,8	1 095,9	1,8	16 294,3	26,2	6 367,5	10,3	7,2	0,0	
	09	57 719,9	34 632,9	60,0	1 329,3	2,3	18 002,5	31,2	3 748,2	6,5	7,1	0,0	
	10	73 683,0	45 153,6	61,3	1 178,8	1,6	22 223,8	30,2	5 121,8	7,0	4,9	0,0	
	11	48 907,3	31 254,1	63,9	1 065,1	2,2	12 774,7	26,1	3 805,6	7,8	7,9	0,0	
	12	50 304,0	35 732,3	71,0	2 086,2	4,2	7 606,4	15,1	4 869,5	9,7	9,6	0,0	
	2015	01	22 246,6	15 365,7	69,1	629,3	2,8	4 697,4	21,1	1 546,6	7,0	7,6	0,0
		02	36 137,0	25 492,6	70,5	1 292,0	3,6	6 760,8	18,7	2 582,1	7,2	9,5	0,0
03		39 131,7	25 419,2	65,0	1 946,7	5,0	9 350,8	23,9	2 408,0	6,2	6,9	0,0	

Table 3. Data on the Discount Rate of Foreign Currencies to KGS

Period	Discount rate at end of month				Changing the discount rate for the month					
	USD	EUR	RUB	KZT	USD	EUR	RUB	KZT		
2014	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%	
	06	52,0649	70,9098	1,5481	0,2837	-0,4%	-0,4%	2,6%	-0,4%	
	07	51,7518	69,3526	1,4485	0,2820	-0,6%	-2,2%	-6,4%	-0,6%	
	08	52,9561	69,8517	1,4339	0,2910	2,3%	0,7%	-1,0%	3,2%	
	09	54,5202	69,1125	1,3842	0,2997	3,0%	-1,1%	-3,5%	3,0%	
	10	57,3484	72,1127	1,3216	0,3171	5,2%	4,3%	-4,5%	5,8%	
	11	57,5957	71,6433	1,1677	0,3184	0,4%	-0,7%	-11,6%	0,4%	
	12	58,8865	71,6943	1,0467	0,3229	2,2%	0,1%	-10,4%	1,4%	
	2015	01	59,8100	67,8395	0,8677	0,3243	1,6%	-5,4%	-17,1%	0,4%
		02	61,2914	68,7414	1,0003	0,3312	2,5%	1,3%	15,3%	2,1%
03		63,8736	69,3731	1,0925	0,3441	4,2%	0,9%	9,2%	3,9%	

Table 4. Data on the Exchange Rate of KGS 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		
2014	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%	
	06	0,1%	0,5%	0,1%	0,4%	0,2%	0,2%	0,3%	0,3%	-0,2%	-0,3%	2,6%	0,0%	
	07	0,1%	0,5%	0,3%	0,2%	0,1%	0,1%	0,4%	0,1%	-0,6%	-2,6%	-5,4%	-0,5%	
	08	0,1%	0,5%	0,2%	0,2%	0,1%	0,1%	0,3%	0,2%	2,4%	0,8%	-1,5%	2,5%	
	09	0,1%	0,4%	0,2%	0,1%	0,1%	0,1%	0,4%	0,3%	2,7%	-0,5%	-3,8%	3,3%	
	10	0,1%	0,5%	0,1%	0,3%	0,2%	0,2%	0,4%	0,4%	5,9%	4,4%	-1,4%	6,4%	
	11	0,1%	0,6%	0,2%	0,3%	0,1%	0,2%	0,8%	0,2%	0,1%	-1,2%	-13,4%	0,1%	
	12	0,2%	0,5%	1,5%	0,3%	0,1%	0,2%	1,5%	0,3%	2,8%	-0,8%	-13,8%	0,8%	
	2015	01	0,2%	0,8%	1,2%	0,2%	0,1%	0,4%	0,6%	0,2%	2,0%	-4,0%	-12,8%	1,8%
		02	0,2%	0,5%	0,3%	0,3%	0,1%	0,2%	0,9%	0,1%	1,5%	0,6%	13,2%	1,4%
03		0,2%	0,6%	0,7%	0,4%	0,2%	0,4%	0,7%	0,2%	4,4%	0,5%	10,9%	4,2%	