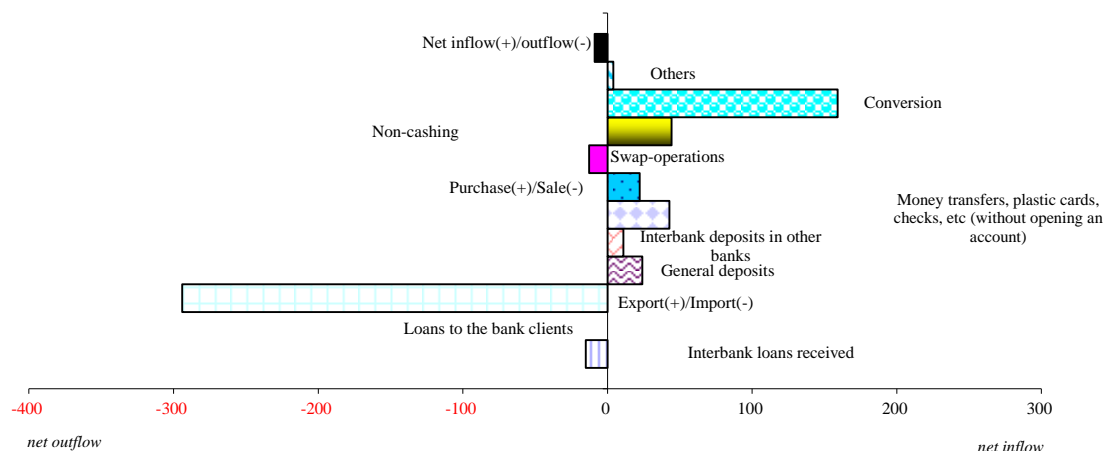


Foreign Exchange Market (June 2015)

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

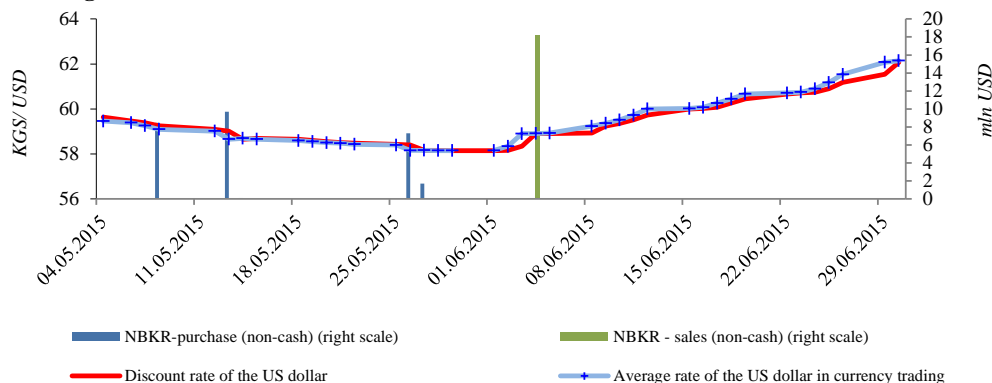


In the reporting period, as opposed to the previous month, there was increase in the exchange rate of the US dollar from KGS 58.1472 to 62.0788 per USD due to increase of pressure from external sources. Dynamics of the foreign currency exchange rate in the domestic market of the Kyrgyz Republic was conditioned by the effect of fundamental factors such as strengthening of the US dollar in the world due to rehabilitation of the US economy and the policy conducted by the US FRS on the one hand; growth of the Russian ruble volatility due to aggravated geopolitical tension in the region of the other hand. Supply of currency by large market participants increased primarily due to the US dollars received as a result of bank conversion transactions.

In the reporting period, the total volume of transactions on the purchase and sale of foreign currency increased as compared with the previous month by 6.2 percent and constituted KGS 39.2 billion. The reason was the increase in business activity by 14.4 percent, to KGS 21.2 billion in the segment of cash transactions conducted by the commercial banks. Moreover, the amount of cash transactions of exchange offices increased to KGS 12.6 billion having increased by 14.3 percent as compared to the previous month, the amount of non-cash transaction of commercial banks – to KGS 5.3 billion (-27.1 percent).

The total turnover of interbank currency trading decreased by 32.4 percent as compared to the previous month and amounted to USD 79.9 million. The National Bank performed interventions in the reporting period by selling foreign currency in the amount of USD 18.2 million.

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 2.7 percentage points, to 60.1 percent; in EUR – by 0.2 percentage points, to 2.2 percent. The share of transactions in RUB increased by 1.7 percentage points, to 30.4 percent, in KZT – by 1.1 percentage points, to 7.5 percent over the month.

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

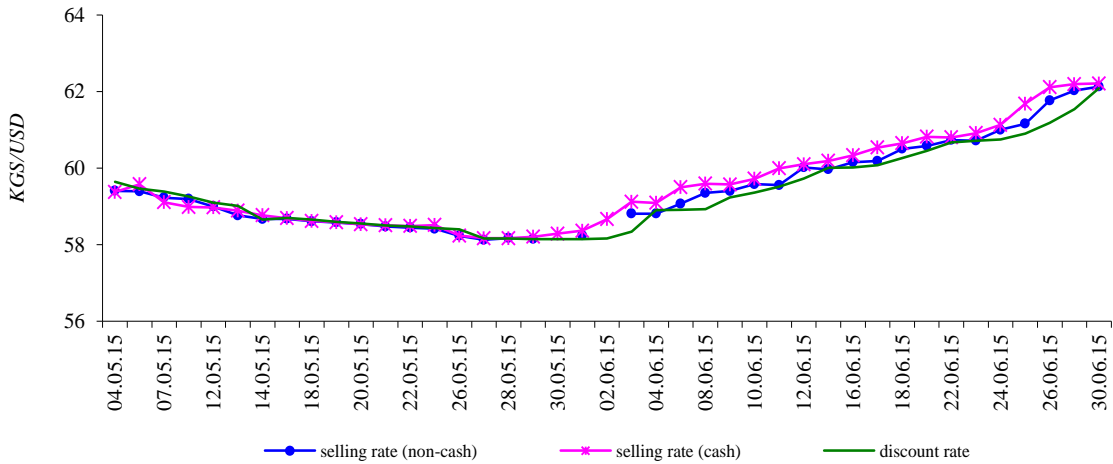


Chart 4. Dynamics of the US Dollar in Exchange Offices

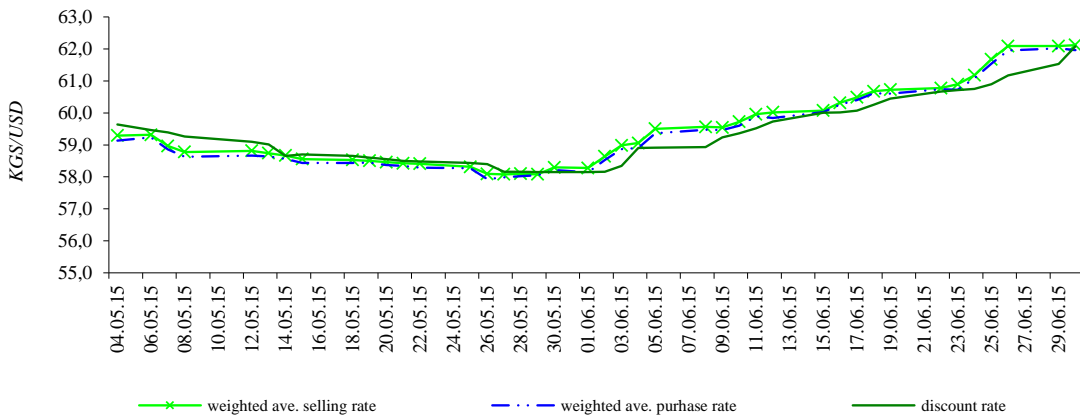


Chart 5. Dynamics of Major Currencies Rates in Exchange Offices, the US Dollar Rates in Exchange Offices and the US Dollar Rates in World Markets

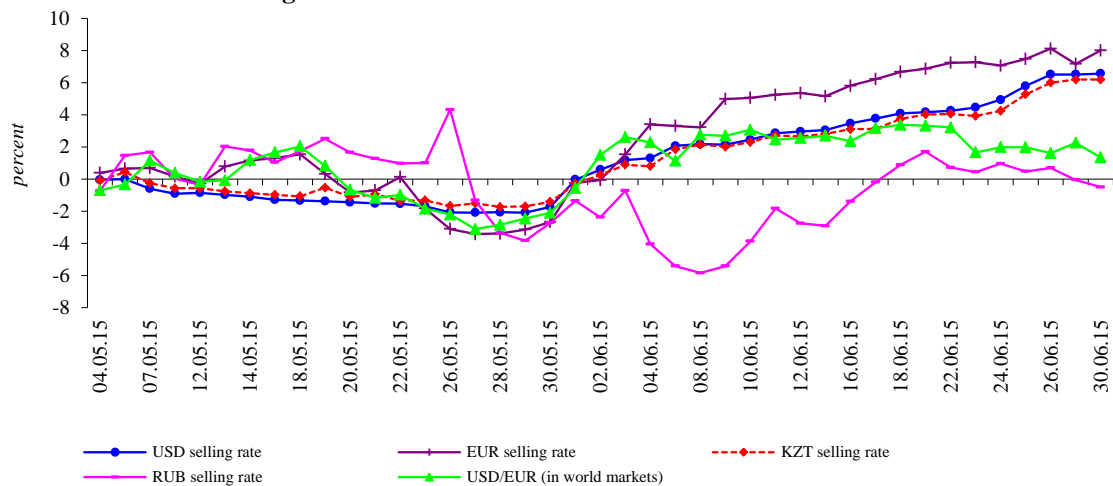


Table 1. Volume of Purchases and Sales of Foreign Exchange Transactions by Type (in KGS Equivalent)
millions of KGS

| 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 (%) |
| 2014 | 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 |
| | 04 | 39 693,9 | 7 998,4 | 20,2 | 20 092,9 | 50,6 | 11 602,6 | 29,2 |
| | 05 | 36 923,8 | 7 334,7 | 19,9 | 18 561,5 | 50,3 | 11 027,7 | 29,9 |
| | 06 | 39 196,4 | 5 348,2 | 13,6 | 21 241,9 | 54,2 | 12 606,2 | 32,2 |

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 | 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 | |
| | 04 | 39 693,9 | 24 057,8 | 60,6 | 3 274,5 | 8,3 | 9 217,3 | 23,2 | 3 131,5 | 7,9 | 12,8 | 0,0 | |
| | 05 | 36 923,8 | 23 192,5 | 62,8 | 804,1 | 2,2 | 10 582,7 | 28,7 | 2 338,8 | 6,3 | 5,8 | 0,0 | |
| | 06 | 39 196,4 | 23 554,4 | 60,1 | 796,4 | 2,0 | 11 914,5 | 30,4 | 2 919,6 | 7,5 | 11,6 | 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 | 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% |
| | 04 | 60,0705 | 66,1196 | 1,1618 | 0,3233 | -6,0% | -4,7% | 6,3% | -6,0% |
| | 05 | 58,1472 | 63,7119 | 1,0977 | 0,3127 | -3,2% | -3,6% | -5,5% | -3,3% |
| | 06 | 62,0788 | 69,0223 | 1,1181 | 0,3334 | 6,8% | 8,3% | 1,9% | 6,6% |

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 | 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% | 0,5% | 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% |
| | 04 | 0,2% | 0,8% | 0,5% | 0,4% | 0,1% | 0,4% | 1,3% | 0,3% | -7,4% | -5,3% | 3,7% | -7,6% |
| | 05 | 0,2% | 0,6% | 0,6% | 0,3% | 0,1% | 0,4% | 0,7% | 0,2% | -1,7% | -2,7% | -2,7% | -1,4% |
| | 06 | 0,2% | 0,6% | 0,4% | 0,4% | 0,2% | 0,3% | 0,8% | 0,2% | 6,6% | 8,0% | -0,5% | 6,2% |