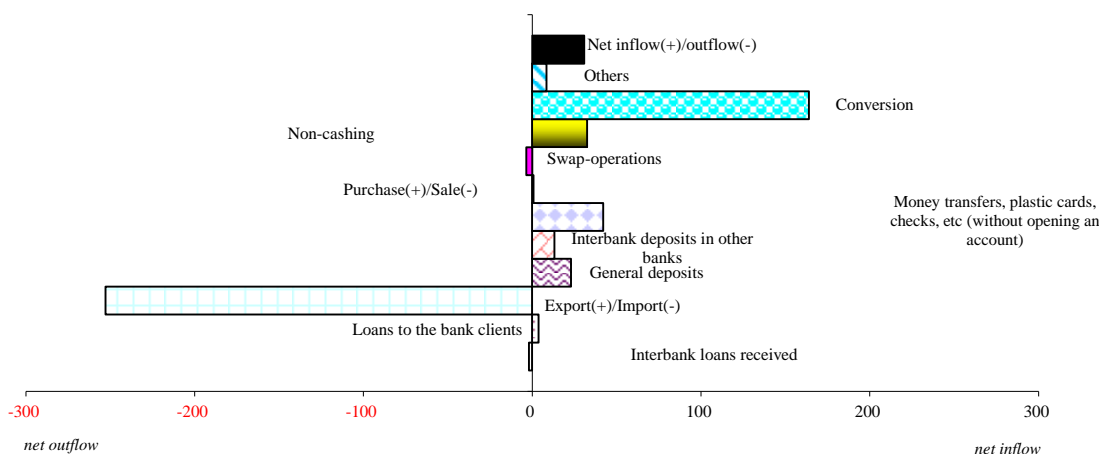


Foreign Exchange Market (July 2015)

Chart 1. Net Inflow (Outflow) on Non-Cash US Dollars in Commercial Banks
(millions of USD)

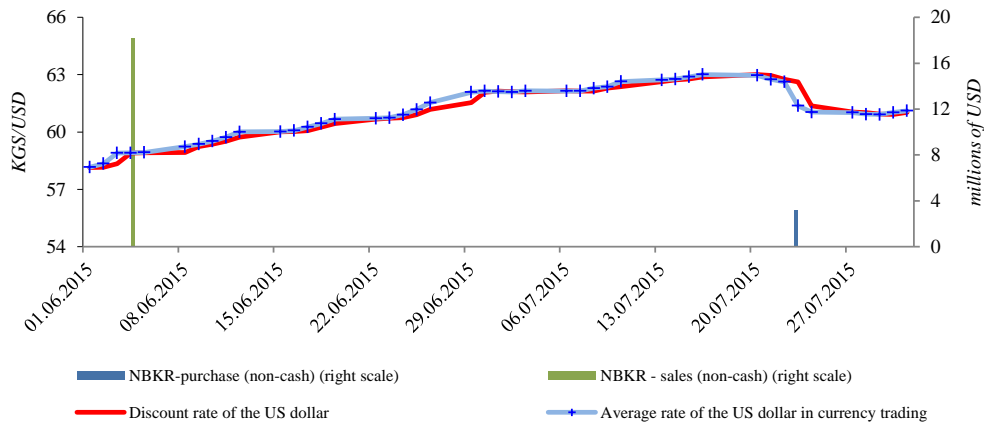


In the reporting period, as opposed to the previous month, there was increase in the exchange rate of the US dollar from KGS 62.0788 to 61.0213 per USD due to decrease of pressure from external sources. Dynamics of the foreign currency exchange rate in the domestic market of the Kyrgyz Republic was conditioned 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 41.6 billion. The reason was the increase in business activity by 3.2 percent, to KGS 5.5 billion in the segment of non-cash transactions conducted by the commercial banks. Moreover, the amount of cash transactions of commercial banks increased to KGS 21.9 billion having increased by 3.3 percent as compared to the previous month, the amount of cash transaction of exchange offices – to KGS 14.2 billion (+12.4 percent).

The total turnover of interbank currency trading increased by 8.7 percent as compared to the previous month and amounted to USD 86.8 million. The National Bank performed interventions in the reporting period by purchasing foreign currency in the amount of USD 3.2 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 increased by 1.9 percentage points, to 62.0 percent; in EUR – by 0.2 percentage points, to 2.2 percent, in KZT – by 2.2 percentage points, to 9.6 percent. The share of transactions in RUB decreased by 4.2 percentage points, to 26.2 percent, over the month.

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

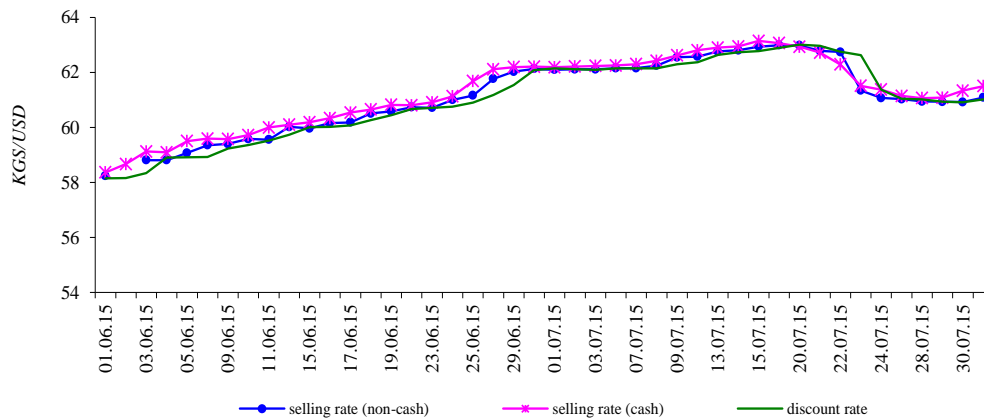


Chart 4. Dynamics of the US Dollar in Exchange Offices

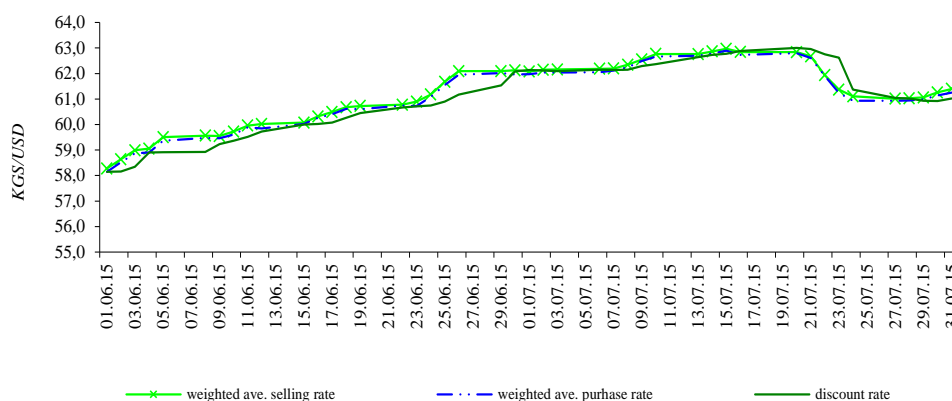


Chart 5. Dynamics of Major Currencies Rates in Exchange Offices, the US Dollar Rates in Exchange Offices and the US Dollar Rates in World Markets

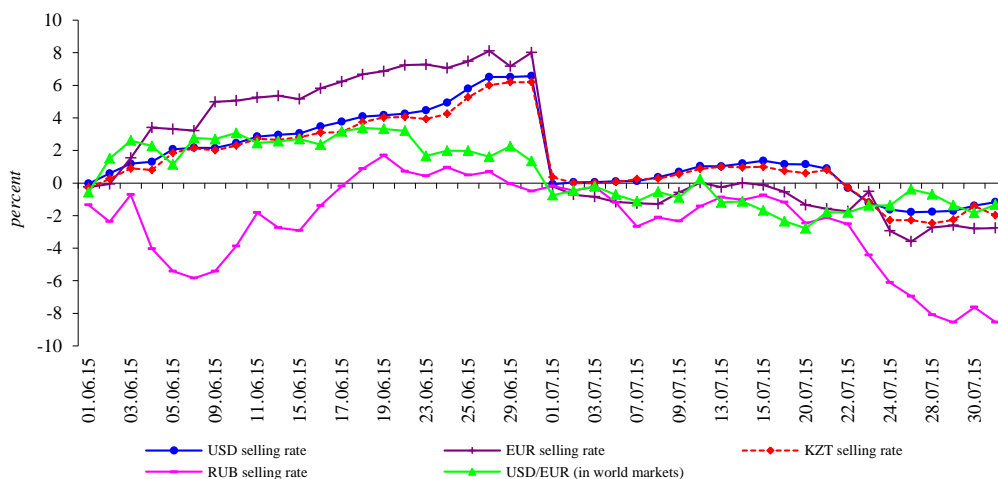


Table 1. Volume of Purchases and Sales of Foreign Exchange Transactions by Type (in KGS Equivalent)

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 (%)
		<i>millions of KGS</i>						
2014	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
	07	41 634,9	5 519,9	13,3	21 948,0	52,7	14 167,0	34,0

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	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	
	07	41 634,9	25 794,8	62,0	918,3	2,2	10 912,2	26,2	4 001,0	9,6	8,7	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	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%
	07	61,0213	66,9343	1,0344	0,3255	-1,7%	-3,0%	-7,5%	-2,4%

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	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%
	07	0,2%	0,6%	0,4%	0,5%	0,1%	0,3%	0,6%	0,2%	-1,2%	-2,8%	-8,5%	-2,0%