



NATIONAL BANK OF KAZAKHSTAN

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### **National Bank reduces its participation in the domestic foreign exchange market to preserve its reserves**

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Almaty

During September and October 2015 the National Bank departed from the announced on August 20, 2015 approach on shift to a free floating exchange rate of the tenge, and started selling currency in the foreign exchange market. Share of the National Bank in the foreign exchange market reached 60%. During this period over 5 billion USD has been sold at the expense of the National Fund and gold and foreign exchange assets of the National Bank.

In order to preserve its foreign exchange assets of the National Bank and the National Fund, the National Bank decided to minimize its participation in the foreign exchange market since November 5, 2015.

This is consistent with policy of the National Bank on a free float and transition to inflation targeting announced earlier.

On November 5, 2015 the nominal change in the exchange rate of the tenge against the US dollar amounted to 5% of the value of the previous day. This change does not pose a threat to financial stability and does not contradict with the purpose of the National Bank of achieving the price stability.

National Bank reserves the right to smooth large fluctuations that do not reflect supply and demand balance as well as fundamental factors.

Further dynamics of the exchange rate of the tenge will be formed under the influence of factors determined mainly by the dynamics of prices on global financial and commodity markets.

The monetary policy meeting of the National Bank scheduled for 6 November 2015 has been postponed and the date will be announced later.

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