



NATIONAL BANK OF KAZAKHSTAN

PUBLIC INFORMATION NOTICE

Bulletin on the FX Market

Astana

December 2, 2024

As of the end of November, the tenge weakened by 5%, reaching 512.52 tenge per US dollar. The average daily trading volume on the Kazakhstan Stock Exchange decreased from 278 to 262 million US dollars over the course of the month, contributing to a total trading volume of 5.5 billion US dollars.

In November, currency sales from the National Fund to ensure transfers to the republican budget reached 1 260 million US dollars, which comprised 23% of the total trading volume, with daily amounts capped at 60 million US dollars. While managing transactions involving the National Fund assets, the National Bank followed the principle of market neutrality, ensuring a consistent and even-handed approach to foreign currency sales.

Looking ahead to December 2024, based on preliminary government forecasts for transfers to the republican budget, the National Bank anticipates foreign currency sales from the National Fund ranging between 800 and 900 million US dollars.

In accordance with the previously announced plan and considering that the share of foreign currency assets in the UAPF is approximately 40%, the National Bank did not purchase US dollars for the UAPF investment portfolio in November. Currency purchases are also not planned for December.

To enhance the balance of the FX market, the requirement for quasi-government entities to sell 50% of their foreign currency revenue was reinstated on November 19, 2024, in accordance with a resolution by the Government of the Republic of Kazakhstan. Quasi-government companies independently conduct these sales on the FX market through second-tier banks.

As part of the Government's decision to purchase shares of "Kazatomprom" JSC into the National Fund, in July the National Bank conducted a conversion by selling part of the National Fund's foreign currency assets into the National Bank's gold and foreign exchange reserves. To maintain market neutrality and mirror this operation in the foreign exchange market, the National Bank began evenly selling the acquired volume starting from mid-July.

In November, the volume of sales from the National Bank's gold and foreign exchange reserves within the framework of the specified operation amounted to 133.8 million US dollars. Thus, in November, the currency sales related to the mirroring transaction for the purchase of shares in JSC "Kazatomprom" were completed.

On the domestic FX market, there was an increase in demand for foreign currency from economic agents and a limited supply, partly due to the exchange rate surpassing a psychological threshold.

Amid the deterioration of several fundamental factors, to prevent destabilizing fluctuations, smooth excessive volatility in the tenge exchange rate, and ensure the supply of foreign currency, the National Bank conducted foreign exchange interventions from November 15 to November 28. The total volume of currency sales for the month amounted to USD 1,047 million.

Remaining committed to ensuring transparency, the National Bank pledges to continue providing comprehensive information on all foreign exchange market transactions. In the short term, the trajectory of the tenge will be driven by market expectations, quarterly tax payments, global market conditions, and geopolitical developments. The National Bank reaffirms its dedication to the flexible exchange rate regime aimed at preventing imbalances and safeguarding gold and foreign exchange reserves.

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