



PUBLIC INFORMATION NOTICE

Review of Separate EM Currencies, July 30 – August 6, 2021

August 9, 2021

Following August 6 trading, market exchange rate of KZT made 424.32 KZT/USD, gaining 0.03% of its value for a week (from 424.44).

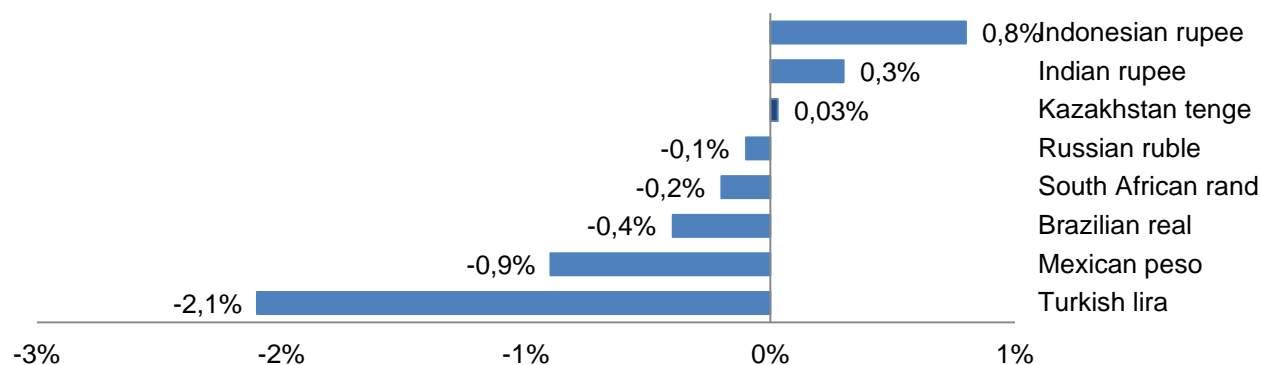
Between July 30 and August 6, 2021 currencies of the emerging markets demonstrated versatile dynamics in the foreign currency market. US Fed Vice Chairman Richard Clarida commented that conditions for raising the target range for the federal funds rate will have been met by 2022. Moreover, July release of strong data related to the US labor market (943,000 new jobs were created in the nonagricultural sector – a maximum for the 11 months, unemployment fell to 5.4%) improved expectations for a faster rollout of policy for Fed enhancement.

Exchange rates for currencies of emerging markets¹ demonstrated the following dynamics against the USD:

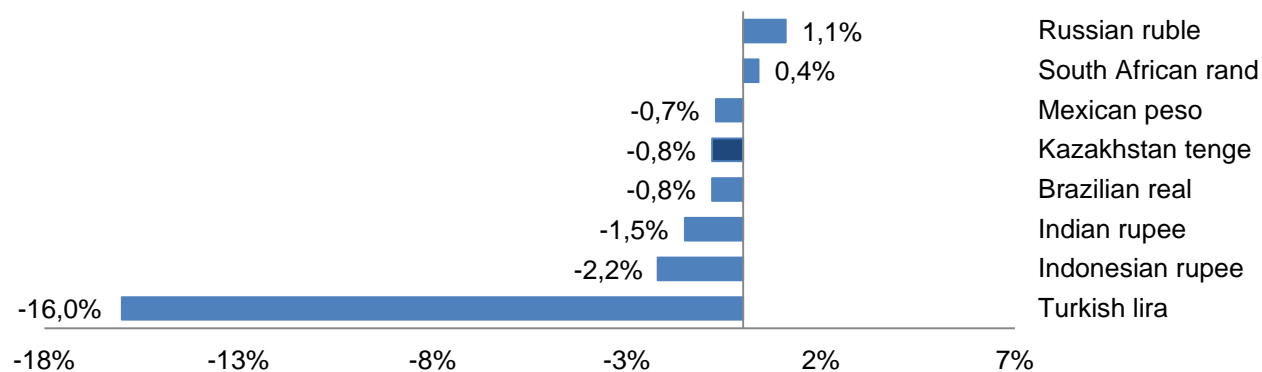
- **Indonesian rupee** gained 0.8% of its value (c 14,463 to 14,353) against the background of released data about a higher than expected 7.07% y-o-y GDP growth in Q2 2021 (maximum pace since 2008);
- **Indian rupee** appreciated by 0.3% (from 74.42 to 74.16) amid initial public offerings (IPO) by local companies which draw attention of non-residents;
- **Russian ruble** lost 0.1% (from 73,17 to 73,23) in conditions of falling oil prices due to growing US reserves and concerns regarding the delta strain. In August, the Russian Ministry of Finance announced an increase in volume of daily foreign currency purchases under the budget rule (14.4 billion rubles daily);
- **South African rand** lost 0.2% of its value (from 14.6 to 14.63) right away after retirement of the Finance Minister who advocated curtailment of government expenses;
- **Brazilian real** lost 0.4% (from 5.21 to 5.23) amid announced plans to curb social expenses despite fiscal rules to contain budget deficit in order to buoy popularity of the head of nation;
- **Mexican peso** lost 0.9% of its value (from 19.87 to 20.04) against the background of global improvement of the USD exchange rate after released data about US labor market and expectations of faster enhancement of the Fed policy;
- **Turkish lira** lost 2.1% of its value (from 8.45 to 8.63). Inflation level exceeded expectations reaching 18.95% in July against the 19% key rate which rules out an opportunity for softer monetary conditions. However, the President in his speeches still urges to cut rates.

¹ most USD-traded currencies of developing countries

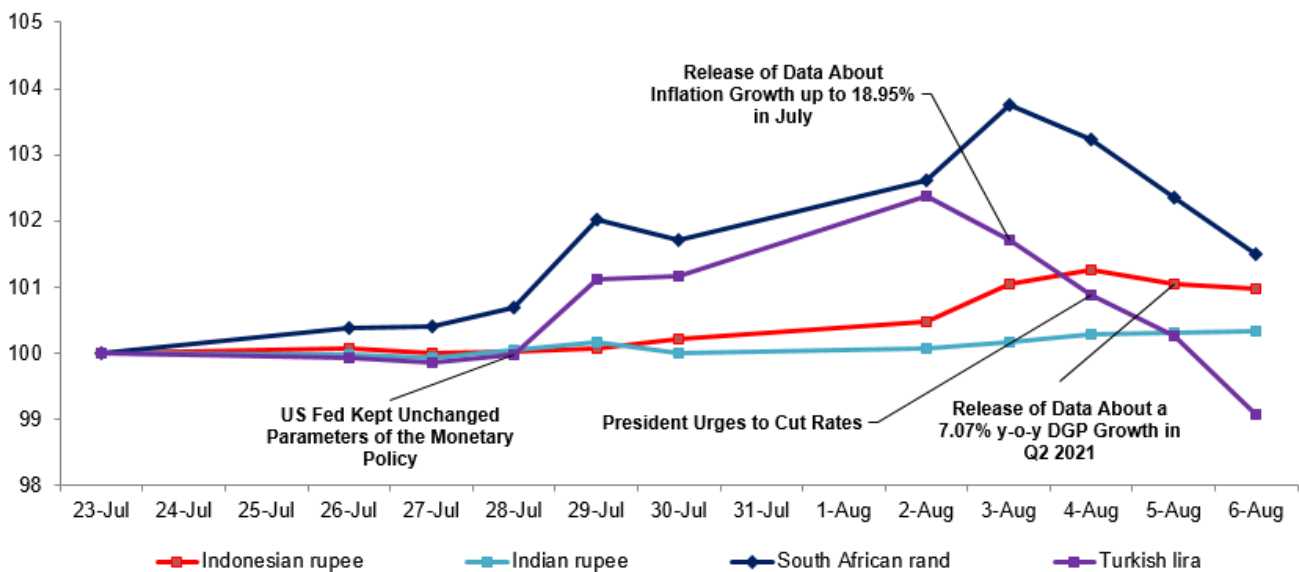
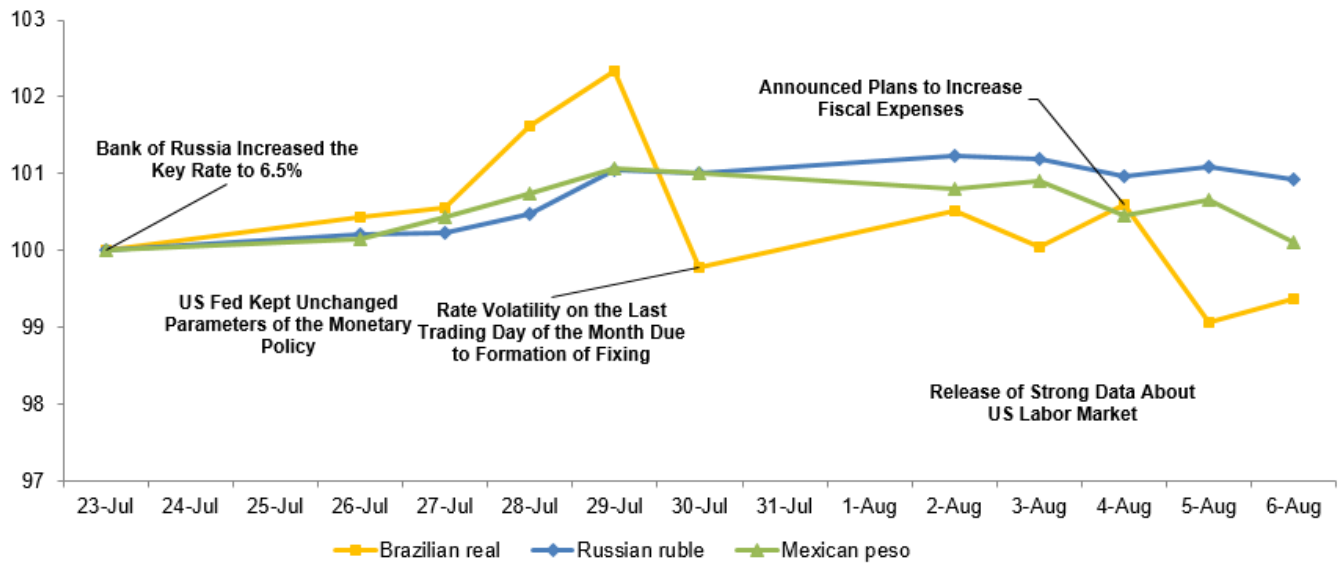
Change in EM currency exchange rates vs. USD, % (July 30, 2021 - August 06, 2021)



Change in EM currency exchange rates vs. USD, % (early 2021 - August 06, 2021)



Dynamics in currencies of emerging markets
(July 23, 2021 =100, index rise – currency consolidation)



For more details mass media can contact:

8 (7172) 77-52-10

e-mail: press@nationalbank.kz

www.nationalbank.kz