



NATIONAL BANK OF KAZAKHSTAN

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On Open Market Operations of the National Bank of Kazakhstan

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Almaty

The National Bank's Board has approved the Monetary Policy for the period until 2020, reflecting the National Bank's measures aimed at implementing inflation targeting regime.

The implementation of inflation targeting regime in Kazakhstan implies strengthening the role of the interest rate channel of the transmission mechanism, including by means of expanding the list of monetary policy instruments and related collateral.

Within this framework, the National Bank on 8 May 2015 made a decision to expand the list of collateral for the monetary policy instruments in order to enhance banks' access to tenge liquidity. The differential between interest rates for the open market operations - reverse repos and FX swaps was also widened to increase the attractiveness of tenge instruments.

These measures were adopted based on the analysis of inflation risk and economic growth prospects in Kazakhstan. Positive trends have been observed in our economy since early 2015. Oil price (Brent) has grown to over \$60 per barrel. Inflation rate has declined to 4.6% as of end of April (6.5% in April 2014). In April 2015, the unemployment level was 5.0%. In this context, the National Bank continues to implement its monetary policy aimed at ensuring price stability.

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