

Kazakhstan Tenge Rate Collapse! - 06 April 2020

The collapse of the ruble and oil prices triggered a fall in Central Asian currencies. Bureaux de change in Kazakhstan on March 9 was selling dollars at 398 tenges and then stopped selling altogether. Against the backdrop of the collapse, a meeting was held under the chairmanship of the Kazakh president, Kasym-Zhomart Tokayev. The Rapid Response Working Group, led by the country's prime minister, was created to develop an anti-crisis action plan.

While efforts have been made, on March 16, by the end of bidding on the Kazakhstan Stock Exchange, the dollar rate amounted to 434.59 tenges. The United States dollar has risen in price by 28.97 tenges since March 13, and by 57.81 tenges in a month. Certain exchange offices even rated one USD for up to 450 tenges. Kazakhstan's Central Bank has declared its intention to contribute to an equilibrium rate in conformity with the policy of a free-floating exchange rate and inflation targeting. At the same time, the National Bank reserved the right to cushion exchange rate fluctuations, if necessary.

The depreciation of the Kazakh currency is taking place against the low oil prices, which fell below \$32 per the Brent barrel, and the emergency in response to the coronavirus' spread.