

Weekly For€X Review

January 30 - February 3,
2023



Despite some negative external factors, the **tenge** strengthened against the ruble and the dollar last week. The Dollar Index declined after the US Federal Reserve decided to raise the rate by 25 bps. However, the Dollar Index closed at 102.9 level by the end of the week due to strong labour market statistics.

The price of oil also fell from 86.7 to 79.9 dollars per barrel. The increase in the rates of the world's leading Central Banks with the weakening of experts' optimism on the resumption of demand for energy resources from China, strongly influenced the decline in prices during the week. Data on energy reserves in the United States were released at the end of the week: most experts expected a decrease in oil reserves by 1 million barrels, but commercial oil reserves in the United States increased by 4.14 million to 452.69 million barrels last week. And this has lowered oil prices to \$79.9 per barrel.

The ruble against the US dollar strengthened by the end of the week due to the statement of the Ministry of Finance of the Russian Federation on the sale of foreign currency in the amount of 160.2 billion rubles, with a daily sales volume of 8.9 billion rubles. The dynamics of the exchange rate will depend on the following factors next week: the introduction of a price cap for petroleum products exported from Russia to the EU, the recovery of energy demand from China and many internal factors that most influenced the exchange rate last week.

Summary of fundamental factors

factor name	quote as of 02/03/2023	% Δ		impact on tenge*	factor name	value as of 01/27/2023	revision date	revision direction	
		week	month						
Brent price	79.9	-7.8%	2.7%	▲	Real rate of the CB**	NBK	3.75%	12/06/2022	▼
The Dollar Index	102.9	1.0%	-1.3%	▲		Fed	1.65%	02/01/2023	▲
USDRUB	70.6	1.6%	-1.9%	▲		ECB	-3.30%	12/15/2022	▲
CDS spread (USD/KZT)	10.8	-1.6p.p.	+0.4p.p.	▼		RF CB	1.70%	09/16/2022	▲

*An assessment of the impact of the change on the tenge dynamics: ▲ weakening, ▼ strengthening

** difference between the nominal interest rate and the inflation rate in 12 months (monetary regulator forecasts)

The exchange rate of tenge to foreign currencies

currency pair	exchange rate as of 02/03/2023	% Δ			min for 12 months	max for 12 months
		week	month	since the beginning of the year		
USD KZT	458.7	-0.4%	-1.4%	-0.9%	414.67	512.19
EUR KZT	501.3	0.1%	1.5%	1.7%	443.06	563.56
RUB KZT	6.5	-2.0%	-0.2%	1.4%	3.98	9.1
CNY KZT	68.0	0.2%	0.6%	2.0%	62.21	80.76

Jusan Analytics Indexes and calculations

Index name	value as of 02/03/2023	% Δ			dynamics (over the last 12 months)
		week	month	since the beginning of the year	
the TENGE Index	84.4	0.7%	0.8%	0.1%	
Tenge volatility*	0.2%	0.8%	1.5%	5.3%	
Export Price Index	146.4	-5.9%	-2.9%	-6.9%	

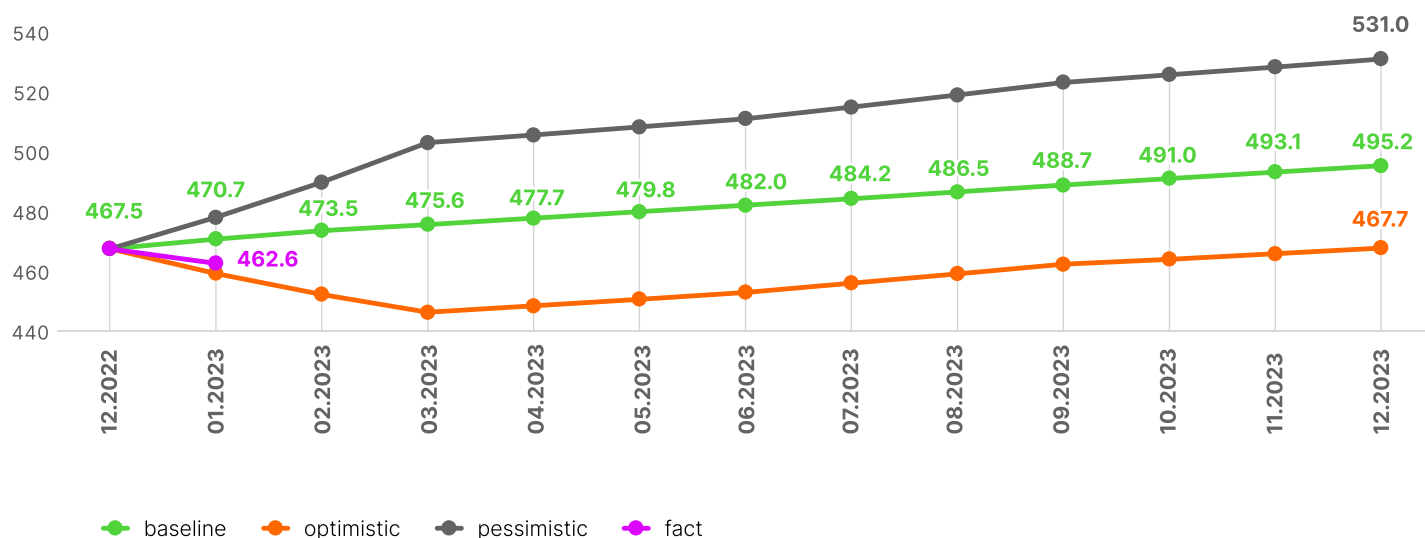
* change columns are used to indicate the average value for the volatility row for the corresponding period (the last 12 months). The column from the beginning of the year shows the average annual volatility over the past 12 months.

Jusan Analytics forecast

forecast date	currency pair	forecast period			fact-forecast correlation*	comment
		week	month	end of the year		
01/30/2023	USDKZT	458.7	470.7	495.2	×	Strengthening of the exchange rate despite the negative external background

* ü matches, × does not match

The forecast of the tenge to dollar exchange rate according to Jusan Analytics calculations



Auhors: Sunggat Rysbek

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contact Jusan Analytics:**

6th floor, block B, building 36, Al-Farabi avenue,
A25D5F7, Almaty city, the Republic of Kazakhstan.
analytics@jusan.kz