

PRESS RELEASE ON FOREIGN EXCHANGE SELLING AUCTIONS

Excess volatility and disorderly movements apart from economic fundamentals have been observed in the exchange rates of developing countries, including Turkey, recently. This issue was highlighted at the last G-20 meeting as follows:

“We reiterate that excess volatility and disorderly movements in exchange rates have adverse implications for economic and financial stability.” (Communiqué of Finance Ministers and Central Bank Governors of the G-20, Washington DC, USA, 22 September 2011)

In line with this statement, the central banks of the developing countries have started to make powerful and effective interventions in the exchange rates utilizing the instruments and methods they deem appropriate in the present period.

The Central Bank of Turkey may continue to supply FX liquidity to the market via high-volume foreign exchange selling auctions similar to the one held today in the framework of the strategy set out at the Monetary Policy Committee meeting of 4 August 2011, when deemed appropriate.