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PRESS RELEASE
ON THE FOREIGN EXCHANGE INTERVENTION
OF THE CENTRAL BANK

The Central Bank has announced in several press releases that under the floating exchange rate regime, the level of exchange rate is determined by supply and demand conditions of the currency markets, the volatility of the exchange rate is being closely monitored by the Central Bank, and it may directly intervene in the markets in the event of excessive volatility that might occur in either direction.

Recently, excessive volatility has been observed in exchange rates due to the increased supply of foreign exchange. Therefore, in order to prevent fluctuations in exchange rates, the Central Bank has today directly intervened in the markets by buying foreign currency. As was also the case with previous intervention to buy or sell, today's intervention should not be interpreted as if the Central Bank were uneasy at the actual level of the Turkish lira.