

**THE CBRT PRESS RELEASE ON  
THE FOREIGN EXCHANGE BUYING AUCTIONS**

The Central Bank of the Republic of Turkey (CBRT) announced the general framework of the monetary and exchange rate policies envisaged for 2009 through the press release entitled “Monetary and Exchange Rate Policy for 2009” dated 16 December 2008. In the said announcement, it was stated that having a strong foreign exchange reserve position is the general strategy of the CBRT and in case of a recovery in the liquidity conditions due to the developments in the international markets, the CBRT may, with prior notice, resume foreign exchange buying auctions.

As a matter of fact, recently it was observed that as a result of the positive expectations related to the global economy, the liquidity and risk appetite have regained strength and this situation, along with the other emerging markets, caused an increase in the capital inflows to Turkey and the foreign exchange market became relatively stable. By evaluating that this process has contributed to a suitable environment for the CBRT to build up foreign exchange reserves, it was decided to resume the foreign exchange buying auctions as of 4 August 2009, which were suspended at October 2008. The maximum daily amount to be purchased in auctions will be USD 60 million, with USD 30 million of auction amount and USD 30 million of optional selling amount. Other auction terms have not been changed.

On the other hand, as was the case in our previous applications, the developments pertaining to foreign exchange supply will be closely monitored in the upcoming period and in the event of unforeseen developments, not only that the daily auction/optional selling amounts may be changed in either direction with prior notice, but also may the auctions be suspended for a short or a long period.