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PRESS RELEASE ON SHORT TERM ADDITIONAL MONETARY TIGHTENING

Excessive volatility has been observed in the foreign exchange market due to the international and domestic developments during the last month. Short term additional monetary tightening will be implemented in order to minimize the adverse effects of the excessive volatility on price stability and financial stability.

Additional monetary tightening (AMT) is mainly implemented via open market operations. Liquidity provided to the market at the policy rate is reduced temporarily below the lower bound announced for normal days.

In order to support the additional monetary tightening, the Central Bank may hold unsterilized intraday foreign exchange sales auctions or foreign exchange interventions when deemed necessary.

Additional monetary tightening is intended to be strong, effective and temporary. The duration of the implementation may vary depending on the progress of volatility in the foreign exchange market.