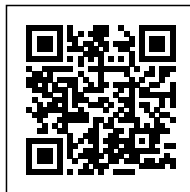


MONGOLIA'S FX RESERVES FALL 36.19% 10 MONTHS INTO 2022

Posted on November 1, 2022 by admin

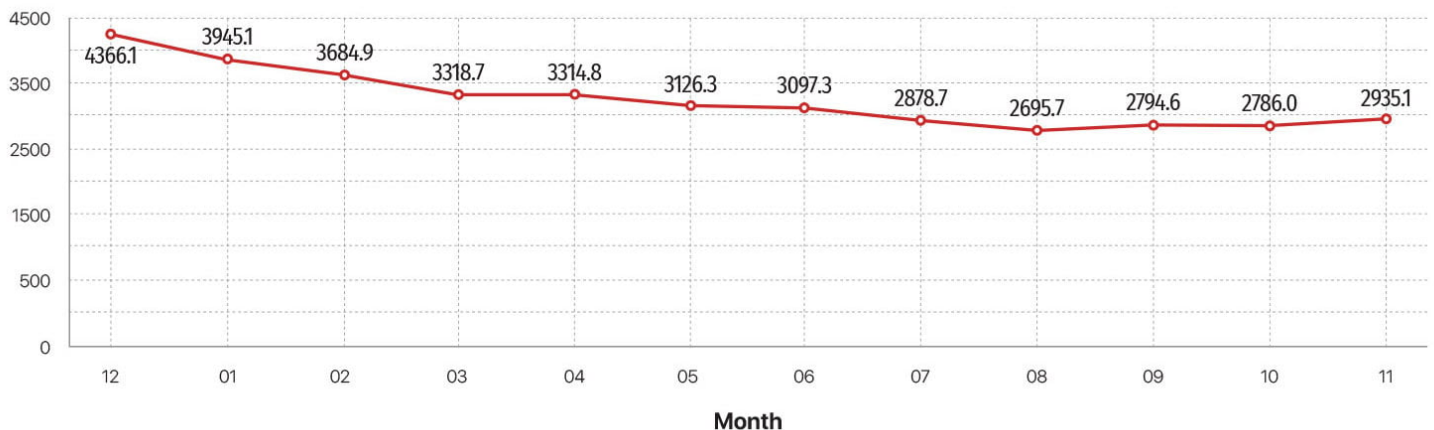


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Mongolia's foreign exchange (FX) reserves hit USD 2.8 billion in October, a 0.31 percent shrink from the previous month and by 36.19 percent from the beginning of the year. The President of the Bank of Mongolia (BoM) emphasized that this is enough to meet Mongolia's import needs for the next 3-4 months.

FX reserves, USD million



Data: <https://www.mongolbank.mn/eng/dbgrossreserves.aspx>

Source: BoM

In 2023, a total of USD 1.3 billion will be paid for the repayment of sovereign bonds, adding the pressure of bolstering FX reserves for the BoM. Due to the global economic situation and the conditions in Mongolia, Mongolia can't raise bonds with an interest rate of less than 10 percent on the international market. However, the BoM emphasized that if the coal export continues as planned and the revenue hits targets, it is possible to pay the bond repayment with less pressure on the economy. Economists believe that the BoM using FX reserves for urgent payments is necessary.

Mongolian commercial banks have limited their FX transactions amid dwindling reserves in the past months.