

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

Considering that strong reserve position would boost the market's confidence in the current program and observing the excess foreign exchange supply, the Central Bank of Turkey (CBRT) has been conducting daily foreign exchange buying auctions since 6 May 2003. In our recent press release of 20 October 2003, the amount of daily auctions was revised, and it was also announced that the CBRT might, with a prior notice, suspend the auctions before the end of the period in the cases where the depth of foreign exchange market is lost and excessive volatility is observed in exchange rates due to an exogenous shock or unpredictable developments.

Given the volatility currently observed in foreign exchange market arising from the decline in the foreign exchange supply, the CBRT has suspended its daily foreign exchange buying auctions effective from 23 October 2003. In case there should be an increase in the foreign exchange supply in the next period, the CBRT may, with a prior notice, resume holding foreign exchange buying auctions.

As usual, the CBRT will continue to closely monitor the volatility in exchange rates and will directly intervene in the market in case of an excessive volatility in both directions.