

**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. The amount of daily auctions was recently revised by our press release of 6 October 2003, and it was also announced that the CBRT might, with a prior notice, make changes in the amounts of daily auctions and/or optional selling due to unexpected developments in the excess foreign exchange supply.

Due to the recently observed decline in the foreign exchange supply, the CBRT has decreased its daily buying auctions to USD 40 million effective from 21 October 2003 for the rest of October 2003. Therefore, the maximum amount of daily foreign exchange buying auction can amount to USD 60 million, by the utilization of the buying auction of USD 40 million and the optional selling of USD 20 million.

As was announced by previous press releases, the CBRT may, 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. 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.