

Tim Ash comments on NBU plan to sell up to \$100 mln at today's FX auction
Bus./Industry

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“Given the disappointing growth trajectory and return of current account widening, don't think the NBU and the authorities will be that worried by a little UAH correction”

LONDON, Oct 5, 2017 – Responding to the National Bank of Ukraine announcement that it will see up to USD 100 million at today’s FX auction, Bluebay Asset Management analyst Timothy Ash offered the following comments at 10:55 today: Recent weeks have seen pretty sustained UAH selling - seemingly mostly seasonal, and let's face it for the bulk of the year the UAH has defied expectations with its strength, and is much stronger than government/IMF projections. Given the disappointing growth trajectory and return of current account widening, don't think the NBU and the authorities will be that worried by a little UAH correction - and this intervention, and that seen in recent weeks, is just about smoothing, more than anything else. Don't sense panic just yet. Interestingly, with Russia recording a record grain/agro harvest, Ukraine might see softer agricultural prices for the year ahead, which could also weigh - albeit guess good for inflation, albeit not the BOP.

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