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THE EFFECT OF CURRENCY CHANNEL OF TRANSMISSION MECHANISM UNDER CURRENCY REGIME TRANSFORMATION IN UKRAINE

Svitlana V. MISHCHENKO

Doctor of Science in Economics, Associate Professor, Associate Professor of the Department of Finance and Credit of the University of Banking of the National Bank of Ukraine (Kyiv)

OIha V. KLISHCHUK

Master of the Institute of Master and Postgraduate Education of the University of Banking of the National Bank of Ukraine (Kyiv)

Summary. At the article the features of using currency channel transmission mechanism in modeling Central banks acting as an answer on macroeconomic shocks were considered. As a result

have been received significant relations between links of currency transmission for generating confidence forecast estimation of national monetary unit movement.

Key words: *transmission mechanism, currency regime, autoregression model, official reserve assets, monetary base, intervention, currency forwards.*

At the article the issue of using currency channel transmission mechanism in modeling Central banks acting as an answer on macroeconomic shocks was considered. Today for Ukraine currency channel have been the prevailing channel in liquidity injecting, which demonstrated the most powerful sensibility in National bank of Ukraine monetary transmission mechanism. Therefore currency rate have to become key external factor in modeling monetary transmission for obtaining main commitment of National bank on price stability.

With help of econometric modeling methods quantitatively has been assessed the impact of monetary policy on the ukrainian finansial market during post crisis period and exchange rate turmoils in 2013-2014 years.

The VAR-model has been constructed by authors in order to estimate investor, monetary base and international reserve reaction on currency transmission. Also will be model the behavior of transmis-

sion mechanism within links of currency channel. As a result will be receive significant relations between links of currency transmission for the formulating confidence forecast estimation of national monetary unit movement at the established flexible currency rate regime.

By obtained results authors can formulate next conclusions. The intensification of hryvnia exchange rate flexibility and shifting of monetary policy priorities from the external (exchange rate) component of hryvnia stability to the internal (price) one during the political and financial turmoils requires enhancement of the interest rate policy. Also authors admit, that nowadays creating of new hedging instrumens such as Future interest agrrement is very important to avoid system crisis of deposit outflow from banking system during meltdown.

These results would help to improve in the future effectiveness of pursuing monetary policy by National Bank of Ukraine.

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