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## THEORETICAL ASPECTS OF CENTRAL BANK'S CURRENCY INTERVENTIONS MANAGEMENT

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*Summary. The mechanism of the central banks' currency intervention is viewed. The forms of the interventions depended on monetary and currency politics targets and also instruments of their realization are examined. The criteria of the currency interventions efficiency estimation are adduced.*

**Key words:** *sterilized intervention, unsterilized intervention, inflation, money supply, exchange rate, international reserves.*

In the article the problems of monetary and foreign exchange policies, bound with transition from exchange rate targeting to inflation targeting in modern economic conditions are reviewed. Usage of the floating exchange rate the minimum applying of currency interventions by central banks or their full absence. However, in practice many banks of developed countries resort to interventions for exchange rate regulation and maintenance of macroeconomic equilibrium. The realization of interventions allows essentially to reduce the volatility of the courses creating padding load on economics, and also to counter destabilizing speculative influencing on the part of the internal exchange market.

The currency interventions grounded on changes of country's official reserves, however, depending on their kind (sterilized or unsterilized) render ambiguous influencing on money base, at the end, on money supply in the country. The realization of the sterilized interventions is prefer, as thus the central banks through compensatory measures minimize of risk of the internal monetary policy changes.

Also in the article is rotined, that for achievement of positive effect from interventions realization, the fulfilment of such conditions is necessary: confidence of the market participants to central bank's policy; change of the main macroeconomic parameters, such

as inflation, money supply, gross domestic product; presence of the sufficient volume of the official reserves in the country.

The main factors which is influence on the interventions efficiency are value of intervention in relation to exchange market operations volumes, regularity of interventions and sequence number of operation in a serial. The padding factors are scale of intervention, time of intervention realization and degree of its unexpectedness and level of the economical system inertance.

In the article three criteria of the estimation of interventions efficiency are adduced. By the first criteria the success of interventions is determined depending on a directivity of the exchange rate changing. By the second criteria the efficiency of interventions is valued on a degree of the trend change slackening. The basic index of the third criteria is the alignment of the exchange rate oscillation for the previous period.

Besides, it's necessary to take into account the regime of the exchange rate regulation which is applying by central bank. For central banks, which one adhere to fixed exchange rate, the most significant factor is the coordination with other central banks. In countries with the floating exchange rate the volume of interventions is played more relevant role.

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