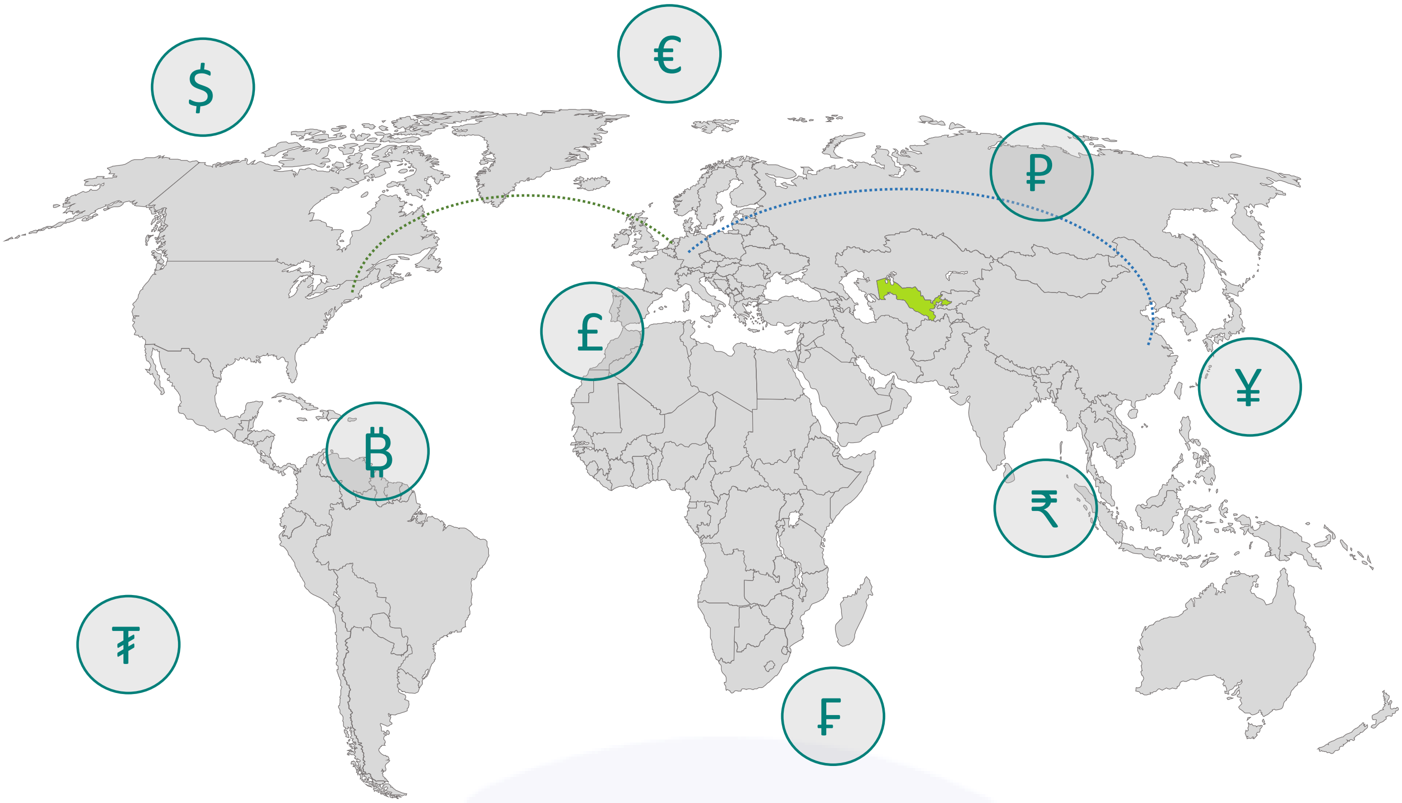
Asia Alliance Bank



Weekly Review

Local and global financial markets

Treasury Department

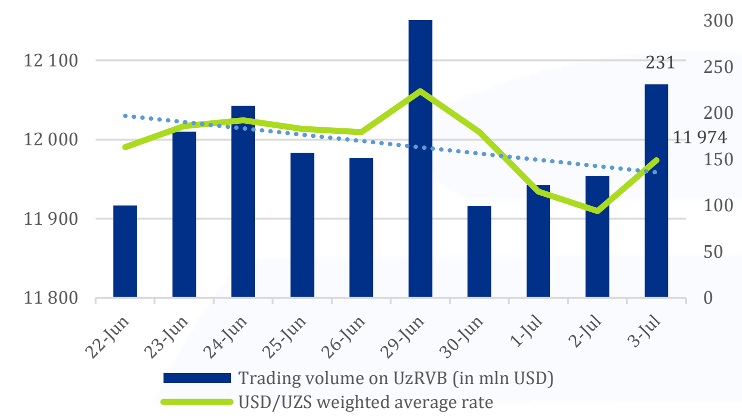
July 06, 2026

Local markets

Asia Alliance Bank

FX market

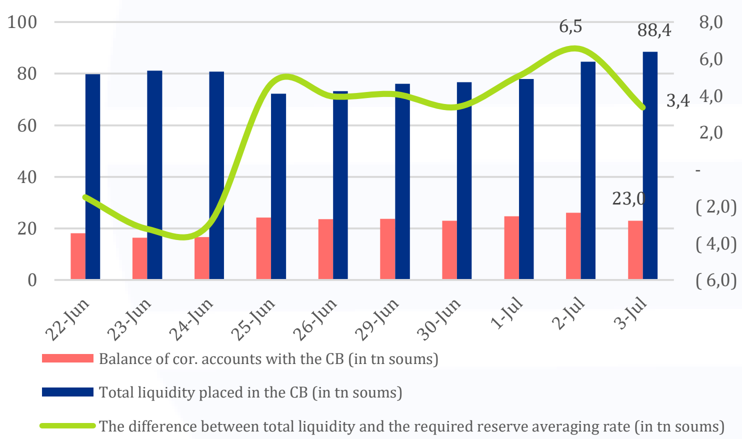
Currency pair	Value as of 3 July	Weekly change	Monthly change	Yearly change
USD/UZS	11 909,7	-0,9%	-0,5%	-5,4%
EUR/UZS	13 588,9	-0,4%	-2,3%	-8,3%
RUB/UZS	152,3	-4,8%	-6,7%	-4,9%



Soum fluctuations

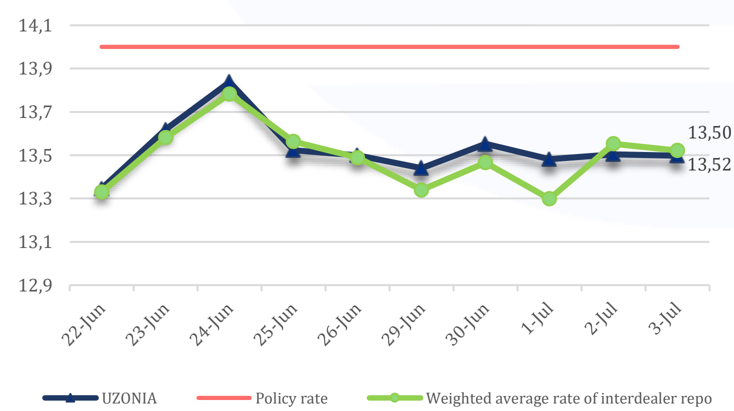
The dollar/soum rate fell to 11 973,9 soum following the week's trading on the UzRVB exchange. Amid some weakening of the US dollar on the global market (DXY -0.5% for the week) the soum strengthened, supported by a steady inflow of foreign-currency proceeds from exports, foreign investment and remittances.

Money market



Liquidity dynamics

The peak gap between total liquidity and the reserve requirement (**6,5 trillion soum**) was recorded on 2 July – banks built up balances on their correspondent accounts at the CBU ahead of the end of the reserve period.



Rates below the policy rate

UZONIA and interdealer **REPO rates** fluctuated within **13,2–13,85%,** staying below the policy rate (**14%**), which points to a persisting surplus of short-term liquidity in the banking system.

As of 1 July 2026, the base of **newly introduced liabilities** against which reserves are held at the CBU (required reserves) rose from **20%** to **30%**, while reserve requirements on foreign-currency liabilities fell from **8,5%** to **7%.**

Sources: cbu.uz, uzrvb.uz

Local markets

Government securities market

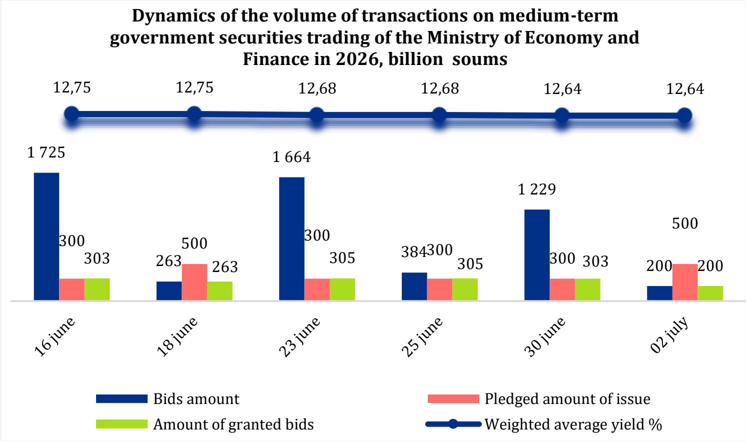
The auction for the placement of treasury bonds was held on **June 30** in the **T+2** format and on **July 2** in the **T+0** format. On **June 30**, the Ministry of Economy and Finance placed government securities with a maturity of **1 year** and **3 years**, the weighted average rate of which was **12.01%** and **12.64%**, respectively. On **July 2**, the average weighted rate for the additional placement of **1-year** and **3-year** treasury bills was **12.00%** and **12.64%,** respectively. In addition, on **July 2**, an auction was held for the placement of Central Bank bonds, in which **30 dealers** participated, the total volume of orders received amounted to **78.49 trillion soums**, the average weighted rate was **14.00%.**

Auction date	Settlement Mode	Ident. Number	Maturity (days)	Pledged amount of issue (k units)	Bids amount (bn soums)	Amount of granted bids (bn soums)	Weighted average yield
30.06.2026	T+2	24137UMFS	364	200	713	179	12,01%
30.06.2026	T+2	28045UMFS	1095	300	1 229	303	12,64%
02.07.2026	T+0	21242CBUSS	7	80 000	78 488	78 486	14,00%
02.07.2026	T+0	24137UMFS	364	200	223	179	12,00%
02.07.2026	T+0	28045UMFS	1095	500	200	200	12,64%

Planned date of placement	Settlement Mode	Ident. number	Maturity (days)	Pledged amount of issue (k units)
07.07.2026	T+2	24137UMFS	357	200
07.07.2026	T+2	28045UMFS	1088	300

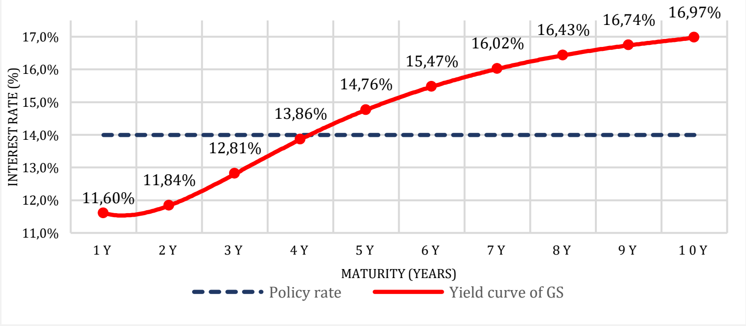
Planned government securities auctions

On **July 7**, the Ministry of Economy and Finance plans to hold auctions for **1-year** and **3-year** government securities in **T+2** settlement mode.



Trades in treasury bonds of the Ministry of Economy and Finance

According to the results of the latest auction, the weighted average yield on **3-year** government securities decreased from **12.75% to 12.64%** compared to the middle of the month. The decline in yield reflects strong investor demand for medium-term government securities. Demand for medium-term Treasury bills increased due to the fact that the overall demand at the Central Bank's weekly bond auctions consistently exceeded supply.



Yield curve

The government securities yield curve (a graph reflecting the relationship between prices and maturities of government debt instruments denominated in the national currency) as of **July 1** for securities with maturities of **3 and 5 years** was **12.81%** and **14.76%**, respectively.

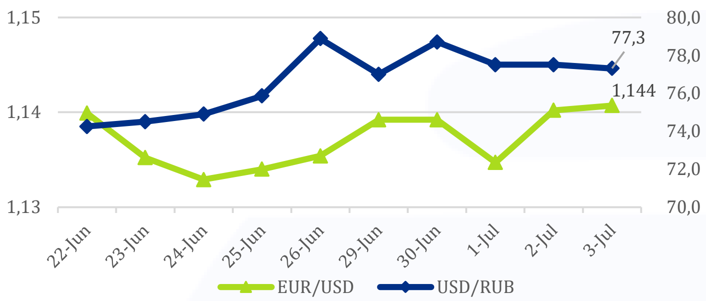
Sources: cbu.uz, uzrvb.uz

Global markets

Asia Alliance Bank

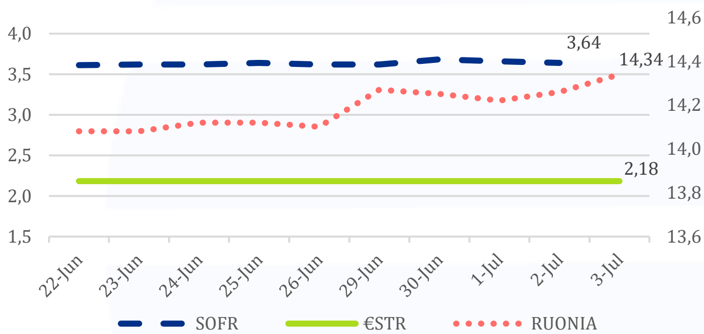
FX market

Currency pair	Value as of 03 July	Weekly change	Monthly change	Yearly change
EUR/USD	1,1437	0,47%	-1,50%	-2,72%
USD/RUB	77,31	-1,98%	5,33%	-2,23%
DXY	100,86	-0,49%	1,46%	3,79%
XAU/USD	4 175,7	2,11%	-6,70%	25,53%
USD/CNY	6,7805	-0,26%	0,10%	-5,42%
USD/JPY	161,38	-0,23%	0,85%	11,35%



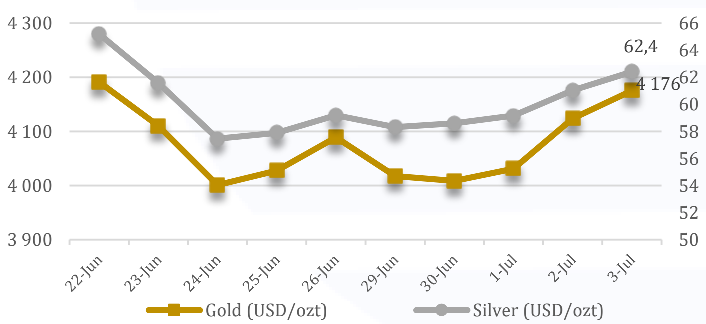
The euro strengthened above 1.14 (+0.47% for the week) amid slowing eurozone inflation, which fell to 2.8% in June (from 3.2% in May) – the lowest level since February – and a broad weakening of the US dollar (DXY -0.5% for the week). A weak US labour-market report for June (+57k jobs versus the 110k expected) also weighed on the dollar, despite unemployment falling to 4.2% – a one-year low. The rouble strengthened against the dollar more than other currencies (USD/RUB -1.98%) ahead of the Bank of Russia meeting on 24 July, at which the regulator may revise its forecast for the average rate upward after a modest June cut (-25 bp, to 14.25%).

Money market

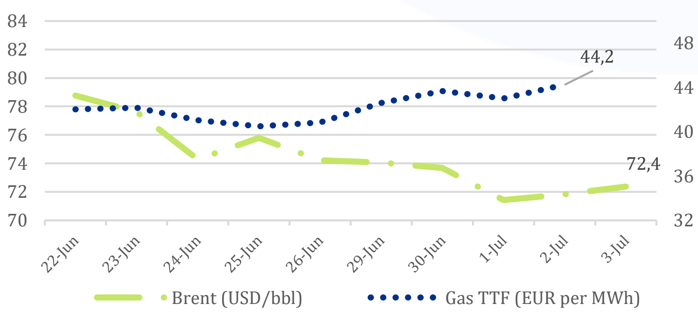


On 17 June the US Fed held its rate at 3,50–3,75%. This was the first meeting chaired by the new Fed Chair Kevin Warsh; the next meeting is 28–29 July. On 11 June the ECB raised its rate by 25 bp to 2.25%. On 17 June the Central Bank of Uzbekistan held its rate at 14% (next meeting – 29 July). On 19 June the Bank of Russia cut its rate to 14.25% p.a., continuing its easing cycle (next meeting – 24 July).

Commodity market



Gold rose to $4,175.7 per ounce (+2.11% for the week) amid persisting tensions around shipping through the Strait of Hormuz and expectations of further Fed easing given the weak US labour-market report. Silver also rose in gold's wake amid steady demand from central banks, including China.



TTF gas traded in the range of €40,8–44,2/MWh amid comfortable stocks in European storage. Brent crude fell to $71–72 per barrel. Seven OPEC+ member countries (excluding the UAE, which left the agreement for the first time) agreed on 5 July to raise output by 188k bbl/day from August, continuing the gradual restoration of supply amid persisting shipping restrictions through the Strait of Hormuz.

Sources: investing.com, index.minfin.com.ua, newyorkfed.org, cbr.ru, data.ecb.europa.eu, bls.gov, opec.org, tradingeconomics.com

Key events of the past week

1 July. The EU–US trade agreement entered into force, and eurozone inflation slowed in June to 2.8% (from 3.2% in May) – the lowest level since February, before the start of the conflict in the Middle East.

2 July. US non-farm employment rose by just 57k jobs in June – well below the 110k expected – though unemployment fell to 4.2%, a one-year low. The report was prepared by the US Bureau of Labor Statistics (BLS).

The ISM Manufacturing PMI for June came in at 53.3% (published 1 July), the sixth consecutive month in expansion, though below May's 54.0%.

The ISM Services PMI came in at 54.0% (published 6 July, postponed due to the 4 July holiday), the 24th consecutive month in expansion; the employment index unexpectedly rose to 51.2%, its first rise in four months.

The eurozone composite PMI rose in June to 50,0 (from 48.5 in May, revised 3 July) – the first stabilisation of business activity after two months of decline, with the strongest readings in Italy, Spain and Ireland.

ECB surveys showed improved business sentiment amid easing energy-price pressure.

Inflation in Germany slowed in June to 2.4%, and in France to 2.0%.

At its 17 June meeting the US Fed held its rate at 3.50–3.75% – the first meeting chaired by new Chair Kevin Warsh, who declined to disclose an individual forecast in the "dot plot".

1 July. A number of economic changes took effect in Uzbekistan: a simplified 6% VAT for catering and services, and a 7% increase in pensions, benefits, stipends and public-sector wages (the decree was signed by the President on 23 June).

2–3 July. President Shavkat Mirziyoyev made a state visit to Georgia, where he held talks with President Mikheil Kavelashvili and Prime Minister Irakli Kobakhidze.

The World Bank approved $100m to improve the quality of education in primary schools across six regions (Khorezm, Kashkadarya, Surkhandarya, Bukhara, Navoi, Karakalpakstan).

The government confirmed plans for the IPO of Uzbekistan Airways and Uztelecom on international exchanges by 2027.

China and Japan. China's official manufacturing PMI rose to 50.3 in June (from 50.0 in May) amid record demand for high-tech exports linked to the AI boom. The Japanese yen continued to weaken past 161 per dollar, despite growing risks of currency intervention by the Bank of Japan.

5 July seven OPEC+ member countries (excluding the UAE, which left the agreement for the first time) agreed to raise oil output by 188k bbl/day from August, continuing the gradual restoration of supply. In the US, Independence Day was observed on 4 July, shortening the trading week and reducing liquidity on global markets.

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Thank you for your attention!

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