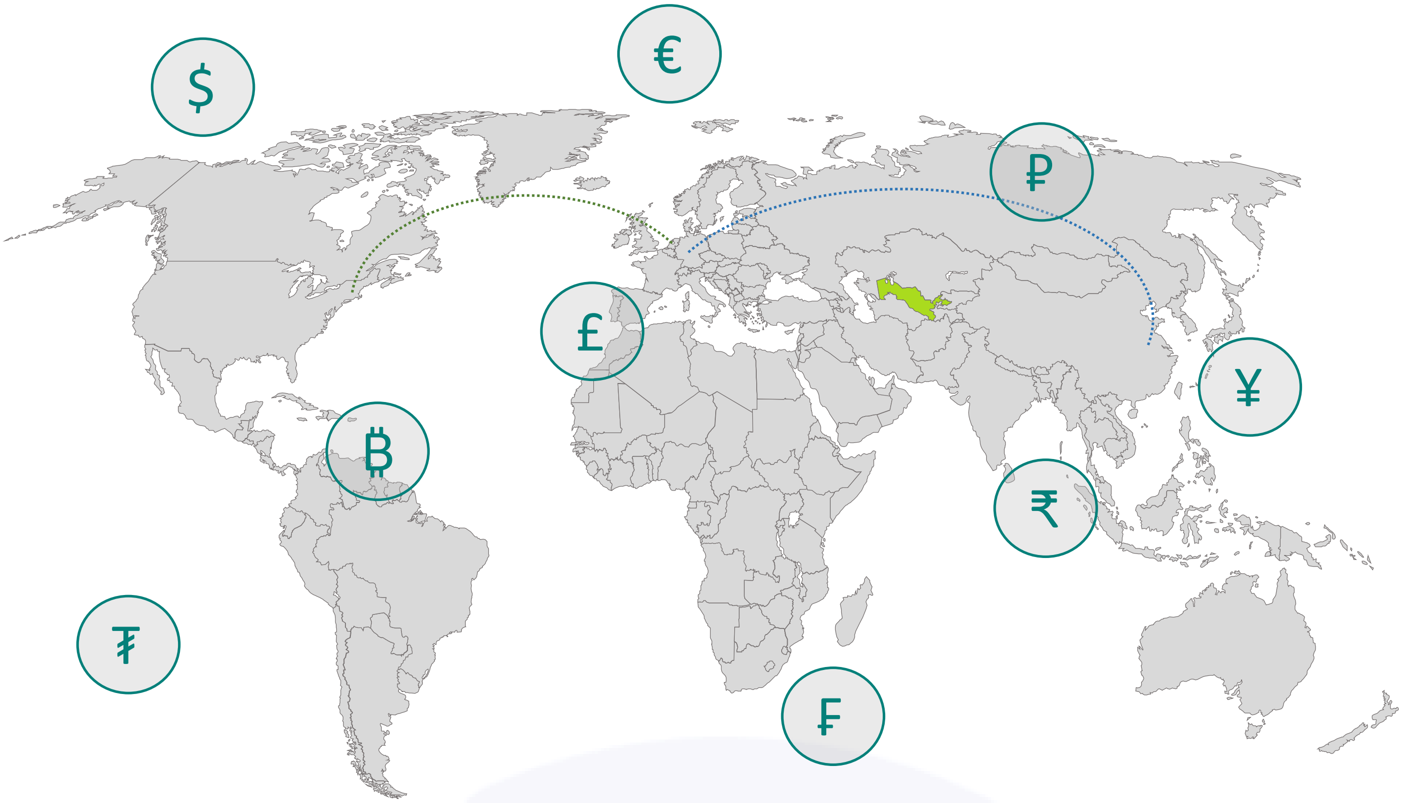
Asia Alliance Bank

Issue №10



Weekly Review

Local and global financial markets

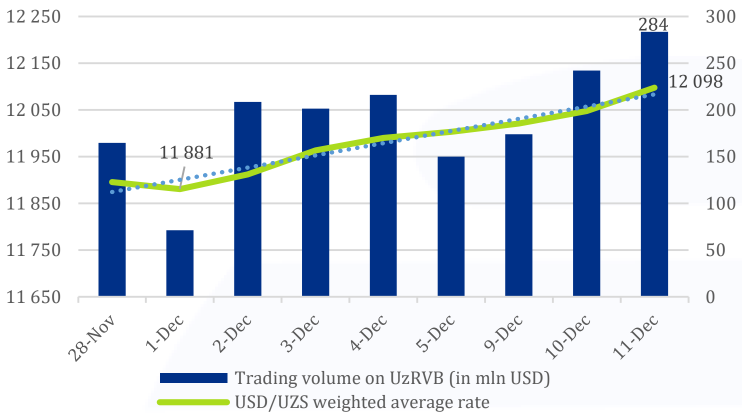
Treasury Department

December 15, 2025

Local markets

FX market

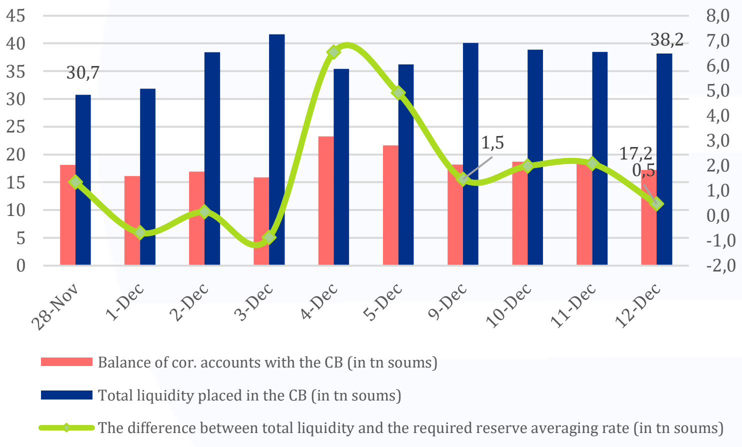
Currency pair	Value as of 12 December	Week over Week	Month over month	Year to date
USD/UZS	12 047,5	0,7%	0,5%	-6,6%
EUR/UZS	14 099,1	0,9%	1,7%	4,9%
CNY/UZS	1 706,9	0,9%	1,4%	-3,5%
RUB/UZS	151,9	-2,2%	2,9%	20,1%
JPY/UZS	77,3	0,0%	-0,5%	-5,4%



Growth of the sum

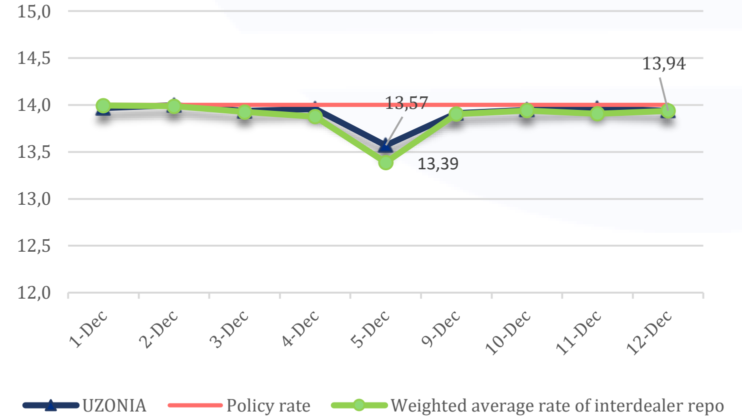
After reaching its lowest value for the current year on **December 2nd**, reaching **11,881 soums**, the exchange rate gradually strengthened for seven consecutive days. During this period, the US dollar strengthened against the Uzbek sum by **217 sums**, approaching the level of **12,100**. Trading activity on the currency exchange remained moderate, reaching its peak on Friday at **284 million**.

Money market



Liquidity Dynamics

The total volume of liquidity placed in the Central Bank increased significantly over the past two weeks, from **30.7 trillion soums** to **38.2 trillion soums**. This trend is due to the fact that the volume of the announced auction for the placement of Central Bank bonds increased by **5 trillion soums**, while the volume of submitted and satisfied applications increased by an average of **7-8 trillion soums.**



Rates Remain Stable

Both key market rates (**UZONIA** and interdealer **REPO**) remained **stable** and fluctuated near the policy rate of **14.0%**, reflecting the balanced state of the money market. Small fluctuations (within **13.4-14%**) indicate the effective functioning of the interest rate corridor and the absence of excessive pressure from the liquidity demand side.

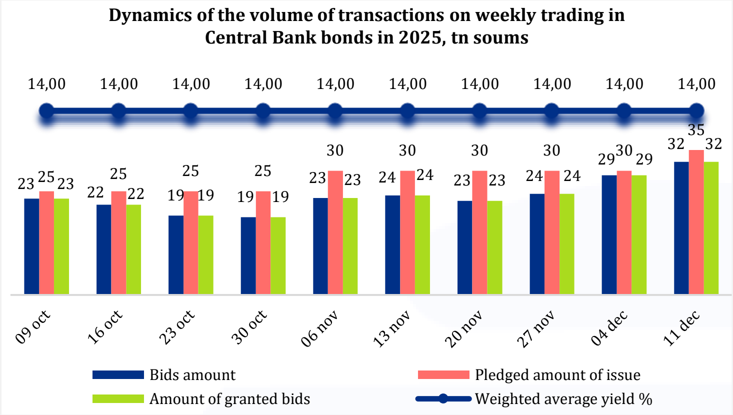
Sources: cbu.uz, uzrvb.uz

Local markets

Government securities market

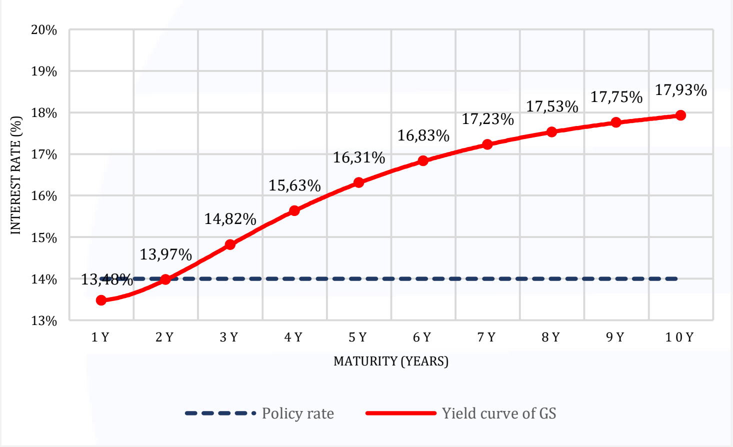
The last auction of the Ministry of Economy and Finance's treasury bonds took place on **December 9.** The Ministry of Economy and Finance placed securities with a maturity of **3 years.** The average weighted interest rate on bonds with a maturity of 3 years was **14.67%.** The auction of Central Bank bonds took place on **December 11. 23 dealers** participated in the Central Bank bond auction, with the total volume of bids received amounting to **32.2 trillion** soums, and the average weighted interest rate was **14.00%.**

Date posted	Ident. Number	Maturity (days)	Pledged amount of issue (k units)	Bids amount (bn soums)	Amount of granted bids (bn soums)	Weighted average yield
11.12.2025	21210CBUSS	7	35 000	32 174	32 174	14,00%
09.12.2025	28038UMFS	1 088	300	1 463	303	14,67%



Central Bank Bond Trades

According to the results of the Central Bank's weekly bond auctions, the volume of bids continues to increase significantly. In particular, on **11 December** the total volume of bids reached **32.0 trillion** soums. In this context, the maximum yield is linked to the policy rate and amounts to **14.00%** per annum. The announced volume increased by **5.0 trillion** soums compared to the previous month.



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 **December 10** for securities with maturities of **3** and **5 years** was **14.82%** and **16.31%**, respectively. The yield curve makes it possible to form expectations about future economic conditions and inflationary processes and is one of the important indicators.

№	Ident. Number	Sale price %	Profitability	Purchase price %	Profitability
1	28031UMFS	102,25	14,66%	101,98	14,79%
2	28030UMFS	103,65	14,66%	103,38	14,80%
3	28017UMFS	104,26	14,36%	103,99	14,54%
4	28015UMFS	106,53	14,34%	106,25	14,54%
5	26043UMFS	106,31	13,34%	106,03	13,79%
6	26031UMFS	103,54	12,87%	103,27	13,79%
7	26029UMFS	105,41	12,11%	105,14	13,76%
8	24118UMFS	99,10	10,67%	98,84	13,76%

Sources: cbu.uz, uzrvb.uz

Cbonds

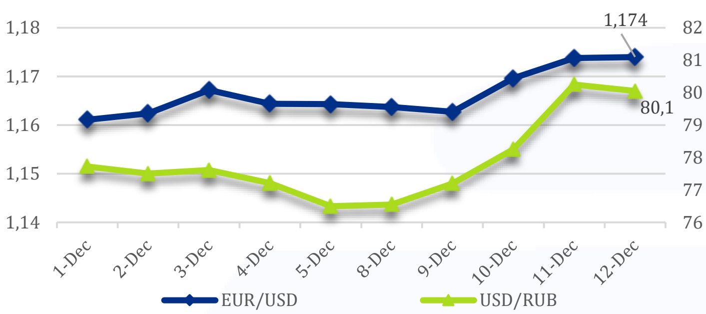
JSCB "Asia Alliance Bank" is actively participating in the development of the bond market of Uzbekistan. The bank has become the supplier of Uzbekistan's government securities quotations for **Cbonds**, the largest portal in the CIS that provides the most accurate and complete information on bonds. Currently, the Bank provides trade data for **8 publications** (15.12.2025).

Global markets

Asia Alliance Bank

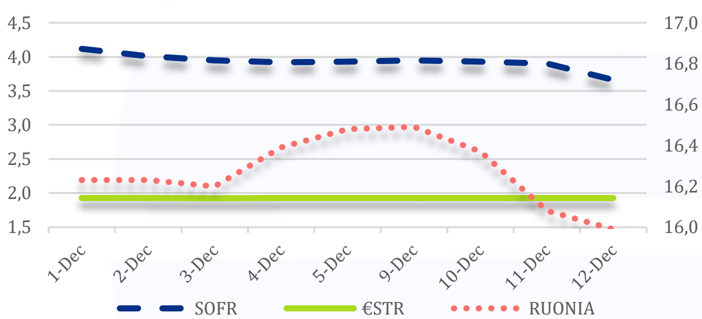
FX market

Currency pair	Value as of 15 December	Week over Week	Month over month	Year to date
EUR/USD	1,1740	0,83%	1,27%	13,89%
USD/RUB	80,05	4,64%	-1,51%	-27,55%
DXY	98,40	-0,60%	-1,11%	-9,68%
XAU/USD	4 302,4	2,51%	2,47%	63,03%
USD/CNY	7,0552	-0,21%	-0,81%	-3,63%
USD/JPY	155,82	0,30%	0,67%	-0,92%



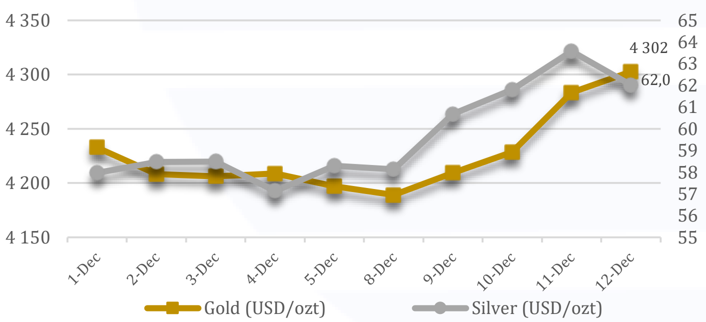
The euro rose to approximately **$1.176**, reaching its peak since the end of September against the backdrop of the dollar's weakening following **mixed labor market data** from the US, which strengthened expectations for further lowering of Fed rates. Additional support for the euro came from **lower expectations** of ECB **policy easing**, ECB President **Lagarde's comments** on more sustainable **eurozone economic growth**, and the easing of political risks in France. The dollar strengthened against the ruble against the backdrop of weak demand for risk and pressure from external restrictions, as well as increased demand for foreign currency from importers. **Oil price fluctuations** and **expectations** of the **Bank of Russia's decisions**, which limited support for the ruble, also had an additional impact.

Money market

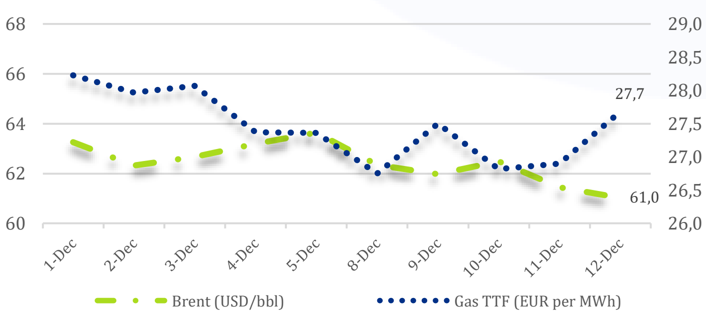


The **€STR rate** remained stable due to balanced liquidity conditions in the eurozone and the absence of changes in ECB policy, while the **SOFR** gradually decreased against the backdrop of expectations of further easing of Fed policy and a decrease in US Treasury bond yields. The Federal Reserve System reduced the federal rate by **0.25 p.p**. to the range of **3.50%-3.75%** at its **December 10th** meeting. **RUONIA** has significantly decreased due to the weakening of the ruble liquidity deficit and market adaptation to the previously tight monetary policy of the Bank of Russia.

Commodity market



Gold concluded the week with an increase of **$4,300 per ounce**, gaining support from the weakening of the dollar following a decrease in the Fed rate and expectations of further policy easing. Silver looked stronger, updating long-term highs above **$60 per ounce**, driven by a weak dollar and sustained investment and industrial demand. By the end of the week, both metals maintained a positive mood despite the local silver profit fixation.



For a week, **Brent oil** quotations remained under pressure and traded around **$60-63** per barrel, remaining under pressure from global excess supply, weak demand, and geopolitical optimism surrounding possible settlement of the conflict in Ukraine, which intensified expectations of increased market supplies and put pressure on prices. The price of **European TTF gas** during this period fluctuated between **€26.8-€28/MWh**, amid moderate demand, stable LNG supplies, and mild winter weather forecasts, which also reflected the overall weakened dynamics in energy markets.

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

Events calendar

Asia Alliance Bank

Key events of the past week

Progress in negotiations on Ukraine: European, American, and Ukrainian leaders held major talks in Berlin after the conflict ended. It is reported that **90%** of the **agreed-upon issues** and a **proposal** to create a multinational force to **guarantee Ukraine's security** have been reached. negotiations are ongoing, and decisions are expected at the upcoming EU summit.

The **European Union** is preparing a legal mechanism for the long-term **freezing** of approximately **€210 billion in assets** of the **Russian Central Bank** under European jurisdiction. The proceeds from these funds are planned to be used to finance aid to Ukraine, despite legal risks and objections from Moscow.

Tata Electronics attracted **Intel** as the first major client for its **$14 billion** semiconductor project. The agreements strengthen India's position in the global chip industry and help Intel diversify its production chains.

Uzbekistan and **Azerbaijan's SOCAR**, together with Uzbekneftegaz, have launched large-scale **oil and gas projects** worth approximately **$10 billion** on the **Ustyurt Plateau**, including seismic exploration, geological exploration, and future hydrocarbon production. Within the framework of the agreement, the region's projected reserves are estimated at approximately **100 million tons** of **oil** and **35 billion cubic meters of gas,** which will allow the country to abandon oil product imports and cover its energy needs for years to come.

In Uzbekistan, a permanent system of state interventions is being introduced in the food market to curb sharp fluctuations in food prices through the use of strategic reserves (sale/purchase) and other stabilization measures.

The **Central Bank of Uzbekistan** maintained the **policy rate** at **14% per** annum, leaving it unchanged at its **December 11** meeting to maintain a stable decline in inflation and reduce inflationary risks. At the same time, the regulator improved the annual inflation forecast to approximately **7.3%**, and the next revision of the rate is scheduled for **January 28, 2026**.

In addition to traditional monetary policy, the Central Bank of Uzbekistan will also be responsible for developing financial technologies, supporting the capital market, and implementing international banking standards. Measures to stimulate the securities market and attract investments, including more active promotion of bond issuance and strengthening the country's financial sector, are also discussed.

In Uzbekistan, measures are being discussed to accelerate the development of the stock market, which remains underdeveloped: its capitalization is about **275 trillion soums**, or only about **20% of GDP**, and the volume of free exchange turnover is **4 trillion soums**. The authorities plan to more actively attract investments, expand bond issuance, and implement new instruments to make the market a source of long-term financing for the economy.

The **European Bank for Reconstruction and Development** announced a record investment in Uzbekistan's economy, planning to strengthen financing for projects in renewable energy and other priority sectors. **In 2024,** the bank has already invested about **938 million euros** in Uzbek projects - the largest volume of financing in the region - and intends to expand these investments to accelerate green and infrastructure initiatives.

Upcoming events for the month

In the coming days, markets are expecting three decisions from central banks. **On December 18**, the **ECB** and the **Bank of England** will announce their rates, while the **ECB rate** is projected to remain at around **2.15%,** and the Bank of England at around **3.75%** without significant policy changes**. On December 19**, a meeting of the **Bank of Russia** will be held, where the key interest rate is expected to remain within the range of **16-16.5%** amid persistent inflationary risks.

In many European and North American countries, including Germany, Great Britain, Austria, the USA, and Canada, **Christmas holidays** are celebrated on **December 24 and 25**, during which most institutions suspend their operations. In some countries, a reduced working day is set for December 24th, while December 25th is the official day off.

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Thank you for your attention!

JSCB "Asia Alliance Bank"
Treasury Department
2a, Makhtumkuli Str., Tashkent 100047,
Tel:+998 71 231 60 00 (1241) | (1048)
e-mail: Davron.Mahmudov@aab.uz, Azizbek.Suyunov@aab.uz
website: www.aab.uz