«Навигатор портов» предназначен для прослушивания всех портов ввода и вывода. Он показывает значения в портах во время запуска на выполнение проекта.
«Мастер файлов» помогает добавить в проект новый файл, причем это может быть как файл с расширением .asm, так и динамической библиотекой.

ВЫВОДЫ

Итак, драйвер у нас уже готов, установлен и Ява - Ассемблерная связка работает на зависть многим системам.

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THE EXCHANGE AND THE INTEREST RATES

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Abstract

My project is about interest and exchange rates in an open economy. It shows how they relate with each other. And also here I want to give some evidence for such type of questions as: "Why is Kazakhstanian tenge appreciating? Why are interest rates in our country so high?" At the end I would like to make some predictions, what will happen in the future with exchange and interest rates in Kazakhstan.

At the beginning of my project I would like to give you evidence what open economy is as I am going to operate with interest and exchange rates here.

Open economy is that economy that relates with others. Openness has three distinct dimensions:

1) openness in goods markets – the ability of consumers and firms to choose between domestic and foreign goods;

2) openness in financial markets – the ability of financial investors to choose between domestic and foreign assets.

Now let us compare two economies: closed and open. In the first one people face one decision: to save or to consume. But in the second situation, when the goods market is open, they have the second decision: whether to buy domestic goods or to buy foreign goods. Central of it is the price of foreign goods relative to domestic goods. We call this relative price the real exchange rate. The real exchange rate is not directly observable, and what you will find in newspapers are nominal exchange rates, the relative prices of currencies, about what I am going to write further.

But, first of all, I want to introduce interest rates, that are very important in financial markets, where openness implies that investors face a new financial decision: holding domestic interest-paying assets versus foreign interest-paying assets.

Consider for example, the choice between Kazakhstan one-year bonds and Kyrgyzstan one-year bonds from the point of view of a Kazakhstan investor.

- Suppose you decide to hold Kazakhstan bonds. Let it be the one-year Kazakhstan nominal interest rate. Then, for every tenge you put in Kazakhstan bond, you will get (1+it) tenge next year.
- Suppose you decide instead to hold Kyrgyzstan bonds. To buy Kyrgyzstan bonds, you must first buy somas. Let Et be the nominal exchange rate between tenge and somas. For every tenge, you get 1/Et somas.

Let i*t denote one-year nominal interest rate on Kyrgyzstan bonds (in somas). When next year comes, you will have (1/Et)(1+i*t) somas. You will then have to convert your somas into tenge. If you expect the nominal exchange rate next year to be Ee,t+1, you can expect to have (1/Et)(1+i*t)Ee,t+1 tenge next year for every tenge you invested.

Let me assume, that you and other financial investors care about the expected rate of return and therefore want to hold only the asset with the highest rate of return. In that case, if both Kazakhstan and Kyrgyzstan bonds are to be hold, they must have the same expected rate of return, so:

$$1+it = (1+i^*t)(Ee,1+t/Et)$$

This equation is called the interest parity condition. Rewrite it as

$$i = (Ee,t+1(1+i^*)/Et)-Et/Et$$

$$i = i^* + ((Ee,t+1 - E)/E)i^* - (Ee,t+1 - E)/E$$

Since $((Ee,t+1 - E)/E)$ and i^* are generally both small numbers, their product is generally very close to 0, and thus may be ignored, so

$$i = i^* + (Ee,t+1 - E)/E$$

This equation implies that the domestic interest rate must be (approximately) equal to the foreign interest rate plus the expected depreciation rate of the domestic currency. Now I can rearrange the equation and get this

$$Et = Ee,t+1/(1+it-i^*t)$$

Drop time indexes, and assume that Ee,t+1 as given, so then denote it as Ee, after that we have

$$E = Ee/(1+i-i^*)$$

This equation implies a negative relation between the domestic interest rate and the exchange rate. Given the expected future exchange rate and the foreign interest rate, an increase in the domestic interest rate leads to a decrease in the exchange rate – equivalently, to an appreciation of the domestic currency.

Now I have the elements I need to show you movements of output, the interest rate and the exchange rate.

Goods market equation implies that output depends, among other factors, on the interest rate and the exchange rate.

IS: $Y = C(Y-T) + I(Y,i) + G + NX(Y,Y^*,E)$, where $C(Y-T)$ – consumption function, $I(Y,i)$ represents investment or

IS: $Y = C(Y-T) + I(Y,i) + G + NX(Y,Y^*,Ee/(1+i-i^*))$

The interest rate in turn is determined by the equality of money supply and money demand in financial markets, LM: $M/P = YL(i)$, where M-money supply, P- price level, Y- income, L(i) – the function of interest rate.

Take the IS relation first and consider the effects of an increase in the interest rate on output, that has two effects:

1) Direct effect on investments. A higher interest rate leads to a decrease in investments, so to a decrease in the demand for domestic goods and a decrease in output;

2) Indirect effect through the exchange rate. An increase in the interest rate leads to appreciation of domestic currency. The appreciation, which makes domestic goods more expensive relative to foreign goods, leads to a decrease in net exports, so to a decrease in the demand for domestic goods and a decrease in output.

As for Lm relation, then an increase in income increases the demand for money, requiring an increase in the equilibrium in the interest rate.

Equilibrium output and the equilibrium interest rate are given by the intersection of the IS and LM curves.

Having derived the IS - LM model for the open economy, we now put it to use and look at the effects of policies: monetary contraction and fiscal expansion.

Look, first at all, on the effects of monetary contraction. At a given level of output, a a decrease in the money stock by delta M less than 0 leads to an increase in the interest rate: the Lm curve shifts up, from LM to LM'. Because money does not directly enter the IS relation, the IS curve does not shift. The equilibrium moves from point A to point A'. the increase in the interest rate leads to an appreciation of the domestic currency.

What is about fiscal expansion policy? Fiscal expansion means increasing budget deficit, that can be provided through increasing Government spending. The increase in Government spending by delta G more than 0 increases output at a given interest rate, shifting the IS curve th the right, from IS to IS'. Because Government spending does not enter the LM relation, the Lm curve does not shift. The new equilibrium is at point A\, with a higher level of output and a higher interest rate. The higher interest rate leads to a decrease in the exchange rate – an appreciation of the domestic currency.

Can we tell what happens to the various components of demand?

- Consumption goes up because of the increase in income, government spending goes by assumption.
- What happens to investment is ambiguous. Recall that investment depends both on output and interest rate. As output goes up, it increases investments, but, on the other hand, the increase in the interest rate decreases investments. Depending on which of these two effects dominates, investments can go up or down.

- Both the appreciation and the increase in output combine to decrease net exports: the appreciation decreases exports and increases imports, and the increase in output further increases imports.

Now I would like to write what is happening in our country.

As you know, nowadays our Government mostly uses fiscal policy, fiscal expansion. The spending of it is increasing (in the main, on education). This leads to increase in output, an increase in the interest rate (the interest rate is high) and, as the fact, appreciation of tenge. As tenge is appreciated, increase in income leads to the increase in consumption, on the whole, consumption of foreign goods rather than domestic, because now the price of foreign goods is relatively cheaper than the price of domestic goods and the second reason, in my opinion, most products we need are produced abroad, not here, so we consume foreign products because we do not have another choice. The fact, that we mostly use foreign goods decreases net exports. Most of you can think that it is bad for us, but I can tell you, that it is not so. Why? - Because our exports are large enough and can not decline by a large number because the price of gas, one of the main exported products of Kazakhstan, goes up. So this will not hurt us.

What is about investment? - Investments do not change largely because of offsetting effects of increasing in output and interest rates.

And at the end of my project I would like to try to make predictions about the probable future in our country. In my opinion, tenge will continue to appreciate because of decreasing expected exchange rate. The interest rate will also continue to increase, but by not so large number, I guess. What will happen in reality - play a game.

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CAPITAL ACCOUNT LIBERALIZATION AND ITS IMPLEMENTATION IN KAZAKHSTAN

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The benefits and costs of liberalizing administrative and legal controls on international capital flows have been the subject of renewed debate in recent years. Some studies suggest that eliminating or reducing the extent of these types of controls and restrictions can lower the cost of capital, promote portfolio diversification and risk sharing, and/or reduce microeconomic distortions, thereby improving investment, productivity, and growth. Nonetheless, supporters of capital controls argue that they can yield benefits by reducing country vulnerability to volatile capital flows and currency crises. Recent examples of emerging markets that liberalized their capital accounts and subsequently experienced currency crises in the 1990s are often cited to support this view. For example, the crises of Mexico (1994-95) and of Asia (1997-98) are often attributed to premature liberalization of international capital flows.

Like their counterparts in many other emerging market economies, Kazakhstan policymakers are facing a complex set of questions related to the desirability and appropriate mode of implementing capital account liberalization. A more important reason for following the policy of currency liberalization is that it is in Kazakhstan's own interest. As its economy matures and becomes closely integrated with the global economy, Kazakhstan will inevitably become more exposed to different types of macroeconomic shocks, both internal and external. It would therefore benefit from having a more independent monetary policy and, by extension, some flexibility in the exchange rate to help the economy better adjust to such shocks.

The course for capital account liberalization was taken in 1995, and starting January 2007 currency regulation has become even less restrictive.

This paper aims to identify relevant implications of international experience of capital account liberalization for Kazakhstan so as to help it to cope with this complex issue as smoothly as possible, by reviewing the major financial crisis reasoned by the policy toward currency liberalization, and by reviewing the process Japan followed in the liberalization of its capital accounts, with a focus on the period from the 1960s.