

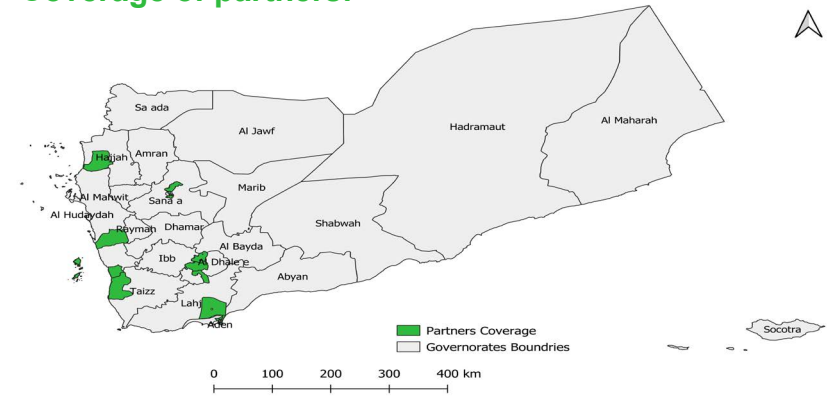
Flash Update 27: YER Exchange Rate Volatility

July Week 4 & August Week 1

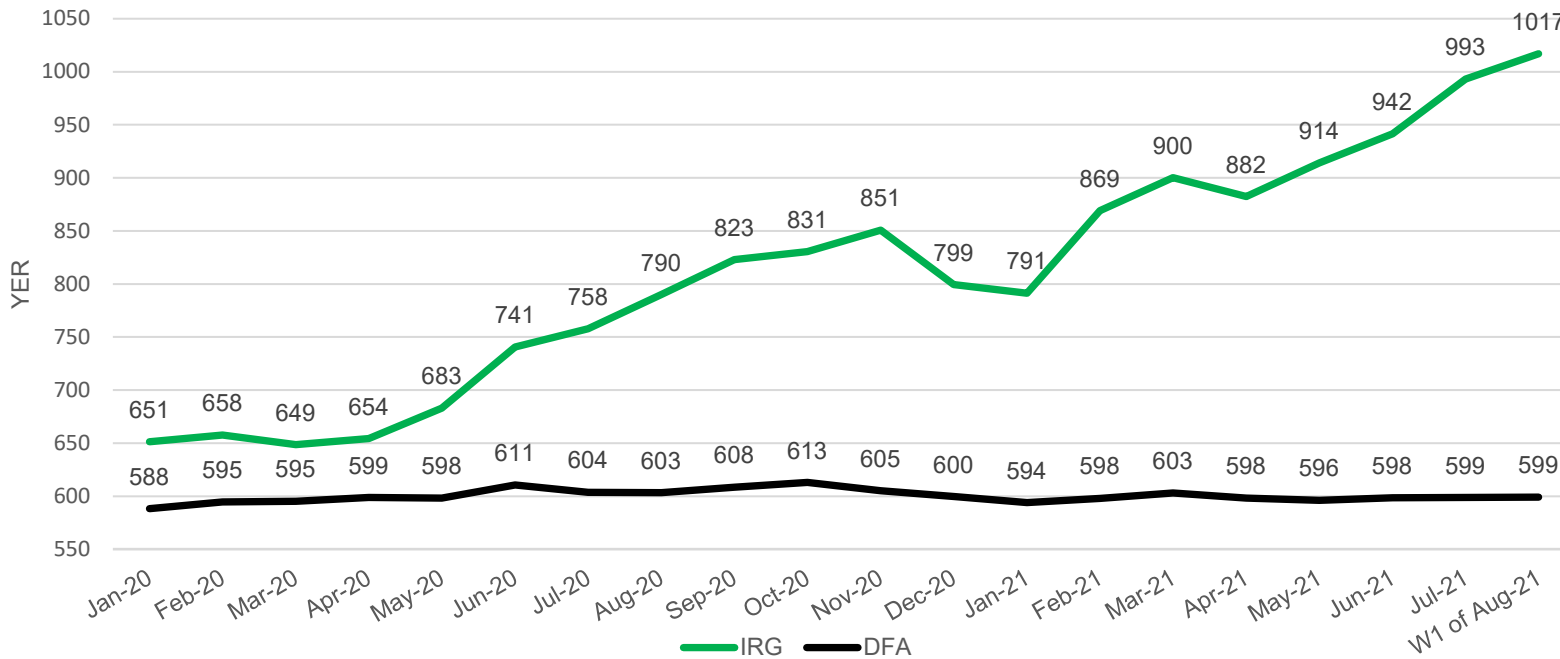
Key findings:

- The IRG vs DFA exchange rate variation currently stands at a 418 YER difference.
- The exchange rate in IRG areas continues to be volatile and has increased to above 1000 for the first time after a brief appreciation in April. This is possibly contributing to the wide fluctuation in prices.
- The range between the maximum and minimum value of the exchange rate from July W4 to Aug W1 expanded in the South from 46 to 54 YER, indicating an increase in volatility, while the exchange rate in the North shrank from 6 to 4 YER, indicating a decrease in volatility.
- Additional monetary constraints by decision makers may impact the future exchange rates; these impacts will be monitored in future outputs. It has also been noticed that the exchange rate companies/stores have suspended their operations for around three working days following notification from the central bank

Coverage of partners:



Exchange rate over time:



Summary statistics for exchange rate July W4 & August W1:

Output	DFA W4	IRG W4	DFA W1	IRG W1
Min weekly average	594	980	597	995
Min governorate	Sana'a City	Al Hudaydah	Sana'a City	Lahij
Max weekly average	600	1026	601	1049
Max governorate	Hajjah	Taizz	Al Hudaydah	Taizz
Overall average	598	1011	599	1017
Overall median	598	1011	600	1013

Average governorate exchange rate (DFA / IRG)*:

Governorate	July W3	July W4	August W1
Aden	- / 1007	- / 1011	- / 1008
Al Dhale'e	- / 998	- / 1012	- / 1016
Al Hudaydah	599 / 988	599 / 1002	600 / 1008
Hajjah	600 / -	600 / -	600 / -
Lahj	- / 1007	- / 1012	- / 1008
Sana'a City	599 / -	595 / -	598 / -
Taizz	- / 995	- / 1020	- / 1044

*The DFA exchange rate is first followed by the IRG after the /, if there is (-) no exchange rate was present

Methodology: The analysis is predicated on assessing the averages of exchange rates between the spheres of influence for both actors. Enumerators were told to assess three exchange shops per district. However, due to travel constraints and the size of towns where enumerators are present, assessing three shops daily may not be possible.