

ECON UPDATE

RISK MONITOR

Weekly MNT Exchange-Rate Risk Monitor

Weekly VaR for USD

2026-10-02

What VaR means

Value at Risk (VaR) is a threshold for an unusually large one-week exchange-rate movement. A 95% upper-tail VaR is a level that weekly appreciation is estimated to exceed on about 5% of weeks. The lower-tail VaR applies the same idea to depreciation. VaR is not a maximum possible movement and is not a point forecast.

Rates are quoted as MNT per unit of foreign currency. Positive growth means foreign-currency appreciation and MNT depreciation; negative growth means foreign-currency depreciation and MNT appreciation.

Latest weekly closes and growth

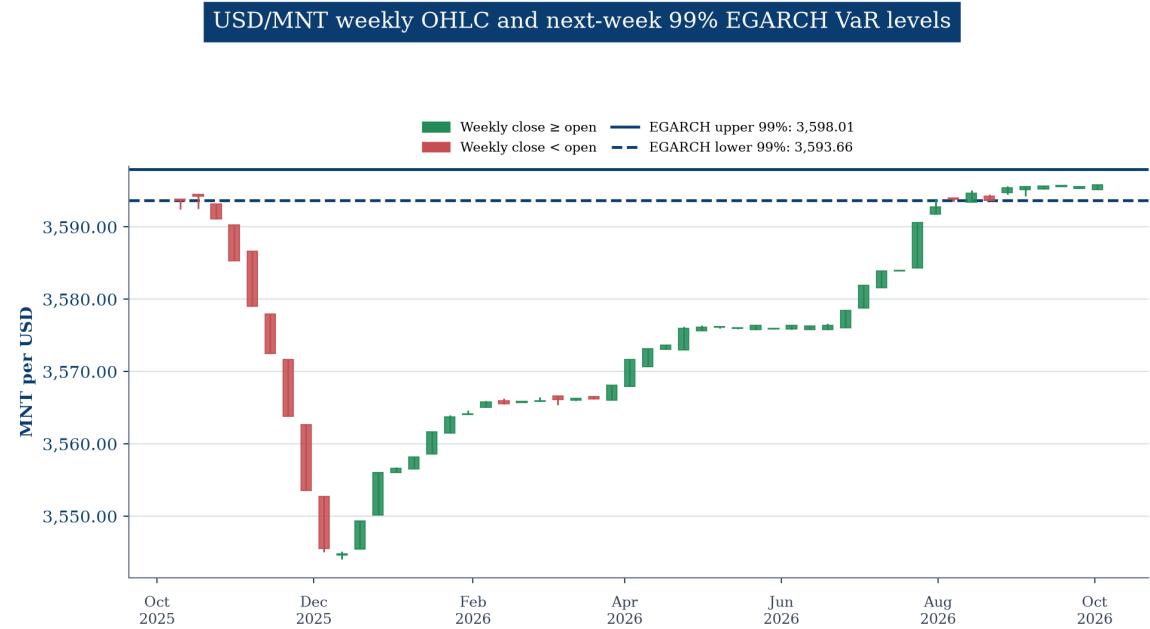
The latest completed Friday-ending week is compared with the preceding completed week. Weekly growth is the close-to-close log change and is shown in the final column.

Currency	Latest week close	Last week close	Weekly growth
USD	3595.79	3595.56	0.0064%

USD/MNT

Weekly OHLC and next-week 99% VaR levels

Each candle summarizes one completed week: open, high, low and close. The two navy risk lines show the EGARCH upper and lower 99% thresholds converted into implied next-week MNT closing-rate levels.



Current one-week tail thresholds

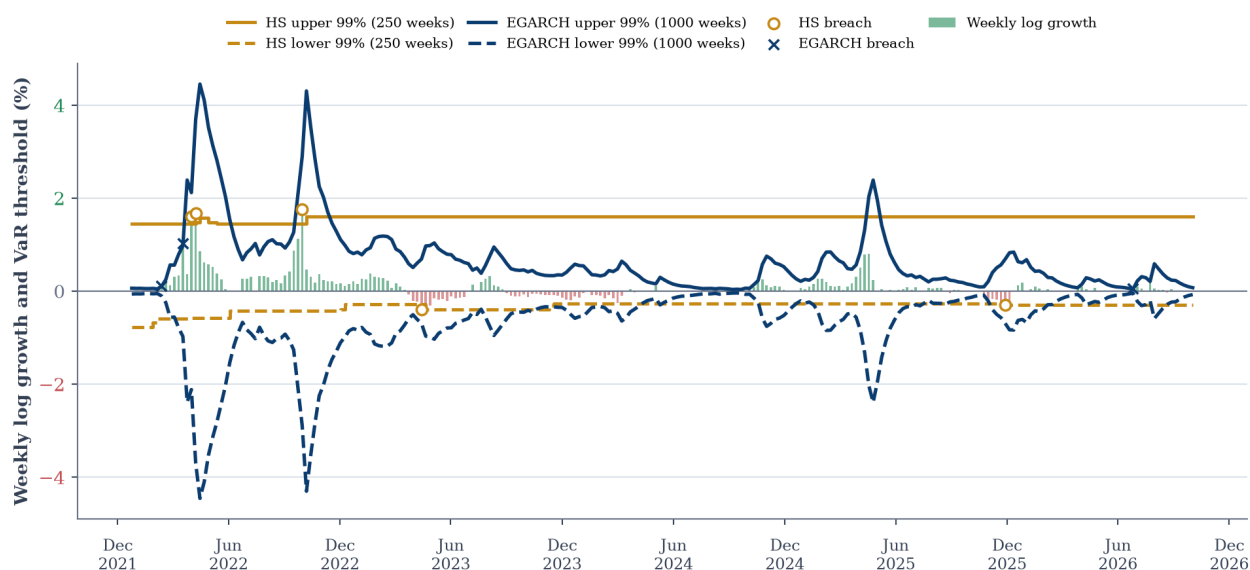
Current reference rate: **3595.79 MNT per USD** . The implied-rate columns convert each return threshold into a next-week exchange-rate level using current rate $\times \exp(\text{threshold})$. They are rate levels, not portfolio losses.

Method	Level	Dep. return	Dep. MNT rate	App. return	App. MNT rate
Historical Simulation	95%	0.1832%	3589.21	0.5107%	3614.2
	99%	0.2883%	3585.44	1.6018%	3653.85
EGARCH(1,1)-t	95%	0.0324%	3594.62	0.0348%	3597.04
	99%	0.0593%	3593.66	0.0617%	3598.01

Combined 99% backtest

Green and red bars show realized weekly growth. Amber step lines are Historical Simulation limits; navy lines are EGARCH limits. Solid lines are appreciation thresholds and dashed lines are depreciation thresholds. Amber circles and navy crosses identify model-specific breaches.

USD/MNT — weekly 99% VaR backtest over 250 weeks



Backtesting summary

Each forecast uses only information available before the forecast date. The Historical Simulation limits use a rolling 250-observation window, while EGARCH is re-estimated with a rolling 1000-observation window. The table covers the latest 250 forecast weeks.

Currency	Model	Tail	Level	Breaches	Breach rate
USD	Historical Simulation	Depreciation	95%	24/250	9.6%
USD	Historical Simulation	Appreciation	95%	10/250	4.0%
USD	Historical Simulation	Depreciation	99%	2/250	0.8%
USD	Historical Simulation	Appreciation	99%	3/250	1.2%
USD	EGARCH(1,1)-t	Depreciation	95%	3/250	1.2%
USD	EGARCH(1,1)-t	Appreciation	95%	22/250	8.8%
USD	EGARCH(1,1)-t	Depreciation	99%	0/250	0.0%
USD	EGARCH(1,1)-t	Appreciation	99%	3/250	1.2%

Methodology

Historical Simulation. For every forecast date, the method takes the previous 250 weekly returns and uses their empirical lower and upper quantiles as one-week tail thresholds. The backtest rolls this window forward one week at a time without using future observations.

EGARCH. For every forecast date, an EGARCH(1,1) model with standardized Student-t innovations is estimated from the previous 1000 weekly returns. EGARCH allows conditional volatility to change over time and allows positive and negative shocks to affect volatility differently.

Source: Bank of Mongolia.

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