



Bank of Russia



BANKING SECTOR LIQUIDITY AND FINANCIAL MARKETS

No. 4 (38) • April 2019

Information and analytical commentary

21 May 2019

Banking sector liquidity and financial markets: facts, assessments and comments (April 2019)

- Structural liquidity surplus continued to shrink in April. This was driven by funds outflow on the back of an increase in cash in circulation and large tax payments, and the fact that banks increased their correspondent account balances in the run-up to a long weekend to deliver on required reserves averaging.
- Short-term interbank rates in the money market formed near the Bank of Russia key rate amid a high supply of funds by banks at Bank of Russia deposit auctions.
- Interest rate spread in the FX swap and interbank segments shrank slightly. FX liquidity was supported by a current account inflow amid high oil prices.
- The market expected the Bank of Russia's decision to keep the key rate at 7.75% p.a. That said, a press release comment about a possible key rate cut as soon as Q2-Q3 shifted analysts' expectations of the earliest key rate reduction from December to June-September.
- The Russian financial market was moderately positive in April. Most market segments saw price growth, which is largely associated with a global increase in risk appetite. Russia's Ministry of Finance placed a record volume of OFZ as foreign investors and systemically important credit institutions continued to show high demand.
- By April 2019, growth in ruble deposit rates paused, while the US dollar deposit market saw a rate decrease. Depositors' interest in long-term ruble deposits continued to recover.
- March 2019 saw a further acceleration of annual growth of the loan portfolio both in the retail and corporate market segments.

BANKING SECTOR LIQUIDITY AND MONEY MARKET

Ruble liquidity. Like a month earlier, the structural liquidity surplus fell by 0.6 trillion rubles in April to 2.5 trillion rubles as of the month-end. A 0.2 trillion ruble liquidity outflow was caused by a seasonal increase in cash in circulation in the run-up to the long holidays (Table 2). Furthermore, banks expanded their correspondent account balances with the Bank of Russia by 0.4 trillion rubles compared with the previous month for the purpose of required reserves averaging. Funds outflow was also caused by large tax payments by bank customers and the OFZ placement by the Ministry of Finance. Liquidity withdrawal through the fiscal channel was offset by operations of the Federal Treasury and financial authorities of Russian constituents to place temporarily available budgetary funds with banks. Overall, operations of the budget sector had no considerable effect on liquidity as of the month-end.

Money market. The average spread of short-term interbank rates to the Bank of Russia

key rate shrank by 3 bp compared with the March averaging period, to -11 bp; however, the spread volatility rose somewhat by 10 bp, to 23 bp. Overall, banks met mandatory reserve requirements evenly as scheduled, and formed their supply at the Bank of Russia's deposit auctions within the established limits; this held market rates near the Bank of Russia key rate. However, at one of the auctions held in the middle of the required reserves averaging period banks placed less funds than required by the established limits after local growth in money market rates; this resulted in a temporary rate decrease and spread expansion. Over the rest of April, the spread held close to or above zero on the back of, among other things, the replacement by large banks of long-term borrowings in the interbank segment with overnight loans in the FX swap segment. This caused overall growth of short-term rates in the money market. High tax payments and the subsequent liquidity inflow through the budget channel (Chart 1) also led to a rising spread volatility at the end of required reserves averaging period.

FX liquidity. The interest rate spread in the FX swap and interbank segments shrank slightly by 2 bp, to 19 bp, on average with volatility rising by 5 bp, to 13 bp. FX liquidity was supported by a foreign currency inflow in the current account amid rising oil prices.

The end-2019 structural liquidity surplus forecast interval shrank to 3.0-3.3 trillion rubles with actual data about changes in balances of general government accounts with the Bank of Russia, and other operations factored in.

Key rate. At its April meeting the Bank of Russia Board of Directors decided to keep the key rate at 7.75% p.a., as the market expected. That said, a press release comment about a possible key rate cut as soon as Q2-Q3 shifted analysts' expectations of the earliest key rate reduction from December to June-September 2019. However, market indicators (as of 30 April) are not yet indicative of such a considerable shift in expectations.

EXPECTED INTEREST RATE PATH BASED ON MARKET INDICATORS REMAINED PRACTICALLY UNCHANGED

Table 1

1. Expectations based on market indicators*, interest rate (instrument)	July 2019	September 2019	December 2019
– MosPrime 3M (FRA)	8.38 (8.28)	8.13 (8.16)	8.08 (8.01)
– RUONIA (ROISfix)	7.60 (7.62)	7.58 (7.62)	7.56 (7.55)
– RUONIA (futures)	7.57 (7.59)	7.57 (7.59)	7.57 (7.59)
2. Analysts' expectations for the key rate*	As of 30 June 2019	As of 30 September 2019	As of 31 December 2019
– Bloomberg survey	7.75 (7.75)	7.75 (7.75)	7.5 (7.5)
– Reuters survey	7.75 (7.75)	7.75 (7.75)	7.5 (7.5)
3. Implied inflation rate (OFZ-IN)	April 2019		
– OFZ-IN-52001 (till 16 August 2023)		4.61 (4.89)	
– OFZ-IN-52002 (till 2 February 2028)		4.65 (4.80)	

* Data for the end of the current and previous month (in brackets).

Source: Bank of Russia calculations.

END-2019 FORECAST OF THE STRUCTURAL LIQUIDITY SURPLUS HAS BEEN UPDATED TO 3.0-3.3 TRILLION RUBLES
(TRILLIONS OF RUBLES)

Table 2

	January-April 2019	April 2019	2019 (forecast)
1. Liquidity factors (supply)	0.0	-0.2	[0.3; 0.6]
– changes in the balances of general government accounts with the Bank of Russia, and other operations*	-0.5	0.0	[0.7; 0.9]
– change in cash in circulation	0.4	-0.2	[-0.6; -0.5]
– Bank of Russia interventions in the domestic FX market and monetary gold purchases**	0.2	0.0	0.2
– regulation of banks' required reserves with the Bank of Russia	0.0	0.0	0.0
2. Change in free bank reserves (correspondent accounts) (demand)	0.6	0.4	0.3
3. Change in banks' claims on deposits with the Bank of Russia and coupon OBRs	-0.6	-0.6	[0.0; 0.3]
4. Change in outstanding amounts on Bank of Russia refinancing operations (4 = 2 + 3 - 1)	0.0	0.0	0.0
Structural liquidity deficit (+) / surplus (-) (as of the period-end)		2.5	[-3.3; -3.0]

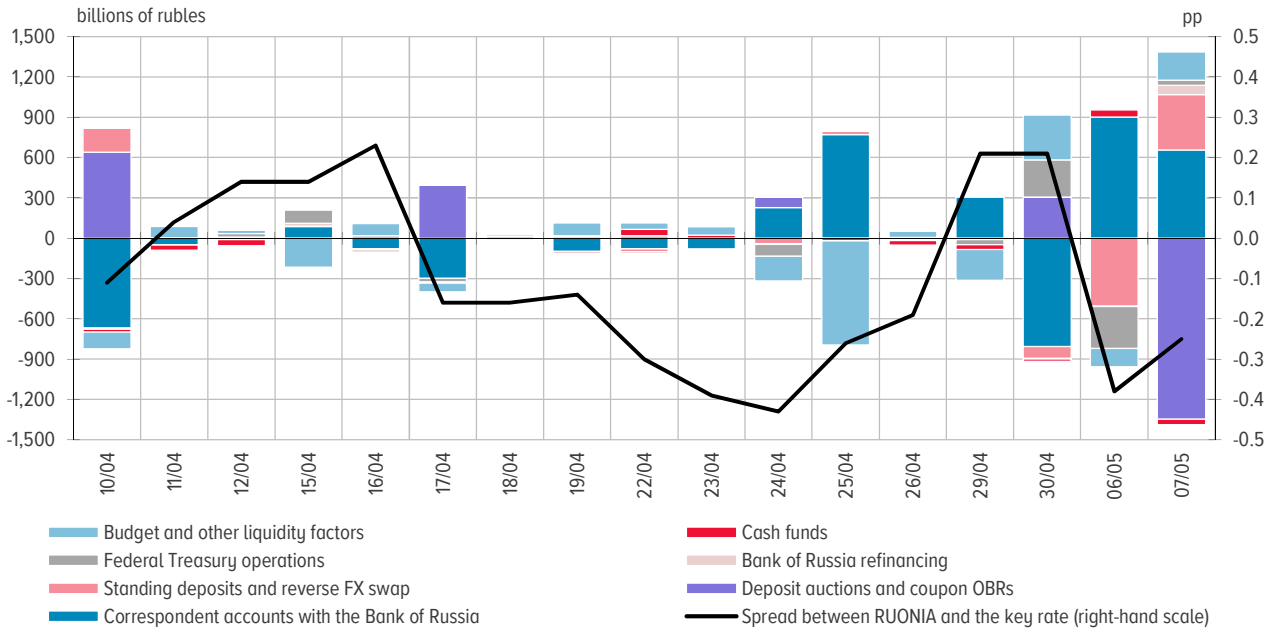
* Including operations to buy (sell) foreign currency in the domestic FX market under the fiscal rule, settlements on Bank of Russia USD/RUB FX swaps, and other operations.

** Forecast values of the indicator correspond to the actual volume of operations conducted.

Source: Bank of Russia calculations.

IN APRIL 2019, LIQUIDITY OUTFLOW WAS DRIVEN BY A SEASONAL HIKE IN CASH IN CIRCULATION IN THE RUN-UP TO THE LONG HOLIDAYS AND THE FACT THAT BANKS INCREASED CORRESPONDENT ACCOUNT BALANCES TO DELIVER ON REQUIRED RESERVES AVERAGING CHANGES IN THE BANK OF RUSSIA BALANCE SHEET AND MONEY MARKET RATES (OVERNIGHT)

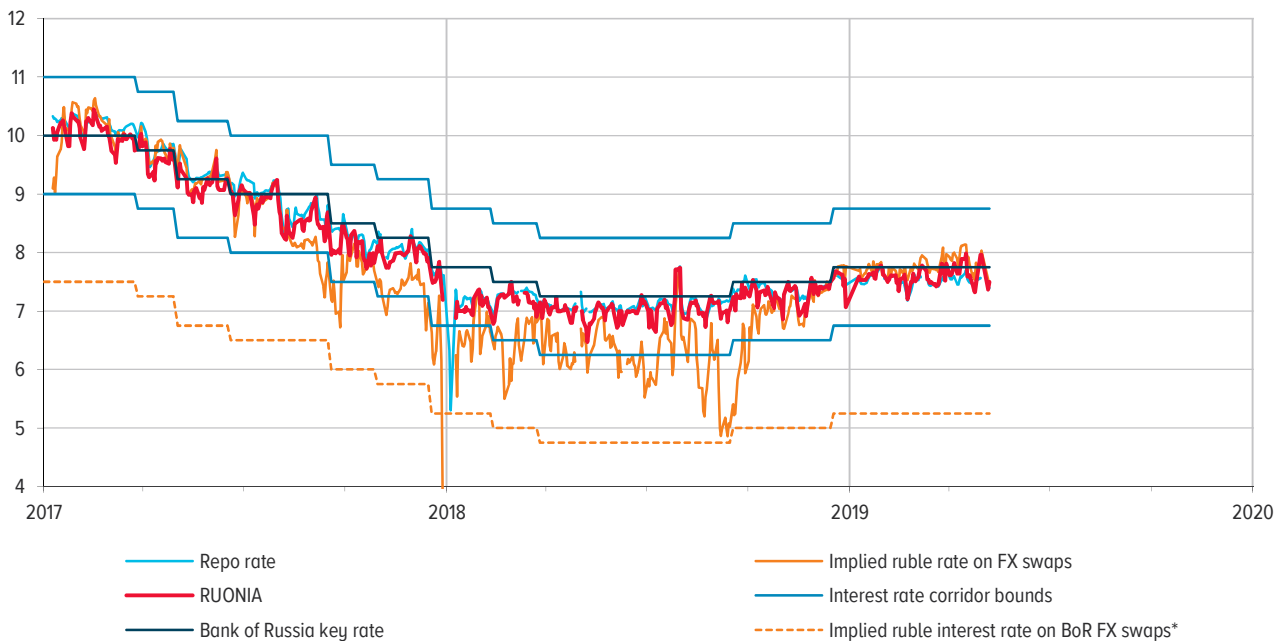
Chart 1



Source: Bank of Russia calculations.

INTEREST RATE SPREAD IN THE FX SWAP AND INTERBANK SEGMENTS REMAINED POSITIVE (PP)

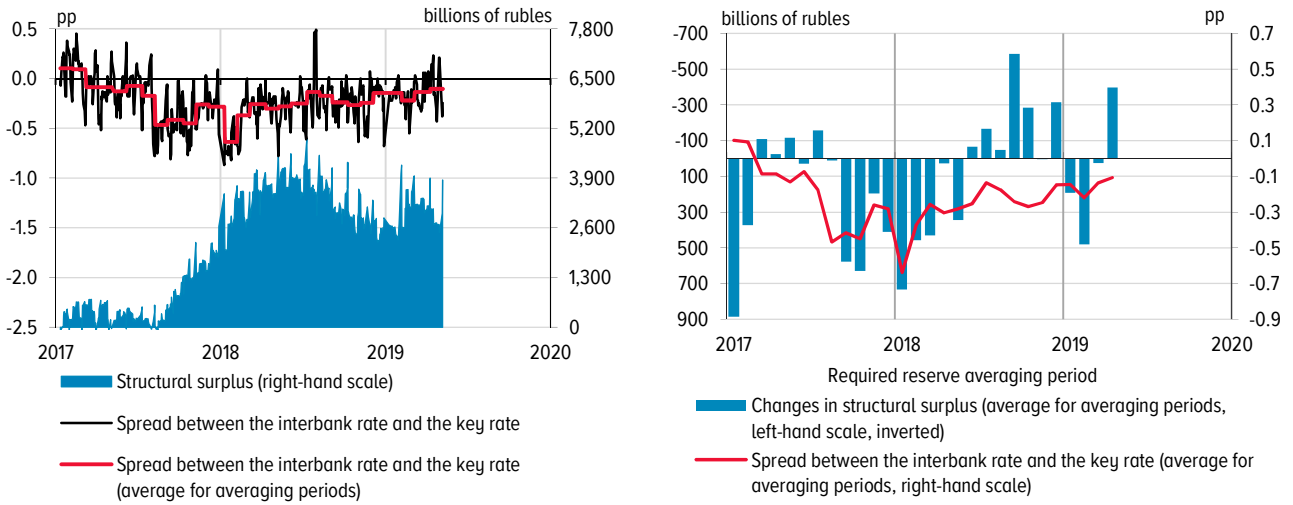
Chart 2



* Implied rate = ruble lending rate - FX borrowing rate + LIBOR
(from 19 December 2016: key rate - 1 pp - (LIBOR + 1.5 pp) + LIBOR = key rate - 2.5 pp).
Source: Bank of Russia calculations.

INTERBANK LENDING RATES FORMED NEAR THE KEY RATE LARGELY
IN THE LOWER RANGE OF THE BANK OF RUSSIA INTEREST RATE CORRIDOR

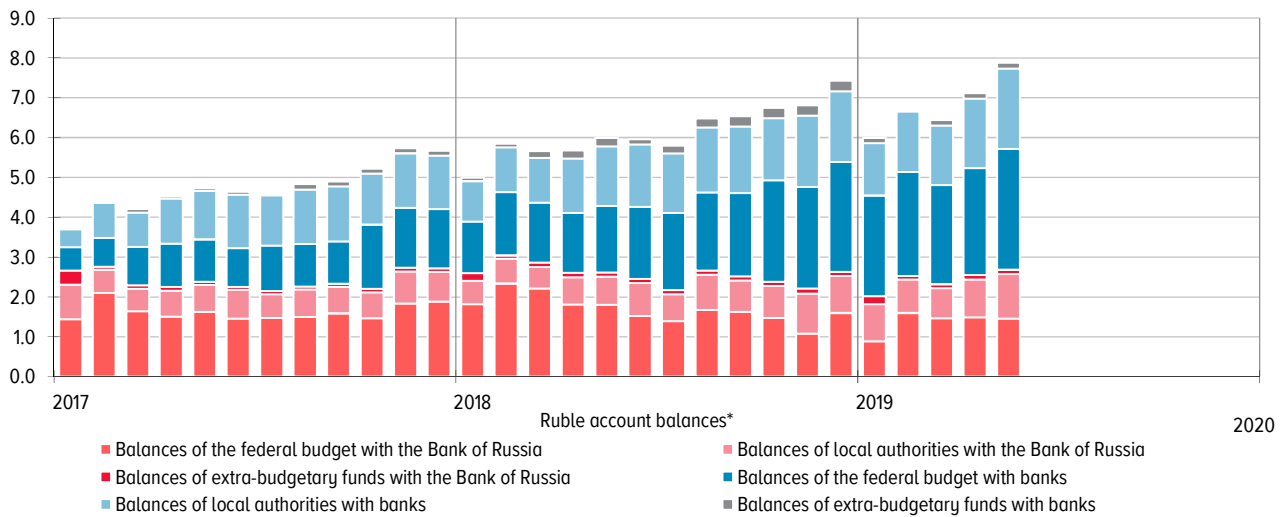
Chart 3



Source: Bank of Russia calculations.

FUNDS INFLOW TO BANKS WAS DRIVEN BY OPERATIONS OF THE FEDERAL TREASURY
AND FINANCIAL AUTHORITIES OF RUSSIAN CONSTITUENTS TO PLACE TEMPORARILY AVAILABLE
BUDGETARY FUNDS WITH BANKS
(TRILLIONS OF RUBLES)

Chart 4



* According to data from banking reporting form 0409301 'Indicators characterising the performance of a credit institution'.
Source: Bank of Russia calculations.

IN APRIL 2019, THE BANKING SECTOR'S STRUCTURAL LIQUIDITY SURPLUS DECREASED,
AS A MONTH EARLIER
(START OF BUSINESS, TRILLIONS OF RUBLES)

Table 3

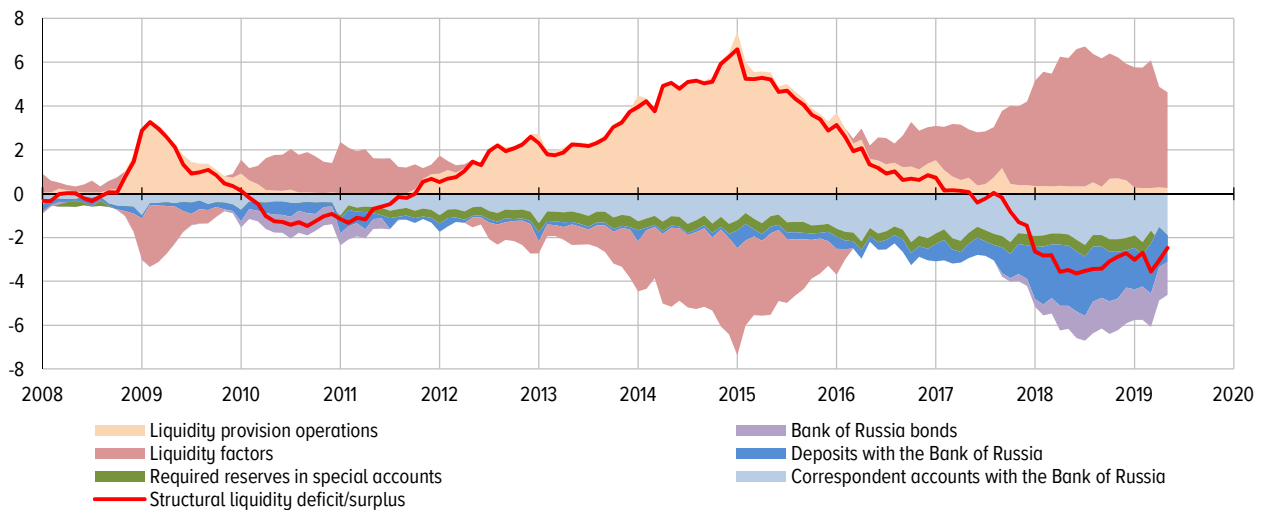
	1 January 2017	1 January 2018	1 January 2019	1 April 2019	1 May 2019
Structural liquidity deficit (+) / surplus (-)	0.7	-2.6	-3.0	-3.0	-2.5
Bank of Russia claims on credit institutions	1.3	0.0	0.0	0.0	0.0
Auction-based facilities	0.2	-	-	-	-
– repos and FX swaps	-	-	-	-	-
– secured loans	0.2	-	-	-	-
Fixed interest rate facilities	1.0	0.0	0.0	0.0	0.0
– repos and FX swaps	0.6	0.0	0.0	0.0	0.0
– secured loans	0.4	0.0	0.0	0.0	0.0
Credit institutions' claims on the Bank of Russia	0.8	2.7	3.3	3.3	2.7
Deposits	0.8	2.4	1.9	1.8	1.2
– auction-based	0.4	2.1	1.5	1.7	0.9
– fixed interest rate	0.4	0.2	0.4	0.1	0.3
Bank of Russia bonds	0.0	0.4	1.4	1.5	1.5
Standing reverse facilities other than Bank of Russia standard monetary policy instruments*	0.3	0.1	0.3	0.3	0.3

* These transactions include Bank of Russia specialised refinancing instruments, Bank of Russia loans issued under irrevocable credit lines, and USD/RUB and EUR/RUB sell/buy FX swaps.

Source: Bank of Russia calculations.

BANK OF RUSSIA BALANCE SHEET
(TRILLIONS OF RUBLES)

Chart 5



Source: Bank of Russia calculations.

FOREIGN EXCHANGE AND STOCK MARKET

The Russian financial market was moderately positive in April. Most market segments saw asset price growth, which is largely associated with a global increase in risk appetite. Data on economic growth in the US and China, which exceeded analysts' expectations, had a positive effect on investors' sentiment. According to EPFR Global, funds inflow from foreign investors to emerging market economies (EME) increased to 4 billion US dollars in April from 0.8 billion US dollars seen in March.

Foreign exchange rate. The ruble appreciated against the US dollar by 1.9%, whereas most emerging market currencies depreciated against the American currency after strong US economic growth data had been released. The ruble strengthened on the back of a considerable inflow of foreign capital to the OFZ market and ongoing growth of Brent crude price.

Country risk premium. Russia's CDS spread dropped by 9 bp to 126 bp in April. Similar developments were registered in most other EMEs, mostly due to a rising demand for risk assets. Russia's CDS spread returned to the

March lows, thus, offsetting technical growth caused by the contract change.¹

OFZ. Russian government bonds continue to enjoy elevated demand from investors, including foreign ones. In April, Russia's Ministry of Finance placed OFZs worth 403.8 billion rubles (at par value), thereby delivering on two thirds of the quarterly borrowing plan (600 billion rubles). According to exchange data, the major OFZ buyers at the primary and secondary markets were foreign investors (183 billion rubles) and systemically important credit institutions (98.9 billion rubles). The high demand helped bring down the OFZ yield curve by 5-20 bp depending on maturity.

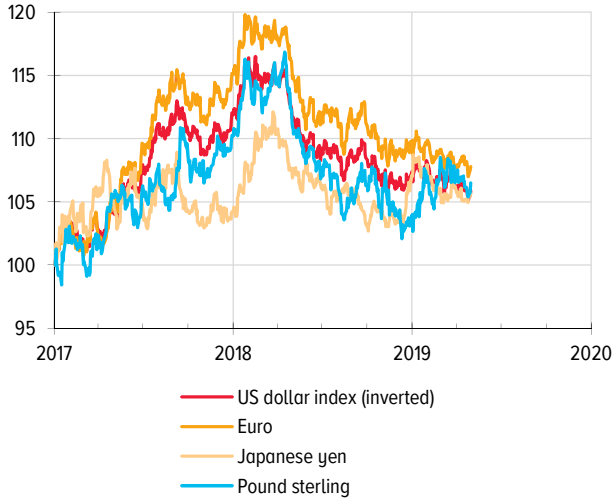
Stocks. The MOEX index rose in April by 2.5% while the US dollar RTS index added 4.3%. Similar developments were registered in most other EMEs where markets added 2% on average. Growth in the Russian market is largely attributed to local investors because foreign investors continued to contract their investments in Russian stock. At the same time, foreign capital outflow from the stock market slowed from 26.0 to 6.5 billion rubles.

¹ *Banking sector liquidity and financial markets, No. 2 (36), February 2019, http://www.cbr.ru/Collection/Collection/File/15759/LB_2019-36.pdf.*

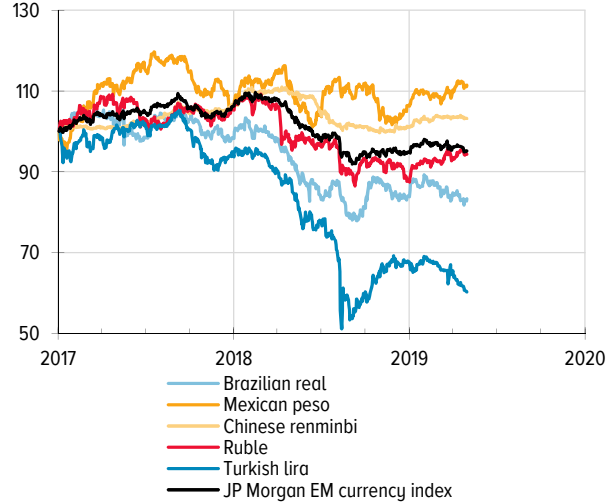
UNLIKE MOST OTHER CURRENCIES,
THE RUBLE APPRECIATED AGAINST THE US DOLLAR*

Chart 6

ADVANCED ECONOMY CURRENCY RATES



EMERGING MARKET ECONOMY CURRENCY RATES

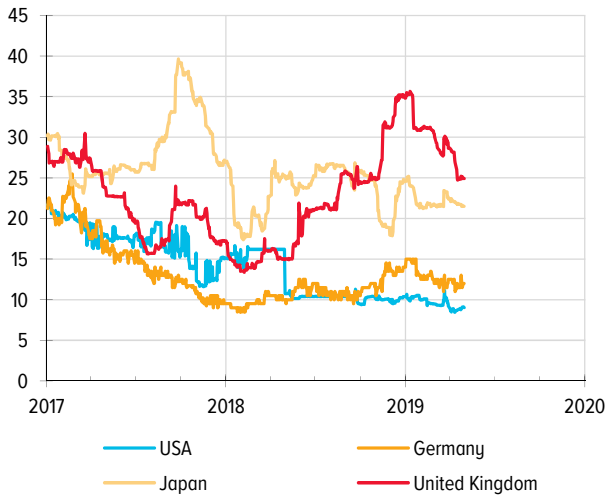


* Against the US dollar. Inverted exchange rate.
Sources: Bloomberg, Bank of Russia calculations.

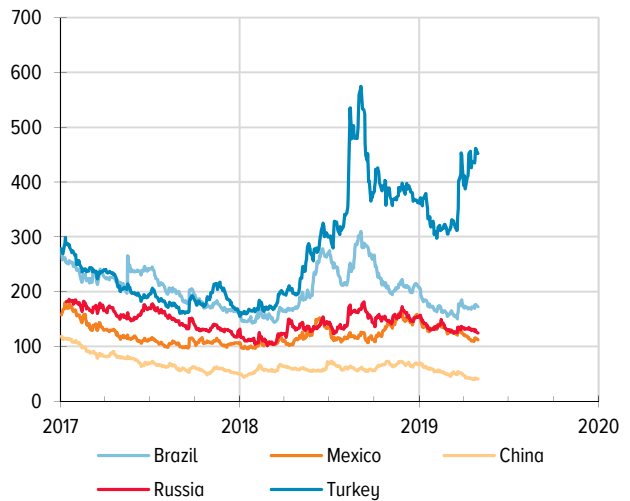
CDS SPREADS OF MOST EMES DECLINED
AMID GROWING RISK APPETITE
(BP)

Chart 7

CDS OF ADVANCED ECONOMIES



CDS OF EMERGING MARKET ECONOMIES

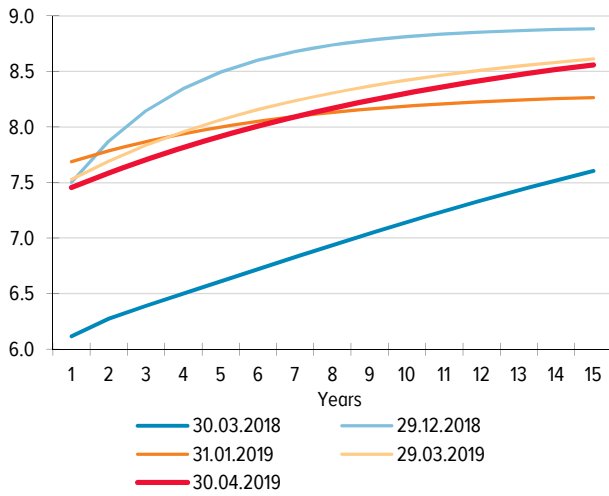


Sources: Bloomberg, Thomson Reuters, Bank of Russia calculations.

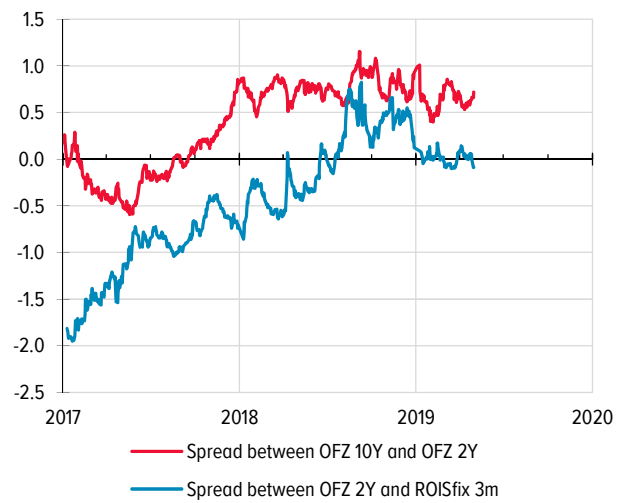
THE OFZ YIELD CURVE SHIFTED DOWNWARDS
BY 5-20 BP DEPENDING ON MATURITY

Chart 8

OFZ ZERO COUPON YIELD CURVE (% P.A.)



SPREADS (BP)

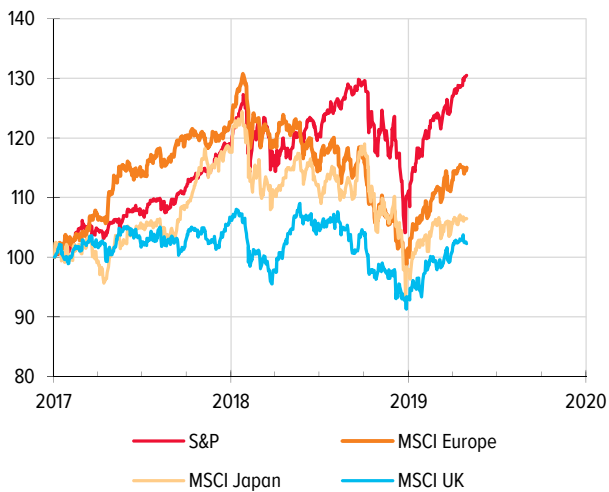


Source: PJSC Moscow Exchange.

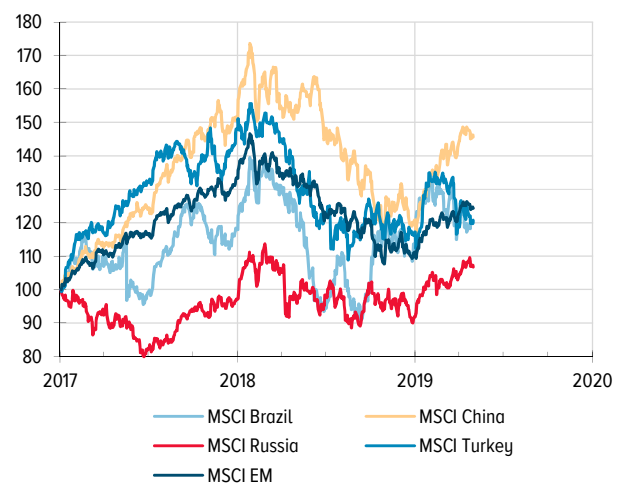
MOST EME STOCK INDICES GREW BY NO MORE THAN 2%
(3 JANUARY 2017 = 100)

Chart 9

ADVANCED ECONOMY STOCK INDICES



EMERGING MARKET ECONOMY STOCK INDICES



Sources: Bloomberg, Bank of Russia calculations.

MOST SEGMENTS OF THE RUSSIAN MARKET SAW PRICE GROWTH

Table 4

Indicator		30.04.2019	1M	3M	6M	YTD	1Y
Russian financial market							
RUB/USD exchange rate		64.62	1.0	2.6	1.3	7.7	-3.8
MOEX Index		2,559	1.5	2.4	11.3	8.5	11.2
RTS index		1,248	2.8	4.8	12.9	17.1	7.0
Government bond yield		7.98	-17.0	-19.0	-42.0	-43.0	97.0
Corporate bond yield		8.65	-20.0	-26.0	-20.0	-50.0	117.0
Regional bond yield		8.60	-9.0	-4.0	1.0	-13.0	114.0
CDS spread		125	-9.2	-7.4	-21.5	-29.0	-6.6
RVI		19	-5.4	-3.9	-10.2	-7.7	-8.3
Exchange rates (per US dollar, percent change, '+' – appreciation, '-' – depreciation)							
AEs*	US dollar index	97.48	0.3	1.7	0.5	1.1	6.5
	Euro	1.12	0.0	-1.9	-1.1	-2.0	-7.5
	Japanese yen	111.42	-0.1	-1.8	1.5	-1.0	-2.1
	Pound sterling	1.30	-0.5	-0.3	2.6	2.6	-5.4
EMEs	JP Morgan EM currency index	62.45	-0.9	-2.0	1.2	0.3	-9.5
	Ruble	64.62	1.0	2.6	1.3	7.7	-3.8
	Brazilian real	3.92	-1.7	-5.1	-5.7	-1.0	-11.8
	Mexican peso	18.95	1.1	0.3	5.9	3.8	-1.7
	Chinese renminbi	6.73	-0.3	0.0	3.4	2.1	-6.0
	Turkish lira	5.97	-8.0	-11.0	-8.3	-11.6	-32.2
	South African rand	14.30	-1.0	-4.9	2.1	0.9	-13.8
	CDS spreads (% p.a., change in bp, '+' – growth, '-' – decline)						
AEs	USA	9	0	-1	-1	-1	-7
	Euro area	12	-1	-1	0	-2	2
	Japan	21	-1	0	-4	-3	-4
	United Kingdom	25	-4	-6	0	-10	10
EMEs	Russia	125	-9	-7	-22	-29	-7
	Brazil	173	1	0	-33	-38	3
	Mexico	112	-9	-21	-30	-44	0
	China	41	-6	-18	-31	-26	-17
	Turkey	452	58	124	68	89	257
	South Africa	188	2	-4	-46	-36	28
10-year bond yield (% p.a., change in bp, '+' – growth, '-' – decline)							
AEs	USA	2.50	0	-21	-62	-22	-46
	Euro area	0.01	4	-19	-36	-23	-56
	Japan	-0.05	3	-5	-16	-4	-10
	United Kingdom	1.18	14	-8	-21	-8	-26
EMEs	Russia	8.13	-28	-25	-47	-57	87
	Brazil	8.98	15	-4	-114	-26	-81
	Mexico	8.09	7	-26	-63	-60	62
	China	3.40	27	27	-13	10	-23
	Turkey	19.35	190	456	184	328	703
	South Africa	9.12	9	-16	41	41	41
Stock indices (points, per cent change, '+' – growth, '-' – decline)							
AEs	S&P	2,946	2.7	11.6	9.8	18.5	10.3
	MSCI Europe	1,685	1.9	7.6	8.3	13.8	-5.8
	MSCI Japan	973	0.6	4.1	1.0	8.7	-7.5
	MSCI UK	2,135	1.2	8.1	4.8	9.5	-1.6
EMEs	MSCI EM	1,079	0.9	4.8	15.3	12.1	-6.7
	MSCI Russia	664	2.3	4.4	13.4	16.9	7.6
	MSCI Brazil	2,060	-2.2	-6.0	1.8	5.7	-5.4
	MSCI Mexico	4,865	3.0	1.5	7.6	10.6	-11.7
	MSCI China	86	0.8	11.2	25.0	21.4	-4.8
	MSCI Turkey	1,289,940	1.1	-10.4	4.9	3.9	-11.1
MSCI South Africa	1,459	5.1	7.0	20.4	11.6	2.2	

* Advanced economies.

Sources: Bloomberg, PJSC Moscow Exchange, Cbonds.ru, Bank of Russia calculations.

CREDIT AND DEPOSIT MARKET

Deposit rates. Rate growth on ruble deposits seen since September 2018 had almost run its course by March 2019. Starting from mid-March, none of the major banks raised interest rates on their standard deposit products, while in April, a number of large banks cut their ruble deposit rates. According to preliminary data, in March, interest rates rose insignificantly on long-term household ruble deposits² and even dropped on short-term ones. Given the fall in the bond yields seen since the beginning of the year, a trend towards a reduction in market average rates may be expected in the ruble deposit market constrained by banks' competition for depositors.

Downward interest rate dynamics also prevailed in the FX deposit segment. Estimates suggest that US dollar deposit rates dropped pronouncedly to return to the readings seen six months ago.

Deposit operations. In March 2019, household deposit balances continued to grow. Despite a decline in the monthly growth rate of FX deposits, it, nevertheless, exceeded a similar indicator for ruble deposits.³ As a result of the ongoing inflow of funds to FX household deposits, their contribution to annual household deposit growth was positive for the first time since 2017 (Chart 11). At the same time, preliminary estimates suggest that the monthly growth rate of FX deposits continued to decline in April as the inflow of funds to ruble deposits accelerated considerably. These dynamics may be attributed to the fact that the FX deposit rate cut by banks had a negative effect on their attractiveness to borrowers.

In March, the market's ruble segment continued to register a replacement of short-term deposits with long-term ones in banks' liabilities. Long-term deposits accounted for 38% of total ruble deposits as of the end

² Here and elsewhere, short-term operations mean operations for up to one year, long-term operations mean operations for more than one year.

³ Here and elsewhere, growth of banks' balances is based on reporting data of operational credit institutions included in the State Register as of the reporting date. The increase in FX assets and liabilities is indicated in US dollar terms, the increase in balance sheet indicators which include FX and ruble components is adjusted for FX revaluation using the Marshall-Edgeworth decomposition.

of March, which is the highest reading since December 2017.

Credit rates. Interest rates in the retail segment of the credit market continued to show mixed dynamics in 2019 Q1. In the retail segment of the market, further increase in medium-term mortgage rates came along with fluctuations in consumer and auto loan rates. In the corporate segment of the market, rates were close to their January readings in February, and there were also no abrupt rate movements registered in March. In April, a number of large banks cut their mortgage rates.

Corporate lending. Annual growth in corporate lending increased somewhat to 5.7% as of the end of March (5.6% a month earlier). The trend towards replacement of FX loans with ruble loans continued. As of the end of March, annual growth in the ruble loan portfolio came in at 12.3% (12.1% as of the end of February); the annual rate of FX loan portfolio contraction stood at 10.3%, the same as in the previous month. In the first months of 2019, the major contribution to corporate lending growth came from loans to transportation, communication, agricultural and mining and quarrying companies.

After a January surge in overdue corporate loans associated with changes in approaches to bank asset accounting, this indicator did not show any considerable fluctuations (Chart 12).

The results of the quarterly monitoring suggest that banks did not intend to tighten lending conditions for corporate borrowers in 2019 Q2-Q3 and expected their demand for loans to rise (Chart 14). This suggests that a moderate rise in activity may be expected in the corporate loan market.

Retail lending. In March 2019, households continued to increase borrowings from banks. Annual growth in the bank portfolio of retail loans came in at 23.5% as of the end of March. Outrunning growth was registered in consumer lending (Chart 13) that accounted for 50% of growth in the bank portfolio of retail loans in 2019 Q1.

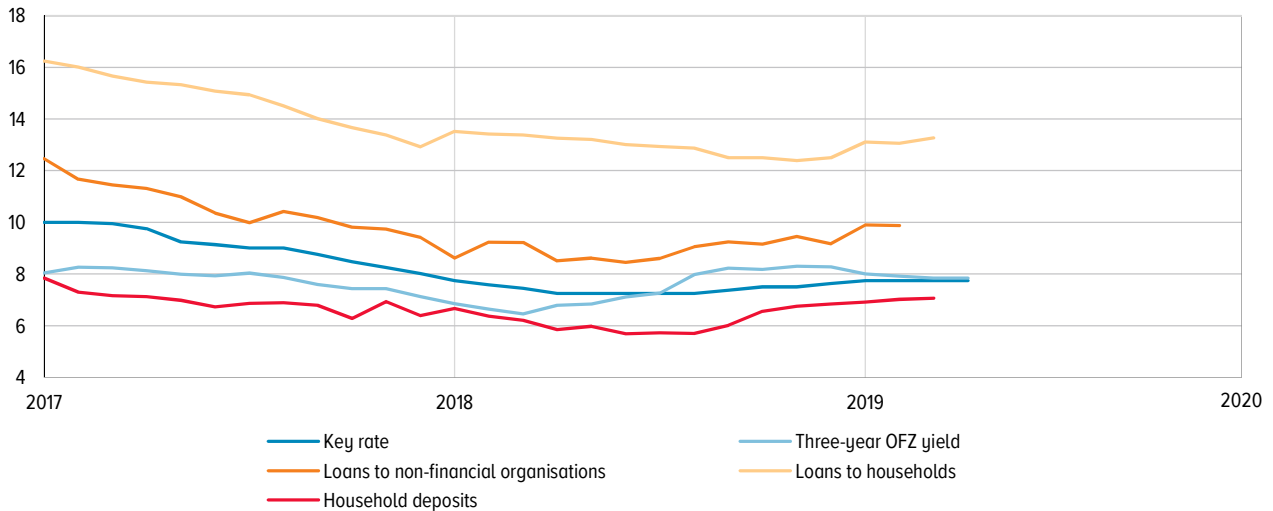
Banks are planning to ease retail lending conditions moderately in mid-2019 (Chart 14). However, the expanding household liabilities and macroprudential measures aimed at constraining certain segments of the retail

lending market will limit the potential for faster growth in retail lending. Current retail lending

growth rates may be expected to stabilise or slow down slightly throughout this year.

THE YEAR-TO-DATE DECLINE IN OFZ YIELDS CREATES CONDITIONS FOR THE DECLINE OF DEPOSIT AND LENDING RATES IN THE FUTURE
RATES ON BANKS' LONG-TERM RUBLE TRANSACTIONS (% P.A.)

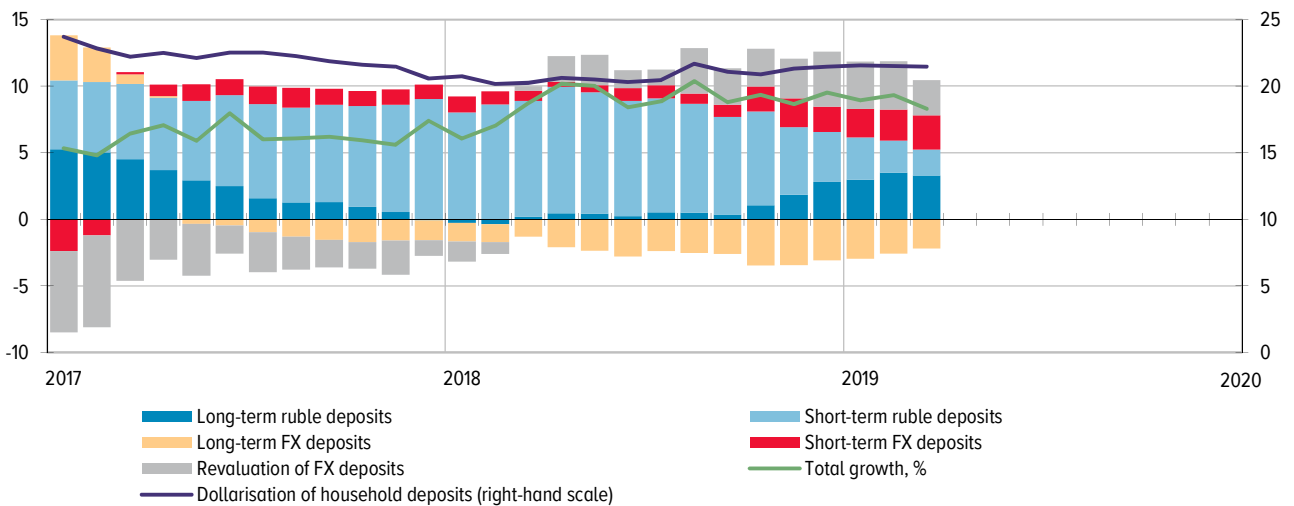
Chart 10



Source: Bank of Russia.

DEPOSITORS' INTEREST IN LONG-TERM RUBLE DEPOSITS CONTINUES TO RECOVER
CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL GROWTH OF HOUSEHOLD DEPOSITS (PP)

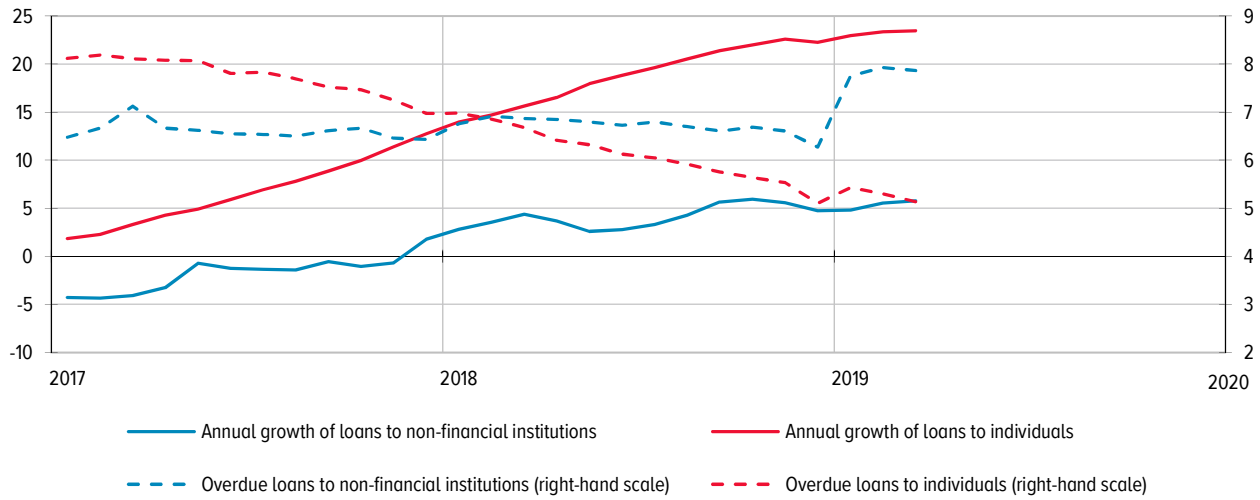
Chart 11



Source: Bank of Russia calculations.

LENDING TO HOUSEHOLDS REMAINED THE MAIN DRIVER OF CREDIT MARKET GROWTH
RUSSIAN CREDIT MARKET INDICATORS (%)

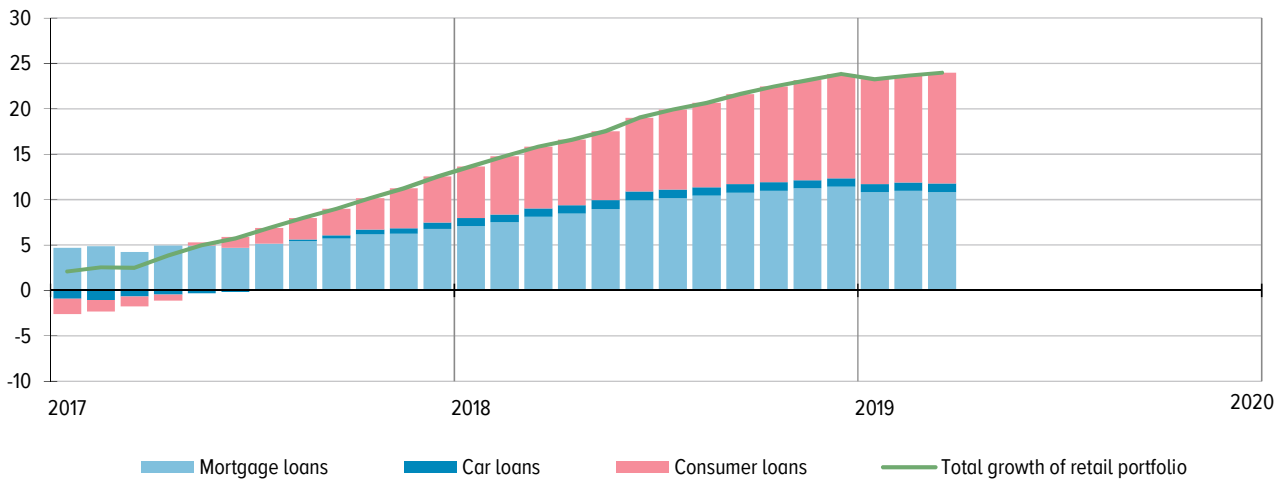
Chart 12



Source: Bank of Russia calculations.

IN EARLY 2019, THE CONTRIBUTION OF MORTGAGE AND CONSUMER LENDING TO RETAIL LENDING WAS COMPARABLE
CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL GROWTH OF RETAIL LOAN PORTFOLIO* (PP)

Chart 13



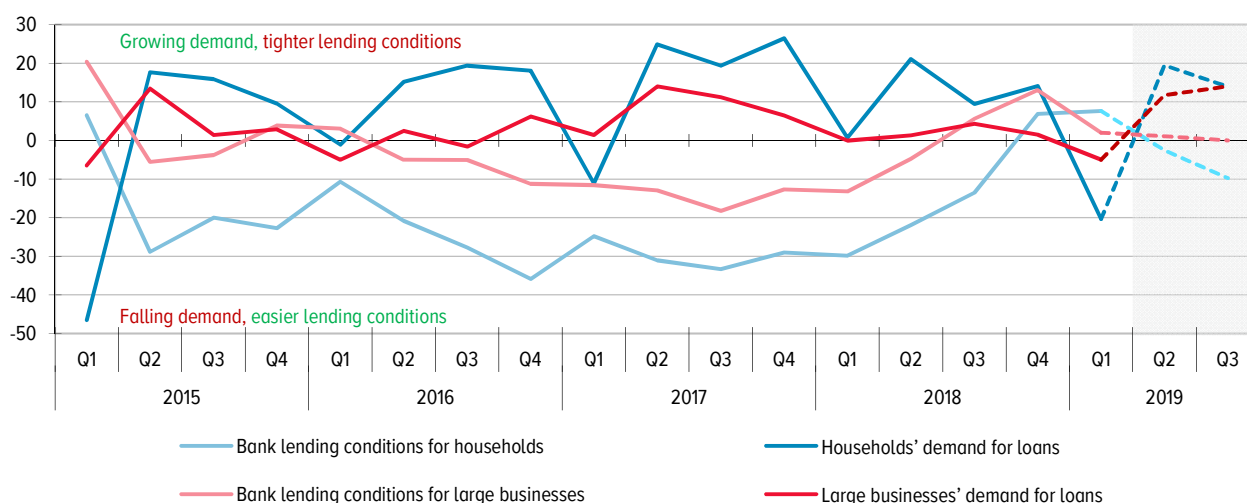
* For loans grouped into homogenous loan portfolios.

Source: Bank of Russia calculations.

THE MODERATE TIGHTENING OF LENDING CONDITIONS IN LATE 2018
AND EARLY 2019 WAS LARGELY DUE TO HIGHER CREDIT RATES

Chart 14

LENDING CONDITIONS AND DEMAND FOR LOANS INDICES (PP)



Source: Bank of Russia.

CREDIT AND DEPOSIT MARKET INDICATORS

Table 5

		December 2018	January 2019	February 2019	March 2019
Rates on long-term ruble-denominated bank operations					
– household deposits	% p.a.	6.8	6.9	7.0	-
– household loans	% p.a.	12.5	13.1	13.1	-
– corporate loans*	% p.a.	9.2	9.9	9.9	-
Household deposits	% YoY, AFCR	5.4	5.4	5.7	5.6
– in rubles	% YoY	8.3	7.8	7.5	6.6
– in foreign currency	% YoY	-5.2	-3.6	-1.2	1.6
– dollarisation	%	21.5	21.5	21.5	21.5
Loans to non-financial organisations	% YoY, AFCR	4.7	4.8	5.6	5.7
– short-term (less than 1 year)	% YoY, AFCR	3.8	-0.6	-2.0	2.7
– long-term (more than 1 year)	% YoY, AFCR	5.4	4.9	6.1	5.2
– overdue loans	%	6.3	7.8	7.9	7.9
Loans to households	% YoY, AFCR	22.2	23.0	23.4	23.5
– housing mortgage loans	% YoY, AFCR	23.4	24.7	24.8	24.2
– unsecured consumer loans	% YoY	22.7	23.2	23.6	24.2
– overdue loans	%	5.1	5.4	5.3	5.1

* Starting from January 2019, the procedure for calculating rates on loans to non-financial organisations was revised (in particular, affiliated parties were excluded from the calculation base). This may affect the rate statistics.

Note: YoY – on corresponding period of previous year, AFCR – adjusted for foreign currency revaluation.

Source: Bank of Russia calculations.

Cut-off dates:

- 'Banking sector liquidity and money market' section – 7 May 2019 (reserve requirements are an important part of the Bank of Russia's instruments to manage banking sector liquidity and money market rates. Therefore, the analysis of the effectiveness of the Bank of Russia's monetary policy operational procedure should take into account required reserves averaging periods. In April-May 2019, this period is from 10 April 2019 to 7 May 2019);
- 'Foreign exchange and stock market' section – 30 April 2019;
- 'Credit and deposit market' section – 1 April 2019.

A soft copy of information and analytical commentary is available on the Bank of Russia website (<http://www.cbr.ru/DKP/>). Please send your comments and suggestions to svc_analysis@cbr.ru.

This commentary is prepared by the Monetary Policy Department.

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