



Bank of Russia



May 2024

MONETARY CONDITIONS AND MONETARY POLICY TRANSMISSION MECHANISM

Information and analytical commentary

10 June 2024

MONETARY CONDITIONS AND MONETARY POLICY TRANSMISSION MECHANISM (MAY 2024)

According to recent data, monetary conditions tightened after the April meeting of the Bank of Russia Board of Directors mainly because market participants revised their assessments of the duration of tight monetary policy (Chart 1). Both nominal and real interest rates grew significantly. Moreover, the latter ones hit their new historical highs despite increased inflation expectations. Lending activity remained high, as the tightening of price and non-price conditions, which occurred in May, had not yet fully passed on to the credit and deposit market. The annual growth rates of monetary aggregates were still significantly above the values of 2017–2019, when inflation had been close to 4%.

MONETARY POLICY TRANSMISSION

The monetary policy transmission mechanism (or monetary policy transmission) is a sequence of links in the economy through which monetary policy influences demand and, accordingly, inflation. This mechanism is based on interest rates and yields in the key market segments, influencing each other (the key rate has a direct effect on short-term money market rates; short-term rates influence long-term rates and OFZ yields; OFZ yields influence corporate bond yields; bond yields and long-term money market rates affect credit and deposit rates). Rates, in turn, influence the propensity to save, consume, and invest (the interest rate channel of the transmission mechanism), the ability of borrowers to provide high-quality collateral and that of banks – to expand lending (the credit and balance sheet channels), as well as the wealth of investors (the welfare channel), and the ruble exchange rate (the foreign exchange channel).¹

Through any of these channels, higher market rates constrain demand and inflation, while lower ones stimulate them. In addition to monetary policy and demand, inflation and financial market trends are influenced by many other factors which are taken into account by the Bank of Russia when deciding on the key rate.

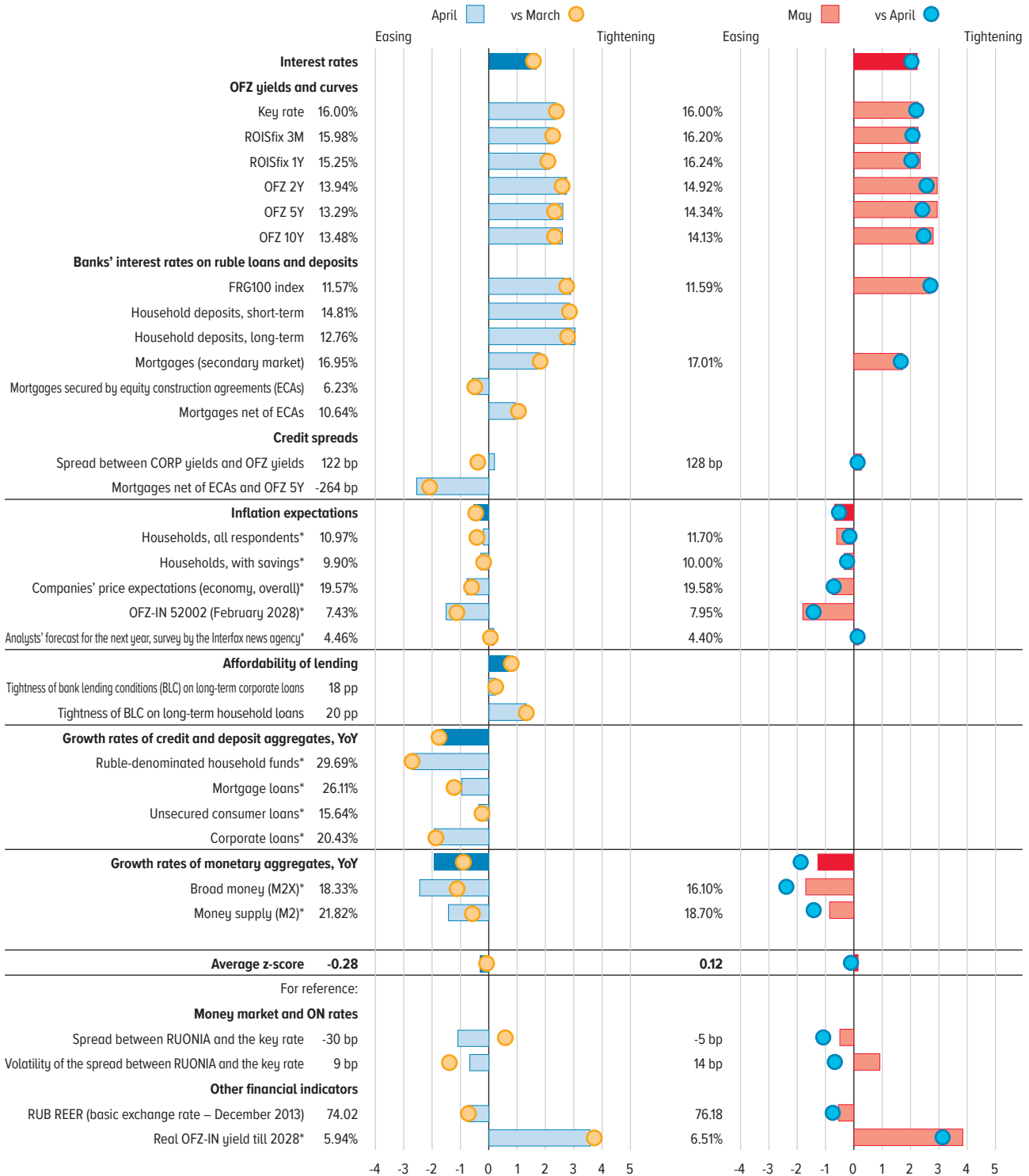
This material briefly describes the monetary policy transmission and the conditions of its functioning.

¹ See Appendix 1 to the [Monetary Policy Guidelines for 2024–2026](#).

INDICATORS OF MONETARY TIGHTNESS

SOME INDICATORS OF MONETARY POLICY TIGHTNESS AND THEIR CHANGES IN MARCH–MAY 2024

Chart 1



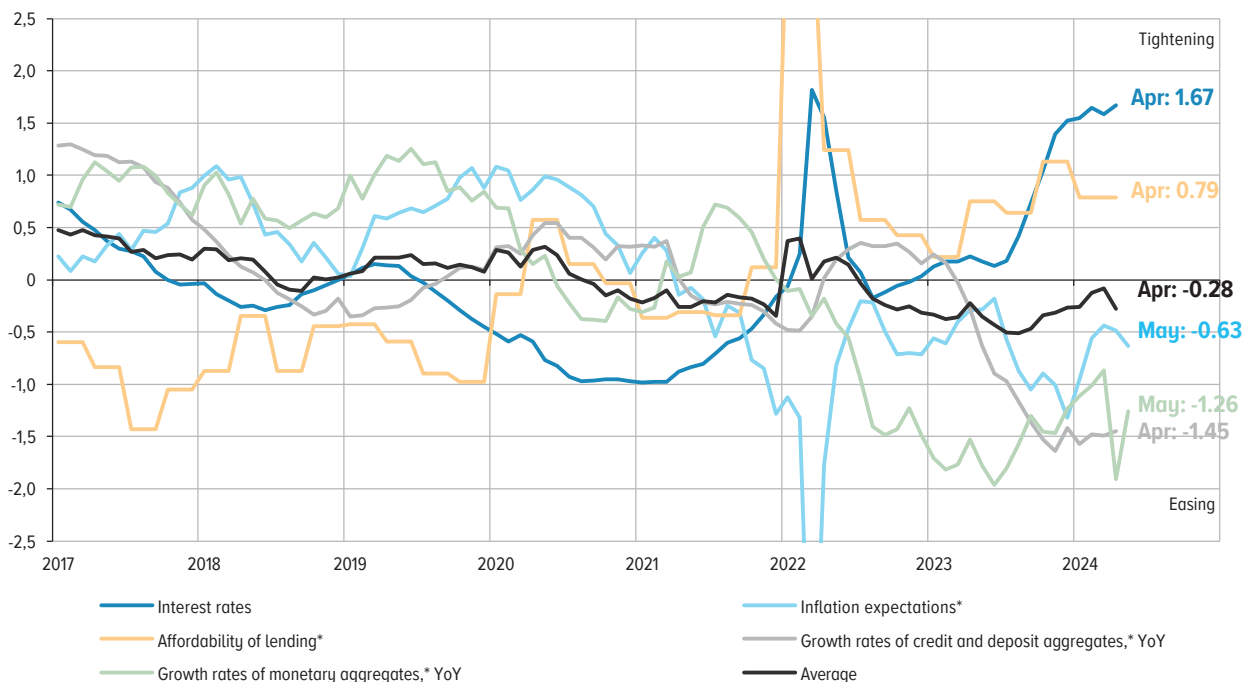
Note. The indicator panel represents one possible summary visualisation of key indicators to help assess the monetary conditions and their changes. It should not be considered a comprehensive presentation of all types of indicators relevant to assessing the nature and changes of the monetary conditions. The chart shows the level of the indicator (z-score) relative to the distribution of values from January 2017 to April 2024 (left-hand chart) and to May 2024 (right-hand chart). The indicator's level (in standard deviation) as of the previous date is circled. A shift of the indicator to the left relative to the previous date indicates the easing of monetary conditions, a shift to the right – their tightening. Z-scores for high-frequency indicators (OFZ yields, money market rates, exchange rate, spread between CORP and OFZ yields, etc.) were calculated based on the averages for the relevant month. Z-score for the spread between RUONIA and the key rate was taken out of the calculation of the overall average indicator due to high volatility.

* The indicators were used to calculate the inverse z-score.

Source: Bank of Russia calculations.

HISTORICAL DYNAMICS OF INDIVIDUAL INDICATORS OF MONETARY TIGHTNESS

Chart 2



* The indicators were used to calculate the inverse z-score.
Source: Bank of Russia calculations.

INTEREST RATES

- Monetary policy and key rate.** In May, the key rate remained unchanged. Earlier, at its meeting on 26 April, the Bank of Russia Board of Directors decided to keep the key rate at 16.0% per annum. This decision was expected by market participants, but the tone of the press release and press conference was tougher than anticipated. Market participants' expectations were additionally impacted by the release of the Summary of the Key Rate Discussion on 13 May, economic data, and public statements made by Bank of Russia representatives during the month to comment on the need for long-term maintenance of tight monetary policy, as well as the possibility of further raising the key rate to ensure sustainable disinflationary processes and return inflation to target.
- Banking sector liquidity and overnight rates (RUONIA).** The average spread between RUONIA and the key rate narrowed to -5 bp in May (vs -30 bp in April) (Chart 4). The spread volatility increased to 14 bp (vs 9 bp in April). Banks continued to adapt to the cancellation of the liquidity coverage ratio (LCR) easing in March. Thus, some banks changed the structures of their liabilities: there was an increase in the share of borrowings in the money market and through the operations of the Federal Treasury (FT) for maturities exceeding 30 days. As a result, demand for Bank of Russia loans declined, while the average monthly cost of overnight borrowings in the money market was close to the key rate. The average liquidity surplus was ₴1.1 trillion in May (₴1.1 trillion in April). The impact of fiscal operations on liquidity was almost neutral in May. This month, both May and a significant amount of April taxes¹ were transferred to the budget. The Bank of Russia's profit for 2023 was also transferred to the budget. The FT promptly invested most of the funds credited to the Treasury Single Account (TSA) back in bank deposits and used

¹ [Monetary Conditions and Monetary Policy Transmission Mechanism No. 4 \(22\) April 2024.](#)

them in repo operations. This mitigated the impact of fiscal operations on banks' liquidity. May saw a seasonal drop in the amount of cash in circulation: an inflow of funds into banks equalled ₱0.1 trillion, which was close to the average values of previous years (April registered an outflow of ₱0.2 trillion). This was due to the fact that banks were reducing the balances in cash offices and ATMs after the May holidays.

The liquidity balance is expected to range from a deficit of ₱0.7 trillion to a surplus of ₱0.1 trillion² by the end of 2024 (Table 5).

- **Money market.** As of the end of May, the ROISfix curve shifted noticeably upwards along its entire length (Table 1). This evidenced that market participants had revised their expectations for the key rate path and admitted its increase at the next meetings, while assuming a longer period of high rates and/or a slower pace of monetary policy easing.

ROISFIX CURVE

Table 1

Maturity	1w	2w	1M	2M	3M	6M	1Y	2Y
31.05.2024	16.09	16.37	16.58	16.71	16.84	17.24	17.48	16.58
30.04.2024	15.96	15.98	15.98	15.98	16.00	15.98	15.50	14.36
Change, bp	0.13	0.39	0.60	0.73	0.84	1.26	1.98	2.22

- **OFZ.** The OFZ curve had been moving upwards across all maturities for the fourth consecutive month. The average monthly OFZ yields grew by 120–170 bp, which was considerably higher than in April (+10–70 bp on average). The dynamics of the short end of the curve (maturities of up to 2 years) were mainly associated with the revision of market expectations regarding the further key rate path. Before the April meeting of the Board of Directors, the market assumed that 16% would be the peak level of the key rate and expected monetary policy to start easing at the end of 2024 Q3. However, after the tough signals from the Bank of Russia, analysts began to assume that the key rate might be raised to 17–18% at the next meetings and believe that the period of high rates would be longer.

OFZ ZERO COUPON YIELD CURVE

Table 2

Maturity	1Y	2Y	3Y	5Y	7Y	10Y
31.05.2024	15.73	15.81	15.59	15.23	15.06	14.96
30.04.2024	14.51	14.20	13.89	13.61	13.56	13.59
Change, bp	122	160	170	163	150	137
Average for May 2024	15.14	14.92	14.65	14.34	14.20	14.13
Average for April 2024	14.45	13.94	13.57	13.29	13.31	13.48
Change, bp	68	98	108	104	89	65

² [Commentary on the Medium-term Forecast, dated 13 May 2024.](#)

The composition of the OFZ secondary market participants did not change. Non-bank financial institutions using their own money and individuals were the main net buyers, while systemically important credit institutions (SICIs) were net sellers.

In May, the Russian Ministry of Finance raised a considerably smaller amount of funds compared to April (₽85 billion in May vs ₽233 billion in April). Investors were most interested in medium-term OFZ-PD, the yield on which reached almost 14.0%. Demand at auctions was mainly driven by SICIs. Securities were placed at a moderate premium on secondary market yields (up to +4 bp). The aggregate demand was ₽145 billion (vs ₽124 billion in April). From early 2024, the Ministry placed OFZ worth ₽1.12 trillion, i.e. 27% of the annual borrowing target.

- **Corporate bond market.** Based on the IFX–Cbonds index, corporate bond yields reached 17.3% as of the end of May (+151 bp MoM). The average monthly spread between government and corporate bond yields went up moderately (128 bp in May vs 122 bp in April).

In May, corporate borrowers raised less funds in the primary market year-on-year (₽463 billion in May 2024 vs ₽616 billion in May 2023). However, the year-to-date increase in the corporate bond portfolio was higher than the median for 2014–2021 (+4.2% in May 2024, the median – 3.8%) but two times lower year-on-year (8.7% in May 2023). As of the end of May, the market of corporate bonds totalled ₽26.3 trillion.

In April, the issue of substitute bonds increased to ₽100 billion, which included securities of companies from the financial and transport sectors. According to Cbonds, substitute bond yields were up to 7.34% (+105 bp MoM). The spread between them and US Treasuries (UST) with similar maturities expanded by 109 bp to 268 bp, which corresponded to the average level of 2023 partly due to a decrease in UST yields.

BANKS' INTEREST RATES ON RUBLE LOANS AND DEPOSITS

- **Deposit rates.** According to preliminary data, deposit rates continued to rise in April, with more noticeable growth in the long-term segment.³ The tighter signal regarding the further key rate path given by the Bank of Russia at its April meeting incentivised banks to maintain high deposit rates for a longer period. According to recent data, in May, some major banks raised the rates they offered on deposits for both up to and over one year. The FRG100 index⁴ resumed its growth in the second half of May (Charts 9 and 10).
- **Corporate loan rates.** According to preliminary data, in April, interest rates on loans to non-financial organisations were close to the March level. Short-term loan rates remain above long-term ones, which is typical for tight monetary policy periods owing to the inverted yield curve. Rates on loans for over one year are close to their highs since mid-2015 (Chart 9).
- **Retail loan rates.** According to preliminary data, in April, rates on short-term loans to individuals did not change noticeably, while rates on long-term facilities went down due to an increase in the proportion of mortgages in the composition of loans given to individuals and tougher requirements for selecting borrowers amid restrictive macroprudential measures applicable to consumer loans and mortgages. The weighted average rate on ruble-denominated housing mortgage loans secured by equity construction agreements (ECAs) and the rate on loans issued for purchasing completed properties declined (to 6.23% and 10.64% per annum, respectively)

³ Short-term deposits are deposits for no more than one year, except for demand deposits; short-term loans are loans for no more than one year; long-term deposits and loans are deposits and loans for more than one year.

⁴ The average interest rate of the 80 largest deposit banks on one-year deposits worth at least ₽100,000, according to the Frank RG news agency.

due to the further growth in the share of subsidised mortgage loans in the turnover structure. According to recent data, certain large players in the retail lending market considerably raised their offer rates on market mortgage loans at the end of May (Charts 9 and 10).

GROWTH RATES OF CREDIT AND DEPOSIT AGGREGATES

- **Deposits.** High deposit rates supported the attractiveness of ruble savings. According to the April results, the annual growth⁵ of the portfolio of household funds with banks⁶ sped up by 0.6 pp to 25.9%. Ruble deposits for up to one year remained major contributors to the growth in household deposits. According to the April results, the share of all ruble-denominated time deposits in the portfolio of household ruble funds with banks equalled 67%. Balances in current ruble accounts continued to increase moderately. The portfolio of household deposits in foreign currency somewhat diminished. The share of foreign currency in household deposits and accounts edged down by 0.3 pp to 8.4%, remaining close to the historical low (Chart 11).
- **Corporate lending.** Corporate lending market remained strong in April. According to the monthly results, the annual growth in the portfolio of corporate loans⁷ was 20.4% vs 20.3% in March. The key drivers of the portfolio growth still were ruble borrowings, however, the growth rate of ruble lending slowed down slightly due to higher interest rates. Companies continued to expand their portfolio of foreign currency loans. According to recent data, corporate lending growth remained high in May (Chart 12).
- **Retail lending.** High consumer activity, positive consumer sentiment, and subsidised lending programmes were still factors supporting great consumer demand for loans. In April, the growth rate of the portfolio of unsecured consumer and car loans remained high. The volumes of new subsidised mortgage loans were still large. Among other things, they were fuelled by the expected termination of the large-scale Subsidised Mortgage programme from 1 July. New loans under all subsidised programmes⁸ equalled almost 75% of the total amount of loans issued in April, reaching ₹466 billion. New market-based mortgage loans continued to decrease. As of the end of the month, the annual growth in the housing mortgage loan portfolio was 26.1%⁹ vs 27.7% in March. The portfolio of demand loans continued to expand mainly due to the use of credit cards by households. However, as compared to the March dynamics, loans for up to one year also rose sustainably together with credit cards. According to recent data, outstanding short-term and long-term loans to households continued to grow actively in May (Charts 12 and 13).

⁵ Hereinafter, increases in banks' balance sheet indicators are calculated based on the reporting data of operating credit institutions recorded in the State Register as of the relevant reporting date. Increases in loans are calculated net of claims acquired by banks and without adjustment for securitisation transactions. Increases in foreign currency claims and liabilities are calculated in US dollar terms. Where increases in the indicators comprising foreign currency and ruble components are calculated herein, the growth of the foreign currency component is converted into rubles using the period average exchange rate.

⁶ Hereinafter, individuals' funds with banks include balances in time deposits, demand deposits and current accounts, but do not include escrow accounts under equity construction contracts.

⁷ Hereinafter, the increase in lending to non-financial organisations, financial institutions, and individual entrepreneurs does not include claims acquired by banks.

⁸ Mortgage loans issued under the programmes Subsidised Mortgage, Family Mortgage, IT Mortgage, and Far Eastern and Arctic Mortgage.

⁹ Given large-scale sales of mortgage loan portfolios in April, the annual growth in total claims of banks on housing mortgage loans was 26.8% as of the end of the month.

GROWTH RATES OF MONETARY AGGREGATES

- Money supply.** As large tax payments due at the end of April were actually paid on the first business day of May, the contribution of net claims on general government to the money supply dynamics in April increased dramatically. As a result, the annual growth in monetary aggregates sped up markedly by the end of the month. However, this factor had an opposite effect in May. As a result, the annual growth rate of M2 remained close to the level of February–March and equalled 18.7% at the end of May, according to preliminary data. The growth of money supply was still driven by lending (Chart 15).

- Exchange rate (foreign exchange channel)**

The ruble exchange rate strengthened slightly at the end of May. The average monthly RUB/USD exchange rate demonstrated the same dynamics. There were several reasons for the ruble appreciation. First, March saw a significant inflow of export revenues, which passed on to the physical supply of foreign currency with a lag of 2–3 months. Second, secondary sanctions and delays in foreign trade settlements may have had some impact on imports. The ruble volatility dropped to the minimum since 2021 Q3.

RUBLE EXCHANGE RATE

Table 3

	USD/RUB	EUR/RUB	CNY/RUB
31.05.2024	90.10	97.72	12.39
30.04.2024	93.05	99.72	12.74
% change	-3.17	-2.00	-2.76
Average for May 2024	90.62	98.14	12.49
Average for April 2024	92.95	99.67	12.79
% change	-2.51	-1.54	-2.34

Note. '+' means depreciation of the ruble; '-' means appreciation of the ruble.

The [real effective exchange rate of the ruble \(REER\)](#) calculated against the currencies of the main foreign trade partners weakened by 0.1% in April (-11.0% YoY). According to preliminary data, the REER strengthened by 3.0% in May vs April, staying below its median value of recent years (-4% vs the median of January 2015–April 2024).

- Russian stock markets**

In May, the Russian stock market interrupted the upward trend that had begun in the autumn of 2023. The Moscow Exchange Index closed the month at 3,217 (-7.3% MoM, +3.8% YtD) and showed a monthly decline for the first time since December 2023. The market sentiment was affected by the revision of key rate expectations towards tighter monetary conditions and their longer duration, the proposal of the Russian Ministry of Finance to increase the corporate income tax, and decisions made by certain companies not to pay dividends. Concurrently, the market volatility (RVI) edged down on average in May (20 points; -1 point MoM) and remained below the average level of 2023 (30 points). Thus, the adjustment in the stock market was driven by the revaluation of securities rather than growing uncertainty among investors.

As for industrial indices, securities of the construction sector dropped the most (-14%), while those of the financial and IT sectors demonstrated smallest decreases (-4.9% and -5.0%, respectively).

- Foreign markets**

The average policy rate (weighted by GDP) in advanced economies remained unchanged in April (4.51%). The data on the US economy released in May generally implied slower price growth, which slightly increased the probability that the US Fed could decrease the US federal funds rate by 25–50 bp this year. Concurrently, the latest data on the euro area suggested a slightly slower pace of policy rate cuts by the ECB than previously expected. In emerging market economies (EMEs), the weighted average policy rate edged down (-7 bp to 7.93%). In particular, policy rates were cut in Brazil (-25 bp) and Chile (-50 bp).

As of the end of May, the yield curve of US Treasury bonds declined in the medium- and long-term segments (Table 4). However, the European yield curves edged up in the same segments. This difference in dynamics was mainly due to the fact that the latest inflation data proved to be slightly below the consensus forecast in the US and above that in the euro area. This in turn caused a slight shift in the market expectations for monetary policy in the regions.

These factors also affected the US Dollar Index (DXY). The US currency weakened against other currencies by the end of the month, with the DXY equalling 104.6 as of the end of May (-1.6%). EME currencies showed mixed dynamics in May (BRLUSD: -1.0%; CNYUSD: -0.0%; TRLUSD: +0.6%; MXNUSD: +0.7%). While the depreciation of the US dollar was a strengthening factor, monetary conditions, fiscal policy, and macroeconomic indicators also exerted pressure on national currencies in some countries.

UST YIELD CURVE

Table 4

Maturity	2Y	5Y	10Y
31.05.2024	4.88	4.51	4.50
30.04.2024	5.04	4.72	4.68
Change, bp	-16	-21	-18
Average for May 2024	4.87	4.50	4.48
Average for April 2024	4.89	4.56	4.54
Change, bp	-2	-6	-6

In May, major global stock markets demonstrated positive dynamics. Signs of slower price growth and subsequent expectations of policy rate cuts, as well as overall strong corporate performance indicators in 2024 Q1 affected market sentiment (S&P 500: +4.8%; Stoxx 600: +2.6%; Nikkei 225: +0.2%). The indices of emerging market economies showed mixed dynamics (MSCI EM: +0.3%; Bovespa: -3.0%; IPC Mexico: -2.7%; MSCI EM Asia: +1.2%; SSE Composite: -0.6%). Southeast Asian markets supported investor demand for securities of artificial intelligence companies. Contrastingly, Latin American indices were under pressure from declining commodity prices and domestic factors.

CHARTS AND TABLES

THE LIQUIDITY BALANCE IS EXPECTED TO RANGE FROM A DEFICIT OF ₱0.7 TRILLION TO A SURPLUS OF ₱0.1 TRILLION BY THE END OF 2024
(₱ TRILLIONS)

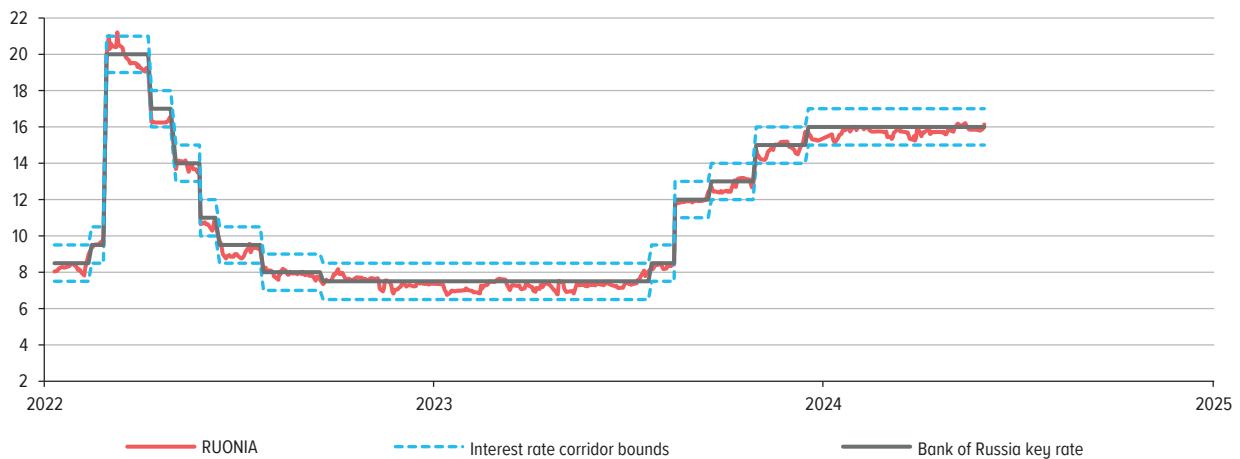
Table 5

	2023	January–May 2024	May 2024	2024 (forecast)
Liquidity deficit (+)/surplus (-) (as of the period start)	-3.5	0.0	-1.1	0.0
Liquidity inflow (+)/outflow (-):	-3.4	1.1	0.0	[-0.7; 0.1]
– change in the balances of funds in general government accounts with the Bank of Russia and other operations*	1.0	0.9	0.0	[0.9; 1.1]
– change in the amount of cash in circulation	-2.0	0.5	0.1	[-0.9; -0.5]
– change in required reserves	-2.4	-0.3	-0.1	[-0.7; -0.5]
Liquidity deficit (+)/surplus (-) (as of the period end)	0.0	-1.1		[-0.1; 0.7]

* Including fiscal rule-based operations to buy (sell) foreign currency in the domestic FX market and other operations.
Source: Bank of Russia calculations.

RUONIA DYNAMICS
(%)

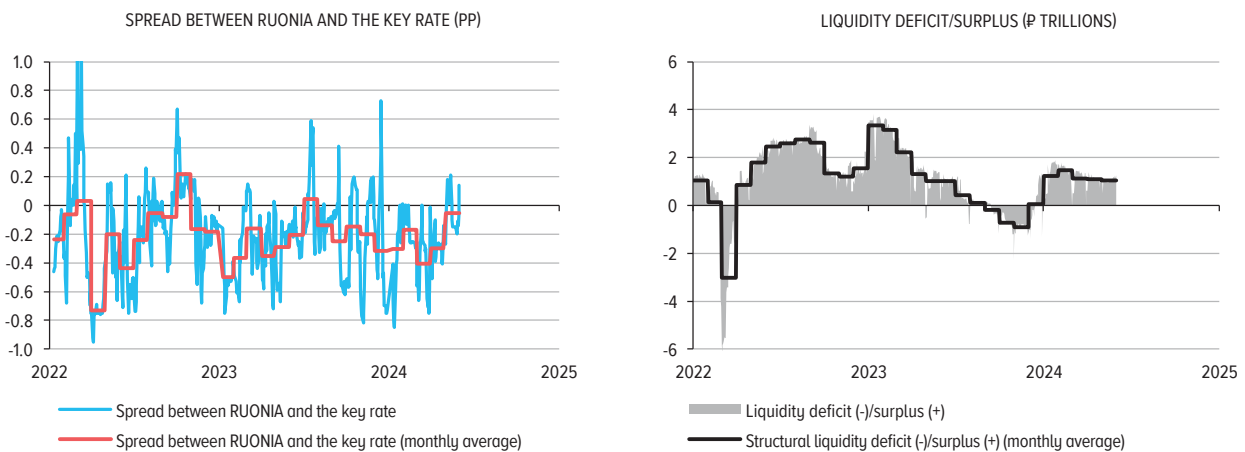
Chart 3



Source: Bank of Russia calculations.

THE AVERAGE SPREAD BETWEEN RUONIA AND THE BANK OF RUSSIA KEY RATE NARROWED IN MAY

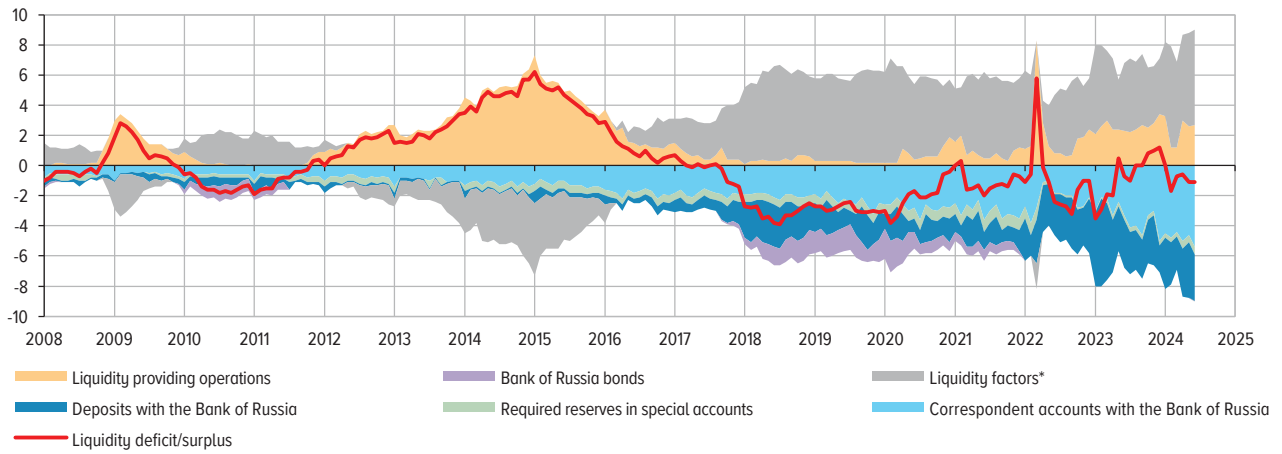
Chart 4



Source: Bank of Russia calculations.

THE BANK OF RUSSIA'S BALANCE SHEET
(₽ TRILLIONS)

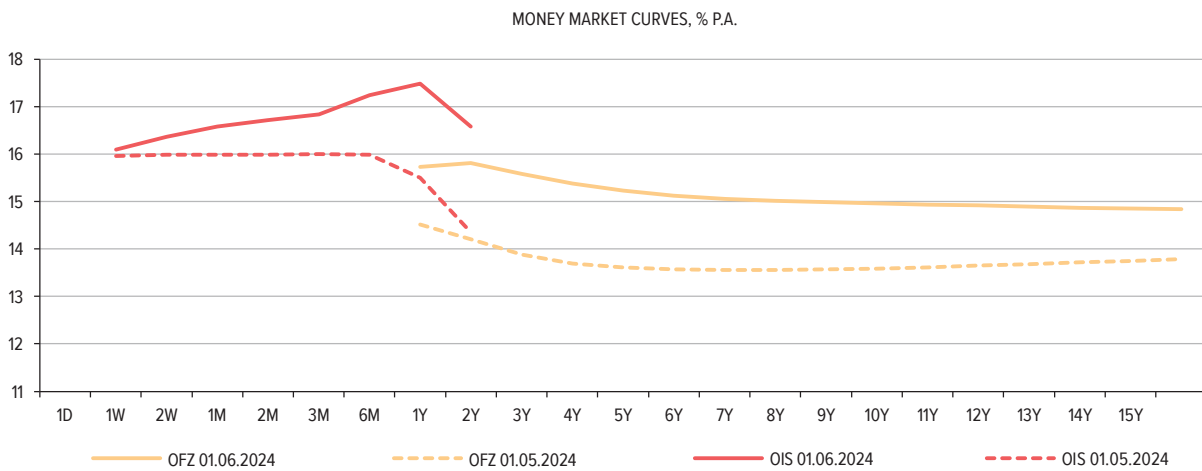
Chart 5



* This item is balancing and comprises changes in all other, not differentiated, items of the Bank of Russia's balance sheet.
Source: Bank of Russia calculations.

IN MAY, MONEY MARKET YIELD CURVES SHIFTED UPWARDS ALONG THE ENTIRE LENGTH

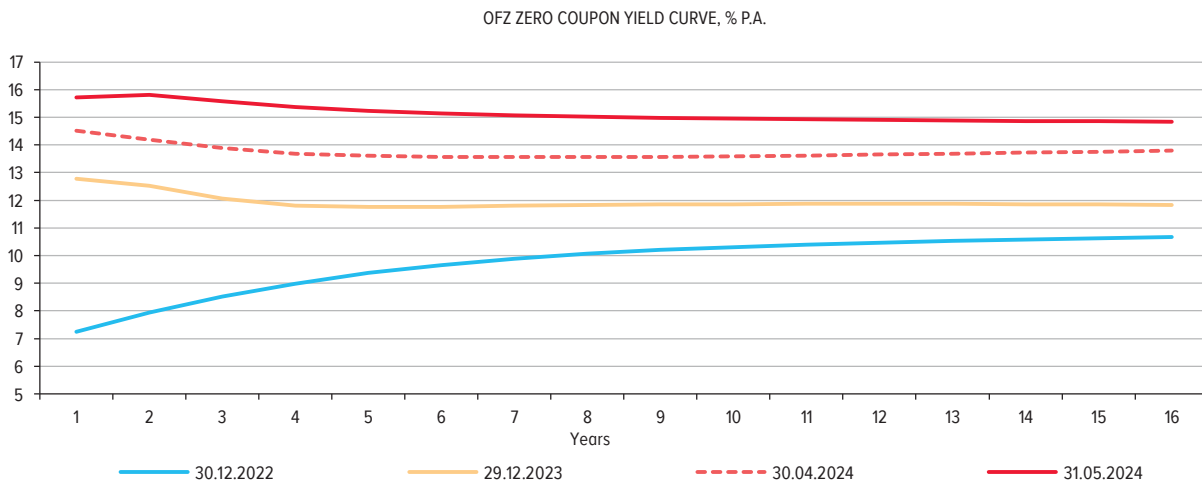
Chart 6



Sources: Moscow Exchange, NFA.

OFZ YIELDS SOARED IN THE MEDIUM-TERM SEGMENT

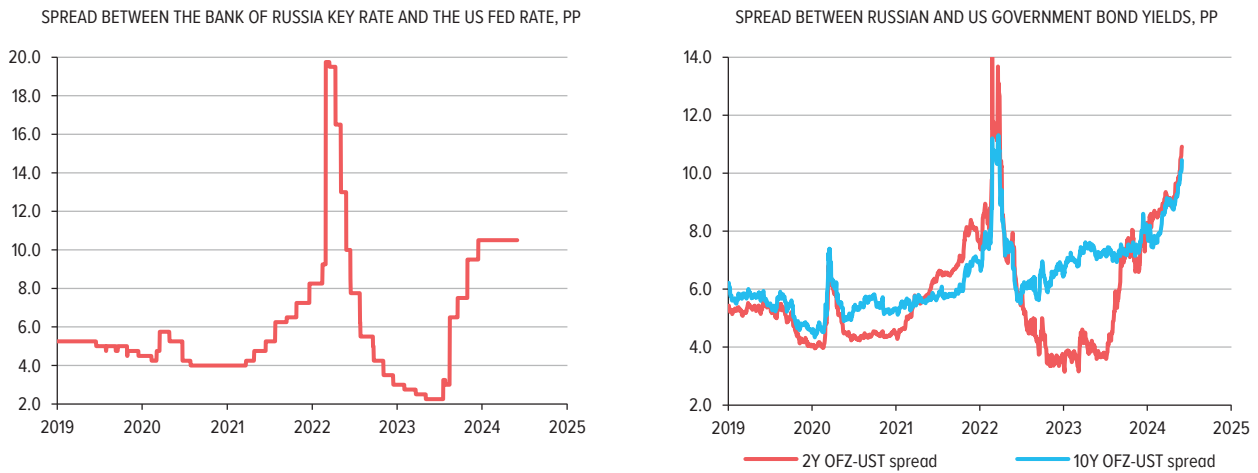
Chart 7



Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

THE SPREAD BETWEEN RUSSIAN AND US GOVERNMENT BOND YIELDS EXPANDED

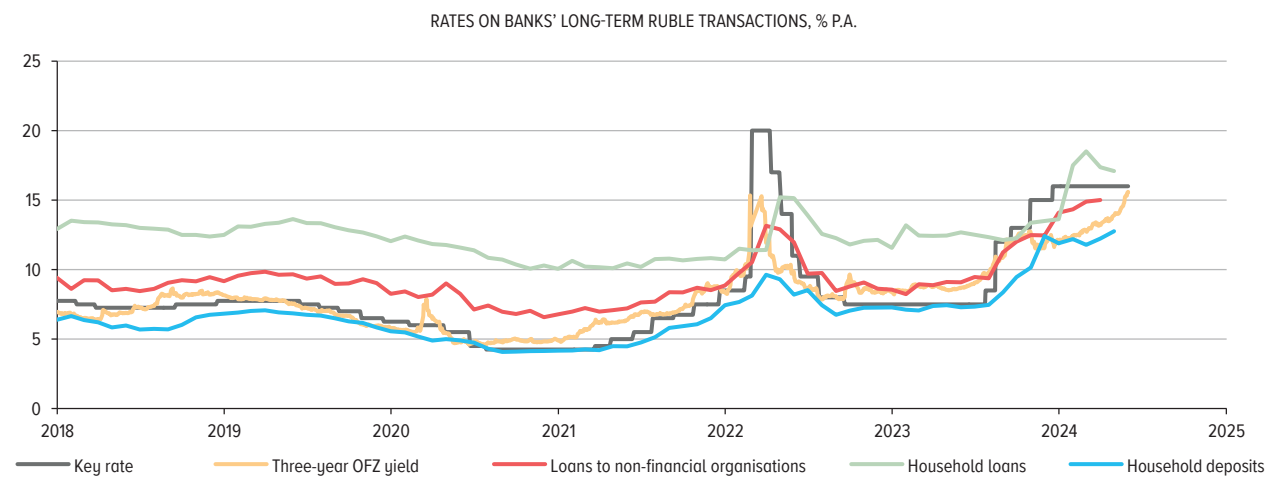
Chart 8



Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

DEPOSIT RATES CONTINUED TO GROW IN APRIL

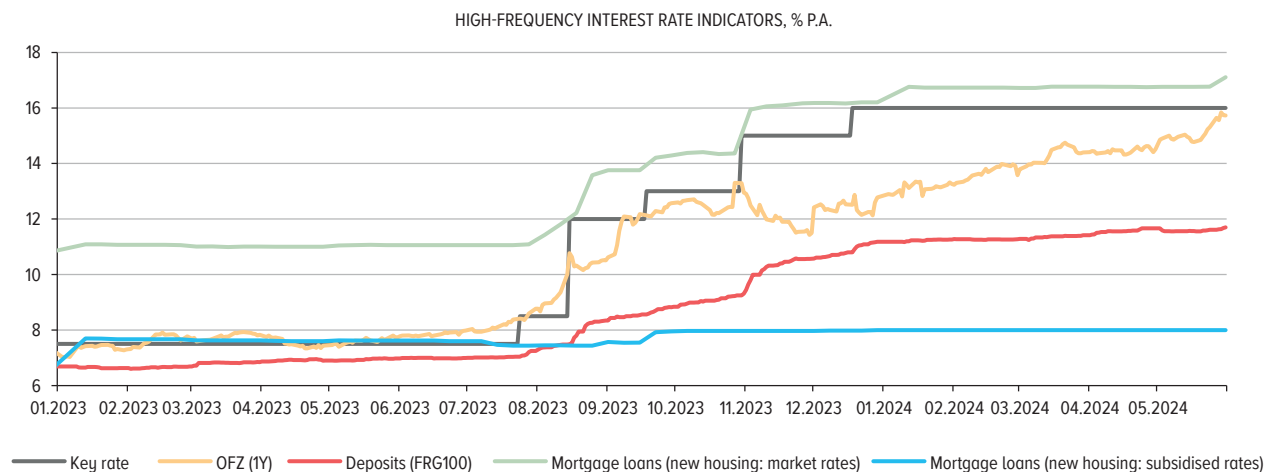
Chart 9



Source: Bank of Russia.

THE NEED TO MAINTAIN TIGHT MONETARY CONDITIONS FOR A LONGER PERIOD DECLARED BY THE BANK OF RUSSIA HELPS KEEP HIGH INTEREST RATES IN THE CREDIT AND DEPOSIT MARKETS

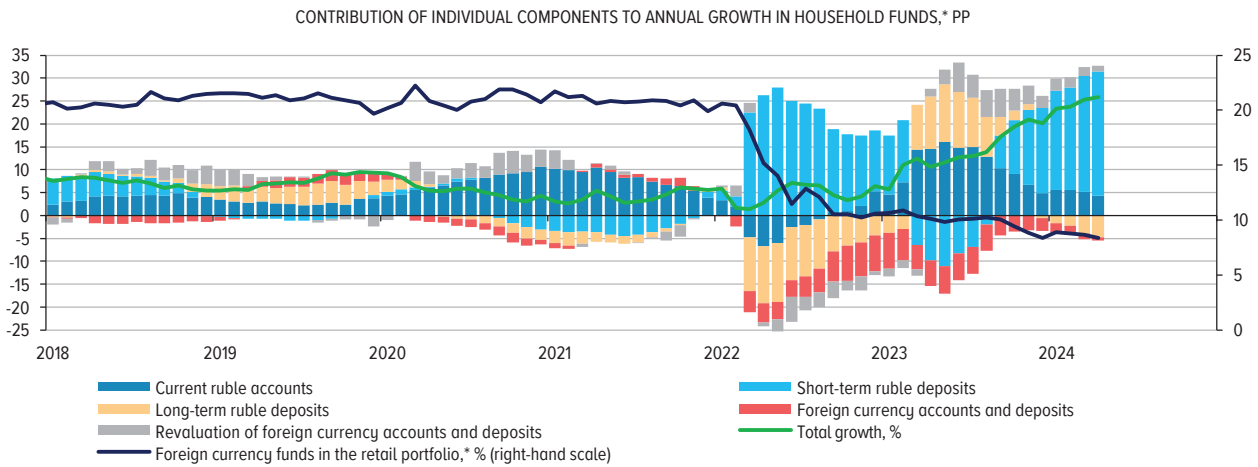
Chart 10



Sources: Bank of Russia, Frank RG, DOM.RF.

THE STEADY INFLOW OF FUNDS INTO SHORT-TERM RUBLE DEPOSITS CONTINUED IN APRIL

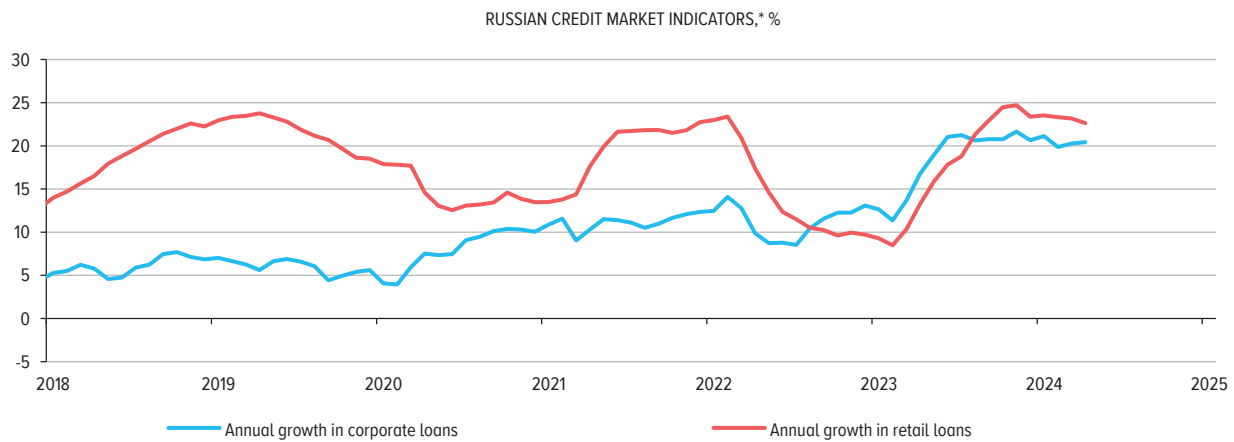
Chart 11



* Excluding escrow accounts.
Source: Bank of Russia calculations.

CREDIT MARKET ACTIVITY REMAINED HIGH IN APRIL

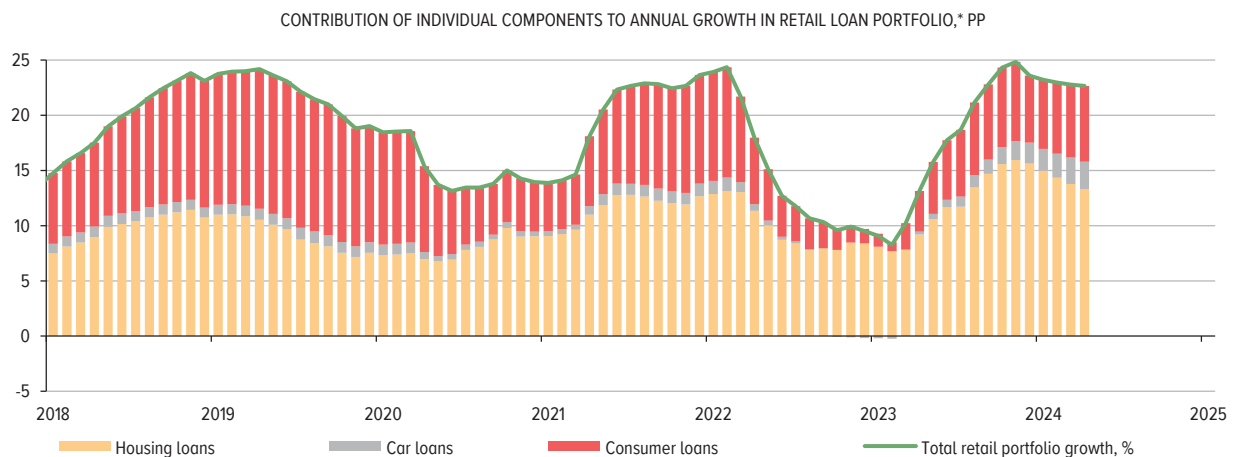
Chart 12



* Since 1 February 2021, the portfolios of corporate and retail loans include acquired claims. The portfolio growth was calculated net of acquired claims.
Source: Bank of Russia calculations.

CAR LOAN AND UNSECURED LOAN PORTFOLIOS CONTINUED TO INCREASE FAST IN APRIL

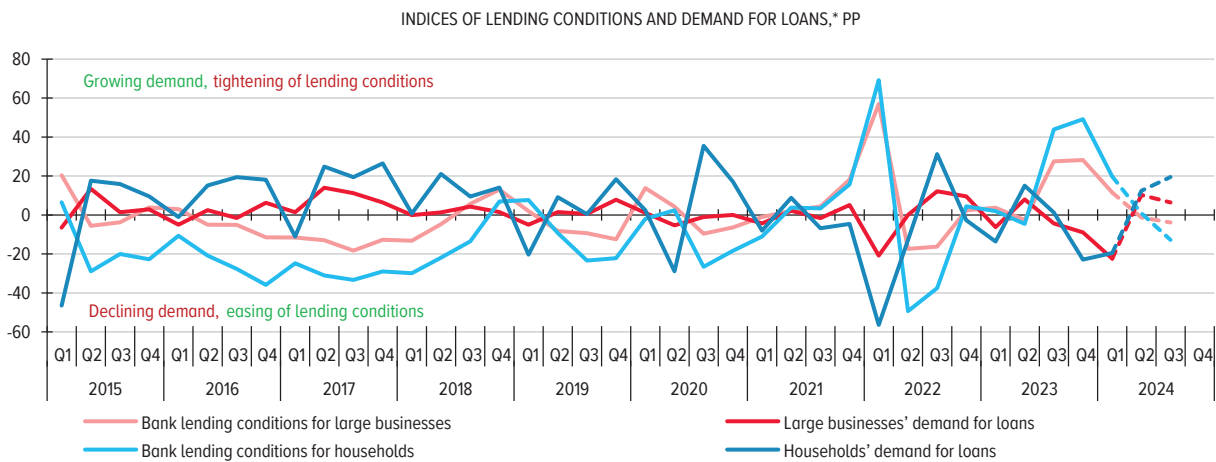
Chart 13



* For loans grouped into homogeneous loan portfolios.
Source: Bank of Russia calculations.

IN 2024 Q1, THE TIGHTENING OF BANK LENDING CONDITIONS WAS ASSOCIATED WITH BOTH GROWTH IN RATES AND THE TOUGHENING OF REQUIREMENTS FOR BORROWERS

Chart 14



CREDIT AND DEPOSIT MARKET INDICATORS

Table 6

		January 2024	February 2024	March 2024	April 2024
Interest rates on banks' long-term ruble transactions					
household deposits	% p.a.	12.2	11.8	12.2	12.8
household loans	% p.a.	17.5	18.5	17.4	17.1
corporate loans	% p.a.	14.3	14.9	15.0	–
Household funds*	% YoY, AFCR	23.3	23.8	25.3	25.9
in rubles*	% YoY	28.6	28.9	29.6	29.7
in foreign currency	% YoY	-17.9	-16.4	-11.2	-7.7
share of foreign currency*	%	8.9	8.8	8.7	8.4
Corporate loans**	% YoY, AFCR	21.1	19.9	20.3	20.4
short-term (up to one year)	% YoY, AFCR	24.5	22.4	23.2	26.6
long-term (over one year)	% YoY, AFCR	22.1	21.2	21.4	20.8
Household loans**	% YoY, AFCR	23.5	23.3	23.2	22.6
housing mortgage loans	% YoY, AFCR	30.3	28.8	27.7	26.1
unsecured consumer loans	% YoY	14.1	14.5	15.0	15.6
Banking system's claims on the economy	% YoY, AFCR	23.1	22.5	23.2	23.1
on businesses	% YoY, AFCR	23.0	22.2	23.3	23.3
on households	% YoY, AFCR	23.2	23.1	23.0	22.8
Money supply (M2)	% YoY	19.0	18.4	17.4	21.8
Broad money (M2X)	% YoY, AFCR	14.8	14.5	14.2	18.3

* Excluding escrow accounts.

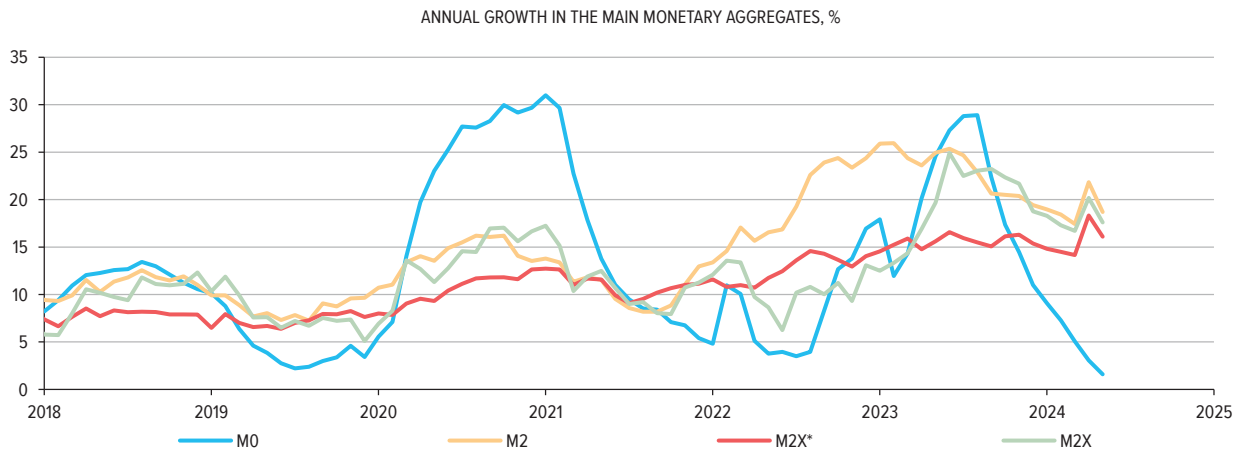
** Since 1 February 2021, the portfolios of corporate and retail loans include acquired claims. The portfolio growth was calculated net of acquired claims.

Note. YoY – year-on-year, AFCR – adjusted for foreign currency revaluation. The Marshall-Edgeworth decomposition is used to make the adjustment for foreign currency revaluation.

Source: Bank of Russia calculations.

AS THE EFFECT OF THE POSTPONEMENT OF LARGE TAX PAYMENTS FROM LATE APRIL TO MAY WANED, THE GROWTH RATES OF MONETARY AGGREGATES RETURNED TO THE LEVEL OF FEBRUARY–MARCH

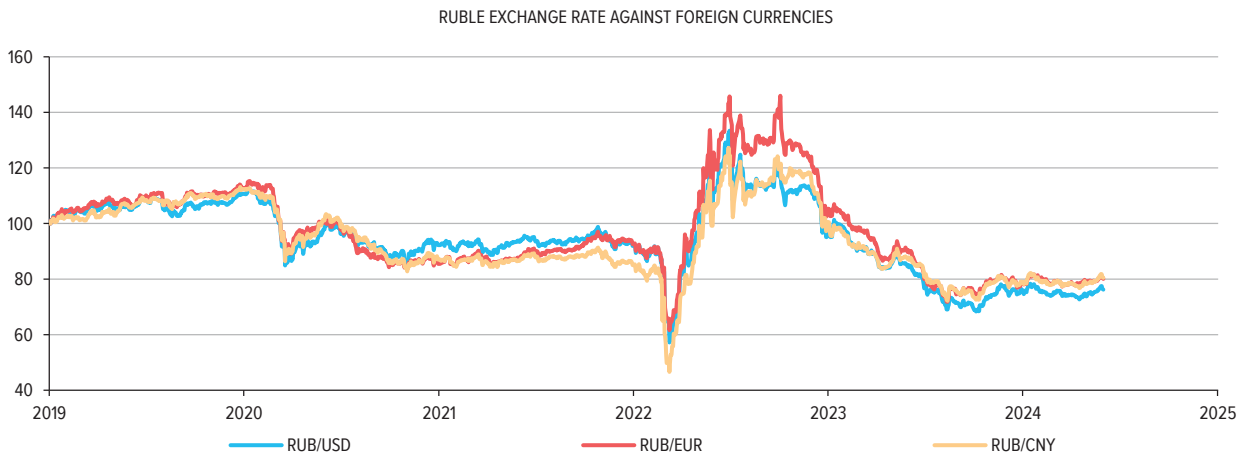
Chart 15



* Adjusted for foreign currency revaluation.
Source: Bank of Russia calculations.

THE RUBLE STRENGTHENED MODERATELY IN MAY (02.01.2019 = 100)

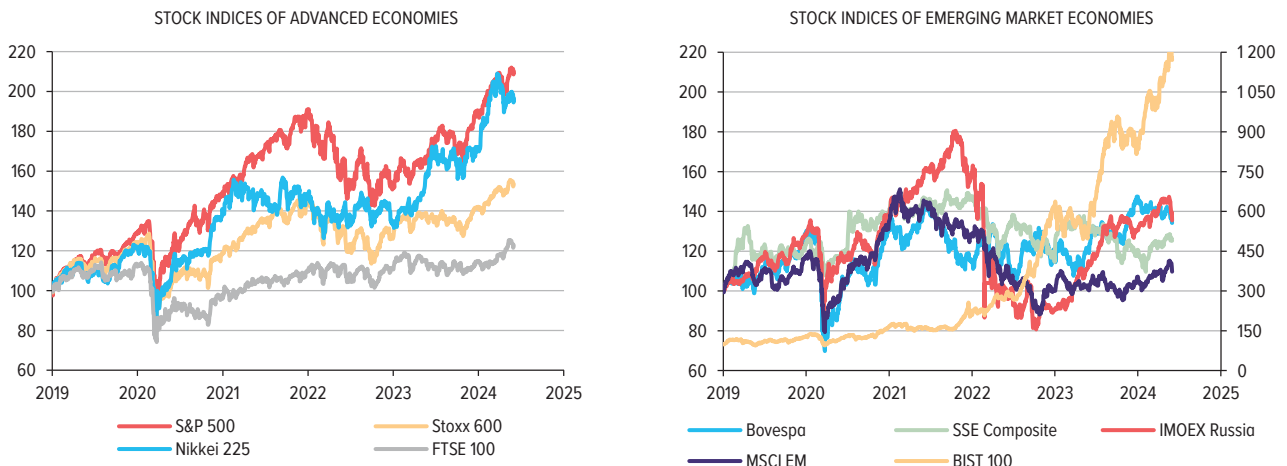
Chart 16



Sources: Cbonds, Bank of Russia calculations.

IN MAY, STOCK INDICES CHANGED DIVERSELY (02.01.2019 = 100)

Chart 17



Note. Stock indices are indicated in national currencies.
Sources: Cbonds, Bank of Russia calculations.

THE RUSSIAN EQUITY MARKET SHOWED POSITIVE TRENDS

Table 7

Measure		31.05.2024	1M	3M	6M	YTD	1Y
Russian financial market ('+' – positive trends, '-' – negative trends)							
RUB/USD exchange rate		90.10	3.2	1.2	0.3	0.3	-11.1
MOEX Index		3,217	-7.3	-1.2	2.4	3.8	18.4
RTS index		1,126	-4.2	-0.1	2.8	3.9	6.7
Government bond yields		15.18	150	267	342	320	513
Corporate bond yields		17.30	151	252	332	312	771
Regional bond yields		15.84	155	236	306	322	657
RVI		22	2	1	-5	-6	-9
Russian financial market ('+' – positive trends, '-' – negative trends)							
AEs*	US Dollar Index	104.62	-1.6	0.4	1.4	3.2	0.3
	Euro	1.08	1.7	0.4	-0.3	-1.7	1.5
	Japanese yen	157.27	-0.3	4.9	7.1	11.6	12.9
	Pound sterling	1.27	2.0	0.9	0.3	0.0	2.4
EMEs	Ruble	90.10	3.2	1.2	0.3	0.3	-11.1
	Brazilian real	5.25	-1.0	-5.5	-7.4	-8.1	-3.8
	Mexican peso	17.01	0.7	0.2	1.1	-0.2	3.8
	Chinese yuan	7.24	0.0	-0.8	-2.4	-2.3	-1.8
	Turkish lira	32.21	0.6	-3.1	-11.5	-9.2	-55.0
	South African rand	18.79	0.0	2.0	-0.8	-2.7	4.7
Exchange rates (per US dollar, % change, '+' – appreciation, '-' – depreciation)							
AEs	US dollar index	4.51	-18	26	29	63	87
	Euro	2.66	8	25	30	64	38
	Japanese yen	1.06	20	35	37	46	65
	Pound sterling	4.32	-3	20	18	79	14
EMEs	Ruble	14.96	137	265	308	310	408
	Brazilian real	11.85	10	104	95	149	32
	Mexican peso	10.15	-19	65	43	88	102
	Chinese yuan	2.33	2	-4	-37	-26	-40
	Turkish lira	27.71	-64	82	223	258	1777
	South African rand	10.96	2	82	98	119	-34
5Y CDS spreads (bp, change in bp, '+' – increase, '-' – decrease)							
AEs	USA	37	0	1	-8	-6	-13
	Germany	10	0	-1	-7	-7	-4
	Japan	19	0	-2	-7	-7	-1
	UK	34	6	4	-2	-3	14
EMEs	Brazil	136	-5	16	-2	10	-64
	Mexico	91	-3	9	-2	6	-19
	China	63	-6	-4	3	2	-4
	Turkey	249	-34	-29	-68	-19	-334
	South Africa	236	-1	8	6	39	-77
Stock indices (points, % change, '+' – increase, '-' – decrease)							
AEs	S&P 500	5,278	4.80	3.6	14.9	10.6	26.3
	Stoxx 600	518	2.63	4.8	11.1	8.2	14.7
	Nikkei 225	38,488	0.21	-1.7	15.1	15.0	24.6
	FTSE 100	8,275	1.61	8.5	9.9	7.0	11.1
EMEs	MSCI EM	1,049	0.29	2.7	6.8	2.5	9.4
	Bovespa	122,098	-3.04	-5.4	-4.7	-9.0	12.7
	IPC Mexico	55,179	-2.73	-0.4	2.4	-3.8	4.6
	SSE Composite	3,087	-0.58	2.4	1.8	3.8	-3.7
	BIST 100	10,400	3.53	13.1	29.6	39.2	112.8
	FTSE/JSE	76,704	0.83	5.5	1.3	-0.2	2.2

* Advanced economies.

Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

Data cut-off dates:

- Interest rates – 31 May 2024
- Banks' interest rates on ruble loans and deposits – 1 May 2024, high-frequency data – 31 May 2024.
- Growth rates of credit and deposit aggregates – 1 May 2024.
- Growth rates of monetary aggregates – 1 May 2024, high-frequency data – 1 June 2024.

The electronic version of the [information and analytical commentary](#) is available on the Bank of Russia website.

Please send your comments and suggestions to svc_analysis@cbr.ru.

This commentary was prepared by the Monetary Policy Department.

Cover photo: Shutterstock/FOTODOM

Bldg V, 12 Neglinnaya Street, Moscow, 107016

Bank of Russia website: www.cbr.ru

© Central Bank of the Russian Federation 2024