



MONETARY CONDITIONS AND MONETARY TRANSMISSION

Information and analytical commentary

- Average RUONIA value

December

16.02%

▼ -32 bp

- Government bond yields (RGI)

December

14.37%

▼ -8 bp on November average

- Corporate bond yields (IFX-Cbonds)

December

16.21%

▼ -23 bp on November average

- Interest rate on long-term loans to non-financial organisations

November

14.0%

▼ -1.3 pp on October

- Interest rate on short-term household deposits

November

15.4%

▼ -0.1 pp on October

- Money supply (M2X)

December (preliminary)

12.2% YoY AFCR

▼ 13.1% YoY AFCR in November

- **In November–December, monetary conditions slightly eased overall but remained tight.**

- **In December, the average RUONIA decreased following the change in the key rate,** and there was a negative spread between money market rates and the key rate.

- **Average monthly nominal rates and yields mostly decreased in December.** The actual tightness remained at the level of previous months.

- **Price conditions for loans and deposits eased in November.** Long-term corporate lending rates went down in response to monetary easing. Interest rates on retail loans also fell, particularly in the segment of market-based mortgages. In the deposit market in November, short-term rates mainly declined due to the transmission of monetary policy. Growth of credit to the economy decelerated slightly in November, though remaining above the levels of 2025 H1.

- **Annual increases in monetary aggregates in December slowed compared to November.** This was associated with a slowdown in the growth of credit to the economy, as well as with a smaller seasonal surge in budget expenditures compared to previous years.



MONETARY 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. Expectations of further changes in short-term rates, together with demand for loans and supply of savings, impact long-term rates and yields on federal government bonds (OFZ).

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).

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 that are taken into account by the Bank of Russia when deciding on the key rate.

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

INDIVIDUAL INDICATORS OF MONETARY POLICY TIGHTNESS AND THEIR CHANGES

Chart 1



Note. The indicator panel represents one possible summary visualisation of key indicators to help assess monetary conditions and their changes. It should not be considered a comprehensive presentation of all types of indicators relevant to assessing the nature of and changes in monetary conditions. The chart shows the level of the indicator (z-score) relative to the distribution of values from January 2017 to November 2025 (left-hand chart) and to December 2025 (right-hand chart). The round marker denotes an indicator's level (in standard deviations) as of the previous date. A shift of the indicator to the left relative to the previous date indicates an easing of monetary conditions, a shift to the right – their tightening. The z-scores for high-frequency indicators (OFZ yields, money market rates, the exchange rate, the spread between CORP and OFZ yields, etc.) were calculated based on the averages for the relevant month. The 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.

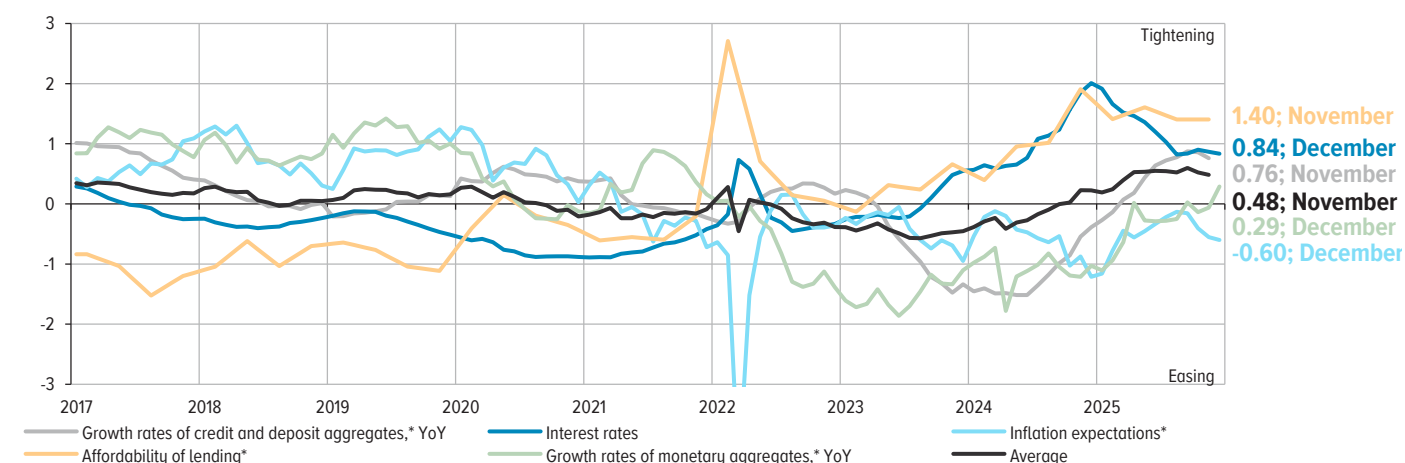
* The indicators were used to calculate the inverse z-score.

** The average for the issues maturing in 2028, 2030, and 2032. The distribution of values since October 2021.

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.



MONEY MARKET AND KEY RATE

- Monetary policy and key rate.** On 19 December 2025, the Bank of Russia Board of Directors decided to cut the key rate by 50 bp to 16.00% per annum. Underlying measures of current price growth declined in November. The economy continued to return to a balanced growth path. However, inflation expectations have edged up in recent months.

The Bank of Russia will maintain monetary conditions as tight as required to return inflation to the target. Further decisions on the key rate will be made depending on the sustainability of the inflation slowdown and the dynamics of inflation expectations. According to the Bank of Russia's forecast, given the monetary policy stance, annual inflation will decline to 4.0–5.0% in 2026.

The decision was generally in line with market expectations, although some analysts had assumed a more substantial key rate cut at the December meeting of the Board of Directors. Analysts expect further key rate cuts but admit that pauses are possible.

- Banking sector liquidity and overnight rates (RUONIA).** RUONIA averaged 16.02% in December (vs 16.33% in November). The spread between RUONIA and the key rate widened to -32 bp (vs -17 bp in November). The spread volatility increased to 25 bp (vs 10 bp in November).

In early December, higher demand for liquidity put upward pressure on interest rates. Over this period, some banks built up demand in the market in order to maintain higher balances in their correspondent accounts and meet the required reserve (RR) ratio for the November averaging period (AP).¹ This was because they were averaging RRs with a delay in the first half of the same AP.²

In the second half of December, bank activity in the money market was affected by expectations regarding the key rate. Most market participants expected its reduction at the Bank of Russia Board of Directors' meeting on 19 December, so they decreased their demand for liquidity and were ready to conduct transactions at lower rates than at the end of the November AP. As a result, the spread between the key rate and money market rates expanded. After the key rate was cut, banks' demand for liquidity recovered and the spread narrowed.

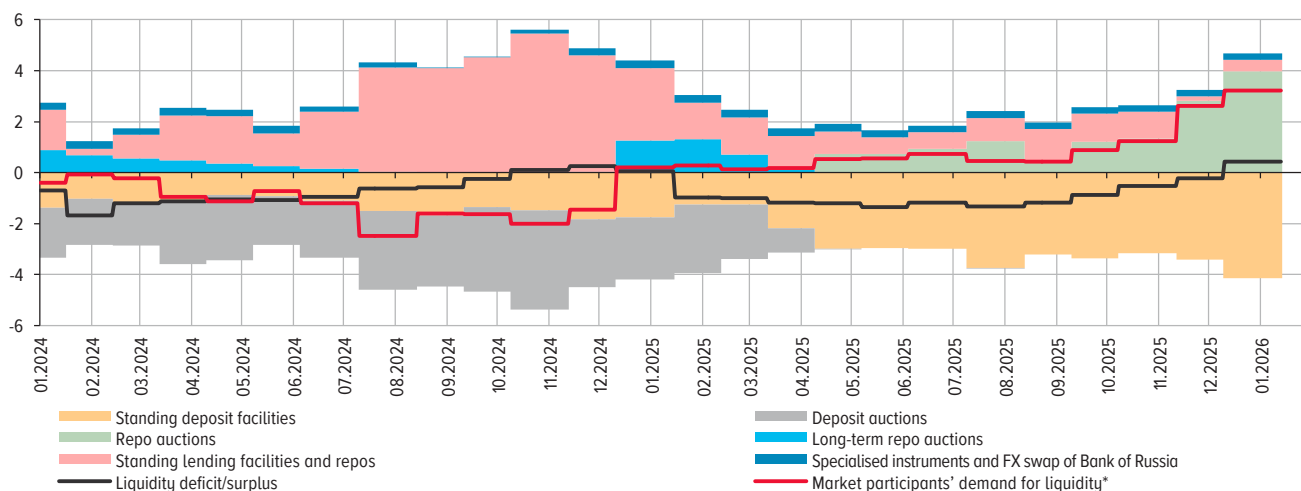
¹ From 12 November until 9 December 2025.

² See [Monetary Conditions and Monetary Transmission, November 2025](#).

BANK OF RUSSIA OPERATIONS AND BANKING SECTOR LIQUIDITY BALANCE (AVERAGE VALUE FOR AP)

(P TN)

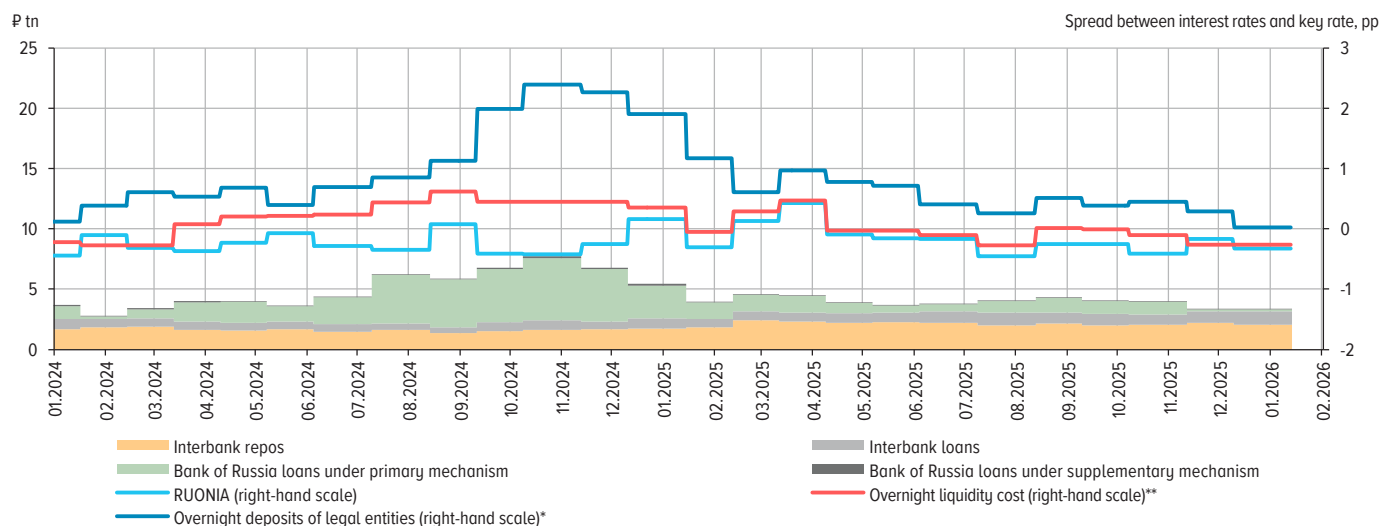
Chart 3



* The structural liquidity surplus/deficit of the banking sector minus the operations, demand for which is non-market in nature. The indicator shows whether market participants need to raise liquidity from the Bank of Russia.
Source: Bank of Russia calculations.

VOLUME AND COST OF OVERNIGHT BORROWING (AVERAGE VALUE FOR AP)

Chart 4



* The cost of borrowing from legal entities, adjusted for RRs. The sample only includes certain transactions of large legal entities where the parameters of a transaction are specified in the payment details.

** The weighted average cost of overnight borrowing in the money market, taking into account the Bank of Russia's standing facilities.

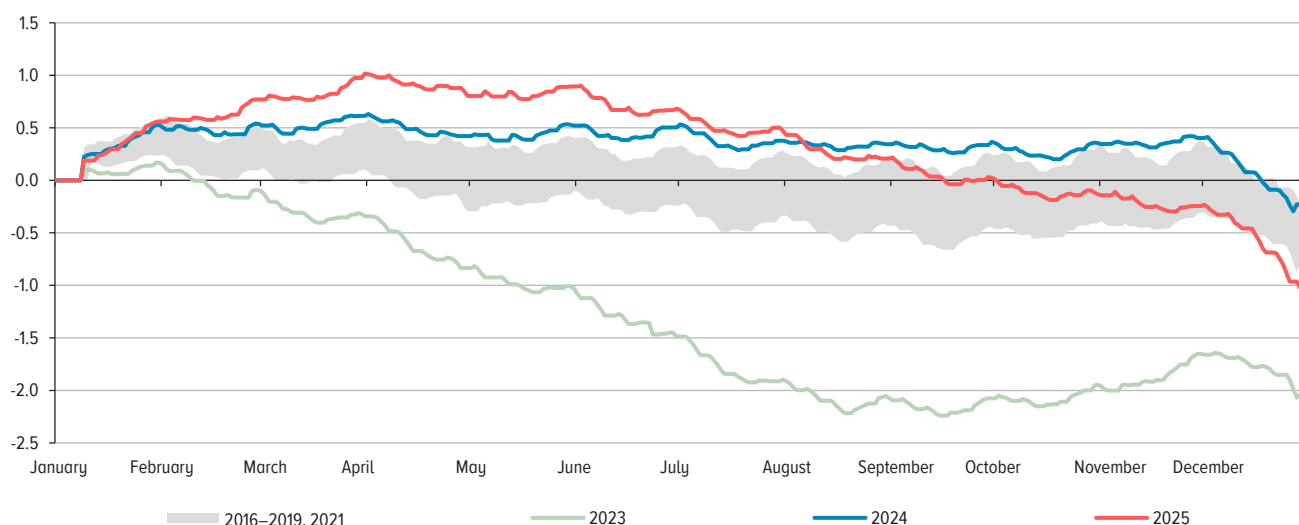
Source: Bank of Russia calculations.

The banks' increased demand for liquidity on market terms³ went up in December, with the average monthly need amounting to ₴3.2 trillion (vs ₴2.4 trillion in November). This was mainly caused by the seasonal increase in the amount of cash in circulation. It exceeded the average values of previous years and amounted to ₴0.8 trillion (vs ₴0.1 trillion in November). As in previous years, some of these funds returned to banks from the collection of retailers' earnings in early January after the New Year holidays. Banks' demand for liquidity also rose due to the increase in RRs. In December, fiscal operations caused an inflow of liquidity into banks, including through the investment of National Wealth Fund (NWF) resources in eligible financial assets.

³ The structural liquidity surplus/deficit of the banking sector minus Bank of Russia operations, demand for which is non-market in nature.

CHANGE IN CASH IN CIRCULATION (CUMULATIVE, YEAR-TO-DATE)

(₽ TN)

Chart 5


Note. '+' – decrease; '-' – increase.

Source: Bank of Russia calculations.

The structural liquidity deficit over the December AP equalled ₴0.4 trillion, which was slightly less than the Bank of Russia's forecast ranging from ₴0.6 trillion to ₴1.2 trillion. The deviation from the forecast was mainly caused by the larger-than-expected inflow of budget funds into banks. Thus, in the last days of December, the Federal Treasury (FT) significantly raised the amount of temporarily available budgetary funds deposited with banks. As a result, at the end of the year and throughout December on average, the available balances in budget accounts with the Bank of Russia were significantly lower than over the same periods in previous years. This contributed to a decrease in the structural liquidity deficit in the banking sector relative to the forecast in the December 2025 AP. The impact of the FT's transactions was partially offset by the increase in demand for cash, which was higher than the Bank of Russia's forecast.

BOX 1. BANKING SECTOR LIQUIDITY: 2025 RESULTS

In 2025, the banking sector saw an outflow of liquidity. Therefore, already in April 2025, the Bank of Russia changed the direction of its main transactions, switching from deposit auctions to repo auctions. Concurrently, the regulator was assessing the banking sector's need for its auctions with adjustments to standing facilities, demand for which is non-market in nature.

Fiscal operations in 2025 resulted in an inflow of liquidity into banks. This was mainly associated with the further increase in the efficiency of the FT's management of available budgetary funds by depositing them with banks, which led to a decrease in the balances in budget accounts with the Bank of Russia. Furthermore, the Russian Ministry of Finance continued to invest NWF resources in eligible financial assets. The Bank of Russia mirrored these operations in the domestic FX market. However, due to a six-month lag in mirroring, these operations triggered a small inflow of funds into banks over the year. These receipts were partly offset by the mirroring of net sales of foreign currency by the Russian Ministry of Finance over 2024. The actual execution of the federal budget of the Russian Federation was close to the forecasts of the Russian Ministry of Finance.¹

In 2025, the growth of cash in circulation resulted in an outflow of liquidity from the banking sector in the amount of ₺1.0 trillion, which slightly exceeded the figures of previous years. However, the situation varied throughout the year. In 2025 H1, cash returned to banks under the impact of remaining attractive interest rates on bank deposits. The situation changed since June: until the end of the year, there was a steady outflow of cash from the banking sector, which fully offset and exceeded the inflow of 2025 H1. Such temporary deviations do not have economic consequences – money changes its form from non-cash to cash. The Bank of Russia, for its part, fully provides the economy with the required cash amount. Increasing demand of households and businesses for cash is a normal process during economic growth.

Banks' increased need for liquidity was caused by RR growth, which was due to the overall expansion of money supply over the year.

Demand for the Bank of Russia's standing deposit facilities remained high throughout 2025. These funds did not come into the money market and did not offset the banks' growing demand for liquidity. In addition, until November, there was still demand for the Bank of Russia's standing lending facilities, which allowed systemically important credit institutions (SICIs) to simultaneously improve their short-term liquidity coverage ratio (LCR) and comply with their RR ratios.² As a result, these banks' demand for liquidity was shifted from the money market to non-market instruments. This put steady downward pressure on interest rates.

At the end of October, the national liquidity coverage ratio (national LCR)³ came into effect. It was allowed to comply with this ratio by 80% instead of 100% before the end of 2025. Because of that, banks' demand for the Bank of Russia's standing lending facilities declined.⁴ This resulted in an increase in demand for liquidity, and SICIs began to offset it by using marketbased pricing sources, including the Bank of Russia's one-week repo auctions. The limits on repo auctions were increased accordingly.

In 2025, the Bank of Russia achieved the operational objective of its monetary policy. In 2025, the average spread between RUONIA and the key rate in absolute terms was below the level of the previous year, namely -19 bp (vs -24 bp in 2024). The spread volatility decreased insignificantly to 34 bp from 37 bp in 2024.

¹ [Preliminary assessment of federal budget execution for 2025.](#)

² [Monetary Conditions and Monetary Transmission, October 2025.](#)

³ [Bank of Russia introduces new national regulation to manage liquidity coverage risk.](#)

⁴ See [Monetary Conditions and Monetary Transmission, November 2025.](#)

- **Money market.** By the end of December, the ROISfix curve edged down along its entire length, reflecting, among other things, the actual key rate cut in December. Curve movements ranged from -18 bp to -36 bp. The market expects that the key rate cut will continue into 2026, though at a moderate pace.

ROISFIX CURVE Table 1

Maturity	1w	2w	1M	2M	3M	6M	1Y	2Y
30.12.2025	15.98	15.95	15.93	15.90	15.85	15.59	15.09	14.16
28.11.2025	16.28	16.29	16.23	16.21	16.21	15.90	15.33	14.34
Change, bp	-30	-34	-30	-31	-36	-31	-24	-18
Average for 2024	17.59	17.68	17.84	18.10	18.29	18.78	18.86	17.83
Change, bp	-161	-173	-191	-220	-244	-319	-377	-367



BOND MARKET

- **OFZ yield curve.** In December, average monthly OFZ yields changed diversely: they rose for short-term maturities and moderately declined for long-term ones due to the curve's movement in November. The dynamics of the short-term end of the curve were associated, among other things, with the slower key rate cuts than those expected by the market. Long-term yields declined moderately amid investors' expectations regarding an improvement in the geopolitical situation. Overall, in December, there was a downward shift in the curve. By the end of the month, it was again below the average November values.
- **Breakeven inflation.** In December, breakeven inflation declined across all maturities: OFZ-IN (maturing in 2032) – by 29 bp to 5.5%, and OFZ-IN (maturing in 2028) by 46 bp to 3.6%, remaining close to the inflation target.

OFZ ZERO COUPON YIELD CURVE Table 2

Maturity	1Y	2Y	3Y	5Y	7Y	10Y
30.12.2025	13.14	13.92	14.30	14.58	14.59	14.44
28.11.2025	14.03	14.57	14.78	14.82	14.65	14.33
Change, bp	-89	-65	-48	-23	-6	+11
Average for December 2025	13.86	14.35	14.56	14.63	14.52	14.26
Average for November 2025	13.32	14.19	14.60	14.81	14.71	14.44
Change, bp	+55	+16	-4	-18	-19	-17
Average for 2024	16.91	16.55	16.07	15.34	14.91	14.56
Change, bp	-377	-263	-177	-76	-32	-12

- **Secondary OFZ market.** The secondary OFZ market turnover edged up MoM. Daily average trades totalled ₱51.0 billion (vs ₱44.2 billion in November). The composition and behaviour of market participants hardly changed. The primary buyers were non-bank financial institutions using their equity (₱167.4 billion) and individuals (₱48.6 billion). In December, SICIs remained the largest net sellers (-₱146.5 billion) and other banks (₱59.8 billion).

- **OFZ offerings.** In December, the Russian Ministry of Finance held four auction weeks, again offering primarily medium- and long-term fixed-coupon OFZ (OFZ-PD). In December, the Ministry also offered securities denominated in foreign currency – yuan – for the first time since 2021. Overall, the weighted average maturity of the bonds offered remained unchanged at about eight years. The bonds were primarily in demand among SICIs, non-bank financial institutions as part of trust management, and other banks. The premium to the secondary market yields ranged from +2 bp to +8 bp for OFZ-PD.

The Russian Ministry of Finance’s borrowing target for 2025, taking into consideration the revised quarterly plan for 2025 Q4, amounted to ₺7.0 trillion in terms of earnings and was fully implemented.

- **Secondary corporate bond market.** In December, average corporate bond yields were below November values (16.21% in December vs 16.44% in November). The average spread between this index and OFZ yields narrowed somewhat over the month, reaching 218 bp (vs 290 bp in November), remaining above the average for January 2022–October 2025 (200 bp).
- **Primary corporate bond market.** In December, in the primary market, the volume of new corporate bonds issued was significantly higher MoM but lower YoY (₺1,236 billion in December 2025; ₺685 billion in November 2025; ₺1,819 billion in December 2024), including foreign currency-denominated issues, non-market offerings, and structured products.⁴

In December, the MoM increase in the corporate bond portfolio was comparable to December 2024 and became the largest YtD (vs +3.4% in December 2025 and +3.7% in December 2024). The total corporate bond market rose MoM to ₺35.6 trillion at the end of December (+14.5% YoY; ₺31.0 trillion in December 2025).

- **Quasi-foreign currency corporate bonds.** The amount of issued quasi-foreign currency bonds denominated in US dollars and yuan doubled in December (₺17.5 billion in November; ₺24.8 billion in December). Standard yuan-denominated bonds were not offered in December; their total portfolio decreased by ₺131.07 billion due to redemption. According to Cbonds, yields on substitute bonds dropped to 7.50% (-78 bp MoM, -350 bp YoY) as of the end of the month.



LOAN AND DEPOSIT RATES

- **Corporate loan rates.** In November, the monetary easing implemented in previous months contributed to a further decline in long-term⁵ corporate lending rates. As of the end of the month, the weighted average rate on loans with a maturity of over one year was 14.0%, having decreased by 1.3 pp (Chart 12). Short-term rates rose slightly but remained significantly below the average of 2025 Q3. The increase in rates in this segment was associated with changes in the market turnover structure and fluctuations in the volume of transactions on quasi-preferential terms.⁶

⁴ [Cbonds](#).

⁵ Interest rates on short-term deposits (for up to one year, except for sight deposits), short-term loans (for up to one year), and long-term deposits and loans (for over one year).

⁶ Quasi-preferential terms mean alternative measures to support borrowers, other than subsidised loan rates. They include government guarantees, subsidised funding for banks, and granting loans at reduced rates with the involvement of government development institutions, the NWF, and other government agencies. For details, see Box 11 ‘Subsidised lending and its impact on the transmission mechanism’ of the [Monetary Policy Guidelines for 2026–2028](#).

- **Retail loan rates.** The key rate continued to translate into the dynamics of retail lending rates. In November, weighted average rates on loans to households were generally decreasing: for maturities of up to one year – by 0.7 pp, and for maturities of over one year – by 0.3 pp (Chart 12). The gradual decrease in rates on market mortgage loans continued. The share of subsidised mortgage loans in the mortgage market turnover edged up again, though remaining below the maximum values of 2025 H1. Taken together, these factors contributed to a decrease in the average mortgage rate by 0.3 pp to 7.9% per annum. In the segment of long-term non-mortgage loans, according to estimates, there was no evident trend towards a decrease in interest rates: in November, rates edged up as in the previous month. According to recent data, the cost of retail loans for borrowers did not change considerably in December (Chart 13).
- **Deposit rates.** Retail deposit rates continued to decline in November. Rates on short-term deposits dropped by 0.1 pp to 15.4%, while those on long-term ones decreased by 0.6 pp to 11.5% per annum (Chart 12). The weak reaction of short-term deposit rates can be explained by the fact that they already reflected, to a large extent, the previously implemented monetary policy easing. The more significant decrease in long-term rates was mainly associated with a one-off increase in the share of individual credit institutions with low rates in the market structure rather than with the banking sector's expectations regarding the key rate and the banks' interest rate policy. Following the Bank of Russia's December decision on the key rate, there was a slight increase in short-term yields in financial markets, which influenced the increase in average rates offered for three- and six-month deposits. The FRG100⁷ index calculated for one-year deposits changed insignificantly in December, having decreased by 5 bp (Chart 13).



CREDIT AND DEPOSIT AGGREGATES

- **Banking system's claims on organisations.** In November, growth in claims on organisations⁸ slowed⁹ by 0.4 pp to 1.8%, though remaining higher than the values observed in 2025 H1. Corporate ruble lending, represented primarily by long-term transactions, was the main contributor to the increase in claims on organisations. Borrowers from a wide range of industries demonstrated demand for loans, which was supported by the monetary policy easing. Banks' investments in corporate bonds increased in November, and the portfolio of foreign currency loans grew as well. As of the end of the month, the annual growth of claims on organisations amounted to 13.7% compared to 13.5% in the previous month (Chart 16). According to preliminary data, the increase in claims on organisations in December was more moderate than in October–November, which was partly due to seasonality associated with payments for government contracts.
- **Banking system's claims on households.** In November, moderate growth of claims on households continued. Over the month, the claims grew by 0.5% from 0.8% in October. Adjusted for seasonal fluctuations, the rate of increase in claims on households in November was close to the level of the previous month. Annual growth of claims on households returned to positive values for the first time since June 2025, amounting to 1.3% (Chart 16). Claims on households continued to grow, mainly due to mortgage lending (Chart 17). In November, the amount of mortgage loans issued reached about ₽500 billion (higher than the average in 2024 H1, when the non-targeted subsidised mortgage programme was still in effect, and the maximum value

⁷ The average interest rate of the 80 largest deposit banks on one-year deposits worth at least ₽100,000, according to the information agency Frank RG.

⁸ Hereinafter, increases in balance sheet indicators are calculated based on the [Depository Corporations Survey](#) as of the relevant reporting date. Increases in foreign currency claims and deposits are calculated in US dollar terms. Where increases in the indicators comprising foreign currency and ruble components are calculated herein, the growth rate of the foreign currency component is converted into rubles using the period average exchange rate. See also [Main methodological differences between monetary statistics and banking sector statistics](#).

⁹ See [Credit to the Economy and Money Supply](#) (as of 1 December 2025).

of 2025) by almost 80% due to subsidised loans. The share of subsidised loans in the market turnover grew again due to higher demand for family mortgages in expectation of changes in the terms of their provision from February 2026. As of the end of November, annual growth¹⁰ in outstanding amounts on housing mortgage loans¹¹ to households sped up to 6.7% compared to 5.5% in October. Activity in the non-mortgage lending segment remained weak, and the portfolio continued to shrink in November owing to unsecured consumer loans. According to preliminary data, in December, the activity of retail borrowers increased, especially in the mortgage segment. Moreover, taking into account mortgage securitisation transactions, the increase in claims on households was slightly higher than in November.

- **Household deposits.** In November, growth in households' ruble deposits became slightly negative after a local increase in the previous month: the monthly growth rate was -0.1% vs 1.2% in October, the annual growth rate was 18.2% vs 20.3% in 2024, respectively (Chart 14). The seasonally adjusted growth of household deposits slowed moderately in November, remaining positive. Furthermore, the slowdown in deposit portfolio growth was influenced by social benefits due in November but paid in advance in the previous month.¹² The deceleration in the ruble deposit portfolio growth was mainly triggered by a reduction in the inflow of funds into time deposits. Thus, most of the time deposit segments saw an outflow of funds. Balances grew, as in the previous month, on deposits with maturities of three to six months where more attractive rates remained unchanged, as well as on deposits with maturities of up to one month, where depositors could redirect part of their funds from current accounts (which demonstrated negative dynamics for the second month in a row). As a result, the growth rate of balances in current accounts was -1.1% in November MoM, while that of funds on time deposits was 0.4%. The FX segment slowed down notably in November compared to the previous month. According to recent data, the growth in households' ruble deposits was seasonally higher in December compared to the previous month due to increased budget-funded payments and the rescheduling of part of the payments from January 2026, as well as payments of annual bonuses to employees.



MONETARY AGGREGATES

- **Money supply.** Growth in monetary aggregates slowed somewhat in November. Money supply in the national definition (M2) rose by 1.3% after a 1.5% increase in October, while broad money (M2X) was up by 1.3%, following a 1.7% increase. By the end of November, annual growth rates of M2 and M2X equalled 12.3% and 13.1%, respectively (Chart 18). In general, the growth of M2 and M2X in November was below the rates of 2023–2024. According to recent data,¹³ the growth of monetary aggregates increased seasonally in December, but the annual growth continued to slow down.

¹⁰ Increases in loan portfolio indicators are calculated based on the acquired claims according to the reporting data of operating credit institutions, listed in the State Register as of the relevant reporting date and adjusted for foreign currency revaluation. Where increases in the indicators comprising foreign currency and ruble components are calculated herein, the growth rate of the foreign currency component is converted into rubles using the period average exchange rate.

¹¹ As regards the indicator 'Outstanding housing mortgages', in addition to the housing mortgage portfolio, banks also recognise on their balance sheets (according to Reporting Form 0409316) the housing mortgages transferred to mortgage agents under securitisation transactions (according to the estimates based on Reporting Form 0409316 and mortgage agents' accounting statements).

¹² See [Russian Banking Sector Development](#) (November 2025).

¹³ See [Monetary Aggregates – Assessment](#) (December 2025).

- **Sources of money supply.** On the one hand, the change in monetary aggregates in November was associated with a slowdown in the growth of claims on the economy, primarily ruble loans and microloans to non-financial organisations. On the other hand, in November, M2 and M2X dynamics were supported by budget expenditures. However, in November, the slowdown in lending dynamics and the accelerated growth of budget expenditures were weaker YoY. As a result, the contribution of claims on the economy to the annual growth of M2X edged up to 12.0 pp from 11.1 pp in October. The contribution of net claims on general government to the annual growth of M2X decreased to 5.2 pp from 5.4 pp in October. In December, budget expenditures continued to support the money supply increase, but their seasonal surge in this month was expected to be noticeably lower as compared to historical dynamics due to a more uniform spending profile throughout 2025 (Chart 19).
- **Components of money supply.** The growth rate of ruble deposits of households and organisations slowed somewhat in November. As a result, they accounted for 10.2 pp of the annual growth in broad money supply compared to 11.0 pp in October. Taking into consideration the increased dynamics of previous months, the annual growth of foreign currency deposits in the real sector also sped up, and their contribution to the annual increase in M2X in November amounted to 2.2 pp compared to 1.7 pp in October. The increase in cash in circulation outside the banking system (M0) was 0.5%, and the portion of M0 in M2 decreased by 0.1 pp to 14.0%.

- **Exchange rate (foreign exchange channel)**

Despite a decline in the sales of foreign currency earnings in November–December compared to October, the ruble exchange rate remained generally stable. Since September, exchange rate volatility was low, with little change observed. In December, the ruble remained unchanged against the US dollar but weakened slightly against the euro and the yuan by 1.4% and 2.8%, respectively. The ruble was still supported by the Bank of Russia's tight monetary policy and, consequently, moderate demand for foreign currency from households and businesses.

RUBLE EXCHANGE RATE **Table 3**

	USD/RUB (Bank of Russia)	EUR/RUB (Bank of Russia)	CNY/RUB (Moscow Exchange)
31.12.2025	78.23	92.09	11.23
29.11.2025	78.23	90.82	10.92
Change, %	0	+1.40	+2.82
Average for December 2025	78.44	91.87	11.10
Average for November 2025	80.35	92.99	11.22
Change, %	-2.38	-1.21	-1.11
Average for 2024	92.96	100.63	11.26
Change, %	-15.85	-8.48	-0.28

Note. '+' – depreciation of the ruble; '-' – appreciation of the ruble.
Sources: Moscow Exchange, Bank of Russia calculations.

The real effective exchange rate of the ruble (REER), calculated against the currencies of major trading partners, strengthened by 0.8% in November compared to the previous month. According to preliminary data, the REER strengthened by 2.7% in December compared to November and remained above its median in recent years (+12.8% vs the median from January 2015 to November 2025). USD/RUB demonstrated similar dynamics relative to its median: +4.6%, EUR/RUB: +2.5%, CNY/RUB: 26.6%.

- **Russian stock market**

The Russian stock market was up as of the end of December. Over the month, the index was changing diversely, fluctuating between 2,620 and 2,819 points due to geopolitical factors and the Bank of Russia's key rate cut.

As of the end of the month, the MOEX Russia Index was at 2,766 points (+3% MoM), while the Russian Volatility Index (RVI) edged down: it equalled 34 points (-3 points MoM) at the end of December. Sectoral indices showed mixed dynamics as of the end of the month. Prices for shares of financial companies demonstrated the largest decline (-3.8% MoM), while the power supply, metals and mining and quarrying sectors showed the highest price growth (+9.2% MoM and +6.9% MoM, respectively).

- **Global financial markets**

The GDP-weighted average policy rate in advanced economies was down by 10 bp to 2.75% in December due to policy rate cuts in the US (-25 bp to 3.5–3.75%) and the UK (-25 bp to 3.75%). The exception was Japan (+25 bp to 0.75%). The weighted average policy rates in emerging market economies decreased as follows this month: Mexico (-25 bp to 7%), Chile (-25 bp to 4.5%), Costa Rica (-25 bp to 3.25%), Uruguay (-50 bp to 7.5%), Thailand (-25 bp to 1.25%), India (-25 bp to 5.25%), the Philippines (-25 bp to 4.5%), Moldova (-100 bp to 5%), Armenia (-25 bp to 6.5%), Kenya (-25 bp to 9%), Russia (-50 bp to 16%), and Poland (-25 bp to 4%).

As of the end of December, average monthly UST yields demonstrated a slight downturn by 5 bp in the short-term segment and a slight upturn by 3–5 bp in the long-term one (Table 4), which may be associated with the Fed rate cut at the December meeting and Jerome Powell's statements about a possible pause in the monetary easing cycle.

In December, European bond yields rose by 8–15 bp for all maturities due to the fact that the ECB maintained its policy rates at previous levels and announced their possible increase at subsequent meetings.

UST YIELD CURVE

Table 4

Maturity	2Y	5Y	10Y
31.12.2025	3.47	3.73	4.18
28.11.2025	3.47	3.59	4.02
Change, bp	0	+14	+16
Average for December 2025	3.50	3.70	4.14
Average for November 2025	3.55	3.67	4.09
Change, bp	-5	+3	+5
Average for 2024	4.41	4.26	4.23
Change, bp	-86	-59	-14

Sources: Cbonds, Bank of Russia calculations.

As of the end of December, the US Dollar Index (DXY) declined (-1.5% to 98 p) due to the Fed rate cut. In December, EMEs' currencies changed unevenly against the US dollar (BRL/USD: -4.3%; CNY/USD: +1.1%; TRY/USD: -1.1%; MXN/USD: +1.6%).

As of the end of December, global stock markets were mostly up (S&P 500: +0.8%; Stoxx 600: +2.8%; Nikkei 225: +0.2%; SSE Composite: +2.0%; Nifty 50: -0.3%; MSCI ACWI: +1.5%). Asian markets saw growth due to a technology company's IPO on the Shanghai Stock Exchange, while European markets saw positive indicators thanks to healthcare stocks.

STATISTICAL TABLES AND CHARTS

DECEMBER SAW OUTFLOW OF FUNDS FROM BANKS DRIVEN BY RISE IN CASH IN CIRCULATION
(₽ TN)

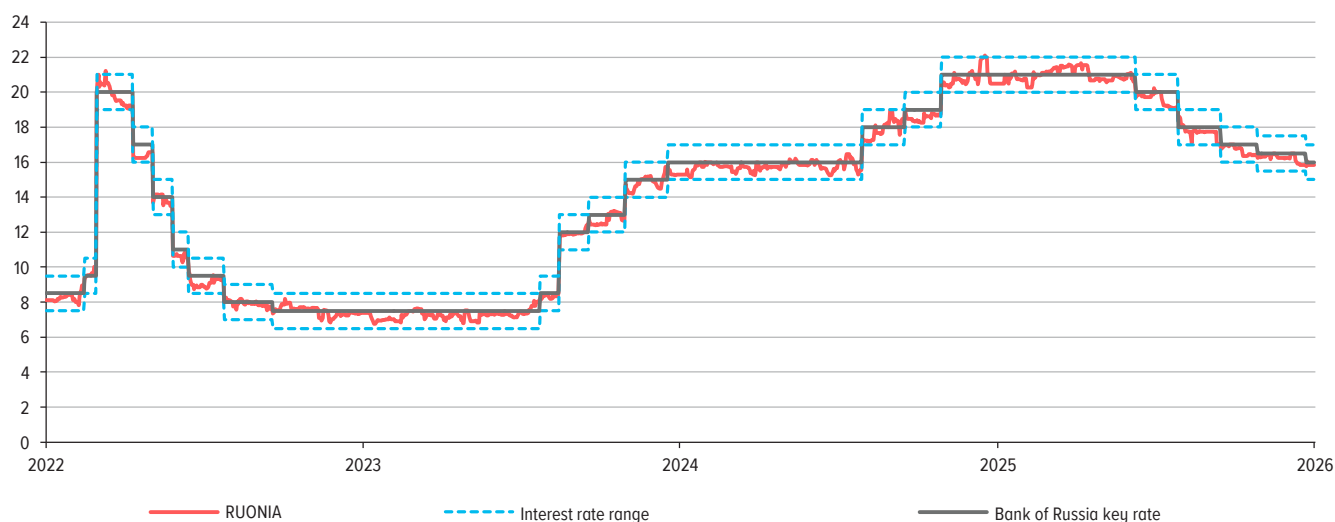
Table 5

	2024	2025	December 2025	Forecast 2026
Liquidity deficit (+)/surplus (-) (as of beginning of period)	0.0	0.6	-0.2	0.6
Liquidity inflow (+)/outflow (-):				
change in balances of funds in general government accounts with the Bank of Russia and other operations*	0.4	1.2	0.1	[-0.9; -0.5]
change in cash in circulation	-0.2	-1.0	-0.8	[-1.0; -0.6]
change in required reserves	-0.8	-0.2	-0.1	[-0.6; -0.4]
Structural liquidity deficit (+) / surplus (-) (as of period-end)	0.6	0.6		[2.5; 3.5]
Market participants' demand for liquidity (as of period-end)	0.9		5.9	[5.3; 6.3]

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

RUONIA
(%)

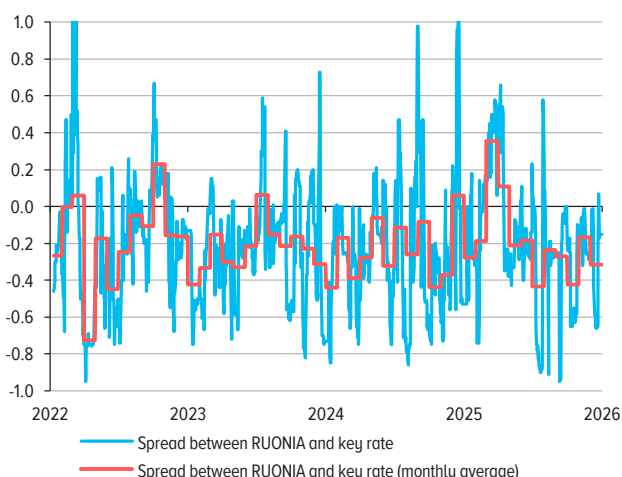
Chart 6



Source: Bank of Russia calculations.

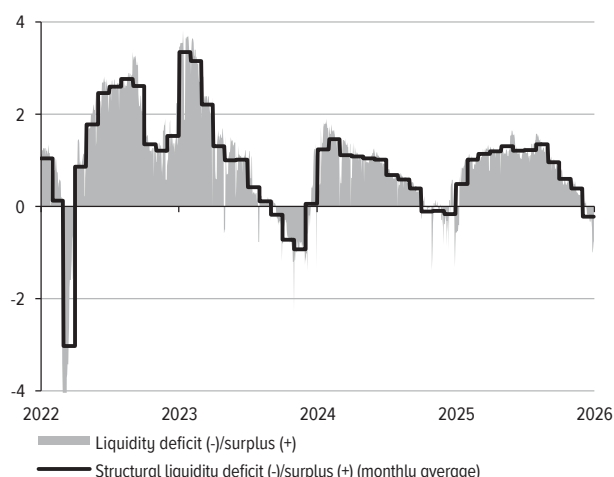
SPREAD BETWEEN RUONIA AND KEY RATE WIDENED IN DECEMBER AMID EXPECTATIONS OF KEY RATE CUT..... **Chart 7**

SPREAD BETWEEN RUONIA AND KEY RATE, PP



Source: Bank of Russia calculations.

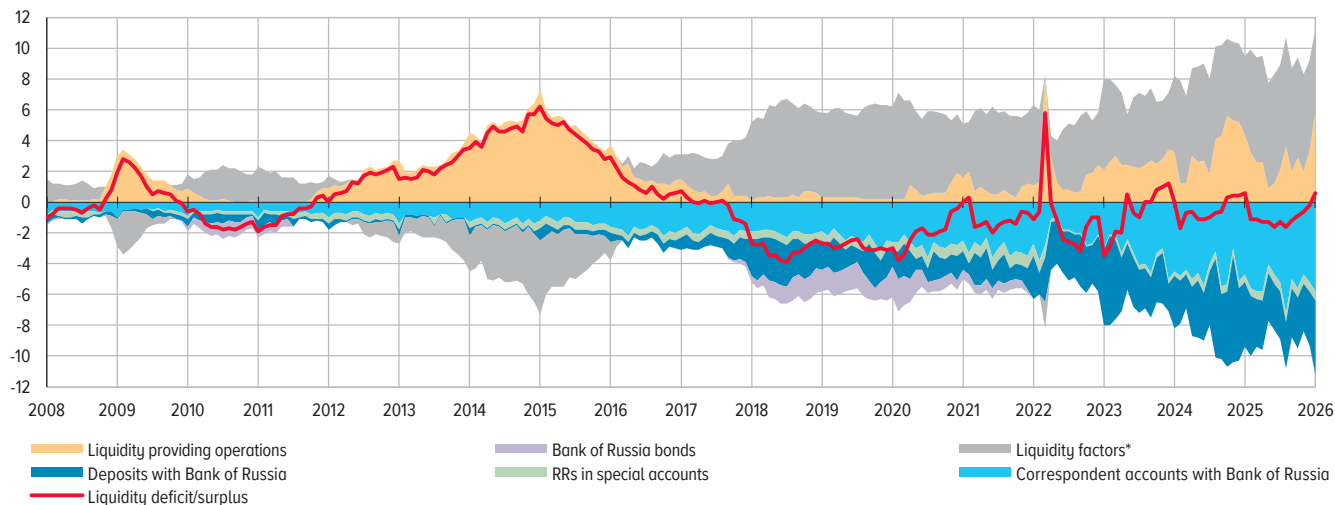
LIQUIDITY DEFICIT/SURPLUS, ₽ TN



BANK OF RUSSIA'S BALANCE SHEET

(P TN)

Chart 8

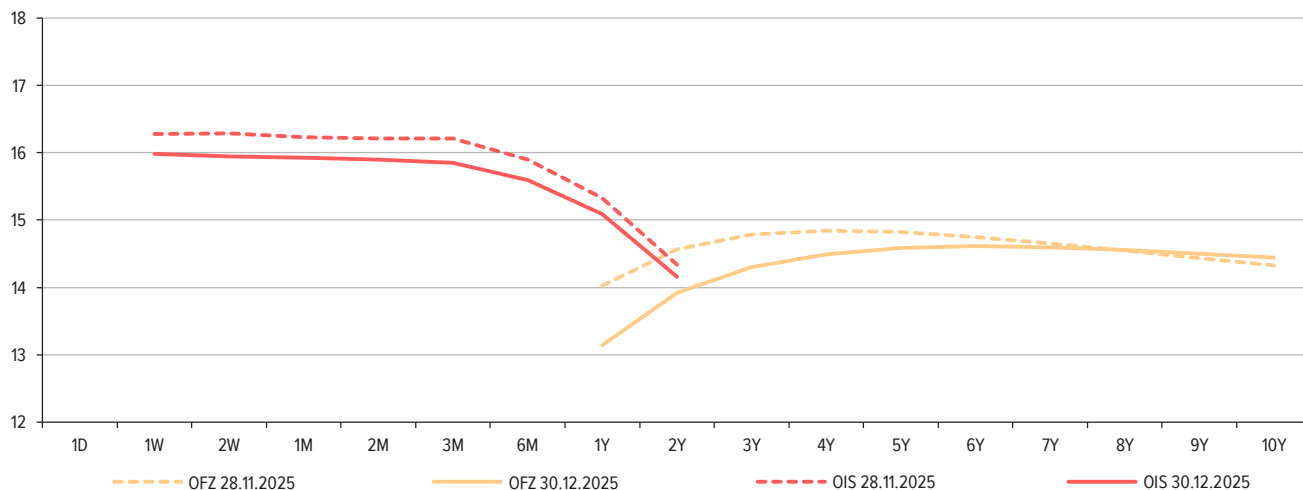


* This item is balancing and comprises changes in all other, not differentiated, items of the Bank of Russia's balance sheet.
Source: Bank of Russia calculations.

MONEY MARKET CURVES SHIFTED DOWNWARDS IN DECEMBER

Chart 9

MONEY MARKET CURVES, % P.A.

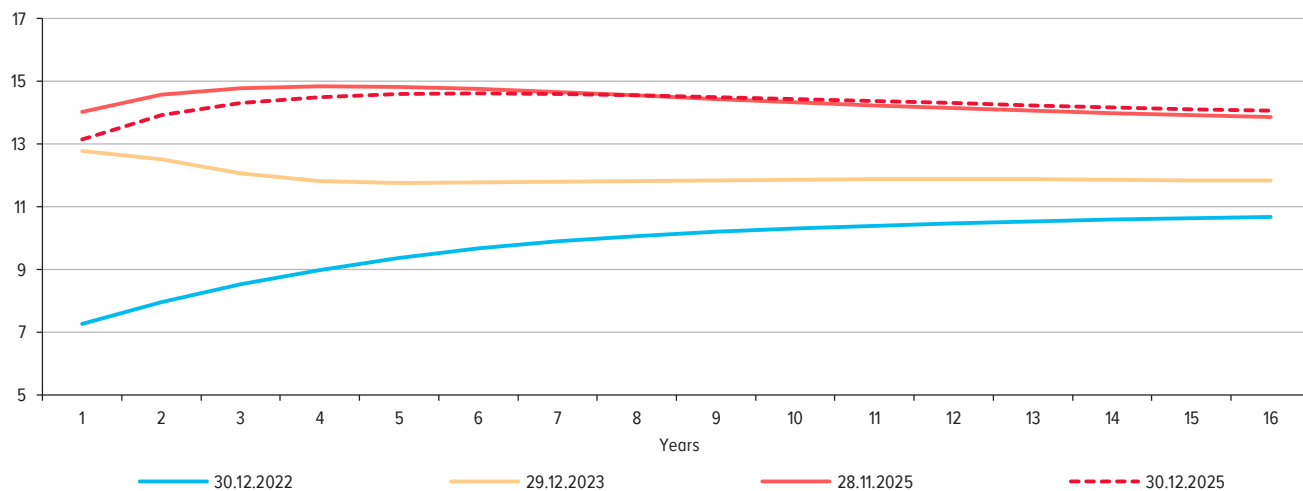


Sources: Bank of Russia, National Finance Association.

OFZ CURVE DECLINED FOR MID- AND LONG-TERM MATURITIES IN DECEMBER

Chart 10

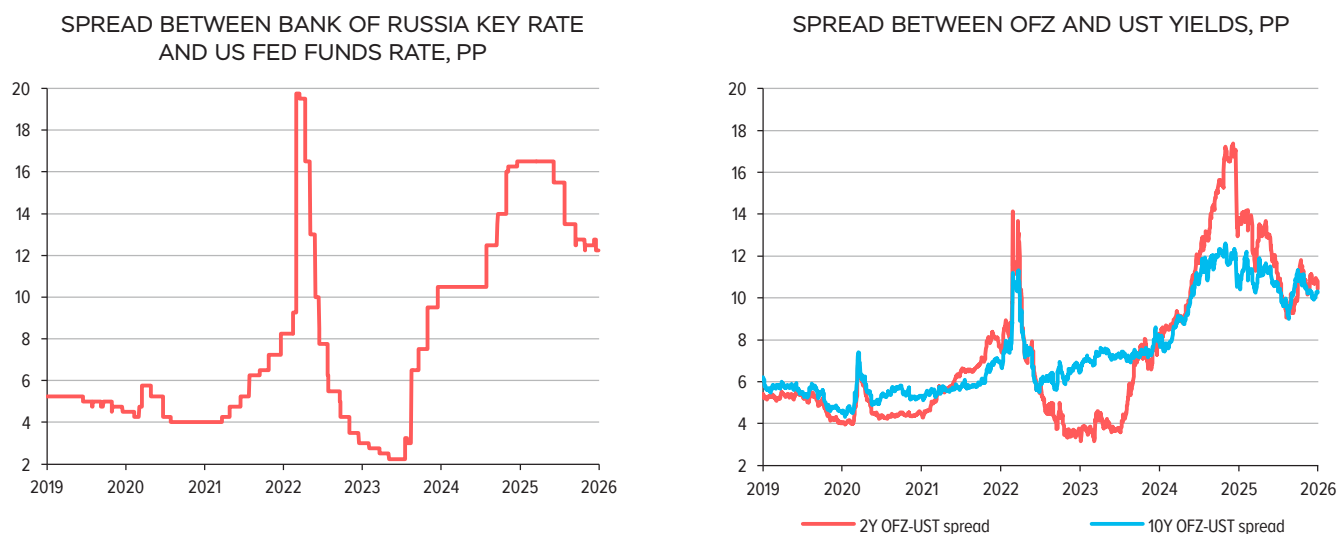
OFZ ZERO COUPON YIELD CURVE, % P.A.



Sources: Moscow Exchange, National Finance Association.

SPREAD BETWEEN OFZ AND UST YIELDS WAS NARROWING

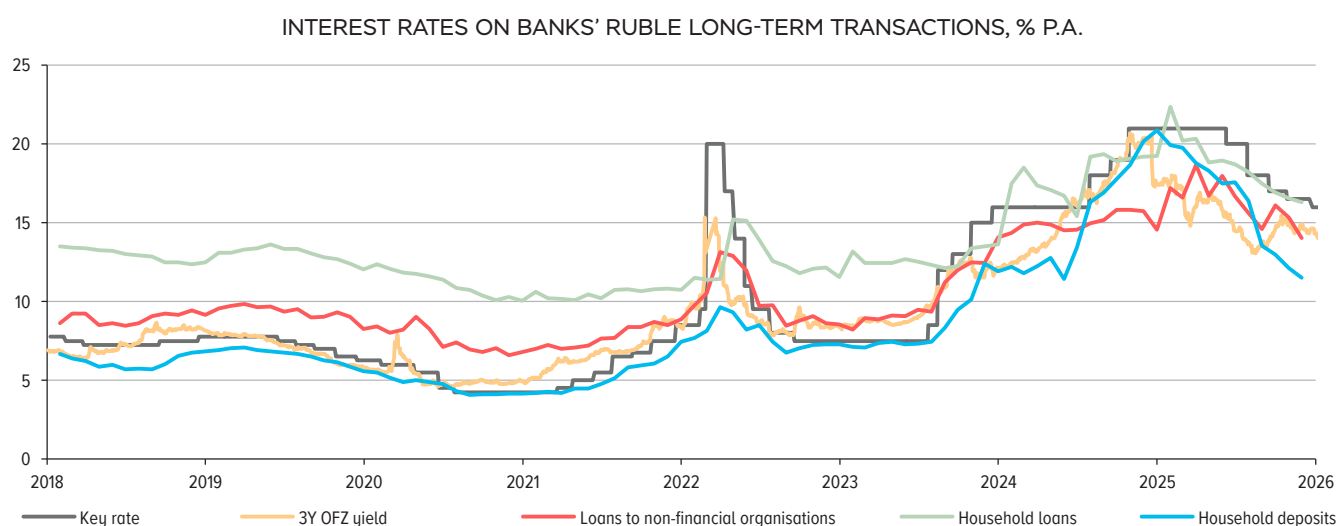
Chart 11



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

LENDING RATES CONTINUED TO DECLINE IN NOVEMBER

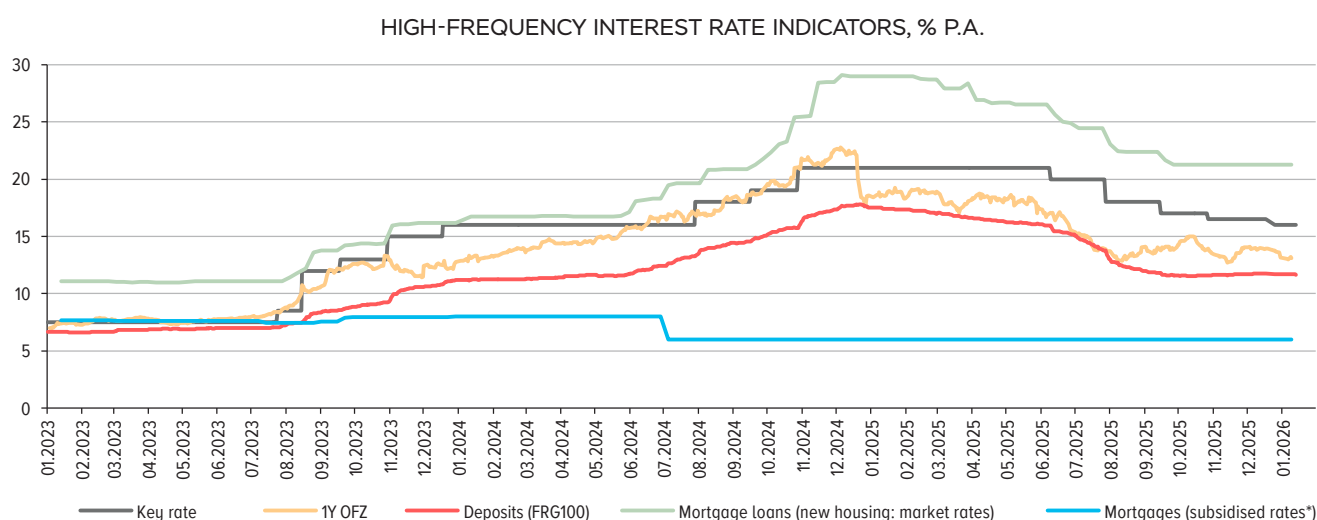
Chart 12



Source: Bank of Russia.

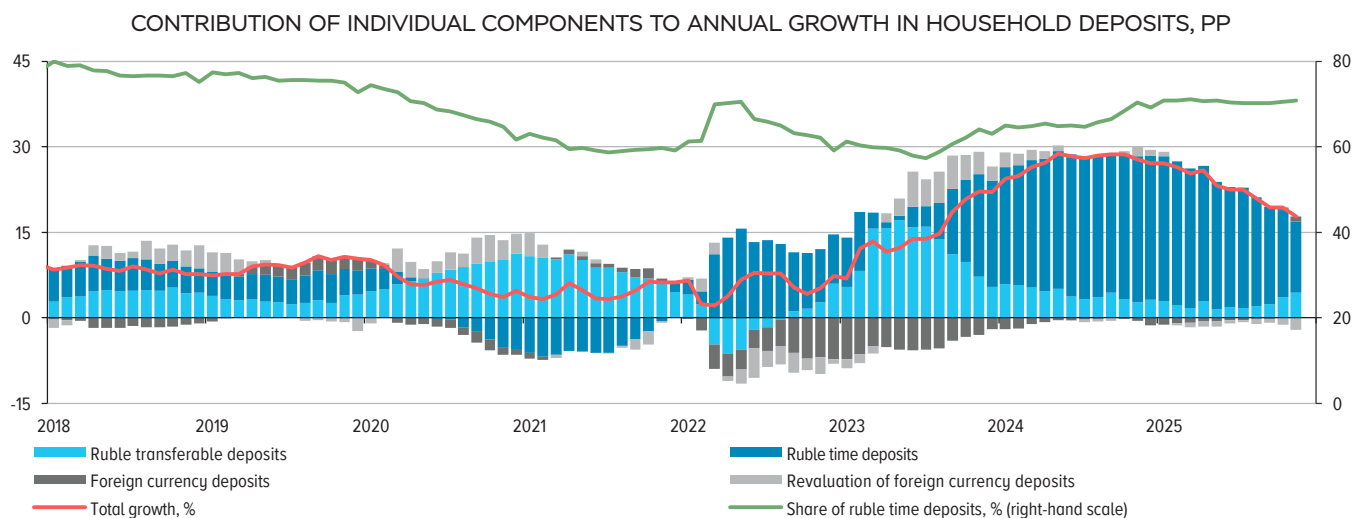
IN DECEMBER, INTEREST RATES ON MOST RETAIL BANKING PRODUCTS REMAINED UNCHANGED

Chart 13



* Until 1 July 2024 – the interest rate under the Subsidised Mortgage programme, from 1 July 2024 – the interest rate under the Family Mortgage programme.
Sources: Bank of Russia, Frank RG, JSC DOM.RF.

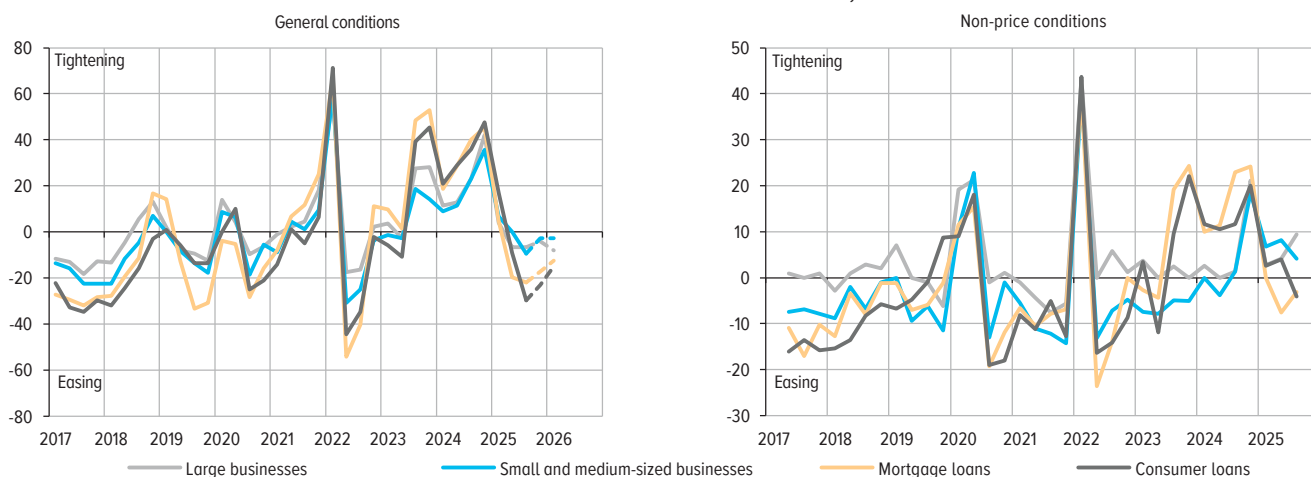
ANNUAL GROWTH RATE OF HOUSEHOLD DEPOSITS WENT DOWN IN NOVEMBER **Chart 14**



Source: Bank of Russia calculations.

OVERALL EASING OF LENDING CONDITIONS IN 2025 Q3 WAS CONSTRAINED BY PERSISTENTLY TIGHT NON-PRICE CONDITIONS, PARTICULARLY FOR CORPORATE CLIENTS **Chart 15**

INDICES OF LENDING CONDITIONS,* PP

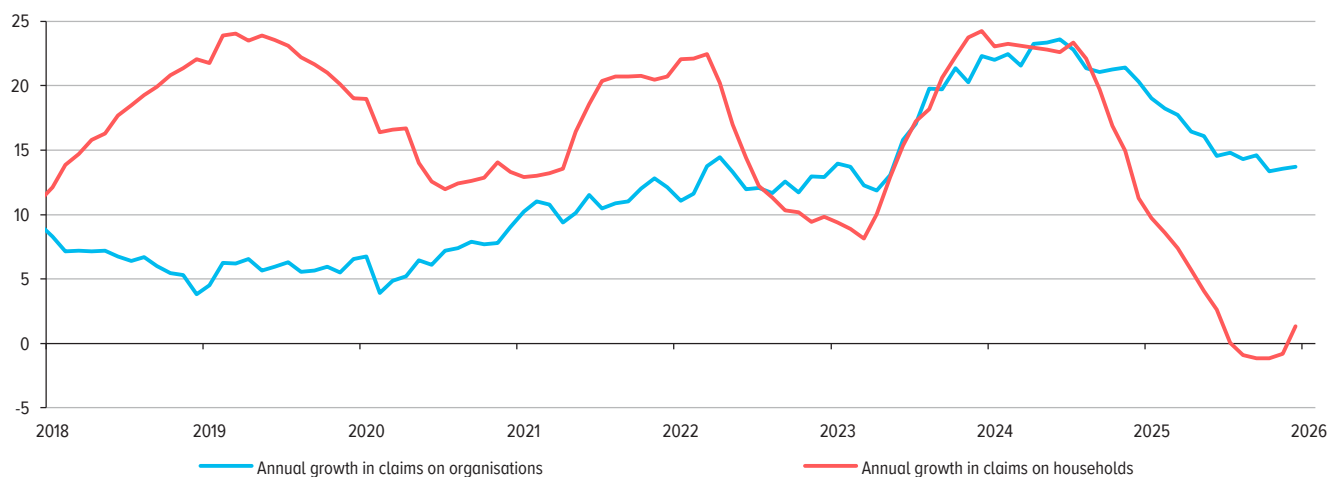


* The dotted lines show respondent banks' expectations (recorded in 2025 Q3) regarding changes in lending conditions and demand for loans in 2025 Q4-2026 Q1.

Source: Bank of Russia.

ANNUAL GROWTH OF CLAIMS ON ORGANISATIONS SPED UP AGAIN IN NOVEMBER, WHILE CLAIMS ON HOUSEHOLDS RETURNED TO POSITIVE VALUES **Chart 16**

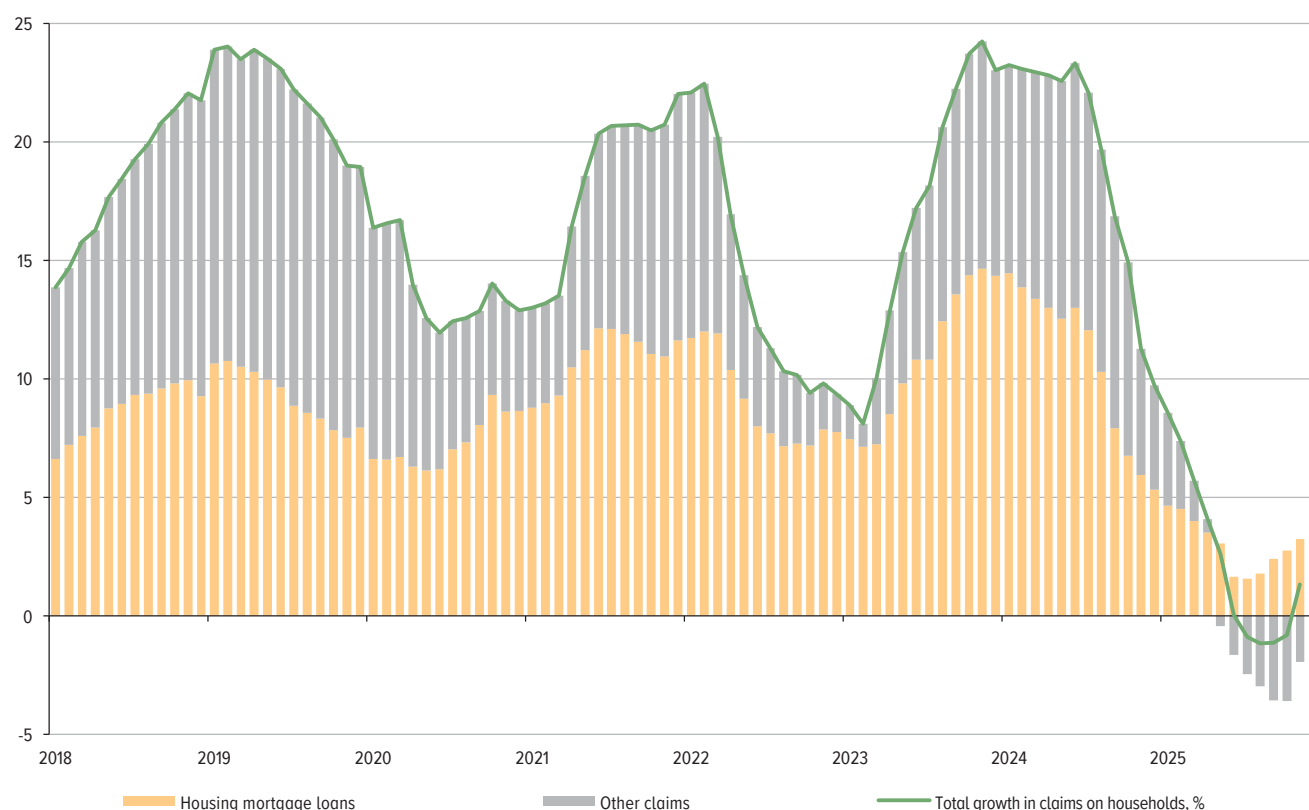
BANKING SYSTEM'S CLAIMS, %



Source: Bank of Russia calculations.

GROWTH OF RETAIL LENDING SPED UP IN NOVEMBER
Chart 17

CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL GROWTH IN BANKING SYSTEM'S CLAIMS ON HOUSEHOLDS, PP



Source: Bank of Russia calculations.

CREDIT AND DEPOSIT MARKET INDICATORS
Table 6

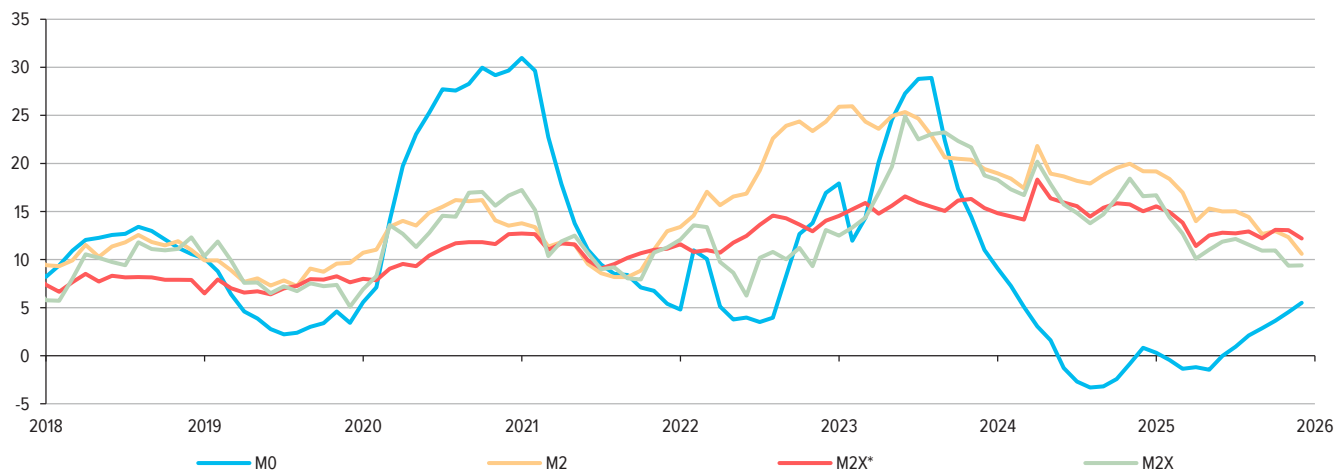
		August 2025	September 2025	October 2025	November 2025
Interest rates on banks' long-term transactions in rubles					
household deposits	% p.a.	13.6	13.0	12.1	11.5
household loans	% p.a.	17.5	16.9	16.6	16.3
corporate loans	% p.a.	14.6	16.1	15.3	14.0
Household deposits	% YoY, AFCR	20.9	19.3	19.4	17.8
in rubles	% YoY	22.7	20.9	20.3	18.2
in foreign currency	% YoY	-4.0	-2.5	7.1	14.3
share of foreign currency	%	4.9	5.1	5.3	5.2
Claims of banking system on economy	% YoY, AFCR	10.1	9.3	9.5	10.4
on organisations	% YoY, AFCR	14.6	13.4	13.5	13.7
on households	% YoY, AFCR	-1.2	-1.1	-0.8	1.3
Money supply (M2)	% YoY	14.4	12.7	13.0	12.3
Broad money (M2X)	% YoY, AFCR	12.9	12.2	13.1	13.1

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.

ANNUAL GROWTH RATES OF MONETARY AGGREGATES DECREASED IN DECEMBER **Chart 18**

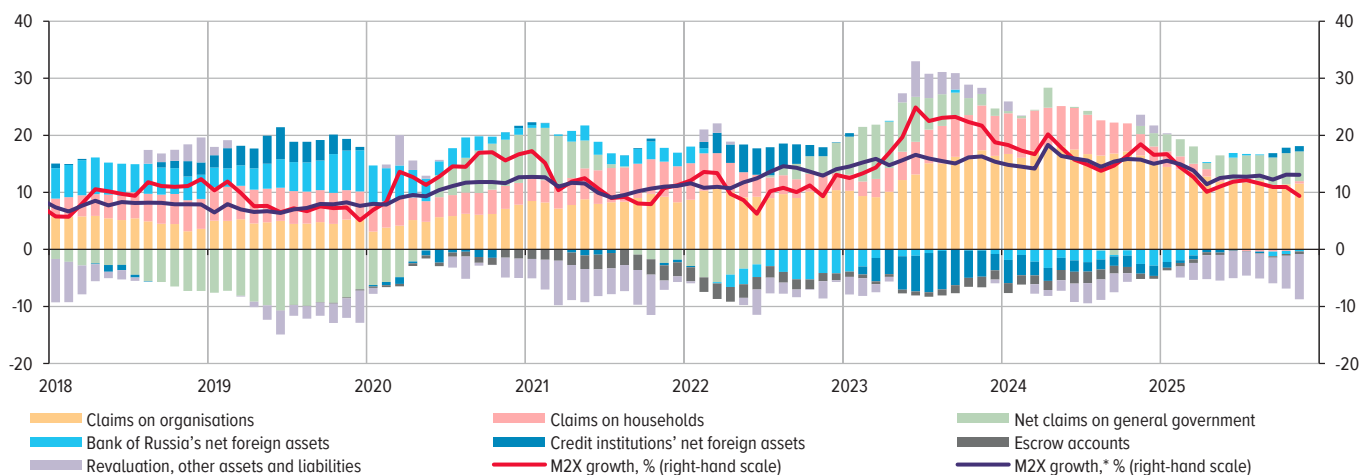
ANNUAL GROWTH OF MAIN MONETARY AGGREGATES, %



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

MONEY SUPPLY GROWTH IN NOVEMBER WAS SUPPORTED BY CERTAIN INCREASE IN ANNUAL GROWTH RATE OF CLAIMS ON ORGANISATIONS AND HOUSEHOLDS **Chart 19**

CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL M2X GROWTH, PP

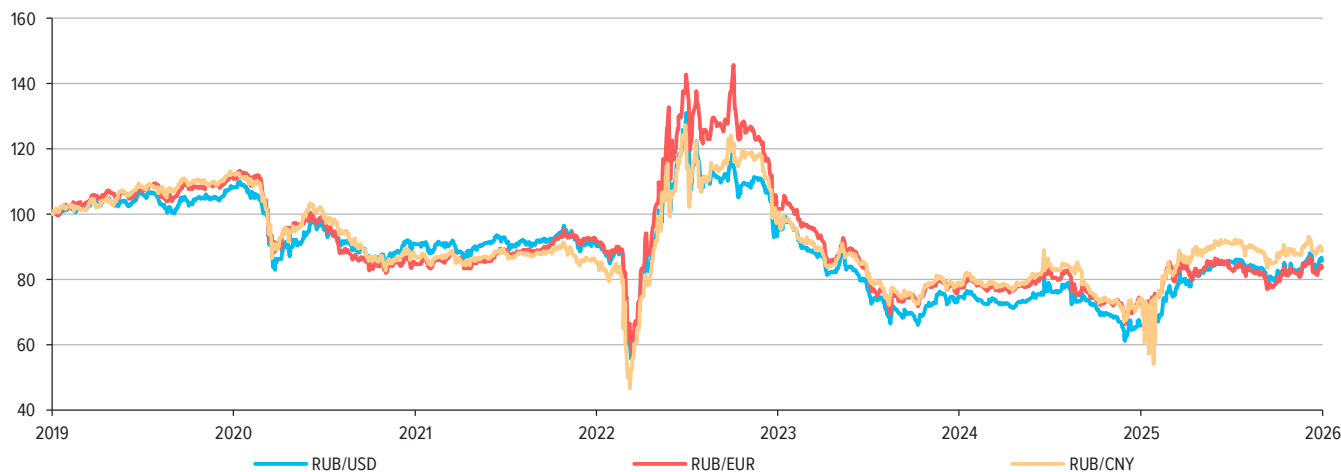


* Adjusted for foreign currency revaluation.
Source: Bank of Russia calculations.

IN DECEMBER, RUBLE CONTINUED TO STRENGTHEN AGAINST OTHER CURRENCIES **Chart 20**

(02.01.2019 = 100)

RUBLE EXCHANGE RATE AGAINST FOREIGN CURRENCIES



Sources: Cbonds, Bank of Russia calculations.

RUSSIAN FINANCIAL MARKET DEMONSTRATED POSITIVE TRENDS IN DECEMBER

Table 7

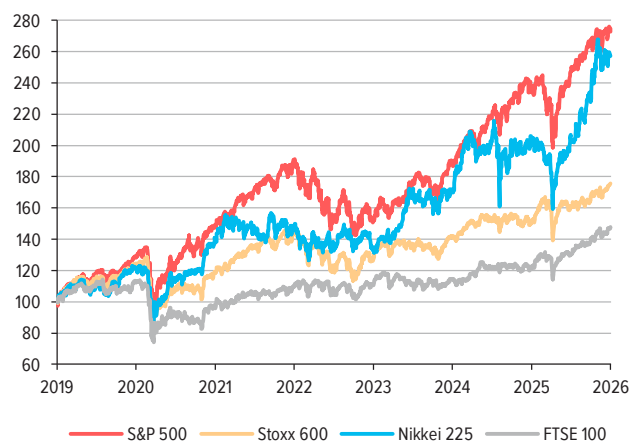
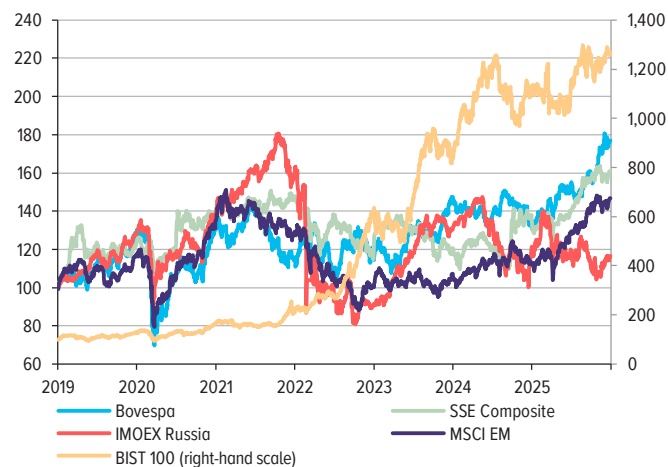
Indicator		30.12.2025	1M	3M	6M	YTD	1Y
Russian financial market ('+' – positive trends, '-' – negative trends)							
RUB/USD exchange rate		77.45	1.0	7.4	1.4	23.8	22.0
MOEX Russia Index		2,767	3.4	3.1	-2.9	-4.0	0.3
RTS Index		1,114	3.4	9.2	-2.6	24.7	28.9
Government bond yields		14.45	-15	0	14	-159	-159
Corporate bond yields		15.69	-82	-126	-287	-631	-748
Regional bond yields		14.95	-28	-97	-168	-485	-528
RVI		34	-4	-4	1	-1	-1
Exchange rates (per US dollar, % change, '+' – appreciation, '-' – depreciation)							
AEs*	US Dollar Index	98.22	-1.2	0.3	1.4	-9.4	-9.1
	Euro	1.17	1.2	0.1	-0.5	13.4	12.6
	Japanese yen	156.48	0.2	5.3	9.1	-0.6	-0.9
	Pound sterling	1.35	1.7	0.2	-2.1	7.5	7.0
EMEs	Ruble	79.50	-2.6	4.3	-1.3	30.1	24.8
	Brazilian real	5.48	-2.6	-2.9	-0.3	11.5	11.6
	Mexican peso	17.99	1.7	2.0	4.0	13.7	11.5
	Chinese yuan	7.00	1.1	1.7	2.3	4.1	4.1
	Turkish lira	42.94	-1.1	-3.3	-7.8	-21.4	-22.1
	South African rand	16.60	3.0	3.9	5.7	12.0	11.2
10Y bond yields (% p.a., change in bp, '+' – increase, '-' – decrease)							
AEs	USA	4.14	12	-1	-12	-44	-48
	Germany	2.85	17	15	28	49	46
	Japan	2.06	25	42	67	-251	-257
	UK	4.50	6	-20	4	341	339
EMEs	Russia	14.44	11	-49	-26	-78	-99
	Brazil	13.86	44	15	38	-129	-78
	Mexico	9.10	41	48	0	-132	-174
	China	1.87	3	-1	23	20	17
	Turkey	27.09	-449	-456	-146	-6	-226
	South Africa	8.23	-27	-93	-162	-81	-81
5Y CDS spreads (bp, change in bp, '+' – increase, '-' – decrease)							
AEs	USA	27	-4	-10	-12	-2	-2
	Germany	7	-1	-1	-1	-6	-6
	Japan	25	3	6	5	5	5
	UK	18	-1	-4	1	-3	-3
EMEs	Brazil	133	-3	1	-7	-74	-70
	Mexico	87	-7	-2	-16	-50	-46
	China	44	-4	6	-7	-23	-21
	Turkey	200	-29	-48	-75	-53	-52
	South Africa	135	-9	-31	-49	-56	-55
Stock indices (p, % change, '+' – increase, '-' – decrease)							
AEs	S&P 500	6,896	0.69	3.5	11.3	17.3	15.5
	Stoxx 600	593	2.84	6.7	9.7	16.8	16.9
	Nikkei 225	50,339	0.17	11.8	25.9	26.2	25.0
	FTSE 100	9,941	2.27	6.9	13.2	21.6	22.0
EMEs	MSCI EM	1,403	2.61	4.7	14.1	30.4	29.5
	Bovespa	161,125	1.29	10.1	15.5	34.0	34.0
	IPC Mexico	64,359	1.28	2.8	11.3	29.9	30.5
	SSE Composite	3,965	1.97	2.7	14.7	18.3	16.6
	BIST 100	11,220	2.95	1.6	11.3	14.1	11.9
	FTSE/JSE	116,501	5.00	8.6	20.2	38.5	37.5

* Advanced economies.

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

EMES' STOCK INDICES CHANGED DIVERSELY IN DECEMBER

(02.01.2019 = 100)

Chart 21
STOCK INDICES OF ADVANCED ECONOMIES

STOCK INDICES OF EMERGING MARKET ECONOMIES


Note. The stock indices are specified in national currencies.
Sources: Cbonds, Bank of Russia calculations.

Data cut-off dates:

- Bond market – 30 December 2025;
- Loan and deposit rates – 30 November 2025, high-frequency data – 31 December 2025;
- Credit and deposit aggregates – 1 December 2025, high-frequency data – 1 January 2026;
- Monetary aggregates – 1 December 2025, high-frequency data – 1 January 2026.

 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.

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