MONETARY CONDITIONS AND MONETARY TRANSMISSION

INFORMATION AND ANALYTICAL COMMENTARY

Average RUONIA value — June

14.01%

▼ -17 bp vs May average

Government bond yields (RGBI) — June

14.73%

▲ +48 bp vs May average

Corporate bond yields (IFX-Cbonds) — June

15.17%

▼ -15 bp vs May average

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

11.5%

▼ -0.7 pp vs April

Interest rate on short-term household deposits — May

13.0%

▼ -0.4 pp vs April

Money supply (M2X) — June (preliminary)

13.1% YoY AFCR

■ 13.1% YoY AFCR in May

Sources: Bank of Russia, Moscow Exchange.

- **Monetary indicators were changing diversely in June** after several months of moving towards easing.
- **RUONIA generally decreased in June, following the change in the key rate in the middle of the month**, with the spread between money market rates and the key rate being negative.
- **Average monthly nominal yields** on government bonds went up in June. Money market yields demonstrated uneven dynamics: short-term yields edged down, whereas long-term ones were up.
- Following the monetary policy easing, **deposit rates as well as corporate and retail loan rates** in the market-based lending segment declined in May.
- **Annual money supply growth accelerated in May.** This was driven by high credit activity in the corporate segment, a revival in retail lending, and budgetary operations. According to preliminary data, annual M2 growth continued to speed up in June, while M2X growth remained unchanged.

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.

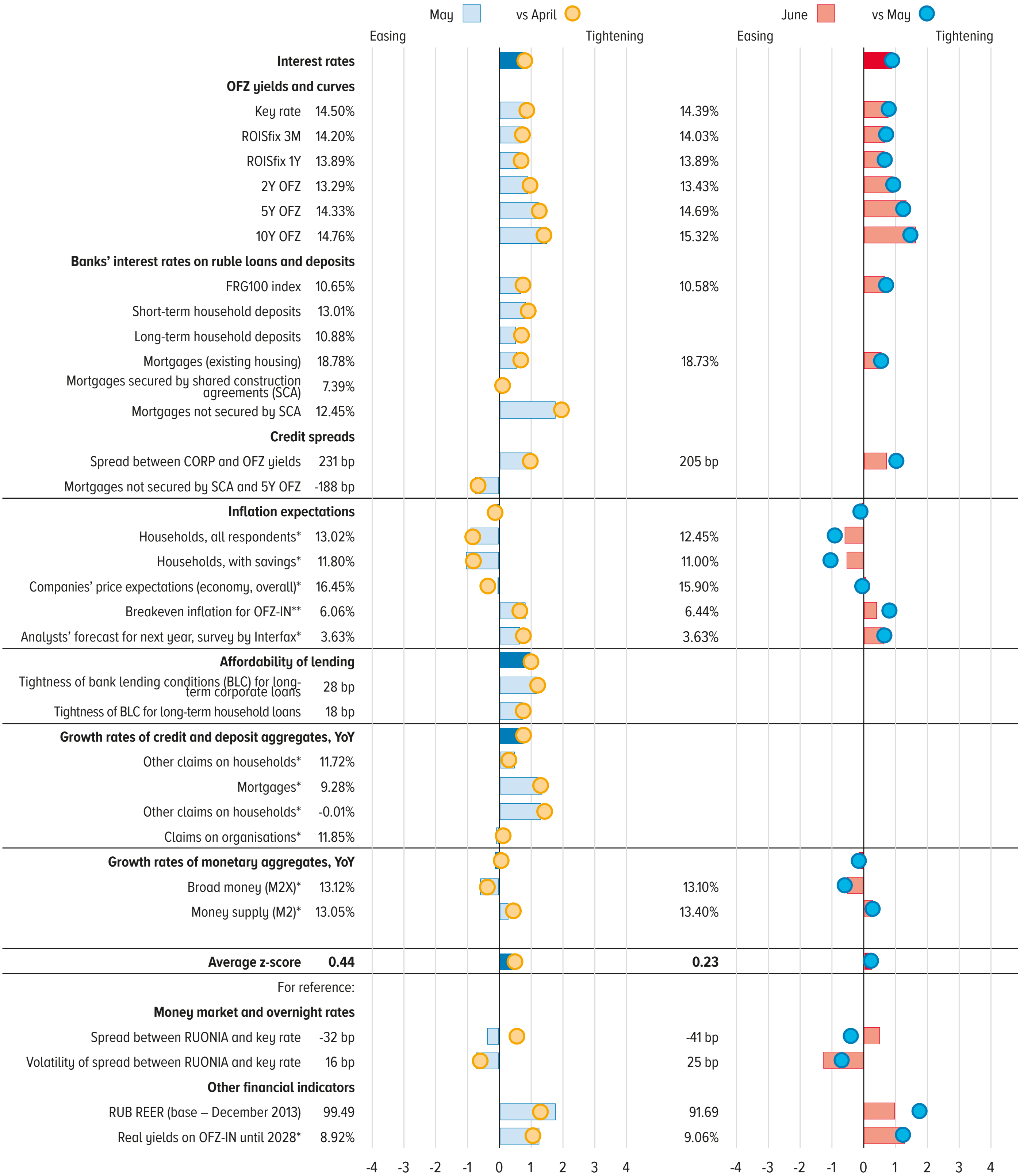
This mechanism is based on interest rates and yields in the key market segments, impacting each other. The key rate directly affects short-term money market rates. Expectations regarding further changes in short-term interest rates, along with the demand for credit and the supply of savings, influence long-term interest rates and government bond yields.

Interest rates, in turn, impact 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 which are taken into account by the Bank of Russia when deciding on the key rate.

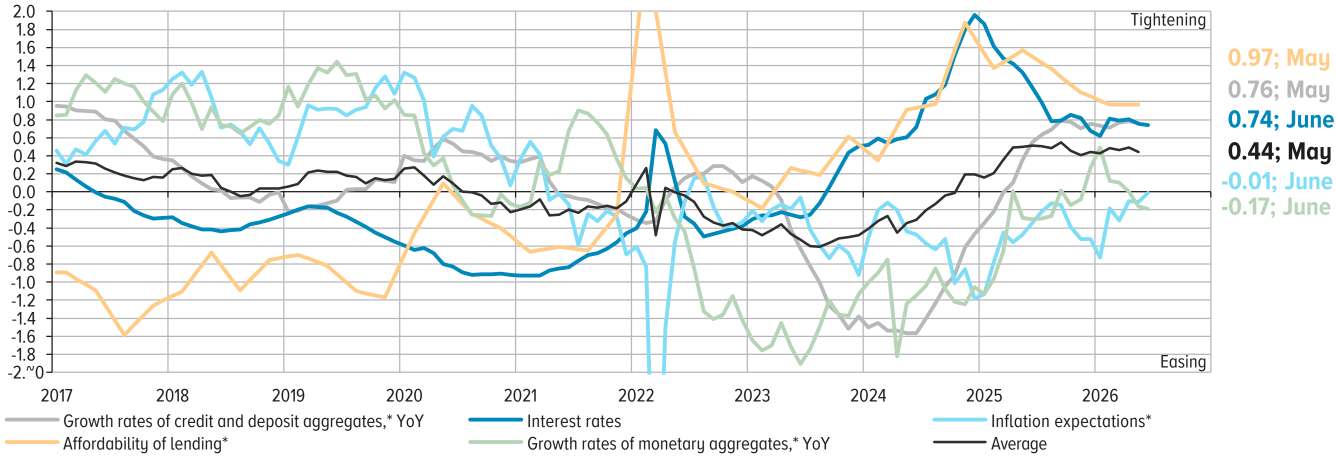
This material briefly describes the monetary policy transmission mechanism and the conditions of its operation.

INDIVIDUAL INDICATORS OF MONETARY POLICY TIGHTNESS AND THEIR CHANGES **Chart 1**



* 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.
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 May 2026 (left-hand chart) and to June 2026 (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.
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 June 2026, the Bank of Russia Board of Directors decided to cut the key rate by 25 bp to 14.25% p.a. The key rate reduction pace was decreased compared to the previous meetings (by 50 bps in February–April). The decision was made amid continued moderate economic growth following a temporary decline at the beginning of the year and a slight slowdown in underlying price growth, which generally remains in the range of 4–5% in annualised terms. The additional caution was caused by the acceleration of lending growth in recent months, as well as by the fact that fiscal policy over the three-year horizon will be more accommodative than previously expected. This may require a higher key rate path than assumed in the April baseline scenario.

  The Bank of Russia will assess the need for a further key rate cut at its upcoming meetings depending on the sustainability of disinflation, the dynamics of inflation expectations, and the analysis of the risks posed by domestic and external conditions. The regulator noted that there was less room for the key rate cuts and proinflationary risks still outweighed disinflationary ones on the medium-term horizon. According to the Bank of Russia's forecast, annual inflation will decline to 4.5–5.5% in 2026 and underlying inflation will be close to 4% in 2026 H2 and stay at the target in 2027 and further on. At its core meeting, the Bank of Russia updated its medium-term forecast and raised the average key rate path for 2026–2027.

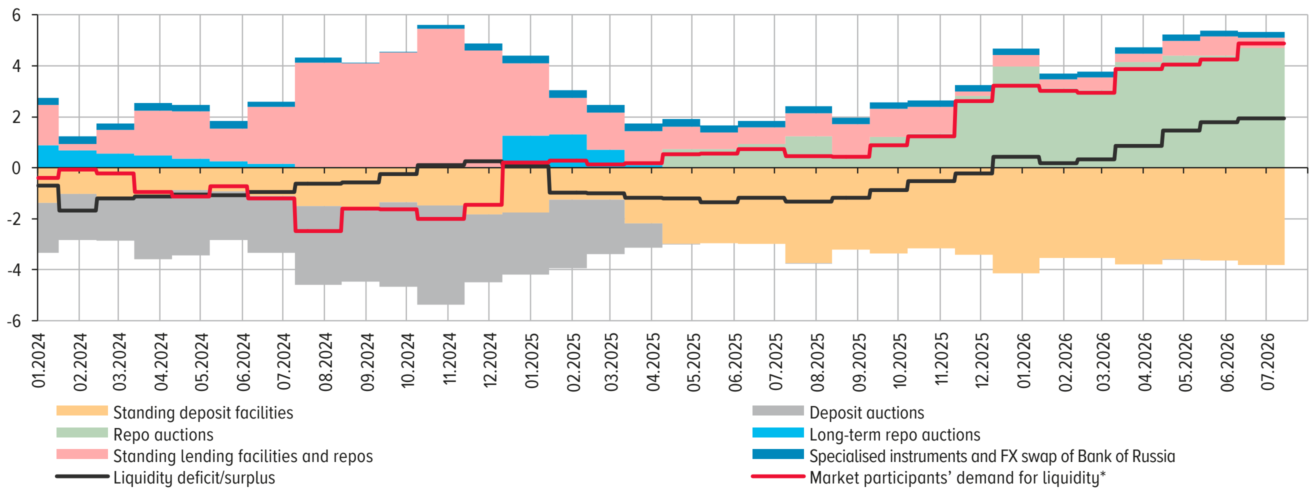
  The 25 bp rate cut and more cautious rhetoric were stricter than many market participants had assumed, expecting a 50 bp cut. As a result, market participants revised the key rate path for the next 12–24 months towards a higher trajectory, which led to a significant adjustment in the bond and stock markets.

- **Banking sector liquidity and overnight rates (RUONIA)**. RUONIA averaged 14.01% in June (vs 14.18% in May). The spread between RUONIA and the key rate expanded to -41 bp (vs -32 bp in May). The spread volatility rose to 25 bp (vs 16 bp in May).

  In June, the spread volatility increased due to expectations of a key rate cut at the upcoming Bank of Russia Board of Directors' meeting. Banks preferred to maintain a lower level of balances in correspondent accounts than it was needed for uniform averaging of required reserves. During this period, demand in the money market was low and the spread widened. Following the meeting, demand for liquidity recovered, and RUONIA approached the key rate. The Bank of Russia assessed banks' demand for liquidity and provided the banking sector with the amount of funds sufficient to balance supply and demand in the money market. In accordance with the revised approach,[1] the Bank of Russia will continue to take into account money market rates when managing bank liquidity.

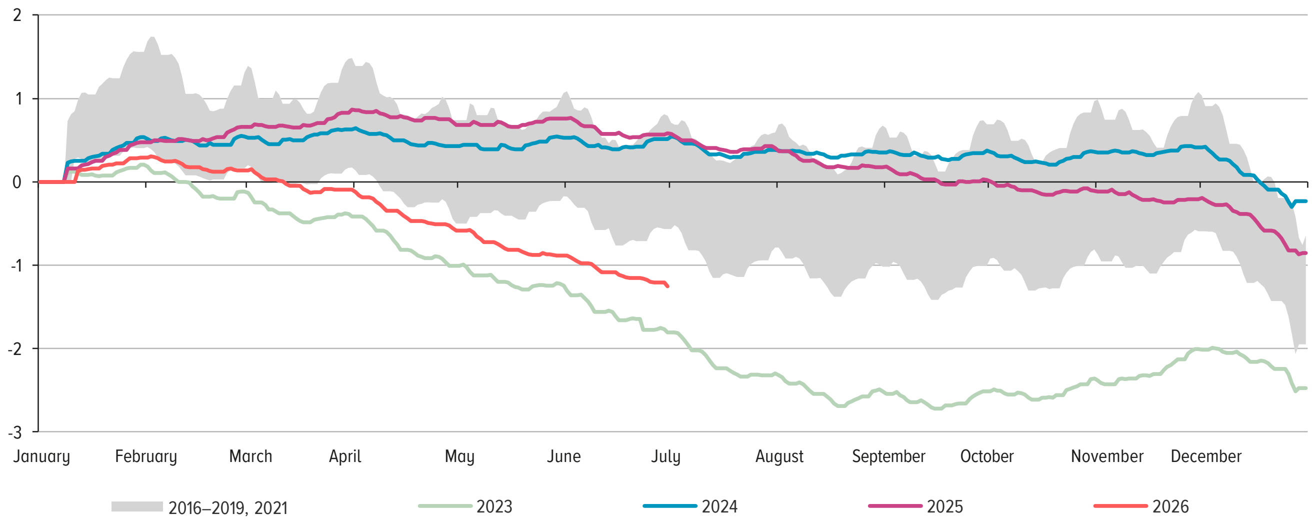
Over the month, demand for liquidity on market terms grew to ₽4.7 trillion on average (vs ₽4.1 trillion in May). This was driven by a bigger amount of cash in circulation totalling ₽0.5 trillion (vs ₽ 0.4 trillion in May), exceeding previous years' levels. Another factor was the Bank of Russia's mirroring of the Russian Ministry of Finance's foreign currency conversions as part of the investment of the National Wealth Fund's assets in 2025 H2. In addition to the impact of autonomous factors, banks' demand for liquidity on market terms rose due to decreased demand for Bank of Russia loans within the primary mechanism (including to comply with the national liquidity coverage ratio).

BANK OF RUSSIA OPERATIONS AND BANKING SECTOR LIQUIDITY BALANCE (AVERAGE VALUE OVER AP)
(₽ 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 characterises market participants' demand for Bank of Russia liquidity.
Data for the period until 6 July 2026.
Source: Bank of Russia calculations.

CHANGE IN CASH IN CIRCULATION (CUMULATIVE, YEAR-TO-DATE)
(% VS M2 AS OF YEAR-START) **Chart 4**



Note. '+' – decrease; '-' – increase.
Source: Bank of Russia calculations.

[1] See the news 'Bank of Russia updates approaches to holding fine-tuning auctions' for details.

The **structural liquidity balance forecast** for the December 2026 averaging period (AP) did not change, ranging between ₽2.4 trillion and ₽3.6 trillion, while banks' demand for liquidity on market terms is within the range of ₽6.0–7.2 trillion.[2]

- **Money market.** In June, the ROISfix interest rate swap curve changed. The short-term yields (1W–2W) edged down as of the end of the month, demonstrating the actual change in the key rate, while yields on maturities of one month and longer increased. These dynamics showed that the market substantially reassessed the future monetary policy path: after the size of the key rate cut was reduced, market participants allowed for a less noticeable policy easing until the end of 2026 and in 2027. The market changed its expectations regarding the downward curve movements observed in the previous months.

ROISFIX CURVE **Table 1**

Maturity	1W	2W	1M	2M	3M	6M	1Y	2Y
30 June 2026	14.22	14.22	14.22	14.23	14.27	14.34	14.41	13.86
29 May 2026	14.27	14.27	14.15	14.11	14.05	13.97	13.77	12.92
Change, bp	-5	-5	+7	+12	+22	+37	+64	+94
Average for 2025	18.98	18.96	18.88	18.76	18.63	18.39	17.71	16.08
Change, bp	-476	-474	-466	-453	-436	-405	-330	-222

BOND MARKET

- **OFZ yield curve.** In June, average monthly OFZ yields rose along the entire length of the curve, with longer maturities offering higher returns, and the curve moved noticeably upwards. As to the monthly averages, yields in the short-, medium-, and long-term segments rose by 12–14 bp, 21–36 bp, 47 bp (7Y), and 57 bp (10Y), respectively. As of the end of the month, the increases were even sharper: the 10Y yield increased by 148 bp to 16.38% and the 2Y yield – by 54 bp to 13.87%. As a result, the 10Y–2Y spread widened to +250 bp as of the end of the month (vs +156 bp in late May).

  The main contributors to the curve's movements were the growth in the term premium amid uncertainty regarding future fiscal policy and the decline in global oil prices, as well as market participants' reassessment of the medium-term key rate path following the decision of 19 June 2026. However, according to the Bank of Russia, the observed growth in medium- and long-term OFZ yields and the normalisation of the curve's shape did not imply a transition of monetary conditions to neutral territory and occurred mainly due to budget uncertainty.

- **Breakeven inflation.** In June, real yields on inflation-indexed federal government bonds (OFZ-IN) changed diversely and significantly less than nominal yields: for the issue maturing in 2028, the real stock market return at the end of the month was 9.52% (vs 9.42% in late May), while for the issue maturing in 2032 – 7.64% (7.73%). As a result, breakeven inflation was up: for the issue maturing in 2028 – approximately from 3.9% to 4.4%, and for those maturing in 2032 – approximately from 6.7% to 7.8%. The breakeven inflation increase suggests that a significant part of the June growth in nominal yields is associated with a rise in the inflation premium and not only the real interest rate.

- **Secondary OFZ market.** The secondary OFZ market turnover soared in June, with the average daily turnover reaching ₽67.6 billion (₽32.8 billion in May), hitting a historic high. Daily turnovers peaked following the Board of Directors meeting, which additionally indicated that market participants had revised their expectations regarding the key rate.

[2] More details are available in the information and analytical commentary Monetary Conditions and Monetary Transmission for April 2026.

The main net buyers in the secondary market were trust managers (+₽89.4 billion vs +₽39.4 billion in May) and banks that were not systemically important credit institutions (SICIs) (+₽59.9 billion). Individuals' net purchases remained moderate (+₽27.2 billion). SICIs were the largest net sellers (-₽105.0 billion); legal entities without direct access to trading made large net sales (-₽61.0 billion after net purchases worth ₽23.5 billion in May). Non-residents and subsidiaries of foreign banks remained moderate net sellers (-₽22.7 billion).

- **OFZ offerings.** The Russian Ministry of Finance was holding auctions in the first half of June. In the second half of the month, the Ministry cancelled the auction scheduled for 24 June 2026 due to increased volatility and rising yields. Despite the cancelled auction, actual borrowings exceeded the quarterly target by 14.3%. As of the end of 2026 Q2, OFZ offerings amounted to ₽1.7 trillion at par value (vs ₽1.5 trillion at par value in 2026 Q1). Yields on the offered bonds increased as market rates rose: yields for certain fixed-coupon federal government bonds (OFZ-PD) issues at auctions totalled 14.85–14.94% in June. The annual domestic borrowing plan for 2026 is set at ₽5.5 trillion. The bulk of offerings were postponed to 2026 Q3 amid the unfavourable market conditions at the end of June.

  SICIs and trust managers were key buyers (₽90.9 billion and ₽82.1 billion, respectively), jointly accounting for about 68% of the volume offered. The participation of banks other than SICIs decreased to ₽19.1 billion (vs ₽63.9 billion in May), while their purchases in the secondary market increased.

- **Secondary corporate bond market.** The average monthly yield on bonds included in the IFX-Cbonds index was 15.17% in June (15.32% in May). The average monthly spread between this index and OFZ yields equalled 205 bp (vs 232 bp in May). Given the outpacing growth in OFZ yields in June, the dynamics of the spread between the index and government securities were associated with different speeds of segments' adjustment. The secondary corporate market turnover grew in June, following the OFZ market: an average daily turnover amounted to ₽22.1 billion (₽14.2 billion in May).

- **Primary corporate bond market.** The primary corporate bond market activity remained elevated in June. Over the month, some blue chip issuers submitted applications for large bond offerings. According to Cbonds, the amount of new corporate bond issues, including structured products and securitisation, totalled ₽1.160 billion vs ₽976 billion in May, including market offerings for ₽919 billion. The total amount of the corporate bond market reached ₽39.1 trillion as of the end of June.

  In the primary market, demand was shaped primarily by non-bank credit institutions (₽454 billion), SICIs (₽395 billion), and individuals (₽114 billion); non-residents' participation was insignificant (₽4 billion compared to ₽17 billion in May).

- **Quasi-foreign currency corporate bonds.** Foreign currency bond offerings totalled ₽103 billion in ruble terms. All offerings were quasi-foreign currency and standard yuan-denominated bonds.

LOAN AND DEPOSIT RATES

- **Corporate loan rates.** Price lending conditions for legal entities eased in May, demonstrating the ongoing adjustment of the corporate lending market to the key rate cut. The weighted average rate on short-term[3] loans was 17.2% p.a. as of the end of the month, while that on long-term loans was 11.5% p.a. (Chart 11). The key contributor to this trend was the decline in market loan rates, while the share of subsidised loans and those granted on softer terms[4] in total disbursements remained high.

[3] Interest rates on short-term loans (for up to one year), long-term deposits and loans (for over one year), and short-term deposits (for up to one year), excluding demand deposits.

[4] Softer terms of lending refer to borrower support measures other than subsidised loan rates, specifically government guarantees, subsidised funding for banks, and lending at low interest rates with the engagement of government development institutions, the National Wealth Fund, and other government agencies. See Box 11 'Subsidised lending and its impact on the transmission mechanism' in the Monetary Policy Guidelines for 2026–2028.

- **Retail loan rates.** Dynamics of retail lending market rates remained heterogeneous in May as well. The weighted average rate on short-term loans (highly susceptible to fluctuations when individual banks change interest rates due to the relatively small turnover in this segment) increased by 1.5 pp to 32.1% p.a. In mortgage lending, interest rates on market loans resumed their decline in May, leading to a decrease in the weighted average mortgage rate by 0.1 pp to 10.2% p.a., despite a smaller share of subsidised loans in disbursements. A downward trend in interest rates was also observed in the car lending segment. According to estimates, interest rates on long-term consumer loans dropped more noticeably in May compared to the previous months. Consequently, the weighted average interest rate on long-term loans edged down by 0.1 pp to 19.0% p.a., mirroring the effect of the transmission mechanism (Chart 11). According high-frequency data, interest rates on market mortgages continued to decline smoothly in June.

- **Deposit rates.** Weighted average deposit rates were down in May, following the monetary policy easing. Over the month, interest rates on short-term and long-term loans were down by 0.4 pp to 13.0% p.a. and by 0.8 pp to 10.9%, respectively (Chart 11). In June, banks continued to moderately adjust their deposit rates downwards (rates varied within a range of 0.1–0.15 pp). As of the end of the month, the FRG100[5] index went down by 0.1 pp to 10.5% p.a. (Chart 12).

CREDIT AND DEPOSIT AGGREGATES

- **Banking system's claims on organisations.** In May, growth in claims on organisations slightly slowed compared to April but remained strong and significantly exceeded the 2026 Q1 figures. As of the end of the month, the growth rate[6] was 1.5% vs 2.0% in April. This is also confirmed by the seasonally adjusted dynamics. The growth was predominantly driven by ruble loans provided to non-financial organisations for over one year. The contribution of foreign currency loans and microloans, which demonstrated faster growth in May, was also positive. Corporate securities on banks' balance sheets increased more markedly in May compared to the previous month. The annual growth rate accelerated to 11.8% in May after 11.1% in April (Chart14). According to high-frequency data, the growth rate of claims on organisations slowed in June.

- **Banking system's claims on households.** The retail lending segment demonstrated increased activity: as of the end of May, claims on households were up by 0.7% compared to 0.3% in April. However, seasonally adjusted dynamics indicate more limited growth in claims in May. The expansion of non-mortgage lending, which saw its highest monthly growth[7] since October 2024, greatly contributed to the monthly change, including due to higher spending during the May holidays and on upcoming vacations (Chart 15). However, growth in the mortgage segment remained moderate: new loans amounted to ₽328 billion, and the proportion of subsidised loans in total mortgages continued to decline, reaching approximately 55% by the end of May. The outstanding value of households' mortgage loans[8] rose by 0.3% in May, staying close to this growth rate since February 2026. The annual growth in claims on households sped up to 4.8% in May vs 4.6% in April (Chart 14). According to high-frequency data, retail lending activity remained

[5] The average interest rate of more than 80 largest banks on one-year deposits in an amount of at least ₽100.000, according to the information agency Frank RG.

[6] 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 dollars. 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.

[7] 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.

[8] 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).

high in June, including in the mortgage segment due to concerns about changes in the terms of the Family Mortgage programme after October 2026.

- **Household deposits.** In May, the portfolio of households' ruble funds with banks edged down. The monthly change was -0.6% after +1.5% in April. There was a reduction in current account balances owing to seasonal spending during the holidays and on preparations for vacations, as well as the advance payment of May social benefits in April. In addition, there was an outflow of funds from short-term deposits, caused, among other things, by the continued reduction in deposit rates. However, deposits for over one year edged up. The share of time deposits in the households' ruble portfolio remained unchanged month on month (MoM), remaining high. Seasonally adjusted growth in households' ruble funds with banks remained positive in May but dropped sharply MoM. Annual growth in households' ruble deposits decreased to 11.7% vs 12.9% in April (Chart 16). Balances in foreign currency accounts and deposits declined by 0.5% after a 1.1% increase last month. In June, according to high-frequency data, the inflow of households' funds into banks resumed, mainly into current accounts.

MONETARY AGGREGATES

- **Money supply.** In May, the growth rate of monetary aggregates stayed close to the April level: money supply in national definition (M2) and broad money (M2X) were up by 1.2%. In annualised terms, growth in monetary aggregates increased: M2 – to 13.0% from 12.3% in April and M2X – to 13.1% from 12.5% (Chart 17). According to high-frequency data, the annual growth rate of M2 continued to accelerate in June, while that of M2X remained unchanged.[9]

- **Sources of money supply.** Sustained high growth rates in corporate lending, combined with a recovery in the retail lending segment, helped increase the contribution of claims on the economy to the annual growth rate of M2X by 0.7 pp to 11.3 pp (Chart 18). The contribution of fiscal operations to the annual change in broad money also continued to expand – from 5.0 pp in April to 5.3 pp in May, still significantly exceeding the value of 2025.

- **Components of money supply.** The contribution of households' ruble deposits to annual growth of broad money continued to decline, while that of companies' ruble deposits was rising. As of the end of May, the contribution of ruble deposits to M2X as a whole amounted to 9.7 pp, having increased by 0.4 pp. The share of cash in circulation outside the banking system (M0) also continued to grow – it equalled 2.2 pp compared to 1.9 pp in the previous month. Foreign currency assets made a minor impact of 1.2 pp on the annual change in M2X.

[9] See Monetary Aggregates – Assessment (June 2026).

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

Over June, the ruble exchange rate against all world currencies decreased markedly after an equally noticeable strengthening in the previous two months. Moreover, the ruble exchange rate weakened against the US dollar and the yuan by 0.7% and 2.0%, respectively, but strengthened against the euro by 1.0% on average over the month. During the first half of the month, the ruble exchange rate was at the level of 70–71 rubles per US dollar for the first time since January–February 2023 as a result of high sales of foreign currency by exporters amid favourable conditions in global commodity markets. However, in the second half of the month, the ruble began to weaken. This was mainly caused by the deterioration of trade conditions in both the oil and gas and other industries. The ruble exchange rate was also under additional pressure since the regulator resumed mirroring fiscal rule-based operations conducted by the Russian Ministry of Finance.

The real effective exchange rate (REER) of the ruble, calculated against the currencies of its major foreign trading partners, strengthened by 4.8% in May compared to the previous month. According to preliminary data, the REER lost 7.8% in June MoM but stayed above its multi-year median (+15.5% vs the median of January 2015–May 2026; in relation to certain currency pairs: USD/RUB +6.9%, EUR/RUB +8.6%, CNY/RUB +27.1%).

RUBLE EXCHANGE RATE **Table 2**

	USD/RUB (Bank of Russia)	EUR/RUB (Bank of Russia)	EUR/RUB (Moscow Exchange)
30 June 2026	77.75	88.65	11.62
29 May 2026	71.37	83.69	10.49
Change, %	8.9	5.9	10.8
Average June	73.54	84.86	10.89
Average for May	73.01	85.70	10.68
Change, %	0.7	-1.0	2.0
Average for 2025	83.62	94.31	11.65
Change, %	-7.0	-6.0	-0.3

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

- **Russian stock market**

The Russian stock market continued to contract in June. The MOEX Index lost about 8.5% over the month and hit its new low since 2023. The pressure on stock prices intensified in the middle of the month, including after the revision of market participants' expectations about the monetary policy path following the Bank of Russia Board of Directors' meeting in June. The decline was also driven by the oil market dynamics and geopolitical factors.

The reduction encompassed a rather wide range of sectors. The sectoral indices dropped most notably in IT (-15.1% MoM), oil and gas (-11.1% MoM), chemicals and petrochemicals (-16.6% MoM), and transportation (-13.0% MoM). The financial sector outperformed the market (-5.3% MoM).

- **Global markets**

The GDP-weighted average policy rate in advanced economies edged up by 2.88% in June compared to 2.78% in May. Amid geopolitical and energy shocks, advanced economies predominantly tightened monetary conditions: the euro area (+25 bp to 2.25%), Japan (+25 bp to 1.0%), and the Czech Republic (+25 bp to 3.75%). The weighted average policy rate in emerging market economies (EMEs) rose this month on account of Colombia (+75 bp to 12.0%), Indonesia (+50 bp to 5.75%), the Philippines (+25 bp to 4.75%), and Moldova (+50 bp to 7.0%). Contrastingly, Brazil, Hungary, and Kazakhstan decreased their policy rates (-25 bp to 14.25%; -25 bp to 6.0%; and -100 bp to 17.0%, respectively).

Average monthly yields on US Treasuries (USTs) soared in the short-term segment as of the end of June, reflecting the revision of market expectations regarding the US Fed funds rate path towards a longer period of tight monetary conditions. This was driven by tougher rhetoric of the US Federal Reserve, a revision of the US Fed funds rate and inflation forecasts upwards, as well as macroeconomic data indicating the labour market stability. According to CME FedWatch data, as of the end of June, most financial market participants expected a 25 bp rise in the US Fed funds rate as early as September 2026 instead of January 2027, which they forecast a month before.

Eurobonds demonstrated no marked dynamics and remained almost unchanged MoM as a month earlier. Analysts expect another increase in the European Central Bank's policy rate until the end of the year – to 2.50% in September.

UST YIELD CURVE **Table 3**

Maturity	2Y	5Y	10Y
30 June 2026	4.14	4.19	4.44
29 May 2026	3.98	4.13	4.45
Change, bp	+16	+6	-1
Average June	4.11	4.21	4.47
Average for May	4.00	4.15	4.48
Change, bp	+12	+7	-1
Average for 2025	3.81	3.92	4.29
Change, bp	+33	+27	+15

Sources: Cbonds, Bank of Russia calculations.

The US Dollar Index (DXY) strengthened as of the end of June (+2.0% to 101 p). Following the June FOMC meeting, the market began to factor in tighter monetary policy until the end of 2026, which supported short-term USTs and the US dollar. The US currency was additionally supported by investor demand for risk-free assets due to geopolitical uncertainty and the weakness of key currencies in the DXY basket, primarily the euro and the yen. Most of EME currencies weakened against the US dollar (BRL/USD: -2.5%; CNY/USD: -0.4%; TRY/USD: -1.7%; and MXN/USD: -0.8%).

As of the end of June, global stock markets were mostly up (S&P 500: -1.1%; Stoxx 600: +2.5%; Nikkei 225: +5.6%; SSE Composite: +0.6%; Nifty 50: +1.4%; MSCI ACWI: -0.9%). The Japanese stock index demonstrated the most marked dynamics, backed by strong demand for shares of technology companies, and the Turkish stock index (BIST), due to a decline in the geopolitical premium, an adjustment of oil prices, and a recovery in expectations of further monetary easing.

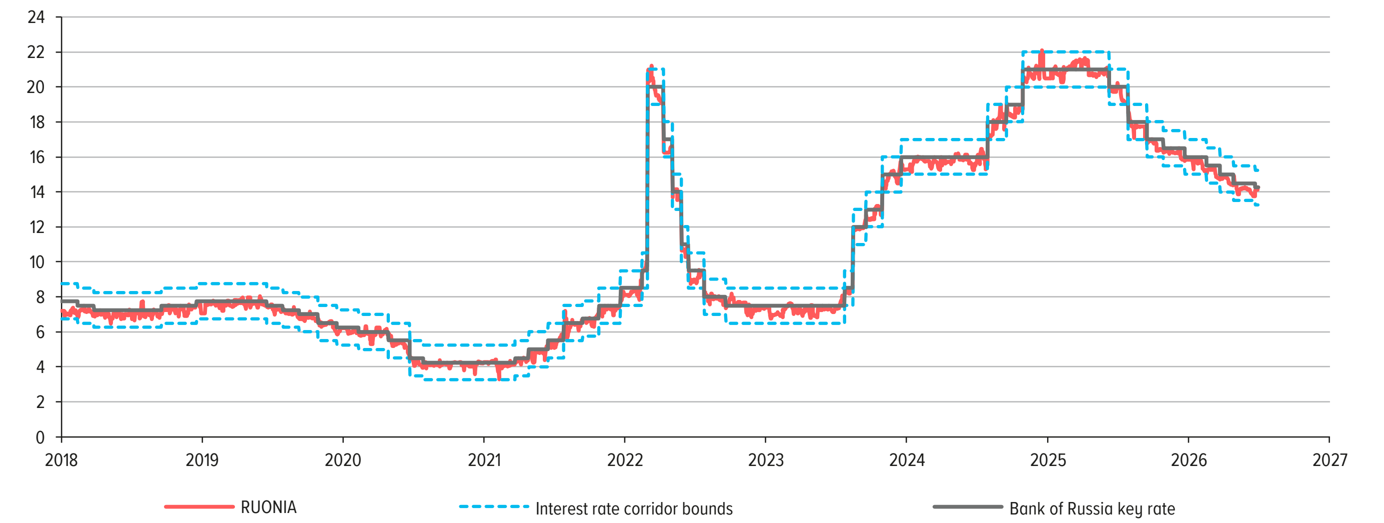
TABLES AND CHARTS

IN JUNE, BANK LIQUIDITY DECREASED DUE TO GROWTH OF CASH IN CIRCULATION
(₽ TN) **Table 4**

	2025	January – June 2026	June 2026	2026 (forecast)
Liquidity deficit (+) / surplus (-) (as of beginning of period)	**0.6**	**0.6**	**1.8**	**0.6**
Liquidity inflow (+) / outflow (-):	0.0	1.4	-0.2	[-3.0; -1.8]
change in balances of general government accounts with Bank of Russia and other operations*	1.2	0.2	0.2	[-0.6; -0.2]
change in cash in circulation	-1.0	-1.6	-0.5	[-2.1; -1.5]
change in required reserves	-0.2	0.0	0.0	[-0.3; -0.1]
Structural liquidity deficit (+) / surplus (-), as of end of period	**0.6**	**2.0**		**[2.4; 3.6]**
Structural liquidity deficit (-) / surplus (+), average over AP**	**0.4**	**2.1**		
Demand for liquidity on market terms, average over AP**	**3.2**	**4.7**		**[6.0; 7.2]**

* Including fiscal rule-based operations to buy (sell) foreign currency in the domestic FX market and other operations.
** Data for the required reserve AP closest to the end of the period.
Source: Bank of Russia calculations.

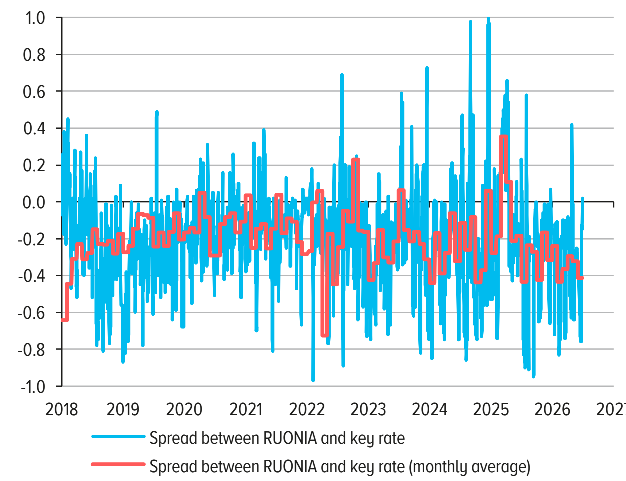
RUONIA
(%) **Chart 5**



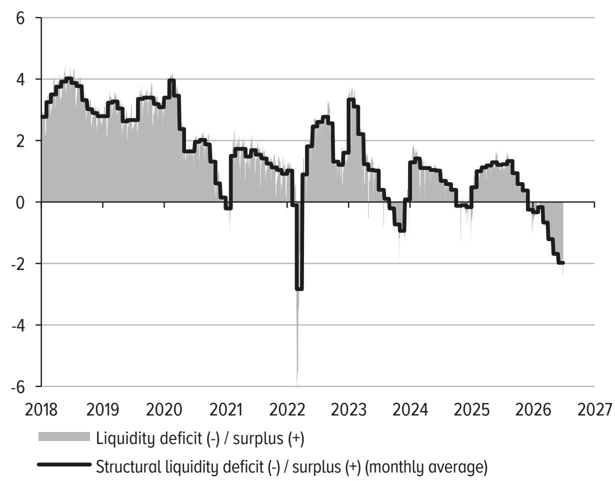
Source: Bank of Russia calculations.

SPREAD BETWEEN RUONIA AND KEY RATE WIDENED IN ANTICIPATION OF BANK OF RUSSIA BOARD OF DIRECTORS' KEY RATE MEETING **Chart 6**

SPREAD BETWEEN RUONIA AND KEY RATE, PP

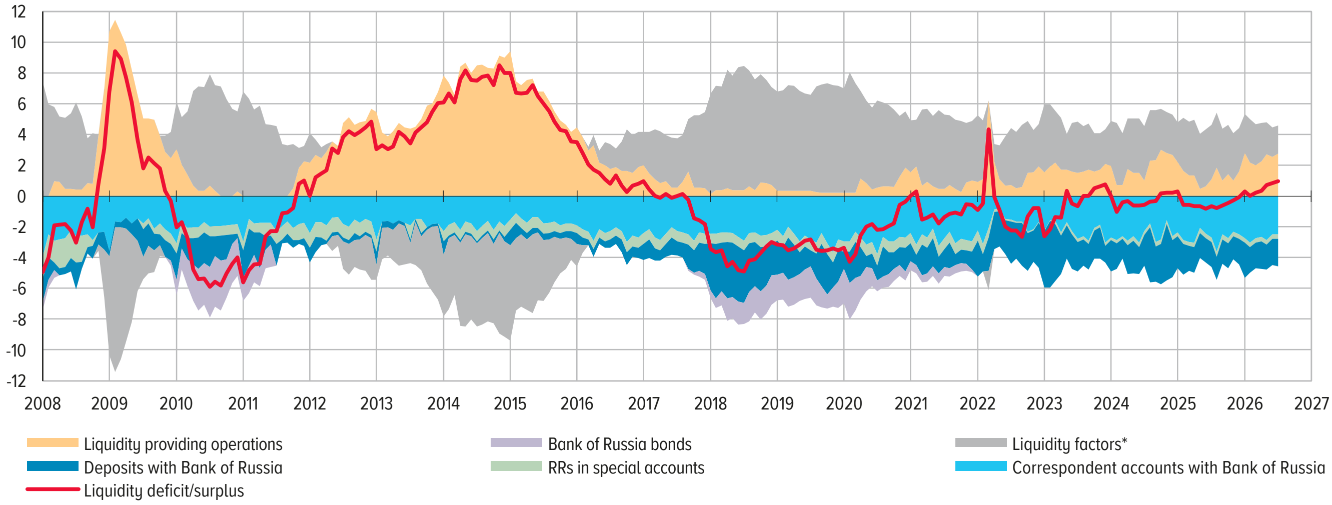


LIQUIDITY DEFICIT / SURPLUS, ₽ TN



Source: Bank of Russia calculations.

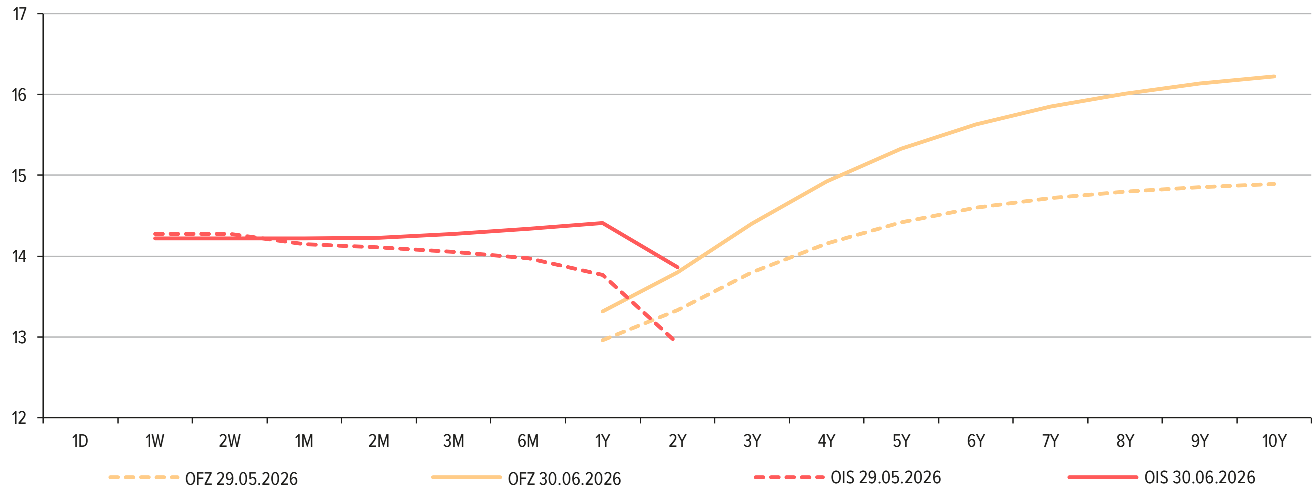
BANK OF RUSSIA'S BALANCE SHEET
(% OF BANKING SECTOR'S ASSETS) **Chart 7**



* This item is balancing and comprises changes in all other, not differentiated, items of the Bank of Russia's balance sheet.
Note. The data may be refined as balance sheet values for the banking sector's assets become available.
Source: Bank of Russia calculations.

IN JUNE, MONEY MARKET CURVES ROSE FOR MATURITIES OF OVER ONE MONTH **Chart 8**

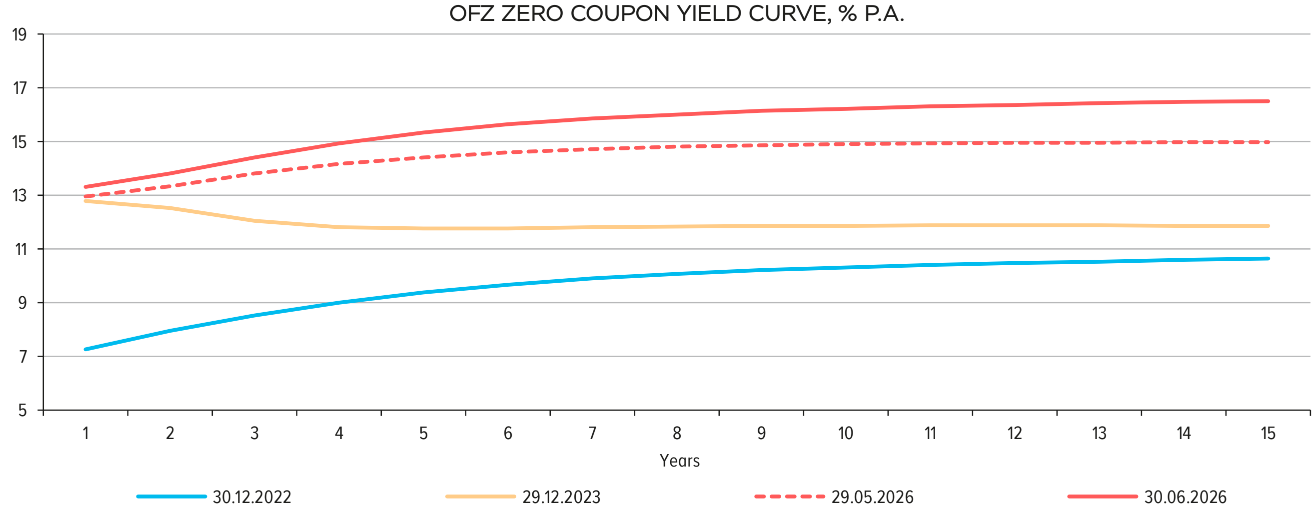
MONEY MARKET CURVES, % P.A.



Sources: Bank of Russia, National Finance Association.

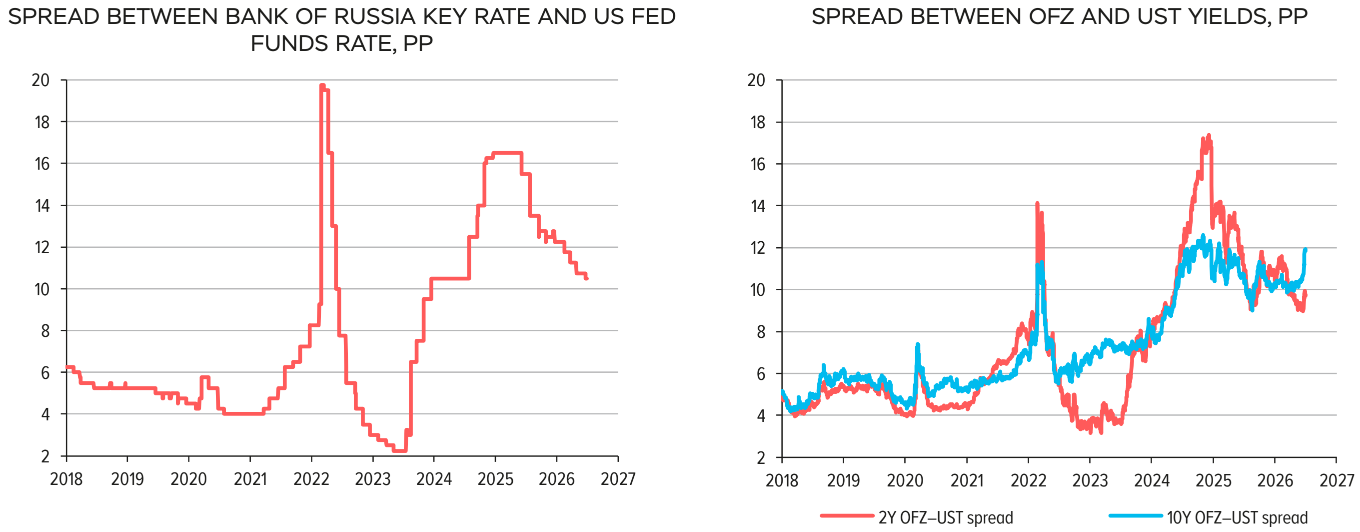
OFZ YIELD CURVE ALSO SOARED **Chart 9**

OFZ ZERO COUPON YIELD CURVE, % P.A.



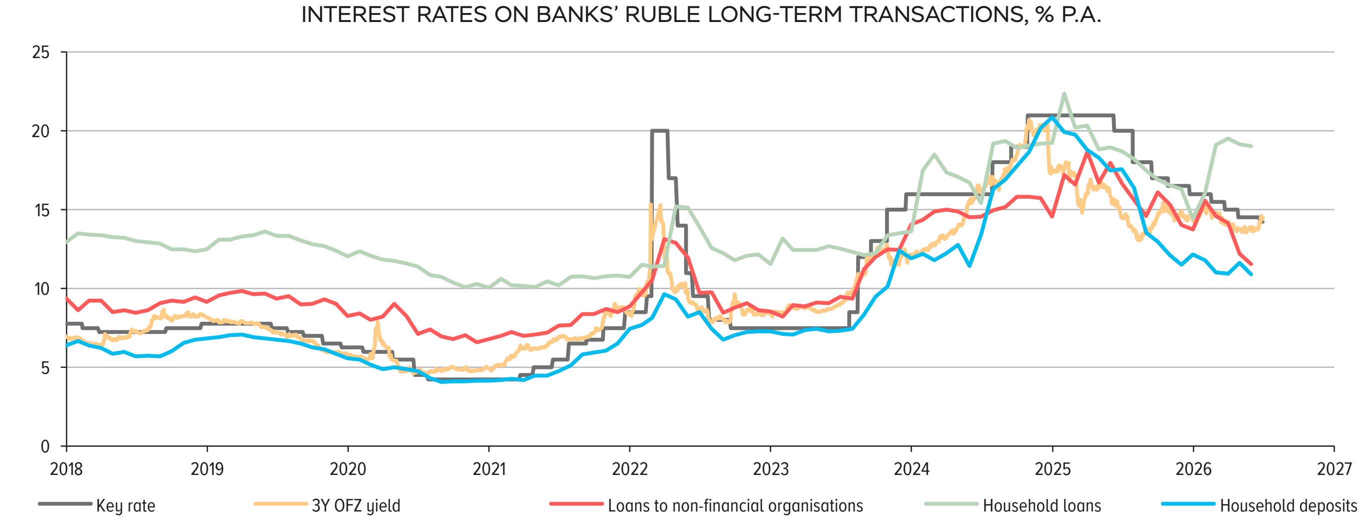
Sources: Moscow Exchange, National Finance Association.

SPREAD BETWEEN OFZ AND UST YIELDS WIDENED **Chart 10**



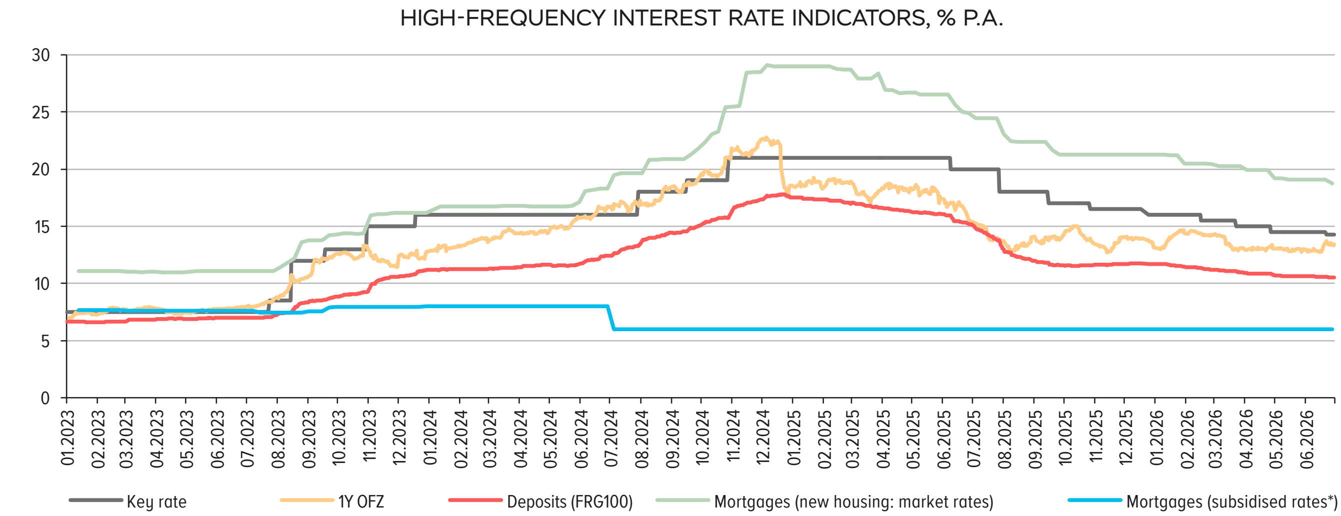
Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

PRICE LENDING CONDITIONS CONTINUED TO EASE IN MAY **Chart 11**



Source: Bank of Russia.

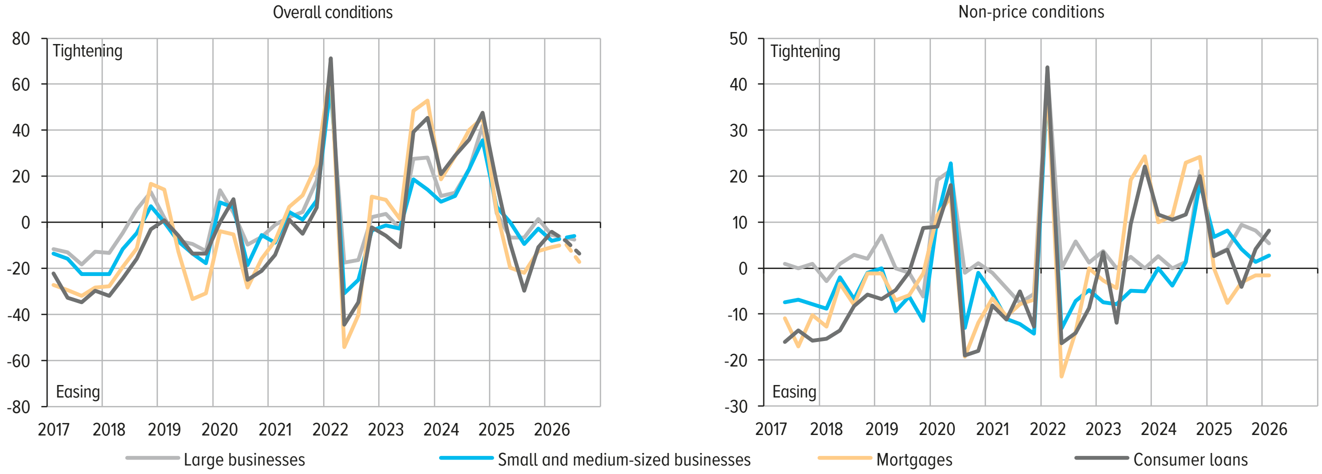
RATES ON DEPOSITS AND MARKET-BASED MORTGAGES CONTINUED TO DECLINE IN JUNE **Chart 12**



* 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.

OVERALL LENDING CONDITIONS EASED IN 2026 Q1, WHILE TIGHTER REQUIREMENTS FOR BORROWERS IN CERTAIN CREDIT MARKET SEGMENTS CONSTRAINED EASING OF NON-PRICE CONDITIONS **Chart 13**

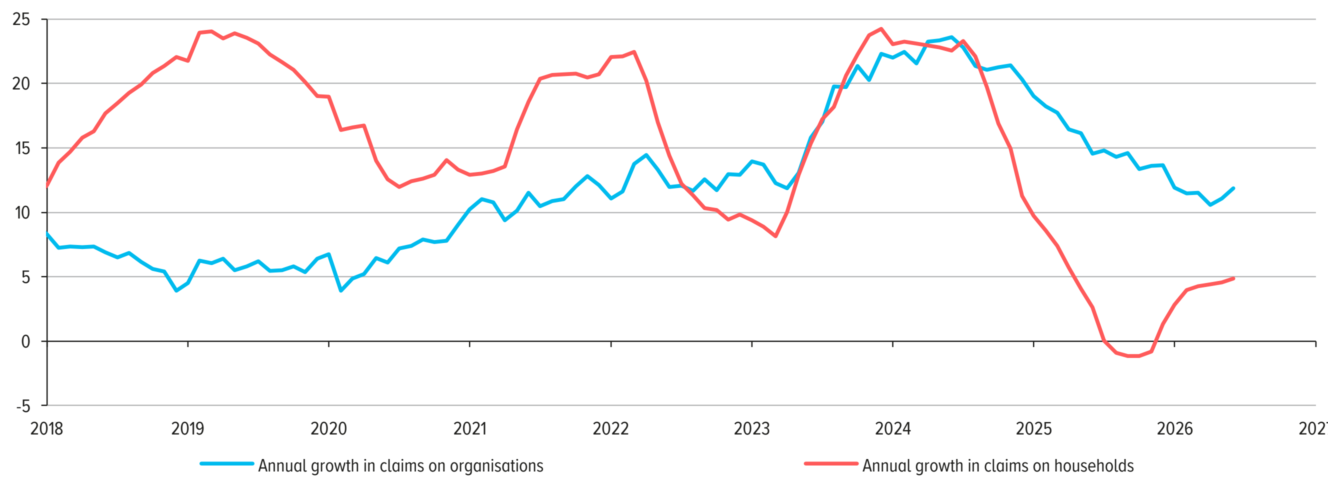
INDICES OF LENDING CONDITIONS,* PP



* The dotted lines signify respondent banks' expectations regarding changes in lending conditions and demand for loans in 2026 Q2–Q3.
Source: Bank of Russia.

INCREASED ACTIVITY IN RETAIL LENDING SEGMENT SUPPORTED FASTER GROWTH IN CLAIMS ON ECONOMY IN MAY **Chart 14**

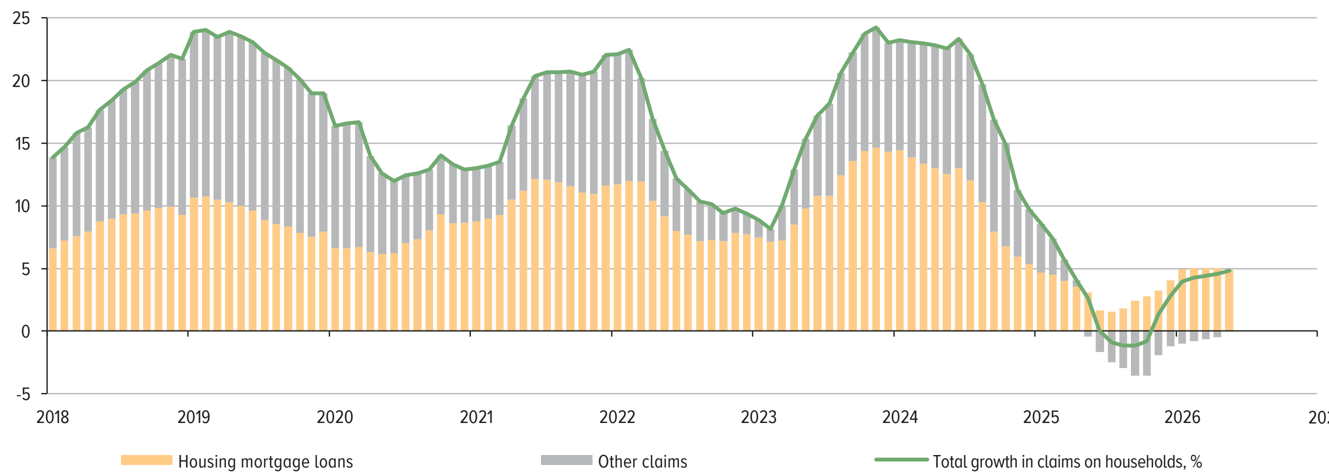
BANKING SYSTEM'S CLAIMS, %



Source: Bank of Russia calculations.

RESTRAINING INFLUENCE OF NON-MORTGAGE SEGMENT ON ANNUAL GROWTH OF CLAIMS ON HOUSEHOLDS DECREASED IN MAY **Chart 15**

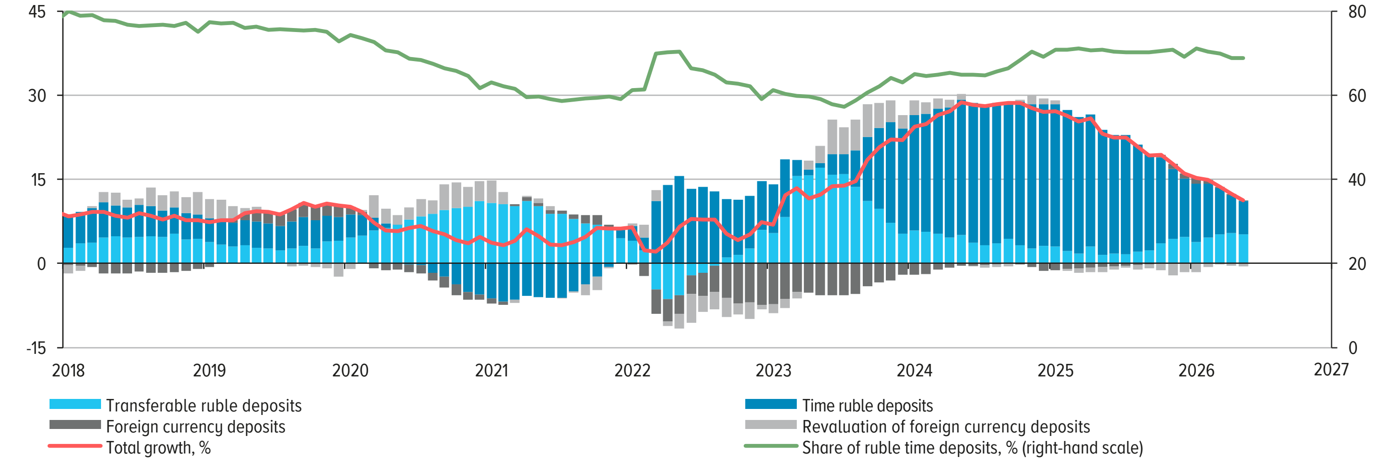
CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL GROWTH IN BANKING SYSTEM'S CLAIMS ON HOUSEHOLDS, PP



Source: Bank of Russia calculations.

ANNUAL GROWTH IN HOUSEHOLDS' RUBLE DEPOSITS CONTINUED TO DECLINE IN MAY **Chart 16**

CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL GROWTH IN HOUSEHOLD DEPOSITS, PP



Source: Bank of Russia calculations.

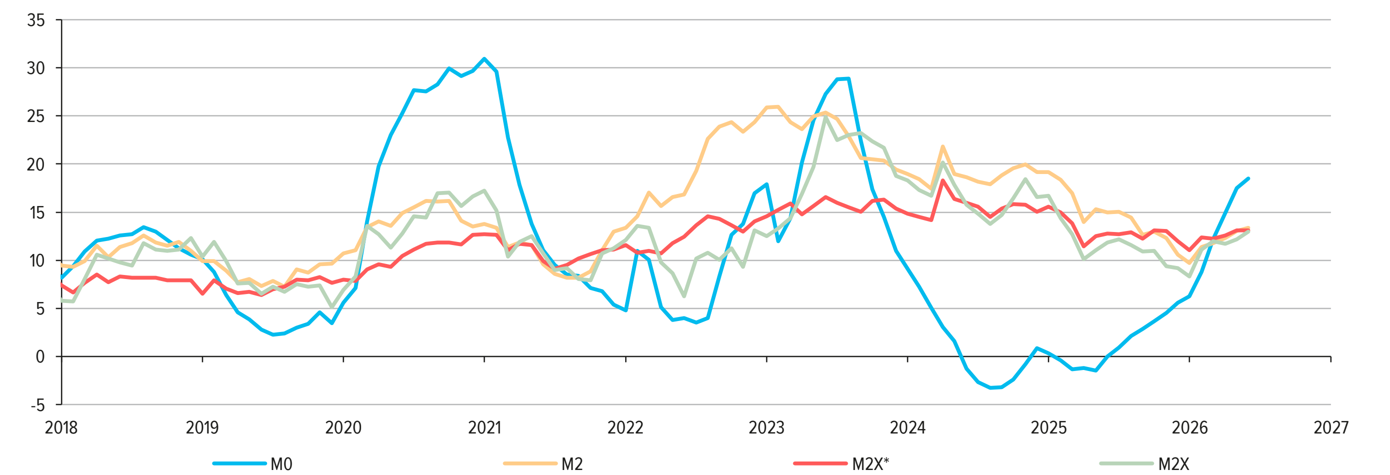
CREDIT AND DEPOSIT MARKET INDICATORS **Table 6**

		February 2026	March 2026	April 2026	May 2026
Interest rates on banks' long-term transactions in rubles					
household deposits	% p.a.	11.0	11.0	11.6	10.9
household loans	% p.a.	19.1	19.5	19.2	19.0
corporate loans	% p.a.	14.6	14.2	12.2	11.5
household deposits	**% YoY, AFCR**	**14.9**	**13.6**	**12.4**	**11.2**
in rubles	% YOY	15.1	14.2	12.9	11.7
in foreign currency	% YOY	12.8	3.4	3.1	2.0
share of foreign currency	%	4.8	4.6	4.3	4.1
Claims of banking system on economy	**% YoY, AFCR**	**9.6**	**8.9**	**9.3**	**10.0**
on organisations	% YoY, AFCR	11.5	10.6	11.1	11.8
on households	% YoY, AFCR	4.3	4.4	4.6	4.8
Money supply (M2)	**% YOY**	**11.4**	**11.8**	**12.3**	**13.0**
Broad money (M2X)	**% YoY, AFCR**	**12.4**	**12.2**	**12.5**	**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 IN BROAD MONEY REMAINED UNCHANGED IN JUNE **Chart 17**

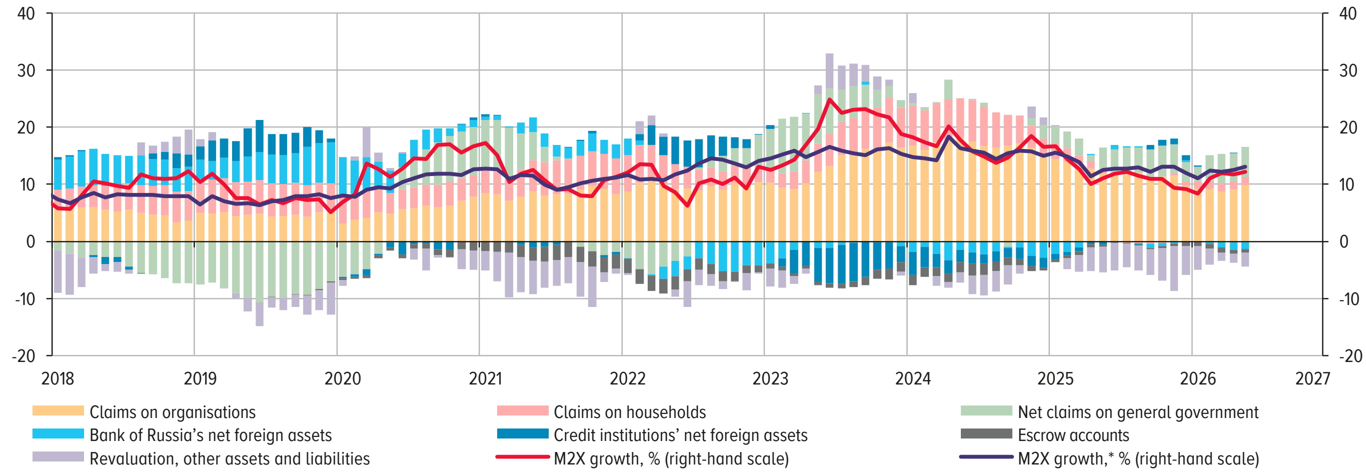
ANNUAL GROWTH OF MAIN MONETARY AGGREGATES, %



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

CLAIMS ON ECONOMY AND FISCAL OPERATIONS HELPED ACCELERATE ANNUAL GROWTH OF MONETARY AGGREGATES IN MAY **Chart 18**

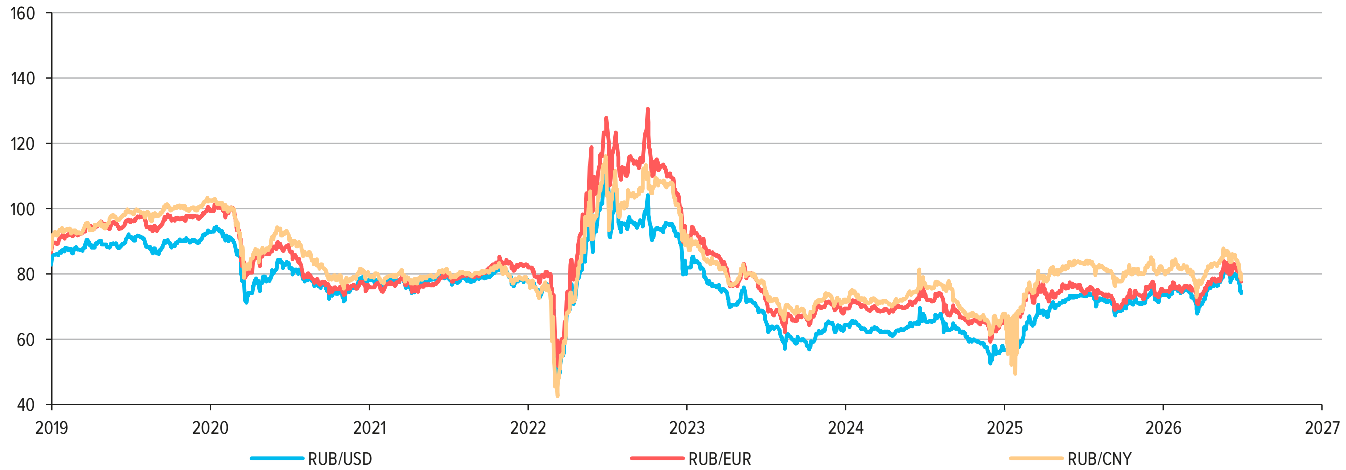
CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL M2X GROWTH, PP*



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

RUBLE WEAKENED AGAINST OTHER CURRENCIES IN JUNE
(02.01.2019 = 100) **Chart 19**

RUBLE EXCHANGE RATE AGAINST FOREIGN CURRENCIES



Sources: Cbonds, Bank of Russia calculations.

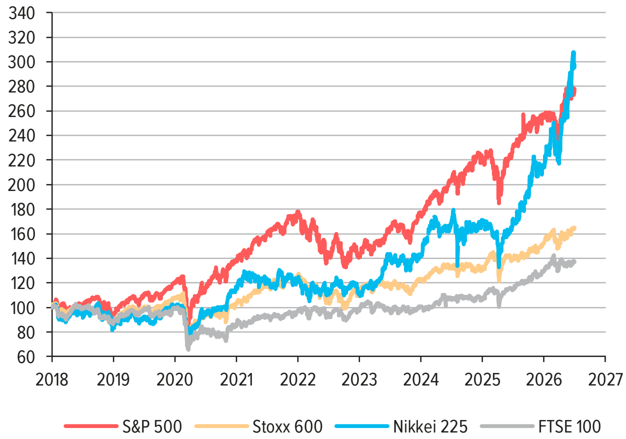
RUSSIAN FINANCIAL MARKET DYNAMICS WERE MAINLY NEGATIVE IN JUNE **Table 7**

Indicator		30 June 2026	1M	3M	6M	YTD	1Y
Russian financial market ('+' – positive trends, '-' – negative trends)							
RUB/USD exchange rate		77.75	-8.9	4.2	-0.4	0.6	0.6
MOEX Russia Index		2.348	-8.5	-16.2	-15.1	-15.1	-16.3
RTS Index		945	-17.0	-12.9	-15.2	-15.2	-16.1
Government bond yields		15.59	103	118	114	114	76
Corporate bond yields		15.39	14	-21	-30	-30	-358
Regional bond yields		15.30	69	42	35	35	-164
RVI		43	20	21	9	9	10
Exchange rates (per US dollar, % change, '+' – appreciation, '-' – depreciation) *							
AEs**	US Dollar Index	101.16	2.3	0.6	3.0	2.9	3.9
	Euro	1.14	-2.1	-0.3	-2.7	-2.8	-2.5
	Japanese yen	162.60	2.1	1.8	3.9	3.8	12.4
	Pound sterling	1.33	-1.5	0.6	-1.5	-1.6	-3.3
EMEs	Ruble	78.69	-10.8	3.2	1.0	0.5	-0.3
	Brazilian real	5.17	-2.5	1.7	5.6	6.0	5.8
	Mexican peso	17.49	-0.8	3.6	2.8	2.9	7.1
	Chinese yuan	6.79	-0.4	1.8	3.0	3.1	5.3
	Turkish lira	46.66	-1.7	-4.9	-8.6	-8.6	-16.8
	South African rand	16.39	-1.0	4.7	1.3	1.1	8.1
10Y bond yields (% p. a., change in bp, '+' – increase, '-' – decrease)							
AEs	USA	4.44	-1	9	30	26	15
	Germany	2.86	-8	-18	0	0	27
	Japan	2.67	1	31	61	61	124
	UK	4.76	-6	-18	26	28	25
EMEs	Russia	16.38	148	195	194	194	153
	Brazil	14.43	23	11	57	57	61
	Mexico	8.99	-17	-28	-10	4	-15
	China	1.73	1	-9	-14	-13	8
	Turkey	30.80	-492	-359	371	364	79
	South African	8.45	6	-74	22	23	-152
5Y CDS spreads (bp, change in bp, '+' – increase, '-' – decrease)							
AEs	USA	38	0	0	11	12	-1
	Germany	7	-1	-3	0	0	-2
	Japan	27	0	-2	2	2	7
	UK	18	-1	-4	0	0	1
EMEs	Brazil	120	6	-20	-12	-12	-26
	Mexico	82	0	-26	-5	-4	-24
	China	37	-3	-17	-6	-6	-14
	Turkey	214	-17	-87	14	17	-79
	South African	125	-5	-78	-10	-10	-64
Stock indices (p, % change, '+' – increase, '-' – decrease)							
AEs	S&P 500	7.499	-1.06	18.2	8.7	9.6	21.5
	Stoxx 600	642	2.51	10.5	8.3	8.3	18.0
	Nikkei 225	70.062	5.63	35.0	39.2	39.2	74.5
	FTSE 100	10.497	0.84	3.6	5.6	5.7	19.3
EMEs	MSCI EM	1.723	-1.67	22.0	22.8	22.7	40.2
	Bovespa	172.024	-1.01	-5.7	6.8	6.8	25.7
	IPC Mexico	66.967	-2.36	-0.2	4.1	4.2	16.7
	SSE Composite	4.094	0.63	4.4	3.3	3.2	19.6
	BIST 100	14.122	3.36	11.8	25.9	25.4	50.2
	FTSE/JSE	110.314	-3.77	-1.9	-5.3	-4.8	15.1

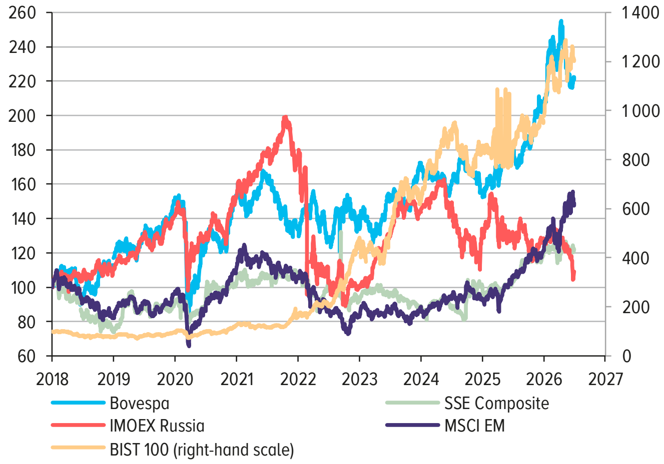
* Exchange rates in the forex market.
** Advanced economies.
Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

STOCK INDICES IN MOST EMEs SHOWED NO SIGNIFICANT DYNAMICS IN JUNE
(01.01.2018 = 100) **Chart 20**

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:

- Money market and key rate – 30 June 2026;
- Bond market – 30 June 2026;
- Loan and deposit rates – 31 May 2026, high-frequency data – 30 June 2026;
- Credit and deposit aggregates – 1 June 2026, high-frequency data – 1 June 2026;
- Monetary aggregates – 1 June 2026, high-frequency data – 1 July 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.

Bldg V, 12 Neglinnaya Street, Moscow, 107016 Bank of Russia website: www.cbr.ru