MONETARY CONDITIONS AND MONETARY TRANSMISSION

INFORMATION AND ANALYTICAL COMMENTARY

Average RUONIA value — July

14.31%

▲ +30 bp vs June average

Government bond yields (RGBI) — July

15.75%

▲ +102 bp vs June average

Corporate bond yields (IFX-Cbonds) — July

15.89%

▲ +72 bp vs June average

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

12.9%

▲ +1.3 pp vs May

Interest rate on short-term household deposits — June

13.2%

▲ +0.2 pp vs May

Money supply (M2X) — July (preliminary)

12.7% YoY AFCR

▼ 12.9% YoY AFCR in June

Sources: Bank of Russia, Moscow Exchange.

- **Monetary conditions** changed diversely in July but remained tight overall.
- **RUONIA** averaged close to the key rate in July.
- **Average monthly OFZ yields** rose in July but dropped in the long-term segment of the curve by the end of the month after the Ministry of Finance of the Russian Federation suspended auctions. The curve flattened noticeably.
- Movements in corporate and retail **loan rates** in June were largely driven by fluctuations in subsidised loans.
- **Deposit rates** stopped declining in June since banks adjusted their expectations regarding future monetary policy decisions, factoring in higher OFZ yields.
- In June, annual growth in **broad money** (M2X) edged down against May, predominantly on account of a slower rise in claims on the economy, and continued slowing down in July, according to estimates.

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, 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 OFZ 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).

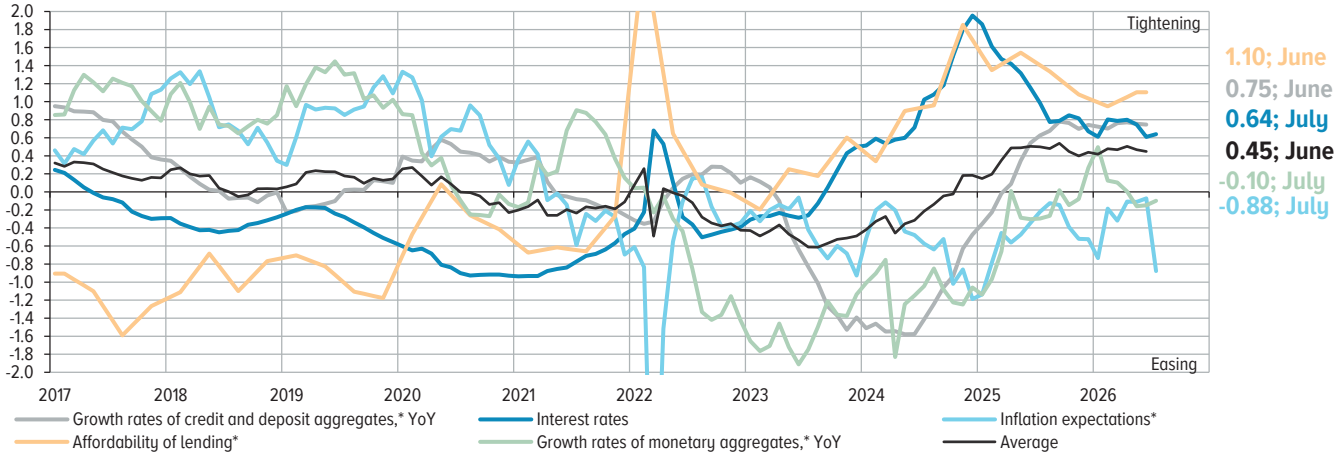
Through any of these channels, higher market rates constrain demand and inflation, while lower ones stimulate them. In addition to monetary policy and demand, inflation and financial market trends are influenced by many other factors that are taken into account by the Bank of Russia when deciding on 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 the 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 the monetary conditions. The chart shows the level of the indicator (z-score) relative to the distribution of values from January 2017 to June 2026 (left-hand chart) and to July 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 24 July 2026, the Bank of Russia Board of Directors decided to reduce the key rate by 25 bp to 14.00% per annum. In 2026 Q2, current price growth slowed to 5.0% (seasonally adjusted annualised rate, SAAR) on average from 8.7% SAAR in 2026 Q1, with core inflation decelerating to 4.2% SAAR from 6.2% SAAR. Price growth accelerated in June–July, mainly driven by volatile components, including fuel and fruit and vegetables. Inflation expectations of households, businesses, and financial market participants went up.

  Following its core meeting, the Bank of Russia Board of Directors updated the medium-term forecast. The 2026 annual inflation forecast was raised to 6.0–7.0% owing to an actual surge in fuel prices. In 2027 and further on, inflation is expected to stay close to the target. The average key rate range projection was increased to 14.5–14.6% per annum for 2026 and 10.5–12.5% per annum for 2027. The Board of Directors' next key rate meeting is scheduled for 11 September 2026.

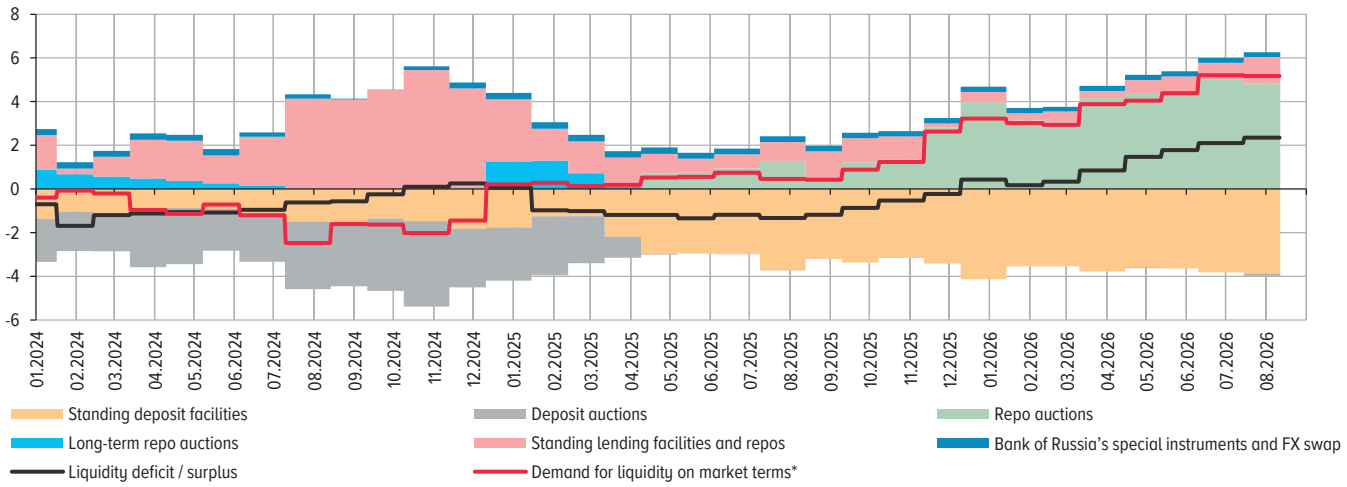
- **Banking sector liquidity and overnight rates (RUONIA).** RUONIA averaged 14.31% over July (vs 14.01% in June). The spread between RUONIA and the key rate narrowed to +10 bp (vs -41 bp in June). The spread volatility came in at 28 bp (25 bp in June).

  RUONIA averaged close to the key rate in July. In the middle of the month,[1] competition for funds intensified, pushing up the cost of one-day loans in the money market significantly above the key rate. Usually, a situation like this is triggered by a liquidity strain in the banking sector. However, it had sufficient liquidity that time. Growth in rates was associated with a strategy used by certain large banks to manage funds in their correspondent accounts with the Bank of Russia. Despite favourable market conditions, some potential lenders tended to hold excess liquidity in their correspondent accounts with the Bank of Russia rather than invest it in the money market. Consequently, borrowing banks had to raise necessary capital from the remaining lenders at higher interest rates. To make up for increasing demand for liquidity and narrow the spread, the Bank of Russia held three fine-tuning repo auctions. As a result, banks closed the June averaging period with considerable excess funds in correspondent accounts they had to deposit in standing deposit facilities.

[1] Between the end of the June averaging period (10 June – 14 July 2026) and the beginning of the July averaging period (15 July – 11 August 2026).

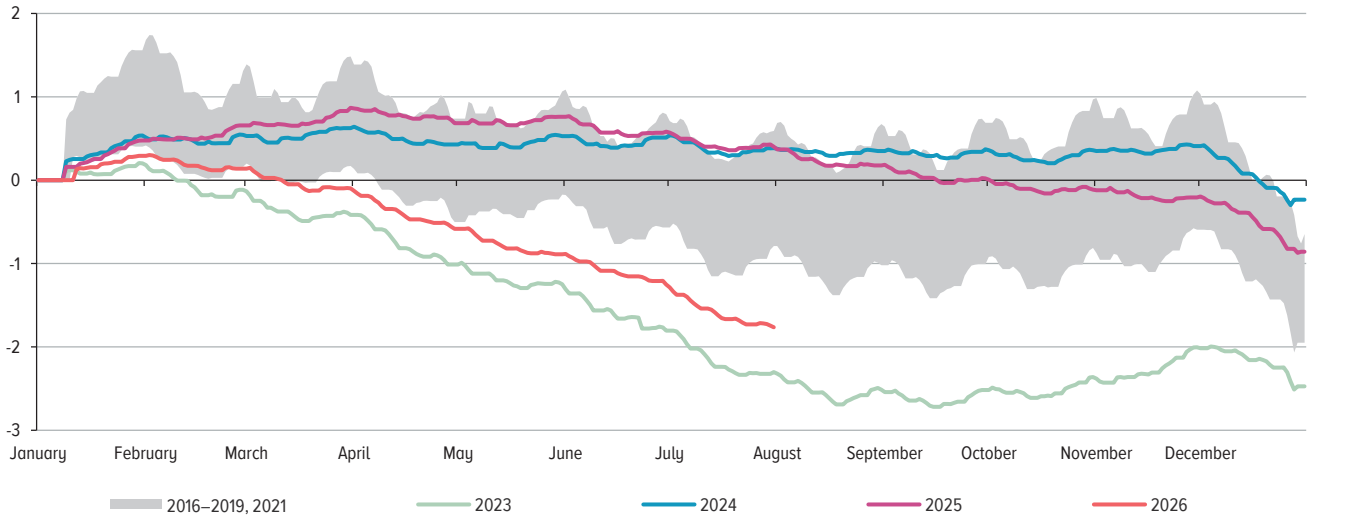
The Bank of Russia will continue to make decisions on holding fine-tuning auctions based on both the banking sector's liquidity needs and current market rates. As the key rate falls, it becomes increasingly important to converge market rates with it in order to maintain a clear monetary policy signal. As banks adapt to the new approach, the rates' volatility will ease.

BANK OF RUSSIA OPERATIONS AND BANKING SECTOR LIQUIDITY BALANCE (AVERAGE VALUE FOR 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 is analytical and reflects an assessment of market participants' demand for Bank of Russia liquidity. The assessment may be updated if the methods for calculating the indicator and its components are adjusted.
Data for the period until 9 August 2026.
Source: Bank of Russia calculations.

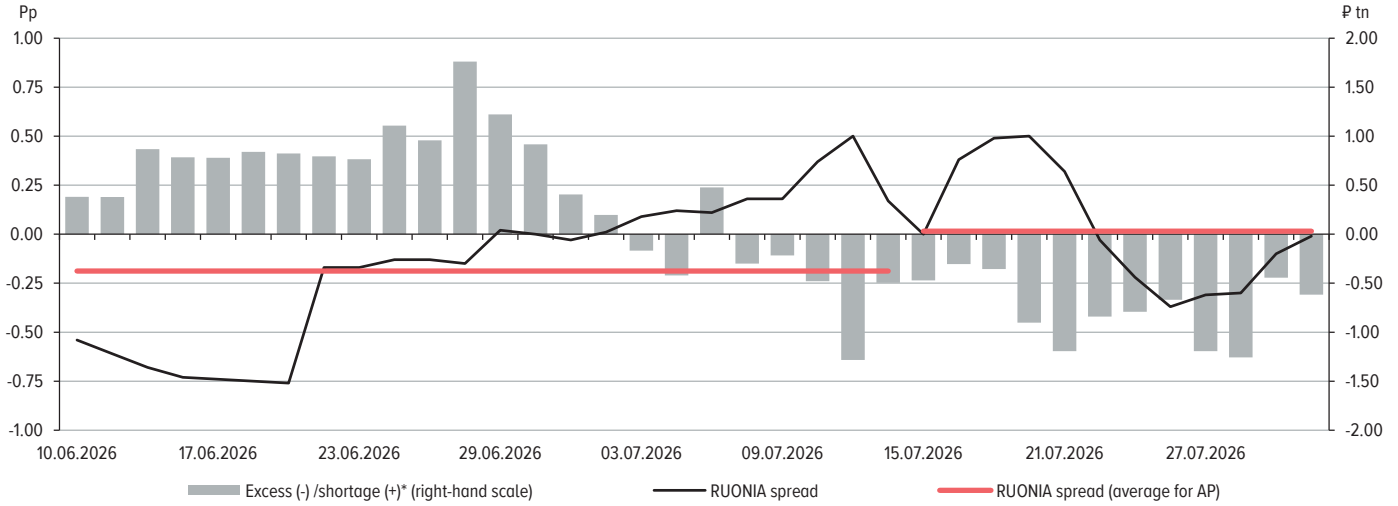
CHANGE IN CASH IN CIRCULATION (CUMULATIVE, YEAR-TO-DATE)
(% VS M2 AS OF YEAR-START) **Chart 4**



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

In July, banks' need for liquidity on market terms averaged ₽5.1 trillion (vs ₽5.1 trillion in June). On the one hand, the structural liquidity deficit was ₽0.3 trillion up. Demand for cash in circulation rose higher than in the corresponding periods of previous years. Over July 2026, cash in circulation increased by ₽0.7 trillion (vs ₽0.5 trillion in June). On the other hand, greater bank demand for liquidity on market terms constrained growth in demand for Bank of Russia loans extended as part of the primary mechanism of liquidity provision (including for ensuring compliance with the national liquidity coverage ratio).

REQUIRED RESERVE AVERAGING PATH OVER JUNE AND JULY AVERAGING PERIODS **Chart 5**



* Excess (-) / shortage (+) is a deviation of actual balances in correspondent accounts from the balance the banks should maintain in their correspondent accounts until the end of the averaging period to comply with the required reserve ratio.
Source: Bank of Russia calculations.

Banks' need for raising liquidity at Bank of Russia auctions is projected to average ₽6.0–7.2 trillion over the December 2026 averaging period. The structural liquidity deficit in this period is estimated at ₽2.4–3.6 trillion.[2] The projection will be updated in the next issue of this material.

- **Money market.** In July, the ROISfix interest rate swap curve almost flattened out. As of the month-end, interest rates on 1W–1Y instruments were 19–34 bp down (1W – to 14.01%, 6M – to 14.00%, 1Y – to 14.10%), reflecting the actual key rate cut, whereas the interest rate on 2Y instruments was 25 bp up to 14.11%. Intra-month movements in money market rates were diverse, with the major part of changes taking place at the end of the month. Consequently, monthly averages were up for all maturities, namely from 13–18 bp in the short-term segment to 57 bp and 131 bp in the 1Y and 2Y segments, respectively (Table 1). The flat curve (around 14.0–14.1% for all maturities) is in line with market expectations regarding limited changes in short-term interest rates over the reviewed horizon. The swap curve reflects both key rate expectations and term and risk premiums.

ROISFIX CURVE **Table 1**

Maturity	1W	2W	1M	2M	3M	6M	1Y	2Y
31 July 2026	14.01	14.02	14.03	14.02	13.99	14.00	14.10	14.11
30 June 2026	14.22	14.22	14.22	14.23	14.27	14.34	14.41	13.86
Change, bp	-21	-20	-19	-21	-28	-34	-31	+25
Average for 2025	18.98	18.96	18.88	18.76	18.63	18.39	17.71	16.08
Change, bp	-497	-494	-485	-474	-464	-439	-361	-197

BOND MARKET

- **OFZ yield curve.** OFZ yields moved diversely in July. They continued to rise in the first half of the month. By 20 July, 2Y and 10Y yields hit local highs of 14.95% and 16.82%, respectively. After the Ministry of Finance of the Russian Federation announced the suspension of auctions on 20 July and the Bank of Russia Board of Directors held the key rate meeting on 24 July, the market stabilised, with long-term yields falling noticeably. As of the end of the month, the

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

10Y yield came in at 15.69% (-69 bp MoM) and the 7Y yield stood at 15.57% (-41 bp), while short-term (2Y) and medium-term (3Y) yields were up to 14.58% (+71 bp) and 15.06% (+59 bp), respectively. The spread between 10Y and 2Y yields narrowed to 111 bp from 251 bp at the end of June, making the curve much flatter (Table 2). Average monthly yields were up along the entire curve by 84–114 bp, as a significant portion of the June increase was recorded at the end of the month.

Lower long-term yields resulted from a reduction in the expected OFZ offering, among other things, after the Ministry of Finance suspended auctions. Higher short- and medium-term yields were the response to the revision of market participants' expectations for the key rate path following the June key rate meeting.

- **Breakeven inflation**. In July, real yields on inflation-indexed federal government bonds (OFZ-IN) moved diversely, with the real stock market return decreasing to 8.57% by the end of the month (vs 9.52% as of the end of June) for the issue maturing in 2028 and barely changing for the issue maturing in 2032, i.e. 7.65% (vs 7.64%). As a result, estimated breakeven inflation for the issue maturing in 2028 increased approximately from 4.5% to 5.4%, which might be the effect of summer one-off factors and ruble depreciation on a short-term inflation premium. This indicator for the issue maturing in 2032 decreased from around 7.7% to 7.5%, following a drop in long-term nominal yields. Breakeven inflation includes both inflation expectations and inflation risk and liquidity premiums.

OFZ ZERO COUPON YIELD CURVE **Table 2**

Maturity	1Y	2Y	3Y	5Y	7Y	10Y	15Y	20Y
31 July 2026	13.63	14.58	15.06	15.42	15.57	15.69	15.84	15.95
30 June 2026	13.41	13.87	14.47	15.42	15.98	16.38	16.65	16.78
Change, bp	+22	+71	+59	0	-41	-69	-81	-83
Average for July 2026	13.93	14.58	15.11	15.75	16.07	16.29	16.42	16.49
Average for June 2026	13.09	13.46	13.97	14.73	15.13	15.39	15.55	15.64
Change, bp	+84	+112	+114	+102	+94	+90	+87	+85
Average for 2025	15.91	15.48	15.33	15.18	15.07	14.92	14.74	14.64
Change, bp	-228	-90	-27	+24	+50	+77	+110	+131

- **Secondary OFZ market.** In July, the secondary OFZ market turnover stayed close to the June record-high level, amounting to around ₽64.3 billion (vs ₽67.7 billion in June). The elevated activity in the market was prompted by the ongoing revaluation of portfolios in the first half of the month. Trading activity rose even higher after the announcement of the auction suspension and the Bank of Russia Board of Directors' meeting.

  In July, the main net buyers in the secondary market were banks that were not systemically important credit institutions (SICIs) (+₽103.6 billion vs +₽60.5 billion in June). Individuals' net purchases declined to +₽3.3 billion (+₽27.2 billion in June). The largest net sellers were collective investors (-₽61.4 billion), CISIs (-₽57.1 billion vs -₽105.3 billion in June), and legal entities without direct access to trading (-₽55.6 billion); net sales of non-residents and foreign bank subsidiaries dropped to -₽4.5 billion.

- **OFZ offerings.** In July, the Ministry of Finance of the Russian Federation actually suspended borrowings in the market. The only auction was held on 1 July (OFZ-PD 26251), where bonds worth ₽10.4 billion were offered at par value, with demand totalling ₽25.6 billion. The auction on 15 July (OFZ-PK 29 028) was recognised as failed due to the lack of bids at acceptable prices. On 20 July, the Russian Ministry of Finance announced a temporary suspension of auctions

'to ensure stabilisation in the market'. No auctions were held on 22 and 29 July. In July, the Ministry registered two new issues of OFZ-PK (29030 and 29031) totalling ₽1.5 trillion at par value to be offered after auctions are resumed. Gross borrowings under the 2026 domestic borrowing programme amount to around ₽5.5 trillion. The new auction schedule will depend on the market situation. The decrease in the primary OFZ offering was a key driver of the downturn in long-term yields in the second half of the month.

- **Secondary corporate bond market.** Average monthly yields on bonds included in the IFX-Cbonds index went up to 15.89% in July from 15.17% in June, reflecting the revaluation of interest rates in June. The intra-month yield passed its peak in mid-July (16.25% as of 20 July) and declined to 15.44% by the end of the month as the OFZ market stabilised. The spread between the index and yields on government securities contracted, with the G-spread averaging 170 bp in July vs 205 bp in June.

  The secondary corporate bond market turnover lost around a third against the June record-high level. The secondary on-exchange trades amounted to ₽834 billion, with the daily turnover averaging about ₽36 billion (vs ₽1,294 billion and ₽61.3 billion, respectively, in June). In the secondary corporate bond market, the main net buyers were non-bank financial institutions (+₽77.3 billion), individuals (+₽31.1 billion), trust managers (+₽21.0 billion vs a record-high of +₽140.4 billion in June), and other banks (+₽20.1 billion). As before, the largest net buyers were SICIs (-₽115.2 billion). Sizeable net sales were made by non-financial companies (-₽41.2 billion).

- **Primary corporate bond market.** Activity in the primary corporate bond market plummeted in July amid elevated volatility and the revaluation of interest rates, with issuers and investors adopting a wait-and-see approach. According to Cbonds, new corporate bond issues, including structured products and securitisation, totalled ₽654 billion (vs ₽1,160 billion in June), including market offerings worth ₽521 billion (vs ₽919 billion in June). As of the end of July, the corporate bond market totalled ₽39.5 trillion (vs ₽39.1 trillion as of the end of June). The major part of bonds was bought by banks, including SICIs (₽312 billion in July vs ₽445 billion in June). Non-bank investments decreased to ₽155 billion (vs ₽447 billion in June), including ₽78 billion invested as part of trust management (vs ₽205 billion in June). Bonds worth ₽57 billion were bought by individuals (vs ₽111 billion in June), with the non-residents' contribution approaching zero (₽0.6 billion vs ₽4.1 billion in June).

- **Quasi-foreign currency corporate bonds.** Quasi-foreign currency bond offerings totalled around ₽49 billion in July in ruble terms (vs ₽103 billion in June). In contrast to June when only yuan-denominated securities were traded, July saw offerings of US dollar-denominated bonds as well.

LOAN AND DEPOSIT RATES

- **Corporate loan rates.** Interest rates on loans to non-financial organisations moved diversely in June. The weighted average rate on short-term[3] loans was 17.1% per annum by the end of the month, while that on long-term loans rose by 1.3 pp to 12.9% per annum. Unsubsidised loan rates declined in response to the enacted decisions to ease monetary policy. Thus, the increase in average corporate loan rates in June was driven by a drop in the share of subsidised loans and those granted on softer terms[4] in total disbursements.

[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.** Retail loan rates were down in June, largely driven by fluctuations in the composition of new loans. The weighted average interest rate on long-term loans dropped by 1.5 pp to 17.5% per annum, as a result of growth in new subsidised mortgage loans (see details in the subsection 'Banking system's claims on households). Consequently, the average interest rate on mortgage loans came in at 9.0% in June, immediately losing 1.2 pp MoM. Notably, there was no decrease in the average interest rate on new unsubsidised mortgage loans, according to estimates. Interest rates on car loans and long-term unsecured consumer loans barely changed in June, as shown by estimates. Based on high-frequency data, changes in unsubsidised mortgage loan rates were negligible in July.

- **Deposit rates.** In June, deposit rates stopped declining. The interest rate on short-term deposits rose by 0.2 pp to 13.2% per annum while that on long-term facilities stayed close to last month's level of 10.9% per annum. The key reasons were an adjustment of bank expectations for the medium-term key rate path after the June meeting and a subsequent rise in OFZ yields. In July, deposit rates fluctuated close to the May-June level, based on high-frequency data.

CREDIT AND DEPOSIT AGGREGATES

- **Bank lending conditions (BLC).** In 2026 Q2, BLC hardly changed for large corporate borrowers and eased for SMEs and retail customers, as evidenced by the results of the quarterly bank survey.[5] As before, the main reason was cheaper lending amid an accumulated reduction in the key rate and ongoing competition for reliable borrowers. Respondent banks also noted that interest rates were still high and constrained lending, especially in the retail segment.

  As assessed by banks, in 2026 Q2, demand for corporate loans barely changed and that for retail facilities rose. The latter was driven by lower interest rates and seasonal factors, according to banks.

  They expect a further BLC easing, and hence stronger demand for new loans in 2026 Q3–Q4. Banks anticipate a decrease in mortgage lending activity as a result of the scheduled adjustment of the Family Mortgage terms.

- **Banking system's claims on organisations.** In June, growth in claims on organisations slowed sharply, with its monthly rate[6] falling to 0.1% from 1.5% in May. Seasonally adjusted growth also evidences a slowdown in corporate lending, albeit less pronounced. It was largely attributed to ruble loans, mainly those for over one year, and interest payments on earlier issued loans made predominantly at end of the quarter. In June, bank investments in securities were small and comparable with the previous month's values. Claims on organisations in foreign currency were down in June, including as regards loans and microloans. Annual growth in claims on organisations decreased to 11.4% in June from 11.9% in May. Based on high-frequency estimates, in July, corporate lending expanded at a faster rate, which was comparable with the May figure.

- **Banking system's claims on households.** Growth in claims on households continued to speed up in June, reaching 0.9% vs 0.7% in May (adjusted for the securitisation of the mortgage portfolio, it was estimated to be even higher in June). In contrast to May, the growth of claims on

[5] The Bank of Russia's quarterly survey of changes in bank lending conditions of Russia's largest banks.

[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 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.

households in June was less driven by seasonality. The growth rate of outstanding[7] households' housing mortgages[8] reached 1.0% in June (vs 0.3% in May) – the highest value year-to-date. New mortgage loans increased noticeably on the back of subsidised loans (mainly due to the rise in new Family Mortgage loans in anticipation of a possible tightening of their terms from 1 July) that accounted for around two thirds of total new mortgages. The portfolio of non-mortgage loans also continued expanding. Thus, annual growth in claims on organisations was up to 5.7% in June from 4.8% in May. Based on high-frequency data, growth in claims on households decelerated in July against June.

- **Household deposits.** Households' ruble funds with banks went up again in June (+0.6% vs -0.6% in May). Seasonally adjusted increases in ruble retail deposits were positive in May and June, with moderate growth recorded in June. The entire inflow of funds was channelled into current accounts and short-term deposits, whereas funds in long-term deposits dropped in June. Nevertheless, annual growth in households' ruble funds with banks continued slowing and decreased to 10.9% in June from 11.7% in May amid lower rates and sustained growth in appetite for cash. Foreign currency funds with banks lost 3.1% in June against -0.5% in May in part due to higher cash withdrawals during vacations. Based on high-frequency data, households' ruble deposits continued rising in July but at a more moderate rate than in June.

MONETARY AGGREGATES

- **Money supply.** In June, growth in monetary aggregates slowed down. As of the end of the month, the growth rate of money supply in the national definition (M2) decreased to 0.9% from 1.2% in May. Growth in broad money (M2X) decelerated more significantly, i.e. to 0.4% from 1.2% in the previous month, due to declining balances in foreign currency deposits. Seasonally adjusted increases in monetary aggregates also point to their slowdown in June. The annual growth rate of M2 rose to 13.2% in June from 13.0% in May, with that of M2X dropping to 12.9% from 13.1% in the previous month. Based on high-frequency data, annual growth rates of monetary aggregates edged down in July.[9]

- **Sources of money supply.** As a result of slower growth in claims on the economy in June, their contribution to the annual change in M2X declined to 11.1 pp from 11.3 pp in the previous month. The contribution of fiscal transactions to the annual growth of broad money approached the March–May level of 5.1 pp.

- **Components of money supply.** As a result of slower broad money growth, the contribution of foreign currency deposits fell to 0.9 pp in June from 1.2 pp in May. The contribution of ruble deposits to the annual growth in M2X stayed flat at 9.7 pp. As in the previous months, the smaller contribution of household deposits was offset by business deposits. The annual growth of cash in circulation outside the banking system (M0) sped up in June, with its contribution to that of M2X rising to 2.4 pp from 2.2 pp in May.

[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).

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

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

In July, the average monthly exchange rate of the ruble weakened against all foreign currencies, namely by 5.8% against the US dollar, by 4.6% against the euro, and by 5.5% against the yuan. The depreciation was mainly triggered by worse terms of trade, as a lagged effect of the June drop in export values began to materialise in July. In addition, the ruble was under downward pressure from demand shown by certain market participants usually acting as net sellers of foreign currency.

The real effective exchange rate (REER) of the ruble, calculated against the currencies of the major foreign trading partners, strengthened by 0.3% in June compared to the previous month. According to preliminary data, the REER lost 2.9% in July against June but stayed above its multi-year median (+12.1% vs the median of January 2015–June 2026; relative to certain currency pairs – USD/RUB: +3,8%; EUR/RUB: +5.2%; CNY/RUB: +22.8%).

RUBLE EXCHANGE RATE **Table 3**

	USD/RUB (Bank of Russia)	EUR/RUB (Bank of Russia)	CNY/RUB (MOEX)
31 July 2026	79.86	90.88	11.73
30 June 2026	77.75	88.65	11.62
Change, %	2.71	2.52	0.97
Average for July	77.80	88.80	11.49
Average for June	73.54	84.86	10.89
Change, %	5.79	4.64	5.52
Average for 2025	83.62	94.31	11.65
Change, %	-4.50	-3.64	0.70

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

- **Russian stock market**

In July, the MOEX Russia Index lost 5.2% MoM and closed the month at 2,226 p. On 20 July, the index hit a monthly low, plummeting by nearly 19% from the value as of the end of June to 1,897.6 p – the minimum level since October 2022. The index recovered by around 17% of the intra-month minimum after the Russian Ministry of Finance announced the suspension of auctions and the Bank of Russia Board of Directors held the July meeting.

Sectoral dynamics were diverse in July. The stocks of metal makers and miners (-6.3% MoM), financial companies (-6.1% MoM), and transport operators (-3.9% MoM) underperformed the market, with those of the oil and gas sector decreasing moderately (-0.6% MoM). Among the stocks that overperformed the market were those of chemical and petrochemical companies (+7.9% MoM), ICT firms (+2.0% MoM), and the consumer sector (+1.1% MoM).

- **Foreign markets**

The GDP-weighted average policy rate in advanced economies was almost flat MoM in July (2.89% vs 2.88% in June). Amid accelerating inflation, advanced economies adopted a wait-and-see approach. Only a few of them decided to change policy rates: New Zealand (+25 bp to 2.5%), Israel (-25 bp to 3.5%), and South Korea (+25 bp to 2.75%). Policy rates in emerging market economies (EMEs) changed diversely: Colombia (+75 bp to 12.0%), Costa Rica (-25 bp to 3.0%), Hungary (-25 bp to 5.75%), and Kazakhstan (-25 bp to 16.75%).

Average monthly yields on US Treasuries (USTs) were up for all maturities, driven by the revision of market expectations for the US Fed funds rate path amid persistent inflation risks and sustained economic activity. Faster growth in long-term yields resulted from higher term premiums fuelled by elevated uncertainty surrounding long-term inflation, real interest rates, and US fiscal policy. Consequently, the curve slope increased. According to CME FedWatch data, as of the end of July, most financial market participants continued to price in a 25 bp rise in the US Fed funds rate in September 2026.

European bonds showed similar dynamics. 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 4**

Maturity	2Y	5Y	10Y
31 July 2026	4.28	4.45	4.75
30 June 2026	4.14	4.19	4.44
Change, bp	+14	+26	+31
Average for July	4.22	4.33	4.60
Average for June	4.11	4.21	4.47
Change, bp	+11	+12	+13
Average for 2025	3.81	3.92	4.29
Change, bp	+47	+53	+46

Sources: Cbonds, Bank of Russia calculations.

The US Dollar Index (DXY) weakened by the end of July (-1.2% to 99 p), despite higher UST yields. The key DXY driver was the revision of market expectations regarding the interest rate gap over the short-term horizon, with market participants decreasing the probability of a policy rate rise in September. Another factor was pressure from a stronger yen, backed by the foreign exchange intervention, given its considerable weight in the index composition. EME currencies moved diversely against the US dollar in July (BRL/USD: +1.8%; CNY/USD: +0.6%; TRY/USD: -1.9%; MXN/USD: +1.0%).

As of the end of July, global stock markets were mostly up (S&P 500: -0.1%; Stoxx 600: +1.2%; Nikkei 225: -8.1%; SSE Composite: -6.4%; Nifty 50: +2.2%; MSCI ACWI: 0%). The Japanese stock index moved most markedly, largely driven by its adjustment amid earlier faster growth in the shares of ICT and semiconductor firms. The revaluation of expected return on large-scale investment in artificial intelligence caused a sell-off in chip-maker shares. The Nikkei was vastly affected because of its weight-based pricing and a high portion of individual tech companies in its composition.

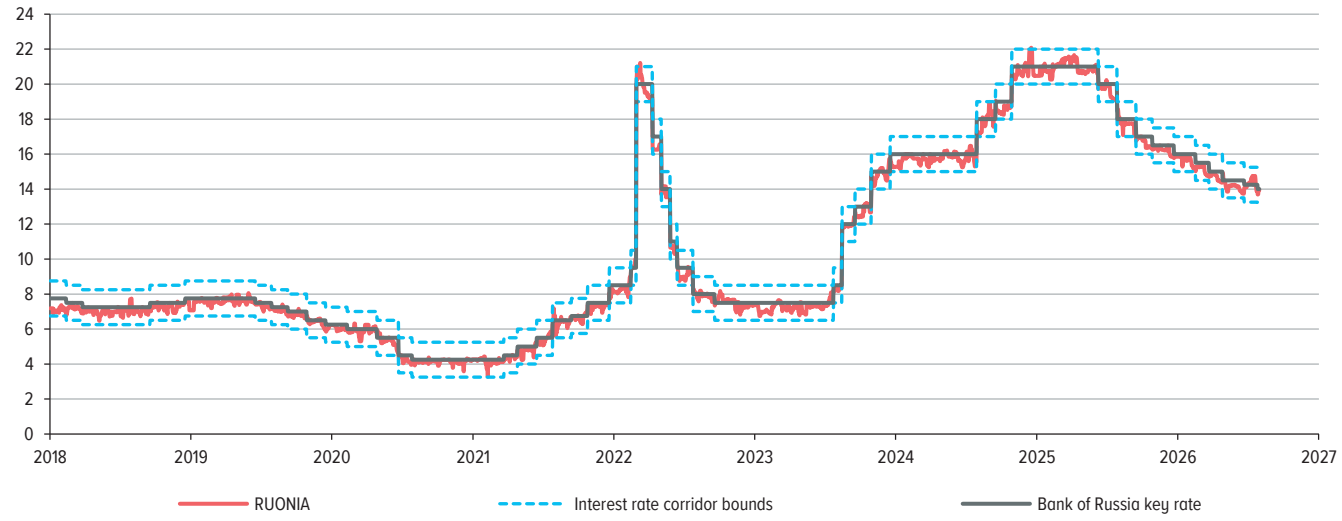
TABLES AND CHARTS

PROJECTED BANK DEMAND FOR LIQUIDITY
(₽ TN) **Table 5**

	2025	January – July 2026	July 2026	2026 (forecast)
Structural liquidity deficit (+) / surplus (-) (as of beginning of period)	**0.6**	**0.6**	**2.0**	**0.6**
Liquidity inflow (+) / outflow (-):	0.0	-1.7	-0.3	[-3.0; -1.8]
change in balances of general government accounts with Bank of Russia and other operations*	1.2	0.6	0.4	[-0.6; -0.2]
change in cash in circulation	-1.0	-2.3	-0.7	[-2.1; -1.5]
change in required reserves	-0.2	-0.1	-0.1	[-0.3; -0.1]
Structural liquidity deficit (+) / surplus (-), as of end of period	**0.6**	**2.3**		**[2.4; 3.6]**
Structural liquidity deficit (-) / surplus (+), average over averaging period (AP)**	**0.4**	**2.3**		
Demand for liquidity on market terms, average over AP**	**3.2**	**5.2**		**[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.

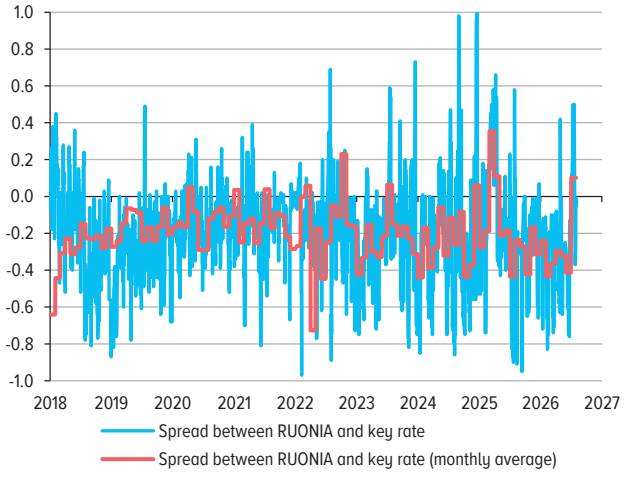
RUONIA
(%) **Chart 6**



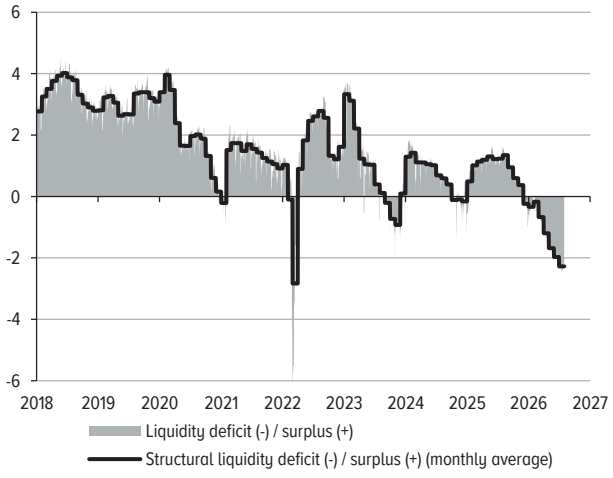
Source: Bank of Russia calculations.

RUONIA – KEY RATE SPREAD AND BANKING SECTOR LIQUIDITY BALANCE **Chart 7**

SPREAD BETWEEN RUONIA AND KEY RATE, PP

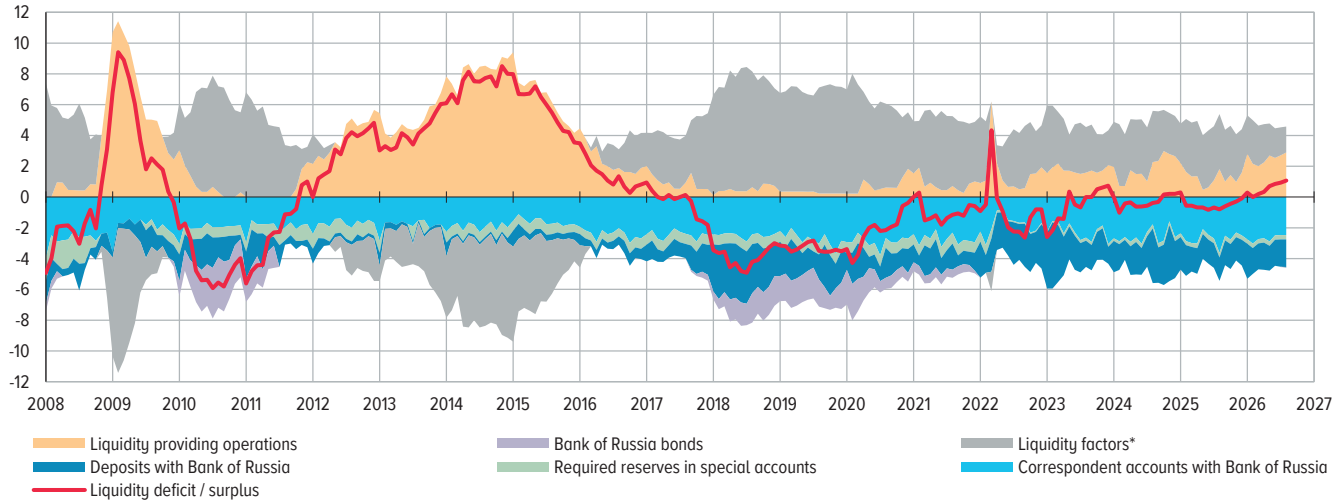


LIQUIDITY DEFICIT / SURPLUS, ₽ TN



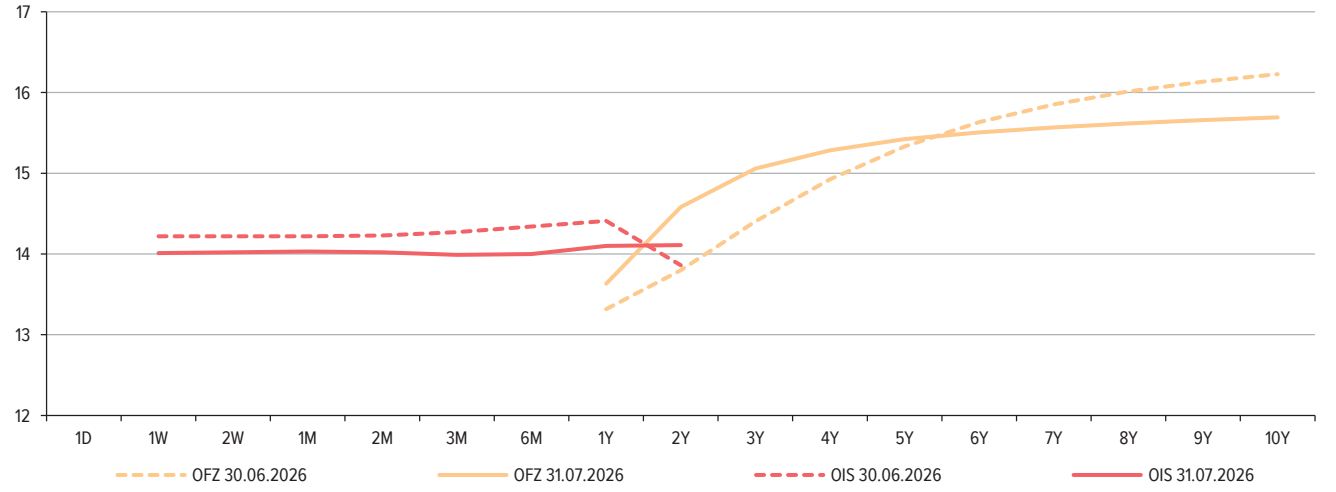
Source: Bank of Russia calculations.

BANK OF RUSSIA'S BALANCE SHEET
(% OF BANKING SECTOR'S ASSETS) **Chart 8**



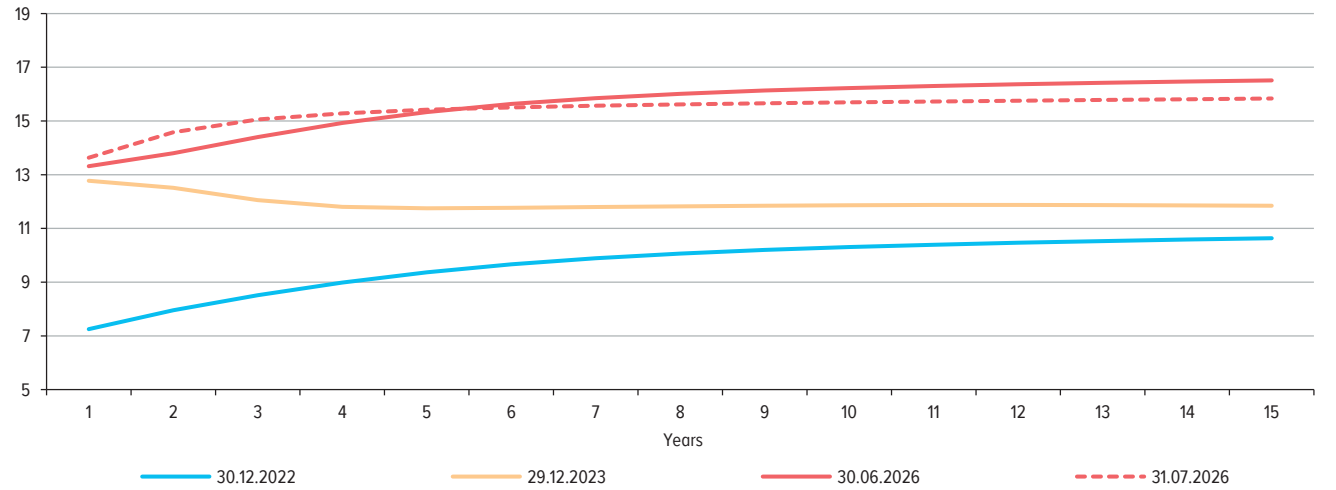
* This item is balancing and comprises changes in all other, not differentiated, items of the Bank of Russia's balance sheet.
Note. The data may be refined as balance sheet values for the banking sector's assets become available.
Source: Bank of Russia calculations.

MONEY MARKET CURVES
(% PER ANNUM) **Chart 9**



Sources: Cbonds, National Finance Association, Bank of Russia calculations.

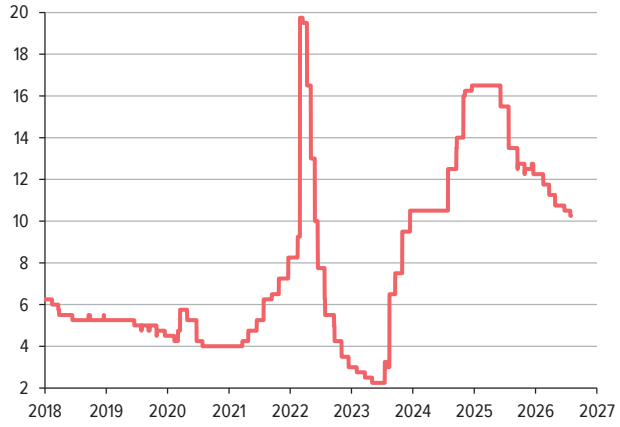
OFZ ZERO COUPON YIELD CURVE
(% PER ANNUM) **Chart 10**



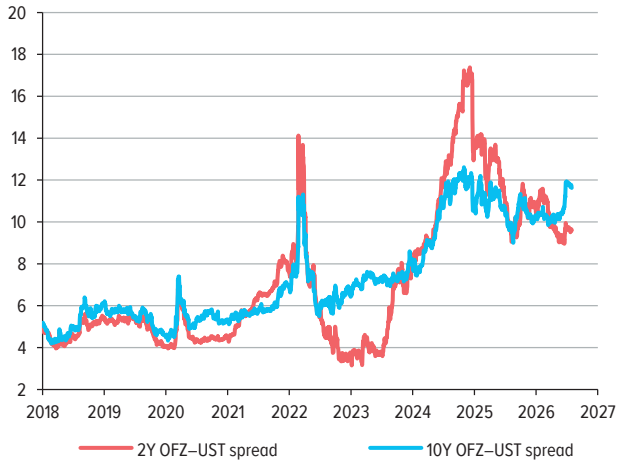
Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

KEY RATE AND OFZ AND UST YIELD SPREADS **Chart 11**

SPREAD BETWEEN BANK OF RUSSIA KEY RATE AND US FED FUNDS RATE, PP

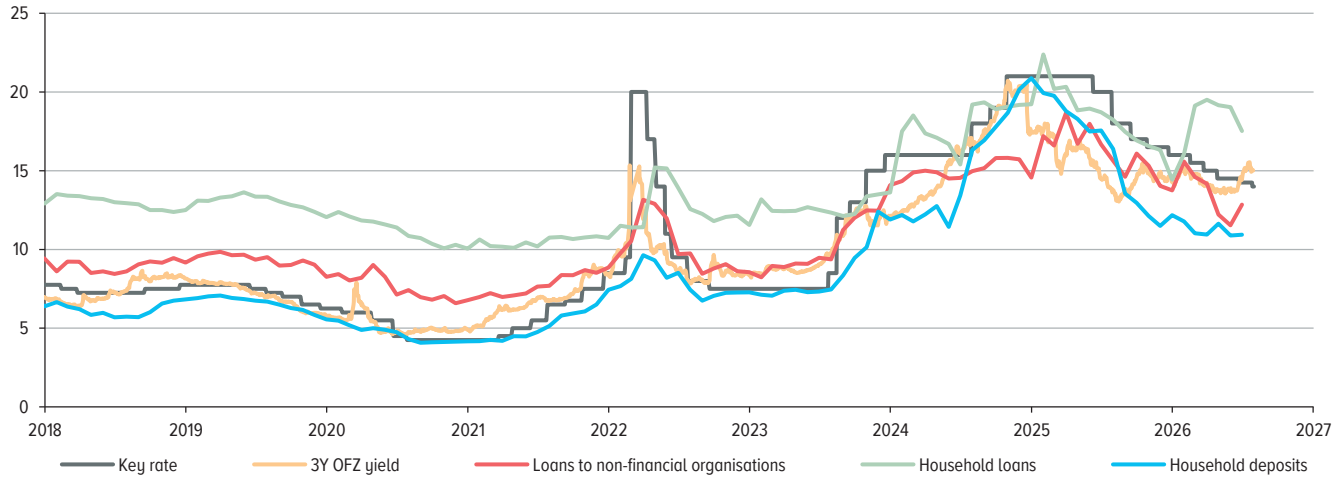


SPREAD BETWEEN OFZ AND UST YIELDS, PP



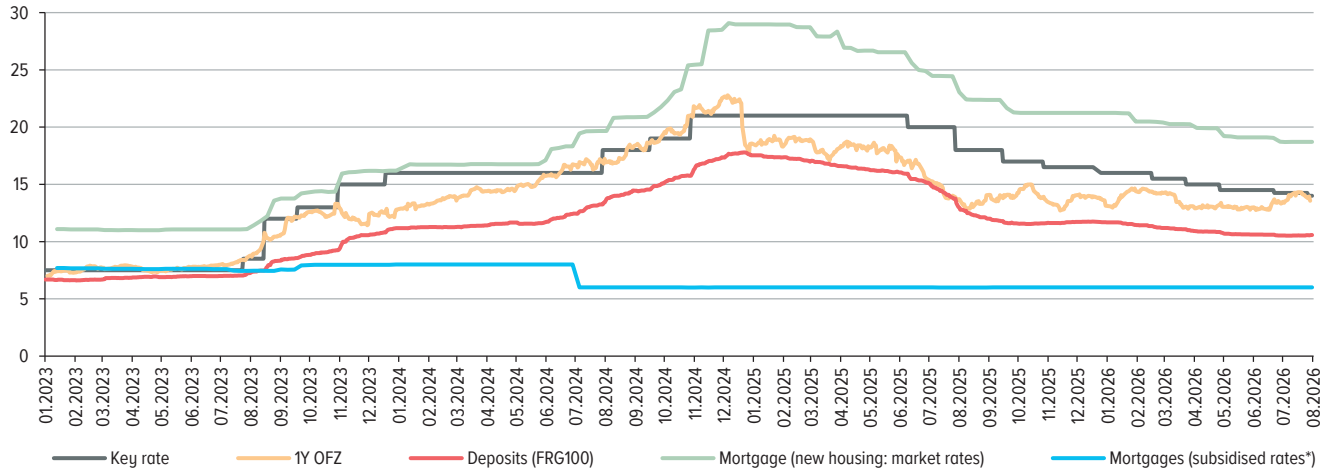
Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

INTEREST RATES ON BANKS' LONG-TERM TRANSACTIONS IN RUBLES
(% PER ANNUM) **Chart 12**



Source: Bank of Russia.

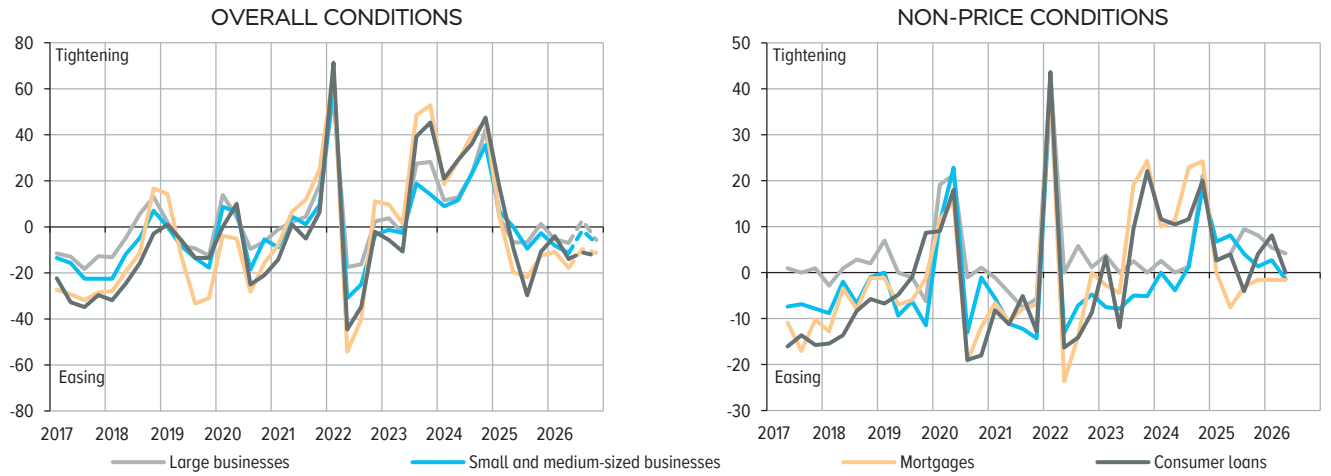
HIGH-FREQUENCY INTEREST RATE INDICATORS
(% PER ANNUM) **Chart 13**



* 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.

INDICES OF LENDING CONDITIONS AND DEMAND FOR LOANS*

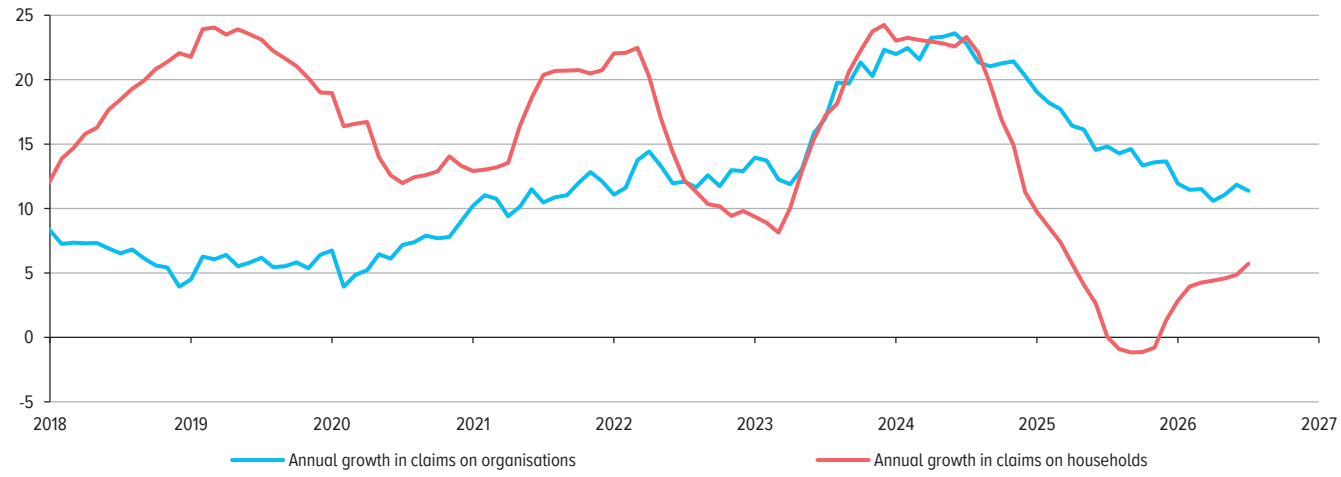
(PP) **Chart 14**



* The dotted lines denote banks' expectations for changes in lending conditions and demand for loans in 2026 Q3–4 as of 2026 Q2.
Source: Bank of Russia.

BANKING SYSTEM'S CLAIMS ON ECONOMY

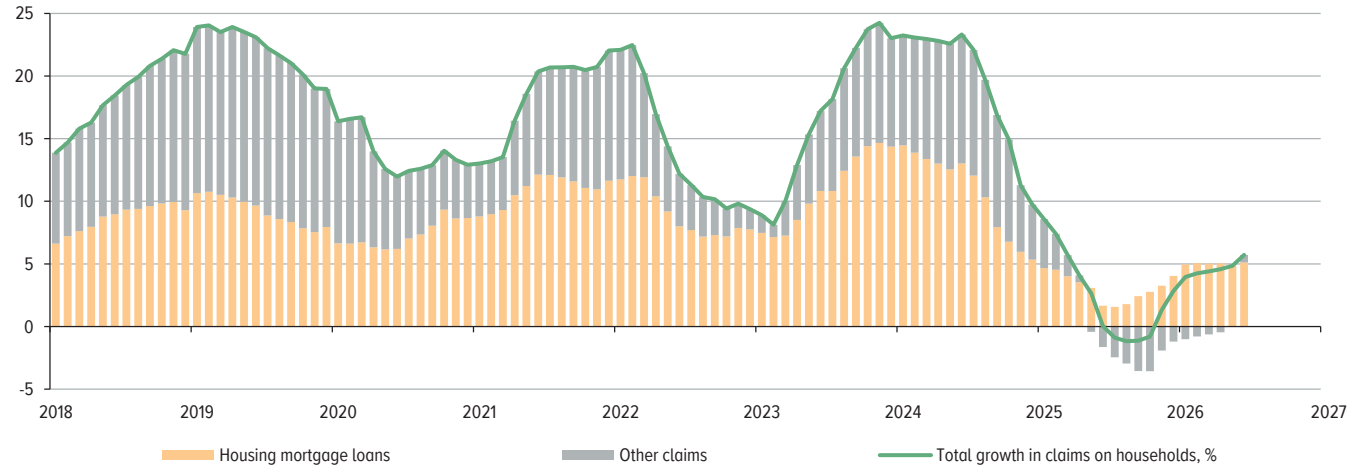
(%) **Chart 15**



Source: Bank of Russia calculations.

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

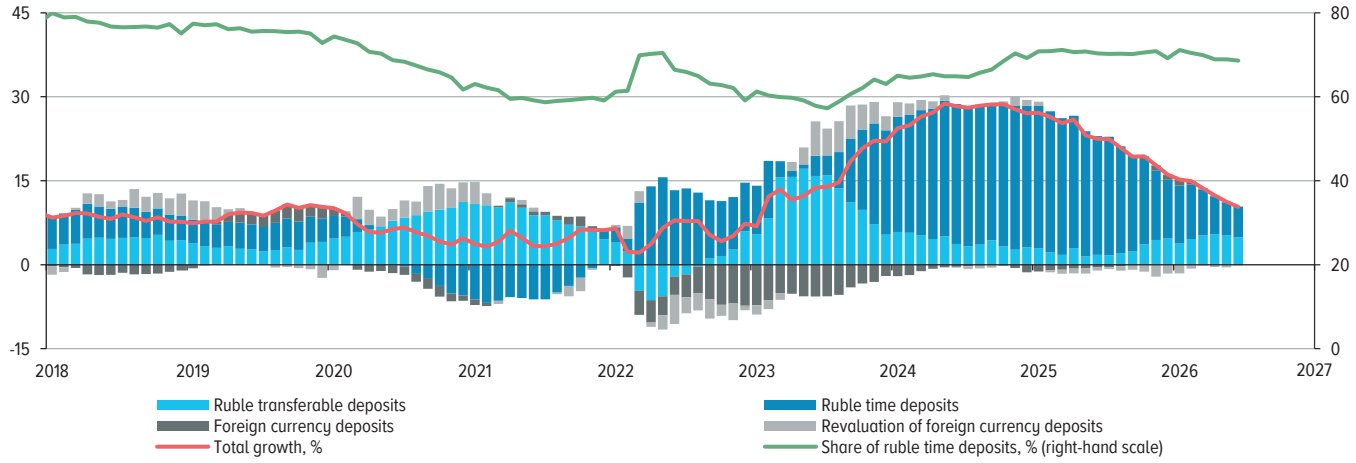
(PP) **Chart 16**



Source: Bank of Russia calculations.

CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL GROWTH IN HOUSEHOLD DEPOSITS

(PP) **Chart 17**



Source: Bank of Russia calculations.

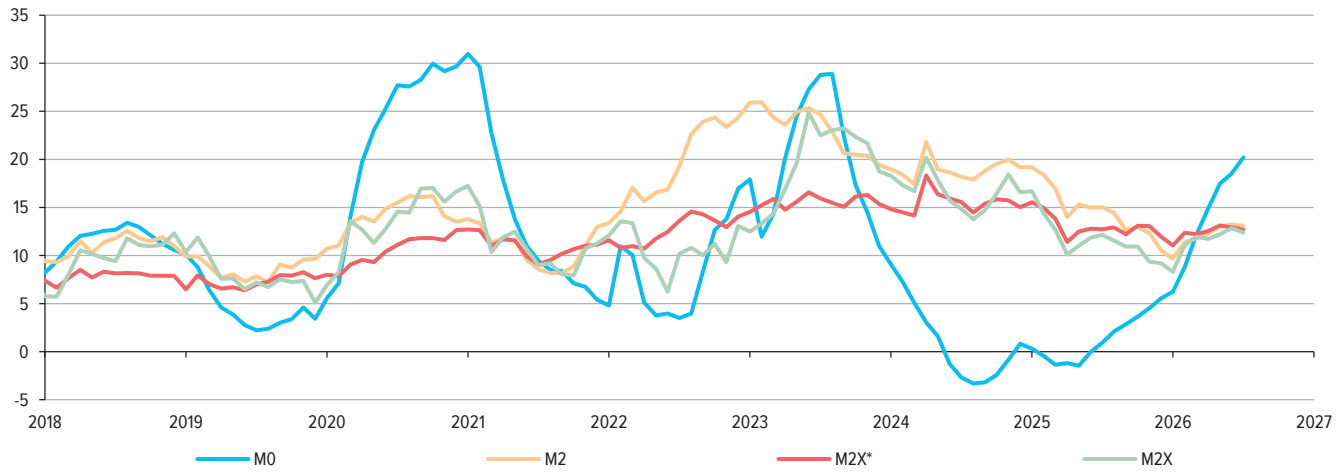
CREDIT AND DEPOSIT MARKET INDICATORS **Table 6**

		March 2026	April 2026	May 2026	June 2026
Interest rates on banks' long-term transactions in rubles					
household deposits	% p.a.	11.0	11.6	10.9	10.9
household loans	% p.a.	19.5	19.2	19.0	17.5
corporate loans	% p.a.	14.2	12.2	11.5	12.9
Household deposits	**% YoY, AFCR**	**13.6**	**12.4**	**11.2**	**10.3**
in rubles	% YOY	14.2	12.9	11.7	10.9
in foreign currency	% YOY	3.4	3.1	2.0	-1.6
share of foreign currency	%	4.6	4.3	4.1	4.3
Claims of banking system on economy	**% YoY, AFCR**	**8.9**	**9.4**	**10.0**	**9.9**
on organisations	% YoY, AFCR	10.6	11.1	11.9	11.4
on households	% YoY, AFCR	4.4	4.6	4.8	5.7
Money supply (M2)	**% YOY**	**11.8**	**12.3**	**13.0**	**13.2**
Broad money (M2X)	**% YoY, AFCR**	**12.2**	**12.5**	**13.1**	**12.9**

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.

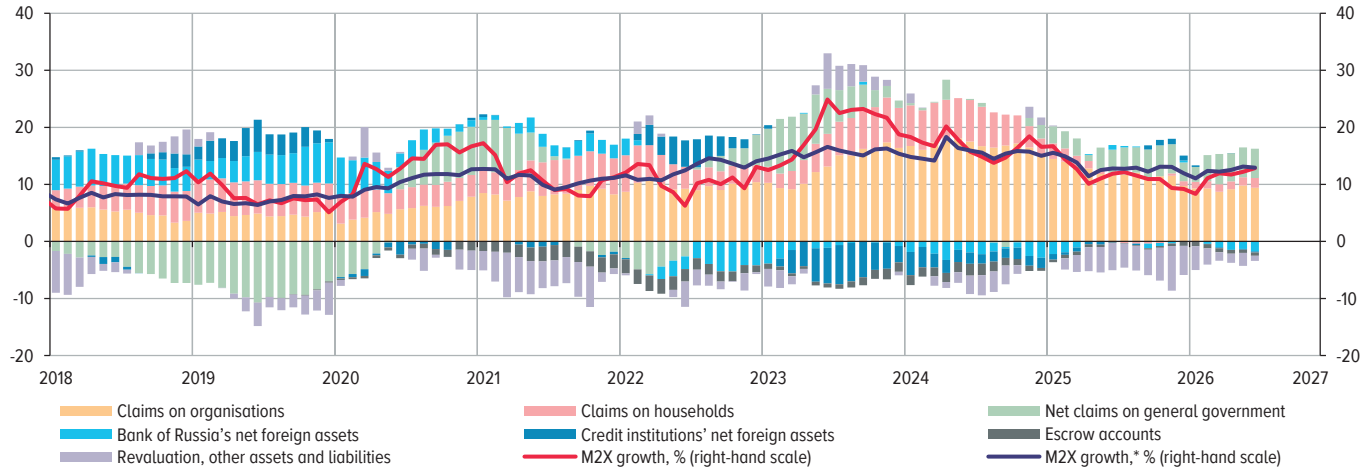
ANNUAL GROWTH IN MAIN MONETARY AGGREGATES

(%) **Chart 18**



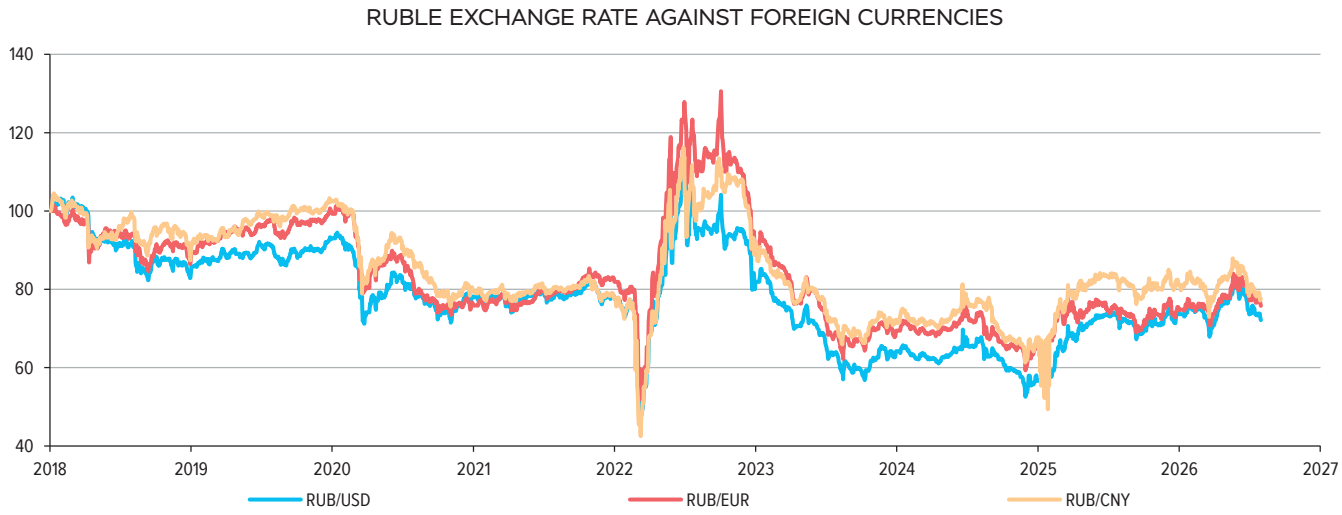
* Adjusted for foreign currency revaluation.
Source: Bank of Russia calculations.

CONTRIBUTION OF INDIVIDUAL SOURCES TO ANNUAL M2X GROWTH
(PP*) **Chart 19**



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

RUBLE EXCHANGE RATE AGAINST FOREIGN CURRENCIES
(01.01.2018 = 100) **Chart 20**



Sources: Cbonds, Bank of Russia calculations.

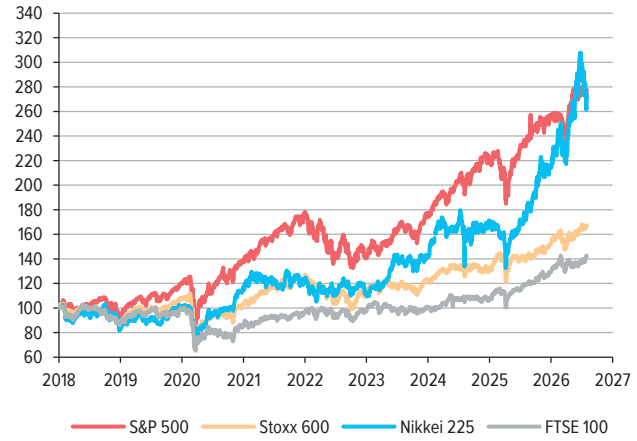
RUSSIAN AND FOREIGN FINANCIAL MARKET INDICATORS **Table 7**

Indicator		31 July 2026	1M	3M	6M	YTD	1Y
Russian financial market ('+' – positive trends, '-' – negative trends)							
RUB/USD exchange rate		79.86	-2.7	-6.6	-5.0	-2.1	2.9
MOEX Russia Index		2 226	-5.2	-16.2	-20.0	-19.5	-18.3
RTS Index		883	-6.6	-21.2	-23.8	-20.8	-15.9
Government bond yields		15.41	-18	105	66	96	174
Corporate bond yields		15.44	5	3	-36	-25	-137
Regional bond yields		15.22	-8	60	-37	27	0
RVI		40	-3	16	13	6	4
Exchange rates (per US dollar, % change, '+' – appreciation, '-' – depreciation)*							
AEs**	US Dollar Index	99.91	-1.2	1.9	3.0	1.7	0.0
	Euro	1.15	1.1	-1.6	-2.7	-1.8	1.2
	Japanese yen	157.62	-3.1	0.6	1.9	0.6	5.4
	Pound sterling	1.35	1.7	-0.8	-1.4	0.1	1.9
EMEs	Ruble	79.42	-0.9	-6.0	-4.5	-0.4	2.2
	Brazilian real	5.08	1.8	-2.3	3.5	7.7	8.9
	Mexican peso	17.32	1.0	0.8	0.8	3.8	8.3
	Chinese yuan	6.75	0.6	1.1	2.9	3.7	6.0
	Turkish lira	47.52	-1.9	-5.2	-9.3	-10.7	-17.1
	South African rand	16.52	-0.9	0.9	-2.4	0.2	8.2
10Y bond yields (% p. a., change in bp, '+' – increase, '-' – decrease)							
AEs	USA	4.75	31	35	49	57	37
	Germany	3.21	35	17	36	35	50
	Japan	2.79	11	27	54	73	123
	UK	5.05	29	4	53	57	45
EMEs	Russia	15.69	-68	115	108	125	169
	Brazil	14.80	37	91	136	94	81
	Mexico	9.21	22	-10	29	26	-23
	China	1.71	-2	-4	-9	-15	-3
	Turkey	35.16	436	364	540	800	552
	South Africa	8.74	29	-6	70	52	-108
5Y CDS spreads (bp, change in bp, '+' – increase, '-' – decrease)							
AEs	USA	36	-2	1	8	9	0
	Germany	7	0	-2	0	0	-1
	Japan	27	0	0	2	2	6
	UK	18	0	-1	3	1	2
EMEs	Brazil	120	0	5	-4	-13	-26
	Mexico	83	1	-2	-2	-3	-23
	China	38	1	-6	-6	-5	-3
	Turkey	229	15	-11	17	32	-37
	South Africa	128	3	-31	-9	-7	-55
Stock indices (p, % change, '+' – increase, '-' – decrease)							
AEs	S&P 500	7,490	-0.13	3.9	7.9	9.4	17.7
	Stoxx 600	649	1.16	6.2	6.3	9.5	18.0
	Nikkei 225	64,362	-8.14	8.6	20.7	27.9	58.3
	FTSE 100	10,868	3.53	4.7	6.3	9.4	18.9
EMEs	MSCI EM	1,666	-3.31	4.1	9.0	18.6	33.0
	Bovespa	177,999	3.47	-5.0	-1.9	10.5	32.8
	IPC Mexico	66,937	-0.04	-1.4	-0.9	4.2	16.6
	SSE Composite	3,832	-6.40	-6.8	-6.9	-3.4	6.0
	BIST 100	13,458	-4.70	-6.8	-2.7	19.5	26.7
	FTSE/JSE	111,493	1.07	-3.2	-7.1	-3.7	12.3

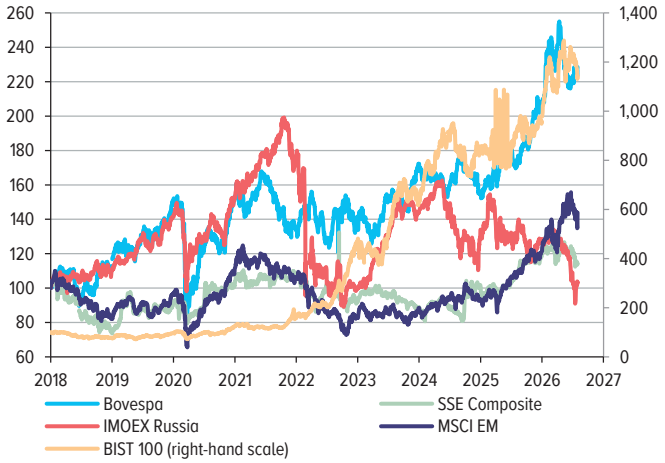
* Exchange rates in the forex market.
** Advanced economies.
Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

RUSSIAN AND FOREIGN STOCK MARKET INDICES
(01.01.2018 = 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:

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