



Bank of Russia



November 2024

MONETARY CONDITIONS AND MONETARY POLICY TRANSMISSION MECHANISM

Information and analytical commentary

10 December 2024

MONETARY CONDITIONS AND MONETARY POLICY TRANSMISSION MECHANISM (NOVEMBER 2024)

Monetary conditions continued to tighten in October–November (Chart 1). Nominal rates in most segments of the financial market were up again in addition to the reassessment of the further key rate path by the market. Real yields were near historical highs, while breakeven inflation became stable. The credit and deposit market conditions also continued to tighten in October–November. Higher deposit rates encouraged households to deposit funds with banks. The retail segment activity in the credit market was contained by tighter pricing conditions of lending and macroprudential regulation. Corporate lending growth that had been high until October decelerated sharply in November, according to the latest data.

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 has a direct effect on short-term money market rates; short-term rates influence long-term rates and OFZ yields; OFZ yields impact corporate bond yields; bond yields and long-term money market rates affect credit and deposit rates). Rates, in turn, influence the propensity to save, consume, and invest (the interest rate channel of the transmission mechanism), the ability of borrowers to provide high-quality collateral and that of banks – to expand lending (the credit and balance sheet channels), as well as the wealth of investors (the welfare channel), and the ruble exchange rate (the foreign exchange channel).¹

Through any of these channels, higher market rates constrain demand and inflation, while lower ones stimulate them. In addition to monetary policy and demand, inflation and financial market trends are influenced by many other factors 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.

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

INDIVIDUAL INDICATORS OF MONETARY TIGHTNESS AND THEIR CHANGES

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Chart 1

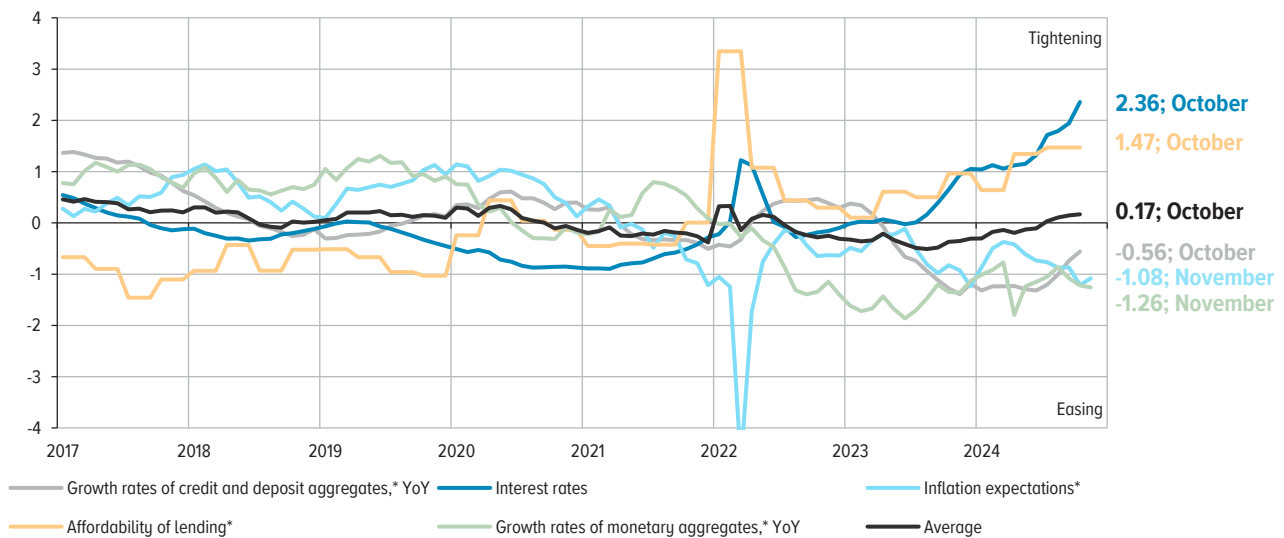


Note. The indicator panel represents one possible summary visualisation of key indicators to help assess the monetary conditions and their changes. It should not be considered a comprehensive presentation of all types of indicators relevant to assessing the nature of and changes in the monetary conditions. The chart shows the level of the indicator (z-score) relative to the distribution of values from January 2017 to October 2024 (left-hand chart) and to November 2024 (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.

Source: Bank of Russia calculations.

HISTORICAL DYNAMICS OF INDIVIDUAL INDICATORS OF MONETARY TIGHTNESS

Chart 2



* According to high-frequency data.
Source: Bank of Russia calculations.

Interest rates

- Monetary policy and the key rate.** The key rate remained unchanged in November. Earlier, at the meeting on 25 October 2024, the Bank of Russia Board of Directors decided to raise the key rate by 200 bp to 21% per annum.
- Banking sector liquidity and overnight rates (RUONIA).** The average spread between RUONIA and the key rate narrowed to -37 bp in November (vs -45 bp in October) (Chart 4). The spread volatility was 24 bp (vs 17 bp in October). The spread expanded at the end of the October required reserves (RRs) averaging period¹ (AP). Banks had already completed the averaging of RRs for the most part by that time, since they had previously maintained large balances in their correspondent accounts, anticipating a rise in the key rate by the Bank of Russia Board of Directors at its meeting on 25 October.² During the November AP,³ banks averaged RRs more evenly, and the spread narrowed. Banks still had an appetite for Bank of Russia loans. Competition between banks for client and budget funds also remained high, including in order to comply with the liquidity coverage ratio. Considering this, the total cost of short-term liquidity continued to exceed the key rate.

In November, the average liquidity deficit remained unchanged and equalled ₺0.1 trillion. As before, the outflow was driven by the Bank of Russia's operations to mirror transactions with the assets of the National Wealth Fund (NWF) in 2023, as well as investments from the NWF in 2024 H1.⁴ It was partially offset by an increase in the amount of deposits and repos of the Federal Treasury with banks due to a reduction in the balances of funds in the Treasury Single Account with the Bank of Russia. In November, cash caused a small inflow of liquidity, while cash dynamics were close to the average values of previous years (₺0.0 trillion in October).

¹ From 9 October 2024 through 12 November 2024.

² For more details, see [Monetary Conditions and Monetary Policy Transmission Mechanism No. 10, October 2024](#).

³ From 13 November 2024 through 10 December 2024.

⁴ The amount of these transactions over 2024 H2 totals ₺8.4 billion per day. For details, refer to [the press release, dated 27 June 2024](#).

In late November, the Bank of Russia resumed one-month repo auctions. These operations are needed to offset temporary liquidity imbalances due to growing amounts of budget flows at the end of the year.⁵ Demand from banks at the first two auctions was low. However, as the amount of borrowings by the Russian Ministry of Finance demonstrates its seasonal growth, and funds are accordingly transferred from banks' correspondent accounts, demand at the Bank of Russia's repo auctions is expected to rise.

A liquidity surplus is forecast to range from ₺0.2 trillion to ₺1.0 trillion by the end of 2024 (Table 5). In these conditions, the Bank of Russia suspended the mirroring of fiscal-rule-based foreign currency purchases by the Russian Ministry of Finance from November 28 until the end of 2024.⁶ This will entail an additional outflow of liquidity from banks in the amount of ₺0.1 trillion in December.⁷ Deferred purchases will be made during 2025. In 2025, as before, the banking sector liquidity is expected to shift from a surplus to its deficit that will continue to widen gradually. This will happen due to the postponed mirroring of non-fiscal rule-based operations by the Bank of Russia, conducted in 2024, which will result in an outflow of funds from banks. In addition, an increased liquidity deficit will be caused by a larger amount of cash in circulation and growth in required reserves.

- **Money market.** In November, the ROISfix curve shifted upwards by 26–211 bp for all maturities. The most notable changes were recorded in the section of the curve from two months and longer, reflecting the revision of key rate path expectations by market participants and a longer period of tight monetary policy. Money market rates for six months and longer exceeded 25%. The market admits that the peak of monetary policy tightening has not yet been passed and expects the key rate increase to 22–23% in December. Expectations towards even greater tightening were revised in the second half of the month after new sanctions were announced.
- **Federal government bonds.** Average monthly yields on government bonds grew for up to ten-year maturities and decreased in the long-term segment. The highest rise in yields was observed in the short-term segment due to a revision of market expectations of the key rate upwards amid accelerating inflation. Contrastingly, yields on three-year and longer maturities were lower than in late October, which indicated that, despite expectations of a higher key rate next year, market participants forecast its much quicker decrease thereafter. The RGBI Index remained close to a multi-year low (99 pp as of the end of November 2024 vs 96 pp as of February 2009). Between 30 October and 1 November, breakeven inflation for inflation-indexed federal government bonds (OFZ-IN) dropped by 118 bp, although this movement was partly due to the actions of individual market participants. During the month, breakeven inflation adjusted and returned to the average values of September 2024 (vs 6.72% on 30 November).

The secondary OFZ market liquidity remained at a relatively low level. Daily average trades totalled ₺13.1 billion (vs ₺14.7 billion/day in October). The composition and behaviour of market participants remained unchanged. The key buyers were still retail investors (₺4.1 billion) and non-bank financial institutions, including as part of trust management (₺23.4 billion). In November, the largest net sellers were banks that are not SICs and systemically important credit institutions (SICs) (-₺17.2 billion and -₺7.9 billion, respectively) like a month ago.

⁵ For details, refer to [the press release, dated 18 November 2024](#).

⁶ [The press release, dated 27 November 2024](#).

⁷ Fiscal rule-based purchases of foreign currency made by the Russian Ministry of Finance result in an outflow of funds from the Treasury Single Account with the Bank of Russia. The Federal Treasury is unable to deposit these funds with banks or use them to finance expenditure. Earlier, this outflow was offset by an inflow of liquidity from the Bank of Russia's mirroring transactions. For more details about the fiscal rule-based foreign currency purchases in December 2024, see [the press release of the Russian Ministry of Finance, dated 4 December 2024](#).

In November, the Russian Ministry of Finance was holding auctions during four weeks where it predominantly offered fixed-coupon federal government bonds (OFZ-PD) with a maturity of over ten years. The Ministry slightly increased the amount of funds raised after several weeks of poor results. Total offerings equalled ₹103 billion in November (October revenues amounted to ₹90 billion). Demand growth averaged to ₹61 billion (vs ₹50 billion in October). Long-term securities were remaining the Ministry's largest offering, which created low liquidity at short-term maturities. At the November auctions, the yield on long-term maturities reached 17.6%. The premium on yields on traditional securities in the secondary market remained moderate and ranged from -8 bp to +7 bp. For 2024 Q4, the Russian Ministry of Finance has set a record plan for raising funds – ₹2.4 trillion, which is 60% of the revised annual borrowing plan (₹4.0 trillion). Over the first 11 months of 2024, the Ministry raised almost ₹2.1 trillion at auctions.

- **Corporate bond market.** The rise in government bond yields translated into higher corporate bond yields. The IFX-Cbonds index reached a historical high of 25.36% (+210 bp MoM). The average monthly spread between this index and OFZ yields soared, reaching 243 bp (in October: 156 bp), and stayed above the 2022–2024 average. In addition, due to monetary tightening and growth of the risk premium, the average monthly spreads between the yield on securities with low and medium ratings and OFZs (B/ruB-: 1309 bp, +284 bp MoM; BB/ruBBB: 776 bp, +332 bp MoM) reached their new highs. The spread between blue-chip securities and OFZs also expanded from 18 bp to 30 bp.

In the primary market, corporate borrowers raised one third more funds in October than in the previous month (November 2024: ₹991 billion; October 2024: ₹663 billion), including issues of yuan-denominated papers and substitute bonds. By early 2024, the growth rate of the corporate bond portfolio was above the 2014–2021 median (November 2024: +18.5%; median: 11.0%) and comparable to the same period of 2023 (November 2023: 19.4%).

The total amount of the corporate bond market at the end of November was ₹29.9 trillion (+26.6% YoY; November 2023: ₹23.6 trillion).

The issue of substitute bonds amounted to ₹0.9 billion in October and was offered by banks. According to Cbonds, yields on substitute bonds decreased to 13.88% as of the end of the month (-57 bp MoM). The spread between them and US Treasuries (UST) with similar maturities dropped by 122 bp compared to October (November: 978 bp; October: 1100 bp).

Banks' interest rates on ruble loans and deposits

- **Deposit rates.** The key rate rise at the October meeting affected the dynamics of rates on retail deposits (Chart 9). Contrastingly, unlike in August–September, when growth in deposit rates in the short-term segment was comparable to that in the long-term segment or weaker, at the end of October, a number of the largest market players specifically revised short-term rates significantly upwards. Consequently, by the end of the month, their average market level was higher than that of long-term rates. The shift in the spread between short-term and long-term deposit rates into positive territory may indicate a reaction to much tighter monetary policy compared to the expectations of most market participants before the October meeting, as well as to the Bank of Russia's statement about a possible key rate rise in December. The latter is confirmed by the dynamics of the FRG100 Index,⁸ which added more than 1 pp in November (Chart 10). Nevertheless, the continued and, in general, more even increase in deposit rates in the long-term segment indicates that banks remain confident that monetary conditions will remain tight for a long time.

⁸ The average interest rate of 80 largest deposit banks on deposits for up to one year in an amount of at least ₹100,000, according to information from the Frank RG news agency.

- **Corporate loan rates.** In October, interest rates on corporate loans⁹ were changing unevenly. Interest rates on short-term loans were rising, whereas those on long-term ones remained close to the September level. This could mainly occur due to the concentration of credit activity, which is less sensitive to key rate changes, specifically in the segment of long-term transactions. Nonetheless, the actual and expected further tightening of monetary policy in the near future may generally have an upward effect on the dynamics of interest rates on market-based loans to non-financial organisations (Chart 9).
- **Retail loan rates.** Interest rates on households' credit operations changed diversely in October. While rates were decreasing in the short-term segment, they were moderately rising in the long-term one. Concurrently, the level of interest rates on loans over one year was mainly determined by the situation in the mortgage market (Chart 9). Unlike in September, the continued shift of credit activity to the primary segment with lower rates had little impact on their average market level, while the deciding factor was the significant increase in rates on transactions conducted by the largest market players in the secondary segment. Furthermore, long-term rates surged in the auto loan market and, according to estimates, in unsecured consumer lending as a result of a more conservative approach by banks to assessing credit risks and a higher risk premium for new loans. According to the latest data, rates on market-based retail loans continued to rise in November (Chart 10).

Growth rates of credit and deposit aggregates

- **Deposits.** Households' savings activity remained high in October. The annual increase¹⁰ in the portfolio of households' ruble funds with banks¹¹ was close to the September level and multi-year highs, reaching 30.7%. Furthermore, the outstripping growth of short-term rates encouraged depositors to put a significant portion of their savings into ruble deposit accounts with maturities from three months to one year and to use for this, among other things, funds from ruble current accounts as well as accounts and deposits in foreign currency. Over the month, the reduction in balances in these segments considerably sped up. Concurrently, the dynamics of ruble long-term deposits remained stable in October. Although the inflow of funds to these deposits decreased compared to August–September, the low base effect helped this segment to contribute to annual growth in the total deposit portfolio and return it to positive values for the first time since the end of 2021 (Chart 11).
- **Corporate lending.** In October, corporate lending¹² continued to grow at a high rate: annual growth in the portfolio of such loans amounted to 21.8% as in the previous month (Chart 12). Similar to previous months, such dynamics were mainly driven by increased ruble borrowings (especially for maturities over three years owing to investment loans, cash flows from which will be received in future¹³), whereas foreign currency loans were contributing less to the portfolio growth. Corporate lending was also backed by borrowings that were less sensitive to the key rate changes, which contained the overall decline in corporate lending activity, despite monetary tightening. Nevertheless,

⁹ Russian bank loans offered/issued to unaffiliated borrowers that are non-financial organisations at a fixed rate. See [Methodological notes on tables of the Section 'Loan and Deposit Interest Rates and Maturities'](#).

¹⁰ Hereinafter, increases in banks' balance sheet indicators are calculated based on the reporting data of operating credit institutions recorded in the State Register as of the relevant reporting date. Increases in loans are calculated taking into account claims acquired by banks but without adjustment for securitisation transactions. Increases in foreign currency claims and liabilities are calculated in US dollar terms. Where increases in the indicators comprising foreign currency and ruble components are calculated herein, the growth of the foreign currency component is converted into rubles using the period average exchange rate.

¹¹ Hereinafter, household funds with banks include balances in time deposits, demand deposits, and current accounts but exclude escrow accounts under shared construction agreements.

¹² Hereinafter, growth in lending to non-financial organisations, financial institutions, and individual entrepreneurs.

¹³ For more details, refer to the information and analytical material [Russian Banking Sector Development in October 2024](#).

already in November, corporate lending slowed down notably: over the month, the portfolio grew by only 0.8% after 2.3% in October (annual growth decelerated to 20.3% from 21.8%). This could partly be caused by both tighter monetary conditions and changes in banking regulation (the introduction of countercyclical buffers for capital adequacy ratios in the amount of 0.25 pp from [1 February 2025](#)).

- **Retail lending.** Growth in retail lending continued to weaken: the annual increase in the retail loan portfolio equalled 14.9% in October compared to 16.9 in August (Chart 12). Concurrently, this weakening affected all key segments of the market (Chart 13). In unsecured consumer lending, it was associated with both the growth in rates and the macroprudential regulation measures taken, while in car lending – with both the higher cost of borrowing and the increased recycling fee from 1 October 2024. In the mortgage segment, lending activity remained close to the level of July–September but continued to shift to the primary market amid a significant rise in rates in the secondary market. Nonetheless, the Family Mortgage was still playing the role of the key growth driver. According to recent estimates, in November, the retail loan portfolio lost 1.7% after an increase of 0.4% in October (the annual growth rate slowed down to 11.1% from 14.9% a month earlier). However, this was associated with large-scale transactions to securitise consumer loans, without which the monthly growth rate would have equalled 0.3%.

Growth rates of monetary aggregates

- **Money supply.** Growth in monetary aggregates accelerated again in October: annual growth in money supply in national definition (M2) amounted to 19.5% (vs 18.8% in September), and that of broad money adjusted for foreign currency revaluation (M2X) was 15.9% (vs 15.4% in September). Recent data show some acceleration of the ruble money supply growth in November (Chart 15).
- **Sources of money supply.** In October, claims¹⁴ of the banking system on the economy continued to play their leading role as the main source of growth in monetary aggregates, with their annual growth equalling 20.0%, while claims on organisations were growing faster than claims on households. Contrastingly, the restrictive impact of fiscal operations on the money supply growth continued to fade away in October.
- **Components of money supply.** Monetary aggregates rose again, largely backed by household ruble deposits in October. Furthermore, unlike in September, when the M1 aggregate growth accelerated, in October, the main growth was fuelled by time deposits, where the returns on such deposits kept going up following the key rate and OFZ yields. The MO annual growth stayed negative, with the proportion of cash in circulation in ruble money supply being around minimal values.

¹⁴ The banking system's claims on the economy mean all claims of the banking system on non-financial organisations, financial institutions, and households in Russian rubles, foreign currency, and precious metals, which include loans extended (including overdue loans), overdue interest on loans, credit institutions' investment in debt and equity securities and promissory notes, as well as other forms of participation in equity of non-financial organisations and financial institutions, and other receivables under settlement operations with non-financial organisations, financial institutions, and households.

• Exchange rate (foreign exchange channel)

The depreciation of the ruble against major foreign currencies that began in July 2024 continued in November (Table 3). Average monthly exchange rates also demonstrated negative dynamics: the ruble weakened against the US dollar, the euro, and the yuan by 4.4%, 1.8%, and 2.8%, respectively.

The main weakening of the ruble occurred at the end of the month after the imposition of new US sanctions, including on the Russian payment infrastructure. In order to reduce volatility in the foreign exchange market, the Bank of Russia decided to suspend foreign currency purchases within the mirroring of regular operations of the Russian Ministry of Finance from 28 November until the end of 2024.

Much of November, the USD/RUB exchange rate calculated based on OTC quotes was close to the cross rate calculated based on USD/CNY and USD/CNH rates, and the spread between them did not exceed 1% on average. However, in the last week of the month, the spread widened significantly, which could be driven by a change in the infrastructure of the common channels of the foreign currency movements after the imposition of sanctions.

RUBLE EXCHANGE RATE

Table 3

	USD/RUB (Bank of Russia)	EUR/RUB (Bank of Russia)	CNY/RUB (Moscow Exchange)
30.11.2024	107.74	114.31	14.50
31.10.2024	97.05	105.22	13.58
Change, %	+11.0	+8.6	+6.8
Average for November	100.37	106.92	13.88
Average for October	96.12	105.05	13.51
Change, %	+4.4	+1.8	+2.8

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

Sources: Moscow Exchange, Bank of Russia calculations.

The [real effective exchange rate \(REER\) of the ruble](#) calculated against the currencies of the main foreign trade partners weakened by 4.1% in October (depreciated by 0.7% YoY). According to preliminary data, the REER weakened by 10.9% in November compared to October and is currently considerably below its multi-year median (-17.8% vs the median of January 2015–November 2024).

• Russian stock markets

As of the end of November, the Russian stock market was at the level of late October. At the end of the month, the MOEX Index equalled 2,578 (+0.7% MoM; -17.6% YtD), and the Russian Volatility Index (RVI) averaged 56 p in November (+15 p MoM), which is higher than the average values recorded last month and last year (30 p).

The contributing factors in the increased volatility in the market were geopolitical events, sanctions against the Russian payment infrastructure, and trends in the foreign currency and oil markets.

Sectoral stock indices demonstrated diverse dynamics. Shares of construction companies (-12.9% MoM), information technology companies (-5.2% MoM), and telecommunications companies (-5.1% MoM) were in steep decline, while shares of chemical and petrochemical enterprises went up (4.3% MoM).

• Foreign markets

The GDP-weighted average policy rate in advanced economies edged down again in November (-13 bp to 3.70%). Some central banks continued to ease their monetary policies. These included policymakers from the US (-25 bp to 4.75%), the UK (-25 bp to 4.75%), New Zealand (-50 bp to 4.25%), Sweden (-50 bp to 2.75%), Iceland (-50 bp to 8.50%), and the Republic of Korea (-25 bp to 3.00%). The weighted average

policy rate in emerging market economies demonstrated similar movements. This was caused by their policy rate cuts in a number of countries, including Mexico (-25 bp to 10.25%), Peru (-25 bp to 5.00%), and South Africa (-25 bp to 7.75%). However, the Central Bank of Brazil, on the contrary, decided to raise the policy rate by 50 bp to 11.25%.

As of the end of November, the average monthly yield curve of US Treasuries rose moderately along its entire length (Table 4). The changes in the US Treasury bond curve were mainly triggered by the market reassessment of the further path of the US Fed funds rate. Investors began to assume a longer period of high rates due to the election of Donald Trump as US President and expectations of future changes in economic policy, which are largely inflationary in nature, in particular tax reductions for the middle class and the imposition of import duties on a number of Chinese and European goods. At the end of November, prices for US interest rate derivatives were based on a less sharper decline in the US Fed funds rate until the year-end (-25 bp in December).

Despite the growth in consumer prices (2% YoY in October; 1.6% YoY in September), European yield curves decreased amid market participants' expectations of further monetary policy easing, including at the December meeting (expectations: -25 bp), due to weaker economic growth.

UST YIELD CURVE

Table 4

Maturity	2Y	5Y	10Y
29.11.2024	4.13	4.05	4.18
31.10.2024	4.16	4.15	4.28
Change, bp	-3	-10	-10
Average for November 2024	4.26	4.23	4.36
Average for October 2024	3.97	3.91	4.10
Change, bp	29	32	26

Sources: Cbonds, Bank of Russia calculations.

Due to the revision of expectations of the further path of the US Fed funds rate amid political events and signals from monetary authorities, the US currency continued to strengthen. The US Dollar Index (DXY) rose to 105.8 (+1.8%). The EMEs' currencies mostly depreciated against the US dollar in November (BRLUSD: -3.5%; CNYUSD: -1.7%; TRYUSD: -1.3%; MXNUSD: -1.4%).

As of the end of the month, global stock markets were mostly in decline (S&P 500: +5.7%; Stoxx 600: +1.0%; Nikkei 225: -2.2%; SSE Composite: +1.4%; Nifty 50: -0.3%; MSCI ACWI: +3.6%). The US stock market growth was supported by election promises of Donald Trump, including to cut the corporate tax for local manufacturers from 21% to 15%, ease government regulation of the market, and raise import duties in order to support national companies. Positive news for the Asian market was the cancellation by the Chinese government of all restrictions put on the access of foreign investors to the manufacturing sector from 1 November.

Charts and tables

LIQUIDITY SURPLUS IS EXPECTED TO RANGE FROM ₺0.2 TRILLION TO ₺1.0 TRILLION BY 2024 YEAR-END
(₺ TN)

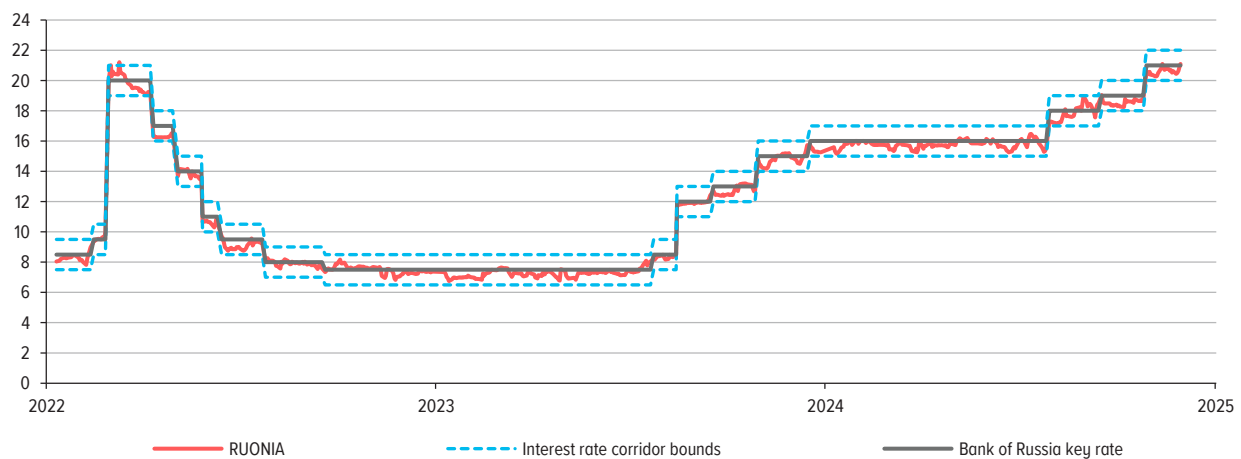
Table 5

	2023	January– November 2024	November 2024	2024 (forecast)
Liquidity deficit (+)/surplus (-) (as of beginning of period)	-3.5	0.0	0.4	0.0
Liquidity inflow (+)/outflow (-):	-3.4	-0.4	0.0	[0.2; 1.0]
– change in balances of funds in general government accounts with Bank of Russia and other operations*	1.0	-0.1	0.0	[1.2; 1.4]
– change in amount of cash in circulation	-2.0	0.4	0.0	[-0.2; 0.2]
– change in required reserves	-2.4	-0.7	-0.1	[-0.9; -0.7]
Liquidity deficit (+)/surplus (-) (as of end of period)	0.0	0.4	0.4	[-1.0; -0.2]

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

RUONIA
(%)

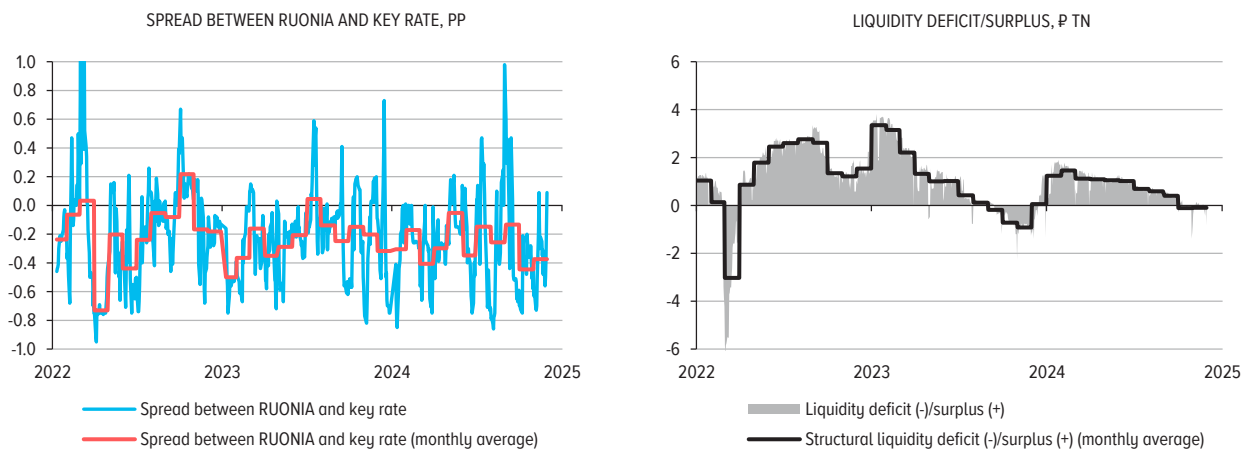
Chart 3



Source: Bank of Russia calculations.

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

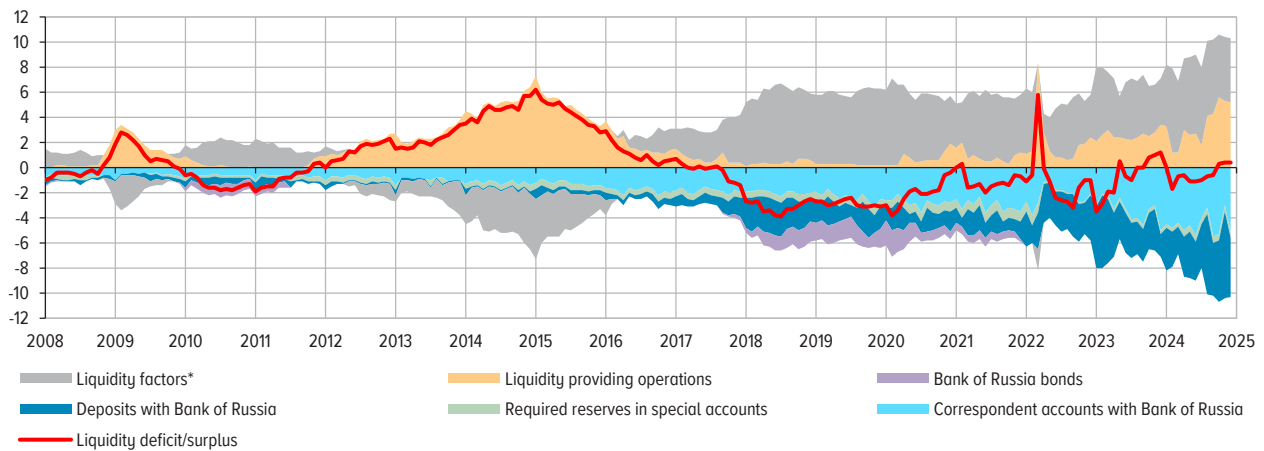
Chart 4



Source: Bank of Russia calculations.

BANK OF RUSSIA'S BALANCE SHEET
(P TN)

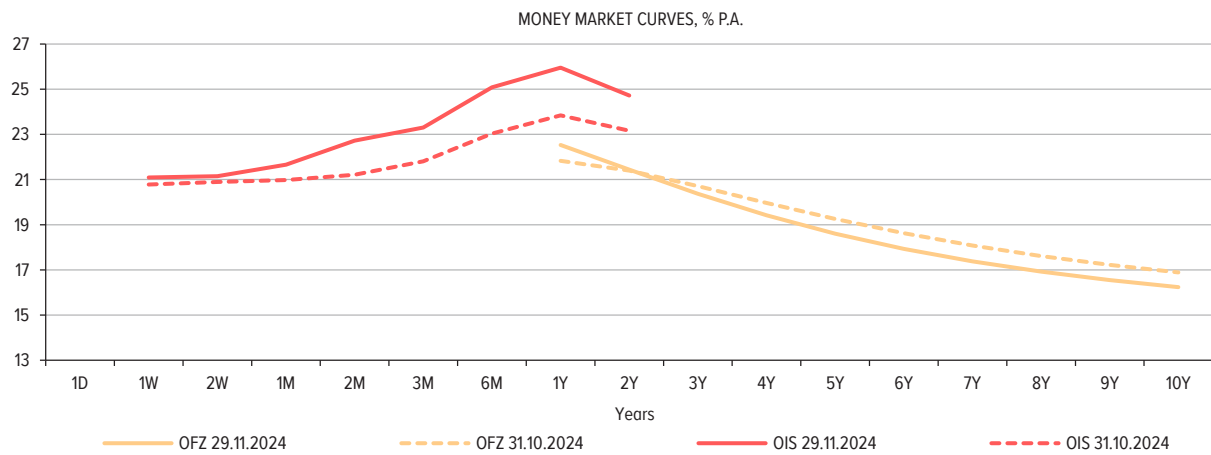
Chart 5



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

MONEY MARKET CURVES SHIFTED FOR ALL MATURITIES IN NOVEMBER

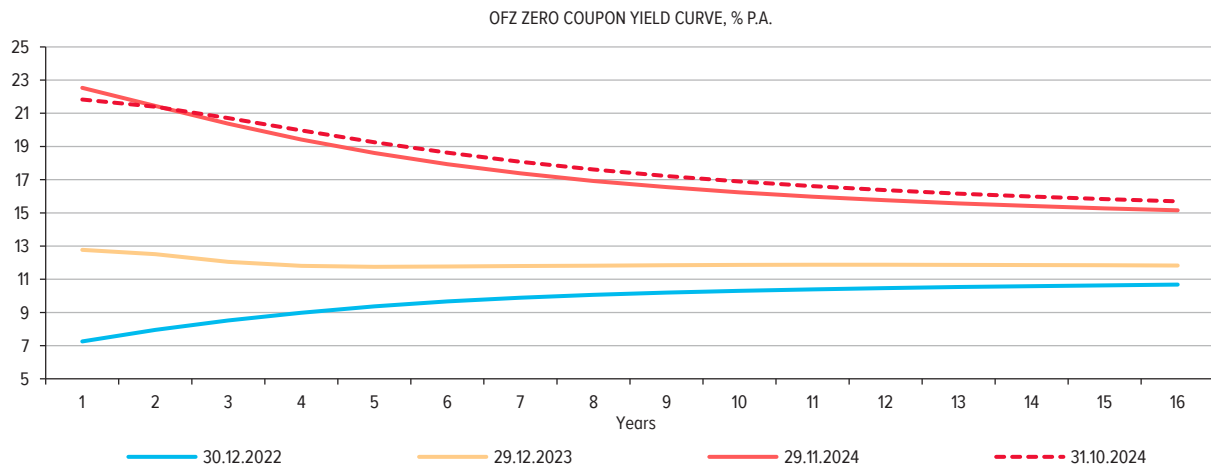
Chart 6



Sources: Moscow Exchange, National Finance Association.

OFZ YIELDS DECLINED ALONG ENTIRE LENGTH EXCEPT FOR SHORT-TERM ONES

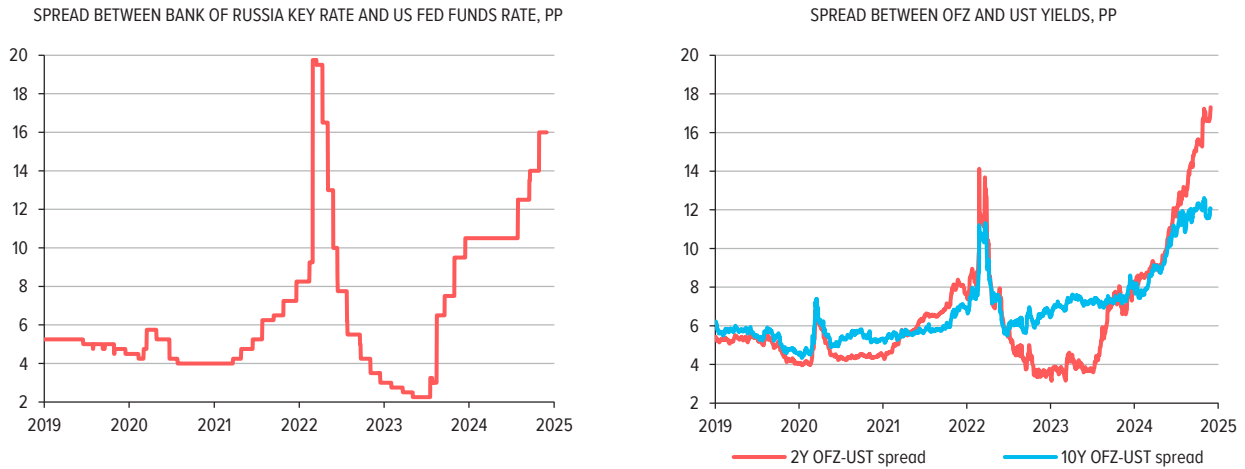
Chart 7



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

SPREAD BETWEEN OFZ AND UST YIELDS WIDENED

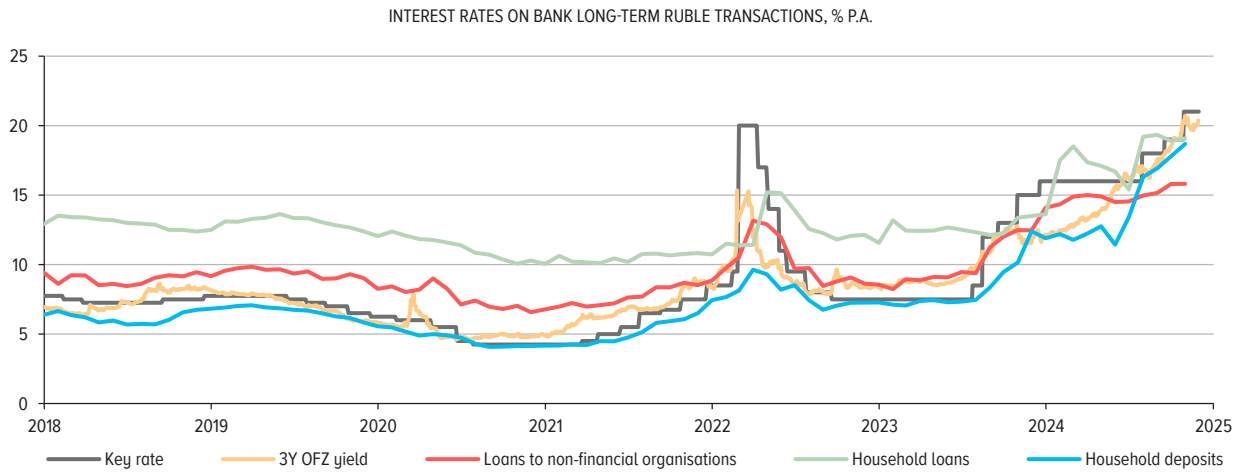
Chart 8



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

IN OCTOBER, CREDIT AND DEPOSIT MARKET RATES CONTINUED TO GROW IN RESPONSE TO MONETARY TIGHTENING

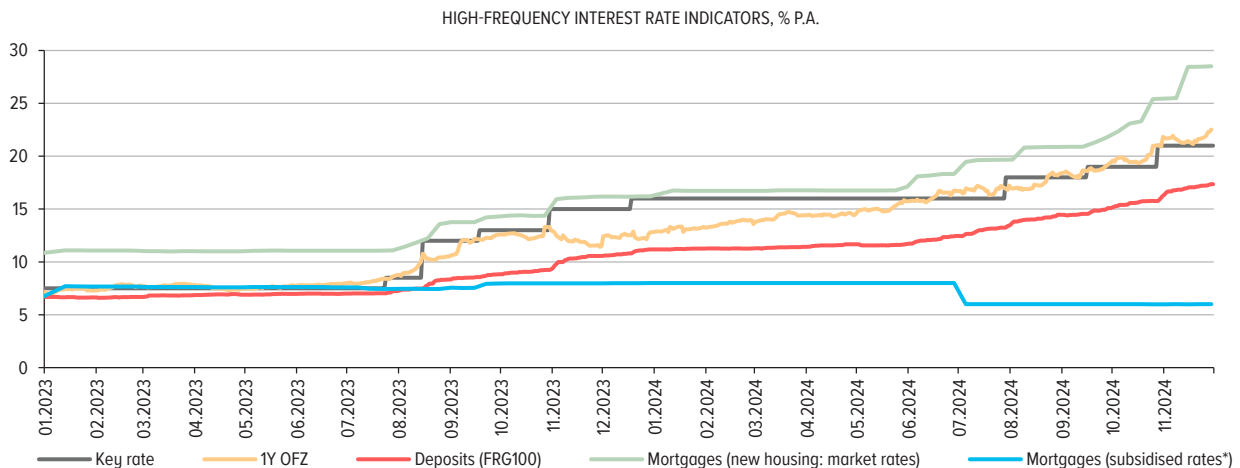
Chart 9



Source: Bank of Russia.

RETAIL RATES CONTINUED THEIR UPWARD DYNAMICS THROUGHOUT NOVEMBER, MOST NOTABLY IN MARKET-BASED MORTGAGES

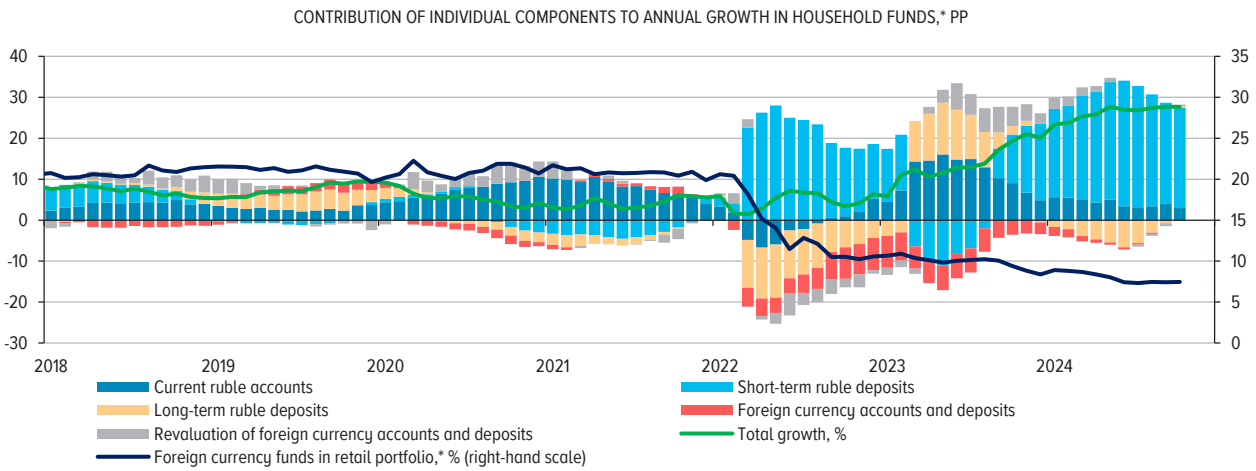
Chart 10



* 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.

GROWTH IN DEPOSIT RATES SUPPORTED HIGH DEPOSIT ACTIVITY IN OCTOBER, PARTICULARLY IN SEGMENT OF SHORT-TERM RUBLE DEPOSITS

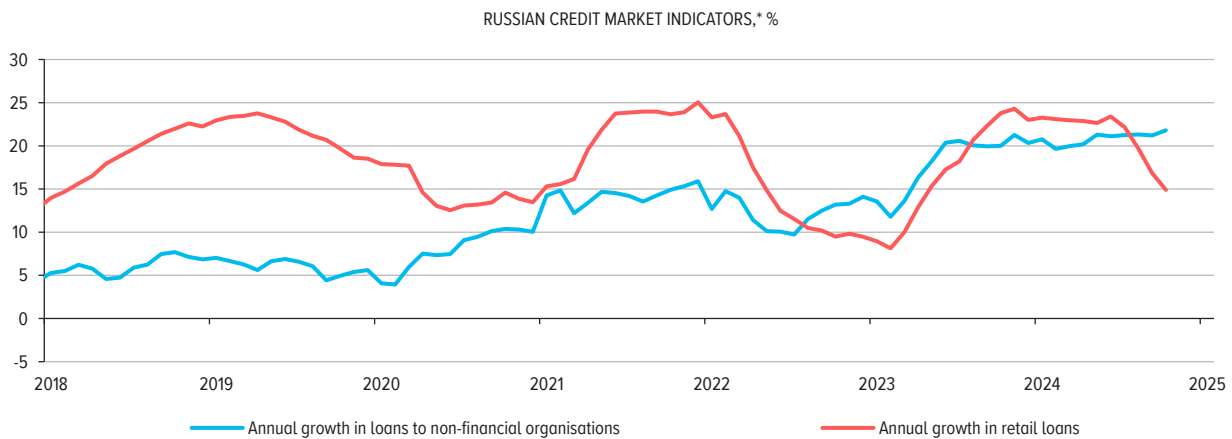
Chart 11



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

IN OCTOBER, RETAIL LENDING GROWTH CONTINUED TO SLOW DOWN, BUT CORPORATE ONE STAYED NEAR MULTI-YEAR HIGHS

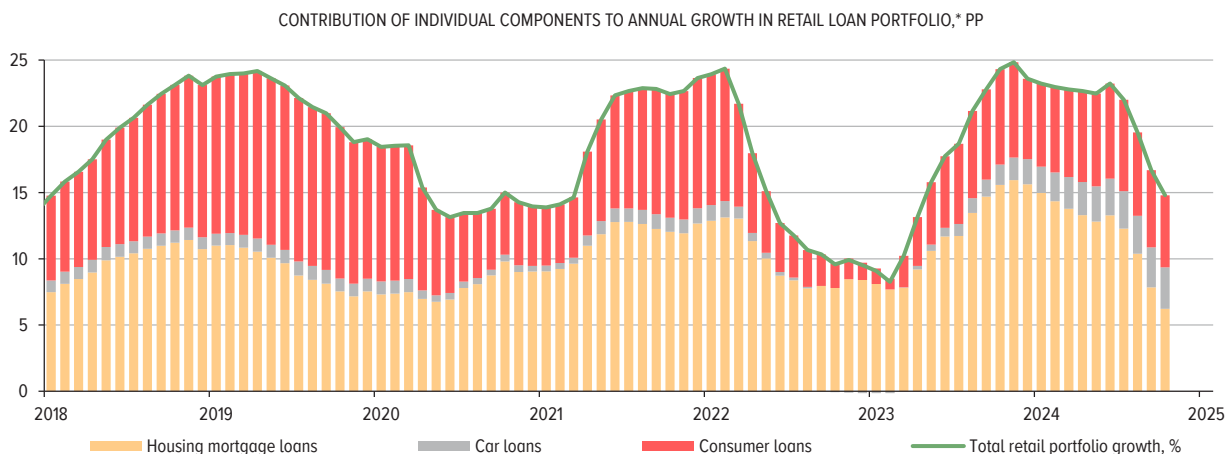
Chart 12



* Since 1 February 2021, the portfolios of corporate and retail loans include acquired rights of claim, therefore the growth indicators in the chart before and after this date are comparable to a limited extent.
Source: Bank of Russia calculations.

SLOWDOWN IN RETAIL LENDING IS BECOMING MORE AND MORE NOTICEABLE, AFFECTING ALL KEY SEGMENTS

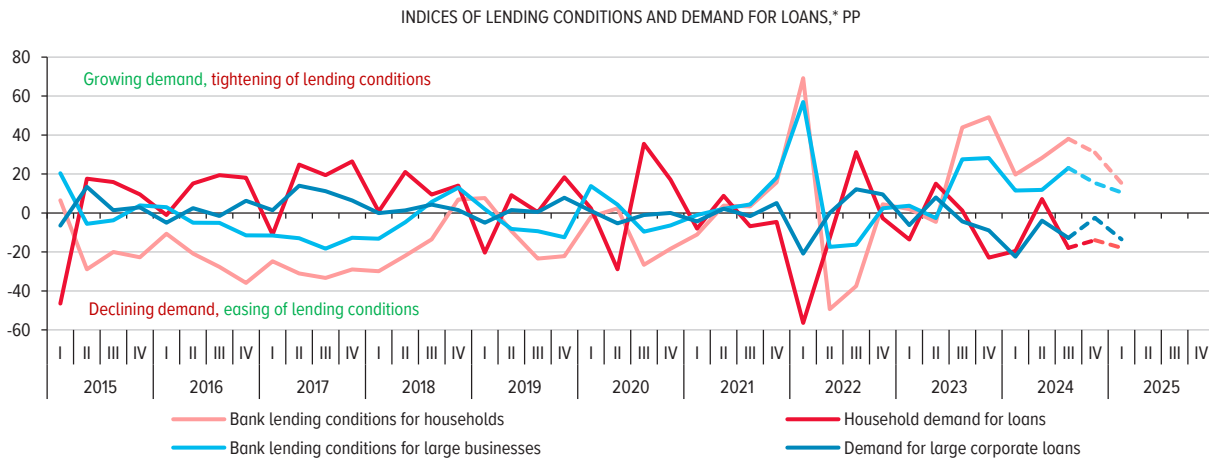
Chart 13



* For loans grouped into homogeneous loan portfolios, including acquired rights of claim.
Source: Bank of Russia calculations.

BANKS NOTE CONSIDERABLE TIGHTENING OF BLC FOR RETAIL AND CORPORATE BORROWERS IN 2024 Q3

Chart 14



CREDIT AND DEPOSIT MARKET INDICATORS

Table 6

		July 2024	August 2024	September 2024	October 2024
Interest rates on bank long-term ruble transactions					
household deposits	% p.a.	16.3	16.9	17.8	18.7
household loans	% p.a.	19.2	19.3	18.9	19.1
corporate loans	% p.a.	15.0	15.2	15.8	15.8
Household funds*	% YoY, AFCR	26.8	27.4	27.7	27.6
in rubles*	% YoY	30.3	30.8	30.9	30.7
in foreign currency	% YoY	-3.8	-2.7	-1.2	-2.2
share of foreign currency*	%	7.3	7.5	7.4	7.5
Loans to non-financial organisations**	% YoY, AFCR	19.3	19.7	20.1	20.3
short-term (up to one year)	% YoY, AFCR	31.6	30.0	26.8	24.0
long-term (over one year)	% YoY, AFCR	18.4	19.2	19.5	20.3
Household loans**	% YoY, AFCR	22.2	19.7	16.9	14.9
housing mortgage loans**	% YoY, AFCR	24.4	20.8	15.8	13.4
unsecured consumer loans**	% YoY	17.7	16.4	15.5	13.8
Claims of banking system on economy	% YoY, AFCR	21.5	20.6	20.0	19.6
on businesses	% YoY, AFCR	21.3	20.9	21.3	21.5
on households	% YoY, AFCR	22.1	19.7	16.9	14.9
Money supply (M2)	% YoY	18.2	17.9	18.8	19.5
Broad money (M2X)	% YoY, AFCR	15.6	14.5	15.4	15.9

* Excluding escrow accounts.

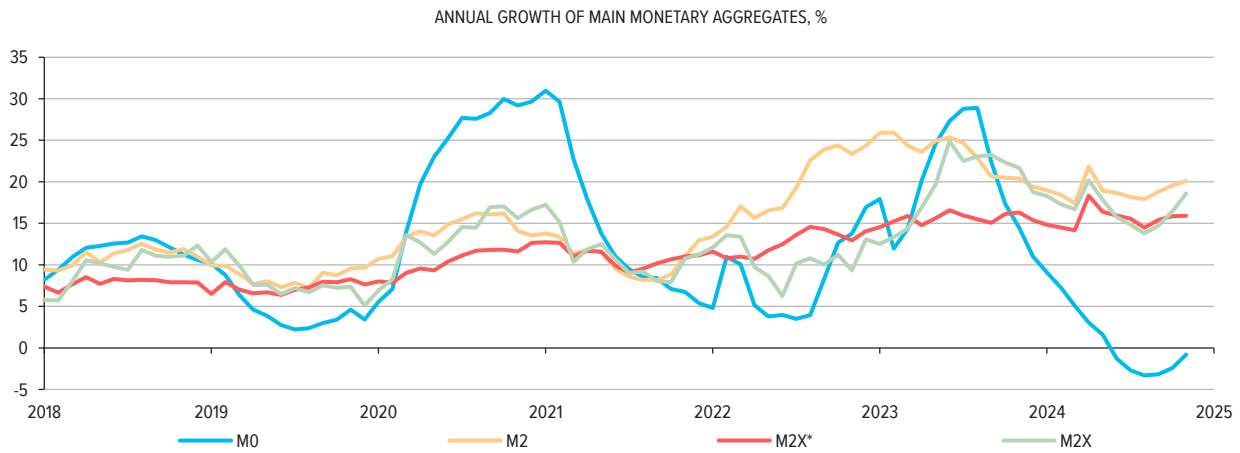
** Including acquired rights of claim. Growth in the housing mortgage loan portfolio is unadjusted for securitisation transactions.

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.

IN OCTOBER–NOVEMBER, GROWTH IN MONETARY AGGREGATES CONTINUED TO SPEED UP

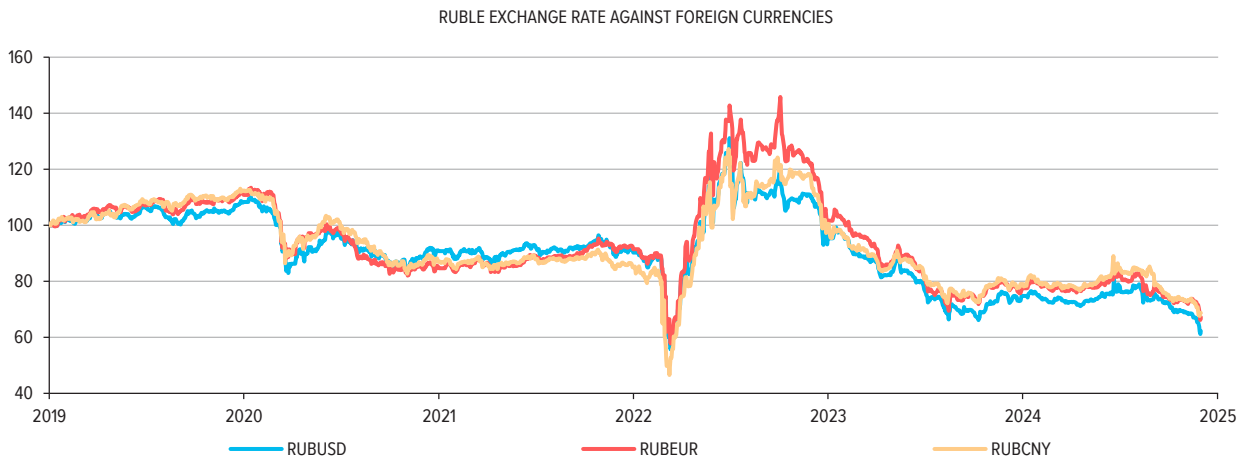
Chart 15



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

RUBLE CONTINUED TO DEPRECIATE IN NOVEMBER
 (02.01.2019 = 100)

Chart 16



Sources: Cbonds, Bank of Russia calculations.

RUSSIAN FINANCIAL MARKET DEMONSTRATED NEGATIVE TRENDS IN NOVEMBER

Table 7

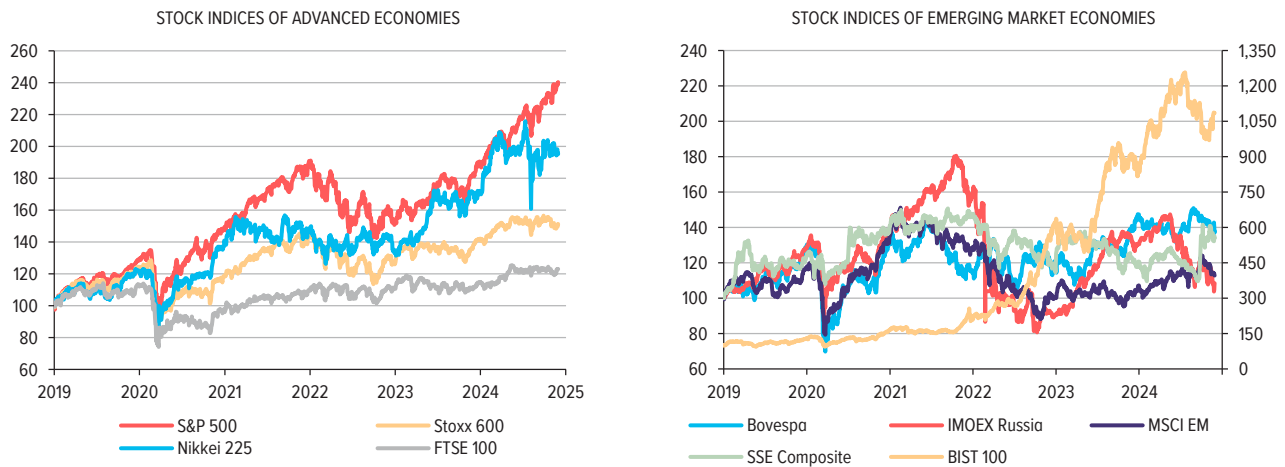
Indicator		30.11.2024	1M	3M	6M	YTD	1Y
Russian financial market ('+' – positive trends, '-' – negative trends)							
RUB/USD exchange rate		107.74	-11.0	-17.8	-19.5	-19.3	-21.2
MOEX Russia Index		2 578	0.7	-4.8	-19.9	-16.8	-18.8
RTS Index		754	-9.3	-19.2	-33.0	-30.4	-33.2
Government bond yields		17.90	-55	154	272	592	623
Corporate bond yields		25.36	210	579	806	1118	1149
Regional bond yields		22.06	112	408	622	944	924
RVI		56	15	21	34	28	31
Exchange rates (per US dollar, % change, '+' – appreciation, '-' – depreciation)							
AEs*	US Dollar Index	105.78	1.8	4.4	1.1	4.4	2.9
	Euro	1.06	-2.8	-4.2	-3.0	-4.2	-2.8
	Japanese yen	149.69	-1.5	2.4	-4.1	6.2	1.0
	Pound sterling	1.27	-1.3	-3.0	-0.6	-0.1	0.9
EMEs	Ruble	106.49	-9.4	-17.5	-17.8	-19.6	-18.8
	Brazilian real	5.97	-3.2	-6.5	-13.9	-23.1	-21.4
	Mexican peso	20.38	-1.7	-3.3	-15.2	-20.0	-17.3
	Chinese yuan	7.24	-1.7	-2.1	0.0	-2.3	-2.2
	Turkish lira	34.71	-1.3	-1.8	-7.8	-17.6	-20.2
	South African rand	18.07	-2.7	-1.4	2.4	1.2	4.1
10Y bond yields (% p.a., change in bp, '+' – increase, '-' – decrease)							
AEs	US	4.18	-10	31	-33	30	-9
	Germany	2.09	-30	-19	-58	6	-34
	Japan	1.04	9	14	-3	43	34
	UK	4.24	-20	22	-8	71	15
EMEs	Russia	16.24	-65	44	128	437	453
	Brazil	13.75	104	193	191	339	278
	Mexico	10.27	-15	21	12	100	51
	China	2.04	-11	-13	-29	-55	-67
	Turkey	29.31	-130	258	161	418	120
	South Africa	8.90	-41	-23	-205	-87	-112
5Y CDS spreads (bp, change in bp, '+' – increase, '-' – decrease)							
AEs	US	30	-9	-2	-7	-13	-15
	Germany	13	3	4	2	-4	-6
	Japan	21	1	1	2	-4	-6
	UK	20	1	-2	-14	-17	-15
EMEs	Brazil	156	5	12	20	30	21
	Mexico	119	-3	15	28	33	27
	China	65	0	3	2	4	5
	Turkey	246	-10	-14	-3	-22	-70
	South Africa	183	-7	-12	-53	-15	-46
Stock indices (p, % change, '+' – increase, '-' – decrease)							
AEs	S&P 500	6,032	5.73	7.9	14.3	26.5	32.6
	Stoxx 600	510	0.96	-2.7	-1.5	6.5	11.1
	Nikkei 225	38,208	-2.23	-0.4	-0.7	14.2	14.7
	FTSE 100	8,287	2.18	-1.1	0.1	7.2	11.6
EMEs	MSCI EM	1,079	-3.66	-1.5	2.8	5.4	9.7
	Bovespa	125,668	-3.12	-7.6	2.9	-6.3	-0.4
	IPC Mexico	49,710	-1.88	-6.5	-9.9	-13.4	-5.8
	SSE Composite	3,326	1.42	17.8	7.8	11.8	10.1
	BIST 100	9,652	8.89	-1.8	-7.2	29.2	20.5
	FTSE/JSE	84,510	-1.02	0.3	10.2	9.9	12.3

* Advanced economies.

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

IN NOVEMBER, STOCK INDICES SHOWED DIVERSE TRENDS (02.01.2019 = 100)

Chart 17



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

Data cut-off dates:

- Interest rates – 29 November 2024.
- Banks' interest rates on ruble loans and deposits – 1 November 2024, high-frequency data – 30 November 2024.
- Growth rates of credit and deposit aggregates – 1 November 2024.
- Growth rates of monetary aggregates – 1 November 2024, high-frequency data – 1 December 2024.

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

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

This commentary was prepared by the Monetary Policy Department.

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