



MONETARY CONDITIONS AND MONETARY TRANSMISSION

INFORMATION AND ANALYTICAL COMMENTARY

- Average RUONIA value

October

16.50%

▼ -70 bp

- Government bond yields (RGBI)

October

14.96%

▲ +86 bp on September average

- Corporate bond yields (IFX-Cbonds)

October

17.18%

▲ +77 bp on September average

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

September

16.1%

▲ +1.5 pp on August

- Interest rate on short-term household deposits

September

15.5%

▼ -0.3 pp on August

- Money supply (M2X)

October (preliminary)

13.3% YoY AFCR

▲ 12.2% YoY AFCR in September

- Monetary conditions remained tight overall in September–October.

- In October, following the change in the key rate, the average RUONIA value was down, with a slightly negative spread between money market rates and the key rate.

- Monthly average nominal yields in a number of financial market segments went up in October. Even taking into account rising inflation expectations of both businesses and households, real monetary tightness increased somewhat as compared to September.

- Interest rates on household loans and deposits continued dropping in September, albeit less significantly than in July–August. By contrast, interest rates on loans to non-financial organisations were up. In the long-term lending segment, the share of loans issued at market rates to both retail and corporate clients expanded.

- Annual growth of money supply slightly accelerated in October vs September, driven by a higher growth rate of claims on the economy.



MONETARY TRANSMISSION

The monetary policy transmission mechanism (or monetary policy transmission) is a sequence of links in the economy through which monetary policy influences demand and, accordingly, inflation.

This mechanism is based on interest rates and yields in the key market segments, influencing each other. The key rate has a direct effect on short-term money market rates. Expectations for further changes in short-term rates, together with demand for loans and supply of savings, impact long-term rates and yields on federal government bonds (OFZ).

Rates, in turn, influence the propensity to save, consume, and invest (the interest rate channel of the transmission mechanism), the ability of borrowers to provide high-quality collateral and that of banks – to expand lending (the credit and balance sheet channels), as well as the wealth of investors (the welfare channel), and the ruble exchange rate (the foreign exchange channel).¹

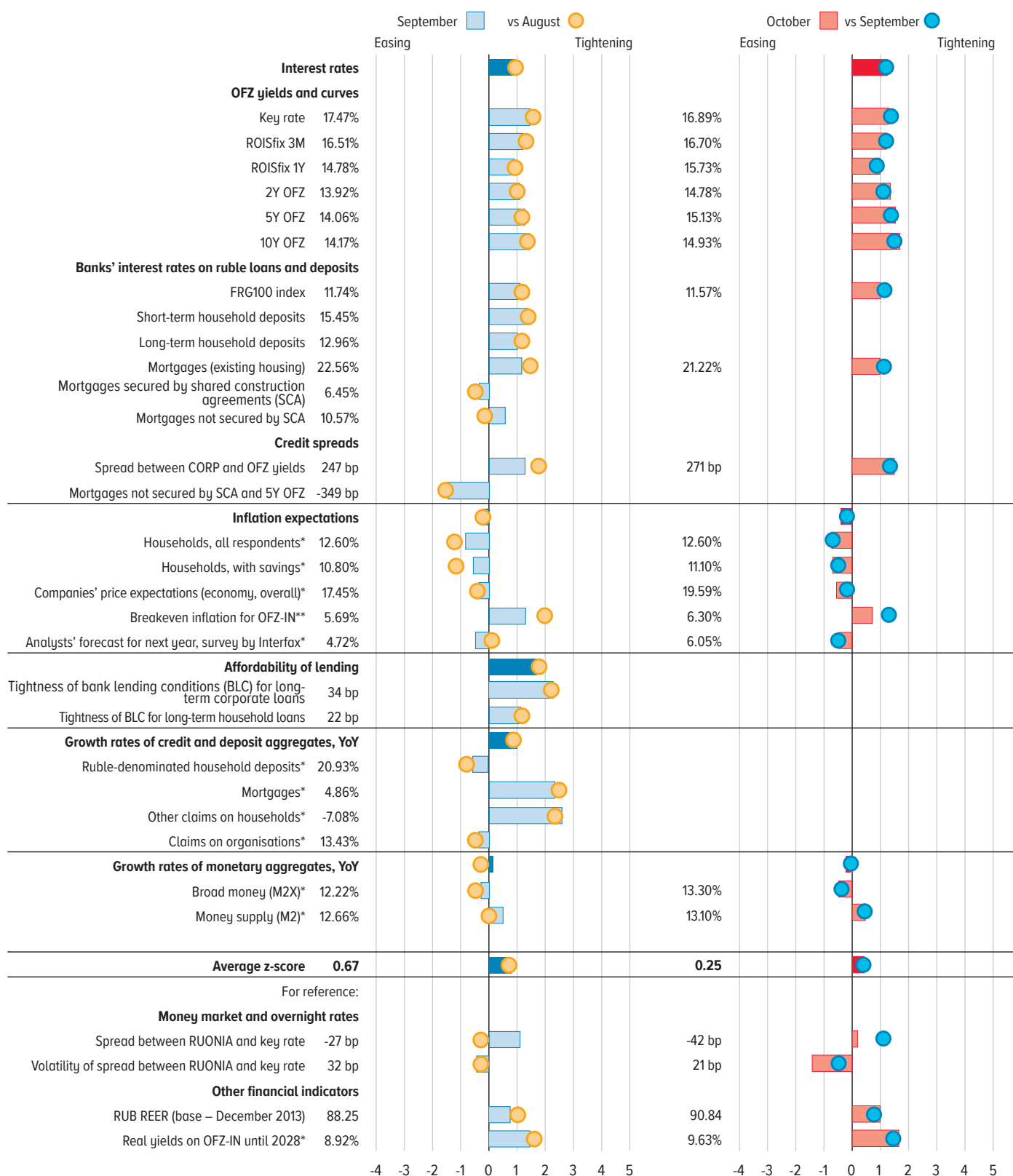
Through any of these channels, higher market rates constrain demand and inflation, while lower ones stimulate them. In addition to monetary policy and demand, inflation and financial market trends are influenced by many other factors that are taken into account by the Bank of Russia when deciding on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

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

¹ See Appendix 1 to the [Monetary Policy Guidelines for 2026–2028](#).

INDIVIDUAL INDICATORS OF MONETARY TIGHTNESS AND THEIR CHANGES

Chart 1



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

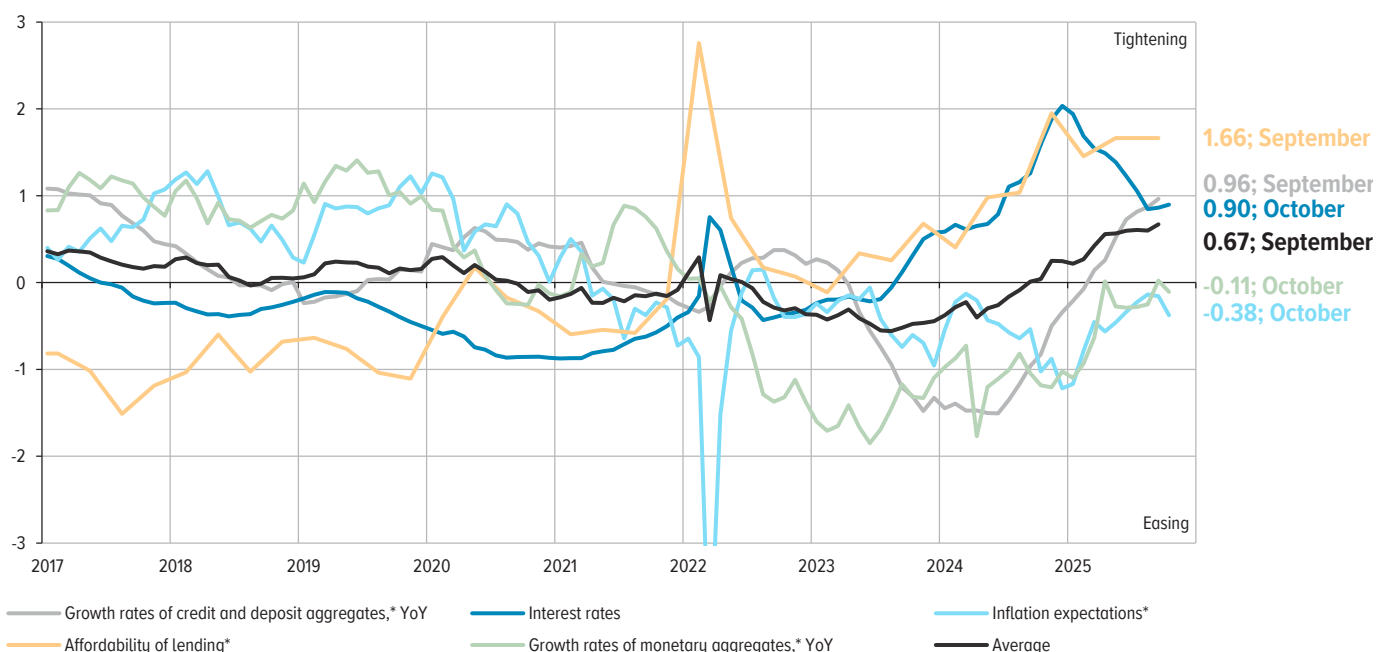
* The indicators were used to calculate the inverse z-score.

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

Source: Bank of Russia calculations.

HISTORICAL DYNAMICS OF INDIVIDUAL INDICATORS OF MONETARY TIGHTNESS

Chart 2



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



MONEY MARKET AND KEY RATE

- Monetary policy and key rate.** On 24 October 2025, the Bank of Russia Board of Directors decided to cut the key rate by 50 bp to 16.50% p.a. Underlying inflation measures barely changed and remained generally above 4% in annualised terms. Current inflationary pressures temporarily intensified due to a number of one-off factors, including rising motor fuel prices. However, tight monetary conditions will still be facilitating disinflation. The economy continued its return to a balanced growth path.

The Bank of Russia stated that it would keep monetary conditions as tight as required to return inflation to the target. Future decisions on the key rate will depend on the sustainability of a slowdown in inflation, the dynamics of inflation expectations, and fiscal policy parameters.

The decision was generally in line with market expectations, although some analysts had assumed a more substantial key rate cut at the October meeting of the Board of Directors. As a result, market participants now expect a more gradual easing of monetary policy in the medium term than they had expected before the meeting on 24 October 2025.

- Banking sector liquidity and overnight rates (RUONIA).** RUONIA averaged 16.50% in October (vs 17.20% in September). The spread between RUONIA and the key rate widened to -42 bp (vs -27 bp in September). The spread volatility decreased to 21 bp (vs 32 bp in September).

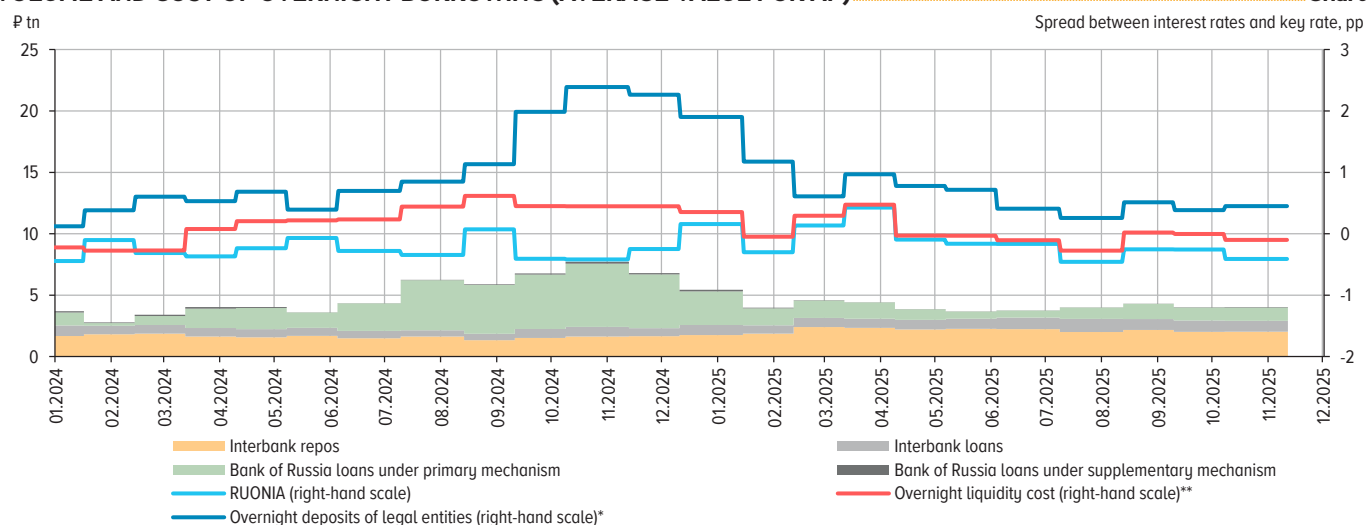
Until the end of the September required reserve (RR) averaging period (AP),¹ banks demonstrated stable demand for liquidity in the money market. During this period, the spread between RUONIA and the key rate was slightly negative, while its volatility remained low. Systemically important credit institutions (SICIs) maintained their demand for the Bank of Russia's standing lending facilities. Banks used these operations both to comply with the liquidity coverage ratio (LCR) and to maintain their RRs.² This, as before, exerted certain downward pressure on money market

¹ From 10 September through 7 October 2025.

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

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

Chart 3



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

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

Data for the period until 7 November 2025.

Source: Bank of Russia calculations.

rates due to a shift in liquidity demand from the money market to the Bank of Russia's lending facilities.

At the start of the October AP,³ the spread widened under the temporary influence of several factors. Firstly, many banks anticipated a decrease in the key rate at the Bank of Russia Board of Directors meeting on 24 October 2025, which was reflected in market rates since the beginning of the AP. Secondly, SICIs experienced a temporary rise in their deficit of highly liquid assets (HLAs) because of the redistribution of client and budgetary funds across the banking sector. Consequently, borrower banks increased their demand for the Bank of Russia's standing lending facilities to comply with the LCR. This led to a contraction in demand in the market, causing the spread to widen. Simultaneously, the LCR encourages banks to follow a relatively smooth trajectory for averaging their RRs. Therefore, banks maintained high balances in their correspondent accounts, despite their key rate expectations.

The national LCR came into effect on 30 October 2025. SICIs began to comply with this ratio instead of the LCR.⁴ The national LCR takes into account the specific aspects of the Russian market, primarily regarding the composition of HLAs included in its calculation. To ensure banks' smooth adaptation to the new ratio, they are required to comply with it at the level of 80% until the end of 2025, taking into account the irrevocable credit line (ICL).⁵ Following this, banks saw the shortage of HLAs to meet the requirement decrease. In these conditions, SICIs' demand for the Bank of Russia's standing lending facilities declined in the final days of October. Consequently, to maintain their RR level, they started using cheaper sources of liquidity. Against this backdrop, banks increased their demand in the money market and at the Bank of Russia's one-week repo auctions, after which the spread began to narrow gradually.

The structural liquidity surplus in the banking sector contracted from ₱1.0 trillion in September to ₱0.6 trillion in October, on average. This reduction was driven by a ₱0.1 trillion increase in credit institutions' averaged RRs with the Bank of Russia and an outflow via the budgetary channel. The latter was primarily due to the Bank of Russia mirroring the net sales of foreign currency by the Russian Ministry of Finance in 2024.⁶ Demand for cash also contributed to a liquidity outflow

³ From 8 October through 11 November 2025.

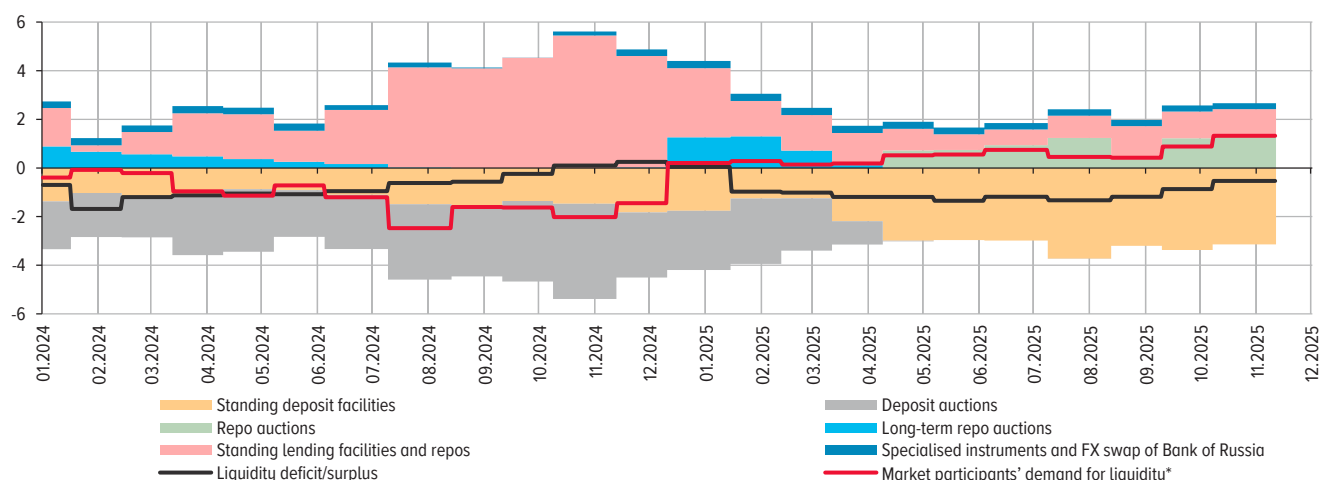
⁴ See ['Bank of Russia introduces new national regulation to manage liquidity coverage risk'](#).

⁵ See [Bank of Russia Regulation No. 864-P, dated 31 July 2025](#).

⁶ See [Monetary Conditions and Monetary Policy Transmission Mechanism No. 1 \(31\), January 2025](#).

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

Chart 4



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

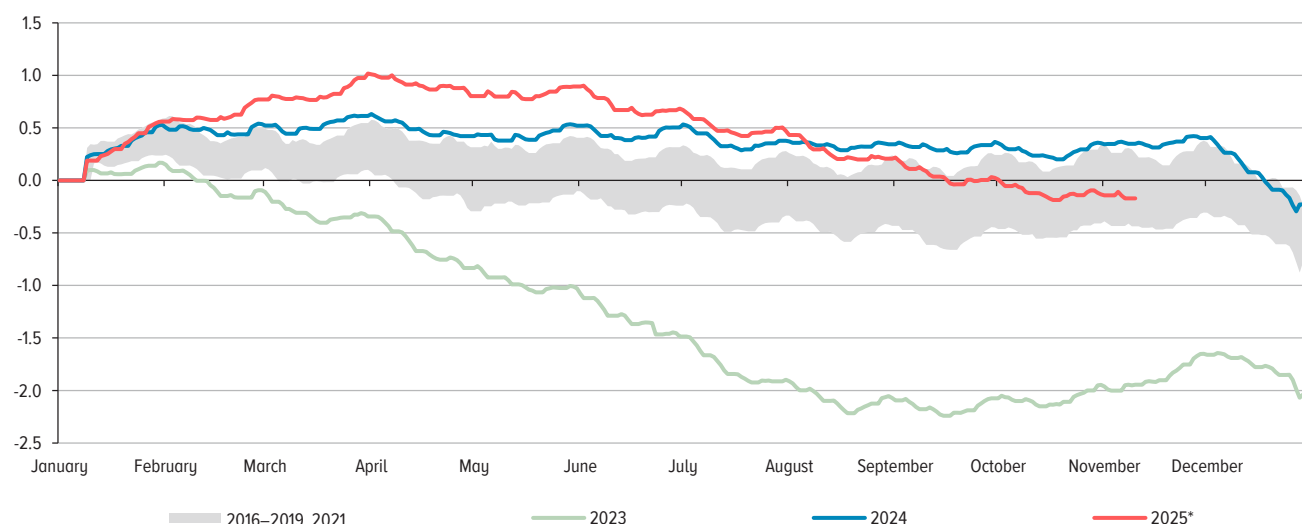
Data for the period until 10 November 2025.

Source: Bank of Russia calculations.

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

(₽ TN)

Chart 5



Note: '+' – decrease; '-' – increase.

* Data for the period until 10 November 2025.

Source: Bank of Russia calculations.

from banks in the amount of ₺0.2 trillion (vs ₺0.2 trillion in September), which is slightly higher than in previous years.

The average forecast for the structural liquidity deficit of the banking sector over the December AP⁷ of 2025 has been revised downwards by ₺0.6 trillion and is now in the range of ₺0.5–₺1.3 trillion.⁸ This revision is primarily associated with the Russian Ministry of Finance's larger plans in terms of investing National Wealth Fund (NWF) resources in eligible financial assets for 2025.

- Money market.** By the end of October, the ROISfix curve had shifted downwards at the short end, while, in contrast, rising for maturities of one year and longer. This movement reflected, on the one hand, the key rate cut that had already occurred, and on the other hand, the upward revision of the key rate forecast range for 2026. The curve moved in the range from -65 bp to +50 bp.

⁷ From 10 December 2025 through 13 January 2026.

⁸ See the [Commentary on the Bank of Russia's Medium-term Forecast, dated 6 November 2025](#).

ROISFIX CURVE

Table 1

Maturity	1W	2W	1M	2M	3M	6M	1Y	2Y
31.10.2025	16.31	16.32	16.32	16.33	16.40	16.32	15.78	14.78
30.09.2025	16.96	16.96	16.95	16.89	16.81	16.60	15.38	14.29
Change, bp	-65	-64	-63	-56	-41	-28	40	49
Average for 2024	17.59	17.68	17.84	18.10	18.29	18.78	18.86	17.83
Change, bp	-128	-136	-152	-177	-189	-246	-308	-305



BOND MARKET

- **OFZ yield curve.** As of the end of October, monthly average OFZ yields increased across all maturities, except the short-term ones. The downward movement at the short end of the curve reflected changes in the future key rate path that had already materialised and were expected by the market. The dynamics of long-term OFZ yields were primarily driven by market participants' concerns regarding the materialisation of budget-side inflation risks, following the publication of the updated fiscal parameters, credit activity data, and labour market indicators.
- **Breakeven inflation.** In October, breakeven inflation rose over the medium-term horizon, fuelled by concerns about the materialisation of inflation risks. Breakeven inflation derived from inflation-indexed OFZ (OFZ-IN) maturing in 2032 was up by 28 bp to 6.3%, while that derived from OFZ-IN maturing in 2028 dropped by 31 bp to 4.2%, while still remaining close to the inflation target.

OFZ ZERO COUPON YIELD CURVE

Table 2

Maturity	1Y	2Y	3Y	5Y	7Y	10Y
31.10.2025	13.48	14.38	14.84	15.11	15.02	14.77
30.09.2025	14.25	14.42	14.59	14.80	14.90	14.93
Change, bp	-76	-4	25	30	13	-16
Average for October 2025	14.34	14.78	15.01	15.13	15.08	14.93
Average for September 2025	13.89	13.82	13.92	14.06	14.14	14.17
Change, bp	45	97	110	107	95	77
Average for 2024	16.91	16.55	16.07	15.34	14.91	14.56
Change, bp	-343	-217	-123	-23	11	21

- **Secondary OFZ market.** The secondary OFZ market turnover edged down month on month (MoM). Daily average trades totalled ₹38.8 billion (vs ₹41.6 billion per day in September). The composition and behaviour of market participants did not change. The primary buyers were non-bank financial institutions using their equity (₹47.3 billion) and individuals (₹21.1 billion). SICIs remained the largest net sellers in October (-₹58.6 billion).
- **OFZ offerings.** In October, the Russian Ministry of Finance held four auction weeks, offering only medium- and long-term fixed-coupon OFZ (OFZ-PD). The weighted average maturity of the offered bonds was declining over the past two months, reaching 7.6 years (vs 11 years previously). Demand for bonds was generated by non-bank financial institutions as part of trust management, SICIs, and other banks. Owing to the normalisation of the situation in the debt market, the Ministry offered bonds with a moderate premium to secondary market yields, which ranged from +1 bp to +14 bp.

The 2025 borrowing target of the Russian Ministry of Finance was revised upwards to ₹7 trillion (vs ₹4.8 trillion previously). Since the beginning of the year, the Ministry raised ₹4.4 trillion in terms of earnings and ₹5.3 trillion at par value (65% of the annual target for earnings).

- **Secondary corporate bond market.** In October, average corporate bond yields were higher than September values (17.18% on average in October vs 16.41% in September), mirroring the dynamics of OFZ yields. The monthly average spread between the IFX-Cbonds index and OFZ yields widened somewhat, reaching 271 bp (vs 247 bp in September), but remained above the average for January 2022–August 2025.
- **Primary corporate bond market.** In the primary market, the volume of new corporate bond issues in October was 22% lower than in the previous month, but comparable year on year (YoY) (₹666 billion in October 2025; ₹851 billion in September 2025; ₹664 billion in October 2024), including foreign currency issues and private placements.⁹ A significant portion of this volume consisted of bonds issued by development institutions and government agencies, as well as other financial institutions and the energy sector.

The year-to-date growth of the corporate bond portfolio in October was comparable month on month and lower year on year (+11.5% in October 2025; +11.1% in September 2025; +14.3% in October 2024). As of the end of October, the corporate bond market totalled ₹34.6 trillion, having barely changed as compared to the previous month (+19.9% YoY; ₹28.9 trillion in October 2024).

- **Quasi-foreign currency corporate bonds.** The amount of issued quasi-foreign currency bonds denominated in US dollars and yuan decreased significantly in October to ₹82 billion (vs ₹352 billion in September). The main issuers were fertiliser and ferrous metal producers. The amount of foreign currency bonds issued since the beginning of 2025 totalled ₹1.7 trillion in the ruble equivalent. According to Cbonds, yields on substitute bonds dropped to 7.94% as of the end of the month (-44 bp MoM).



LOAN AND DEPOSIT RATES

- **Corporate loan rates.** The August decline in corporate lending rates was followed by their uptick in September, namely by 0.3 pp to 19.0% p.a. on short-term loans and by 1.5 pp to 16.1% p.a. on long-term loans. Nevertheless, interest rate rise did not affect the segment of lending to small and medium-sized enterprises (SMEs). The substantial increase in the weighted average rate on long-term corporate loans was primarily associated with the decline in the proportion of loans issued on quasi-preferential terms¹⁰ in the turnover of this market segment, following its notable growth a month earlier.
- **Retail loan rates.** In September, the decrease in retail loan rates primarily affected long-term transactions. Specifically, the interest rate in this segment fell by 0.6 pp to 16.9% p.a. According to estimates, this trend was driven by consumer (non-mortgage) loans, as their rates approached the levels of mid-2024, that is, the period preceding the start of the latest monetary policy tightening cycle. In the mortgage segment, market-based mortgage rates continued to drop in September, thus becoming more attractive to potential borrowers. This was reflected in the expanding share of such loans in total disbursements and contributed to a 0.5 pp increase in the weighted average mortgage rate to 8.0% p.a. In the short-term retail lending segment, interest

⁹ Source: Cbonds.

¹⁰ Quasi-preferential terms mean alternative measures to support borrowers, other than subsidised loan rates. They include government guarantees, subsidised funding for banks, and granting loans at reduced rates with the involvement of government development institutions, the NWF, and other government agencies. For details, see Box 11 'Subsidised lending and its impact on the transmission mechanism' of the [Monetary Policy Guidelines for 2026–2028](#).

rates remained close to their August levels (27.9% p.a.). According to high-frequency data, retail loan rates continued falling in October.

- **Deposit rates.** In September, the retail deposit market continued to adjust to the monetary policy easing that had occurred before, although the drop in rates was notably weaker than in July–August. The weighted average interest rate on short-term deposits¹¹ edged down by 0.3 pp to 15.5% p.a., while that on long-term deposits lowered by 0.6 pp to 13.0% p.a. The upward revision of market participants' expectations regarding the future key rate path, which was reflected in higher money and debt market rates since mid-September, transmitted to the deposit market in October. In the second half of the month, several major banks began to adjust their deposit rates upwards, which, after a modest decline at the beginning of the month, brought the FRG100 index¹² back to the level slightly above the one recorded in late September 2025.



CREDIT AND DEPOSIT AGGREGATES

- **Banking system's claims on organisations.** In September, corporate lending growth was considerably weaker than in July–August, in part because organisations were repaying their accrued interest liabilities at the end of the quarter. The monthly growth rate of the banking system's claims on organisations decreased to 0.7% after 2.1% in August (the same trends were observed in the seasonally adjusted dynamics), while the annual growth rate fell to 13.4% from 14.6% a month earlier. The slowdown in activity only affected ruble lending, where growth equalled 0.2% as compared to 2.0% in August. By contrast, foreign currency lending growth accelerated again in September, reaching 5.5% after 3.6% in the previous month. This was largely driven by an increase in claims on other financial institutions amid an inflow of foreign currency into the real sector (see the subsection 'Money supply'). The expansion of banks' investment in corporate bonds also decelerated in September vs August. According to high-frequency data, the growth of claims on organisations in October exceeded the September level.
- **Banking system's claims on households.** In September, retail lending growth was moderate. Specifically, the monthly increase, adjusted for securitisation transactions, was 0.5% after 0.6% last month, and remained close to zero when seasonally adjusted. The annual growth rate of claims on households was -1.1%, remaining unchanged as compared to the previous month. The indicators of activity in the mortgage lending market barely changed as well. In September, new housing mortgage loans totalled ₴404 billion, compared to ₴392 billion in August. As monetary conditions eased, pushing down market-based mortgage rates, the percentage of subsidised loans in total loans issued continued to decline, reaching 78% after 82% in August. The monthly and annual growth rates of outstanding housing mortgages¹³ were comparable to August figures, equalling 0.8% and 4.8%, respectively. The non-mortgage retail lending segment also saw no significant changes in September. The monthly growth rate¹⁴ of outstanding loans was 0.3%, the same as in August, being slightly higher than the previous month's level when seasonally adjusted. As in previous months, the portfolio of unsecured consumer loans contracted, while

¹¹ Interest rates on short-term deposits (for up to one year, except for call deposits), short-term loans (for up to one year), and long-term deposits and loans (for over one year).

¹² The average interest rate of the 85 largest deposit banks on one-year deposits worth at least ₴100,000, according to the information agency Frank RG.

¹³ 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).

¹⁴ Increases in loan portfolio indicators are calculated based on the acquired claims according to the reporting data of operating credit institutions, recorded in the State Register as of the relevant reporting date. 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 of the US dollar against the ruble.

car lending continued to grow. According to high-frequency data, claims on households still demonstrated moderate dynamics in October.

- **Bank lending conditions.** According to the survey of banks,¹⁵ the easing of bank lending conditions (BLC) in 2025 Q3 affected all segments of the credit market. The key factors behind BLC easing were the key rate cut, higher competition among banks for reliable borrowers, and an improved domestic funding situation. For retail clients, these factors contributed more significantly to BLC easing. At the same time, BLC easing for corporate borrowers continued to be constrained by banks' concerns regarding the financial position of companies.

In 2025 Q3, banks mainly adjusted price BLC, while changes to non-price BLC were minor and were mainly observed in the retail segment. In the corporate segment, non-price BLC tightened in 2025 Q3. This was mostly evidenced by stricter requirements for financial position, a narrowing range of eligible lending purposes, as well as reduced loan maturities and higher collateral requirements for corporate loans.

A recovery in credit demand in 2025 Q3 was observed only in the mortgage segment. According to respondent banks, demand for consumer loans and loans to SMEs remained broadly unchanged compared to 2025 Q2, while demand from large businesses continued to decline. Furthermore, the need for loan restructuring among corporate borrowers was still on the rise. Overall, banks expect demand for new loans to rebound in 2025 Q4 from both retail and corporate clients. In their view, BLC easing will primarily affect the household lending segment. Contrary to typical intra-year seasonality, banks also anticipate higher demand for loans in 2026 Q1, explaining this by expectations of further monetary policy easing.

- **Retail deposits.** As of the end of September, the increase in households' ruble deposits with banks¹⁶ amounted to 0.1%, which was lower than in August (0.3%) and significantly below the September 2024 level. Accordingly, the annual growth rate of this indicator was also down to 20.9% from 22.7% in August. The seasonally adjusted dynamics of households' ruble deposits also indicate a slowdown in growth. Positive dynamics in September were observed only for ruble current accounts. They rose by 0.3% after +0.1% in August, while the monthly change in ruble time deposits was close to zero. The inflow of households' foreign currency funds into banks reached 1.0% over the month, compared to 0.5% in August.



MONETARY AGGREGATES

- **Money supply.** In September, the dynamics of monetary aggregates were diverse. Namely, a 0.2% contraction in M2 was accompanied by a 0.6% increase in M2X on account of a substantial (the largest in over 15 years) amount of foreign currency funds deposited with credit institutions. The annual growth rates of M2 and M2X continued to decrease, equalling 12.7% and 12.2%, respectively, after 14.4% and 12.9% in August. According to high-frequency data,¹⁷ the growth rate of monetary aggregates edged up in October.

¹⁵ The Bank of Russia's quarterly [survey](#) of BLC of the largest Russian banks.

¹⁶ Hereinafter, increases in balance sheet indicators are calculated based on the [Depository Corporations Survey](#) as of the relevant reporting date. Increases in foreign currency claims and deposits are calculated in US dollar terms. Where increases in the indicators comprising foreign currency and ruble components are calculated herein, the growth rate of the foreign currency component is converted into rubles using the period average exchange rate.

¹⁷ See [Monetary Aggregates – Assessment](#) (October 2025).

- **Sources of money supply.** A noticeable slowdown in the growth of the banking system's claims on the economy¹⁸ in September (to 0.7% MoM and 9.3% YoY after 1.8% MoM and 10.1% YoY in August) restrained the expansion of money supply. The contribution of this source to the annual growth of M2X amounted to 10.8 pp after 11.7 pp a month earlier. Contrastingly, fiscal operations in September supported money supply growth. Their contribution to M2X increase was up to 5.1 pp from 4.4 pp in August, partly due to the low base effect of 2024.
- **Components of money supply.** Changes in the currency structure of household and corporate bank deposits in September also affected the contributions of individual components to the annual growth of broad money. As of the end of the month, foreign currency deposits increased by 9.3%, while ruble deposits were down by 0.4%. Consequently, the contribution of foreign currency deposits to the annual growth of M2X rose to 1.0 pp, whereas that of ruble deposits decreased to 10.8 pp, while remaining the dominant factor in the indicator's overall dynamics. Cash in circulation outside the banking system (MO) continued to grow in September, meeting the economy's demand for cash to make settlements, with its share in M2 expanding by 0.1 pp to 14.2%.

¹⁸ 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)

In October, the monthly average exchange rate of the ruble against the US dollar, euro, and yuan strengthened by 2.9%, 3.9%, and 2.9%, respectively. Overall, exchange rates remained within the range observed over May–August 2025. The ruble appreciation was mainly supported by higher sales of foreign currency earnings by exporters, coupled with persistently moderate demand for foreign currency from importers and tight monetary policy making ruble-denominated assets more attractive. On the other hand, increased household purchases of foreign currency in the domestic market and the strengthening of the US dollar against global currencies exerted downward pressure on the ruble exchange rate.

RUBLE EXCHANGE RATE **Table 3**

	USD/RUB (Bank of Russia)	EUR/RUB (Bank of Russia)	CNY/RUB (Moscow Exchange)
31.10.2025	80.50	93.39	11.26
30.09.2025	82.87	97.14	11.48
Change, %	-2.85	-3.86	-2.91
Average for October 2025	81.01	94.37	11.30
Average for September 2025	82.97	97.49	11.60
Change, %	-2.36	-3.18	-2.62
Average for 2024	92.96	100.63	11.26
Change, %	-13.40	-7.20	-12.09

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 3.6% MoM in September. However, in October, according to preliminary estimates, the RUB REER appreciated by 3.1% MoM, remaining above its multi-year median (+15.6% vs the median of January 2015–September 2025).

• Russian stock market

As of the end of October, the Russian stock market contracted. Over the month, the index showed mixed dynamics, fluctuating within the range of 2,458–2,757 p, at some point dropping below 2,500 p for the first time since December 2024 under the influence of geopolitical factors and new sanctions.

As of the end of October, the MOEX Russia Index stood at 2,556 p (-5% MoM) and the Russian Volatility Index (RVI) edged up to 40 p (+3 p MoM). Sectoral indices declined as of the end of the month. The sharpest decrease was observed in shares of construction companies (-17.7% MoM), which may have been due to semi-annual financial statements and revisions to dividend policies by certain enterprises.

• Global financial markets

The GDP-weighted average policy rate in advanced economies was down by 11 bp to 2.86% in October due to policy rate cuts in the US (-25 bp to 3.75–4%), Canada (-25 bp to 2.25%), Sweden (-25 bp to 1.75%), and New Zealand (-50 bp to 2.5%). The weighted average policy rate in emerging market economies (EMEs) declined this month in the Dominican Republic (-25 bp to 5.25%), Uruguay (-50 bp to 8.25%), the Philippines (-25 bp to 4.75%), Kenya (-25 bp to 9.25%), Poland (-25 bp to 4.5%), and Russia (-50 bp to 16.5%). Kazakhstan was an exception, raising its rate by 150 bp to 18%.

As of the end of October, the monthly average yields on US Treasuries (UST) demonstrated a slight downturn across all maturities, which was likely associated with the US Fed funds rate cut and the US government shutdown.

In October, European bond yields also edged down by no more than 5 bp across all maturities, which could be caused by the decline in UST yields.

UST YIELD CURVE **Table 4**

Maturity	2Y	5Y	10Y
31.10.2025	3.60	3.71	4.11
30.09.2025	3.60	3.74	4.16
Change, bp	0	-3	-5
Average for October 2025	3.52	3.65	4.06
Average for September 2025	3.57	3.66	4.12
Change, bp	-5	-1	-6
Average for 2024	4.41	4.26	4.23
Change, bp	-89	-61	-17

Sources: Cbonds, Bank of Russia calculations.

As of the end of October, the US Dollar Index (DXY) rose by 2.1% to 100 p, owing to the weakening of other major currencies. Namely, the EUR/USD rate fell to its lowest level since August, while the YEN/USD rate dropped to its minimum since February. In October, EMEs' currencies were mostly depreciating against the US dollar (BRL/USD: -1.0%; CNY/USD: 0%; TRY/USD: -1.2%; MXN/USD: -1.4%).

As of the end of September, global stock markets were growing (S&P 500: +2.3%; Stoxx 600: +2.5%; Nikkei 225: +16.6%; SSE Composite: +1.9%; Nifty 50: +4.5%; MSCI ACWI: +2.2%). The Tokyo Stock Exchange index demonstrated rapid growth, surpassing 50,000 p for the first time, due to the weakening of the Japanese yen and following the election of Sanae Takaichi as Japan's prime minister, whose policy involves actively increasing government expenditures.

CHARTS AND TABLES

OCTOBER SAW AN OUTFLOW OF FUNDS DRIVEN BY THE RISE IN CASH IN CIRCULATION, FISCAL OPERATIONS, AND CHANGES IN BANKS' REQUIRED RESERVES

(₽ TN)

Table 5

	2024	January–October 2025	October 2025	2025 (forecast)
Liquidity deficit (+)/surplus (-) (as of beginning of period)	0.0	0.6	-0.9	0.6
Liquidity inflow (+)/outflow (-):	-0.6	1.2	-0.3	[-0.8; 0.0]
change in balances of general government accounts with Bank of Russia and other operations*	0.4	1.4	0.0	[0.1; 0.3]
change in cash in circulation	-0.2	-0.1	-0.2	[-0.5; -0.1]
change in required reserves	-0.8	-0.1	-0.1	[-0.4; -0.2]
Liquidity deficit (+)/surplus (-) (as of end of period)	0.6	-0.6		[0.5; 1.3]

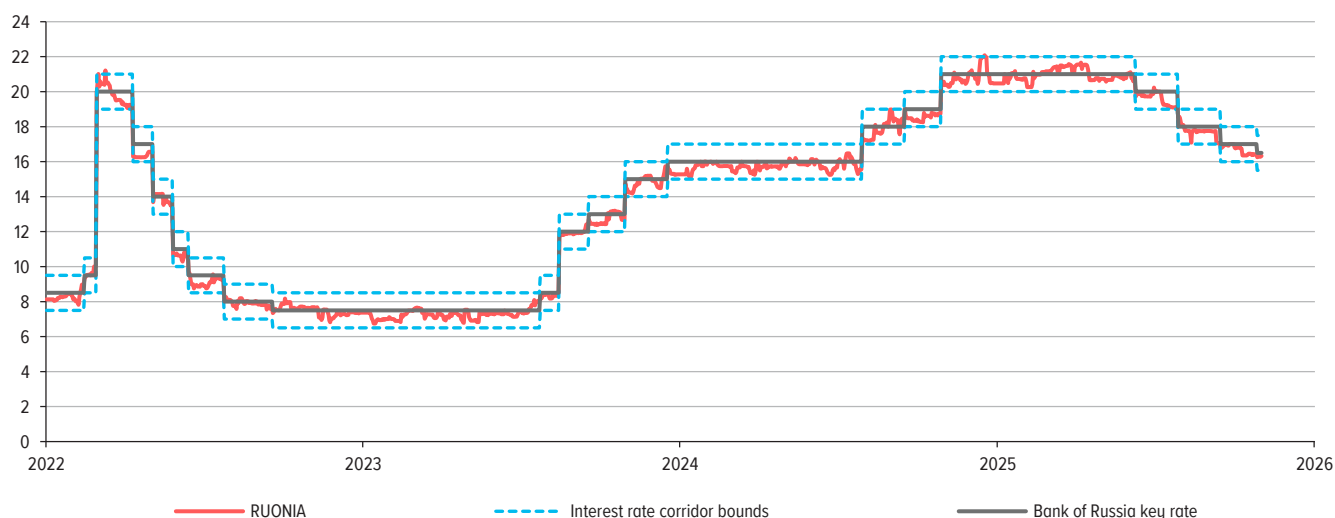
* Including fiscal rule-based operations to buy/sell foreign currency in the domestic FX market and other operations.

Source: Bank of Russia calculations.

RUONIA

(%)

Chart 6



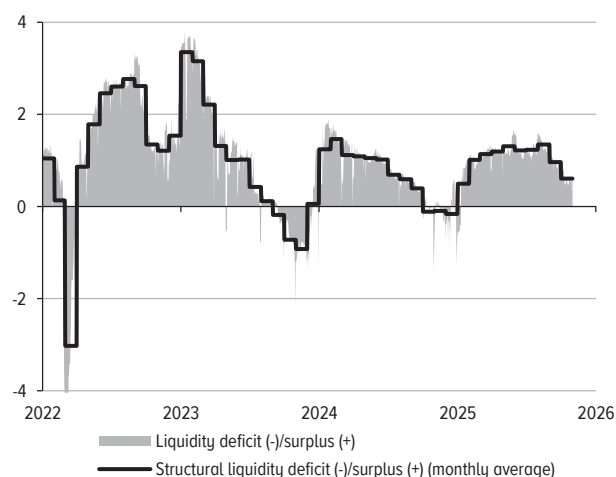
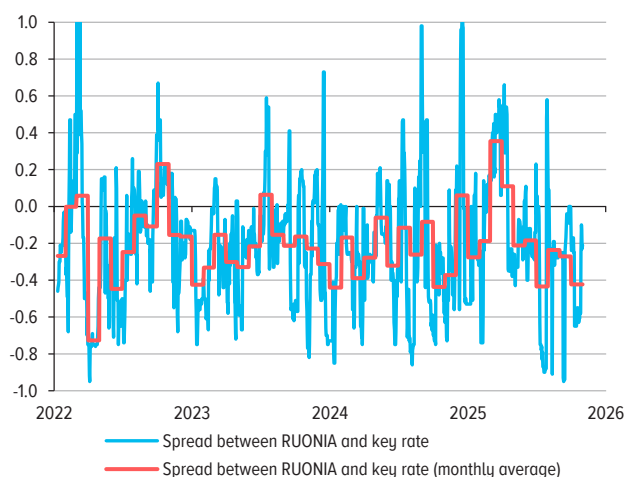
Source: Bank of Russia calculations.

IN OCTOBER, THE SPREAD BETWEEN RUONIA AND THE KEY RATE WIDENED DUE TO EXPECTATIONS OF A DECREASE IN THE KEY RATE AND DEMAND FOR BANK OF RUSSIA LOANS

Chart 7

SPREAD BETWEEN RUONIA AND KEY RATE, PP

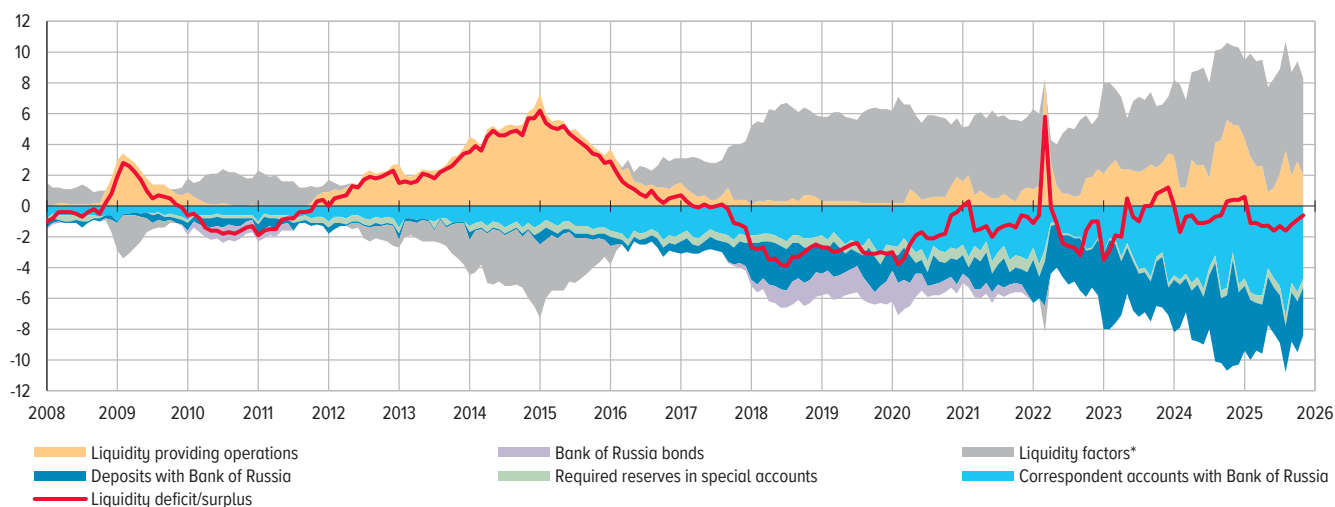
LIQUIDITY DEFICIT/SURPLUS, ₽ TN



Source: Bank of Russia calculations.

BANK OF RUSSIA'S BALANCE SHEET

(P TN)

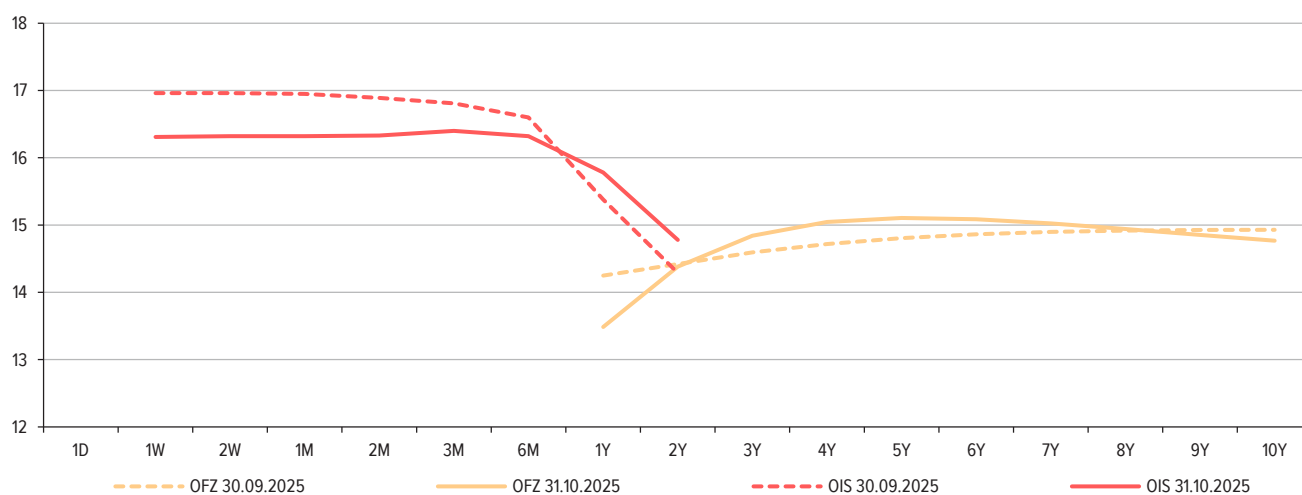
Chart 8

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

Source: Bank of Russia calculations.

MONEY MARKET CURVES WENT DOWN FOR SHORT-TERM MATURITIES IN OCTOBER**Chart 9**

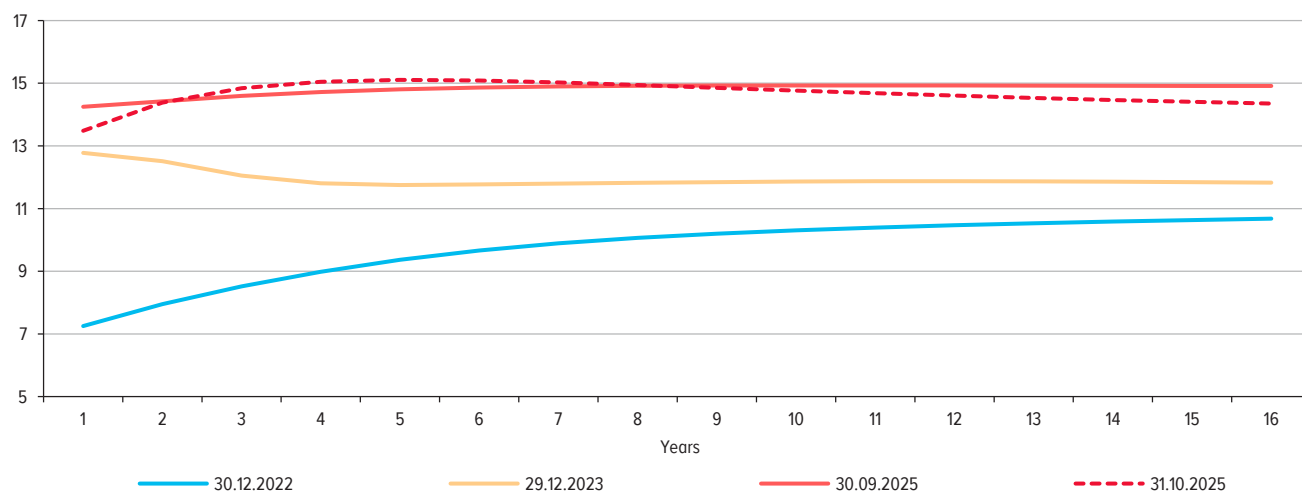
MONEY MARKET CURVES, % P.A.



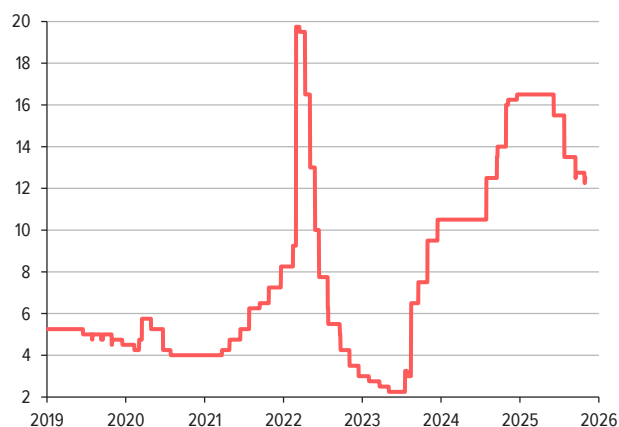
Sources: Bank of Russia, National Finance Association.

IN OCTOBER, THE OFZ CURVE WAS UP FOR MEDIUM-TERM MATURITIES**Chart 10**

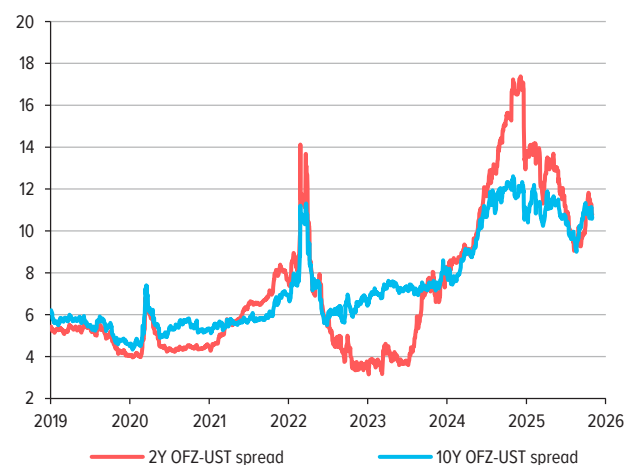
OFZ ZERO COUPON YIELD CURVE, % P.A.



Sources: Moscow Exchange, National Finance Association.

THE SPREAD BETWEEN OFZ AND UST YIELDS WAS NARROWING**Chart 11**SPREAD BETWEEN BANK OF RUSSIA KEY RATE
AND US FED FUNDS RATE, PP

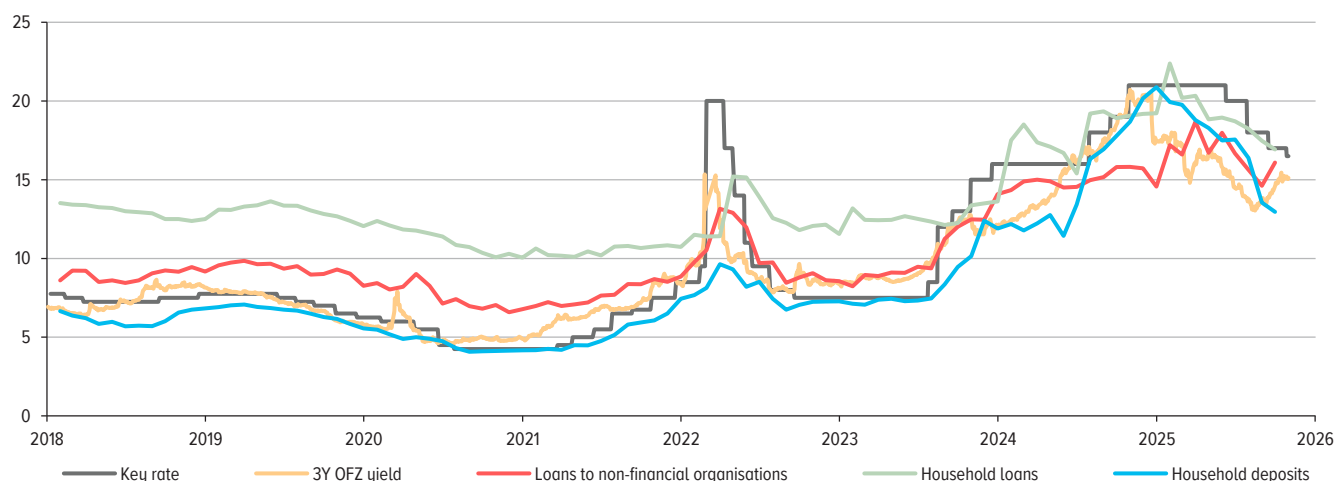
SPREAD BETWEEN OFZ AND UST YIELDS, PP



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

IN SEPTEMBER, INTEREST RATES CHANGED MORE NOTABLY IN THE LONG-TERM SEGMENT OF THE LENDING AND DEPOSIT MARKET**Chart 12**

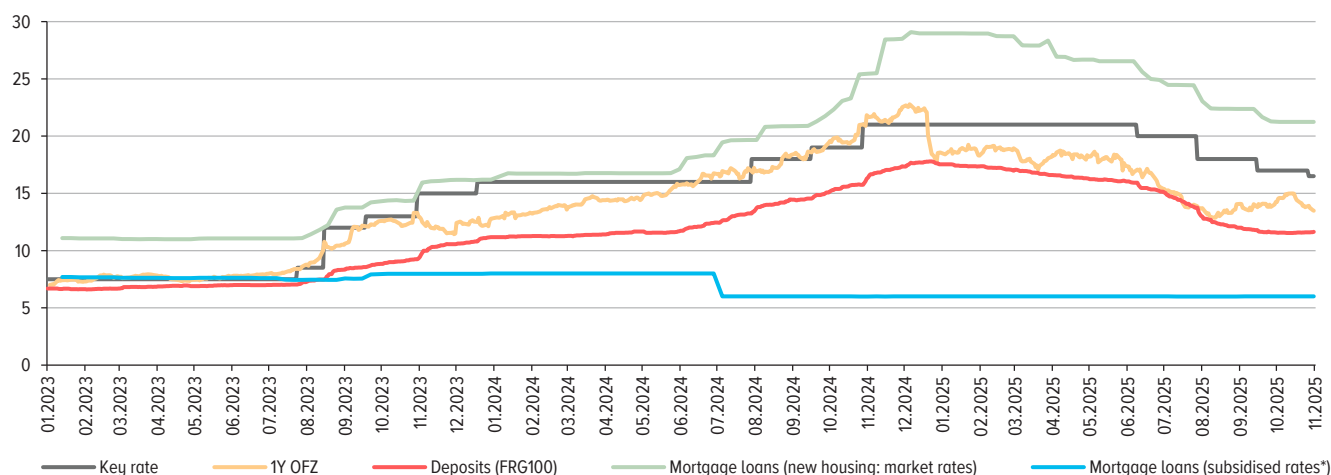
INTEREST RATES ON BANKS' RUBLE LONG-TERM TRANSACTIONS, % P.A.



Source: Bank of Russia.

THE DECLINE IN INTEREST RATES ON BANKS' RETAIL TRANSACTIONS SLOWED DOWN IN OCTOBER**Chart 13**

HIGH-FREQUENCY INTEREST RATE INDICATORS, % P.A.

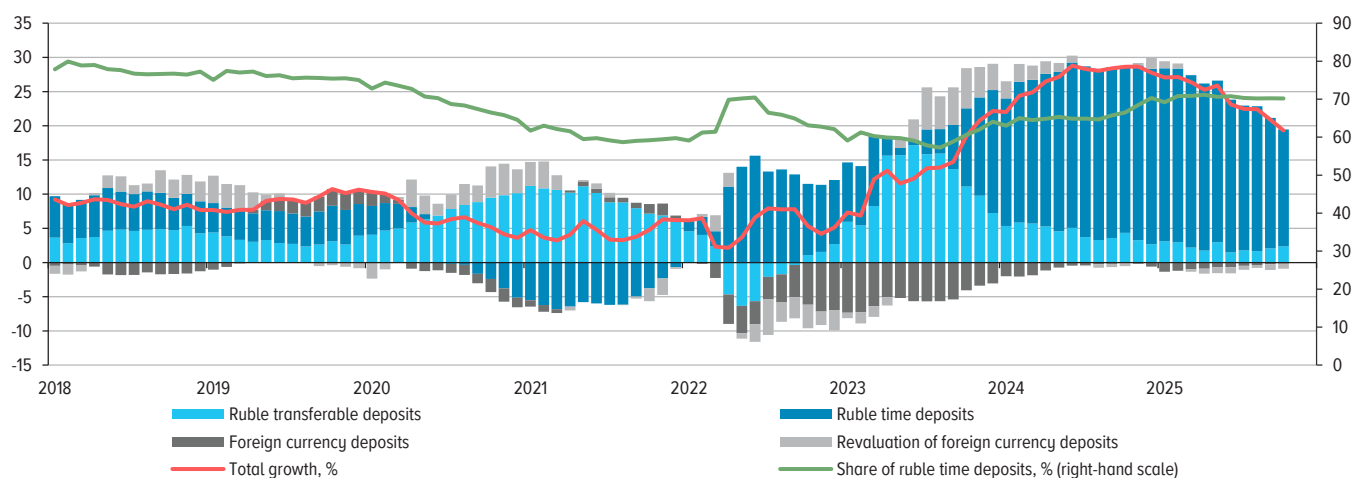


* Until 1 July 2024 – the interest rate under the Subsidised Mortgage programme, from 1 July 2024 – the interest rate under the Family Mortgage programme.
Sources: Bank of Russia, Frank RG, JSC DOM.RF.

THE INFLOW OF HOUSEHOLDS' RUBLE FUNDS INTO BANK DEPOSITS IN SEPTEMBER WAS WEAKER THAN IN PREVIOUS MONTHS

Chart 14

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

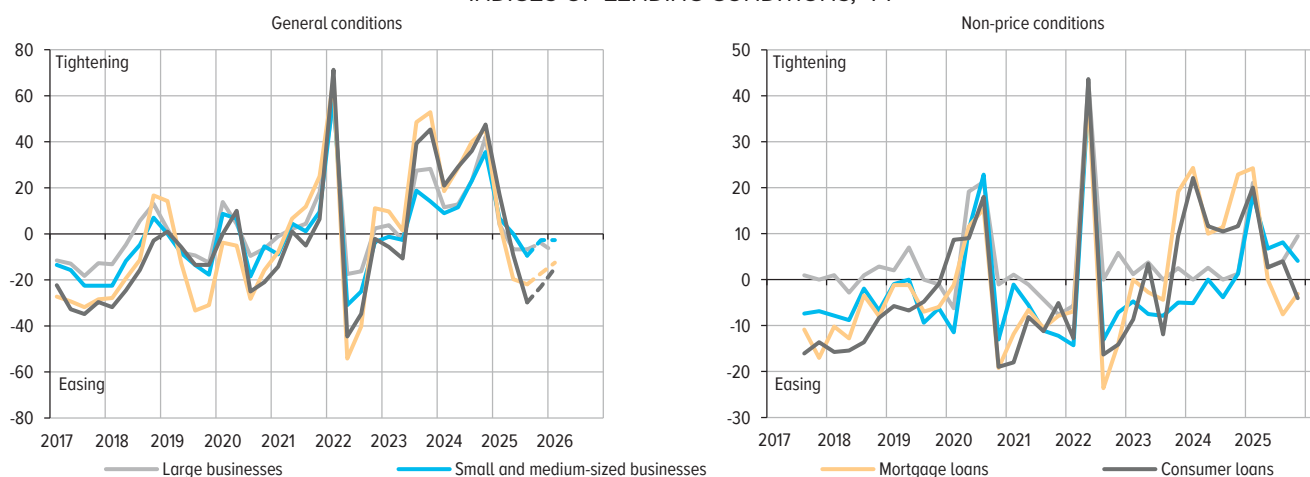


Source: Bank of Russia calculations.

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

Chart 15

INDICES OF LENDING CONDITIONS,* PP



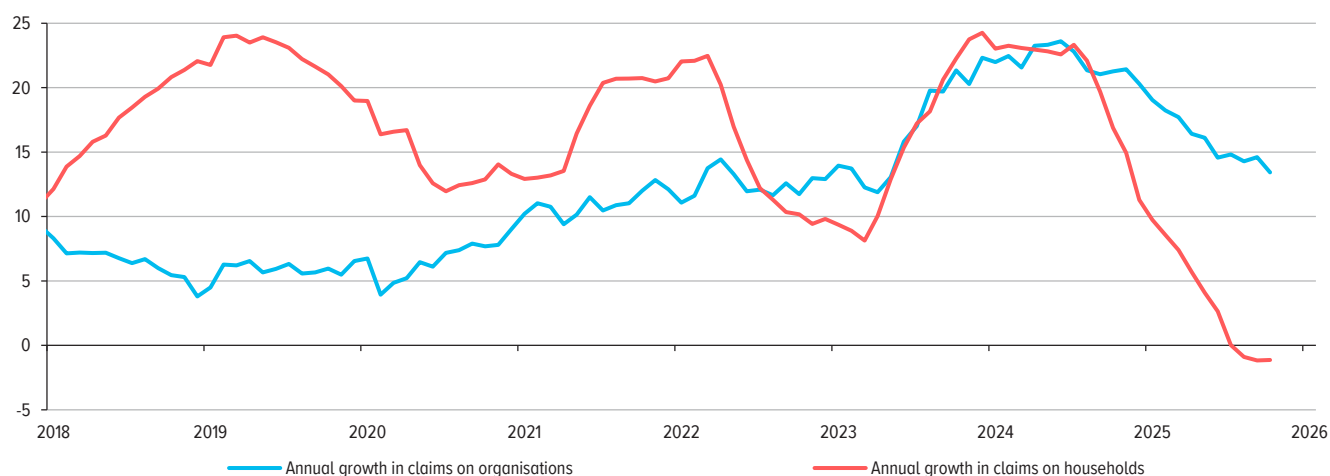
* The dotted lines show respondent banks' expectations (recorded in 2025 Q3) regarding changes in lending conditions and demand for loans in 2025 Q4–2026 Q1.

Source: Bank of Russia.

IN SEPTEMBER, THE GROWTH RATE OF CLAIMS ON ORGANISATIONS WAS BELOW THE JULY–AUGUST VALUES

Chart 16

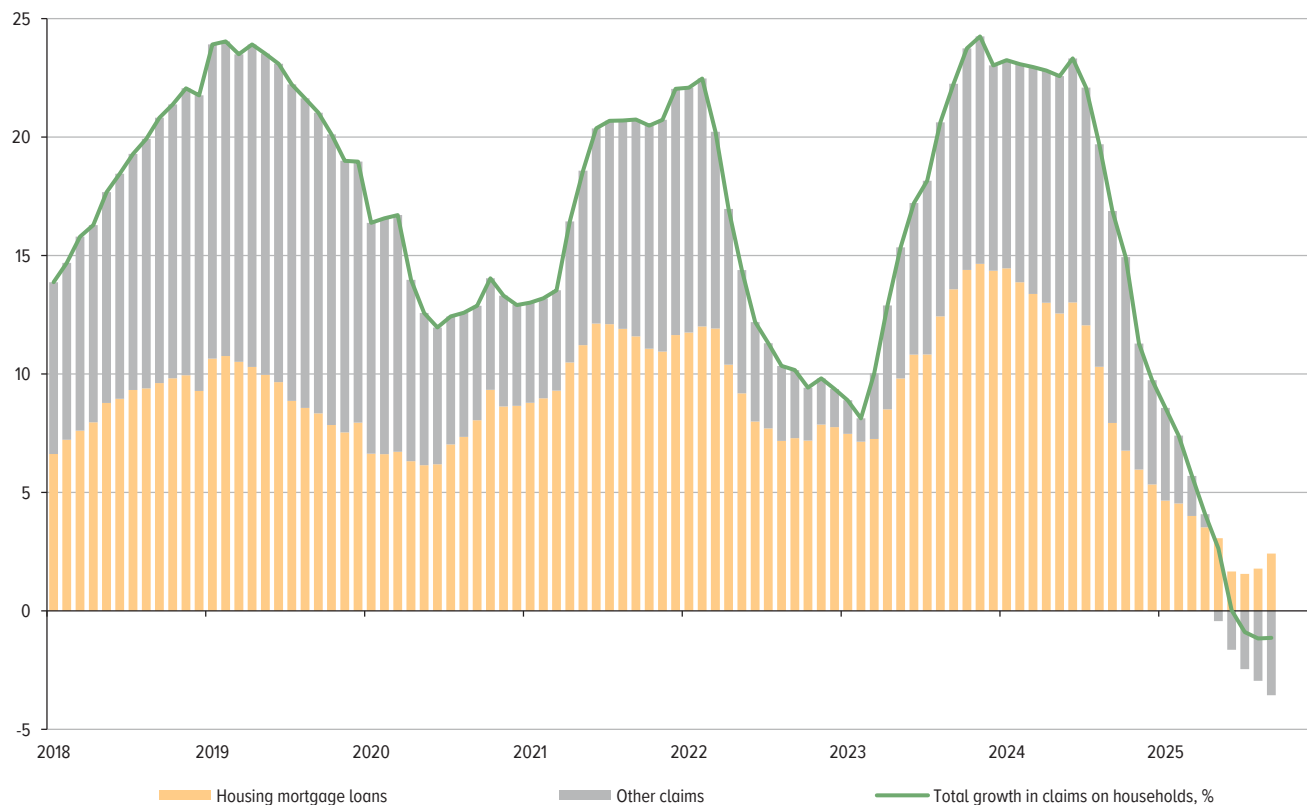
BANKING SYSTEM'S CLAIMS, %



Source: Bank of Russia calculations.

ACTIVITY IN THE RETAIL SEGMENT OF THE LENDING MARKET REMAINED WEAK IN SEPTEMBER **Chart 17**

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



Source: Bank of Russia calculations.

CREDIT AND DEPOSIT MARKET INDICATORS **Table 6**

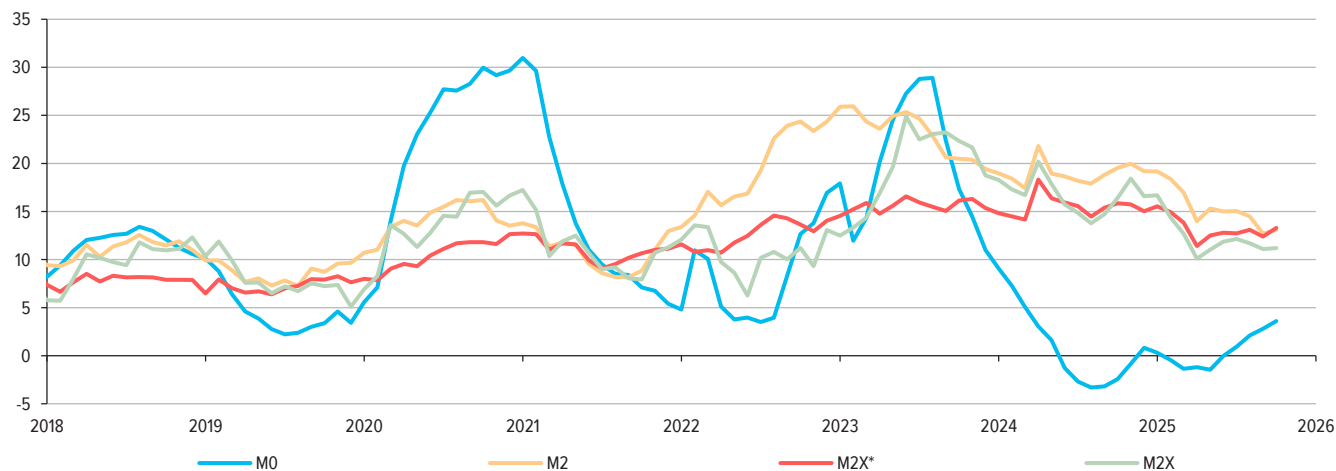
		June 2025	July 2025	August 2025	September 2025
Interest rates on banks' ruble long-term transactions					
household deposits	% p.a.	17.6	16.4	13.6	13.0
household loans	% p.a.	18.7	18.2	17.5	16.9
corporate loans	% p.a.	16.7	15.6	14.6	16.1
Household deposits	% YoY, AFCR	22.5	22.4	20.9	19.3
in rubles	% YOY	24.7	24.6	22.7	20.9
in foreign currency	% YOY	-7.3	-6.5	-4.0	-2.5
share of foreign currency	%	4.9	5.0	4.9	5.1
Claims of banking system on economy	% YoY, AFCR	10.5	9.9	10.1	9.3
on organisations	% YoY, AFCR	14.8	14.3	14.6	13.4
on households	% YoY, AFCR	0.0	-0.9	-1.2	-1.1
Money supply (M2)	% YOY	15.0	15.0	14.4	12.7
Broad money (M2X)	% YoY, AFCR	12.8	12.7	12.9	12.2

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.

THE GROWTH OF MONETARY AGGREGATES ACCELERATED NOTICEABLY IN OCTOBER **Chart 18**

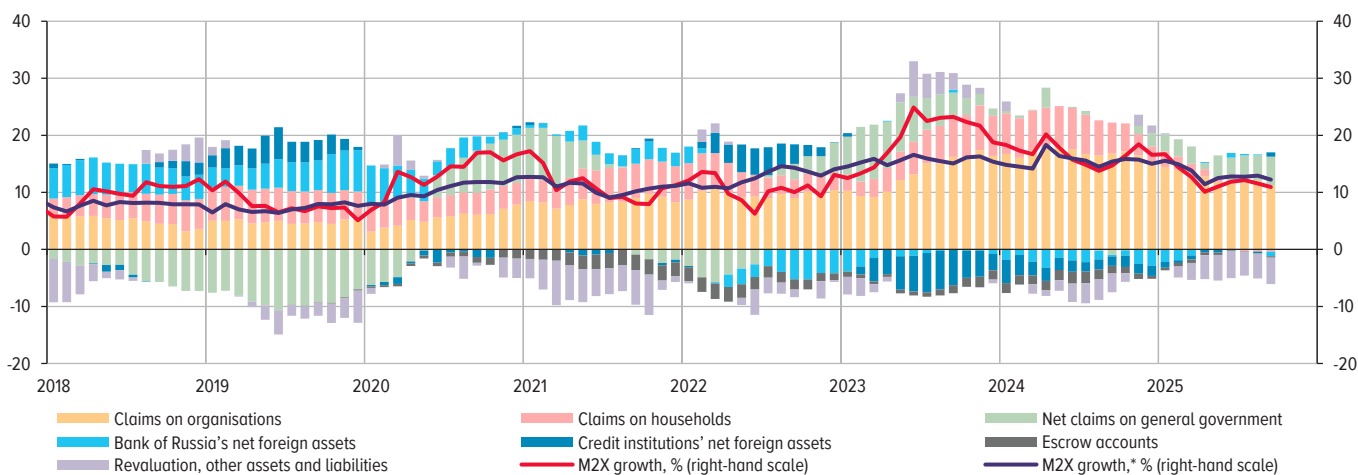
ANNUAL GROWTH OF MAIN MONETARY AGGREGATES, %



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

THE SLOWDOWN IN CREDIT ACTIVITY RESTRAINED MONEY SUPPLY GROWTH IN SEPTEMBER **Chart 19**

CONTRIBUTION OF INDIVIDUAL COMPONENTS TO ANNUAL M2X GROWTH, PP



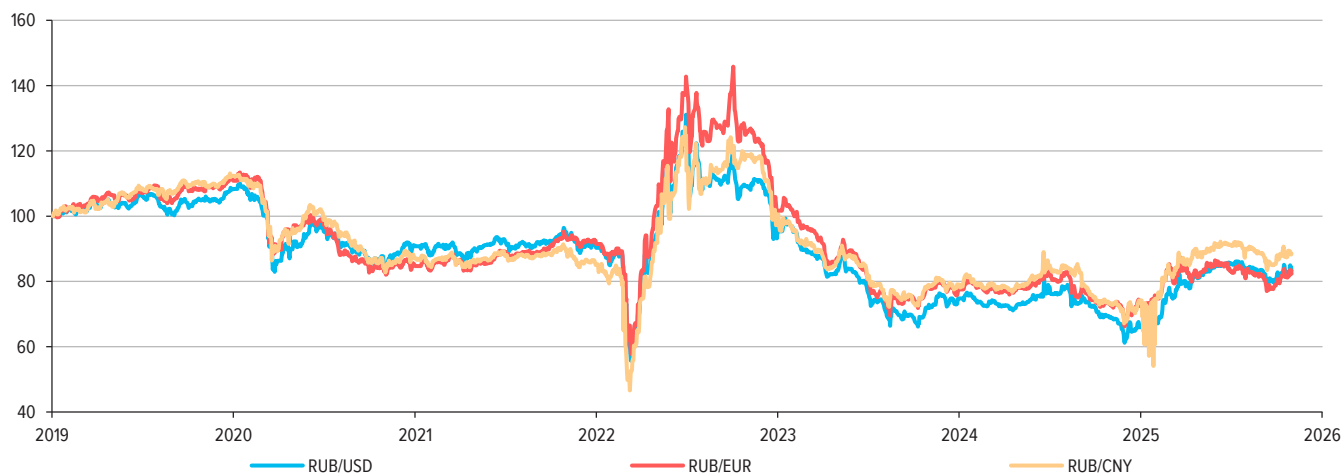
* Adjusted for foreign currency revaluation.
Source: Bank of Russia calculations.

IN OCTOBER, THE RUBLE STRENGTHENED SOMEWHAT AGAINST OTHER CURRENCIES

(02.01.2019 = 100)

Chart 20

RUBLE EXCHANGE RATE AGAINST FOREIGN CURRENCIES



Sources: Cbonds, Bank of Russia calculations.

**THE FOREIGN CURRENCY SEGMENT OF THE RUSSIAN FINANCIAL MARKET DEMONSTRATED
POSITIVE TRENDS IN OCTOBER**

Table 7

Indicator		31.10.2025	1M	3M	6M	YTD	1Y
Russian financial market ('+' – positive trends, '-' – negative trends)							
RUB/USD exchange rate		80.50	2.9	1.6	1.2	20.8	17.3
MOEX Russia Index		2,525	-5.9	-7.6	-11.0	-12.4	-3.4
RTS Index		982	-4.0	-8.3	-10.4	10.0	15.7
Government bond yields		14.83	25	118	-131	-121	-339
Corporate bond yields		16.85	-25	6	-524	-515	-624
Regional bond yields		15.91	1	72	-297	-389	-508
RVI		40	5	6	-8	5	2
Exchange rates (per US dollar, % change, '+' – appreciation, '-' – depreciation)							
AEs*	US Dollar Index	99.72	1.9	-0.4	-0.3	-8.1	-4.2
	Euro	1.15	-1.7	1.1	2.1	11.4	6.3
	Japanese yen	154.01	4.1	2.1	6.3	-2.1	0.4
	Pound sterling	1.32	-2.2	-0.4	-0.9	5.1	1.5
EMEs	Ruble	80.82	2.4	0.3	2.3	28.9	16.7
	Brazilian real	5.38	-1.1	4.0	4.9	13.0	6.7
	Mexican peso	18.57	-1.4	1.6	5.2	10.9	7.8
	Chinese yuan	7.11	0.2	1.3	2.2	2.6	0.1
	Turkish lira	42.05	-1.1	-3.5	-8.9	-18.9	-22.7
	South African rand	17.32	-0.3	4.9	5.8	8.2	1.9
10Y bond yields (% p.a., change in bp, '+' – increase, '-' – decrease)							
AEs	USA	4.11	-5	-26	-22	-47	-18
	Germany	2.63	-8	-6	10	27	25
	Japan	1.66	2	11	41	-290	70
	UK	4.41	-29	-16	-10	332	6
EMEs	Russia	14.77	-16	72	-102	-46	-192
	Brazil	13.79	4	-31	-22	-136	102
	Mexico	8.64	5	-80	-113	-178	-178
	China	1.75	-13	1	13	8	-40
	Turkey	31.93	266	249	-255	478	137
	South Africa	8.87	-32	-77	-173	-17	-42
5Y CDS spreads (bp, change in bp, '+' – increase, '-' – decrease)							
AEs	USA	36	-1	0	-15	7	-4
	Germany	9	0	1	-4	-5	-1
	Japan	20	0	-1	0	-1	-1
	UK	20	-2	3	-1	-1	1
EMEs	Brazil	133	3	-10	-40	-74	-15
	Mexico	89	1	-14	-47	-47	-30
	China	40	1	-2	-20	-26	-24
	Turkey	236	-11	-32	-102	-17	-17
	South Africa	151	-15	-35	-86	-41	-36
Stock indices (p, % change, '+' – increase, '-' – decrease)							
AEs	S&P 500	6,840	2.27	7.9	20.3	16.3	17.7
	Stoxx 600	572	2.46	4.7	6.6	12.7	11.8
	Nikkei 225	52,411	16.64	27.6	42.3	31.4	33.4
	FTSE 100	9,717	3.92	6.4	13.0	18.9	19.1
EMEs	MSCI EM	1,402	4.12	12.7	23.7	30.3	24.4
	Bovespa	149,540	2.26	12.4	10.7	24.3	14.5
	IPC Mexico	62,769	-0.23	9.4	12.5	26.7	23.4
	SSE Composite	3,955	1.85	10.7	20.6	18.0	21.1
	BIST 100	10,972	-0.37	2.1	19.7	11.6	22.5
	FTSE/JSE	109,244	1.21	10.9	18.3	29.9	25.9

* Advanced economies.

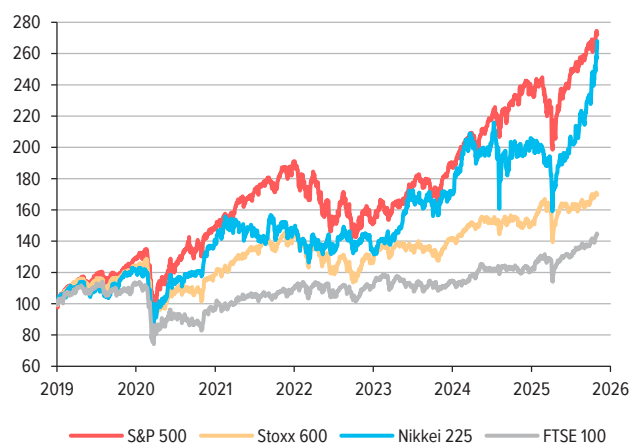
Sources: Moscow Exchange, Cbonds, Bank of Russia calculations.

EMES' STOCK INDICES CHANGED DIVERSELY IN OCTOBER

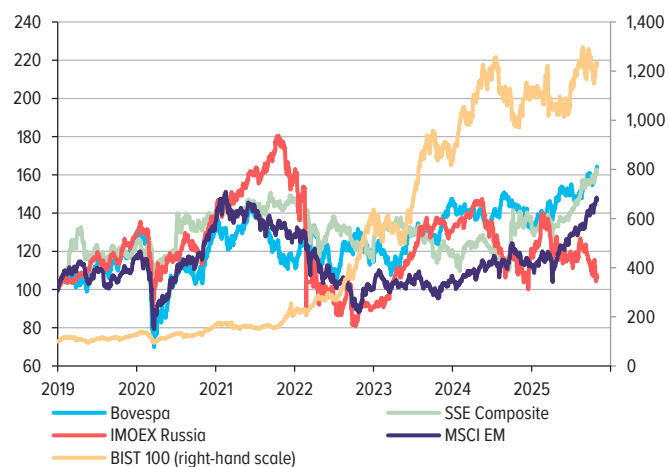
(02.01.2019 = 100)

Chart 21

STOCK INDICES OF ADVANCED ECONOMIES



STOCK INDICES OF EMERGING MARKET ECONOMIES



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

Data cut-off dates:

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

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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Bank of Russia website: www.cbr.ru

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