



Bank of Russia



March 2024

# MONETARY CONDITIONS AND MONETARY POLICY TRANSMISSION MECHANISM

Information and analytical commentary

9 April 2024

## MONETARY CONDITIONS AND MONETARY POLICY TRANSMISSION MECHANISM (MARCH 2024)

Individual indicators of monetary tightness in the Russian economy continued to increase in February–March (Chart 1). Both nominal and real OFZ (federal government bonds) rates were rising. Moreover, most March high-frequency indicators evidenced a decrease in inflation expectations. Monetary policy tightening affected the lending dynamics gradually. Its effect was more pronounced in the corporate segment. Annual growth of monetary aggregates continued to slow down, although staying above the values of 2017–2019.

### 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, influencing 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 influence 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 (interest rate channel of the transmission mechanism), the ability of borrowers to provide high-quality collateral and that of banks – to expand lending (credit and balance-sheet channels), as well as the wealth of investors (welfare channel), and the ruble exchange rate (foreign exchange channel).<sup>1</sup>*

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

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

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

## INDICATORS OF MONETARY TIGHTNESS

SOME INDICATORS OF MONETARY POLICY TIGHTNESS AND THEIR CHANGES IN JANUARY–MARCH 2024

Chart 1



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

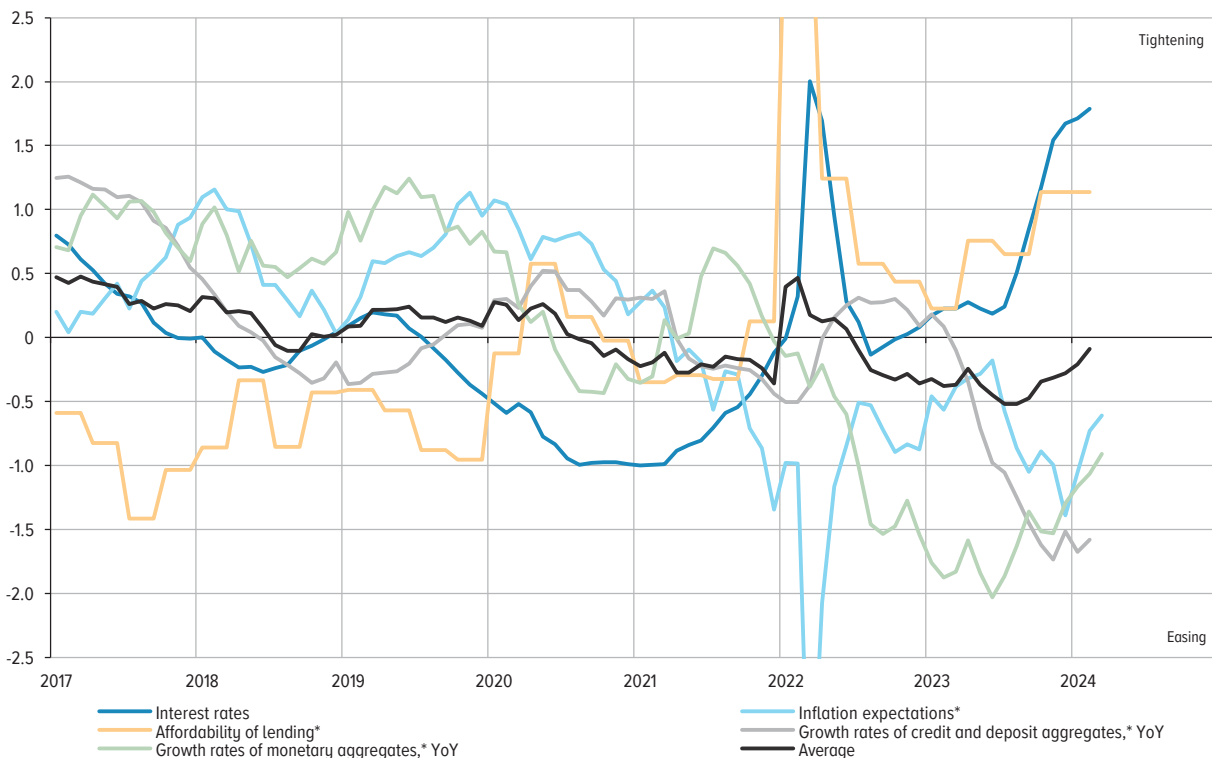
Note. The indicator panel represents one possible summary visualisation of key indicators to help assess the monetary conditions and their changes. It should not be considered a comprehensive presentation of all types of indicators relevant to assessing the nature and changes of the monetary conditions.

The chart shows the level of the indicator (z-score) relative to the distribution of values from January 2017 to February 2024 (left-hand chart) and to March 2024 (right-hand chart). The indicator's level (in standard deviation) as of the previous date is circled. A shift of the indicator to the left relative to the previous date indicates the easing of monetary conditions, a shift to the right – their tightening. Z-scores for high-frequency indicators (OFZ yields, money market rates, exchange rate, spread between CORP and OFZ yields, etc.) were calculated based on the averages for the relevant month. 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.

## INTEREST RATES

- Monetary policy and key rate.** On 22 March, the Bank of Russia Board of Directors decided to keep the key rate at 16.0% per annum. The decision was made amid decelerating but still high inflationary pressures. Domestic demand was still outstripping the capacities to expand the production of goods and services. Labour market tightness increased again. To ensure the stability of disinflationary processes and return inflation to the target in 2024, monetary conditions should remain tight for a long period. The decision to maintain the key rate at the previous level did not surprise the market participants. However, the tone of the press release was tougher than expected. This made many market participants get ready for a longer period of high rates.
- Banking sector liquidity and overnight rates (RUONIA).** The average spread between RUONIA and the key rate expanded to -41 bp in March (February: -17 bp) (Chart 4). The spread volatility increased to 23 bp (In February: 11 bp). From 1 March, the Bank of Russia cancelled the liquidity coverage ratio (LCR) easing.<sup>1</sup> This measure was aimed at improving the situation with the management of short-term liquidity by systemically important credit institutions (SICIs). However, not all banks managed to adjust the structure of their balances by March. To comply with the ratio, banks raised loans from the Bank of Russia against non-marketable collateral, among other things. This, in turn, reduced their need for short-term borrowings in the money market and put downward pressure on RUONIA. To absorb excessive liquidity and balance demand and supply in the money market, the Bank of Russia increased the limit of one-week deposit auctions and held a 'fine-tuning' deposit auction on the last day of the February required reserve (RR) averaging

<sup>1</sup> [Press release, dated 23 November 2023.](#)

period.<sup>2</sup> In March, the average liquidity surplus fell to ₹1.1 trillion (February: ₹1.5 trillion) since the Bank of Russia mirrored transactions with the money of the National Wealth Fund (NWF)<sup>3</sup> in 2023 and RRs increased due to the growing deposit base. The annual recalculation of RRs was carried out in March.<sup>4</sup> As a result, amounts in specialised RR accounts rose by ₹0.2 trillion to ₹0.5 trillion. Simultaneously, owing to the redistribution of the total RR amount, the averaged part of RRs decreased by ₹0.1 trillion to ₹4.6 trillion. The contraction in the cash amount in circulation in March resulted in an inflow of ₹0.1 trillion into banks (in February, the effect on liquidity was close to zero). This is somewhat above the average values of March in the previous years.

- **Money market.** As of the end of March, the ROISfix curve shifted upwards for maturities of six months and more and remained almost unchanged for shorter maturities (Table 1). This evidences that market participants do not expect the key rate to change in April–June 2024. However, average monthly rates grew for maturities of at least 2 months (from 2 to 54 bp), which reflects a change in the expectations in February. Market participants consider the current key rate level as the peak of the monetary tightening cycle. However, their expectations pushed the start of monetary policy easing to a later date.

ROISFIX CURVE

Table 1

Maturity	1W	2W	1M	2M	3M	6M	1Y	2Y
29.03.2024	15.96	16.00	16.00	15.98	15.95	15.96	15.18	13.94
29.02.2024	15.96	15.99	15.99	15.97	15.94	15.63	14.90	13.31
Change, bp	+0	+1	+1	+1	+1	+33	+28	+63

- **OFZ.** In March, average monthly OFZ yields continued to rise across all maturities gaining 50–90 basis points. Long-term securities demonstrated the most significant movement. The upward shift of the short end of the curve was only partially associated with changes in market participants' expectations. They assumed a longer period of high rates, expecting that monetary policy would start to ease no sooner than July 2024. The relevant effect was limited to 20 bp at the short end of the curve, while the far end remained almost unaffected. Long-term yields rose in March vs the previous month owing to increasing inflation expectations of the market participants, which was evidenced by growth in implied inflation for OFX-IN (inflation-indexed federal government bonds), related to the risks of a more accommodative fiscal policy. This probably reflected market participants' concerns about continued elevated inflation driven by expanding domestic demand. Investors also needed additional information about the sources of financing additional budget expenditures.

<sup>2</sup> From 14 February 2024 till 12 March 2024.

<sup>3</sup> See the [commentary of the Bank of Russia, dated 28 December 2023](#).

<sup>4</sup> The recalculation resulted in the redistribution of the overall RRs in accordance with the following ratios: 0.9 is subject to averaging by banks in correspondent accounts with the Bank of Russia, and 0.1 is credited to specialised RR accounts. For details on the annual RR recalculation, see the [Bank of Russia website](#).

## OFZ ZERO COUPON YIELD CURVE

Table 2

Maturity	1Y	2Y	3Y	5Y	7Y	10Y
29.03.2024	14.40	13.65	13.19	12.91	13.00	13.26
29.02.2024	13.58	13.28	12.82	12.38	12.28	12.31
Change, bp	+82	+37	+37	+53	+72	+96
March 2024 average	14.30	13.63	13.14	12.76	12.75	12.92
February 2024 average	13.66	13.16	12.62	12.07	11.94	12.03
Change, bp	+65	+47	+52	+69	+82	+89

The structure of the OFZ secondary market participants changed somewhat. Non-bank financial institutions (NFIs) and individuals became the main net buyers, while SICIs were net sellers.

In the primary market, the Russian Ministry of Finance raised the amount of funds comparable with the level of the previous month (March: ₺237 billion; February: ₺247 billion in money terms). Demand for classic OFZ-PD (fixed coupon federal government bonds) again was predominantly from SICIs and other banks. Collective investors became less interested in auctions as the Ministry had stopped placing OFZ-IN. Securities were placed at a notable premium compared to the secondary market yield (+5–6 bp; in January–February: +2–4 bp on average). However, the placement yields exceeded 13% for the first time since 2016. The average aggregate demand was ₺106 billion (February: ₺102 billion). From early 2024, the Ministry placed OFZ worth ₺0.74 trillion, i.e. 18.1% of the annual borrowing target. The Ministry achieved the borrowing target of ₺0.8 trillion for 2024 Q1 at par value, while the earnings totalled 92% of the target.

- **Corporate bond market.** As of the end of March, based on the IFX–Cbonds index, corporate bond yields reached 15.32% (+54 bp MoM). The monthly average spread between yields of the government and corporate bonds continued to decline (March: 94 bp, February 121 bp) reflecting a slower adjustment of the yields of the bonds to the elevated OFZ yields.

In the primary market in March, corporate borrowers raised funds comparable with the level of the previous year (March 2024: ₺585 billion, March 2023: ₺574 billion). As of the end of March, the market of corporate bonds totalled ₺25.8 trillion.

The issue of substitute bonds contracted in March. A highly rated company of the financial sector placed one issue worth ₺5 billion. The substitute bond yields (according to Cbonds) fell to 6.78% (-46 bp MoM). The spread between them and UST with the relevant maturity remained almost unchanged equalling 248 basis points.

## BANKS' INTEREST RATES ON RUBLE LOANS AND DEPOSITS

- **Deposit rates.** In February, the dynamics of rates on household deposits did not change substantially. According to preliminary data, the short-term<sup>5</sup> deposit rate gained 0.1 pp vs January, reaching 14.6% per annum. In the segment of long-term deposit products, the average market rate fell by 0.4 pp to 11.8% per annum as a result of a change in the market structure. According to recent data, deposit rates continued to grow in March, however more slowly than in the previous months. For example, the FRG100<sup>6</sup> index changed by 0.13 pp over a month. The potential for further growth in deposit rates is limited, and the Bank of Russia's decision to keep the key rate on hold, made at the meeting on 22 March, does not create prerequisites for its increase (Charts 9 and 10).

<sup>5</sup> Short-term deposits are deposits for no more than one year, except for demand deposits; short-term loans are loans for no more than one year, long-term deposits and loans are deposits and loans for at least one year.

<sup>6</sup> The average interest rate of the 80 largest deposit banks on one-year deposits worth at least ₺100,000, according to Frank RG.

- **Corporate loan rates.** In January–February, price lending conditions for corporate borrowers continued to tighten, most notably in the short-term segment. According to recent data, in March, the rates remained close to the current level.
- **Retail loan rates.** In February, household loan rates continued to rise, according to preliminary data, most notably – in the long-term segment. Following a decrease in the share of new housing in mortgage disbursements owing to the tightening of subsidised lending conditions and a rate increase in the existing housing, the average mortgage rate gained 0.9 pp equalling 9.3% per annum. In consumer lending, the rates increased (Charts 9 and 10).

## GROWTH RATES OF CREDIT AND DEPOSIT AGGREGATES

- **Client liabilities of banks.** The amount of households' funds with banks<sup>7</sup> trended upwards steadily in February after seasonal contraction in January: as of the end of the month, the rise<sup>8</sup> in households' deposits was 2.5% vs -0.7% in January. Growth in February 2024 reached a 14-year high, which was mainly due to the attractive rates amid tight monetary policy and the indexation of social and insurance payments from 1 February. As in the previous months, funds increased predominantly in the short-term segment. The amount of funds on long-term deposits edged down gradually. In February, the amount of savings in currency changed insignificantly. Such change did not affect the share of currency in the deposit portfolio (Chart 11).
- **Corporate lending.** The tightening of monetary policy gradually affected the lending dynamics: as of the end of February, the corporate lending portfolio expanded by +0.7% (vs 0.2% in January), which was more than two times lower than last February. As a result, annual growth in the corporate loan portfolio was 19.9% vs 21.1% in January. Currencies of friendly countries made the main contribution to the increase in foreign currency lending. As a result, the share of foreign currency in the corporate loan portfolio reached 16.7% vs 16.1% in January. According to recent data, in March, the activity in the corporate lending segment edged up (Chart 12).
- **Retail lending.** In February, annual growth in the retail loan portfolio was 23.3% vs 23.5% in the previous month. The amount of issued mortgage loans was ₺333 billion in February. However, the share of subsidised loans<sup>9</sup> fell to 65% after the programme conditions tightened. In February, growth of the housing mortgage portfolio<sup>10</sup> remained slow equalling 0.4% compared with 0.7% in January. As to unsecured consumer lending, there was no slowdown in February compared to the previous month. The monthly change in the portfolio of unsecured consumer loans remained at the level of 0.9%, which was comparable with increases over the same month in the previous years. Concurrently, car lending trended upwards steadily, which could be driven by discounts on cars in early 2024 and expectations of higher car prices in the near future as well as the expanded terms of the subsidised car lending programme.<sup>11</sup> As of the end of February, growth in the car lending portfolio was 3.9% vs 2.2% in January, which was three times higher than the same value of February 2023. According to preliminary data, overall retail lending activity edged up in March (Charts 12 and 13).

<sup>7</sup> Hereinafter, individuals' funds with banks include balances in time deposits, demand deposits and current accounts, but do not include escrow accounts under equity construction agreements.

<sup>8</sup> Hereinafter, increases in banks' balance-sheet indicators are calculated based on the reporting data of operating credit institutions included in the State Register as of the relevant reporting date. Increases in foreign currency claims and liabilities 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.

<sup>9</sup> Mortgage loans issued as part of the programmes Subsidised Mortgage, Family Mortgage, IT Mortgage and Far Eastern and Arctic Mortgage.

<sup>10</sup> Increases in claims are calculated without acquired rights of claim and without adjustments for securitisation transactions. In particular, the deceleration in annual growth in February was associated with a major mortgage securitisation transaction.

<sup>11</sup> See Resolution of the Government of the Russian Federation No. 1834, dated 1 October 2023.

## GROWTH RATES OF MONETARY AGGREGATES

- Money supply.** In February, growth in monetary aggregates continued to slow down reflecting tighter monetary conditions that developed in the previous months. Deceleration of activity in the credit market, primarily in the corporate segment, produced a downward effect on the dynamics of money supply. The contribution of budget operations to the growth of aggregates increased as of the end of February. According to recent data, in March, money supply growth continued to slow down (Chart 15).

- Exchange rate (foreign exchange channel)**

As of the end of March, the ruble slightly weakened. However, the monthly average ruble / US dollar exchange rate remained almost unchanged. The weakening of the ruble in January–February 2024 was mainly caused by a reduction in sales of foreign currency by exporters which, on average, were 20% less than in November–December 2023. In March, the trend continued. However, during the last week of March, the sales soared and as of the end of the month exceeded the values of November–December by 10%. However, this did not help strengthen the exchange rate. Nevertheless, the ruble volatility continued to decline and as of the end of the month reached its lowest values since 2021 Q3.

CHANGES IN RUBLE EXCHANGE RATE

Table 3

	USD / RUB	EUR / RUB	CNY / RUB
29.03.2024	92.48	99.65	12.67
29.02.2024	91.15	98.61	12.58
Change, %	+1.5	+1.1	+0.7
On average in March	91.93	99.80	12.70
On average in February	91.58	98.74	12.66
Change, %	+0.4	+1.1	+0.4

Note. '+' – ruble weakening, '-' – ruble strengthening.

The [real effective exchange rate of the ruble](#) (REER) calculated against the currencies of the main foreign trade partners decreased by 2.4% in February (-14.8 YoY). According to preliminary data, in March, the REER edged down by 1% vs February, staying below its median value of recent years (-9% vs the median of January 2015–February 2024).

- Foreign markets**

The GDP weighted average key rates in advanced economies remained almost unchanged in January (4.47%; +0 bp). The Czech National Bank lowered its rate by 50 bp, while the Bank of Japan raised the policy rate to 0–0.1% for the first time since 2007. The Bank of Japan's policy remains ultra-accommodative in general, but short-term rates became positive and exchange-traded index funds and real estate funds are no longer purchased. Taking into account persistent inflationary pressures and central banks' communications, the USA and euro area revised expectations regarding the path of the US Fed and ECB rates. Market participants assume that the rates will remain high for a longer period and expect that they will start to decrease at the end of 2024 Q2. The US Fed is expected to lower its rate by 0.75 bp in aggregate by the end of 2024, as predicted by the monetary authorities.

Concurrently, emerging economies reduced the average weighted rate by 5 bp to 8.14%. This was mostly caused by a 50 bp decrease in rates in Mexico and Brazil as well as a 75 bp cut in the policy rate by the Magyar Nemzeti Bank (the central bank of Hungary).

As of the end of March, the yield curve of US Treasury bonds edged down along its entire length (UST 2Y: 4.59%, -5 bp MoM; UST 10Y: 4.20%, -5 bp MoM), whereas monthly average yields, on the contrary, increased, which was in line with a change in expectations regarding the future rate path in February–March. The DXY dollar index responded by slightly strengthening and equalled 104.5 (+0.3%) as of the end of the month. In general, European yield curves demonstrate similar dynamics.



## CHANGE IN UST YIELD CURVE

Table 4

<b>Maturity</b>	<b>2Y</b>	<b>5Y</b>	<b>10Y</b>
29.03.2024	4.59	4.21	4.20
29.02.2024	4.64	4.26	4.25
Change, bp	-5	-5	-5
March 2024 average	4.59	4.20	4.21
February 2024 average	4.54	4.19	4.21
Change, bp	+5	+1	0

Regardless of a change in expectations regarding the US and euro area monetary policies, stock indices surged (S&P 500: +3.1%; Stoxx 600: +3.65%; Nikkei 225: +3.1%). S&P 500 was raising almost throughout the entire 2024 Q1 and grew by 10.8% as of the end of it. Investors' optimism stemmed from their confidence that the US Fed could bring inflation back to the target without any significant adverse effect on the economy, which was evidenced by the published macroeconomic statistics.

The optimism in the US market extended to the developing economies. Stock indices in national currencies also increased on average (MSCI EM: +2.2%; Bovespa: -0.7%; IPC Mexico: +3.5%; SSE Composite: +0.9%; BIST 100: -0.6%) (Chart 20). However, the FX market demonstrated a trend towards weakening due to US dollar index growth (BRLUSD: -0.9%; CNYUSD: -0.5%; TRLUSD: -3.3%; MXNUSD: +2.8%).

## CHARTS AND TABLES

THE STRUCTURAL LIQUIDITY DEFICIT IS EXPECTED FROM ₺0.6 TRILLION TO ₺1.4 TRILLION AS OF THE END OF 2024 (₺ TRILLIONS)

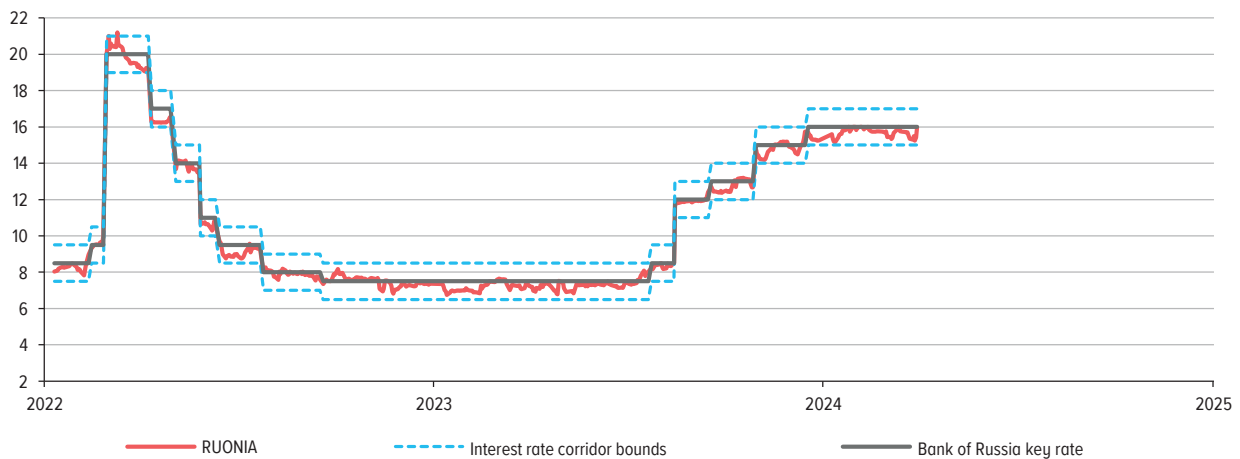
Table 5

	2023	January– March 2024	March 2024	2024 (forecast)
<b>Liquidity deficit (+) / surplus (-) (at period start)</b>	<b>-3.5</b>	<b>0.0</b>	<b>-0.7</b>	<b>0.0</b>
Liquidity inflow (+) / outflow (-):	-3.4	0.6	-0.1	[-1.5; -0.7]
– change in the balances of funds in general government accounts with the Bank of Russia, and other operations*	1.0	0.2	-0.1	[0.7; 0.9]
– change in cash in circulation	-2.0	0.6	0.1	[-1.6; -1.2]
- change in required reserves	-2.4	-0.2	-0.1	[-0.6; -0.4]
<b>Liquidity deficit (+) / surplus (-) (at period end)</b>	<b>0.0</b>		<b>-0.6</b>	<b>[0.6; 1.4]</b>

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

RUONIA DYNAMICS (%)

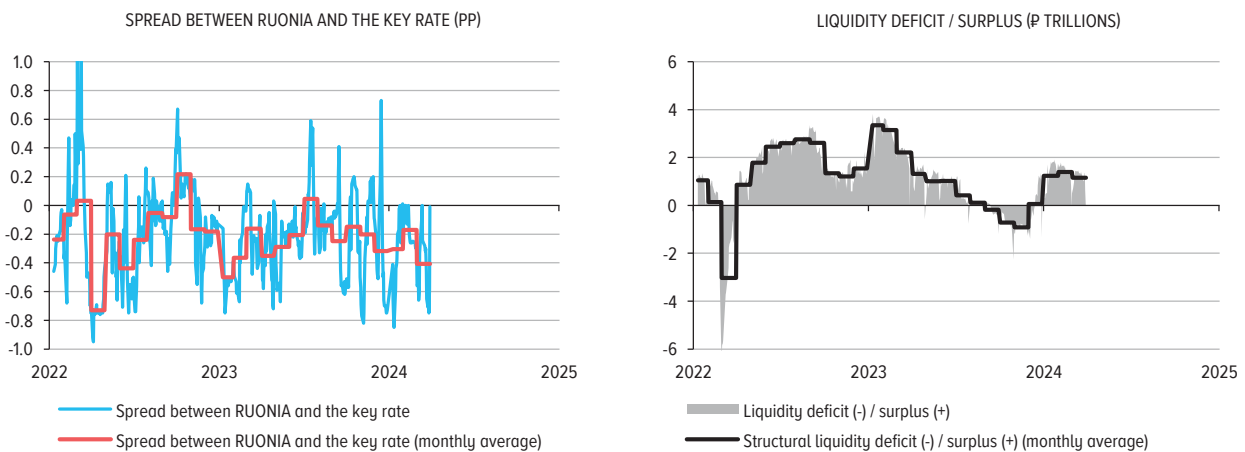
Chart 3



Source: Bank of Russia calculations.

THE SPREAD BETWEEN RUONIA AND THE BANK OF RUSSIA KEY RATE EXPANDED OVER MARCH

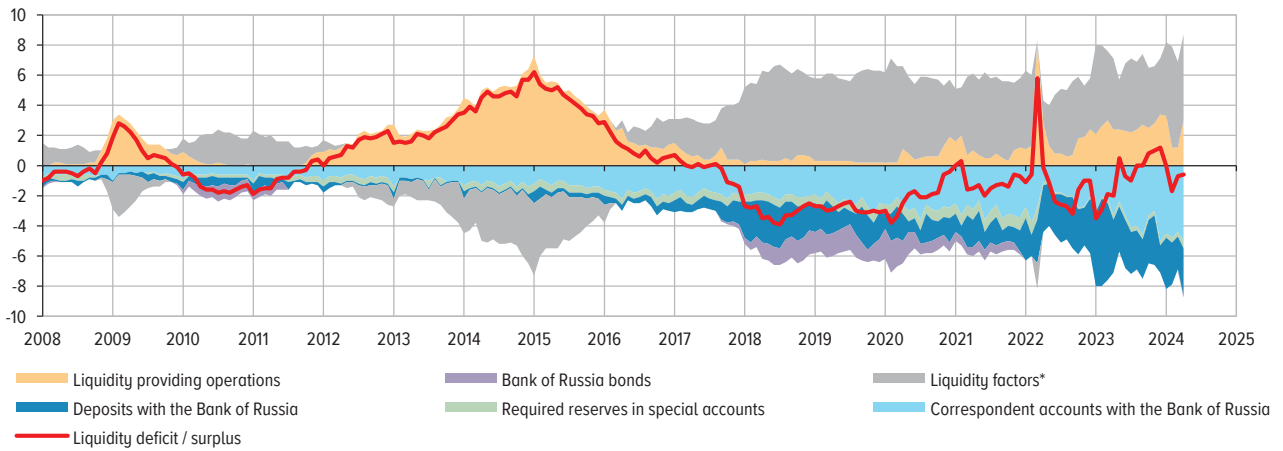
Chart 4



Source: Bank of Russia calculations.

THE BANK OF RUSSIA'S BALANCE SHEET  
(₽ TRILLIONS)

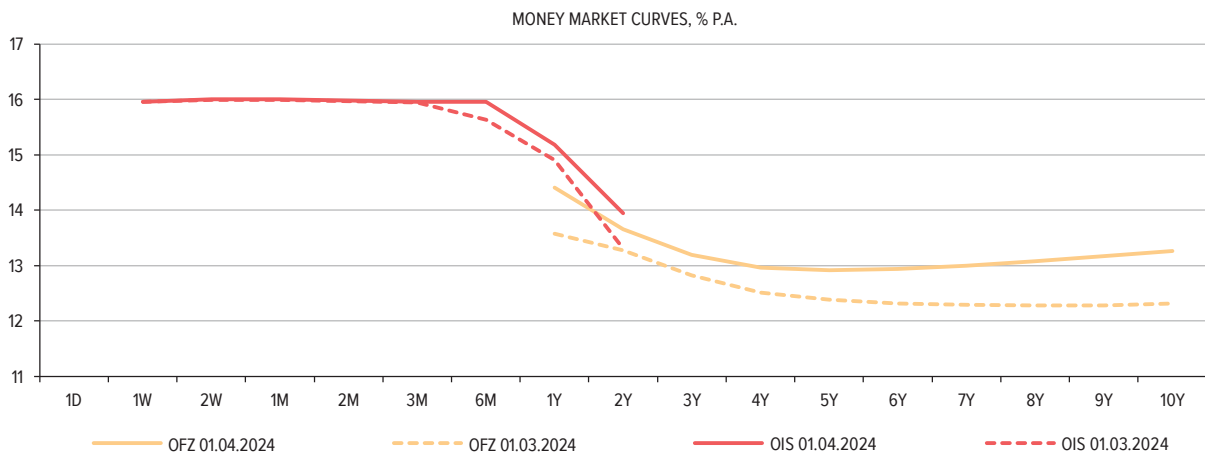
Chart 5



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

IN MARCH, MONEY MARKET CURVES SHIFTED UPWARDS IN THE LONG-TERM SEGMENT

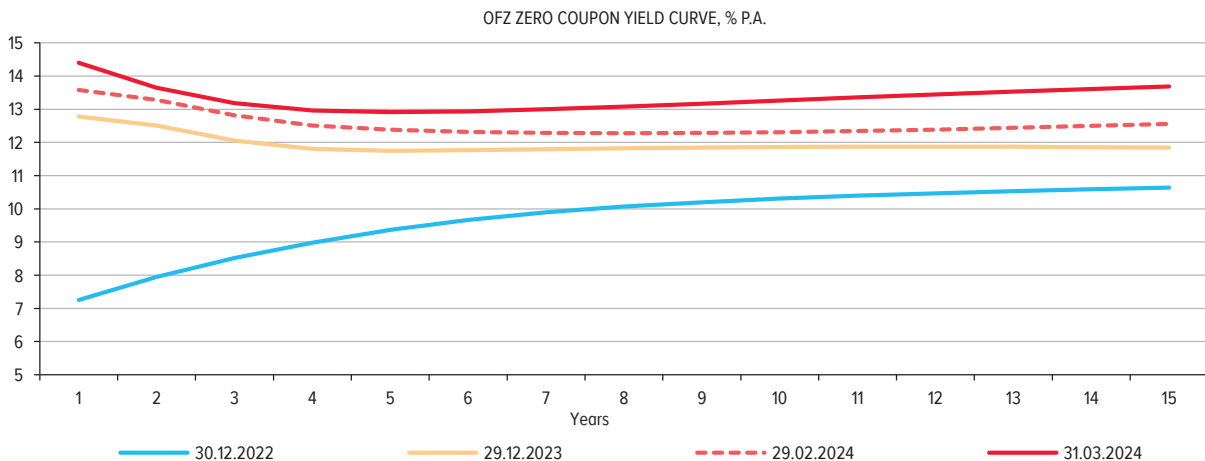
Chart 6



Sources: Moscow Exchange, NFA.

OFZ YIELDS SOARED

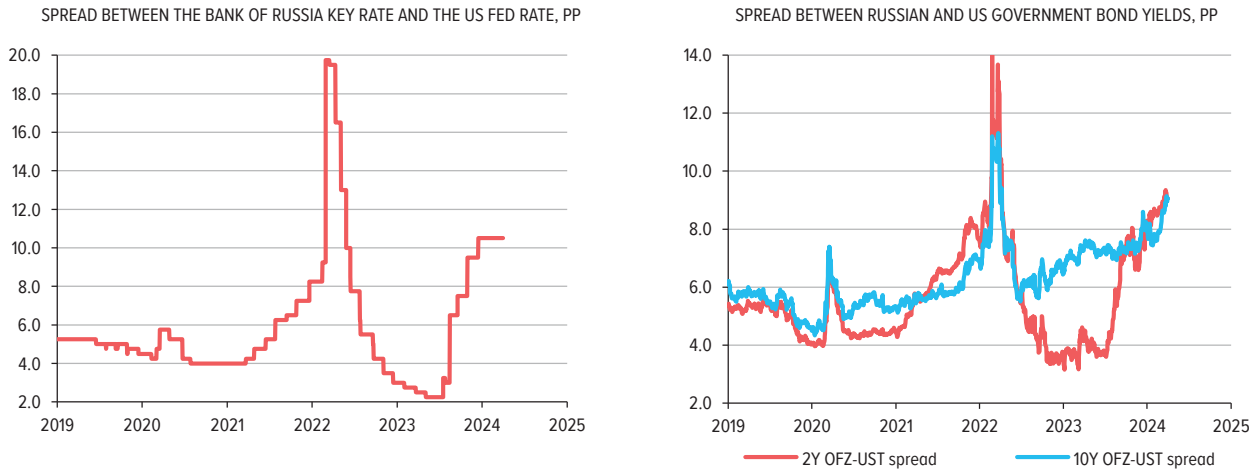
Chart 7



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

THE SPREAD BETWEEN RUSSIAN AND US GOVERNMENT BOND YIELDS EXPANDED

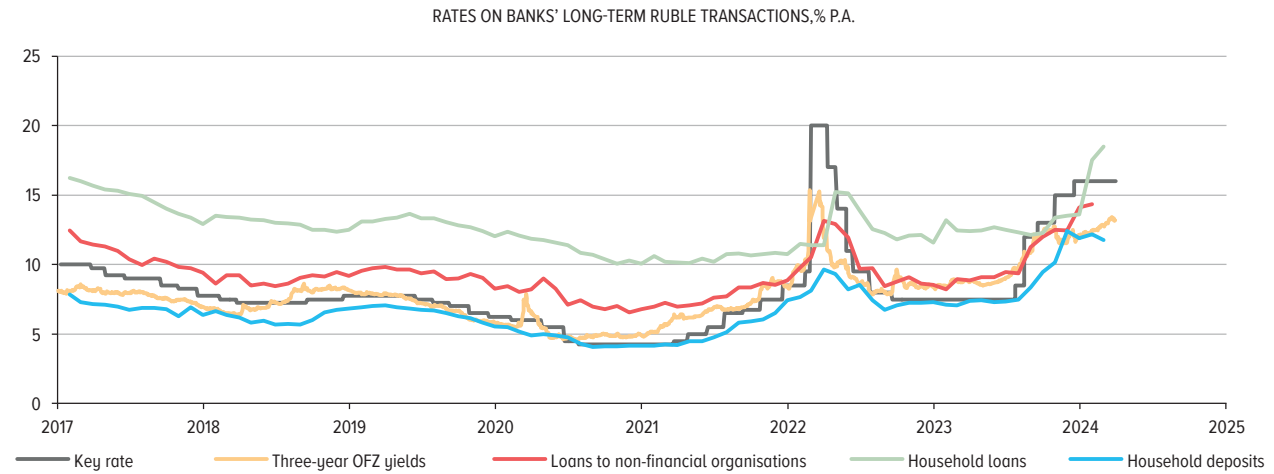
Chart 8



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

THE WEIGHTED AVERAGE DEPOSIT RATE FELL IN FEBRUARY OWING TO A CHANGE IN THE MARKET STRUCTURE

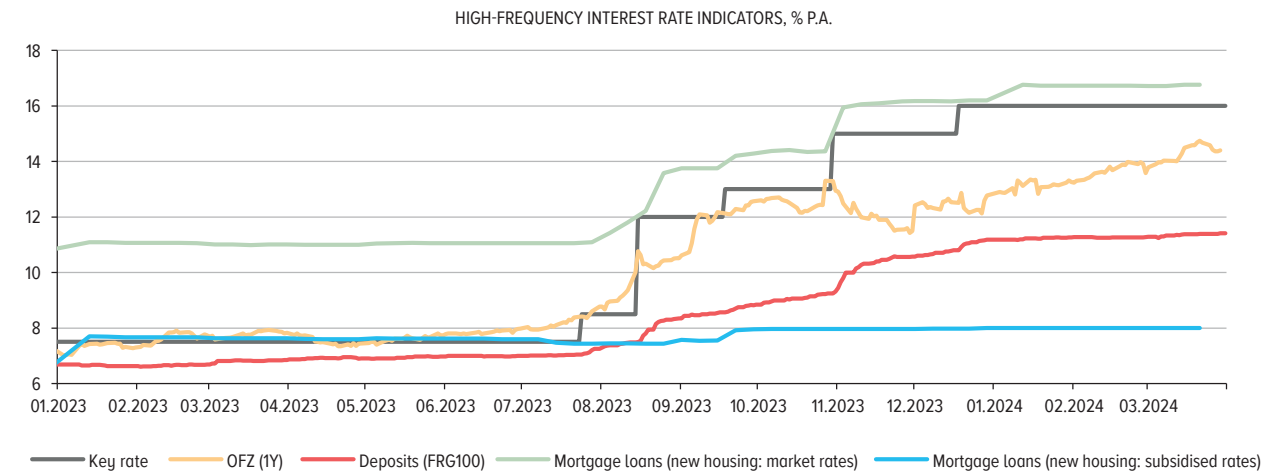
Chart 9



Source: Bank of Russia.

CREDIT AND DEPOSIT MARKET RATES REMAINED CLOSE TO THE CURRENT LEVEL IN MARCH

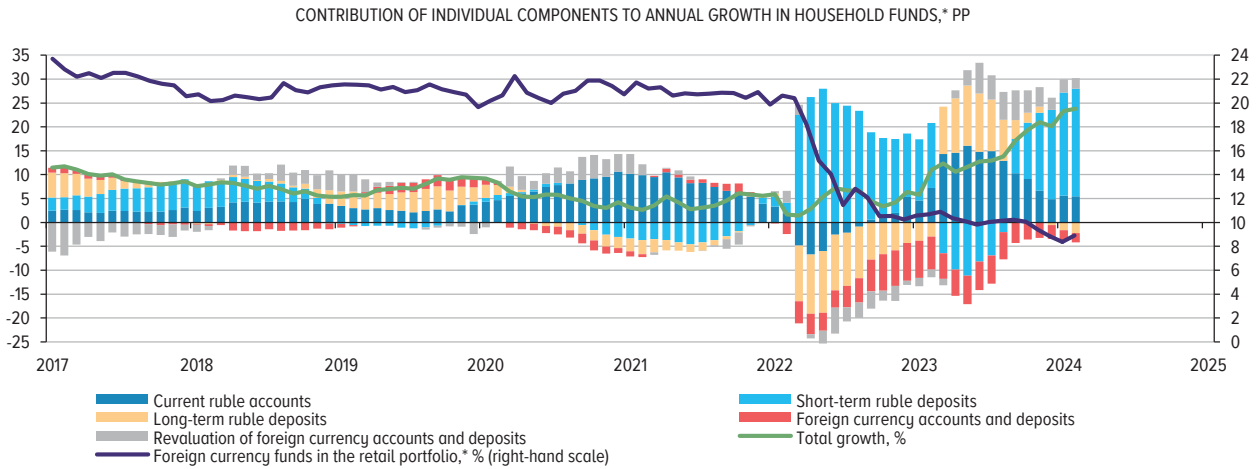
Chart 10



Sources: Bank of Russia, Frank RG, DOM.RF.

IN FEBRUARY, HOUSEHOLDS STILL PREFERRED TO PLACE FUNDS IN SHORT-TERM RUBLE DEPOSITS

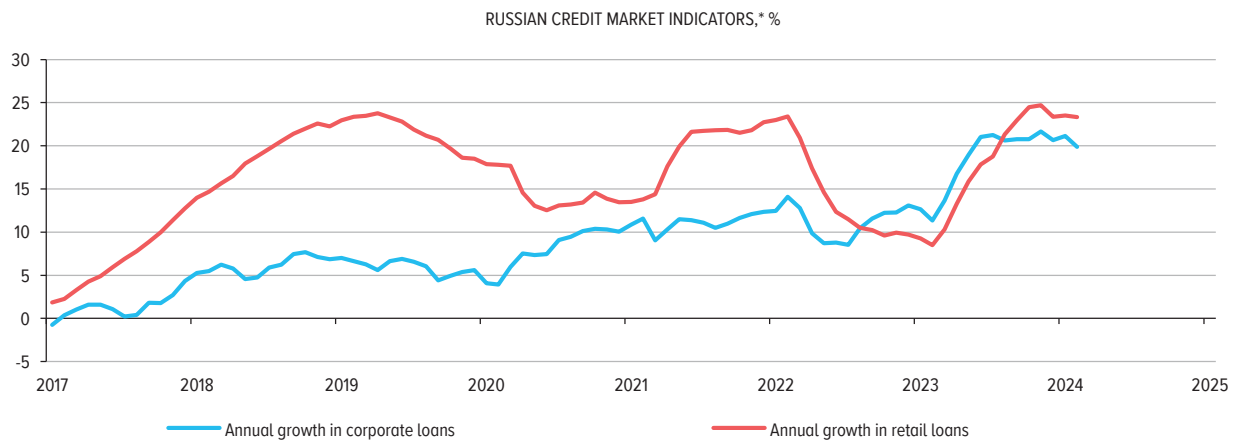
Chart 11



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

LENDING ACTIVITY SLOWED DOWN GRADUALLY IN FEBRUARY

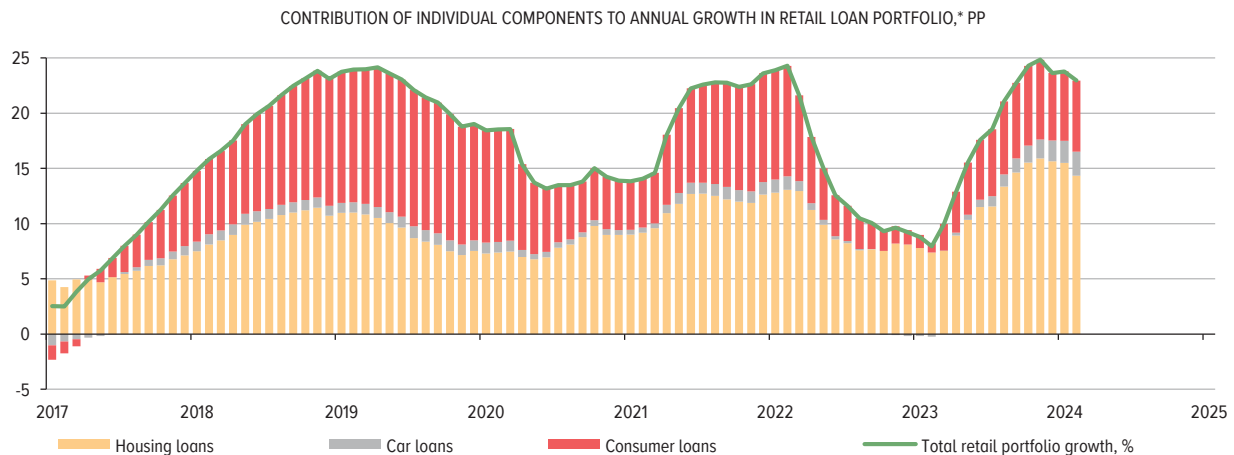
Chart 12



\* Since 1 February 2021, the portfolios of corporate and retail loans include acquired claims. The portfolios' increases were calculated net of acquired claims.  
Source: Bank of Russia calculations.

THE CONTRIBUTION OF HOUSING LOANS TO A CHANGE IN THE RETAIL LOAN PORTFOLIO DECREASED IN FEBRUARY

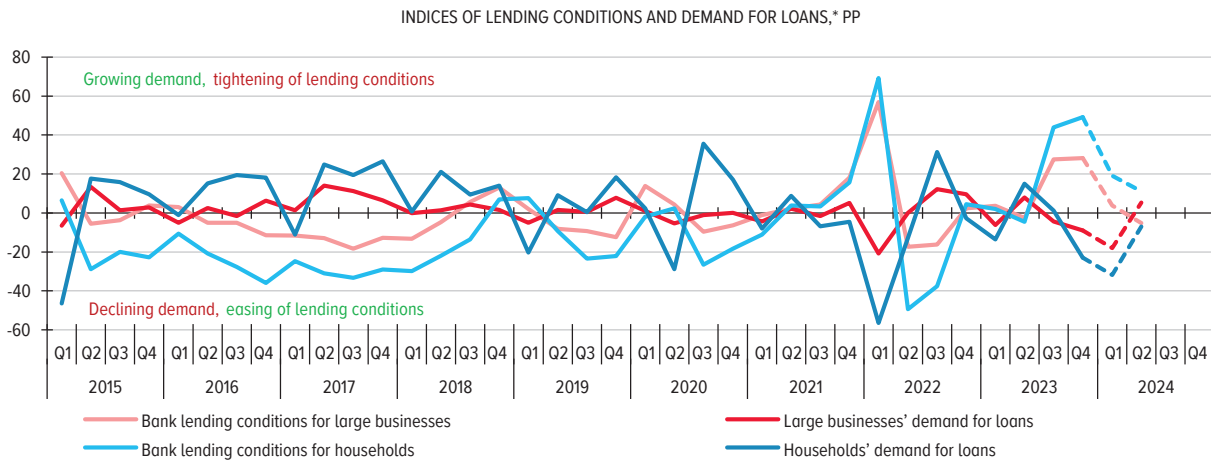
Chart 13



\* For loans grouped into homogeneous loan portfolios.  
Source: Bank of Russia calculations.

## BANKS EXPECT A DECREASE IN DEMAND FOR LOANS FROM ALL CORE TYPES OF BORROWERS IN 2024 Q1 AND Q2

Chart 14



## CREDIT AND DEPOSIT MARKET INDICATORS

Table 6

		November 2023	December 2023	January 2024	February 2024
<b>Interest rates on banks' long-term ruble transactions</b>					
household deposits	% p.a.	12.4	11.9	12.2	11.8
household loans	% p.a.	13.5	13.6	17.5	18.5
corporate loans	% p.a.	12.5	14.1	14.3	-
<b>Household funds*</b>	<b>% YoY, AFCR</b>	<b>21.0</b>	<b>20.1</b>	<b>23.3</b>	<b>23.8</b>
in rubles*	% YoY	27.0	25.7	28.6	28.9
in foreign currency	% YoY	-25.9	-23.8	-17.9	-16.4
share of foreign currency*	%	8.8	8.4	8.9	8.8
<b>Corporate loans**</b>	<b>% YoY, AFCR</b>	<b>21.7</b>	<b>20.7</b>	<b>21.1</b>	<b>19.9</b>
short-term (up to 1 year)	% YoY, AFCR	14.7	21.8	24.5	22.4
long-term (over 1 year)	% YoY, AFCR	25.5	22.4	22.1	21.2
<b>Household loans**</b>	<b>% YoY, AFCR</b>	<b>24.7</b>	<b>23.4</b>	<b>23.5</b>	<b>23.3</b>
housing mortgage loans	% YoY, AFCR	31.0	30.1	30.3	28.7
unsecured consumer loans	% YoY	15.9	13.6	14.1	14.5
<b>Banking system's claims on the economy</b>	<b>% YoY, AFCR</b>	<b>23.5</b>	<b>22.9</b>	<b>23.1</b>	<b>22.5</b>
on businesses	% YoY, AFCR	23.2	22.8	23.0	22.2
on households	% YoY, AFCR	24.3	23.0	23.2	23.1
<b>Money supply (M2)</b>	<b>% YoY</b>	<b>20.4</b>	<b>19.4</b>	<b>19.0</b>	<b>18.4</b>
<b>Broad money (M2X)</b>	<b>% YoY, AFCR</b>	<b>16.3</b>	<b>15.4</b>	<b>14.8</b>	<b>14.5</b>

\* Excluding escrow accounts.

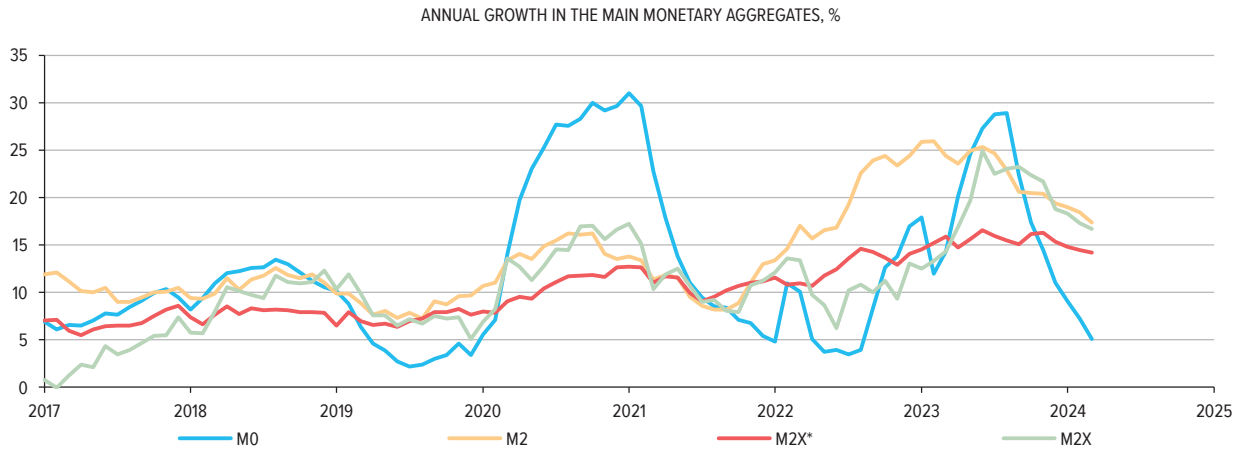
\* Since 1 February 2021, the portfolios of corporate and retail loans include acquired claims. The portfolios' increases were calculated net of acquired claims.

Note. YoY – on the corresponding period of the previous 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.

AS DEPOSIT RATES WERE ATTRACTIVE, M0 GROWTH SLOWED DOWN AGAIN IN FEBRUARY

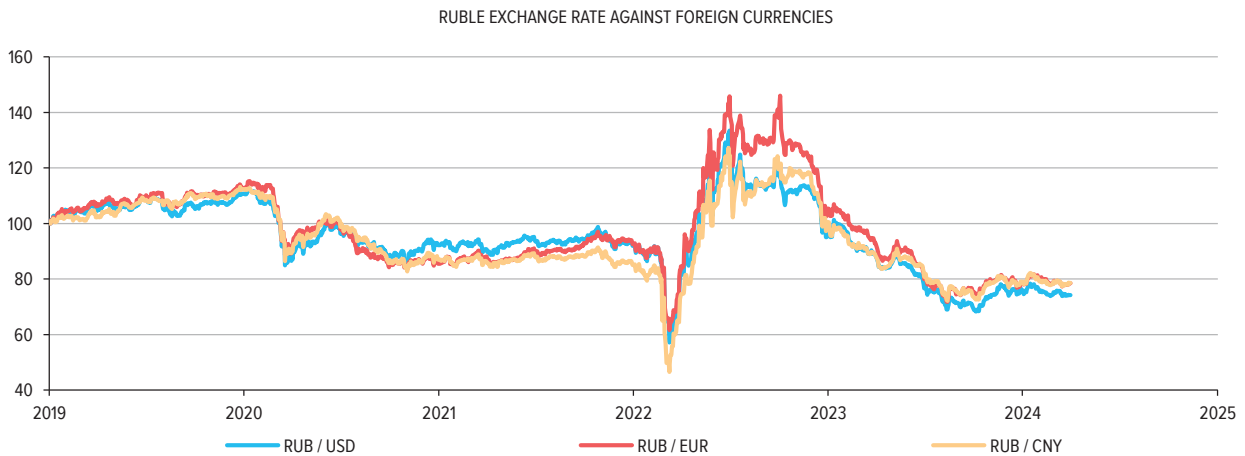
Chart 15



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

THE RUBLE WEAKENED SLIGHTLY AGAIN IN MARCH  
(02.01.2019 = 100)

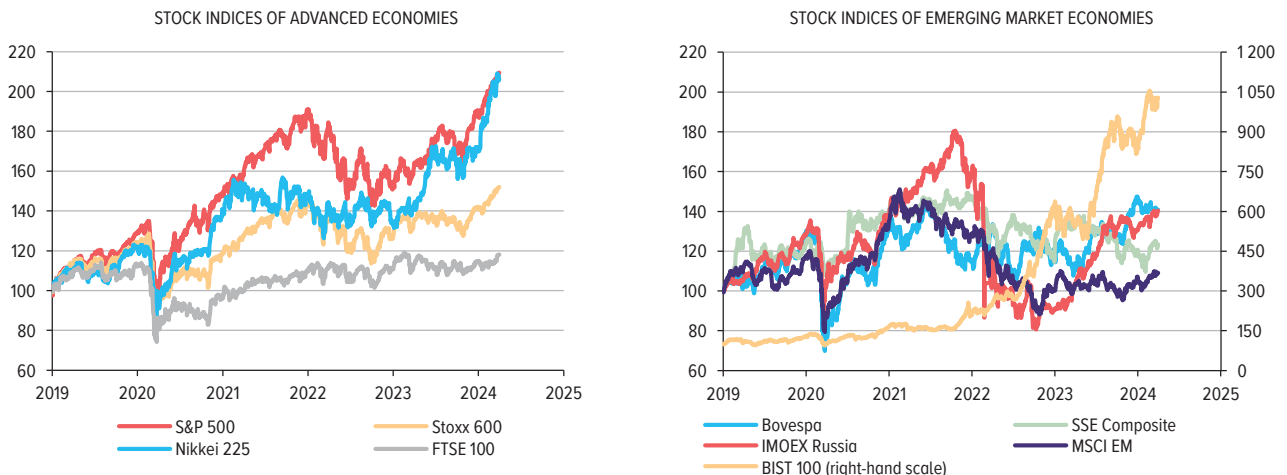
Chart 16



Sources: Cbonds, Bank of Russia calculations.

IN MARCH, STOCK INDICES GREW IN MOST COUNTRIES  
(02.01.2019 = 100)

Chart 17



Note. Stock indices are indicated in national currencies.  
Sources: Cbonds, Bank of Russia calculations.

## THE RUSSIAN EQUITY MARKET SHOWED POSITIVE TRENDS

Table 7

Measure		31.03.2024	1M	3M	6M	YTD	1Y
<b>Russian financial market ('+' – positive trends, '-' – negative trends)</b>							
RUB / USD exchange rate		92.48	-1.5	-2.3	7.3	-2.3	-20.0
MOEX Index, bp		3 333	2.3	7.5	6.4	7.5	35.1
RTS Index, bp		1 137	0.9	4.9	14.6	4.9	13.0
Government bond yields, %		13.29	78	131	108	131	328
Corporate bond yields, %		15.32	54	114	223	114	546
Regional bond yields, %		14.08	60	146	140	146	468
RVI, p		22	1	-6	-9	-6	-11
<b>Exchange rates (per US dollar, % change, '+' – appreciation, '-' – depreciation)</b>							
AEs*	US Dollar Index	104.48	0.3	3.1	-2.3	3.1	2.3
	Euro	1.08	-0.1	-2.2	3.0	-2.2	-1.0
	Japanese yen	151.34	0.9	7.4	1.0	7.4	14.1
	Pound sterling	1.26	0.0	-1.0	4.4	-1.0	1.9
EMEs	Ruble	92.48	-1.5	-2.3	7.3	-2.3	-20.0
	Brazilian real	5.02	-0.9	-3.4	0.9	-3.4	1.5
	Mexican peso	16.56	2.8	2.5	6.3	2.5	8.4
	Chinese yuan	7.22	-0.5	-2.0	-0.6	-2.0	-5.1
	Turkish lira	32.27	-3.3	-9.4	-17.6	-9.4	-68.3
	South African rand	18.88	1.6	-3.2	1.8	-3.2	-5.9
<b>10-year bond yield (% p.a., change in bp, '+' – growth, '-' – decline)</b>							
AEs	USA	4.20	-5	32	-49	32	65
	Germany	2.30	-11	28	-62	28	-7
	Japan	0.72	1	11	-5	11	41
	UK	3.93	-19	40	-63	40	42
EMEs	Russia	13.26	96	140	129	140	245
	Brazil	10.93	13	57	-90	57	-207
	Mexico	9.61	11	34	-81	34	38
	China	2.31	-6	-28	-40	-28	-57
	Turkey	26.89	1	176	-24	176	1 632
	South Africa	10.88	74	111	-2	111	98
<b>5Y CDS spreads (bp, change in bp, '+' – increase, '-' – decrease)</b>							
AEs	USA	36	0	-7	-7	-7	-5
	Germany	11	-1	-6	-12	-6	-5
	Japan	19	-2	-7	-3	-7	-7
	UK	29	0	-7	-2	-7	9
EMEs	Brazil	132	11	5	-50	5	-88
	Mexico	88	7	3	-38	3	-31
	China	72	5	11	-12	11	-5
	Turkey	288	9	20	-100	20	-215
	South Africa	253	25	56	-30	56	-22
<b>Stock indices (points, % change, '+' – increase, '-' – decrease)</b>							
AEs	S&P 500	5 254	3.10	10.2	22.5	10.2	29.7
	Stoxx 600	513	3.65	7.0	15.1	7.0	12.7
	Nikkei 225	40 369	3.07	20.6	27.1	20.6	45.3
	FTSE 100	7 953	4.23	2.8	5.9	2.8	4.4
EMEs	MSCI EM	1 043	2.18	1.9	9.6	1.9	5.8
	Bovespa	128 106	-0.71	-4.5	11.3	-4.5	23.5
	IPC Mexico	57 369	3.53	0.0	11.9	0.0	5.8
	SSE Composite	3 041	0.86	2.2	-2.2	2.2	-6.7
	BIST 100	9 142	-0.56	22.4	7.7	22.4	86.7
	FTSE / JSE	74 536	2.48	-3.1	4.6	-3.1	-2.8

\* Advanced economies.

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



Data cut-off dates:

- Interest rates – 31 March 2024;
- Banks' interest rates on ruble loans and deposits – 1 March 2024, high-frequency data – 31 March 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](mailto:svc_analysis@cbr.ru).

This commentary was prepared by the Monetary Policy Department.

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