



Bank of Russia



August 2025

# MONETARY CONDITIONS AND MONETARY POLICY TRANSMISSION MECHANISM

Information and analytical commentary

15 September 2025

## MONETARY CONDITIONS AND MONETARY POLICY TRANSMISSION MECHANISM (AUGUST 2025)

Monetary conditions remained generally tight in July and August but moved towards easing (Chart 1). Nominal interest rates continued to go down in most segments of the financial market. Bank loan and deposit rates were declining following the key rate cut. Inflation expectations did not change significantly. Slightly faster monthly growth in monetary supply was driven by a revival in corporate lending coupled with moderate retail lending. However, annual growth of money supply in the national definition was still slowing in August.

### 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, affecting 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 have an impact on corporate bond yields; bond yields and long-term money market rates affect loan 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).<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 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.*

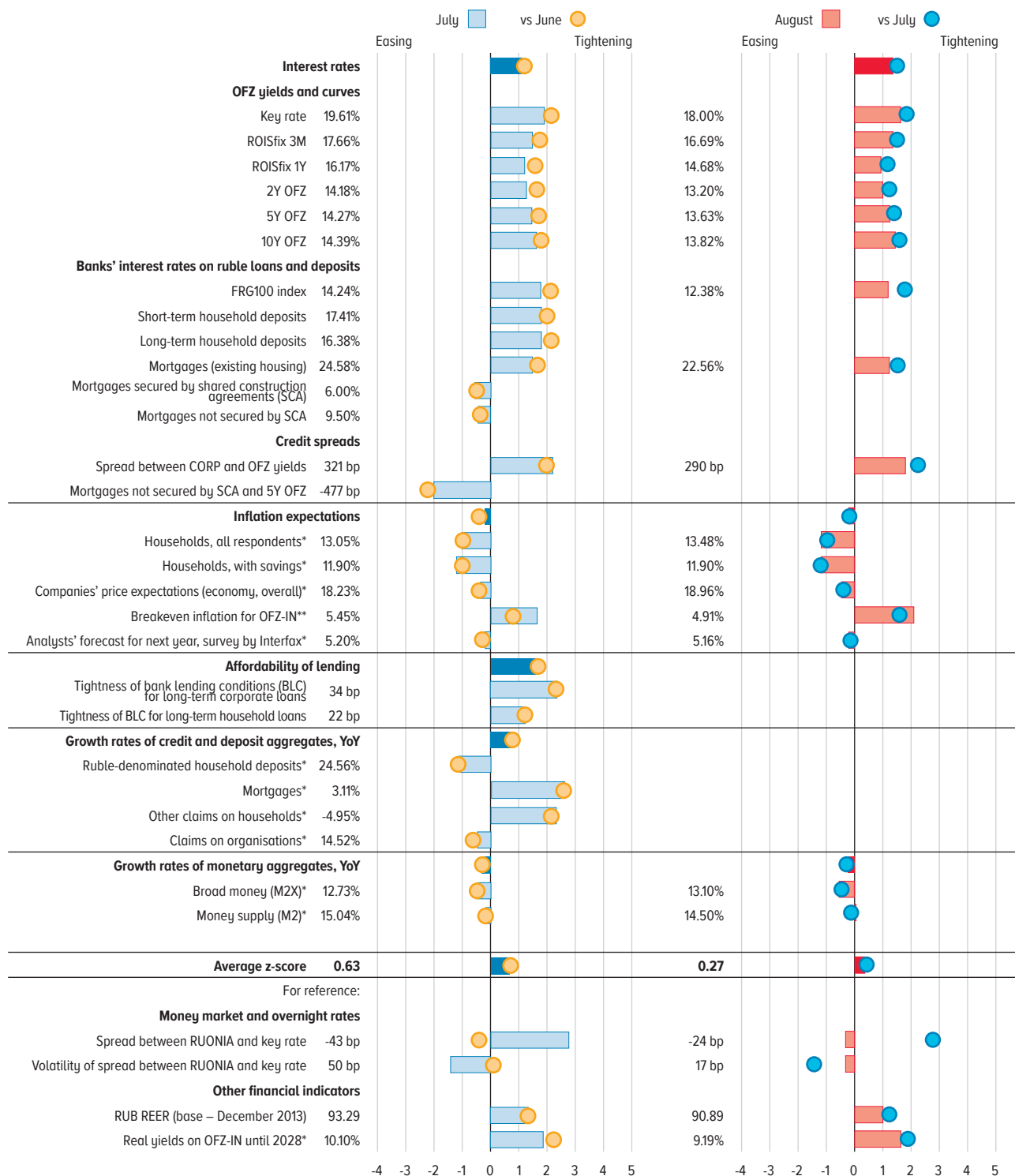
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<sup>1</sup> See Appendix 1 to the [Monetary Policy Guidelines for 2026–2028](#) (the draft, dated 2 September 2025).

## 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 July 2025 (left-hand chart) and to August 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.

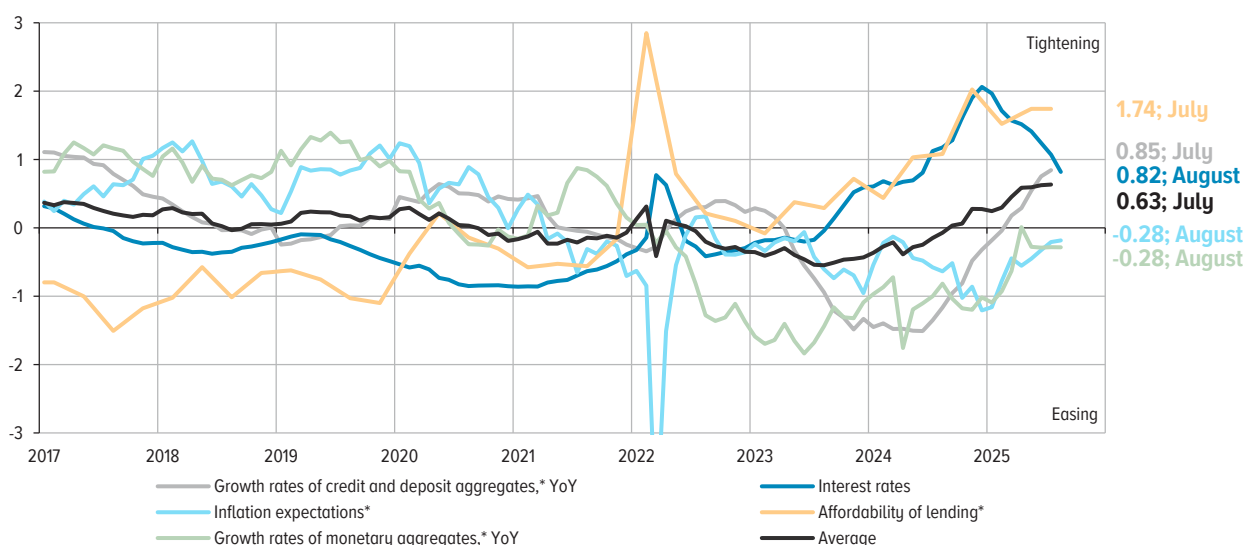
\* The indicators were used to calculate the inverse z-score.

\*\* 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.

## Interest rates

- Monetary policy and the key rate.** On 12 September 2025, the Bank of Russia Board of Directors decided to cut the key rate by 100 bp to 17.00% per annum. Underlying inflation measures barely changed and remained generally above 4% in annual terms. Tight monetary conditions continued to have a disinflationary effect, with the economy returning to a balanced growth path.

The Bank of Russia stated that it would keep monetary conditions as tight as was necessary to return inflation to the target in 2026. Future key rate decisions would depend on the sustainability of the decline in inflation and changes in inflation expectations.

The decision to cut the key rate was generally in line with market expectations but some market participants anticipated a sharper decrease to be approved at the September meeting.

- Banking sector liquidity and overnight rates (RUONIA).** The spread between RUONIA and the key rate narrowed to -24 bp on average (vs -43 bp in July). The spread volatility dropped to 17 bp (vs 50 bp in July).

The spread between money market rates and the key rate was persistently negative through much of August. As a rule, banks tend to perform the required reserves (RR) averaging with a considerable lag during those averaging periods (AP) when market participants anticipate a key rate cut (especially, by more than 100 bp). A key rate cut boosts banks' demand for liquidity and often pushes up money market rates to the upper half of the interest rate corridor. At the end of the July AP,<sup>1</sup> market rates did rise slightly but stayed below the key rate in general.

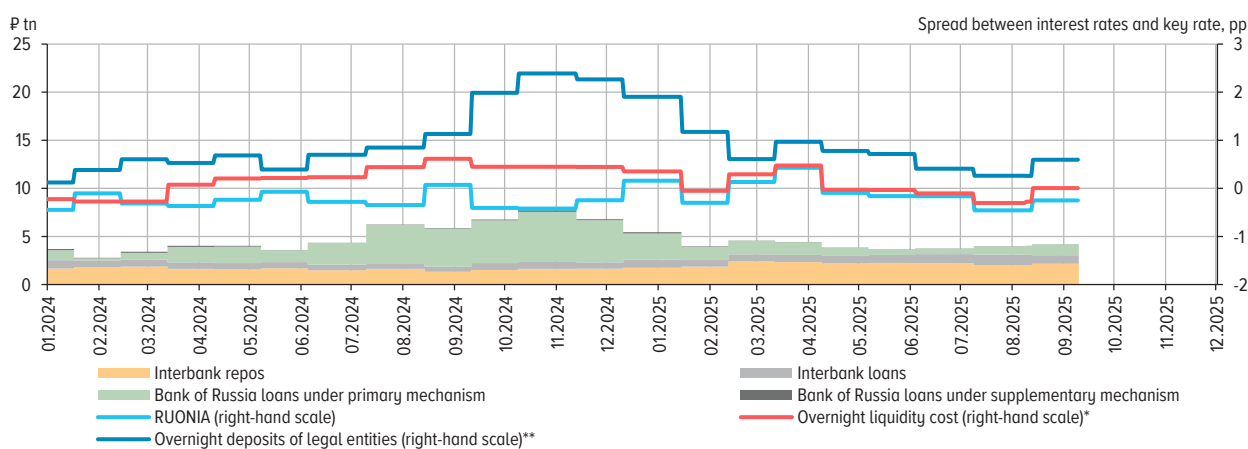
During the August AP,<sup>2</sup> there were no external factors that might affect the path of the banks' RR averaging. This is why banks' demand for liquidity, including in the money market, was steady. The spread between market rates and the key rate was still negative and did not change even on the days of large payments to the budget.

<sup>1</sup> From 9 July to 12 August 2025.

<sup>2</sup> From 13 August to 9 September 2025.

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

Chart 3



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

\*\* 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.

Source: Bank of Russia calculations.

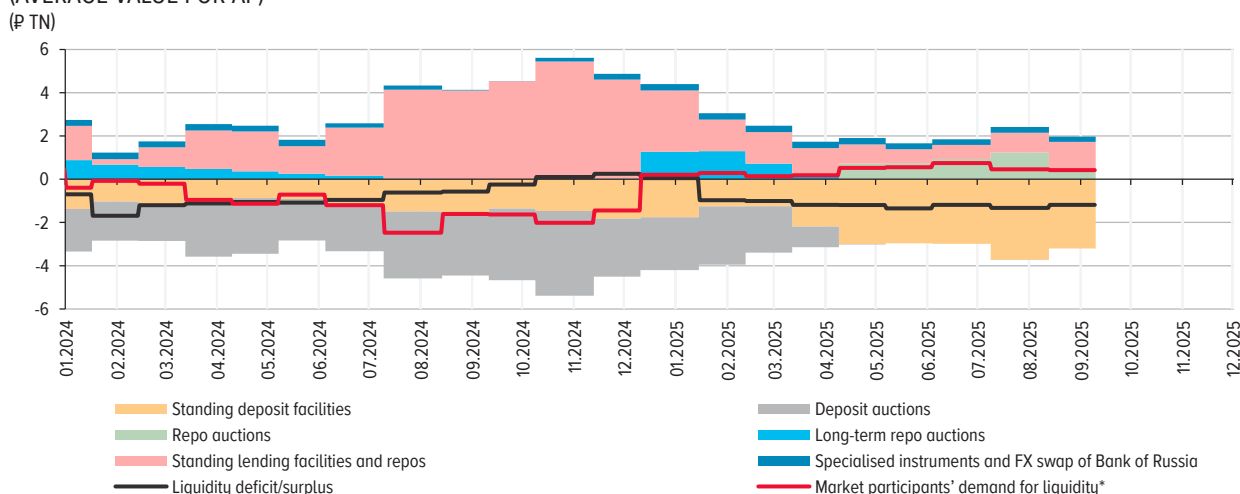
The structural liquidity surplus barely changed in August and averaged ₹1.3 trillion vs ₹1.2 trillion in July. Autonomous factors had a mixed effect. As a result of growth in cash in circulation, the outflow of funds from banks rose from ₹0.2 trillion in July to ₹0.3 trillion in August, which was somewhat higher than the previous years' levels. Contrastingly, fiscal flows and other operations led to a liquidity inflow.

Liquidity flows affected banks differently, causing changes in their money market operations. Thus, on the one hand, there was a rise in the amount of funds invested by non-market participants in Bank of Russia standing deposit facilities.<sup>3</sup> On the other hand, demand for borrowings increased among market participants.

Factors driving demand for liquidity for maintaining RRs simultaneously might have had a slight negative effect on compliance with the liquidity coverage ratio (LCR) by systemically important credit institutions (SICIs). This was evidenced by their rising demand for Bank of Russia loans secured by

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

Chart 4



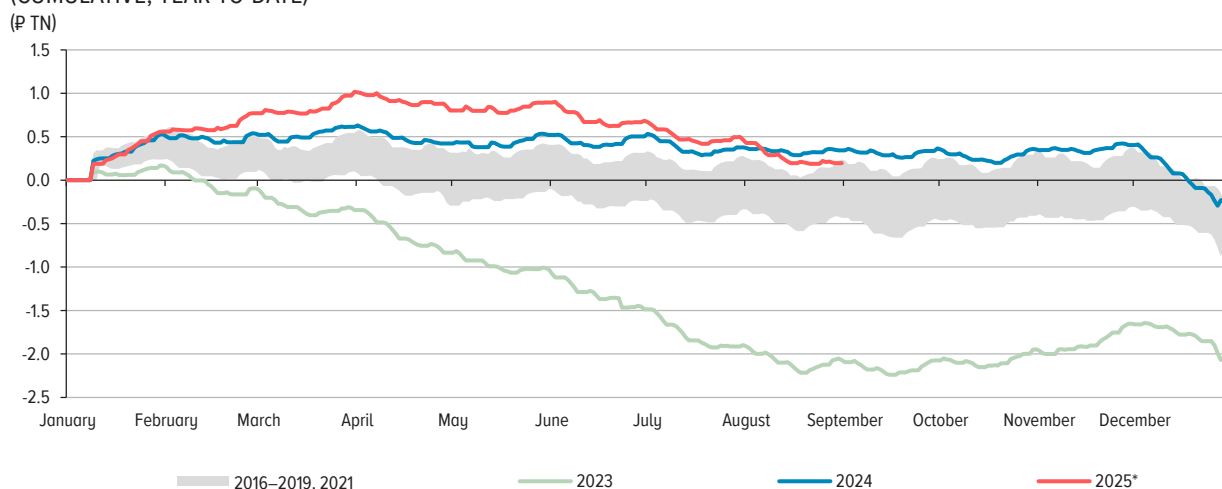
\* The structural liquidity surplus/deficit of the banking sector minus the operations, the demand for which is non-market in nature. The indicator shows whether market participants need to raise liquidity from the Bank of Russia.

Source: Bank of Russia calculations.

<sup>3</sup> Adjusted for standing deposit facilities opened by market participants as part of their RR averaging strategies.

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

Chart 5



Note. “+” – decrease, “-” – increase.

\* Data for the period through 31 August 2025.

Source: Bank of Russia calculations.

non-marketable assets. These loans, unlike short-term borrowings in the money market, help banks improve their LCRs. Some SICs reduced irrevocable credit line (ICL) limits in 2025 Q3.<sup>4</sup> After banks started to rely more on Bank of Russia loans to ensure LCR compliance, banks’ demand for market borrowings became less susceptible to changes in their cost. This led to a reduction in the volatility of market rates, among other things.

Strong market demand was also bolstered by investments of temporarily available budgetary funds made by the Federal Treasury (FT) and constituent territories of the Russian Federation. The FT swiftly invested large dividends and taxes received in bank deposits and repos. This mitigated the effect of fiscal operations on the banking sector liquidity.

The banking sector is projected to show an average structural liquidity deficit of ₱1.1–1.9 trillion in the December 2025 AP.<sup>5</sup>

- **Money market.** By late August, the ROISfix curve shifted downwards for all maturities. The curve moved in a range from -21 bp to -110 bp. The curve was declining progressively throughout the month, reflecting both a response to the actual key rate cut in July and market participants’ expectations regarding a decision to be made by the Bank of Russia Board of Directors on 12 September, namely a potential key rate cut, based on the neutral signal given by the Bank of Russia regarding its future decisions and the projected key rate path.

ROISFIX CURVE

Table 1

| Maturity     | 1W    | 2W    | 1M    | 2M    | 3M    | 6M    | 1Y    | 2Y    |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| 29.08.2025   | 17.82 | 17.84 | 17.17 | 16.81 | 16.53 | 15.92 | 14.64 | 13.60 |
| 31.07.2025   | 18.39 | 18.37 | 18.27 | 17.71 | 17.02 | 16.13 | 15.23 | 14.08 |
| Change, bp   | -57   | -53   | -110  | -90   | -49   | -21   | -59   | -48   |
| 2024 average | 17.59 | 17.68 | 17.84 | 18.10 | 18.29 | 18.78 | 18.86 | 17.83 |
| Change, bp   | +23   | +16   | -67   | -129  | -176  | -286  | -422  | -423  |

<sup>4</sup> The Bank of Russia press releases, dated 14 November 2024, ‘Bank of Russia enables credit institutions to increase limits of irrevocable credit lines’ and, dated 16 December 2024, ‘Bank of Russia’s decisions on banking regulation’.

<sup>5</sup> See [Commentary on the Bank of Russia’s Medium-term Forecast, dated 6 August 2025](#).

- Federal government bonds.** Monthly average OFZ yields declined in August following the Bank of Russia's decision to cut the key rate by 200 bp to 18.00% made at the July meeting. Yields moved downwards primarily in the short-term segment of the curve. However, the yields on short-term securities edged up at the end of the month in response to the Bank of Russia signals regarding the need to maintain tight monetary conditions for a long period in order to achieve the inflation target. Breakeven inflation edged up in August amid fears of faster inflation. Breakeven inflation for inflation-indexed federal government bonds (OFZ-IN) maturing in 2032 rose by 13 bp to 5.2%, while that for OFZ-IN maturing in 2028 increased by 52 bp to 4.1%, staying around the inflation target.

OFZ ZERO COUPON YIELD CURVE

Table 2

| Maturity                | 1Y    | 2Y    | 3Y    | 5Y    | 7Y    | 10Y   |
|-------------------------|-------|-------|-------|-------|-------|-------|
| 31.08.2025              | 14.06 | 13.78 | 13.80 | 13.88 | 13.91 | 13.90 |
| 31.07.2025              | 13.69 | 13.60 | 13.72 | 13.89 | 13.99 | 14.05 |
| Change, bp              | +37   | +18   | +8    | -2    | -8    | -15   |
| Average for August 2025 | 13.32 | 13.20 | 13.38 | 13.63 | 13.76 | 13.82 |
| Average for July 2025   | 14.44 | 14.18 | 14.18 | 14.27 | 14.34 | 14.39 |
| Change, bp              | -113  | -98   | -81   | -64   | -58   | -56   |
| 2024 average            | 16.91 | 16.55 | 16.07 | 15.34 | 14.91 | 14.56 |
| Change, bp              | -285  | -277  | -227  | -146  | -99   | -66   |

The secondary OFZ market turnover was down month on month (MoM). Daily average trades totalled ₹34.4 billion in August (vs ₹40.6 billion per day in July). The composition and behaviour of market participants did not change. The key buyers were non-bank financial institutions, including as part of trust management (₹103.1 billion), and individuals (₹50.1 billion). SICIs remained the largest net sellers in August (-₹110.8 billion).

In August, the Russian Ministry of Finance (the Ministry) held four auction weeks and continued to offer predominantly mid- and long-term securities. Demand for short-term issues was low. The weighted average maturity of offered securities remained at the level of 10.5–11 years, as in the past four months. Demand for bonds was generated primarily by non-bank financial institutions as part of trust management. In early 2025, investor demand for standard fixed-rate issues rebounded, as the debt market situation was back to normal. The Ministry offered securities with a moderate premium to the secondary market yields, which ranged from +3 bp to +10 bp.

The Ministry approved the 2025 borrowing target in the amount of ₹4.8 trillion. Since the beginning of the year, it had raised ₹3.28 trillion in terms of earnings and ₹4.00 trillion at par value (68.4% of the annual earnings target).

- Corporate bond market.** In August, average corporate bond yields were significantly below the July values (16.29% in August vs 17.67% in July, according to IFX-Cbonds data), co-moving with OFZ. The average monthly spread between this index and OFZ yields slightly narrowed to 289 bp (321 bp in July), staying above the 2022–2025 average.

In August, new issues of corporate bonds in the primary market were 24% down MoM and 47% up YoY (₹716 billion in August 2025; ₹940 trillion in July 2025; ₹486 billion in August 2024), including issues in foreign currency and non-marketable bonds.<sup>6</sup> Furthermore, real sector bonds and securities of development institutions and governmental agencies accounted for a major part of new offerings.

<sup>6</sup> Source: Cbonds.ru.



In August, the year-to-date increase in the corporate bond portfolio was up MoM and broadly flat YoY (+4.9% in June 2025; +7.6% in July 2025; +7.1% in July 2024). As of the end of August, the corporate bond market totalled ₺33.9 trillion (+23.4% YoY; ₺27.5 trillion in August 2024).

The offering of quasi-FX bonds denominated in US dollars and yuan barely changed in August (₺178 billion in August vs ₺172 billion in July). The key issuers were companies from the oil and gas sector and non-ferrous metallurgy. There were no offerings of substitute and standard FX bonds in August. According to Cbonds, yields on substitute bonds decreased to 7.13% as of the end of the month (-101 bp MoM). The spread between them and yields on US Treasuries (UST) with similar maturities also slightly narrowed against the value of late July (350 bp in August 2025 vs 377 bp in July 2025).

## Banks' interest rates on ruble loans and deposits

- **Deposit rates.** The decision made by Bank of Russia Board of Directors to cut the key rate by 2 pp in July resulted in a large-scale revision of deposit rates by banks. Consequently, weighted average deposit rates declined in July by 1.3 pp and 1.2 pp on short-term<sup>7</sup> and long-term deposits, respectively (Chart 12). Interest rates on deposits for up to one year were decreasing faster than those on deposits for over one year, with rates on long-term deposits remaining lower than those on short-term ones. According to high-frequency data, interest rates continued to decrease in August. The FRG100 index<sup>8</sup> lost another 1.0 pp in August (Chart 13).
- **Corporate loan rates.** Average market rates on corporate loans declined again in July, co-moving with yields in financial markets. By the end of the month, interest rates on short- and long-term facilities were 21.2% and 15.6% per annum, respectively (Chart 12). As in the previous months, changes in the rates were mainly driven by fluctuations in the share of loans issued on quasi-preferential terms<sup>9</sup> in total new loans. The importance of this factor in further dynamics of weighted average rates may be expected to diminish in the near future, as the credit market adjusts to the actual monetary easing (which takes longer than the adjustment of the deposit market) and banks reduce interest rates on market-based corporate loans.
- **Retail loan rates.** Price lending conditions for retail customers remained tight in July. Dynamics of weighted average rates were mixed (Chart 12). The interest rate on long-term loans continued to decline and reached 18.2% per annum by the end of the month. Rates on long-term consumer loans were down and those on mortgages were close to the June level. However, the interest rate on short-term consumer loans went up by 1.4 pp to 29.2% per annum and offset the drop in the previous month, largely due to changes in the structure of the market turnover. According to high-frequency data, retail loan rates continued to go down in August in all core lending segments, except credit cards (Chart 13).

<sup>7</sup> Interest rates on short-term deposits (for up to one year, except for sight deposits), short-term loans (for up to one year), and long-term deposits and loans (for over one year).

<sup>8</sup> 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.

<sup>9</sup> Quasi-preferential terms mean alternative borrower support measures other than subsidies for loan rates. See details in the Box 'Subsidised Lending and Its Impact on the Transmission Mechanism' of Appendix 1, Section 4 to the [Monetary Policy Guidelines for 2026–2028](#) (the draft, dated 2 September 2025).



## Growth rates of credit and deposit aggregates

- **Retail deposits.** In July, banks recorded a noticeable inflow of household funds in rubles, which was comparable with that reported in June. Funds with banks<sup>10</sup> rose by 1.2% in July after a 1.3% increase in June (the seasonally adjusted monthly inflow was even up). This inflow was largely driven by time deposits, as people were seeking to lock in returns on their deposits amid declining interest rates (Chart 14). Balances in current accounts continued to grow steadily but less appreciably than in June. Growth in household deposits in foreign currency was still modest, decreasing to 0.3% in July from 0.5% in June. According to high-frequency data, households were depositing funds more reluctantly in August, opening only time deposits for insignificant amounts.
- **Banking system's claims on organisations.** July saw a slight revival in corporate lending. By the end of the month, the banking system's claims on organisations rose by 1.6% (vs 0.7% in June). The seasonally adjusted growth was comparable with that of June. Annual growth in claims on organisations continued to decline and reached 14.5% after 15.1% in June (Chart 16). Monthly growth in claims on organisations sped up, mainly driven by an increase in ruble loans for one to three years. Bank investment in corporate bonds was broadly flat MoM. By the end of the month, the expansion of the portfolio of foreign currency claims on organisations slightly sped up. Therefore, its annual growth rate rose to 0.1% vs -0.9% in June. According to recent data, growth in claims on organisations was higher in August than in July. The growth rate of foreign currency claims was up, with that of ruble claims being close to the July figures.
- **Banking system's claims on households.** Retail lending activity was still modest in July. By the end of the month, the banking system's claims on households were 0.1% down vs close to zero change in June. Adjusted for seasonal fluctuations and banks' mortgage securitisation transactions, claims on households edged up over the month. As a result of much weaker dynamics compared to July 2024, the annual growth rate became negative for the first time since September 2016 (Chart 16). New housing mortgage loans in rubles edged up to ₹356 billion in July, with subsidised loans consistently accounting for around 85%. Growth in outstanding housing mortgage loans of households<sup>11</sup> went up to 0.7% in July from 0.4% in June, with seasonally adjusted dynamics reflecting a much faster growth in outstanding amounts in July. The annual growth rate of the housing mortgage portfolio was close to that recorded in the previous month. Outstanding non-mortgage loans<sup>12</sup> barely changed over the month, with their seasonally adjusted reduction being comparable with the previous month. Non-mortgage lending curbed growth in claims on households to a greater extent in July than in June (Chart 17). According to high-frequency data, claims on households were growing more rapidly in August.

<sup>10</sup> 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.

<sup>11</sup> 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).

<sup>12</sup> 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.

## Growth rates of monetary aggregates

- **Money supply.** Growth in monetary aggregates sped up slightly in July. The money supply in the national definition (M2) and the broad money supply (M2X) adjusted for foreign currency revaluation rose by 0.8%, with their annual growth rates reaching 15.0% and 12.7%, respectively (Chart 18). Based on high-frequency data, the monthly growth rate of the money supply continued to go up in August, supported by growth in claims on organisations; the annual growth rate of M2X adjusted for foreign currency revaluation edged up as well, while the annual growth rate of M2 continued to decrease.
- **Sources of money supply.** In July, growth in the banking system's claims on the economy<sup>13</sup> sped up by 0.6 pp to 1.1% because of corporate lending. Given the sharper rise in July 2024, the annual growth rate continued to go down and reached 10.1% in July 2025 vs 10.7% in the previous month (which was the lowest value since early 2021). Consequently, the contribution of claims on the economy to the annual dynamics of the broad money supply went on decreasing and reached 11.7 pp as of the end of July. Growth in money supply was still bolstered by fiscal operations, with the contribution of net claims on general government to the M2X annual growth rising to 4.8 pp in July (Chart 19).
- **Components of money supply.** Components of money supply continued to move in line with the last months' trends. The main contributor to the M2X annual growth was still household deposits in rubles (10.3 pp). Growth in cash in circulation outside the banking system (M0) went on speeding up.

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<sup>13</sup> The banking system's claims on the economy mean all claims of the banking system on non-financial organisations, financial institutions, and households in 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 non-financial organisations' and financial institutions' equity, and other receivables under settlement operations with non-financial organisations, financial institutions, and households.

### • Exchange rate (foreign exchange channel)

The monthly average exchange rate of the ruble against the US dollar, the euro, and the yuan weakened slightly in August (by 1.8%, 1.0%, and 1.5%, respectively). Overall, the ruble exchange rate stayed at the levels reached in April–May 2025. The total amount of foreign currency offered by legal entities in the market rose in August, although major exporters reduced their net sales. Simultaneously, demand for foreign currency from households and importers remained moderate. The Bank of Russia's tight monetary policy continued to significantly contribute to stabilising the ruble exchange rate, ensuring sustained appetite for ruble assets.

RUBLE EXCHANGE RATE

Table 3

|                         | USD/RUB (Bank of Russia) | EUR/RUB (Bank of Russia) | CNY/RUB (Moscow Exchange) |
|-------------------------|--------------------------|--------------------------|---------------------------|
| 31.08.2025              | 80.33                    | 94.05                    | 11.26                     |
| 31.07.2025              | 81.83                    | 94.95                    | 11.10                     |
| Change, %               | -1.84                    | -0.95                    | +1.42                     |
| Average for August 2025 | 80.16                    | 95.15                    | 11.14                     |
| Average for July 2025   | 78.74                    | 92.25                    | 10.97                     |
| Change, %               | +1.80                    | +0.98                    | +1.48                     |
| 2024 average            | 92.96                    | 100.63                   | 11.26                     |
| Change, %               | -13.58                   | -6.54                    | -12.12                    |

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 barely changed in July (-0.2%) MoM (YtD: +14.3%). According to preliminary data, the REER went down by 2.6% in August MoM and stayed above its multi-year median (+16.3% vs the median of January 2015–August 2025). The same trends were seen in USD/RUB: -2.6%, EUR/RUB: -1.7%, CNY/RUB: -1.5%.

### • Russian stock market

The Russian stock market expanded as of the end of August. Over the month, the index was changing diversely, fluctuating from 2,713 p to 3,014 p, and exceeded 3,000 p for the first time in three months, largely due to geopolitical factors.

As of the end of the month, the MOEX Russia Index equalled 2,899 p (+6% MoM) and the Russian Volatility Index (RVI) edged down to 32 p as of the end of August (-2 p MoM). Sectoral indices were up as of the end of the month. Shares of companies engaged in electric power supply, oil and gas production, and the consumer sector went up most significantly (+9 MoM, +8.3 MoM, and +8.9% MoM, respectively).

### • Foreign markets

The GDP-weighted average policy rate in advanced economies (AEs) was down by 2 bp to 3.08% in August on account of policy rate cuts in the UK (-25 bp to 4%), Australia (-25 bp to 3.6%), and New Zealand (-25 bp to 3%). The weighted average policy rate in emerging market economies (EMEs) decreased as well in this month: Mexico (-25 bp to 8%), Uruguay (-25 bp to 8.75%), Thailand (-25 bp to 1.5%), Indonesia (-25 bp to 5%), Philippines (-25 bp to 5%), Moldova (-25 bp to 6.25%), South Africa (-25 bp to 7%), and Kenya (-25 bp to 9.5%).

As of the end of August, the average monthly UST yields were down for all maturities (Table 4). The reasons were the release of the US non-farm payrolls data in July and growing expectations of a US Fed funds rate cut at the September meeting after Jerome Powell's speech at the symposium on 22 August 2025.

European bond yields barely changed in August. They edged down by 3–4 bp on average for all maturities as of the end of the month.

#### UST YIELD CURVE

Table 4

| Maturity                | 2Y   | 5Y   | 10Y  |
|-------------------------|------|------|------|
| 29.08.2025              | 3.62 | 3.69 | 4.22 |
| 31.07.2025              | 3.94 | 3.96 | 4.37 |
| Change, bp              | -32  | -27  | -15  |
| Average for August 2025 | 3.71 | 3.79 | 4.27 |
| Average for July 2025   | 3.88 | 3.95 | 4.39 |
| Change, bp              | -17  | -16  | -12  |
| 2024 average            | 4.41 | 4.26 | 4.23 |
| Change, bp              | -79  | -57  | -1   |

Sources: Cbonds, Bank of Russia calculations.

The US Dollar Index (DXY) declined as of the end of August (-2.3% to 98 p). The US dollar depreciated after Jerome Powell signalled a move to a rate cut in September. In August, EMES' currencies were mostly appreciating against the US dollar (BRL/USD: +3.2%; CNY/USD: +0.9%; TRY/USD: -1.2%; MXN/USD: +1.2%).

As of the end of August, global stock markets were mostly up (S&P 500: +1.9%; Stoxx 600: +0.7%; Nikkei 225: +3.1%; SSE Composite: +7.9%; Nifty 50: -1.3%; MSCI ACWI: +2.4%). The Shanghai Stock Exchange Composite Index hit a 10-year high, due to the support for the semiconductor industry and the growth of digital asset companies, boosted by China's statement that it considered lifting the ban on cryptocurrency. The US stock market showed a record-high growth owing to the technological sector and related industries.

## Charts and tables

GROWTH OF CASH IN CIRCULATION LED TO OUTFLOW OF FUNDS FROM BANKS IN AUGUST  
(P TN)

Table 5

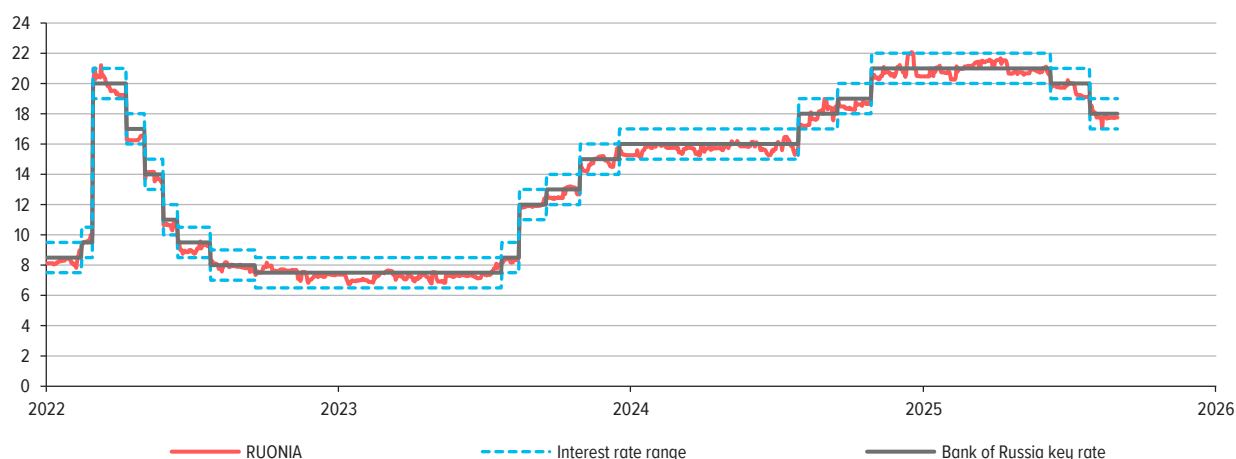
|   | 2024       | January – August 2025 | August 2025 | 2025 (forecast)   |
|---|------------|-----------------------|-------------|-------------------|
| <b>Liquidity deficit (+)/surplus (-) (as of beginning of period)</b>                          | <b>0</b>   | <b>0.6</b>            | <b>-1.6</b> | <b>0.6</b>        |
| Liquidity inflow (+)/outflow (-):   | -0.6       | 1.7                   | -0.4        | [-1.3; -0.5]      |
| – change in balances of general government accounts with Bank of Russia and other operations* | 0.4        | 1.5                   | -0.1        | [-0.4; 0.2]       |
| – change in cash in circulation   | -0.2       | 0.2                   | -0.3        | [-0.5; -0.1]      |
| – change in required reserves   | -0.8       | 0.1                   | -0.1        | [-0.4; -0.2]      |
| <b>Liquidity deficit (+)/surplus (-) (as of end of period)</b>                                | <b>0.6</b> | <b>-1.2</b>           |             | <b>[1.1; 1.9]</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  
(%)

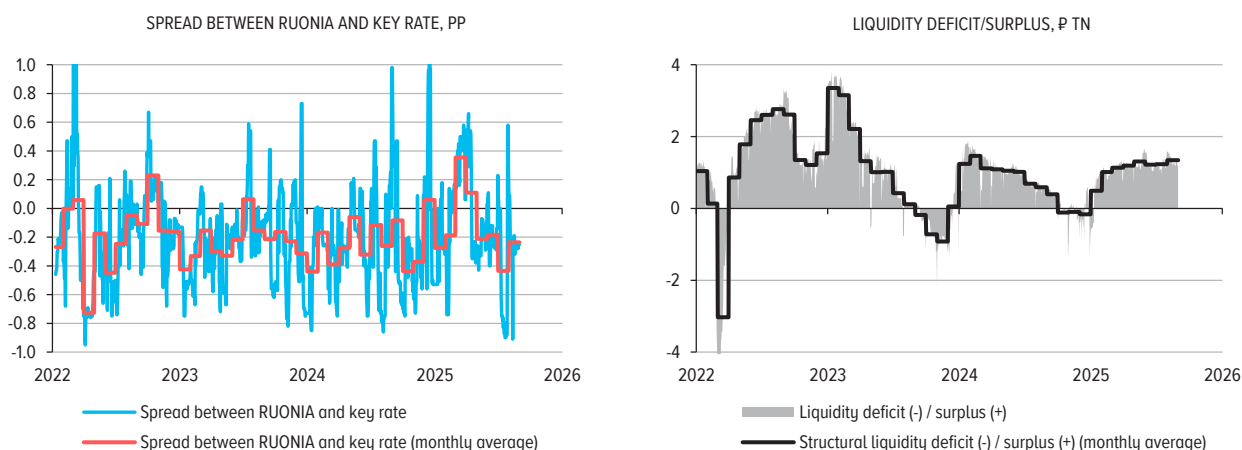
Chart 6



Source: Bank of Russia calculations.

SPREAD BETWEEN RUONIA AND KEY RATE WAS PERSISTENTLY NEGATIVE THROUGH MUCH OF AUGUST

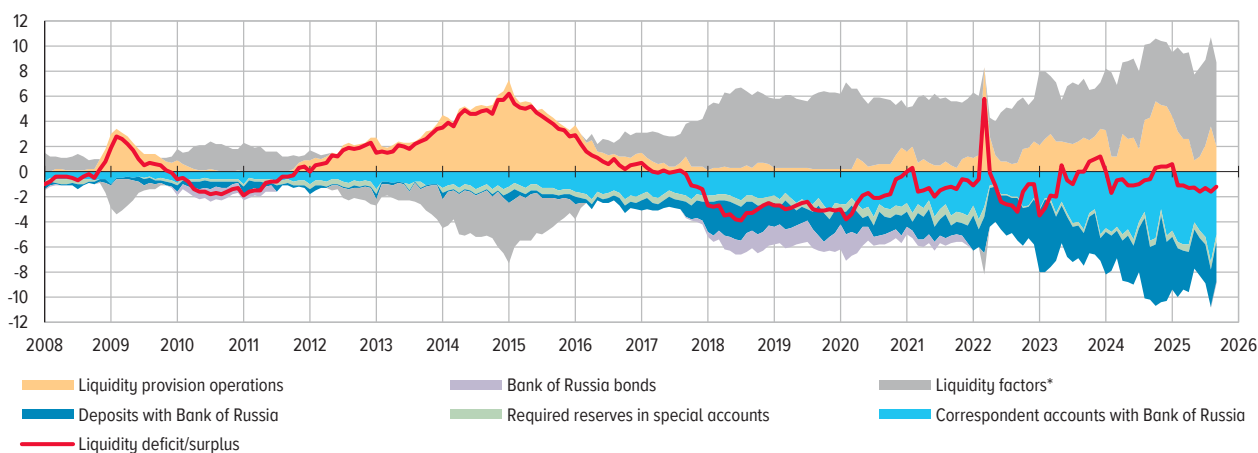
Chart 7



Source: Bank of Russia calculations.

BANK OF RUSSIA'S BALANCE SHEET  
(P TN)

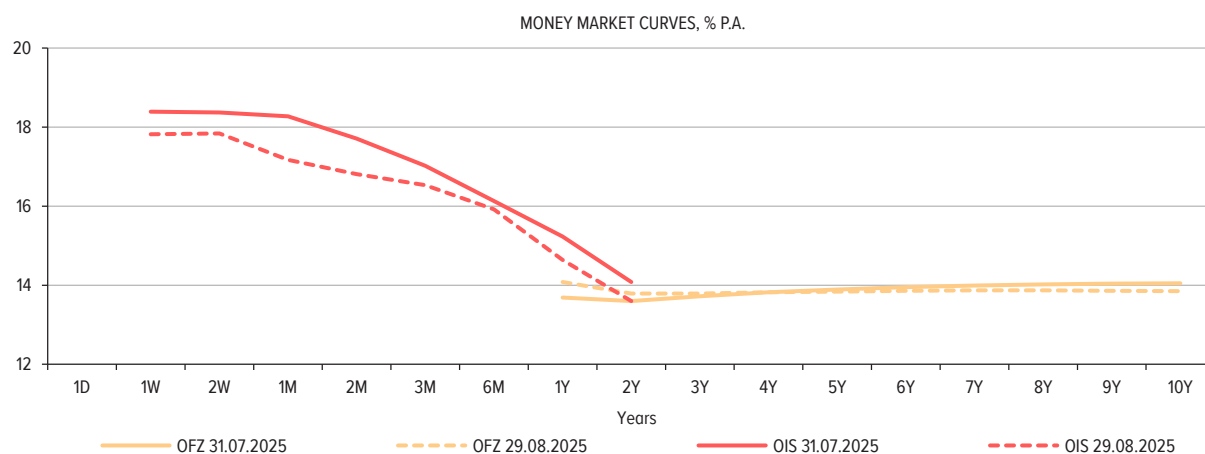
Chart 8



\* 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 SHIFTED DOWNWARDS IN AUGUST VS JULY

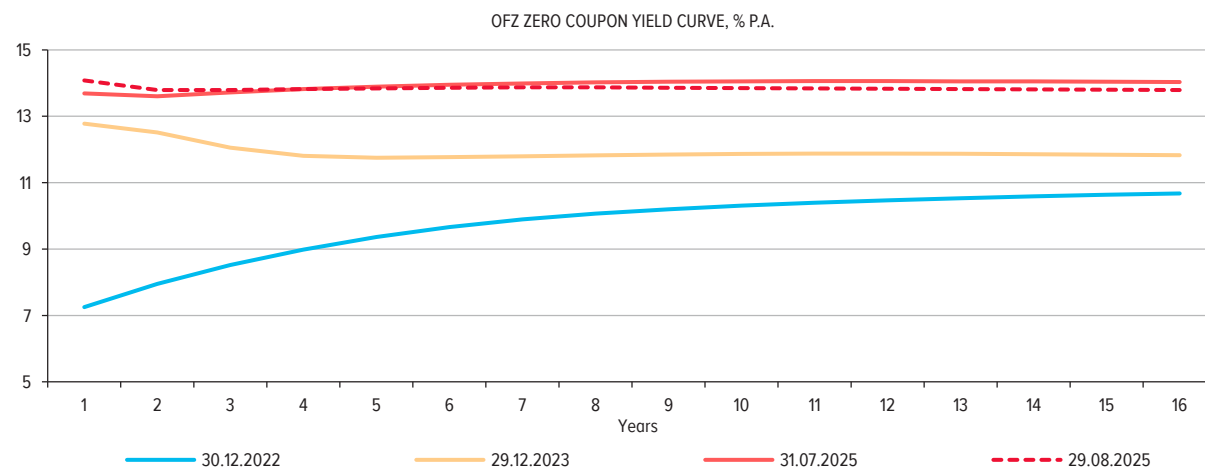
Chart 9



Sources: Bank of Russia, National Finance Association.

## OFZ CURVE DECLINED FOR MEDIUM- AND LONG-TERM MATURITIES IN AUGUST

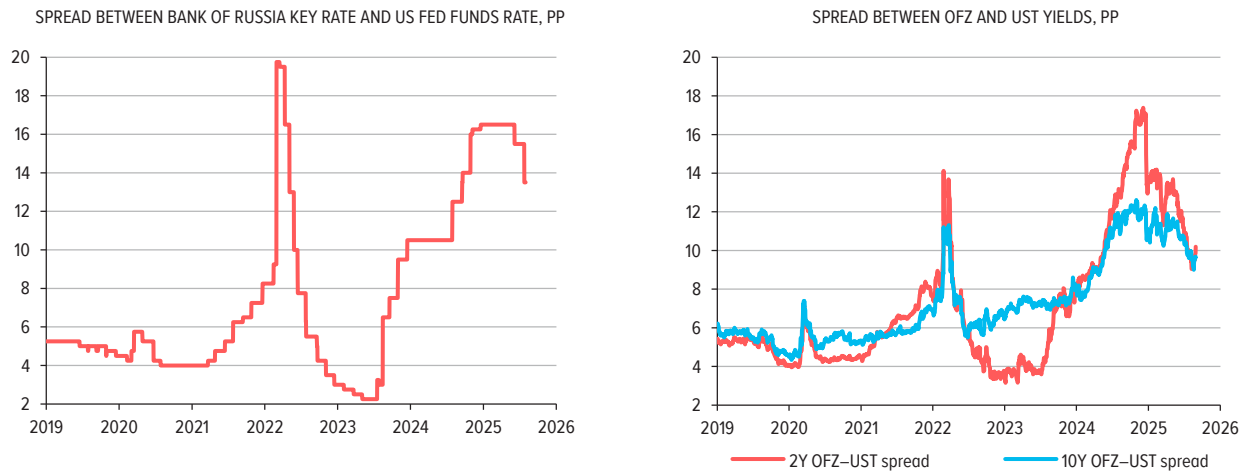
Chart 10



Sources: Moscow Exchange, National Finance Association.

## SPREAD BETWEEN OFZ AND UST YIELDS NARROWED IN AUGUST

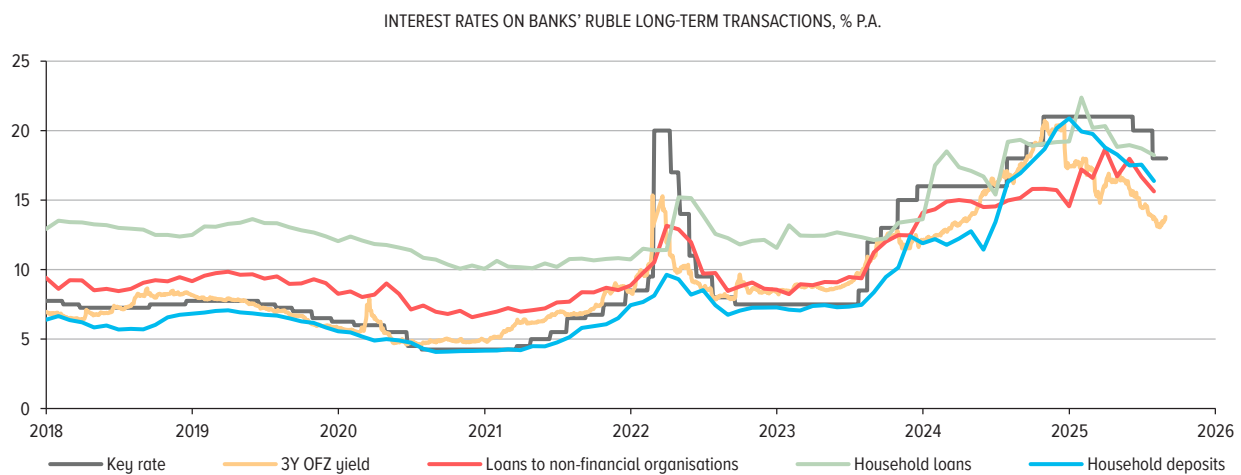
Chart 11



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

## LOAN AND DEPOSIT RATES DECREASED IN JULY

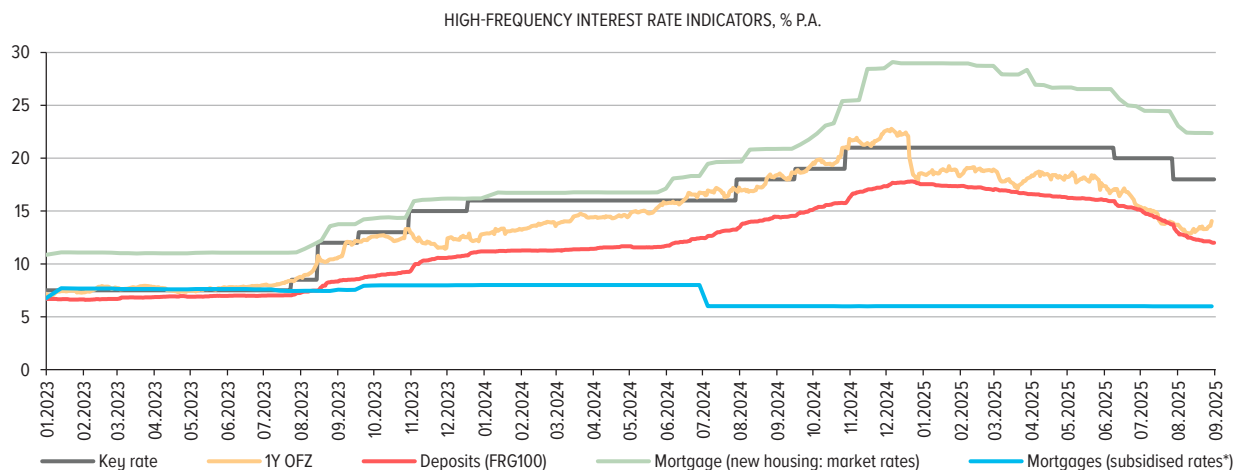
Chart 12



Source: Bank of Russia.

## DEPOSIT RATES CONTINUED TO GO DOWN IN AUGUST

Chart 13

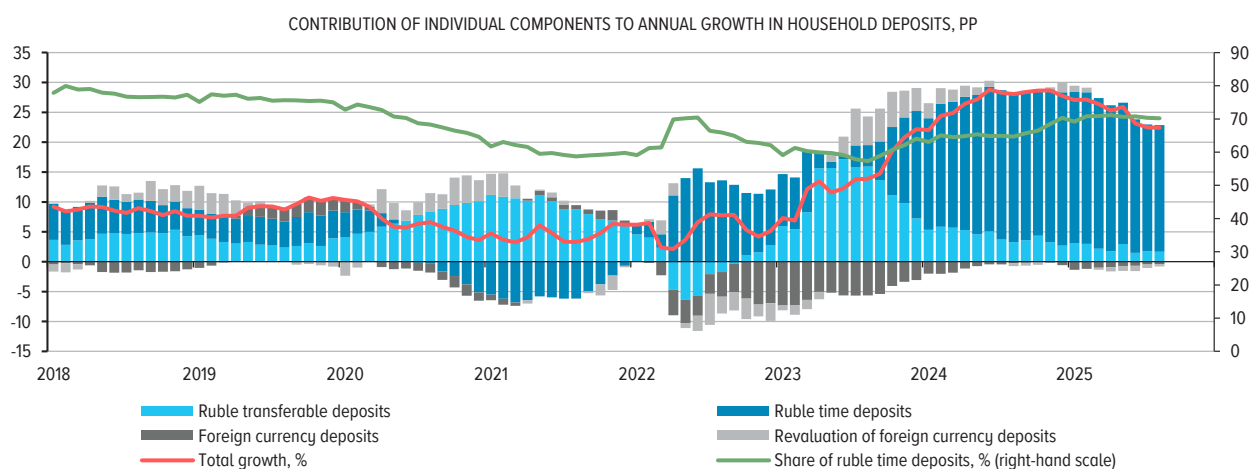


\* Until 1 July 2024 – the interest rate under the Subsidised Mortgage programme, from 1 July 2024 – the interest rate under the Family Mortgage programme.  
Sources: Bank of Russia, Frank RG, JSC DOM.RF.



## HOUSEHOLDS ACTIVELY OPENED TIME DEPOSITS TO LOCK IN RETURNS IN JULY

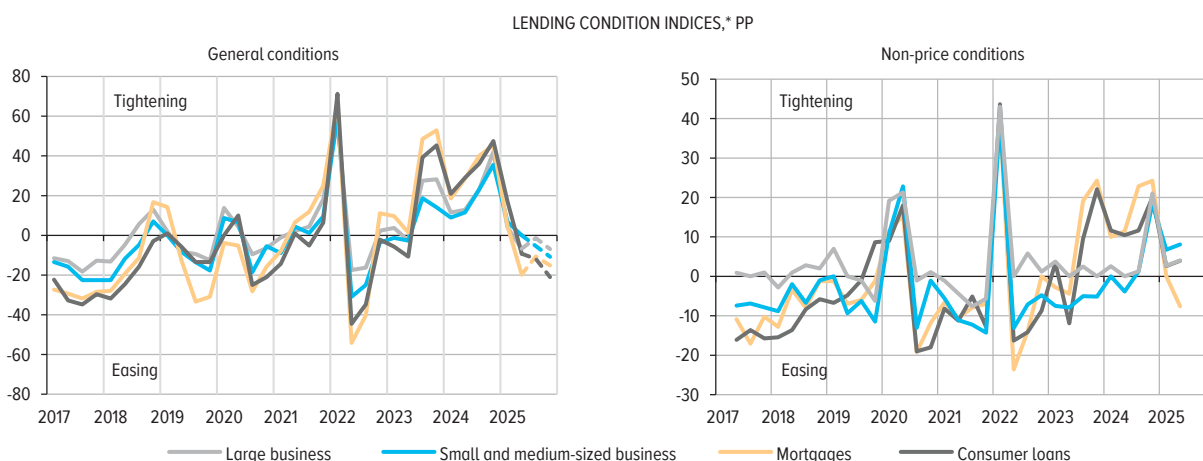
Chart 14



Source: Bank of Russia calculations.

## NON-PRICE BANK LENDING CONDITIONS TIGHTENED IN MOST SEGMENTS IN 2025 Q2

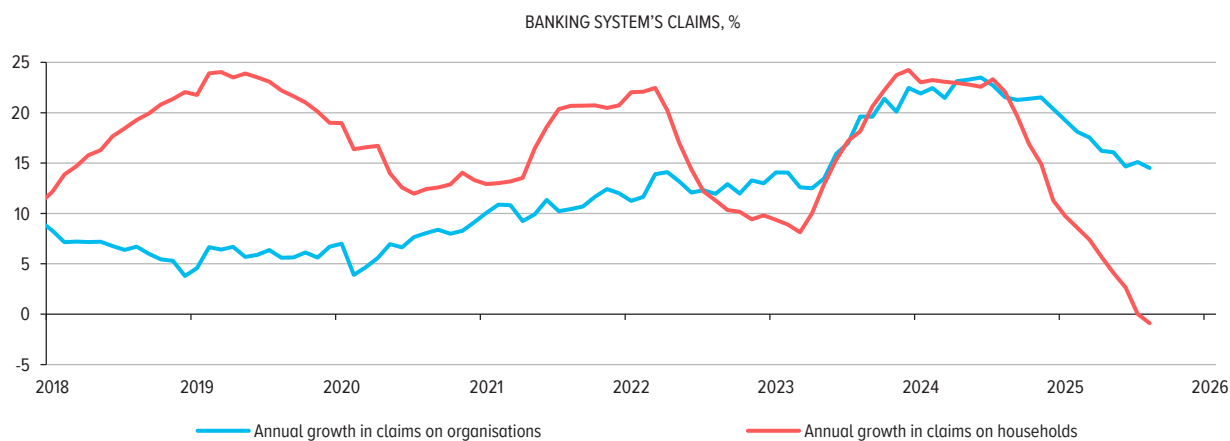
Chart 15



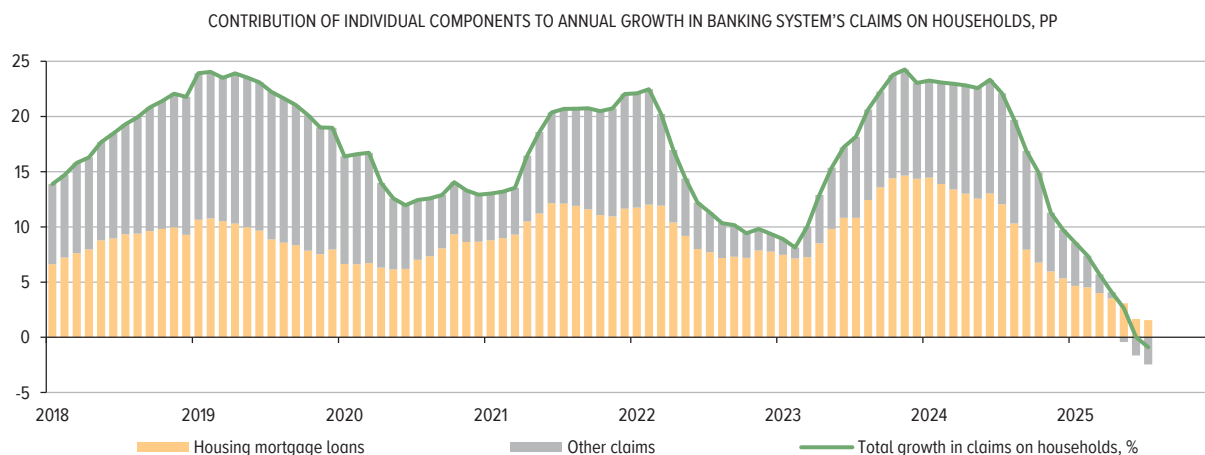
\* The dotted lines show respondent banks' expectations regarding changes in lending conditions in 2025 Q2.  
Source: Bank of Russia.

## MONTHLY GROWTH OF CLAIMS ON ORGANISATIONS EDGED UP IN JULY, WHEREAS ANNUAL GROWTH STAYED CLOSE TO JUNE VALUES

Chart 16



Source: Bank of Russia calculations.

**ANNUAL GROWTH OF CLAIMS ON HOUSEHOLDS BECAME NEGATIVE IN JULY DUE TO WEAK NON-MORTGAGE LENDING AND MORTGAGE SECURITISATION TRANSACTIONS** *Chart 17*

Source: Bank of Russia calculations.

**CREDIT AND DEPOSIT MARKET INDICATORS**

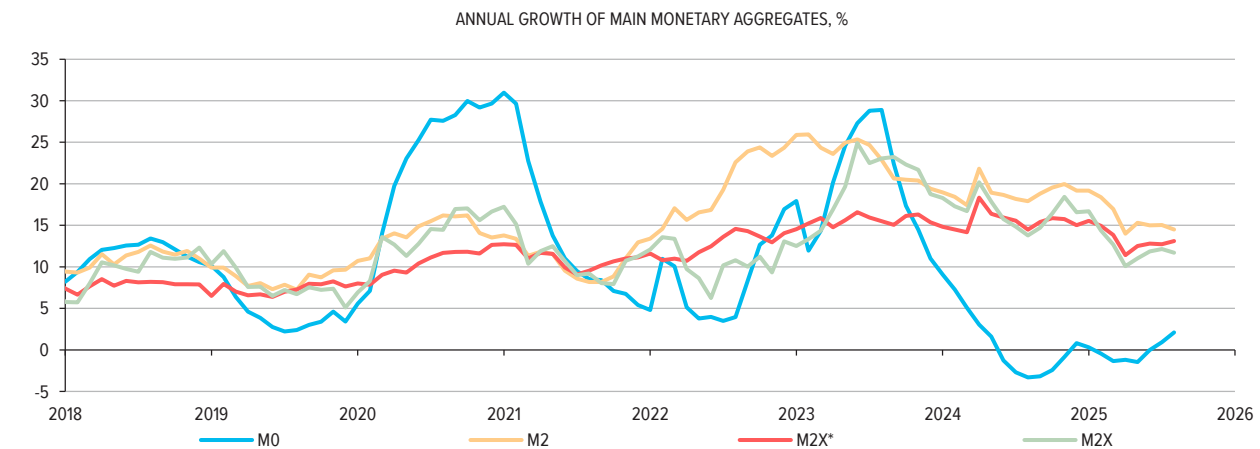
Table 6

|  |                    | April 2025  | May 2025    | June 2025   | July 2025   |
|--|--------------------|-------------|-------------|-------------|-------------|
| <b>Interest rates on banks' ruble long-term transactions</b> |                    |             |             |             |             |
| household deposits   | % p.a.             | 18.3        | 17.5        | 17.6        | 16.4        |
| household loans  | % p.a.             | 18.8        | 19.0        | 18.7        | 18.2        |
| corporate loans  | % p.a.             | 16.7        | 18.0        | 16.7        | 15.6        |
| <b>Household deposits</b>                                    | <b>% YoY, AFCR</b> | <b>25.9</b> | <b>23.1</b> | <b>22.5</b> | <b>22.4</b> |
| in rubles  | % YoY              | 28.9        | 25.8        | 24.7        | 24.6        |
| in foreign currency  | % YoY              | -9.5        | -9.6        | -7.3        | -6.5        |
| share of foreign currency                                    | %                  | 5.1         | 4.9         | 4.9         | 5.0         |
| <b>Claims of banking system on economy</b>                   | <b>% YoY, AFCR</b> | <b>12.7</b> | <b>11.3</b> | <b>10.7</b> | <b>10.1</b> |
| on organisations   | % YoY, AFCR        | 16.1        | 14.7        | 15.1        | 14.5        |
| on households  | % YoY, AFCR        | 4.1         | 2.6         | 0.0         | -0.9        |
| <b>Money supply (M2)</b>                                     | <b>% YoY</b>       | <b>14.0</b> | <b>15.3</b> | <b>15.0</b> | <b>15.0</b> |
| <b>Broad money (M2X)</b>                                     | <b>% YoY, AFCR</b> | <b>11.4</b> | <b>12.5</b> | <b>12.8</b> | <b>12.7</b> |

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.

## M2 ANNUAL GROWTH SLOWED

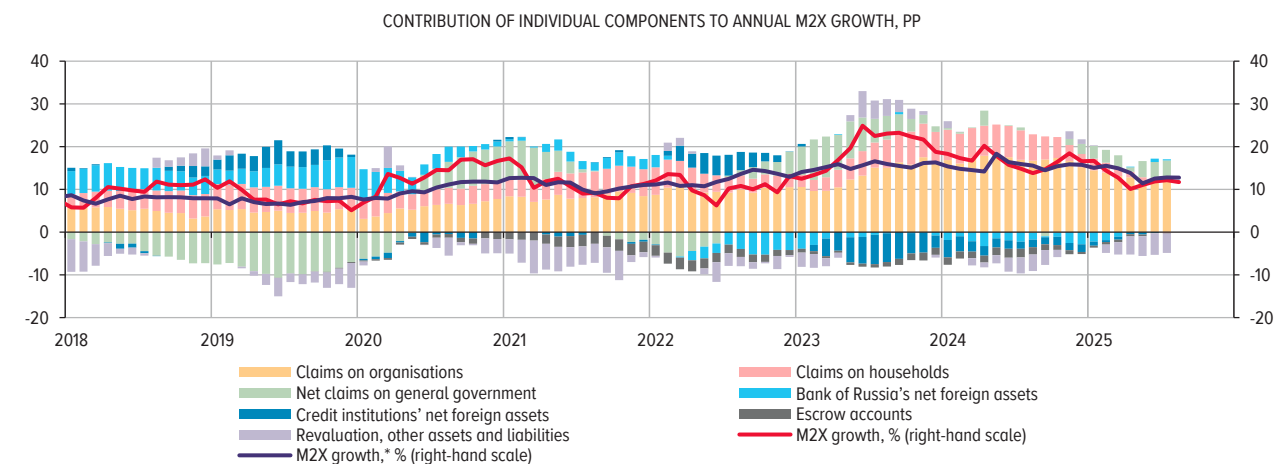
Chart 18



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

## CONTRIBUTION OF FISCAL OPERATIONS TO ANNUAL GROWTH OF MONEY SUPPLY WAS UP AGAIN

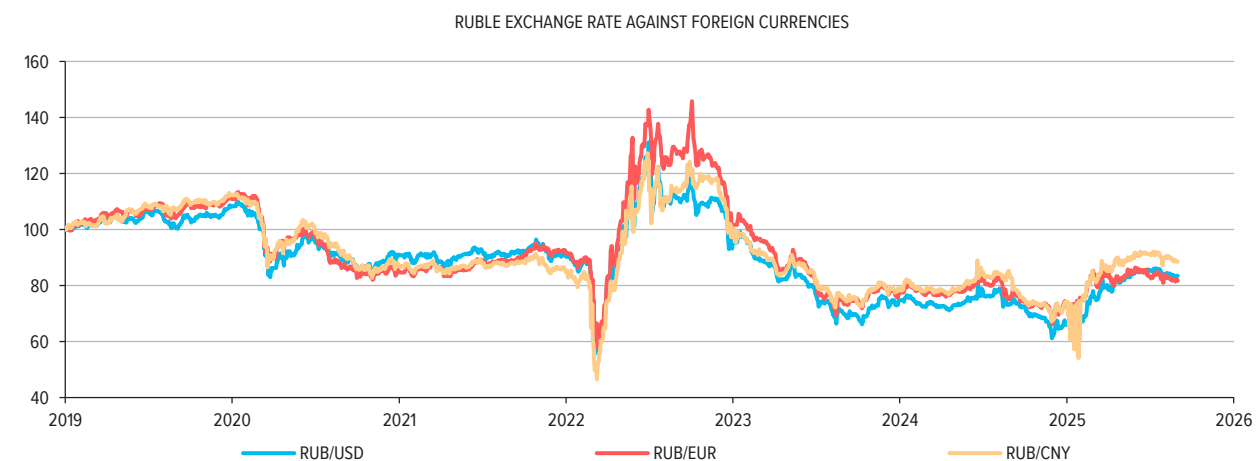
Chart 19



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

RUBLE SLIGHTLY WEAKENED AGAINST OTHER CURRENCIES IN AUGUST  
(02.01.2019 = 100)

Chart 20



Sources: Cbonds, Bank of Russia calculations.

## RUSSIAN FINANCIAL MARKET DYNAMICS WERE MAINLY POSITIVE IN AUGUST

Table 7

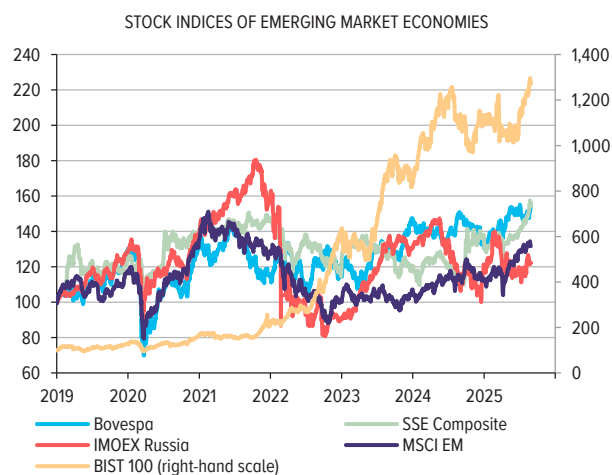
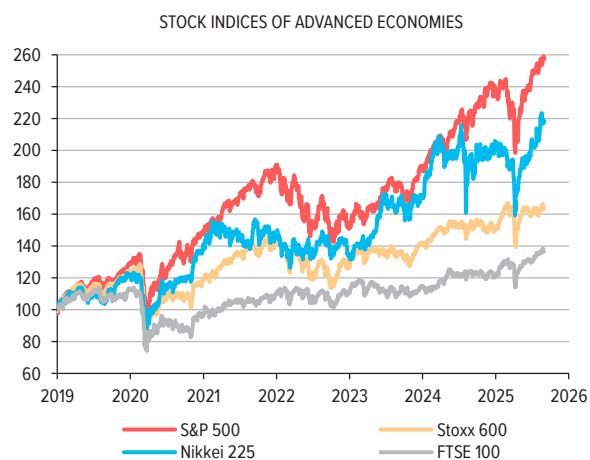
| Indicator   |                    | 29.08.2025 | 1M       | 3M      | 6M      | YTD     | 1Y      |
|---|--------------------|------------|----------|---------|---------|---------|---------|
| <b>Russian financial market ('+' – positive trends, '-' – negative trends)</b>          |                    |            |          |         |         |         |         |
| RUB/USD exchange rate   |                    | 80.29      | 1.9      | -0.9    | 8.4     | 21.0    | 12.2    |
| MOEX Russia Index   |                    | 2,899      | 6.1      | 3.2     | -9.4    | 0.6     | 7.4     |
| RTS Index   |                    | 1,137      | 6.1      | 0.8     | -0.5    | 27.3    | 22.2    |
| Government bond yields  |                    | 13.70      | 5        | -220    | -228    | -234    | -264    |
| Corporate bond yields   |                    | 16.24      | -55      | -490    | -566    | -576    | -318    |
| Regional bond yields  |                    | 14.66      | -53      | -369    | -448    | -514    | -316    |
| RVI   |                    | 32         | -2       | -9      | -13     | -3      | -4      |
| <b>Exchange rates (per US dollar, % change, '+' – appreciation, '-' – depreciation)</b> |                    |            |          |         |         |         |         |
| AEs*  | US Dollar Index    | 97.77      | -2.3     | -1.5    | -9.1    | -9.8    | -3.2    |
|   | Euro               | 1.17       | 2.4      | 2.8     | 12.6    | 12.8    | 5.1     |
|   | Japanese yen       | 147.04     | -2.5     | 2.0     | -2.3    | -6.6    | 1.7     |
|   | Pound sterling     | 1.35       | 2.3      | 0.1     | 7.3     | 7.9     | 2.4     |
| EMEs  | Ruble              | 80.06      | 1.3      | -3.6    | 10.4    | 29.6    | 12.5    |
|   | Brazilian real     | 5.43       | 3.1      | 4.2     | 7.8     | 12.2    | 2.5     |
|   | Mexican peso       | 18.66      | 1.1      | 3.4     | 9.1     | 10.5    | 5.0     |
|   | Chinese yuan       | 7.13       | 1.0      | 0.9     | 1.9     | 2.3     | -0.1    |
|   | Turkish lira       | 41.15      | -1.3     | -5.2    | -12.7   | -16.3   | -20.8   |
|   | South African rand | 17.66      | 3.1      | 0.8     | 5.6     | 6.4     | 1.0     |
| <b>10Y bond yields (% p.a., change in bp, '+' – increase, '-' – decrease)</b>           |                    |            |          |         |         |         |         |
| AEs   | USA                | 4.23       | -14      | -20     | -1      | -35     | 39      |
|   | Germany            | 2.72       | 3        | 22      | 32      | 36      | 47      |
|   | Japan              | 1.60       | 4        | 8       | 22      | -297    | 71      |
|   | UK                 | 4.72       | 15       | 7       | 24      | 364     | 72      |
| EMEs  | Russia             | 13.90      | -15      | -181    | -162    | -132    | -193    |
|   | Brazil             | 13.90      | -21      | -12     | -112    | -125    | 222     |
|   | Mexico             | 8.86       | -58      | -46     | -98     | -155    | -116    |
|   | China              | 1.78       | 5        | 6       | 1       | 11      | -39     |
|   | Turkey             | 31.08      | 164      | 32      | 337     | 393     | 436     |
|   | South Africa       | 9.61       | -3       | -55     | -92     | 57      | 47      |
| <b>5Y CDS spreads (bp, change in bp, '+' – increase, '-' – decrease)</b>                |                    |            |          |         |         |         |         |
| AEs   | USA                | 36         | 0        | -12     | 2       | 6       | 3       |
|   | Germany            | 8          | 0        | -4      | -4      | -6      | -1      |
|   | Japan              | 19         | -2       | -2      | 3       | -1      | -1      |
|   | UK                 | 18         | 2        | -2      | -1      | -3      | -3      |
| EMEs  | Brazil             | 131        | -12      | -23     | -43     | -76     | -13     |
|   | Mexico             | 92         | -11      | -22     | -24     | -44     | -11     |
|   | China              | 44         | 3        | -8      | -4      | -22     | -17     |
|   | Turkey             | 254        | -14      | -47     | 7       | 1       | -6      |
|   | South Africa       | 174        | -12      | -30     | -21     | -17     | -21     |
| <b>Stock indices (p, % change, '+' – increase, '-' – decrease)</b>                      |                    |            |          |         |         |         |         |
| AEs   | S&P 500            | 6,460      | 1.91     | 9.3     | 8.5     | 9.8     | 15.5    |
|   | Stoxx 600          | 9,187      | 1,582.35 | 1,576.9 | 1,548.9 | 1,709.9 | 1,664.8 |
|   | Nikkei 225         | 42,718     | 4.01     | 11.2    | 15.0    | 7.1     | 11.3    |
|   | FTSE 100           | 550        | -93.98   | -93.7   | -93.8   | -93.3   | -93.4   |
| EMEs  | MSCI EM            | 1,258      | 1.22     | 7.5     | 14.7    | 17.0    | 14.7    |
|   | Bovespa            | 141,422    | 6.28     | 2.1     | 15.2    | 17.6    | 3.0     |
|   | IPC Mexico         | 58,709     | 2.28     | 0.2     | 12.1    | 18.5    | 12.0    |
|   | SSE Composite      | 3,858      | 7.97     | 14.7    | 16.2    | 15.1    | 36.0    |
|   | BIST 100           | 11,288     | 5.07     | 23.1    | 16.9    | 14.8    | 15.7    |
|   | FTSE/JSE           | 101,836    | 3.37     | 7.5     | 18.5    | 21.1    | 21.2    |

\* Advanced economies.

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

EME STOCK INDICES WERE PRIMARILY UP IN AUGUST  
(02.01.2019 = 100)

Chart 21



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

## Data cut-off dates:

- Interest rates – 29 August 2025.
- Banks' interest rates on ruble loans and deposits – 30 July 2025, high-frequency data – 29 August 2025.
- Growth rates of credit and deposit aggregates – 1 August 2025.
- Growth rates of monetary aggregates – 1 August 2025, high-frequency data – 1 September 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](mailto:svc_analysis@cbr.ru).

This commentary was prepared by the Monetary Policy Department.

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