



**THE CENTRAL BANK  
OF THE RUSSIAN FEDERATION  
(BANK OF RUSSIA)**

# **Quarterly Inflation Review**

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***2009 Q1***

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**Research and Information Department**

*Quarterly Inflation Review* currently issued by the Bank of Russia's Research and Information Department is a document primarily aimed at analysing the latest consumer price trends. Inflation surveys published in countries implementing inflation targeting (inflation forecasts) offer projected inflation estimates to study potential inflation deviation from the target, analyse the reasons for such deviation and outline the central bank's measures to steer inflation towards the target. Since the end of 2006 the Bank of Russia, assisted by the IMF, carries out work to develop an analysis and forecast system similar to those used by central banks implementing inflation targeting. As the methods of analysis and forecast improve, quarterly inflation reviews will be expanded and complemented with respective sections.

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## Introduction

The world financial and economic crisis and its negative impact on the Russian economy have been key factors influencing the inflation dynamics. Recession and slower growth in Russia's major trading partners, decline in the world prices of some food products and agricultural raw materials, lower inflation in the group of countries exporting goods to Russia, tighter borrowing conditions on global financial markets, as well as weaker domestic investment and consumer demand restricted consumer price growth. Rise in consumer goods import prices due to devaluation of the national currency, as well as accelerated growth of producer prices in the mining sector, general downward trends in supply, and weaker financial position of Russian enterprises generated inflationary pressure. Rapid growth in consumer prices in the first quarter of 2009 slowed down considerably in April.

The Bank of Russia's main goal under these circumstances was to maintain stability in the banking sector and on the financial markets and to create conditions favouring lower inflation.

Rapid increase in consumer prices and continued capital outflow from Russia in the first quarter of the year did not allow the Bank of Russia to take monetary policy measures aimed at easing monetary conditions. The regulator focused its monetary policy on stabilising exchange rate expectations and keeping the value of the dollar/euro bi-currency basket within the fluctuation band set from January 23, 2009. In February, for the purpose of restraining inflation and discouraging capital outflow, the Bank of Russia raised interest rates on its credit and deposit operations and

repo transactions, while keeping the upper limit of its interest rate band – the refinancing rate – unchanged at 13%. Along with these measures, the Bank of Russia was implementing decisions aimed at supporting the required liquidity level in the banking sector and increasing the term of refinancing for banks.

As the situation with liquidity normalised, the ruble's exchange rate stabilised against foreign currencies and short-term interbank rates declined, the Bank of Russia gradually switched to a more restrained policy of providing funds to banks. A halt in devaluation and some nominal appreciation of the ruble against foreign currencies, as well as slower consumer price growth at the end of the first quarter and in April-May allowed the Bank of Russia to cut gradually interest rates on its operations. By mid-May, the Bank of Russia interest rate band was shifted downwards by 1 percentage point. This measure caused a slight decrease in banks' rates on loans to the economy at the end of the first quarter, although the volume of this lending remained extremely low. Amid limited possibilities of raising money on foreign markets, contracted banks' deposit base and higher risk of borrowers defaulting on previous loans, the rate of growth in debt loans to non-financial institutions and households decreased almost by half as compared with the end of the first quarter of the previous year. Slower growth in loans to the non-financial sector and in money supply during a long period, as well as weaker devaluation impact on prices reflect weakening monetary pressure on inflation.

# Inflation Dynamics

## Consumer Prices

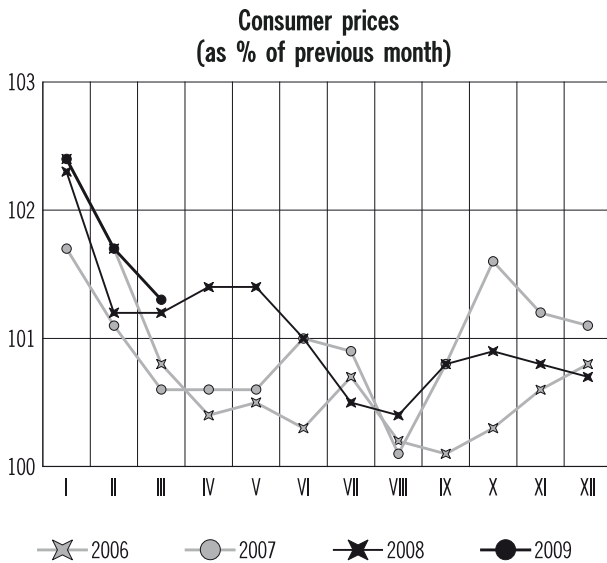
According to the Federal State Statistics Service (Rosstat), consumer prices rose 5.4% in January-March 2009, which was 0.6 percentage points above their rise in the same period of 2008. Year on year, consumer prices increased 14.0% in March 2009 and 13.7% in January-March 2009.

Inflation accelerated in January-March 2009 largely due to **core inflation**, which equalled 4.3% in the first quarter of 2009 as against 3.2% in the same period a year earlier. Growth in the prices of goods and services included in the calculation of the core consumer price index accounted for an estimated 3.5 percentage points, or 64.0%, of overall consumer price growth in the first quar-

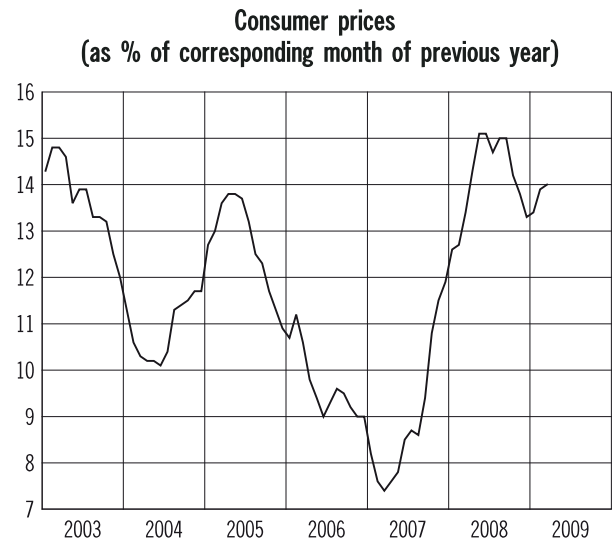
ter of 2009 as against 2.5 percentage points, or 52.7%, in January-March 2008.

The acceleration of core inflation in the first quarter of 2009 was largely due to the increased growth in the prices of most basic non-food products and in the non-regulated prices and rates for most paid services.

**Food prices, excluding vegetable and fruit prices**, grew 4.0% in January-March 2009 (the same increase was registered in the first quarter of 2008). This growth accounted for an estimated 1.4 percentage points, or 25.3%, of overall consumer price growth in the first quarter of 2009 as against an estimated 1.4 percentage points, or 29.8%, in the first quarter of 2008.



Source: Rosstat.



Source: Rosstat.

## Consumer price inflation (%)

	Growth (March 2009 on December 2008)	Growth (March 2008 on December 2007)	
Prices of goods and services, total:	5.4	4.8	Acceleration of growth by 0.6 percentage points
of which:			
– food prices	5.0	5.7	Slowing of growth by 0.7 percentage points
– food prices, excluding vegetable and fruit prices	4.0	4.0	
– non-food prices	3.8	2.0	Acceleration of growth by 1.8 percentage points
– prices of paid services provided to households	8.5	7.5	Acceleration of growth by 1.0 percentage points
Prices of goods and services included in core inflation calculation	4.3	3.2	Acceleration of growth by 1.1 percentage points

Source: Rosstat.

As to basic food prices, the most significant increase was registered in granulated sugar prices, which grew 28.7% in the first quarter of 2009 (as against 7.8% in the same period of 2008), and in fish and seafood prices (8.0% as against 2.4%). Growth in the prices of most basic food products (processed grain products, cereals and legumes, milk and dairy products, butter) was slower in January-March 2009 than in the same period of 2008. Sunflower oil prices declined 7.1%, and egg prices were down 8.5% in the first quarter of 2009, whereas in January-March 2008 they increased 6.6% and 2.1% respectively.

As in early 2008, world sugar prices tended to increase in the first quarter of 2009. In January-March, raw sugar and refined sugar prices picked up 25.4% and 23.9% respectively (as against 29.9% and 17.7% in the same period of 2008).

The world grain market showed mixed price dynamics in early 2009, after a fall in grain prices that prevailed in the second half of 2008. There was a rise in the prices of US wheat (4.9%) and maize (4.0%), and a decline in the prices of Canadian wheat (5.6%) and barley (0.3%) in January-March 2009, while in the same period of 2008, the prices of these grain crops grew by 19%, 32%, 30% and 15%, respectively. The price of Thai rice rose 11% in the first quarter of 2009 as against 65% in the same period of 2008.

The world meat markets, like other food markets, did not register any clearly expressed trends.

Beef prices were actually unchanged, pork prices increased 6.1% and poultry prices declined 1.5% in January-March 2009 (over the same period of 2008, beef prices rose 11.6%, poultry prices grew 5.6%, while pork prices slipped 0.2%).

**Vegetable and fruit prices** increased 14.7% in the first quarter of 2009, or 5.9 percentage points less than in the same period of the previous year. Vegetable and fruit prices contributed an estimated 0.5 percentage points, or 9.7%, to the overall consumer price growth in 2009 Q1, as against 0.8 percentage points, or 16.6%, in the first quarter of 2008.

Overall, **food prices** increased 5.0% in January-March 2009 as against 5.7% in the same period of last year.

Growth in **non-food prices** accelerated to 3.8% in the first quarter of 2009 as against 2.0% in the same period of 2008. The increase in non-food prices accounted for an estimated 1.4 percentage points, or 26.1%, of overall consumer price growth in January-March 2009 as compared with 0.7 percentage points, or 14.7%, in the first quarter of 2008. The biggest growth was registered in the prices of medicines (14.2% as compared with 2.8% in January-March 2008), tobacco products (6.3% as against 3.9% in the same period of 2008), and detergents and cleaning products (5.5% as compared with 2.7% a year earlier). At the same time, motor petrol prices dropped 8.1% in January-March 2009 and

#### Food price inflation (%)

	Growth (March 2009 on December 2008)	Growth (March 2008 on December 2007)	
Food products	5.0	5.7	Slowing of growth by 0.7 percentage points
Bread and bakery products	1.3	8.3	Slowing of growth by 7.0 percentage points
Cereals and legumes	3.9	5.0	Slowing of growth by 1.1 percentage points
Pasta	3.7	10.1	Slowing of growth by 6.4 percentage points
Meat and poultry	3.6	2.6	Acceleration of growth by 1.0 percentage points
Fish and seafood	8.0	2.4	Acceleration of growth by 5.6 percentage points
Milk and dairy products	1.2	5.5	Slowing of growth by 4.3 percentage points
Butter	1.4	4.6	Slowing of growth by 3.2 percentage points
Sunflower oil	-7.1	6.6	
Granulated sugar	28.7	7.8	Acceleration of growth by 20.9 percentage points
Vegetables and fruit	14.7	20.6	Slowing of growth by 5.9 percentage points
Alcoholic beverages	3.9	3.0	Acceleration of growth by 0.9 percentage points

Source: Rosstat.

22.8% from September 2008 to March 2009 (motor petrol prices increased 3.2% in the first quarter of 2008).

**The prices of paid services provided to households** grew 8.5% in January-March 2009 (as against 7.5% in January-March 2008) contributing an estimated 2.1 percentage points, or 38.9%, to overall consumer price growth (as against 1.9 percentage points, or 38.9%, in the first quarter of 2008).

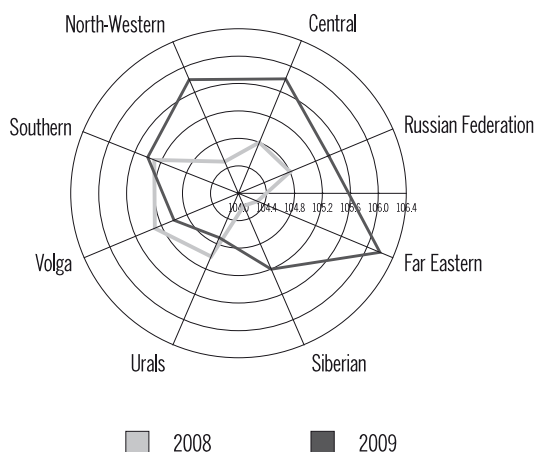
Regulated prices of paid services increased by an estimated 11.9% in January-March 2009, or 2.4% faster than in the same period last year. Rent and communal service charges rose 17.0% in the first quarter of 2009 as against 13.5% in January-March 2008. Passenger transport fees grew 4.3% in the first quarter of 2009 as against 8.1% in January-March 2008.

Growth in some service prices used in the calculation of core inflation – in particular, service fees of cultural institutions and travel agencies, insurance, and pre-school tuition prices – accelerated in the first quarter of 2009.

The rise in the prices of paid services provided to the public in January-March 2009 exceeded overall growth in the prices of goods by 4.1 percentage points (as against 3.6 percentage points in January-March 2008).

According to Rosstat data, consumer prices grew faster in all **federal districts** in January-March 2009 as compared with in the same period last year.

**Consumer price growth by federal district (March as % of December of previous year)**



Source: Rosstat.

The difference in estimated cost of a fixed set of goods and services, which is used by the Federal State Statistics Service for interregional comparisons of the purchasing power of the population, became more pronounced across Russian regions and territories in March 2009. The regional difference ratio<sup>1</sup> increased to 42.4% in March 2009 from 40.0% in December 2008.

In the first quarter of 2009, growth in food prices, excluding vegetable and fruit prices, differed slightly – from 3.5% to 4.7% – by federal district, and the rates of non-food price growth changed virtually within the same range.

As for the vegetable and fruit prices (including potatoes prices), their rates of growth differed significantly by federal region in 2009 Q1, as in the first quarter of 2008. In the Urals Federal District, for example, vegetable and fruit prices grew 7.0% in January-March 2009 (19.3% in January-March 2008), whereas in the North-Western Federal District they increased 17.2% (21.8% in the same period last year).

Growth in service prices accelerated in all federal districts in the first half of 2009 as compared with the same period last year.

### Housing prices

Housing prices declined 2.2% on the primary market and 2.8% on the secondary market in January-March 2009. In the same period of 2008, housing prices grew 2.3% on the primary market and 6.7% on the secondary market.

The housing price dynamics in 2009 Q1 were affected by the downturn in housing demand caused by the financial and economic crisis. This was reflected, in particular, in slower growth in housing construction which was 2.4% in January-March 2009, down from 8.1% in the same period of 2008.

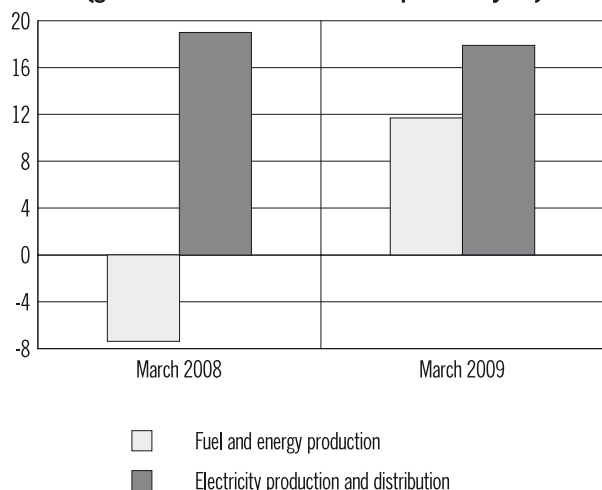
### Producer prices

**Industrial producer prices** rose 4.4% in January-March 2009 as against 3.0% in January-March 2008. The acceleration of producer price growth was primarily due to rapid price growth in the mining sector. Producer prices in the min-

<sup>1</sup> The regional difference ratio is calculated by the Bank of Russia as the difference between the cost of a fixed set of goods and services in the most and least expensive regions relative to the national average cost of the set.



**Producer prices by type of economic activity  
(growth as % of December of previous year)**



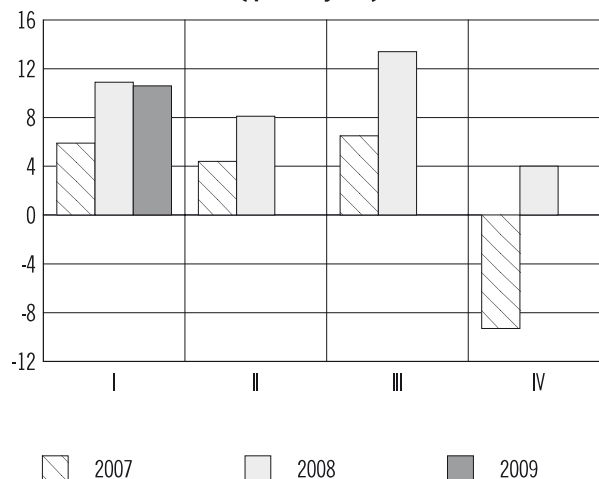
Source: Rosstat.

ing sector increased 8.5% in January-March 2009 whereas in the same period of 2008 they declined 6.2%. Producer prices in the fuel and energy sector grew 11.7% in the first quarter of 2009 as compared with their 7.4% decline in the first quarter of 2008.

Price growth in the production and distribution of electricity, gas and water decelerated by 0.7 percentage points to 18.1% in 2009 Q1 as compared with the same period of 2008.

Producer prices in the manufacturing sector grew 1.3% in the first quarter of 2009 as against 4.0% in the same period last year. The most significant price growth (10.1%) was registered in the output of petroleum products (as against a

**Freight charges  
(quarterly, %)**



Source: Rosstat.

2.8% decline in their prices in the first quarter of 2008). At the same time, there was a slowdown in producer price growth in consumer goods manufacturing. For example, there was a slowdown in producer price growth by 2.1 percentage points (to 3.4%) in food, including beverages, and tobacco production, by 0.5 percentage points (to 4.1%) in textile and clothing manufacturing and by 1.1 percentage points (to 0.1%) in the production of leather, leather goods and footwear in 2009 Q1, as compared with the same period of 2008.

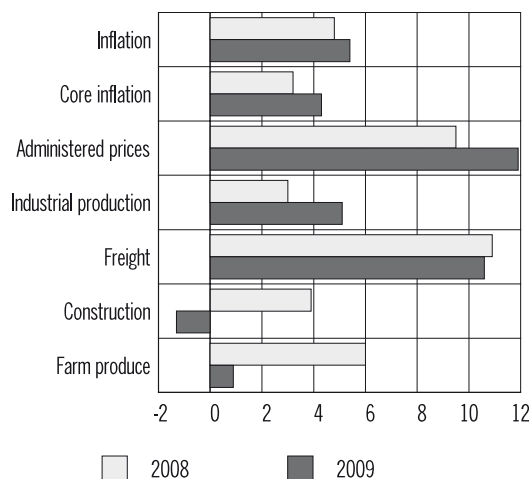
**Freight charges** increased 10.6% in January-March 2009 as against 10.9% in the same

**Producer prices in some manufacturing industries  
(growth as % of December of previous year)**



Source: Rosstat.

**Price growth in the economy  
(March as % of December of previous year)**

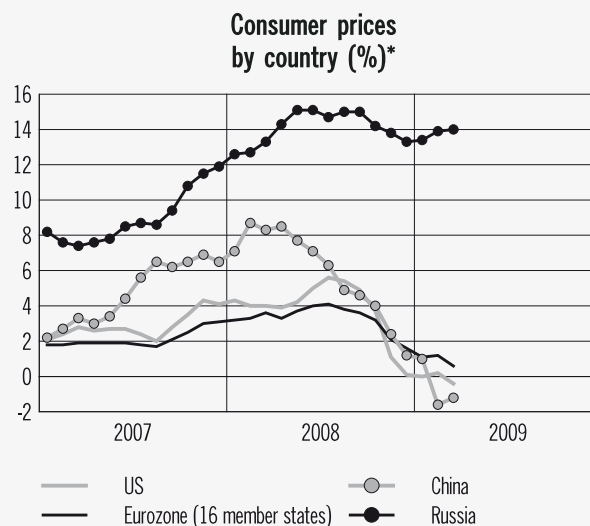


Source: Rosstat.

### Inflation in some countries of the world<sup>1</sup>

Inflation in the countries that account for a significant share of Russian imports slowed to 1.4% in the first quarter of 2009 (March on December of the previous year) from 2.4% in the same period of 2008. Consumer prices declined in some European countries (Germany, Italy, Spain and Belgium), as well as in Japan. In most other countries among Russia's trading partners, consumer price growth slowed down. The most significant decrease in the inflation rate was registered in Ukraine, China and Turkey. Slower inflation in Ukraine and China and price falls in Germany and Italy made the biggest contribution to the slowing of aggregate consumer price growth among Russia's major trading partners. In Belarus, inflation increased as both food and non-food prices went up following devaluation of the national currency.

The contraction of demand due to the recession and lower prices of energy products and other primary commodities on world markets led to the slowing of inflation in Russia's trading partners. However, there were no signs that the economic slump in foreign countries could take the form of a long-term deflation. US consumer prices were observed to decline steadily in August-December 2008; however, they increased monthly by 0.2-0.5% in January-March 2009. Falling consumer prices in the eurozone was a prevailing trend in the second half of 2008. This trend continued in January 2009 but was largely attributable to seasonal price fluctuations. In February and March 2009, eurozone consumer prices grew 0.4% a month.



\* Consumer price growth on corresponding month of previous year.  
Sources: Bureau of Labour Statistics at the US Department of Labour, Statistical Office of the European Communities (Eurostat), China's National Bureau of Statistics, Rosstat.

<sup>1</sup> According to data compiled by the national statistical agencies of Russia's trading partners.

period of 2008. Railway transport fares were up 4.8% as against 11.5% in the previous year.

**Communication fees for corporate entities** gained 2.6% in January-March 2009 as against 10.0% in the first quarter of 2008.

The composite price index for **building materials** equalled 98.7% in the first quarter of 2009, while there was an increase by 3.9% in producer prices of building materials in the same period of 2008.

**Agricultural producer prices** grew 0.9% in January-March 2009 as against 6.0% in the same period last year. Crop grower prices rose 1.9% as against 9.9% in the previous year, although there was a decline in producer prices of grain (by 0.3%) and sunflower (by 5.4%) in January-March 2009 (they increased 7.0% and 8.5%, respectively, in the same period of 2008). Livestock breeder prices went up 0.3% (3.2% in January-March 2008). The most rapid growth was registered in cattle and poultry prices (4.2% as against 1.1% a year earlier). Milk producer prices fell 2.4% in the

first quarter of 2009, whereas they grew 6.4% in January-March 2008.

### Foreign trade

The price situation for major Russian export commodities<sup>2</sup> on world markets deteriorated considerably in January-March 2009 as compared with the same period of 2008. World market energy prices were on average 43% lower than in the same period last year, while non-energy prices dropped 12%.

World oil prices had fallen sharply since mid-July 2008 amid the intensifying global financial crisis, recession in the United States and some European countries, investment outflow from com-

<sup>2</sup> Average prices have been calculated on the basis of data provided daily by the following news agencies and exchanges: Reuters for oil, Petroleum Argus for petroleum products (petrol, diesel fuel and fuel oil) and the London Metal Exchange for non-ferrous metals (aluminium, copper and nickel). Ferrous metal price indices and data on average monthly prices of natural gas and other goods were provided by the World Bank and the IMF.

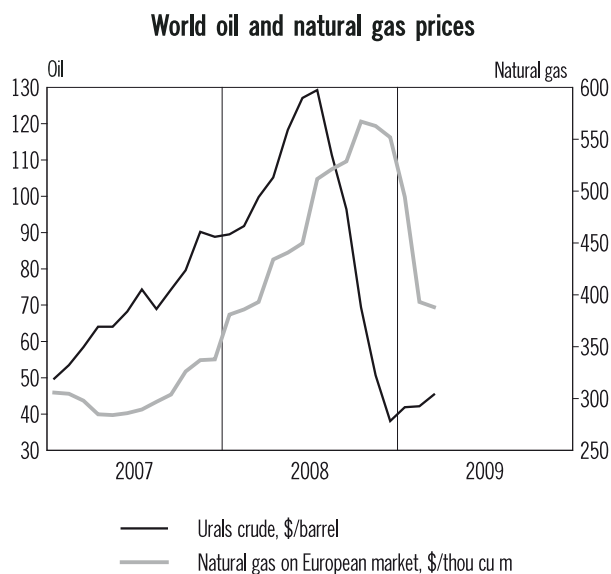
modity markets and the expectations of lower demand for energy products. The average price of Urals crude plunged to \$38.1 per barrel in December from \$129.3 per barrel in July. Oil prices were observed to grow in the first quarter of 2009 to hit the quarter's high of \$50.2 per barrel on March 26 (with the average oil price of \$45.4 per barrel in March).

The trend towards a slow increase in oil prices was attributable to investors' revaluation of the scope and implications of the global financial and economic crisis, and also to economic growth persisting in some countries among major importers of energy products, in particular, in the Asian region, especially in China. Apart from that, the OPEC countries, which had cut oil production quotas back in 2008, consistently implemented their decision. As a result, the price of Urals crude equalled \$43.2 per barrel in the first quarter of 2009 and was 54% lower than in the same period last year (the price of Urals crude increased 74%, year on year, in the first quarter of 2008).

Price dynamics on the petroleum product market largely followed dynamics on the oil market. Petroleum product prices were on average 50% lower in the first quarter of 2009 as compared with the same period last year: premium and straight-run petrol prices went down 51% and 54%, respectively, diesel fuel prices declined 52% and fuel oil prices slipped 47% (the prices of these petroleum products went up 53%, 52%, 70% and 76%, respectively, in the first quarter of 2008).

The price of natural gas in Europe had increased in 2008 till November when it started to fall (by 1-2% a month), with the price decline accelerating in the first quarter of 2009. However, the price of natural gas in Europe was 10% higher in the first quarter of 2009 as compared with the same period in the previous year (28% higher in January-March 2008). Coal prices has declined since August 2008. As a result, coal prices were 47% lower in the first quarter of 2009 than in the same period last year (they were 110% higher in the first quarter of 2008).

A key factor behind the decline in world ferrous metals prices since September 2008 has been slower growth in demand in the countries that are the major consumers of these metals, primarily in China. However, ferrous metals prices were almost



Sources: Reuters, World Bank.

20% higher in the first quarter of 2009 year on year (30% higher in the first quarter of 2008).

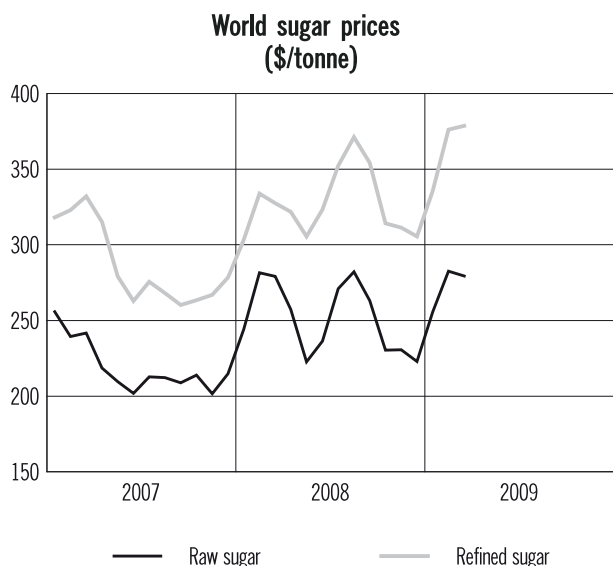
Non-ferrous metal prices tended downwards on world markets in the second half of 2007. The world financial and economic crisis, which led to the contraction of global industrial and investment demand for non-ferrous metals, accelerated the fall in non-ferrous metal prices in the second half of 2008 and in the first quarter of 2009. Quarter on quarter, the prices of aluminium fell 50%, copper 56% and nickel 64% in January-March 2009 as compared with the same period last year (in January-March 2008, the prices of aluminium and nickel declined 2% and 30% respectively, while the prices of copper rose 31%).

The prices of other Russian raw material exports were also affected by the situation in the global economy as a whole and on world commodity markets.

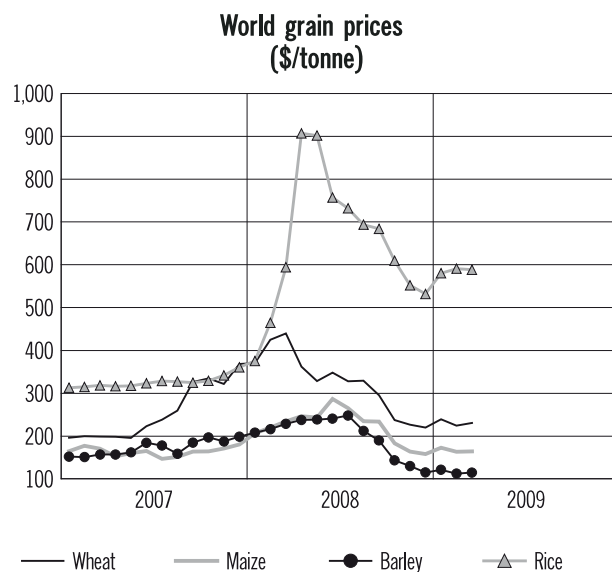
The world prices of most foodstuffs and agricultural raw materials<sup>3</sup> started to decline in 2008. The fall in prices (except the prices of sugar, American wheat and Thai rice) continued in the first quarter of 2009.

World sugar prices tended to grow throughout 2008 (sugar prices grew 14-15% on average over the year). The trend of sugar price growth continued in early 2009 due to the persistence

<sup>3</sup> Average sugar prices have been calculated on the basis of data provided daily by the London Commodity Exchange, other prices are monthly averages published by the World Bank and the IMF.



Source: London Commodity Exchange.



Source: World Bank.

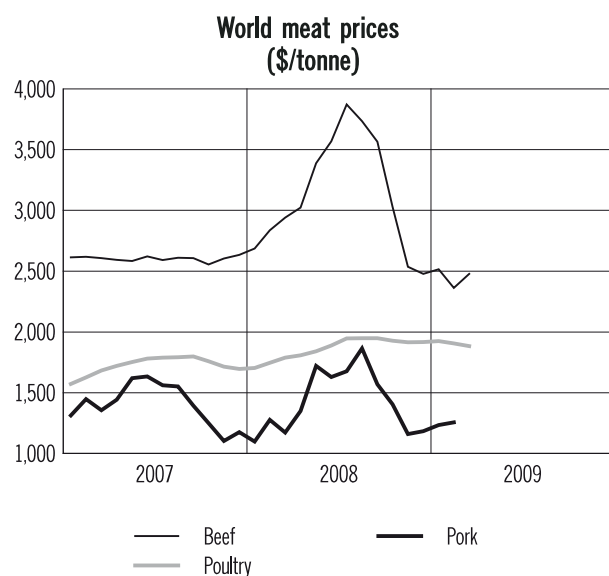
of high seasonal demand for sugar, particularly in Russia, and the contraction of global sugar stocks. The world sugar market faces potential risks of sugar price increases due to a global sugar shortage in the amount of 4.5 million tonnes expected in the 2009/2010 agricultural year<sup>4</sup> following the contraction of world sugar stocks caused by reduced sugar production, primarily in India and China, and also due to the continued growth in world demand for sugar amid increasing population.

Growth in the prices of some grain crops was caused by unfavourable weather conditions in some regions and the decrease in grain stocks. However, the risks of inflation growth due to grain price increases are low so far. Analysts do not expect a considerable increase in grain prices as the world stocks of wheat and maize have reached the highest level for the past 6-7 years while growth in the industrial use of grain has slowed down amid the global economic meltdown.

In late 2008, the slowdown in demand growth caused by the deterioration of the economic situation in the world's largest meat consuming countries, the fall in fodder prices, and the decline in energy and fuel prices led to slower growth, or even decrease, in poultry and livestock product prices. However, the situation on these markets, as well as on many other food and agricultural raw materials markets, largely depended

on the impact of global factors in the first quarter of 2009. Growth in pork and poultry prices was stimulated by the expectations of beef being substituted with cheaper meat (pork and poultry), as well as by forecasts of a decrease in pork production in some countries. In particular, US pork output has been expected to decline (for the first time in the past nine years) due to increased costs in the previous two years.

The terms of Russia's trade<sup>5</sup> with other countries deteriorated considerably in the first quarter



Source: World Bank.

<sup>4</sup> From July 1, 2009 to June 30, 2010.

<sup>5</sup> The ration between export and import price indices.

### Foreign trade

*In the first quarter of 2009, the terms of trade continued to worsen for oil exporting countries. In the estimate of the International Energy Agency, global oil consumption decreased 3.7% in January-March 2009 as compared with the same period last year. The average Brent, Dubai and WTI crude prices fell 53.7% in the first quarter of 2009 as compared with 2008 Q1.*

*According to Eurostat data, expenditures on the import of oil and petroleum products, including imports from Russia, in the European Union member countries fell considerably in early 2009 as compared with the same period last year. The decrease was due both to prices and weaker demand (estimates of the International Energy Agency showed that oil consumption in European OECD member countries fell 3.1% in the first quarter of 2009 as compared with the same period of 2008). Market conditions remained favourable for natural gas exporters in early 2009. However, global price indices, which determine the terms of international contracts on natural gas supplies, are declining. Global steel prices declined in the first quarter of 2009 partly due to the rising supply of Chinese steel products (in China, metallurgical production capacities exceed domestic demand).*

of 2009 due to a fall in the world prices of Russian export commodities.

Russia's trade surplus<sup>6</sup> contracted by 2.3 times to \$21.7 billion in the first quarter of 2009 as compared with the same period last year due to a slump in exports, which fell by \$50 billion or 45.4% while imports declined by \$21.8 billion or 36.3%.

## Demand

### Domestic demand

The negative trends, created under the impact of the global financial and economic crisis in late 2008, continued into the first quarter of 2009. The slowing of growth in revenues in various sectors of the economy and the toughening of the borrowing terms and conditions led to the contraction of domestic demand in January-March 2009. It has been estimated that domestic demand for imports fell in that period due to the devaluation of the ruble.

In 2008, the share of imported products in retail trade commodity resources contracted by 2.0 percentage points, as compared with 2007, and stood at 45%. The share of revenues from food imports declined by 0.8 percentage points to 34.6% and non-food imports by 2.9 percentage points to 53.6%.

In the first quarter of 2009, the imports of investment goods declined more than the imports of consumer goods. Import volumes fell considerably. The imports of engineering goods declined almost 2 times, chemical and related products,

by about one-third, and foodstuffs and food raw materials, by almost 20%, in terms of their value in the first quarter of 2009 as compared with the same period of 2008.

As some import prices, especially food import prices and the prices of imports of raw materials for food production, remain higher than in the first quarter of 2008, the risks of price increases on the domestic market persist.

The structure of household money income was virtually unchanged in January-March 2009 as compared with the same period last year. The share of earnings in total income equalled to 68.3%, while that of social transfers was 13.5%.

Household real disposable money income dropped 2.3% in the first quarter of 2009 as compared with the same period last year. As the devaluation expectations increased in January 2009, households preferred to maintain the current consumption level and to buy foreign exchange. In February and March 2009, household spending on the purchase of foreign currency began to decline. The share of household spending on the purchase of goods and services expanded by 0.3 percentage points to 76.8% in January-March 2009, as compared with the same period last year, and the share of spending on the purchase of foreign exchange increased by 3.7 percentage points to 10.6%. The public propensity for organised savings stood at 7.5% in the first quarter of 2009 (7.7% in the first quarter of 2008).

Household spending on final consumption grew 11.3% in 2008 as against 13.7% in 2007. Consumer demand started to shrink at the beginning of 2009. Retail trade turnover fell 1.1% in

<sup>6</sup> According to a balance of payments estimate as of April 3, 2009.

**GDP consumption**  
(growth as % of corresponding period of previous year)

	2007					2008				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
GDP	7.5	8.0	7.7	9.0	8.1	8.7	7.5	6	1.2	5.6
Final consumption	10.4	10.8	11.1	11.2	10.9	9.3	10.3	9.7	6.6	8.9
Of which:										
– households	13.0	13.6	14.3	13.8	13.7	12.2	13.4	12.2	8.0	11.3
Gross capital formation	29.7	25.0	20.3	14.5	21.0	17.2	21.0	13.4	-2.1	11.1
Net exports	-25.5	-28.2	-42.9	-13.7	-27.1	-9.5	-43.4	59.4	39.9	36.0

Source: Rosstat.

January-March 2009, as compared with the same period last year, and the volume of paid services to the public declined 1.5%.

Government expenditures on final consumption increased 2.5% in 2008 as against 3.4% in 2007. The Federal Treasury reported data show that federal budget expenditures grew to 21.5% of GDP in the first quarter of 2009 as against 15.0% in January-March 2008. Non-interest expenditures stood at 20.7% of GDP (14.4% in January-March 2008), the largest spending for the past decade largely caused by the implementation of anti-crisis measures to support the financial system. At the same time, federal budget non-interest expenditures in January-March 2009 accounted for 18.7% of the budget projection for the year, or slightly higher than in the same period a year earlier (18.0%).

The value of funds on the government’s deposit accounts with the Bank of Russia continued to grow in the first quarter of 2009 as a result

of revaluation of foreign currency-denominated accounts of the Reserve Fund and the National Wealth Fund (in the first quarter of 2008, the value of these funds increased due to accelerated growth in budget revenues). In January-March 2009, the federal budget posted a deficit of 0.4% of GDP whereas in the same period of 2008 the federal budget showed a surplus (6.7% of GDP). The reduction of the federal budget surplus in late 2008 and the budget deficit created in early 2009 as a result of measures implemented by the Government of Russia to maintain financial and economic stability testify to an easing of the fiscal policy.

Gross capital formation increased 11.1% in 2008 as against 21.0% in 2007. Fixed capital investment was observed to contract in early 2009 shrinking 15% in the first quarter of 2009 (in the first quarter of 2008, fixed capital investment grew 23.6%).

Investments in machinery, equipment and transport vehicles made up over one-third of total investments. About one-fifth went to purchase import equipment. Imports of machinery, equipment and transport vehicles decreased 49.3% in January-March 2009 (they increased 61.2% in January-March 2008).

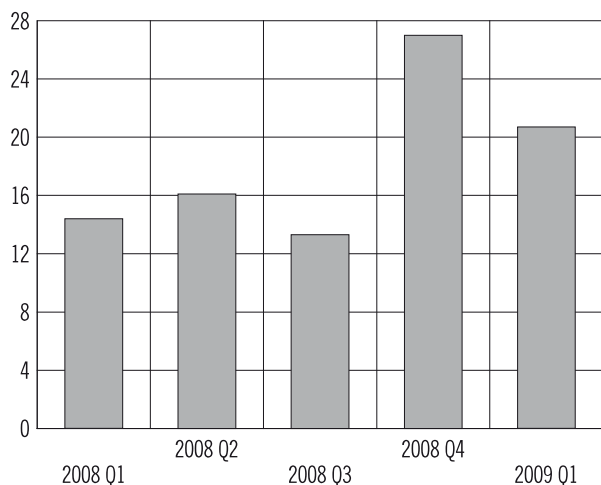
Most of fixed capital investments (60.0%) were financed with borrowed funds in 2008. Bank loans accounted for 11.1% as against 10.4% in 2007.

As import volumes grew considerably faster than exports, net exports of goods and services contracted 36% in 2008.

**Foreign demand**

The contraction of foreign demand and the price downturn on world commodity markets amid the global financial and economic crisis af-

**Federal budget non-interest expenditures**  
(quarterly, as % of GDP)



Source: Federal Treasury.

### Economic growth in foreign countries<sup>1</sup>

GDP in the countries that account for a large part of Russian exports contracted by an estimated 4.6% in the first quarter of 2009 as compared with the same period last year (GDP grew 4.5% in the first quarter of 2008). According to estimates and preliminary data, GDP shrank 2.6% in the United States and 4.6% in the eurozone in the first quarter of 2009 while China's GDP expanded 6.1% (10.6% in the first quarter of 2008).

Negative processes in the economy and financial systems of developed countries affect the situation in other countries and the world economy as a whole through the contraction of international trade, price falls on world markets and declines in capital flows. As the possibilities for foreign economies to influence economic activity through changes in interest rates are decreasing, many countries are implementing tax and budget policy measures to stimulate the economy.

<sup>1</sup>According to data compiled by the national statistical agencies of Russia's trading partners.

affected Russian export dynamics in the first quarter of 2009. The most significant contraction was registered in Russian exports to European Union member countries as they declined by over two times (exports shrank by two-thirds to Germany and Poland and by a half to Italy). Exports to major Asia-Pacific Economic Cooperation (APEC) member countries (China, the US and Japan) fell by about one-third. The biggest reduction in exports to the CIS countries was registered in Russian exports to Ukraine (by three times).

The contraction in exports was attributable not only to price falls but also to the reduction in export volumes. The exports of Russian natural gas decreased by 2.4 times, timber and wood-working products by one-third, chemicals, mineral fertilizer and ferrous metals by more than one-fourth and oil by 1.2% in the first quarter of 2009 as compared with the same period last year.

### Supply

The global financial and economic crisis adversely affected the development of Russian industry at the beginning of 2009. Output in the key types of economic activity contracted 12.3% in the first quarter of 2009 (it grew 9.1% in the first quarter of 2008).

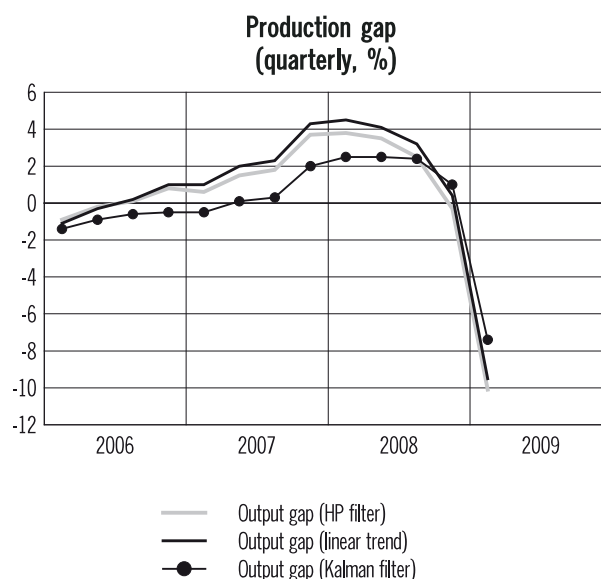
The output of products (works, services) declined 19.3% in the construction sector, and 17.6% in transport, while retail and wholesale trade turnover decreased 1.1% and 4.3%, respectively, in the first quarter of 2009 as compared with the same period last year.

Industrial output shrank 14.3% in January-March 2009 (it grew 6.2% in the first quarter of 2008). Output contracted 20.8% in manufacturing industries and 3.8% in the mining sector (in

the first quarter of 2008, output in these sectors expanded 8.7% and 0.7%, respectively).

The supply of farm produce increased 2.1% in the first quarter of 2009 as against 5.5% in the same period last year. In January-March 2009, growth was registered in the output of major livestock products, such as cattle and poultry in slaughter weight, which increased 5.8%. As a result, the output of meat and meat products increased 1.8% in January-March 2009 as compared with the same period last year, of which meat, including premium quality meat by-products, grew 11.4%.

Grain stocks available as of early April, including wheat, rye and millet, considerably exceeded last year's levels. Grain stock growth is expected to have a positive effect on the dynamics of the prices of bread and bakery products, cereals, le-



Source: Bank of Russia.

gumes, and pasta, as well as on the consumer price inflation in general.

There has been an increase in spare production capacity in the past few months. According to the estimates of the Russian Economic Barometer, the rate of production capacity utilisation in industry stood at 61% in January 2009 as against 78% in January 2008. The highest capacity utilisation rate was registered in food production (72%) and the timber industry (67%), while the lowest rate was observed in metallurgy (47%), machine-building (54%) and chemicals output (55%).

Despite a considerable shrink in domestic demand in late 2008, its growth rate remained high throughout the year (over 10%) stimulating production to surpass its natural (potential) level. GDP contracted 9.5% in the first quarter of 2009. The gap between actual and potential output was estimated as negative.

### **Labour market**

The number of people employed in the economy decreased 2.9% in January-March 2009 (it increased 0.8% in January-March 2008). Labour productivity declined by an estimated 6.8% in the first quarter of 2009 (it grew 5.6% in 2008). An estimate shows that labour productivity in the services sector was higher than in the goods sector. The production of services grew faster than the production of goods. The number of employed in the services sector increased as compared with 2007 but decreased in the goods sector.

Real wage fell 2.3% in the first quarter of 2009 (it grew 13.4% in the first quarter of 2008). Real wage declined at a slower rate than labour productivity.

In the GDP structure by income, the share of wage contracted to 45.6% in 2008 from 46.2% in 2007.

Wages continued to differ significantly in various types of activity in the first quarter of 2009. The highest average monthly wage in January-February 2009 was registered in the financial sector (40,619 rubles) and fuel and energy production (38,503 rubles), exceeding the national average by 2.4 times and 2.3 times respectively. The lowest wage was registered in agriculture, hunting and forestry (7,984 rubles), textile and clothing production (7,865 rubles) and in the production of leather, leather goods and footwear (8,731 rubles). This represents respectively 46.7%, 46.0% and 51.1% of the national average. Wages below the national average were registered in the sectors that receive considerable government funding (education, utilities, public and personal services, healthcare and social services), as well as in manufacturing industries, construction, wholesale and retail trade, car and other repair services.

The growth in the number of unemployed as calculated by the ILO methodology, which had started in the second half of 2008, accelerated in early 2009. The number of jobless increased 39.2% in January-March 2009 as compared with the same period last year. The number of officially registered unemployed also increased significantly (by 26.6%). The total number of unemployed stood at 10% of the economically active population as of late March 2009 (6.5% as of late March 2008 and 7.8% as of late December 2008).



## Monetary Conditions

### Exchange rate

The ruble exchange rate dynamics in the first quarter of 2009 continued to be affected by the global financial crisis, although showing some signs of stabilisation. Estimates show that the current account surplus stood at \$11.1 billion in the first quarter of 2009. This represents a slight increase on the fourth quarter of 2008 (\$8.6 billion). According to preliminary data, private sector net capital outflow stood at \$38.8 billion in January-March 2009 showing a considerable reduction from \$130.6 billion in the previous quarter.

The Bank of Russia completed on January 23, 2009 the gradual adjustment of the bi-currency basket fluctuation range. According to calculations, the ruble exchange rate came close to its fundamental equilibrium level in late January. The market participants' needs for ruble liquidity and higher oil prices put some upward pressure on general demand for domestic currency in February-March. That urged the Bank of Russia to take measures to smooth the fluctuations of the ruble exchange rate in the period under review, acting as a net buyer of foreign currency on the foreign exchange market. As a result, the value of Russia's international reserve assets dropped by 10.1% in the first quarter of 2009 to \$383.9 billion as

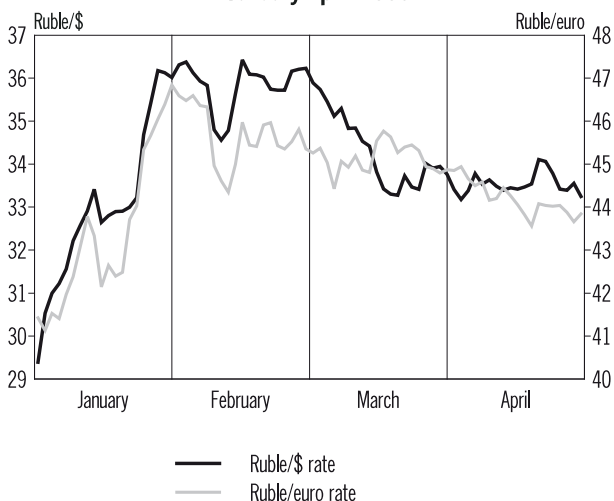
of April 1, 2009 (as against 23.3% in the fourth quarter of 2008).

**The nominal ruble/US dollar rate** fell 19.6% in 2009 Q1, quarter on quarter (11.1% in 2008 Q4). In January and February, the ruble depreciated 10.6% and 12.0% respectively, against the US dollar but gained (for the first time in the past eight months) 3.2% against the US currency in March. In April, the ruble increased 3.3% against the US dollar. As a result, the ruble/US dollar rate stood at 32.9740 rubles to the dollar as of May 1, 2009.

**The nominal ruble/euro rate** fell 19.1% in the reported quarter. The ruble depreciated 10.4% in January and 7.3% in February against the euro but rose 0.9% in March. In the fourth quarter of 2008, the ruble gained 1.4% against the euro, despite a considerable devaluation of the national currency at the end of the year (the ruble/euro rate declined 8.4% in December 2008). In April, the ruble rose 2.3% against the single European currency and stood at 43.9939 rubles to the euro as of May 1, 2009.

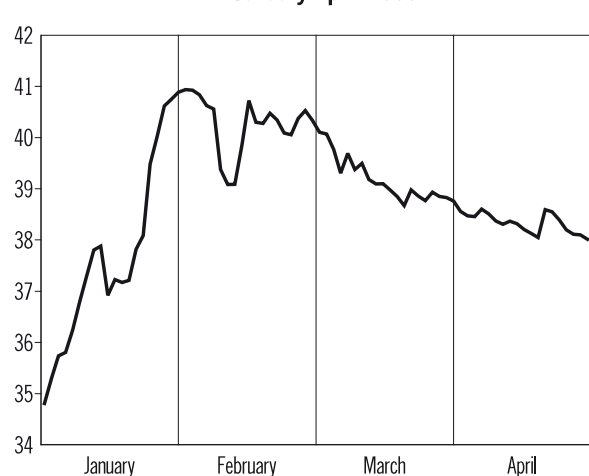
**The nominal ruble value of the bi-currency basket** showed considerable fluctuations in the reported quarter. Amid continued devaluation of the national currency against the US dollar and

Nominal ruble/US dollar and ruble/euro rate in January-April 2009



Sources: Bank of Russia, Reuters.

Ruble value of bi-currency basket in January-April 2009



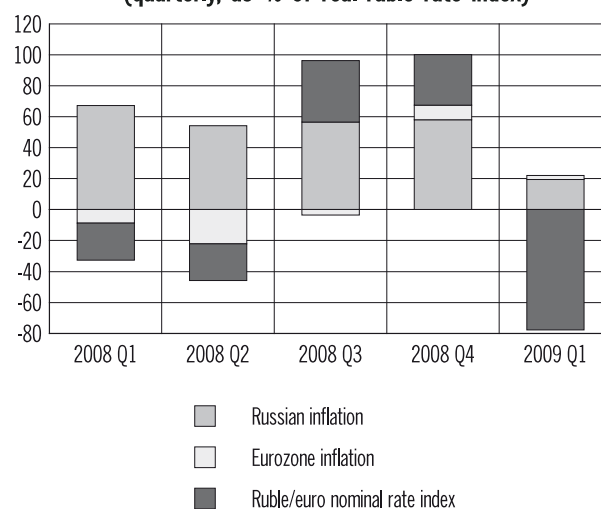
Sources: Bank of Russia, Reuters.

**Decomposition of change in real ruble/US dollar rate (quarterly, as % of real ruble rate index)**



Sources: Bank of Russia, Reuters.

**Decomposition of change in real ruble/euro rate (quarterly, as % of real ruble rate index)**



Sources: Bank of Russia, Reuters.

the euro, the ruble value of the bi-currency basket reached an all-time record high of 40.9368 rubles as of February 6, 2009, coming close to the upper limit set by the Bank of Russia on the range of fluctuations in the bi-currency basket value. However, following the trend of the ruble appreciation against foreign currencies, clearly observed since the second half of February, the value of the bi-

currency basket dropped to 37.9330 rubles as of May 1, 2009.

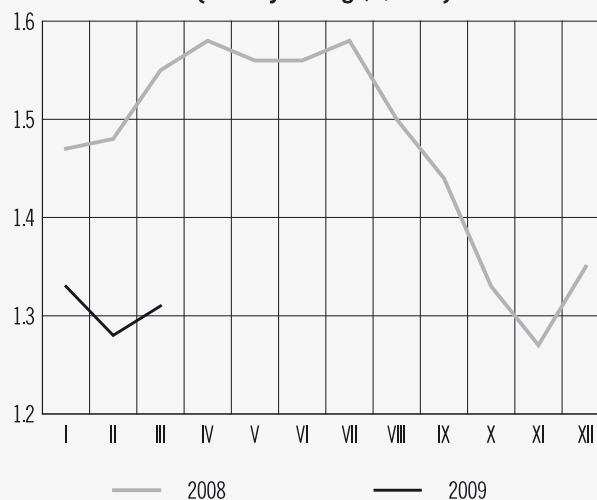
**The real ruble/US dollar rate** fell 15.4% in the first quarter of 2009 as compared with 6.3% in the fourth quarter of 2008. As in the previous quarter, the ruble/US dollar nominal rate was a key factor in the real ruble/dollar rate dynamics in January-March 2009. According to preliminary

### International currency market

In the first quarter of 2009, the US dollar appreciated against the currencies of all Russia's major trading partners, except China. The US dollar continued to strengthen against the euro although at a considerably slower pace than in the previous quarter. As a result, the US dollar gained less than 3.5% against the euro in the first quarter of 2009 (March on December 2008). Following a sharp increase in the exchange rate of the Japanese yen to the US dollar, the euro and other currencies in the fourth quarter of 2008, Japan experienced serious problems as its industry became less competitive. The US dollar gained over 6.5% against the Japanese yen in the first quarter of 2009.

The US dollar appreciated rapidly against the currencies of some countries in Central and South-Eastern Europe (Poland, Hungary, the Czech Republic and Romania), as well as of Turkey in the first quarter of 2009. Belarus devalued its national currency by 20.5% on January 2, 2009 and pegged the Belarusian ruble to the currency basket composed of the US dollar, the euro and the Russian ruble in equal proportions. Kazakhstan devalued its national currency, the tenge, by 20% on February 4, 2009. Amid the global economic meltdown and high exchange rate volatility on international currency markets, China suspended its policy of the yuan's gradual appreciation against the US dollar. The US dollar/yuan exchange rate did not change significantly in the first quarter of 2009.

**Euro/US dollar rate (monthly average, \$/euro)**



Source: Reuters.

data, the ruble gained 3.8% against the US dollar in real terms in April.

**The real ruble/euro rate** declined 15.0% in January-March 2009 (it grew 4.2% in October-December 2008). The ruble fell 8.1% in January and 6.1% in February against the euro in real terms but gained 1.9% in March and an estimated 2.7% in April. The nominal rate was a key factor in the dynamics of the real ruble/euro rate in the reported quarter, whereas in the fourth quarter of 2008 the change in the real exchange rate of the ruble against the single European currency was largely caused by the inflation differential.

**The real effective rate of the ruble** fell by an estimated 11.8% in the first quarter of 2009 (it gained 2.8% in the fourth quarter of 2008). The weakening of the real effective rate of the ruble against the currencies of Russia's major trading partners was largely due to the reduction in the nominal rate of the ruble in January-February.

## Interest rates

### Money market and Bank of Russia interest rates

economic trends, inflation trends and ruble exchange rate expectations, and money supply dynamics.

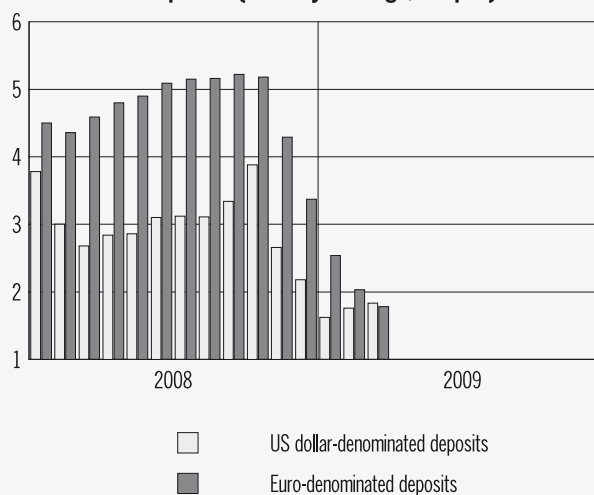
As consumer prices continued to grow at relatively high pace contributing to the increase in inflationary expectations, and the ruble weakened considerably in the first month of the year, the Bank of Russia raised interest rates on its operations twice during February 2009. Interest rates on some operations<sup>1</sup> were first raised on February 2 this year. Since February 10, 2009, the minimum overnight repo auction rate has been increased from 9% to 10% p.a. Over the same period, the «tom-next» deposit rate, which sets the lower limit of the Bank of Russia interest rate band, was raised from 6.75% to 7.75% p.a. The overnight loan rate (the refinancing rate), which sets the upper limit of the interest rate band, remained unchanged (13% p.a.). Simultaneously, the Bank of Russia raised interest rates on its other operations (see Statistical Addendum, Table 9).

Smooth devaluation of the ruble, which completed on January 23, 2009, and gradual stabilisation of the domestic foreign exchange market in February-April 2009, as well as downward trends in inflation and inflationary expectations, and the

### Foreign central bank policies

The policy pursued by foreign central banks in the first quarter of 2009 was aimed at preventing deflation and reducing a systemic risk in the financial sector. Interest rates were lowered in most of Russia's trading partners, and the policy of interest rate cuts has continued in the second quarter. The European Central Bank lowered the refinancing rate from 2.5% to 1.5% p.a. in the first quarter of 2009, to 1.25% p.a. in April and to 1% p.a. in May. The US Federal Reserve, which kept the benchmark federal funds rate within the range of 0-0.25% p.a., started operations with the banking sector to increase liquidity through the purchase of securities from banks in specified amounts. The National Bank of Kazakhstan cut its refinancing rate from 10.5% to 9.5% p.a. in the first quarter of 2009. The refinancing rate of the National Bank of Belarus was raised in January from 12% to 14% p.a. Belarus started careful easing of its monetary policy in April when it cut interest rates on liquidity support and absorption instruments. In China, benchmark interest rates on yuan-denominated deposits and loans has not changed since the beginning of the year.

LIBOR on six-month US dollar- and euro-denominated deposits (monthly average, % p.a.)

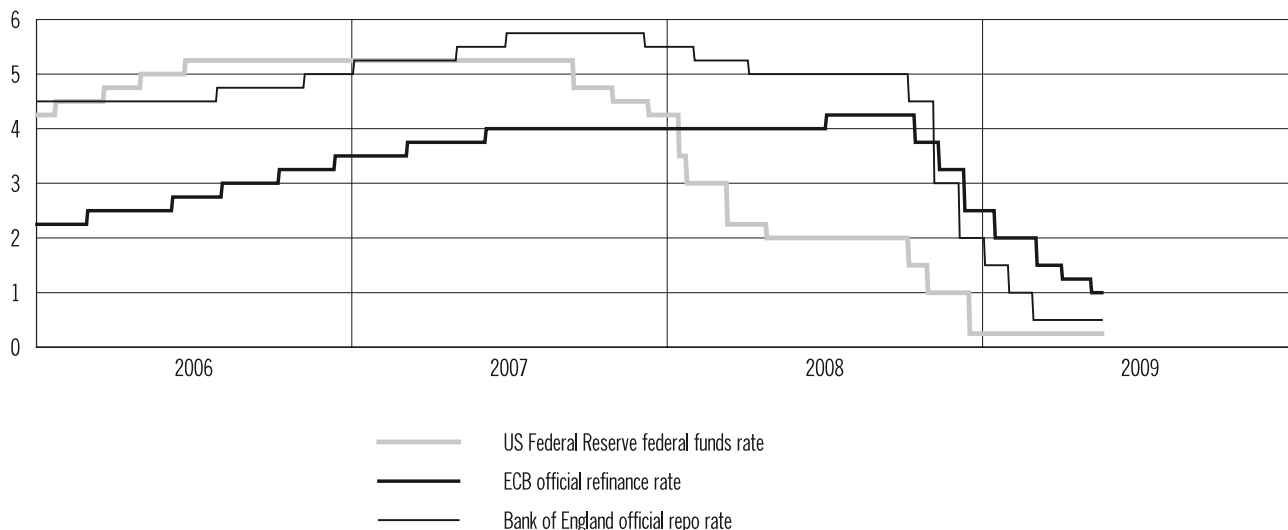


Source: Reuters.

In January-May 2009, the Bank of Russia changed interest rates on its key operations proceeding from the analysis of prevailing macroeco-

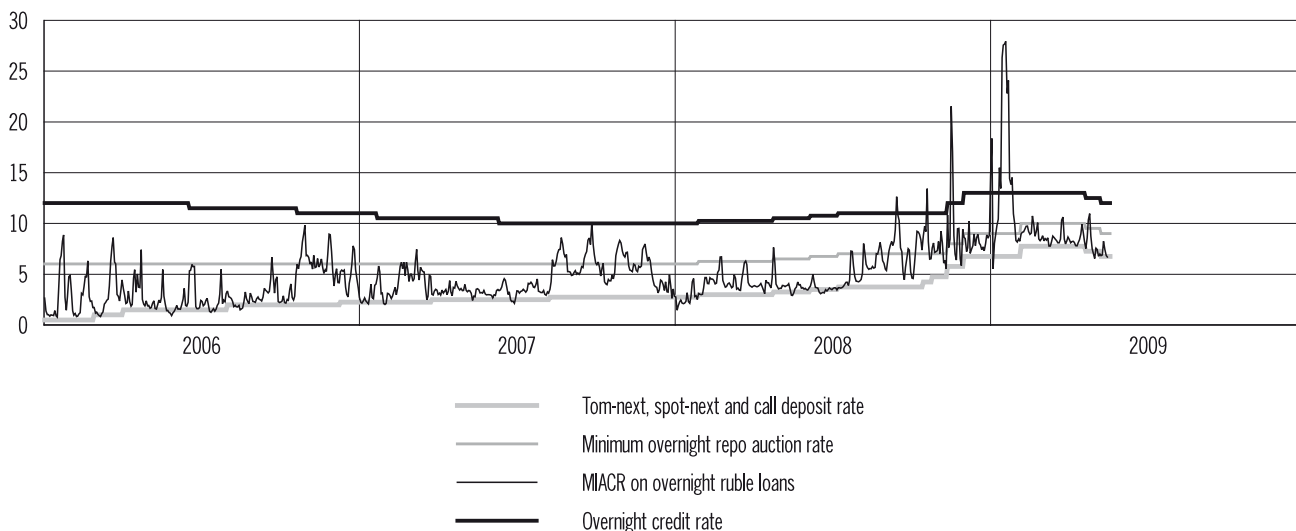
<sup>1</sup> The Bank of Russia raised fixed rates on repo operations, Lombard loans and loans secured by «non-market» assets or guarantees.

European Central Bank, Federal Reserve and Bank of England interest rates (% p.a.)



Source: Bank of Russia.

Bank of Russia interest rates and MIACR (% p.a.)



Source: Bank of Russia.

easing of money supply pressure on inflation in the medium term allowed the Bank of Russia to make decisions to cut interest rates on its operations in April and May. From April 24, 2009, the Bank of Russia interest rate band was biased downward by 0.5 percentage points. The overnight credit rate was lowered from 13% to 12.5% p.a., the «tom-next» deposit rate from 7.75% to 7.25% p.a. and the minimum overnight repo auction rate from 10% to 9.5% p.a.

The Bank of Russia took a decision to further cut interest rates taking into account positive signs of stronger downward trends in inflation and inflationary expectations. Since May 14, 2009 the Bank of Russia interest rate band has been biased

downward by another 0.5 percentage points. The overnight loan rate was lowered to 12% p.a., the «tom-next» deposit rate to 6.75% p.a. and the minimum overnight repo auction rate to 9% p.a. Interest rates on other Bank of Russia operations also went down in April-May (see Statistical Addendum, Table 9).

As the situation on the foreign exchange market stabilised and the Bank of Russia provided considerable funds to credit institutions through refinancing operations, banks' aggregate non-cash reserves (including credit institutions' funds on correspondent, deposit and required reserve accounts with the Bank of Russia, and also funds invested in Bank of Russia bonds) grew as of the

### Bank of Russia operations to refinance credit institutions in January–April 2009

In January 2009, under persisting domestic foreign exchange market instability and increasing interbank credit rates, the demand for Bank of Russia refinancing operations in banking sector remained rather strong. In February–April 2009, the volume of the Bank of Russia operations to provide liquidity was observed to decline gradually as the ruble devaluation expectations weakened and interbank credit rates went down.

In January–April, the Bank of Russia continued to implement additional measures aimed at extending the terms of its liquidity instruments offered to credit institutions. Apart from expanding the list of participants in unsecured loan auctions, the Bank of Russia expanded the list of collaterals and reduced the spread between short-term and long-term loan rates in view to make the loans secured by «non-market» assets or guarantees more attractive. At the same time, the Bank of Russia reduced the amount of liquidity supplied through short-term repo and currency swap operations.

In January–April 2009, the Bank of Russia continued to expand the Bank of Russia Lombard List and the list of «non-market» assets accepted as collateral in its refinancing operations. In particular, the Bank of Russia added to its Lombard List shares and bonds of issuers included in the List of Systemically Important Enterprises<sup>1</sup> (regardless of whether these issuers have an international rating or not) and listed at least on one stock exchange in Russia. In addition, the list of enterprises obliged for promissory notes and claims under credit agreements, accepted as collateral for Bank of Russia loans, was also supplemented by those included in the above List of Systemically Important Enterprises. In February 2009, the Bank of Russia started repo operations on the MICEX Stock Exchange, facilitating the procedure of the inclusion of new types of bonds in the Bank of Russia Lombard List and stimulating banks to conclude more actively deals with the use of corporate securities.

In the first quarter of 2009, credit institutions' average daily debt to the Bank of Russia on instruments used to provide liquidity totalled 2.8 trillion rubles and in April it dropped to 2.5 trillion rubles. The share of unsecured loans in the structure of this debt decreased from about 65% in the first quarter to 55% in April, that of loans secured by «non-market» assets or guarantees increased from 17% to 35% while the share of repo operations dropped from 15% to 9%.

The Bank of Russia extended 1.5 trillion rubles in unsecured loans in January–March 2009, the volume being reduced to 131.2 billion rubles in April. In 2009 Q1, over 50% of unsecured loans were extended for three and six months terms and above 40% for term of 5 weeks, whereas in April over 80% of unsecured loans were extended for term of 5 weeks.

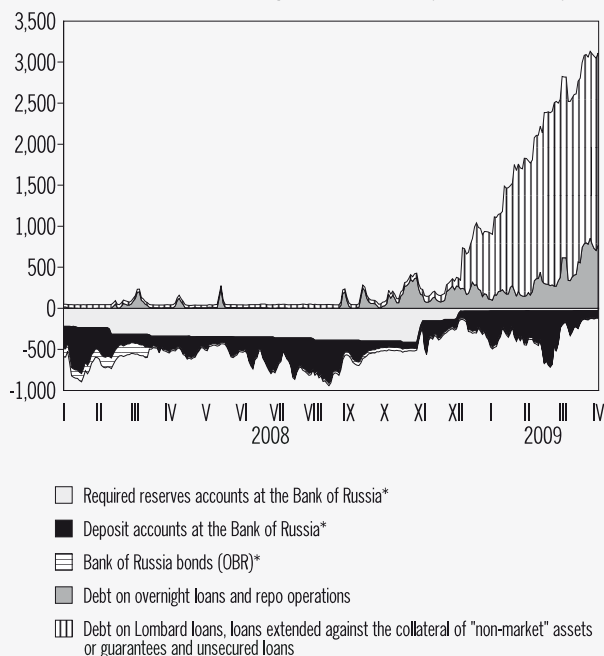
The volume of operations to extend loans against the collateral of «non-market» assets or guarantees increased considerably to reach 0.5 trillion rubles in January–March 2009 (of which 55% were provided for terms of three to six months) and 0.3 trillion rubles in April (of which more than 65% were extended for terms of six to twelve months).

As the volume of refinancing provided for longer terms increased and the Bank of Russia reduced the maximum volume of funds extended at repo auctions, the amount of repo operations declined gradually from 8.3 trillion rubles in January to 1.0 trillion rubles in April. The reduction in repo operations primarily affected overnight repo transactions concluded in morning sessions.

In March 2009, the Bank of Russia held a 3-month repo auction to provide over 165 billion rubles. Overall, credit institutions' average daily debt to the Bank of Russia on repo operations declined from 0.4 trillion rubles in January–March to 0.2 trillion rubles in April.

The average monthly volume of Lombard loans extended by the Bank of Russia decreased to 20 bil-

Bank of Russia major operations (billion rubles)



\* Balances of funds have the sign "-".  
Source: Bank of Russia.

<sup>1</sup> The List of Systemically Important Enterprises was approved by the Government Commission on Sustainable Development of the Russian Economy, which was set up by Russian Government Resolution No. 957 of December 15, 2008.

lion rubles in March-April as compared with 44 billion rubles in January-February. Lombard loans for terms of 7 and 30 days and three months accounted for the largest part of these loans.

The Bank of Russia average daily debt on instruments used to absorb credit institutions' temporarily idle funds rose from 150 billion rubles in the first quarter to 240 billion rubles in April.

end of the first quarter relative to the end of January 2009. Interest rates were observed to decline in some segments of the debt market in February-March 2009.

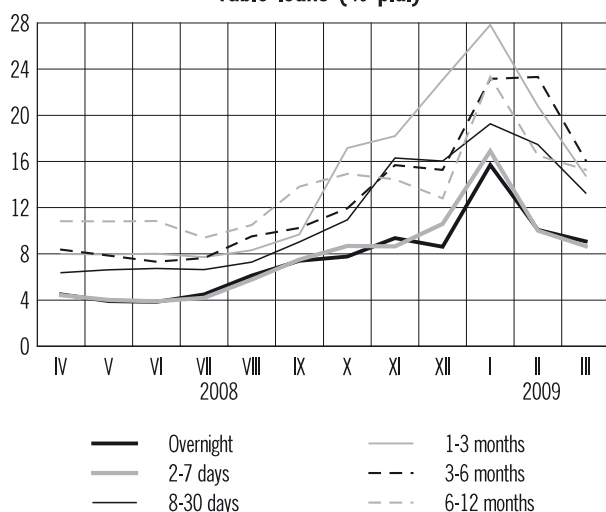
Average interest rates on ruble-denominated **interbank loans** increased in the first quarter of 2009 due to their considerable growth in January. In February-March 2009, interest rates on interbank loans fell considerably and the range of their fluctuations narrowed. The average quarterly MIACR on overnight ruble loans reached 11.4% p.a. in the first quarter as against 8.4% p.a. in the previous quarter. During the first quarter, the daily MIACR on overnight interbank ruble loans varied between 5.7% and 27.7% p.a. (as against 4.6%–21.5% p.a. in the fourth quarter of 2008). In April 2009, MIACR on overnight interbank ruble loans fluctuated between 7.6% and 11.0% p.a., with the average monthly MIACR standing at 8.6% p.a., or 0.1 percentage points lower than in March. Interest rates on 2- to 7-day interbank ruble loans extended by Russian banks rose from 9.3% p.a. in the fourth quarter of 2008 to 11.9% p.a. in the first quarter of 2009; interest rates on 8- to 30-day loans went up from 14.4%

to 16.7% p.a.; interest rates on 1- to 3-month loans increased from 19.5% to 21.1% p.a.

**Household deposit rates** continued to rise in the first quarter due both to increased competition on the deposit market amid the persisting strong money demand and a rather high inflation. The average short-term ruble deposit rate rose by 1.0 percentage point to 10.0% p.a. in 2009 Q1, quarter on quarter. The average rate on household ruble deposits with terms of one year to three years grew by 0.9 percentage points to 10.9% p.a.

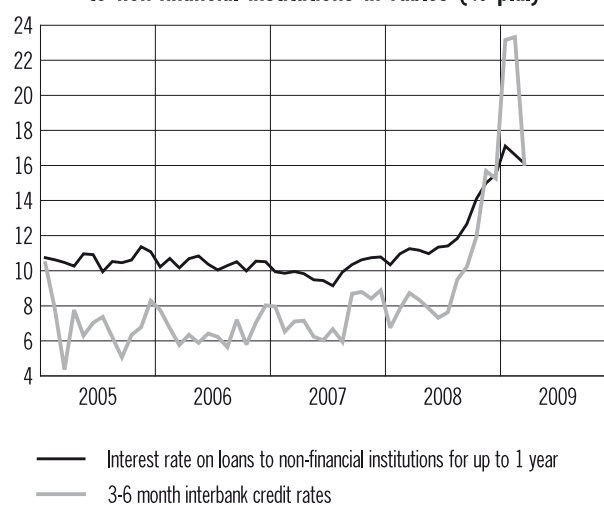
Unfavourable market conditions and limited access to foreign sources of finance, as well as higher risk of borrowers defaulting on previous loans led to a rise in average interest rates on **ruble loans to non-financial institutions** in the period under review. The average rate on short-term loans to non-financial institutions increased by 1.8 percentage points to 16.6% p.a. in the first quarter of 2009, quarter on quarter, while the average quarterly long-term rate on loans rose by 1.2 percentage points to 15.1% p.a. There was a rise in average quarterly rates on loans for all terms in the reported period, especially in interest rates on loans for terms of six to

Interest rates on interbank ruble loans (% p.a.)



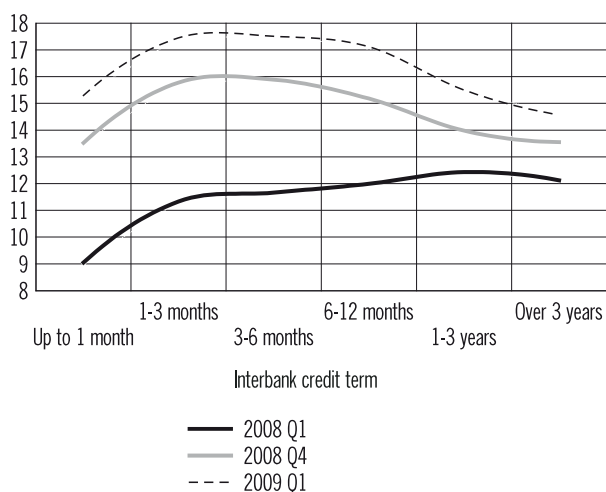
Source: Bank of Russia.

Interest rates on interbank loans and loans to non-financial institutions in rubles (% p.a.)



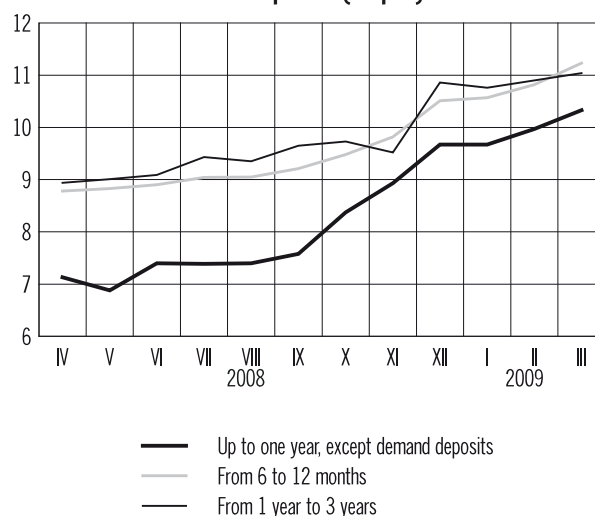
Source: Bank of Russia.

**Yield curve for ruble loans to non-financial institutions (% p.a.)**



Source: Bank of Russia.

**Interest rates on household ruble deposits (% p.a.)**



Source: Bank of Russia.

twelve months (1.9 percentage points). Interest rates on loans for terms of over 3 years showed the slowest growth (1.0 percentage point). There was a considerable upward shift in the yield curve for loans to non-financial institutions in the first quarter, which retained its rising slope in the up to 6 months section and its declining slope in the longer-term section. The inclination of the yield curve remained unchanged, which suggests uncertainty about interest rate and inflation expectations of Russian credit market participants.

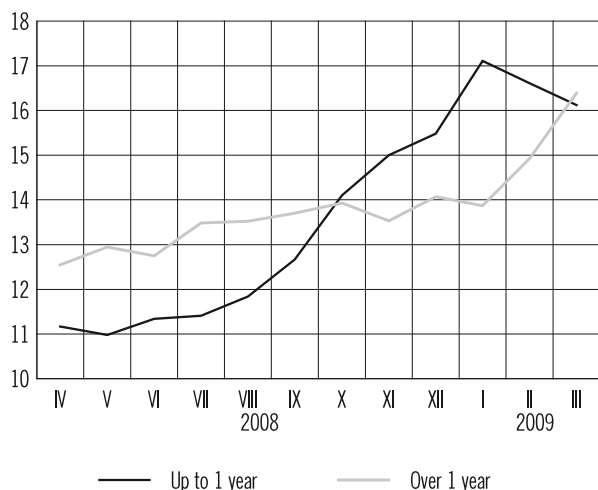
Interest rates on **ruble-denominated loans to households** and other loans increased in the first quarter of 2009. The average quarterly long-

term credit rate gained 2.3 percentage points in that period quarter on quarter and reached 19.8% p.a. The average short-term credit rate was up 2.4 percentage points to 28.4% p.a.

### Asset prices

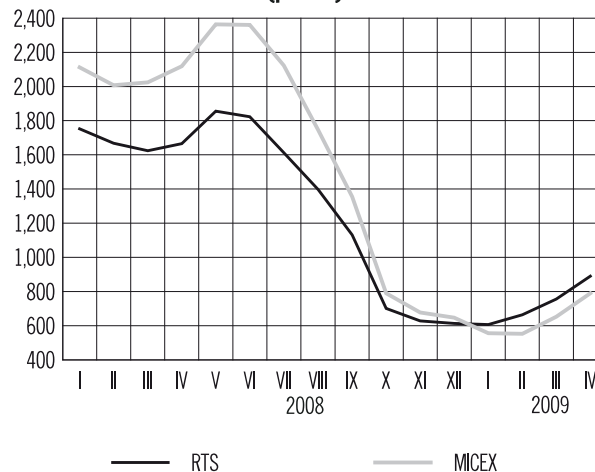
Prices on **the Russian stock market** showed mixed dynamics in the first quarter of 2009. Share prices declined in January amid negative trends on the global stock and oil markets. The prices of most Russian shares grew from the last 10 days of February to the end of March as global oil prices went up and the situation on the domestic foreign exchange market stabilised. The average RTS and

**Interest rates on ruble loans to non-financial institutions (% p.a.)**

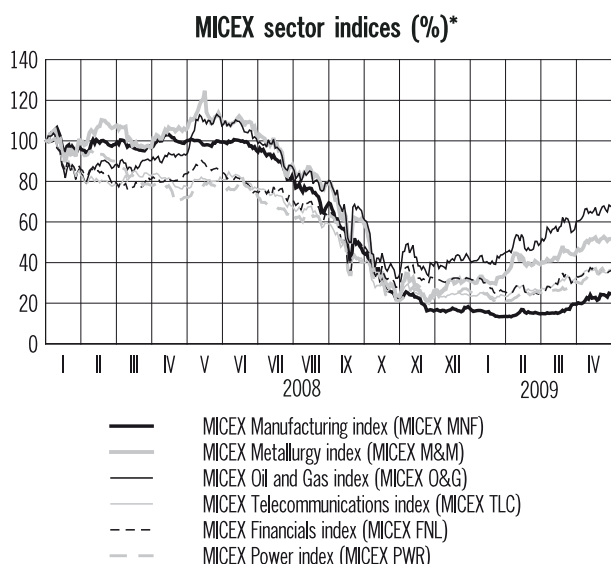


Source: Bank of Russia.

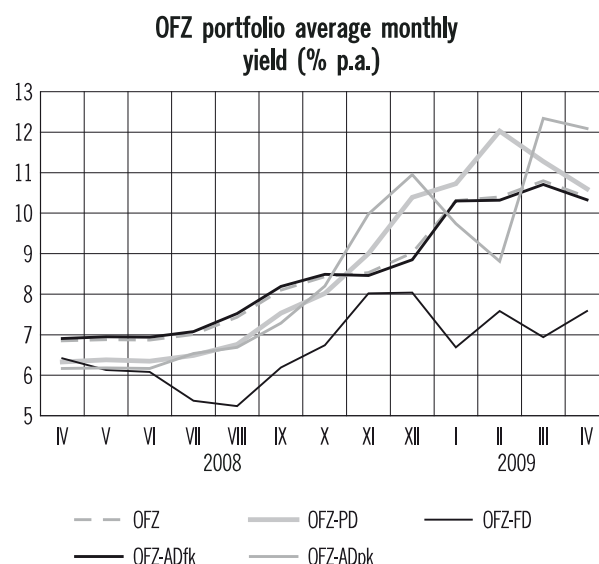
**Russia's major stock indices (points)\***



\* Monthly averages.  
Source: Bank of Russia.



\* Indices as of December 28, 2007 - 100%.  
Source: Bank of Russia.



Source: Bank of Russia.

MICEX stock indices increased 0.9% and 23.3%, respectively, in March 2009 on December 2008.

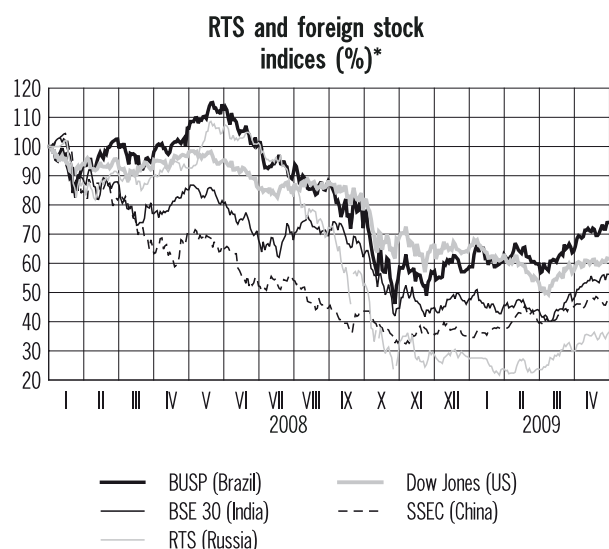
Russian share prices continued to grow in April. The average monthly MICEX and RTS stock indices increased 17.7% and 20.9%, respectively, as compared with March.

Corporate stocks prices rose in most sectors of the Russian economy in the first quarter of 2009. The most significant increase was registered in share prices of telecommunications, oil and gas and metallurgy companies. The prices of shares of major issuers in the banking sector, on the contrary, declined. In April 2009, corporate stocks price growth accelerated in most econom-

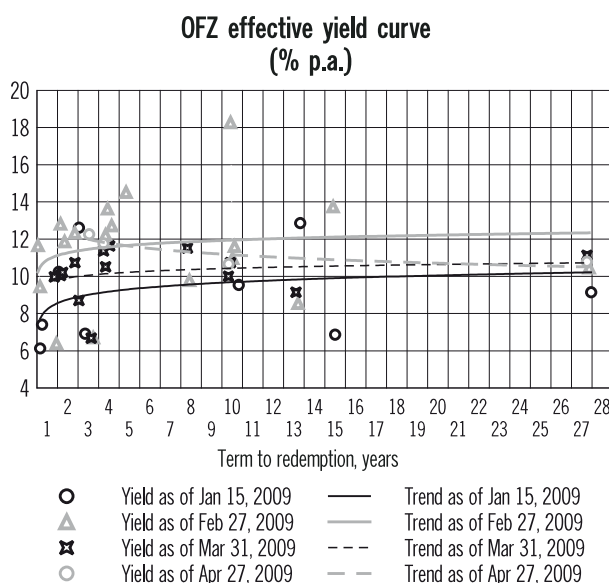
ic sectors, and there was a general rise, over the month, in credit institutions' share prices as well.

Stock indices in most of emerging market economies grew slower than the indices of the Russian stock market, which experienced the steepest decline in 2008. The stock indices of Brazil, India and China (collectively known as BRIC economies along with Russia) grew 18.2%, 25.9% and 36.1%, respectively.

Yields rose on the **OFZ bond market** in the first quarter of 2009. At the end of that period, the OFZ effective market portfolio indicator (MPI) increased by 1.0 percentage point, quarter on quarter, and reached 10.1% p.a. The average

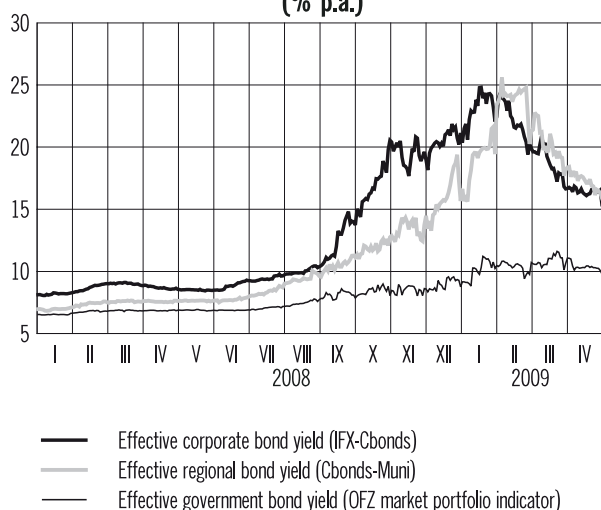


\* Indices as of December 31, 2007 - 100%.  
Source: Reuters.



Source: Bank of Russia.



**Russian bond yields**  
 (% p.a.)


Sources: Bank of Russia, Cbonds.ru.

quarterly effective MPI gained 1.9 percentage points and stood at 10.5% p.a. In April 2009, OFZ yields largely declined, varying between 9.8% and 11.1% p.a. By the end of April, the OFZ effective MPI had dropped by 0.3 percentage points, month on month, to 9.8% p.a. The average effective MPI declined by 0.4 percentage points in April, month on month, to 10.4% p.a.

OFZ yields almost did not depend on their term in the first quarter of 2009. The yields on bonds with different maturity periods changed unevenly. The short- and medium-term OFZ yields grew faster than the yields on long-term government securities in January and February. The inclination of the yield curve decreased in March (as compared with January-February) and became negative by the end of April, which might have reflected market participants' expectations of an increase in the prices of short- and medium-term OFZ bonds.

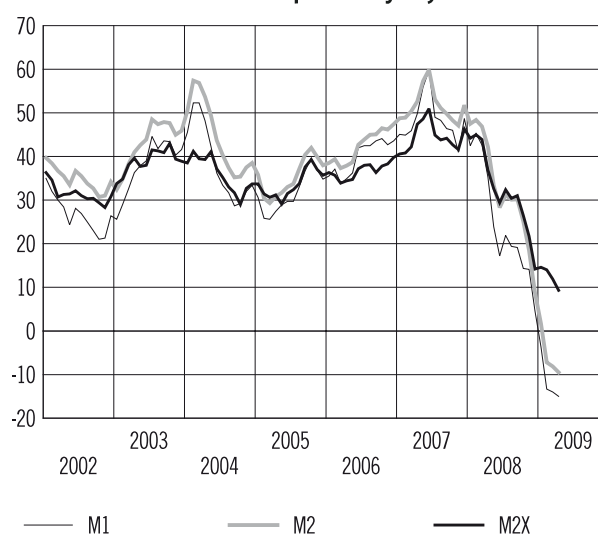
Yields in the main segments of the ruble bond market showed mixed dynamics in January-April 2009. Corporate and regional bonds demonstrated a reversal in the price trends in that period. Bond yields started to decline. Corporate and regional bond yields, having reached their all-time record high of 24.8% p.a. and 25.6% p.a., respectively, in January and February, stood at 15.4% p.a. and 15.9% p.a. at the end of April. The spread between the yields on government and corporate bonds narrowed considerably in April as compared with January.

## Monetary aggregates

In January-March 2009, the ruble supply contracted by 10.2% in absolute terms (the biggest contraction was registered in January when it fell by 11.1%). The monetary aggregate M2 registered a slight increase in February and March 2009 (0.3% and 0.8% respectively). However, this growth was considerably slower than a year earlier (1.3% and 2.3%). As a result, the annual rate of growth in the monetary aggregate M2 continued to decline in the first quarter of 2009. The ruble supply contracted by 9.5% in absolute terms as of April 1, 2009, year on year, hitting its ten year record low.

Growth in the demand for money continued to slow down in the first quarter of 2009. Despite a certain stabilisation of the ruble exchange rate in February and March, growth in the ruble supply demand continued to slowdown due to a slump in economic growth, slower asset price growth and persistently high inflation rates in the first quarter of 2009.

In January 2009, a marked weakening of the ruble against the US dollar and the euro created strong demand for foreign currency from economic agents. As the Bank of Russia continued large-scale sales of foreign currency on the domestic foreign exchange market in January 2009

**Monetary aggregates (growth as % of corresponding date of previous year)**


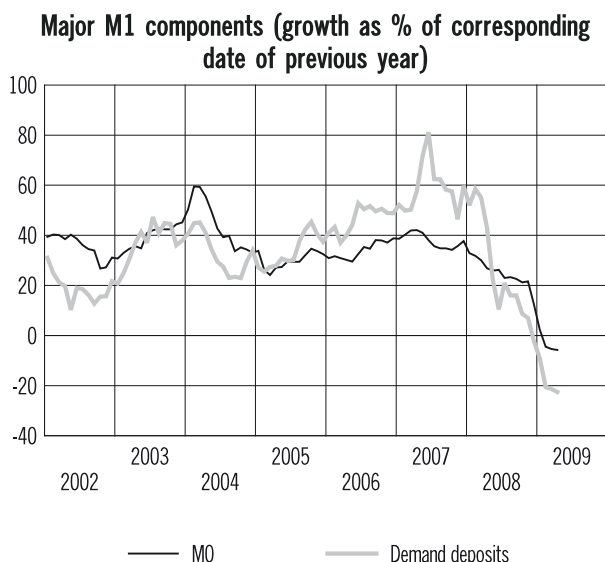
Definitions of aggregates:

M1 is cash in circulation (M0) and demand deposits;

M2 = M1 + ruble-denominated time accounts of non-financial institutions and households;

M2X (broad money) = M2 + foreign currency deposits.

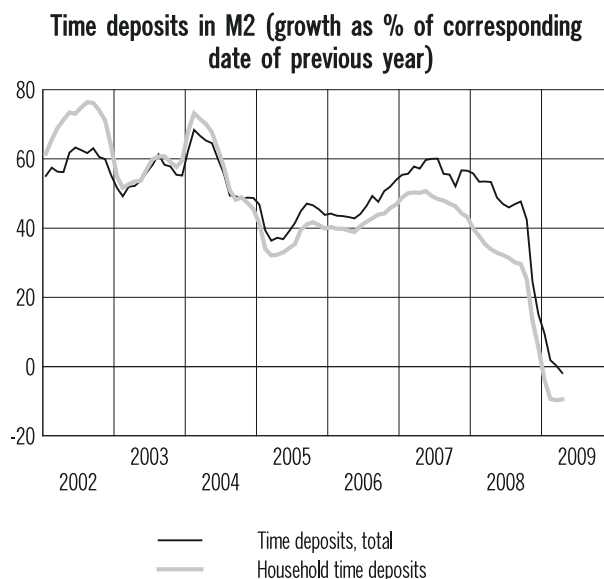
Source: Bank of Russia.



Source: Bank of Russia.

to maintain the exchange rate of the national currency, ruble liquidity and money supply contracted. Completion of the ruble gradual devaluation at the end of January and emergence of a general trend towards the strengthening of the national currency in February-March was accompanied by a gradual slowing of growth in the demand for foreign currency from economic agents.

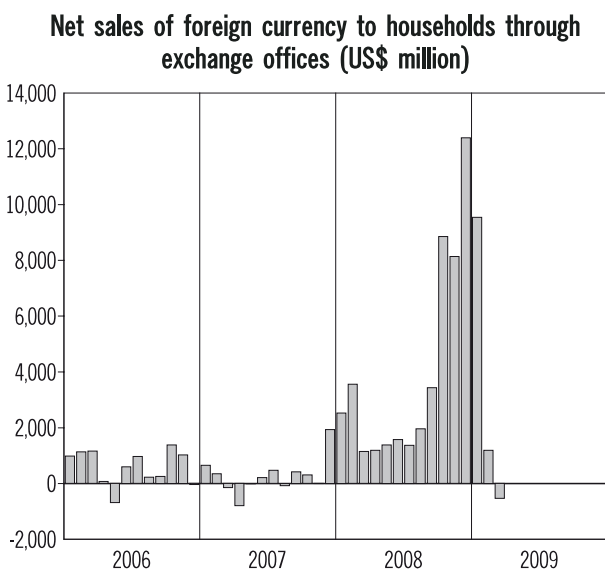
The monetary aggregate M1, which comprises cash and demand deposits, contracted more than any other monetary aggregate in the first quarter of 2009. In particular, amid a considerable slowdown in economic growth, this monetary aggregate, which reflects the transactional needs of the economy in money, contracted by



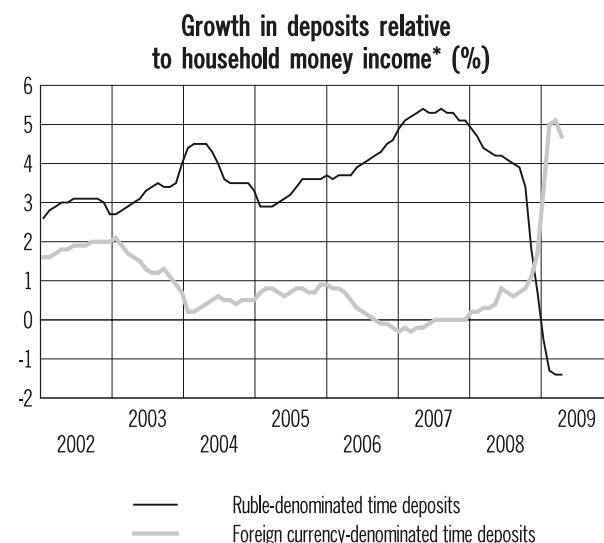
Source: Bank of Russia.

13.7% in absolute terms in the first quarter of 2009 (in the first quarter of 2008, it decreased by 2.1%). As a result, 2009, the monetary aggregate M1 contracted by 15% in absolute terms as of April 1, year on year (it grew by 35.2, as of April 1, 2008%). Demand deposits, which are mostly represented by non-financial institutions' settlement and current accounts, contracted by 22.5% in absolute terms from April 1, 2008 to April 1, 2009 (their annual growth stood at 42.8% as of April 1, 2008).

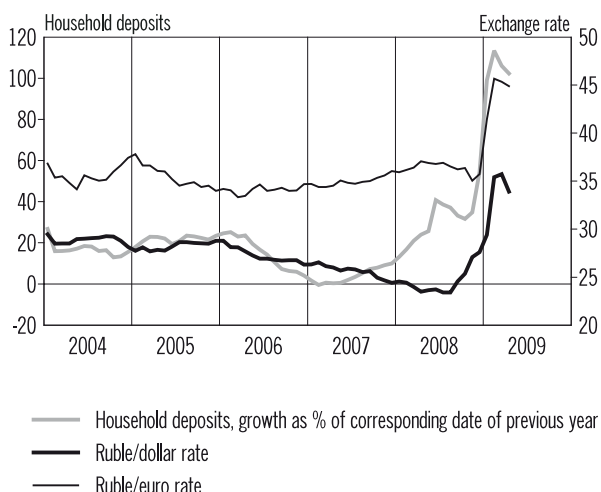
Cash in circulation (the monetary aggregate M0) contracted by 13.6% in absolute terms in the first quarter of 2009 (in January-March 2008, it fell by 6.1%). The most significant contraction in



Source: Bank of Russia.



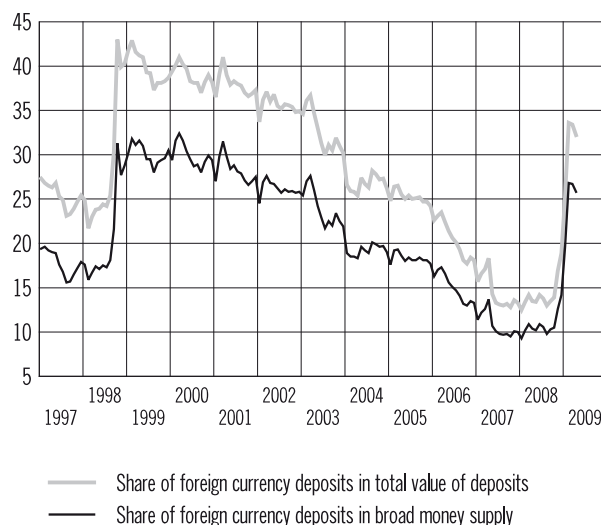
\* Calculated for the moving 12-month period.  
Sources: Bank of Russia, Rosstat.

**Household foreign currency deposits and exchange rate**


Source: Bank of Russia.

the monetary aggregate M0 was registered in January when it shrank by 12.7% due to the households' increased demand for foreign exchange amid persisting instability in the banking sector and the ruble's continued slide against the US dollar and the euro. As in the fourth quarter of 2008, net sales of foreign exchange to households were considerable in January 2009 and stood at about \$9.5 billion. In February-March, amid some stabilisation and gradual growth of the ruble exchange rate to the US dollar and the euro, net sales of foreign exchange to households declined considerably, which also had a certain effect on the M0 dynamics. Overall, the monetary aggregate M0 contracted by 5.7% in absolute terms from April 1, 2008 to April 1, 2009 (the M0 annual growth stood at 26.8% as of April 1, 2008).

The total value of ruble time deposits of non-financial institutions and households shrank by 8.6% in absolute terms in January 2009. The value of household ruble time deposits fell by 5% in absolute terms in that period. The main reason for funds outflow from ruble deposits was a considerable depreciation of the ruble against the US dollar and the euro, which caused a large-scale conversion of ruble funds into foreign currency-denominated assets. In February-March 2009, the value of ruble time deposits started to grow gradually due to the changes in the exchange rate dynamics. However, despite interest rate increases, the value of ruble time deposits grew considerably slower in February and March 2009

**Deposit dollarisation (%)**


Source: Bank of Russia.

(2.2% and 0.9%, respectively) than in the same months of the previous year (3.8% and 3.1%). As a result, the growth in ruble-denominated time deposits continued to slow down in the first quarter of 2009. The value of ruble time deposits contracted by 1.8% in absolute terms as of April 1, 2009 year on year (their annual rate of growth stood at 53.3% as of April 1, 2008).

As in the previous year, the share of household ruble time deposits in money income continued to contract in January 2009, reflecting a weakening of public propensity to save in rubles caused by high uncertainty, instability of the banking system, and depreciation of the ruble. At the same time, the share of foreign currency time deposits in household money income increased considerably. Despite a slight slowdown in February-March 2009; there was no marked change in the trend.

The ruble exchange rate dynamics in the fourth quarter of 2008 and in January 2009 contributed to the persistence of households' strong demand for foreign exchange and caused a rapid increase in the value of foreign currency deposits. In February-March 2009, amid gradual stabilisation and subsequent appreciation of the ruble against the US dollar and the euro, the monthly rate of growth in foreign currency deposits dropped significantly in dollar terms. However, the annual rate of growth in foreign currency deposits remained relatively high as of April 1, 2009 (over 80%). The share of foreign currency deposits in the total value of deposits in the banking system

grew considerably to reach 32.2% as of April 1, 2009 (13.5% as of April 1, 2008), while their share in broad money supply increased to 25.7% (as against 10.4% as of April 1, 2008).

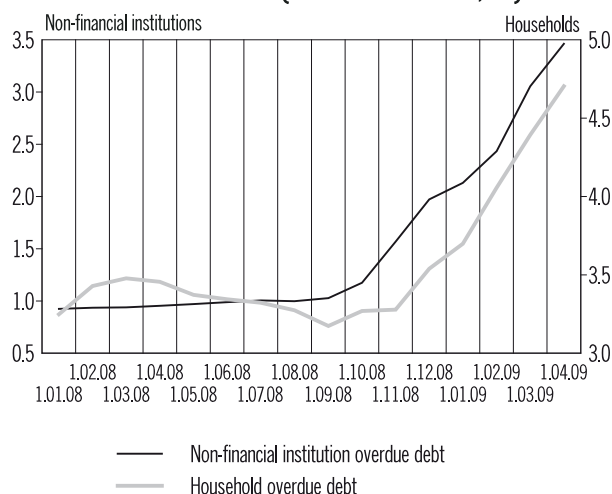
### Credit aggregates

The credit aggregates dynamics in the first quarter of 2009 reflected the unfavourable situation on credit markets due to increased cost of borrowing on the domestic market and lower demand for credit amid general decline in economic activity. At the same time, credit supply by Russian banking system was significantly limited as the deposit base narrowed considerably at the beginning of the first quarter and the volume of funds raised on international financial markets continued to decline. Continued growth in overdue debt on loans to non-financial institutions and households in January-March 2009 became an additional factor behind tightening credit supply as banks were forced to act carefully due to deterioration in bank assets quality.

As a result, the annual rate of growth in credit aggregates continued to decrease. As of April 1, 2009, the annual rate of growth in total debt on loans in rubles and foreign currency decreased to 26.3% from 54.5% a year earlier.

The total value of loans extended to non-financial institutions and households increased in absolute terms as compared with the end of the fourth quarter of 2008. However, this increase was attributable to revaluation of foreign currency

Overdue debt on loans to non-financial institutions and households (share in total debt, %)

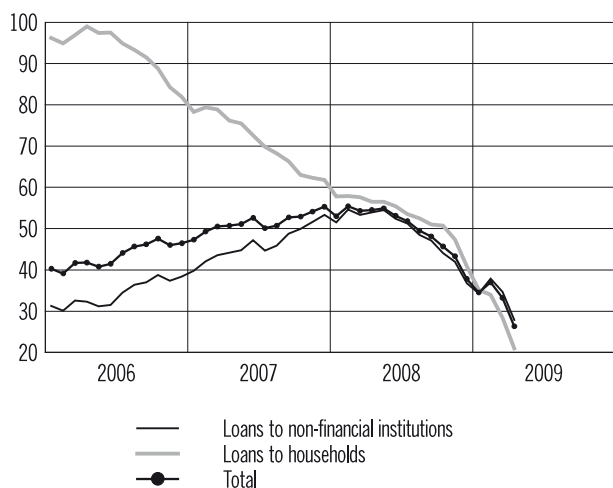


Source: Bank of Russia.

loans in ruble terms as a result of a considerable weakening of the ruble in January 2009. Credit aggregates contracted in absolute terms in February and March 2009. The annual rate of growth in foreign currency loans, denominated in US dollars, declined more considerably than that of ruble credits as borrowers reduced demand for foreign currency loans in a bid to avoid exchange rate risk.

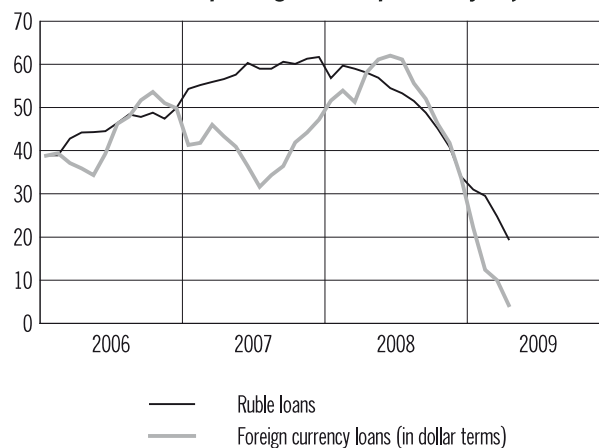
In the first quarter of 2009, for the first time since 2002, the annual rate of growth in loans to non-financial institutions (27.9% as of April 1, 2009) surpassed that in loans to households (21% as of April 1, 2009). Apart from that, the

Loans to non-financial institutions and households (growth as % of corresponding date of previous year)



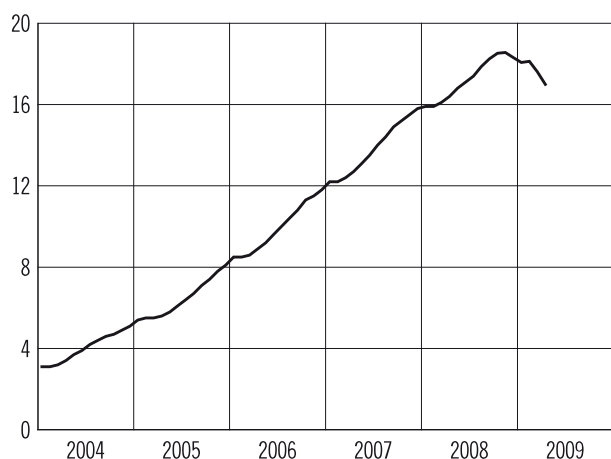
Source: Bank of Russia.

Ruble and foreign currency loans to non-financial institutions and households (growth as % of corresponding date of previous year)



Source: Bank of Russia.

**Household loan debt relative to disposable money income (for 12 months period, %)**

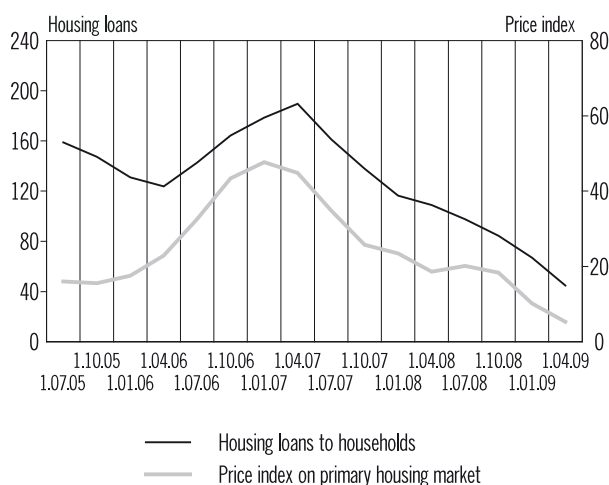


Source: Bank of Russia, Rosstat.

share of payables in household disposable money income contracted for the first time in recent years, which might reflect considerable constraints on the consumer and mortgage loan markets and, possibly, some additional negative pressure on households' aggregate demand.

The mortgage loan market was one of the worst hit sectors of the credit market. The value of newly extended loans declined by more than 5.5 times in the first quarter of 2009 as compared with the same period of 2008. Mortgage lending

**Debt on housing loans to households and housing prices (growth as % of corresponding period of previous year)**



Source: Bank of Russia, Rosstat.

contraction was a key factor affecting demand on the housing market and contributing to a further slowdown in housing price growth.

Thus, considering that the annual rates of growth in money supply and in loans to non-financial institutions have been decreasing for a relatively long period (over 18 months in money supply and during 2008 and 2009 Q1 in loans to non-financial institutions), it is likely that the monetary pressure on inflation dynamics will gradually decline in the medium term.

# Statistical Addendum

Table 1

## Consumer prices by group of goods and services (month on month, %)

	Monthly inflation	Core inflation	Food price growth	Food price growth <sup>1</sup>	Vegetable and fruit price growth	Non-food price growth	Growth in non-food prices, excluding petrol prices <sup>2</sup>	Service price growth
<b>2007</b>								
January	1.7	0.6	0.9	0.6	4.1	0.4	0.4	4.7
February	1.1	0.5	0.8	0.5	3.6	0.3	0.4	2.6
March	0.6	0.5	0.8	0.5	3.2	0.4	0.4	0.6
April	0.6	0.5	0.8	0.5	3.1	0.4	0.4	0.5
May	0.6	0.3	1.0	0.1	7.8	0.4	0.3	0.5
June	1.0	0.4	1.7	0.4	12.2	0.3	0.3	0.6
July	0.9	0.9	1.4	1.4	1.9	0.4	0.4	0.6
August	0.1	1.1	-0.6	1.6	-16.1	0.6	0.5	0.5
September	0.8	1.6	1.0	2.2	-8.8	0.8	0.8	0.4
October	1.6	2.1	3.3	3.5	0.9	0.9	0.9	0.1
November	1.2	1.1	1.9	1.5	6.2	0.9	0.8	0.6
December	1.1	0.9	1.6	1.2	5.6	0.7	0.5	0.9
Full year (December on December)	11.9	11.0	15.6	14.9	22.2	6.5	6.4	13.3
<b>2008</b>								
January	2.3	1.1	1.9	1.2	8.3	0.6	0.6	5.4
February	1.2	1.0	1.7	1.3	5.1	0.6	0.6	1.4
March	1.2	1.1	2.0	1.5	5.9	0.7	0.7	0.6
April	1.4	1.3	2.2	1.8	5.5	0.9	0.7	1.0
May	1.4	1.1	2.1	1.5	6.4	0.8	0.6	1.0
June	1.0	0.9	1.1	1.2	0.4	0.7	0.5	1.1
July	0.5	0.8	0.1	1.0	-6.7	0.7	0.5	0.9
August	0.4	1.0	-0.2	1.2	-11.3	0.6	0.6	0.9
September	0.8	1.4	0.7	1.5	-6.4	0.7	0.8	1.0
October	0.9	1.3	1.6	1.8	-0.4	0.8	1.0	0.0
November	0.8	1.1	1.3	1.3	1.0	0.5	0.9	0.7
December	0.7	0.8	1.0	1.0	1.7	0.1	0.6	1.0
Full year (December on December)	13.3	13.6	16.5	17.5	7.7	8.0	8.4	13.3
<b>2009</b>								
January	2.4	1.3	1.4	1.1	4.7	0.7	1.0	6.3
February	1.7	1.6	1.9	1.5	4.9	1.6	1.8	1.4
March	1.3	1.4	1.7	1.4	4.5	1.4	1.6	0.6

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Since March 2005 – Bank of Russia estimate.

Note. Tables 1 to 7 are based on Rosstat data and Bank of Russia calculations.

Table 2

**Consumer prices by group of goods and services  
(since start of year on accrual basis, %)**

	Monthly inflation	Core inflation	Food price growth	Food price growth <sup>1</sup>	Vegetable and fruit price growth	Non-food price growth	Growth in non-food prices, excluding petrol prices <sup>2</sup>	Service price growth
<b>2007</b>								
January	1.7	0.6	0.9	0.6	4.1	0.4	0.4	4.7
February	2.8	1.1	1.8	1.1	7.8	0.7	0.8	7.4
March	3.4	1.7	2.6	1.7	11.2	1.1	1.2	8.0
April	4.0	2.2	3.3	2.1	14.7	1.5	1.7	8.6
May	4.7	2.5	4.3	2.3	23.6	1.9	2.0	9.1
June	5.7	3.0	6.1	2.7	38.6	2.2	2.3	9.8
July	6.6	3.9	7.6	4.1	41.2	2.6	2.8	10.5
August	6.7	5.0	7.0	5.8	18.5	3.2	3.3	11.1
September	7.5	6.7	8.1	8.1	8.1	4.0	4.2	11.6
October	9.3	8.9	11.6	11.9	9.0	4.9	5.1	11.7
November	10.6	10.1	13.7	13.5	15.7	5.8	5.9	12.4
December	11.9	11.0	15.6	14.9	22.2	6.5	6.4	13.3
<b>2008</b>								
January	2.3	1.1	1.9	1.2	8.3	0.6	0.6	5.4
February	3.5	2.1	3.6	2.5	13.9	1.2	1.2	6.8
March	4.8	3.2	5.7	4.0	20.6	2.0	1.9	7.5
April	6.3	4.5	8.0	5.9	27.2	2.9	2.6	8.5
May	7.7	5.7	10.2	7.5	35.4	3.7	3.2	9.6
June	8.7	6.7	11.4	8.7	36.0	4.4	3.7	10.8
July	9.3	7.6	11.5	9.8	26.9	5.2	4.2	11.9
August	9.7	8.6	11.3	11.2	12.5	5.8	4.9	12.9
September	10.6	10.1	12.1	12.9	5.3	6.5	5.7	14.0
October	11.6	11.5	13.9	14.9	4.8	7.3	6.8	14.1
November	12.5	12.7	15.3	16.3	5.9	7.8	7.8	14.8
December	13.3	13.6	16.5	17.5	7.7	8.0	8.4	13.3
<b>2009</b>								
January	2.4	1.3	1.4	1.1	4.7	0.7	1.0	6.3
February	4.1	2.9	3.3	2.6	9.8	2.3	2.8	7.8
March	5.4	4.3	5.0	4.0	14.7	3.8	4.5	8.5

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Since March 2005 – Bank of Russia estimate.

Table 3

**Consumer prices by group of goods and services  
(month on corresponding month of previous year, %)**

	Monthly inflation	Core inflation	Food price growth	Food price growth <sup>1</sup>	Vegetable and fruit price growth	Non-food price growth	Growth in non-food prices, excluding petrol prices <sup>2</sup>	Service price growth
<b>2007</b>								
January	8.2	7.7	7.6	8.0	3.1	6.0	5.7	12.3
February	7.6	6.9	5.3	6.6	-5.1	5.8	5.6	14.2
March	7.4	6.7	4.9	6.2	-5.2	5.8	5.6	14.0
April	7.6	6.8	5.4	6.3	-1.9	5.9	5.8	13.9
May	7.8	6.7	5.9	6.3	3.0	5.9	5.7	13.8
June	8.5	6.9	7.7	6.6	16.2	5.9	5.7	13.7
July	8.7	7.3	8.3	7.4	15.3	5.9	5.8	13.7
August	8.6	7.8	8.3	8.3	7.5	5.7	5.8	13.4
September	9.4	8.7	10.0	10.0	10.2	5.8	6.1	13.4
October	10.8	10.3	13.6	13.4	15.9	6.0	6.3	13.1
November	11.5	10.9	14.9	14.4	19.8	6.3	6.4	13.2
December	11.9	11.0	15.6	14.9	22.2	6.5	6.4	13.3
<b>2008</b>								
January	12.6	11.5	16.7	15.7	27.2	6.8	6.6	14.1
February	12.7	12.1	17.6	16.5	29.1	7.0	6.8	12.7
March	13.3	12.7	19.1	17.6	32.6	7.4	7.1	12.7
April	14.3	13.5	20.8	19.1	35.6	8.0	7.4	13.3
May	15.1	14.5	22.1	20.8	33.9	8.4	7.7	13.9
June	15.1	15.1	21.3	21.7	19.9	8.9	7.9	14.4
July	14.7	15.0	19.8	21.2	9.8	9.2	8.0	14.7
August	15.0	14.8	20.2	20.8	16.1	9.2	8.1	15.2
September	15.0	14.5	19.9	20.0	19.0	9.1	8.1	15.9
October	14.2	13.7	17.9	18.0	17.5	9.1	8.2	15.7
November	13.8	13.7	17.2	17.7	11.9	8.6	8.4	15.8
December	13.3	13.6	16.5	17.5	7.7	8.0	8.4	13.3
<b>2009</b>								
January	13.4	13.9	15.9	17.3	4.1	8.1	8.9	16.9
February	13.9	14.6	16.1	17.6	3.8	9.2	10.2	17.0
March	14.0	14.9	15.8	17.4	2.5	9.9	11.2	17.0

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Since March 2005 – Bank of Russia estimate.



Table 4

**Inflation growth over period since start of year due to price changes  
by group of goods and services (percentage points)**

	Foodstuffs <sup>1</sup>	Non-food products	Paid services	Vegetables and fruit	Inflation over period, %	Core inflation	Non-core inflation <sup>2</sup>
<b>2007</b>							
January	0.2	0.1	1.2	0.2	<b>1.7</b>	0.5	1.2
February	0.4	0.3	1.8	0.3	<b>2.8</b>	0.9	1.9
March	0.6	0.4	2.0	0.4	<b>3.4</b>	1.3	2.1
April	0.8	0.5	2.1	0.6	<b>4.0</b>	1.7	2.3
May	0.8	0.7	2.3	0.9	<b>4.7</b>	1.9	2.7
June	1.0	0.8	2.4	1.5	<b>5.7</b>	2.3	3.4
July	1.5	0.9	2.6	1.6	<b>6.6</b>	3.0	3.6
August	2.1	1.1	2.7	0.7	<b>6.7</b>	3.9	2.8
September	3.0	1.4	2.9	0.3	<b>7.5</b>	5.3	2.3
October	4.3	1.7	2.9	0.3	<b>9.3</b>	7.0	2.3
November	4.9	2.0	3.1	0.6	<b>10.6</b>	7.9	2.7
December	5.4	2.3	3.3	0.9	<b>11.9</b>	8.7	3.2
<b>2008</b>							
January	0.4	0.2	1.3	0.3	<b>2.3</b>	0.8	1.5
February	0.9	0.4	1.7	0.5	<b>3.5</b>	1.6	1.9
March	1.4	0.7	1.9	0.8	<b>4.8</b>	2.5	2.3
April	2.1	1.0	2.1	1.0	<b>6.3</b>	3.6	2.7
May	2.6	1.3	2.4	1.4	<b>7.7</b>	4.5	3.2
June	3.1	1.6	2.7	1.4	<b>8.7</b>	5.3	3.5
July	3.5	1.9	3.0	1.0	<b>9.3</b>	6.0	3.3
August	3.9	2.1	3.2	0.5	<b>9.7</b>	6.8	2.9
September	4.5	2.3	3.5	0.2	<b>10.6</b>	8.0	2.6
October	5.2	2.6	3.5	0.2	<b>11.6</b>	9.2	2.4
November	5.8	2.8	3.7	0.2	<b>12.5</b>	10.1	2.4
December	6.2	2.9	4.0	0.3	<b>13.3</b>	10.8	2.5
<b>2009</b>							
January	0.4	0.3	1.6	0.2	<b>2.4</b>	1.0	1.4
February	0.9	0.9	2.0	0.4	<b>4.1</b>	2.4	1.7
March	1.4	1.4	2.1	0.5	<b>5.4</b>	3.5	2.0

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Growth in prices of goods and paid services not included in the calculation of the core consumer price index.

Table 5

**Monthly inflation growth due to price changes  
by group of goods and services (percentage points)**

	Foodstuffs <sup>1</sup>	Non-food products	Paid services	Vegetables and fruit	Inflation over period, %	Core inflation	Non-core inflation <sup>2</sup>
<b>2007</b>							
January	0.2	0.1	1.2	0.2	<b>1.7</b>	0.5	1.2
February	0.2	0.1	0.7	0.1	<b>1.1</b>	0.4	0.7
March	0.2	0.1	0.1	0.1	<b>0.6</b>	0.4	0.2
April	0.2	0.1	0.1	0.1	<b>0.6</b>	0.4	0.2
May	0.1	0.1	0.1	0.3	<b>0.6</b>	0.2	0.4
June	0.2	0.1	0.2	0.6	<b>1.0</b>	0.3	0.6
July	0.5	0.1	0.2	0.1	<b>0.9</b>	0.7	0.2
August	0.6	0.2	0.1	-0.8	<b>0.1</b>	0.8	-0.7
September	0.8	0.3	0.1	-0.4	<b>0.8</b>	1.3	-0.5
October	1.3	0.3	0.0	0.0	<b>1.6</b>	1.6	0.0
November	0.5	0.3	0.2	0.2	<b>1.2</b>	0.8	0.4
December	0.5	0.2	0.2	0.2	<b>1.1</b>	0.7	0.5
<b>2008</b>							
January	0.4	0.2	1.3	0.3	<b>2.3</b>	0.8	1.5
February	0.4	0.2	0.3	0.2	<b>1.2</b>	0.8	0.4
March	0.5	0.3	0.2	0.3	<b>1.2</b>	0.8	0.3
April	0.6	0.3	0.3	0.2	<b>1.4</b>	1.0	0.4
May	0.5	0.3	0.3	0.3	<b>1.4</b>	0.9	0.5
June	0.4	0.3	0.3	0.0	<b>1.0</b>	0.7	0.2
July	0.4	0.2	0.2	-0.3	<b>0.5</b>	0.7	-0.1
August	0.4	0.2	0.2	-0.5	<b>0.4</b>	0.8	-0.4
September	0.5	0.2	0.3	-0.3	<b>0.8</b>	1.1	-0.3
October	0.6	0.3	0.0	0.0	<b>0.9</b>	1.1	-0.2
November	0.5	0.2	0.2	0.0	<b>0.8</b>	0.8	0.0
December	0.4	0.0	0.2	0.1	<b>0.7</b>	0.6	0.1
<b>2009</b>							
January	0.4	0.3	1.6	0.2	<b>2.4</b>	1.0	1.4
February	0.5	0.6	0.4	0.2	<b>1.7</b>	1.3	0.3
March	0.5	0.5	0.2	0.2	<b>1.3</b>	1.1	0.2

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Growth in prices of goods and paid services not included in the calculation of the core consumer price index.

Table 6

**Contribution to inflation growth over period since start of year  
by group of goods and services (%)**

	Foodstuffs <sup>1</sup>	Non-food products	Paid services	Vegetables and fruit	Core inflation	Non-core inflation <sup>2</sup>
<b>2007</b>						
January	13.4	8.3	69.0	9.3	29.5	70.5
February	14.9	9.2	65.3	10.6	31.3	68.7
March	17.8	11.6	58.1	12.5	38.3	61.7
April	19.6	13.5	52.9	14.1	42.8	57.2
May	18.0	14.3	48.3	19.4	41.6	58.4
June	17.6	13.7	42.7	26.0	40.4	59.6
July	22.9	13.9	39.2	23.9	45.8	54.2
August	31.7	16.9	40.8	10.6	58.5	41.5
September	39.3	18.7	37.9	4.1	69.9	30.1
October	46.6	18.6	31.1	3.7	75.4	24.6
November	46.3	19.2	28.8	5.7	74.5	25.5
December	45.7	19.4	27.8	7.2	72.8	27.2
<b>2008</b>						
January	18.9	9.3	58.1	13.7	36.2	63.8
February	25.1	12.1	47.9	14.9	46.1	53.9
March	29.7	14.7	39.0	16.6	52.7	47.3
April	33.0	16.5	33.9	16.6	57.0	43.0
May	34.2	17.1	31.1	17.6	58.5	41.5
June	35.2	18.2	30.8	15.7	60.5	39.5
July	37.3	19.9	31.7	11.1	64.4	35.6
August	40.6	21.4	33.0	5.0	70.5	29.5
September	43.0	22.0	33.1	1.9	75.7	24.3
October	45.3	22.9	30.2	1.6	79.2	20.8
November	46.0	22.6	29.6	1.8	80.8	19.2
December	46.4	21.6	29.8	2.2	81.5	18.5
<b>2009</b>						
January	15.6	11.3	66.2	7.0	42.3	57.7
February	22.1	21.5	47.9	8.6	57.7	42.3
March	25.3	26.1	38.9	9.7	64.0	36.0

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Growth in prices of goods and paid services not included in the calculation of the core consumer price index.

Table 7

**Contribution to monthly inflation growth  
by group of goods and services (%)**

	Foodstuffs <sup>1</sup>	Non-food products	Paid services	Vegetables and fruit	Core inflation	Non-core inflation <sup>2</sup>
<b>2007</b>						
January	13.4	8.3	69.0	9.3	29.5	70.5
February	17.1	10.6	59.7	12.6	34.2	65.8
March	31.4	22.7	24.5	21.4	70.7	29.3
April	30.0	24.6	22.3	23.1	69.6	30.4
May	8.4	19.5	20.6	51.6	34.4	65.6
June	15.8	10.7	17.0	56.5	35.1	64.9
July	55.9	15.7	17.4	10.9	79.2	20.8
August	724.2	250.9	165.2	-1,040.4	1,016.5	-916.5
September	99.9	33.4	14.7	-48.0	160.7	-60.7
October	78.5	18.2	1.2	2.1	99.3	0.7
November	43.6	23.6	13.3	19.5	67.8	32.2
December	39.2	21.6	19.2	20.0	56.7	43.3
<b>2008</b>						
January	18.9	9.3	58.1	13.7	36.2	63.8
February	36.8	17.4	28.5	17.3	64.9	35.1
March	43.2	22.6	12.8	21.4	72.2	27.8
April	43.5	22.0	17.6	16.9	70.3	29.7
May	39.1	20.1	18.9	21.9	65.2	34.8
June	42.7	26.5	28.7	2.2	74.5	25.5
July	69.6	47.5	45.8	-62.9	125.6	-25.6
August	122.9	59.3	67.5	-149.7	225.0	-125.0
September	69.7	29.4	34.5	-33.6	136.6	-36.6
October	69.5	32.2	-0.1	-1.7	116.9	-16.9
November	54.4	19.8	21.2	4.7	100.5	-0.5
December	50.8	5.9	34.3	8.9	91.7	8.3
<b>2009</b>						
January	15.6	11.3	66.2	7.0	42.3	57.7
February	31.2	35.9	22.0	10.9	79.5	20.5
March	35.2	40.0	11.7	13.1	83.0	17.0

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Growth in prices of goods and services not included in the calculation of the core consumer price index.

Table 8

## Russia's key macroeconomic and financial indicators

		Year	Q1	Q2	Q3	Q4	
<b>Macroeconomic indicators</b>							
GDP	over period since start of year, billion roubles	2006	5,812	12,202	19,501	26,904	
		2007	6,750	14,515	23,419	33,111	
		2008	8,891	19,084	30,724	41,668	
	over period since start of year, as % of corresponding period of previous year	2006	106.6	107.1	107.3	107.7	
		2007	107.5	107.8	107.8	108.1	
		2008	108.7	108.1	107.1	105.6	
	as % of corresponding quarter of previous year	2006	106.6	107.6	107.8	108.5	
		2007	107.5	108.0	107.7	109.0	
		2008	108.7	107.5	106.0	101.2	
Industrial output indices	as % of corresponding quarter of previous year	2007	107.2	107.1	105.5	105.7	
		2008	106.2	105.5	104.7	93.9	
		2009	85.7				
	over period since start of year, as % of corresponding period of previous year	2007	107.2	107.1	106.6	106.3	
		2008	106.2	105.8	105.4	102.1	
		2009	85.7				
Agricultural output	as % of corresponding quarter of previous year	2007	103.5	104.4	103.2	103.2	
		2008	105.5	106.9	113.0	115.6	
		2009	102.1				
	over period since start of year, as % of corresponding period of previous year	2007	103.5	104.1	103.5	103.4	
		2008	105.5	106.4	109.6	110.8	
		2009	102.1				
Fixed capital investment	over period since start of year, billion roubles	2007	924.0	2,387.0	4,174.1	6,716.2	
		2008	1,355.4	3,411.7	5,826.7	8,764.9	
		2009	1,297.0				
	as % of corresponding quarter of previous year	2007	123.8	125.4	119.8	122.8	
		2008	123.6	117.4	111.7	97.7	
		2009	85.0				
Retail trade turnover	over period since start of year, billion roubles	2007	2,257.8	4,800.4	7,599.6	10,869.0	
		2008	2,951.5	6,276.2	9,932.5	13,914.6	
		2009	3,272.2				
	as % of corresponding quarter of previous year	2007	114.8	115.8	116.8	116.8	
		2008	117.2	114.8	114.9	108.6	
		2009	98.9				
Federal budget on accrual basis, as of end of period	revenue	billion roubles	2007	1,421.9	3,245.7	5,087.6	7,781.1
		2008	1,932.7	4,370.7	7,155.7	9,275.9	
		2009	1,732.7				
	as % of GDP	2007	21.1	22.3	21.7	23.5	
		2008	21.7	22.9	23.3	22.3	
		2009	21.1 <sup>1</sup>				
	expenditure	billion roubles	2007	945.6	2,169.7	3,464.3	5,986.6
			2008	1,332.7	2,995.6	4,594.2	7,570.9
			2009	1,762.4			
as % of GDP		2007	14.0	14.9	14.8	18.1	
		2008	15.0	15.7	15.0	18.2	
		2009	21.5 <sup>1</sup>				
Federal budget surplus (+)/deficit (-) on accrual basis, as of end of period	billion roubles	2007	476.3	1,076.1	1,623.2	1,794.6	
		2008	600.0	1,375.1	2,561.5	1,705.0	
		2009	-29.7				
	as % of GDP	2007	7.1	7.4	6.9	5.4	
		2008	6.7	7.2	8.3	4.1	
		2009	-0.4 <sup>1</sup>				

Note: Table 8 is based on data compiled by the Bank of Russia, the Federal State Statistics Service, the Ministry of Finance of the Russian Federation and the Federal Treasury.

Table 8 (continued)

		Year	Q1	Q2	Q3	Q4	
<b>Socio-economic indicators</b>							
Nominal imputed average monthly per employee wage	roubles	2007	11,876	12,993	13,494	15,742	
		2008	15,424	16,962	17,556	18,966	
		2009	17,202				
	as % of corresponding quarter of previous year	2007	127.3	125.9	124.0	129.3	
		2008	128.0	129.2	129.0	119.5	
		2009	111.1				
	over period since start of year, as % of corresponding period of previous year	2007	127.3	126.6	125.7	127.8	
		2008	128.0	128.6	128.7	125.9	
		2009	111.1				
Real imputed average monthly per employee wage, as % of corresponding quarter of previous year		2007	118.2	116.6	113.9	116.1	
		2008	113.4	112.5	112.2	105.0	
		2009	97.7				
Household money income (per capita monthly average), roubles		2007	9,976.9	11,987.8	12,725.8	15,677.9	
		2008	12,374.8	14,876.2	15,866.8	17,396.6	
		2009	13,761.7				
Household real disposable money income	as % of corresponding quarter of previous year	2007	111.9	110.0	112.4	113.0	
		2008	108.0	106.2	106.2	94.2	
		2009	97.7				
	over period since start of year, as % of corresponding period of previous year	2007	111.9	...	...	112.1	
		2008	108.0	107.1	106.8	102.9	
		2009	97.7				
Household spending, as % of income	purchase of goods and services	2007	73.6	69.3	71.2	66.0	
		2008	76.5	71.6	73.4	71.7	
		2009	76.8				
	compulsory payments and contributions	2007	12.0	11.9	11.6	11.6	
		2008	12.7	12.5	12.7	14.1	
		2009	11.9				
	growth in savings	2007	10.2	9.0	8.1	11.0	
		2008	7.7	8.2	5.8	2.5	
		2009	7.5				
	foreign exchange purchase	2007	5.2	5.2	5.2	5.1	
		2008	6.9	4.7	5.6	13.3	
		2009	10.6				
	cash on hand	2007	-1.0	4.6	3.9	6.3	
		2008	-3.8	3.0	2.5	-1.6	
		2009	-6.8				
	Average imputed pension, total, roubles		2007	2,846	3,091	3,108	3,418
			2008	3,823	4,044	4,383	4,545
			2009	4,614			
Real imputed pension	as % of corresponding quarter of previous year	2007	104.1	104.9	102.0	108.1	
		2008	119.0	113.9	122.7	116.9	
		2009	106.1				
	over period since start of year, as % of corresponding period of previous year	2007	104.1	104.5	103.6	104.8	
		2008	119.0	116.4	118.6	118.1	
		2009	106.1				
Total number of unemployed (calculated using ILO methodology)	million	2007	5.2	4.5	4.3	4.4	
		2008	5.1	4.3	4.5	5.4	
		2009	7.0				
	as % of economically active population	2007	7.0	6.0	5.7	5.8	
		2008	6.7	5.6	5.9	7.1	
		2009	9.4				

Table 8 (continued)

		Year	Q1	Q2	Q3	Q4	
<b>Foreign economic activities</b>							
Price of Urals crude	over period since start of year, \$/barrel	2007	54.0	59.7	64.0	69.5	
		2008	93.7	105.3	107.6	93.9	
		2009	43.2				
	as % of corresponding period of previous year	2007	93.5	97.7	102.4	114.1	
		2008	173.7	176.3	168.2	135.1	
		2009	46.1				
Exports of goods	over period since start of year, \$ billion	2007	71.7	155.4	244.9	354.4	
		2008	110.1	236.8	373.6	471.6	
		2009	60.1 <sup>2</sup>				
	as % of corresponding period of previous year	2007	106.5	108.0	109.5	116.8	
		2008	153.6	152.4	152.5	133.1	
		2009	54.6 <sup>2</sup>				
Imports of goods	over period since start of year, \$ billion	2007	42.8	95.5	153.9	223.5	
		2008	60.2	135.7	218.6	291.9	
		2009	38.4 <sup>2</sup>				
	as % of corresponding period of previous year	2007	138.6	137.1	137.0	136.0	
		2008	140.8	142.0	142.0	130.6	
		2009	63.7 <sup>2</sup>				
Current account (over period since start of year), \$ billion		2007	22.6	37.1	52.8	77.0	
		2008	38.0	64.2	93.7	102.3	
		2009	11.1 <sup>2</sup>				
Private sector net capital outflow (inflow) (over period since start of year), \$ billion		2007	13.8	68.1	60.9	82.4	
		2008	-23.6	17.1	-2.1	-132.7	
		2009	-38.8 <sup>2</sup>				
Foreign investment in Russia's non-financial sector (Rosstat data)	over period since start of year, \$ billion	2006	8.8	23.4	35.3	55.1	
		2007	24.6	60.3	87.9	120.9	
		2008	17.3	46.5	75.8	103.8	
	as % of corresponding period of previous year	2006	146.0	141.9	131.7	102.7	
		2007	2.8 times	2.6 times.	2.5 times	2.2 times	
		2008	70.1	77.1	86.2	85.8	
of which:	direct	over period since start of year, \$ billion	2006	3.8	6.4	10.3	13.7
			2007	9.8	15.8	19.6	27.8
			2008	5.6	11.1	19.2	27.0
		as % of corresponding period of previous year	2006	2.0 times	143.6	155.5	104.6
			2007	2.5 times.	2.5 times	191.3	2.0 times
			2008	57.2	70.0	97.7	97.2
	portfolio	over period since start of year, \$ billion	2006	0.2	0.5	0.7	3.2
			2007	0.2	1.1	1.5	4.2
			2008	0.1	1.2	1.3	1.4
		as % of corresponding period of previous year	2006	2.9 times.	2.9 times	182.3	7.0 times.
			2007	85.8	2.2 times.	2.3 times	131.8
			2008	62.5	104.4	83.7	33.7
	other	over period since start of year, \$ billion	2006	4.7	16.5	24.4	38.2
			2007	14.7	43.4	66.7	89.0
			2008	11.5	34.3	55.3	75.3
		as % of corresponding period of previous year	2006	117.2	139.1	122.8	95.3
			2007	3.1 times	2.6 times	2.7 times.	2.3 times
			2008	78.7	79.0	82.8	84.7
Russia's international reserves (as of end of period), \$ billion		2007	338.8	405.8	425.4	478.8	
		2008	512.6	569.0	556.8	427.1	
		2009	383.9				
Real rouble exchange rate indices, last month of quarter (growth as % of December of previous year) <sup>3</sup>	rouble vs. US dollar	2007	2.3	3.8	8.1	15	
		2008	6.5	8.5	3.2	-1.1	
		2009	-15.4				
	rouble vs. euro	2007	3.1	4.1	4.5	5.8	
		2008	0.6	3.4	6.2	5	
		2009	-12				
	effective rate	2007	2.7	3.3	3.8	5.1	
		2008	1.5	3.3	3	4.3	
		2009	-10.0 <sup>2</sup>				

Table 8 (continued)

		Year	Q1	Q2	Q3	Q4
<b>Financial market indicators (including Sberbank rates)</b>						
Average for period						
Overnight interbank credit rate, % p.a.	in roubles	2007	3.9	3.4	4.9	5.4
		2008	3.9	4.1	6.0	8.6
		2009	11.6			
	in US dollars	2007	5.2	5.2	5.1	4.5
		2008	3.2	2.2	2.2	0.7
		2009	0.2			
OFZ yields <sup>4</sup> , % p.a.		2007	6.6	6.6	6.6	6.6
		2008	6.7	6.9	7.5	8.7
		2009	10.5			
Interest rate on household time deposits, % p.a.	up to 1 year in roubles	2007	7.4	7.3	7.0	7.2
		2008	7.0	7.1	7.5	9.0
		2009	10.0			
	over 1 year in roubles	2007	7.9	7.5	7.1	6.8
		2008	7.4	8.0	8.5	9.1
		2009	10.0			
	up to 1 year in US dollars	2007	5.4	5.3	5.2	5.2
		2008	5.1	5.8	5.3	6.5
		2009	6.0			
	over 1 year in US dollars	2007	6.8	6.6	6.4	7.0
		2008	6.9	7.0	7.1	7.8
		2009	6.5			
Interest rate on credit to non-financial organisations, % p.a.	up to 1 year in roubles	2007	9.9	9.6	9.8	10.7
		2008	10.9	11.2	12.0	14.9
		2009	16.6			
	over 1 year in roubles	2007	12.1	11.5	11.0	11.4
		2008	12.3	12.8	13.6	13.8
		2009	15.1			
	up to 1 year in US dollars	2007	8.7	8.8	8.4	9.1
		2008	8.1	8.0	8.9	10.9
		2009	10.7			
	over 1 year in US dollars	2007	10.3	10.1	9.3	9.8
		2008	9.3	9.9	9.4	11.3
		2009	12.7			
Interest rate on rouble-denominated promissory notes discounted by banks, % p.a.		2007	9.5	8.9	10.8	10.8
		2008	10.7	11.0	12.1	14.1
		2009	15.7			
MICEX rate in 'tomorrow' trades, rouble/\$		2007	26.3056	25.8599	25.5043	24.6525
		2008	24.2286	23.6190	24.2718	27.2941
		2009	34.4761			
As of end of quarter						
RTS index, points		2007	1,935.72	1,897.70	2,071.80	2,290.51
		2008	2,053.93	2,303.34	1,211.84	631.89
		2009	689.63			
Refinance rate, % p.a.		2007	10.5	10.0	10.0	10.0
		2008	10.25	10.75	11.0	13.0
		2009	13.0			



Table 8 (end)

		Year	1.01	1.04	1.07	1.10
<b>Monetary indicators</b>						
M0, billion roubles		2007	2,785.2	2,741.2	3,027.5	3,220.9
		2008	3,702.2	3,475.5	3,724.9	3,904.2
		2009	3,794.8	3,278.3		
M2, billion roubles		2007	8,995.8	9,412.6	10,857.7	11,494.0
		2008	13,272.1	13,382.9	14,244.7	14,374.6
		2009	13,493.2	12,111.7		
Obligations included in broad money, billion roubles		2007	10,149.4	10,898.4	12,033.4	12,699.7
		2008	14,636.7	14,918.3	15,926.6	16,067.8
		2009	16,774.7 <sup>1</sup>	16,308.4 <sup>1</sup>		
Net foreign assets, billion roubles		2007	6,881.5	7,927.4	8,714.1	9,047.0
		2008	9,923.4	10,541.0	11,278.7	12,280.0
		2009	12,218.7 <sup>1</sup>	12,885.2 <sup>1</sup>		
Domestic claims, billion roubles		2007	5,799.2	5,798.6	6,331.1	6,771.7
		2008	8,325.9	8,437.2	8,760.6	8,614.9
		2009	10,660.8 <sup>1</sup>	10,307.6 <sup>1</sup>		
Broad monetary base, billion roubles		2007	4,122.4	4,210.2	5,139.1	4,587.2
		2008	5,513.3	4,871.4	5,422.9	5,317.8
		2009	5,578.7	4,298.8		
Balances of correspondent accounts, billion roubles		2007	638.1	518.1	528.7	576.3
		2008	802.2	596.3	592.4	702.9
		2009	1,027.6	431.7		
M2 velocity	annual average	2007	3.8	3.6	3.4	3.2
		2008	3.1	3.0	3.0	3.1
		2009	3.1 <sup>1</sup>	3.1 <sup>1</sup>		
	change since start of year, %	2007	-13.2 <sup>5</sup>	-6.0	-12.1	-16.1
		2008	-18.6 <sup>5</sup>	-2.6	-3.0	-2.2
		2009	-2.1 <sup>5</sup>	2.0 <sup>1</sup>		
Monetisation of the economy (by M2 aggregate), %		2007	26.1	27.8	29.7	31.1
		2008	32.1	32.9	33.1	32.8
		2009	32.7 <sup>1</sup>	32.1 <sup>1</sup>		
Money multiplier	by broad monetary base	2007	2.2	2.2	2.1	2.5
		2008	2.4	2.8	2.6	2.7
		2009	2.4	2.8		
	change since start of year, %	2007	5.2 <sup>5</sup>	2.5	-3.2	14.8
		2008	10.3 <sup>5</sup>	14.1	9.1	12.3
		2009	0.5 <sup>5</sup>	16.6		
Foreign exchange rates	roubles per US dollar	2007	26.33	26.01	25.82	24.95
		2008	24.55	23.50	23.41	25.37
		2009	29.39	33.90		
	roubles per euro	2007	34.70	34.69	34.72	35.35
		2008	35.93	37.09	36.97	36.50
		2009	41.43	44.89		

<sup>1</sup> Preliminary data.<sup>2</sup> Estimate.<sup>3</sup> (+) signifies appreciation of the ruble, (-) signifies depreciation of the ruble.<sup>4</sup> OFZ effective market portfolio indicator.<sup>5</sup> Relative to beginning of previous year.

Table 9

**Bank of Russia interest rates (% p.a.)**

Instrument	Liquidity provision/ absorption period	Interest rate, % p.a.				
		1.01.09 – 1.02.09	2.02.09 – 9.02.09	10.02.09 – 23.04.09	24.04.09 – 13.05.09	Since 14.05.09
<b>Providing liquidity at offered bids (including by auction)</b>						
Repo operations <sup>1</sup>	1 day	9.00	9.00	10.00	9.50	9.00
	1 week	9.50	9.50	10.50	10.00	9.50
	3 months	10.50	10.50	11.50	11.00	10.75
	6 months	11.25	11.25	12.25	11.75	11.25
	12 months	11.75	11.75	12.75	12.25	11.75
Currency swap operations <sup>2</sup>	1 day	13.00	13.00	13.00	12.50	12.00
Unsecured loans	up to 6 months	minimum rate is set when auction is announced				
Lombard loans <sup>1,3</sup>	2 weeks	9.50	9.50	10.50	10.00	9.50
	3 months	10.50	10.50	11.50	11.00	10.75
	6 months <sup>2</sup>	11.25	11.25	12.25	11.75	11.25
	12 months <sup>2</sup>	11.75	11.75	12.75	12.25	11.75
<b>Providing liquidity at fixed rates</b>						
Overnight loans <sup>3,4</sup>	1 day	13.00	13.00	13.00	12.50	12.00
Lombard loans <sup>3</sup>	1 day	10.00	11.00	12.00	11.50	11.00
	7 days	10.00	11.00	12.00	11.50	11.00
	30 days	10.25	11.00	12.00	11.50	11.00
Repo operations	1 day	10.00	11.00	12.00	11.50	11.00
	7 days	10.00	11.00	12.00	11.50	11.00
Loans secured by "non-market" assets or guarantees <sup>4</sup>	up to 90 days	11.00	11.25	12.00	11.50	11.00
	91 to 180 days	12.00	12.00	12.50	12.00	11.50
	181 to 365 days <sup>5</sup>	13.00	13.00	13.00	12.50	12.00
<b>Absorbing liquidity at fixed rates</b>						
Deposit operations	Tom-next, spot-next and call	6.75	6.75	7.75	7.25	6.75
	1 week, spot-week	7.25	7.25	8.25	7.75	7.25

<sup>1</sup> Minimum interest rate.

<sup>2</sup> Interest rate set on the ruble part when determining the minimum offered swap difference.

<sup>3</sup> Pursuant to Bank of Russia Regulation No. 236-P of August 4, 2003.

<sup>4</sup> Pursuant to Bank of Russia Regulation No. 312-P of November 12, 2007.

<sup>5</sup> From January 20, 2009.

Table 10

**Bank required reserve ratios (%)**

	Required reserve ratio for bank obligations to non-resident banks in Russian and foreign currency	Required reserve ratio for obligations to individuals in Russian currency	Required reserve ratio for other bank obligations in Russian and foreign currency
July 1, 2007 – October 10, 2007	4.5	4.0	4.5
October 11, 2007 – January 14, 2008	3.5	3.0	3.5
January 15, 2008 – February 29, 2008	4.5	4.0	4.5
March 1, 2008 – June 30, 2008	5.5	4.5	5.0
July 1, 2008 – August 31, 2008	7.0	5.0	5.5
September 1, 2008 – September 17, 2008	8.5	5.5	6.0
September 18, 2008 – October 14, 2008	4.5	1.5	2.0
October 15, 2008 – April 30, 2009	0.5	0.5	0.5
May 1, 2009 – May 31, 2009	1.0	1.0	1.0
June 1, 2009 – June 30, 2009	1.5	1.5	1.5
July 1, 2009 – July 31, 2009	2.0	2.0	2.0
August 1, 2009 -	2.5	2.5	2.5



