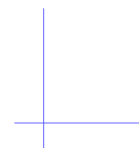
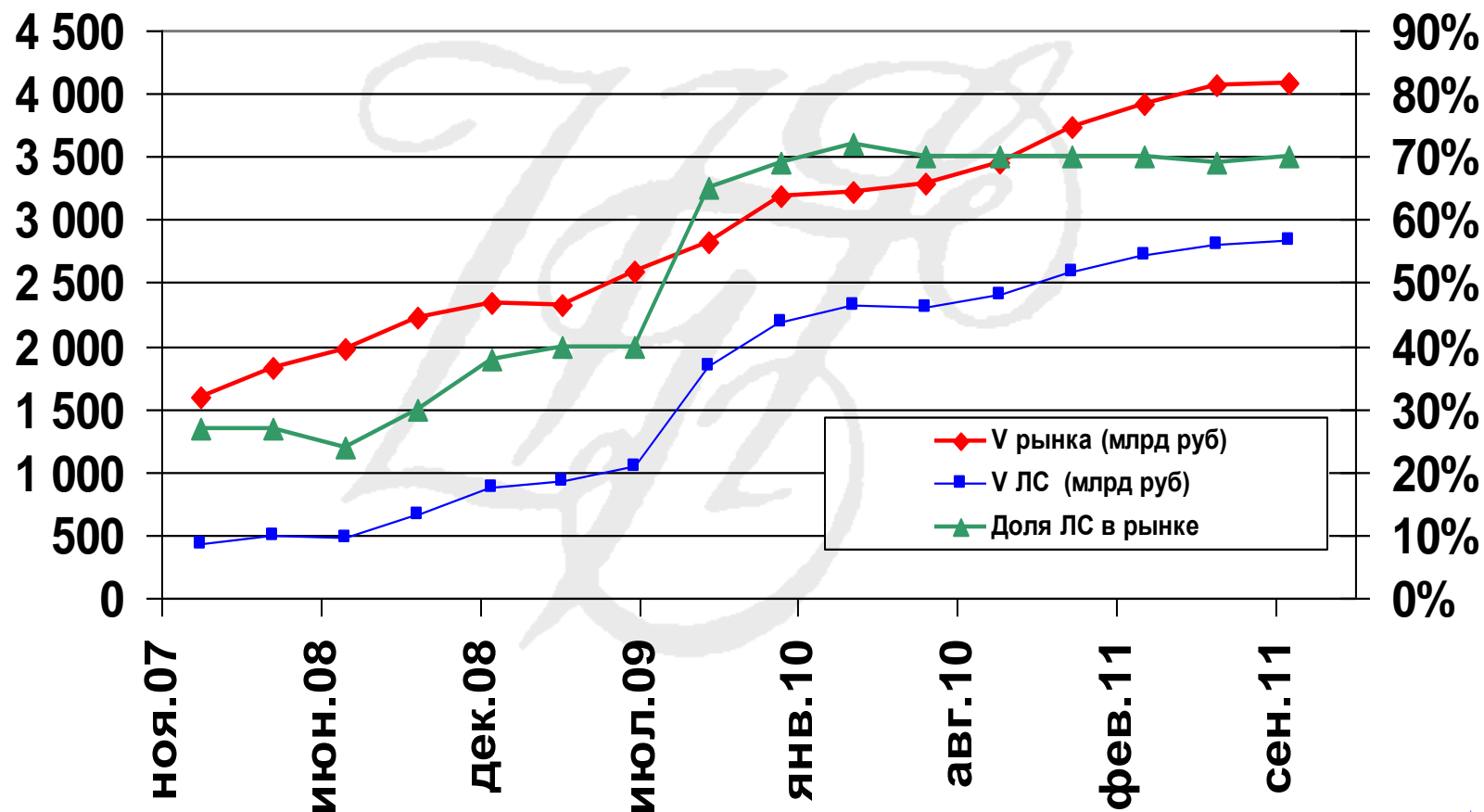


# Секция: Государственная политика и перспективы развития долговых рынков

8-9 декабря 2011 г.



# Объём корпоративного рынка и база Ломбардного списка



# Отношение объёма задолженности кредитных организаций перед ЦБ по операциям рефинансирования (суммарной и чистой) к денежной базе

		Июль 2008	Ноябрь 2011
Россия	Gross	8.0%	4.5%
	Net	1.2%	2.8%
Еврозона	Gross	42%	60%
	Net	42%	46%

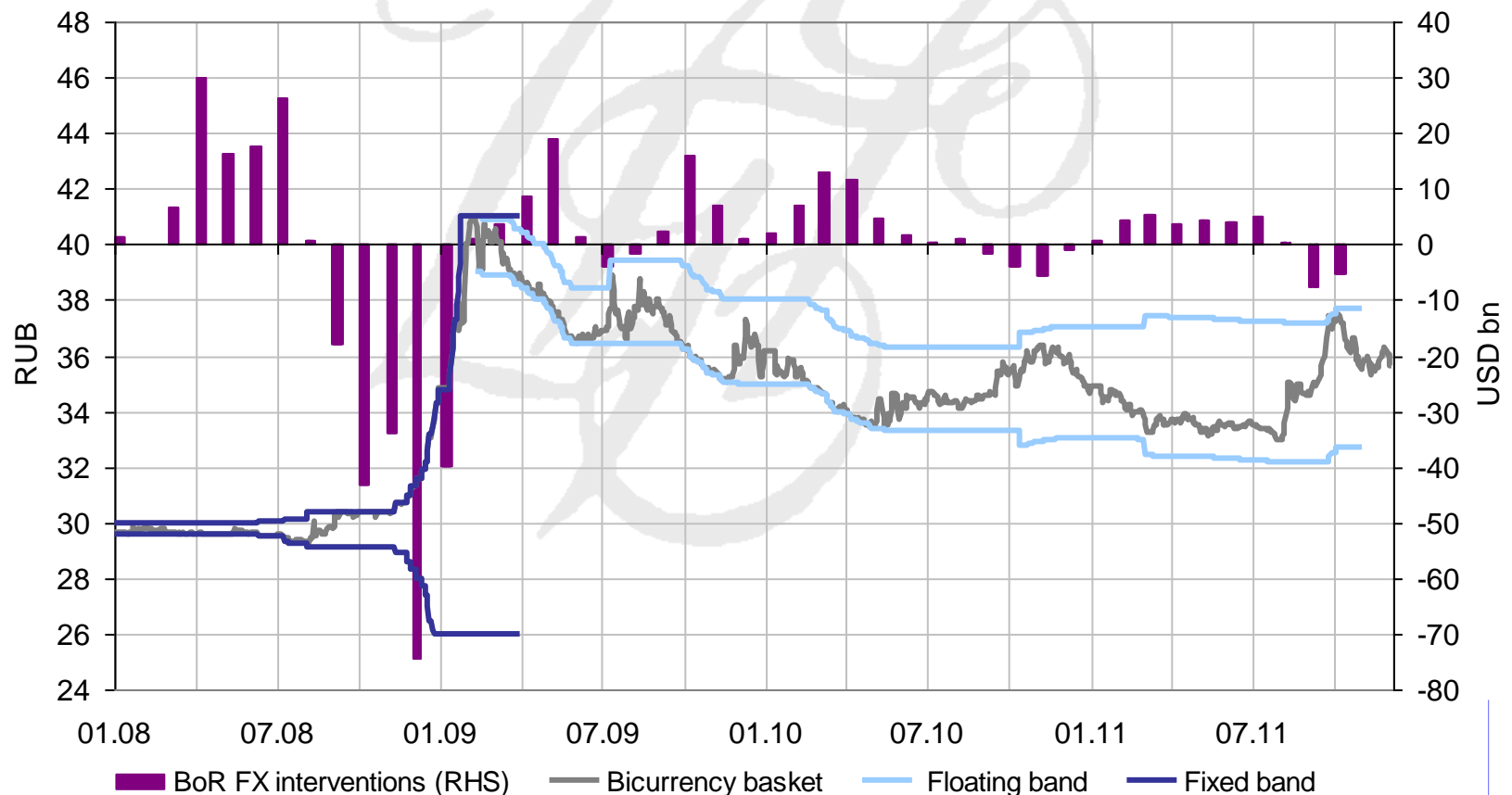


# Monetary policy stance

- ◆ Acceleration in inflation since august 2010 though primarily attributed to non-monetary factors pressed the BoR to start **monetary policy tightening** at the end of 2010
  - hikes in interest rates
  - accompanied by increases in reserve requirements rates

# RUB exchange rate and BoR interventions

- ◆ When introduced back in 2009 the floating operational corridor was 2 roubles wide
- ◆ The BoR increased the width of the operational band in 2009, 2010 and 2011 – by 1 rouble each time
- ◆ Since March 2011 the width of the corridor has been 5 rubles

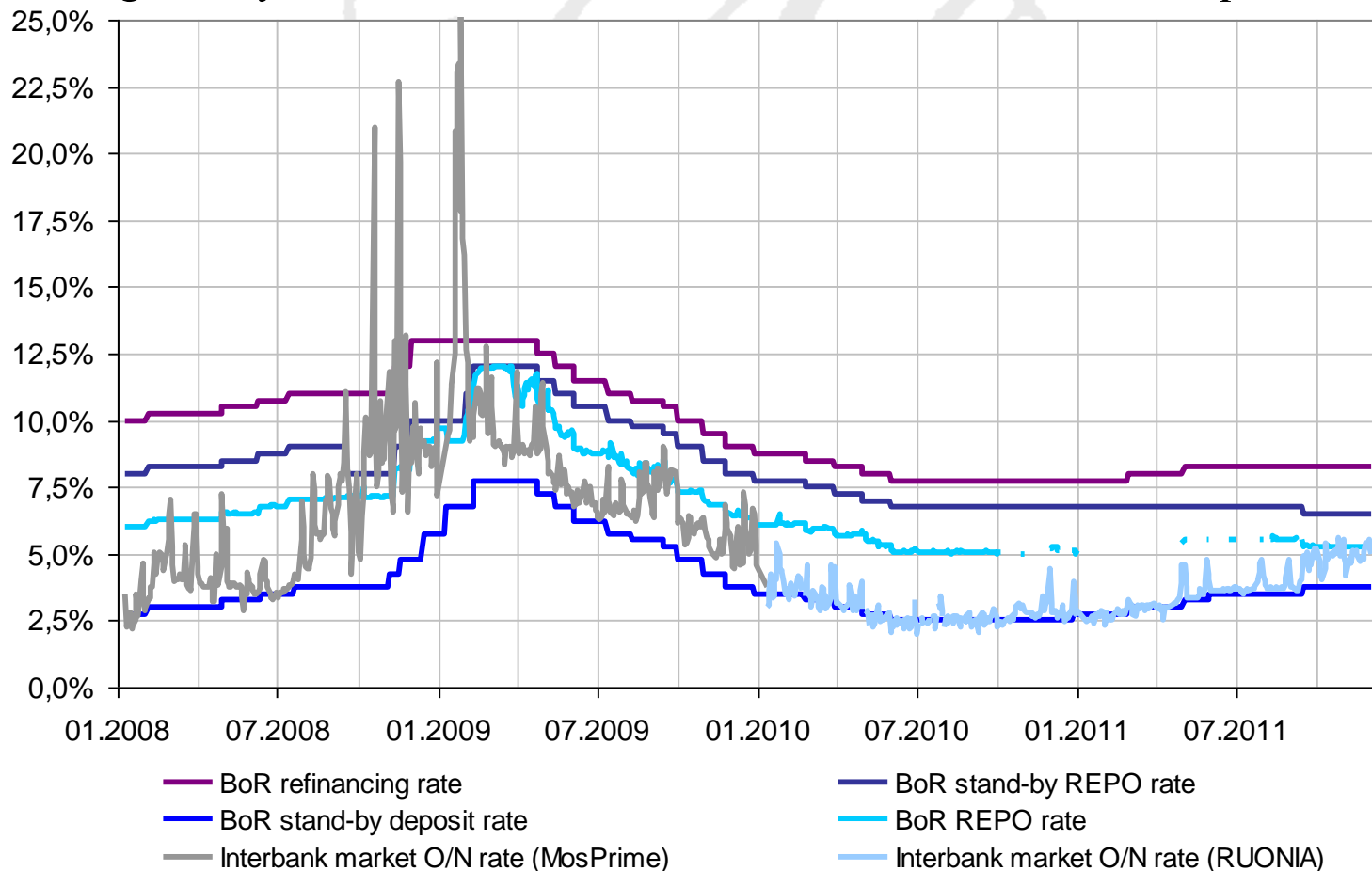


# Interest rate policy framework

- ◆ Interest rate corridor formed by the interest rates on the Bank of Russia standing facilities
  - Deposit operations (fixed terms) – currently at 3.75%
  - Refinancing operations (fixed terms) – currently at 6.50%
- ◆ Traditionally the system used to have a **surplus of liquidity**, so the policy framework **used to be a de-facto floor system**
- ◆ Since September the system switched to the **deficit of liquidity**, so **the REPO auctions** (minimum rate is 5.25% ) **have become a key policy instrument**
- ◆ The refinancing rate is a sort of **penalty rate** and **plays mainly a signal role**. There are hardly any operations at this rate

# Money market interest rates

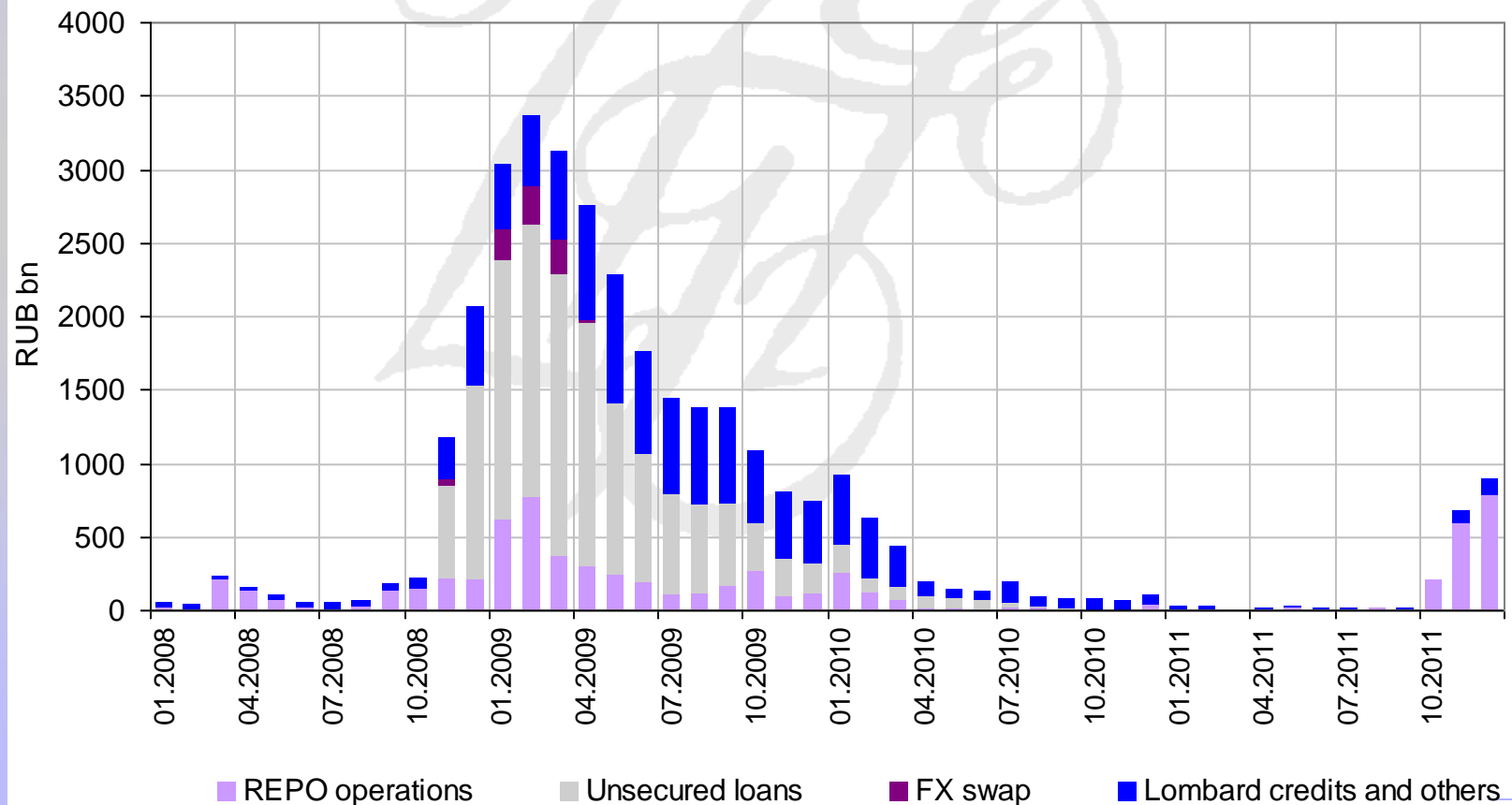
- ◆ Due to a transition from liquidity surplus to liquidity deficit the REPO rate has effectively become the key policy rate
- ◆ A tightening of monetary conditions due to the deficit of liquidity partly mitigated by the BoR's decision to lower the REPO rate in September



# The scale of BoR refinancing operations

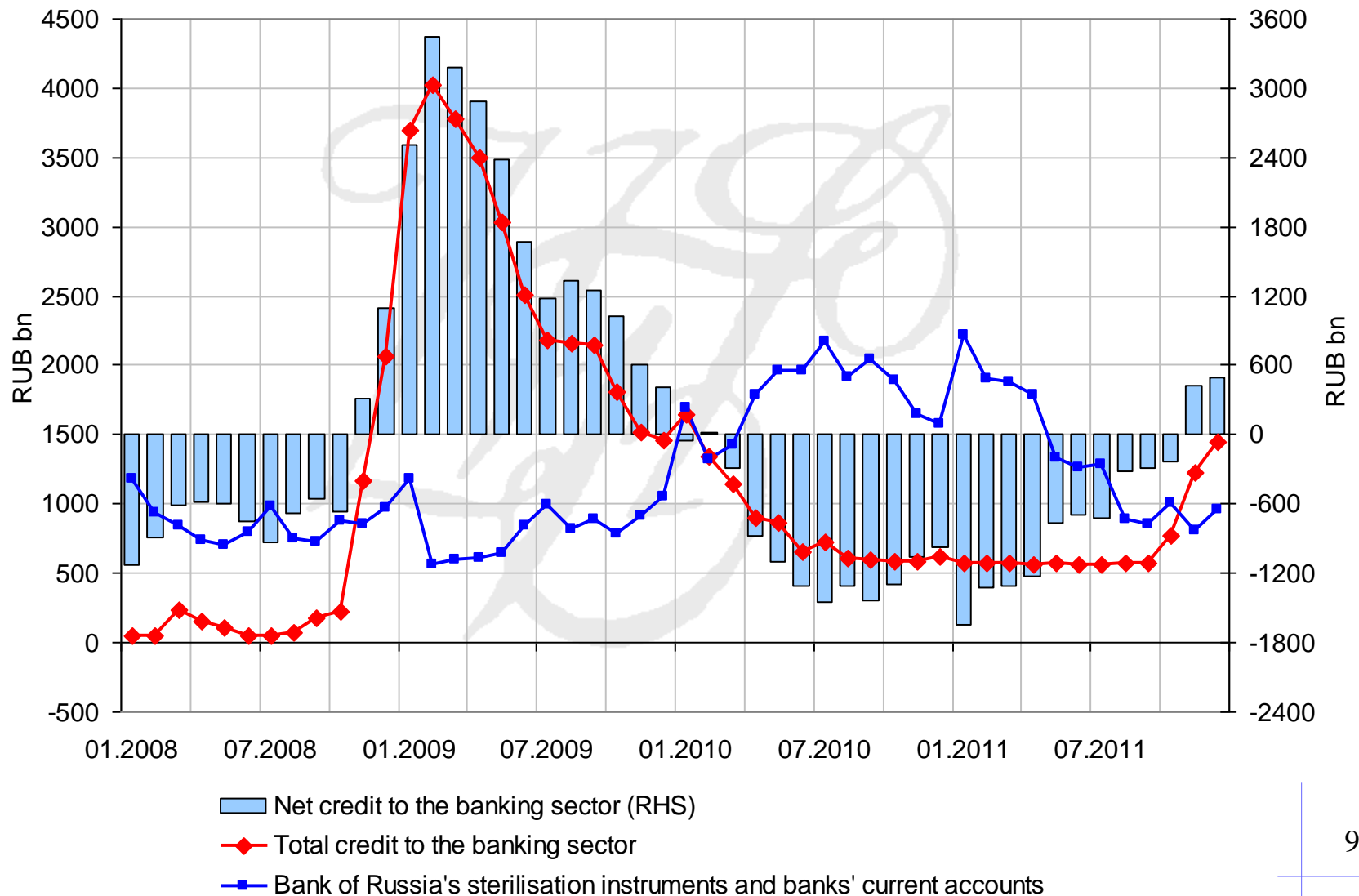


- ◆ The scale of the BoR main refinancing operations has increased due to the deficit of liquidity but is low relative to the crisis period

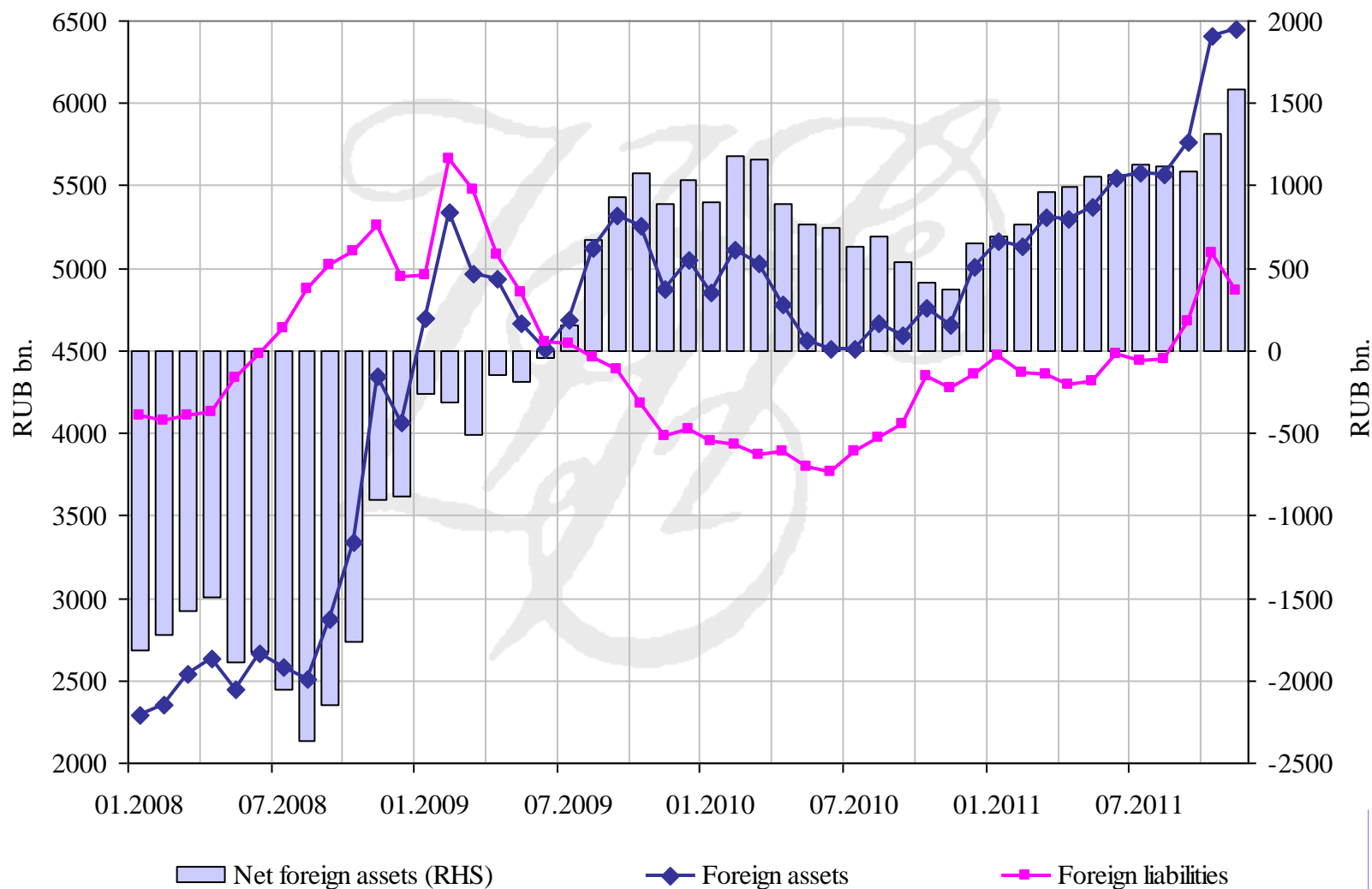




# Net and gross credit of the BoR to the banking sector

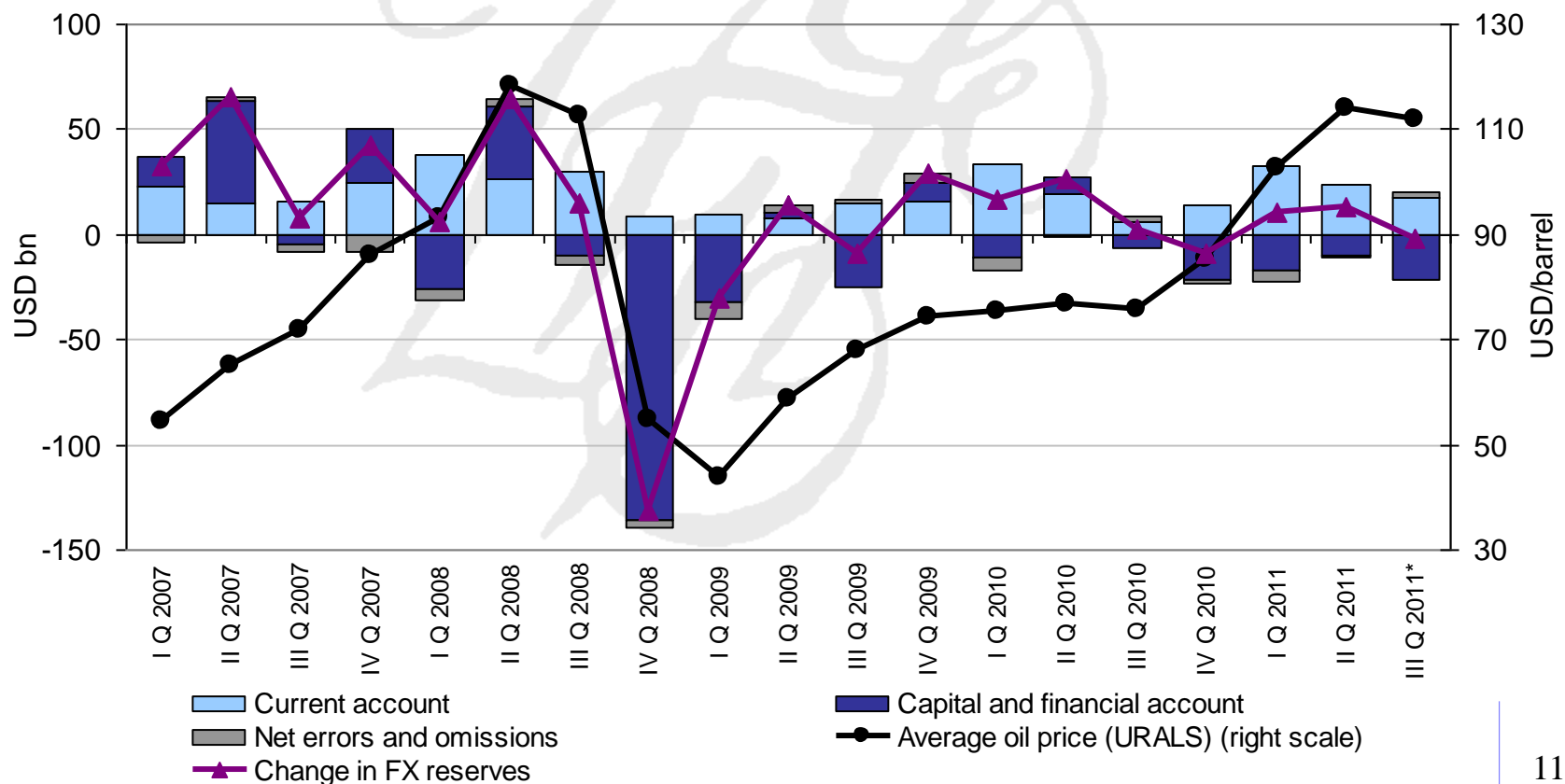


# Net foreign assets of the banking sector



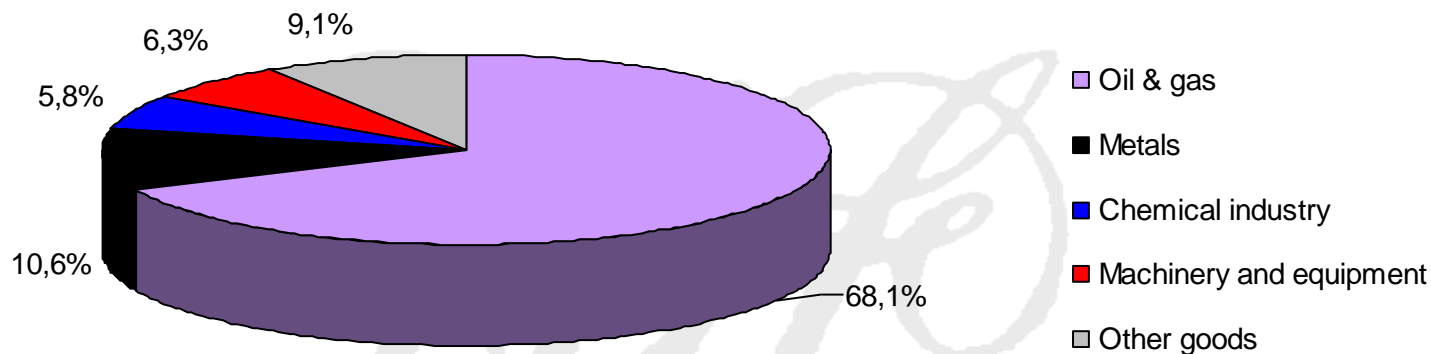
# Balance of payments

- ♦ Russia enjoys a CA surplus (thanks to its TB surplus)
- ♦ Intensified capital outflow in the 3Q of 2011 created pressure on RUB and forced BoR for the first time this year to sell FX on the market

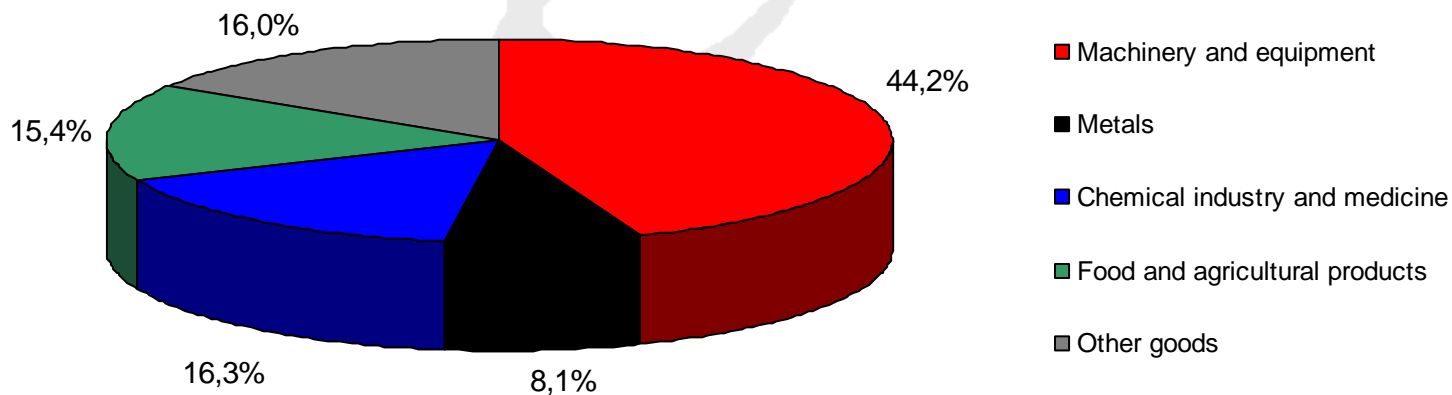


# Structure of export and import

Export structure in 2010

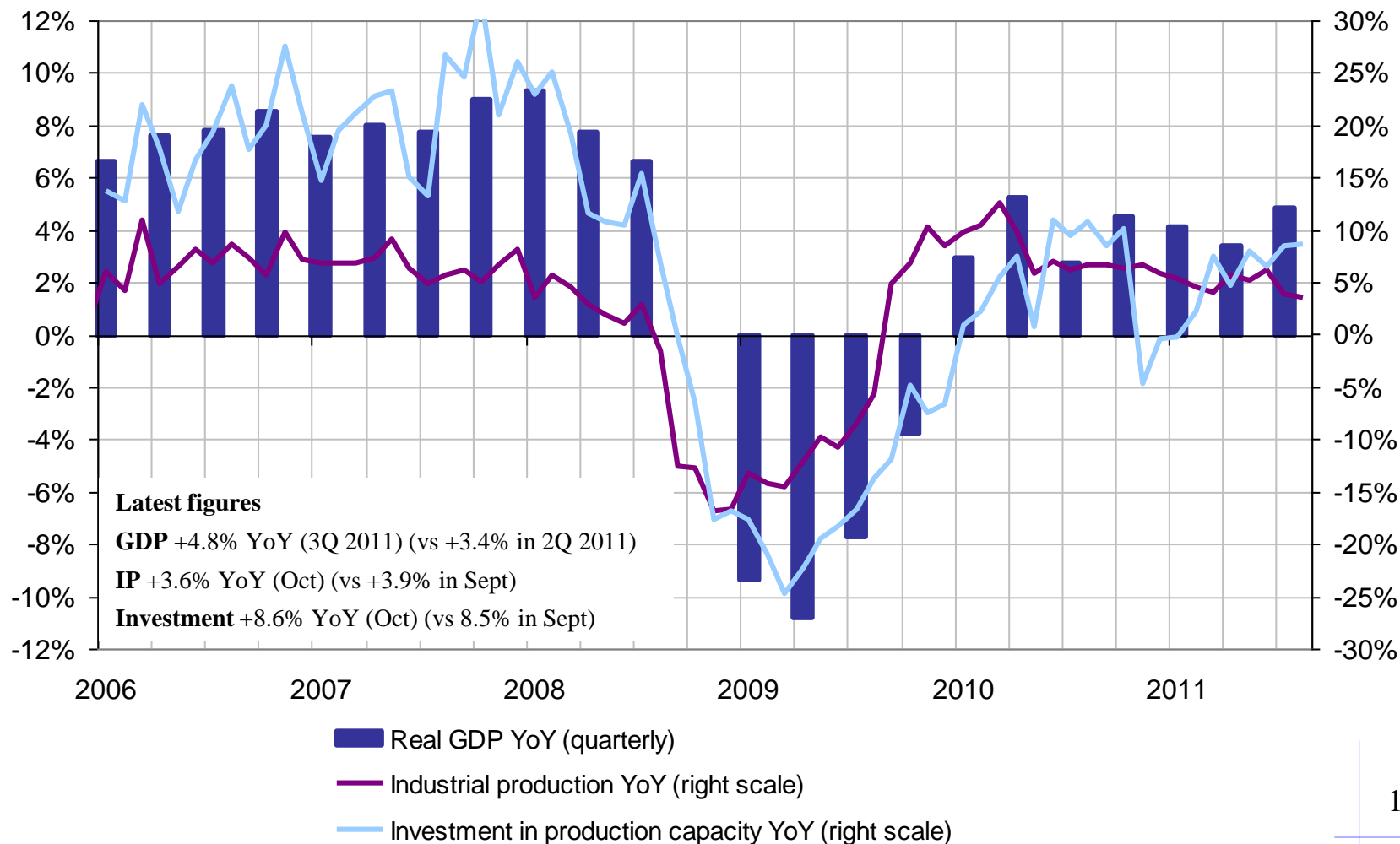


Import structure in 2010



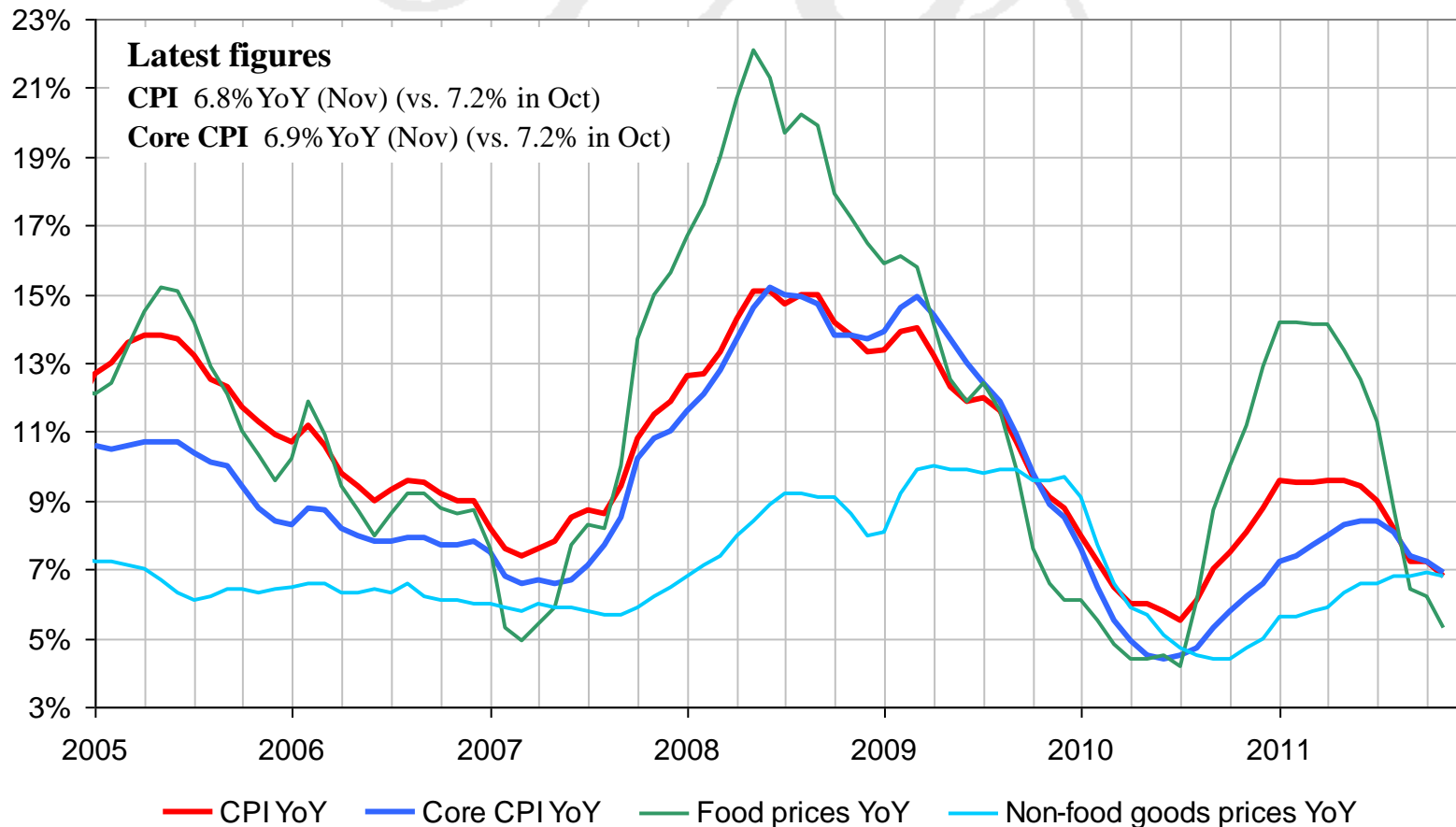
# Economic growth

- ◆ The growth pace remains moderate



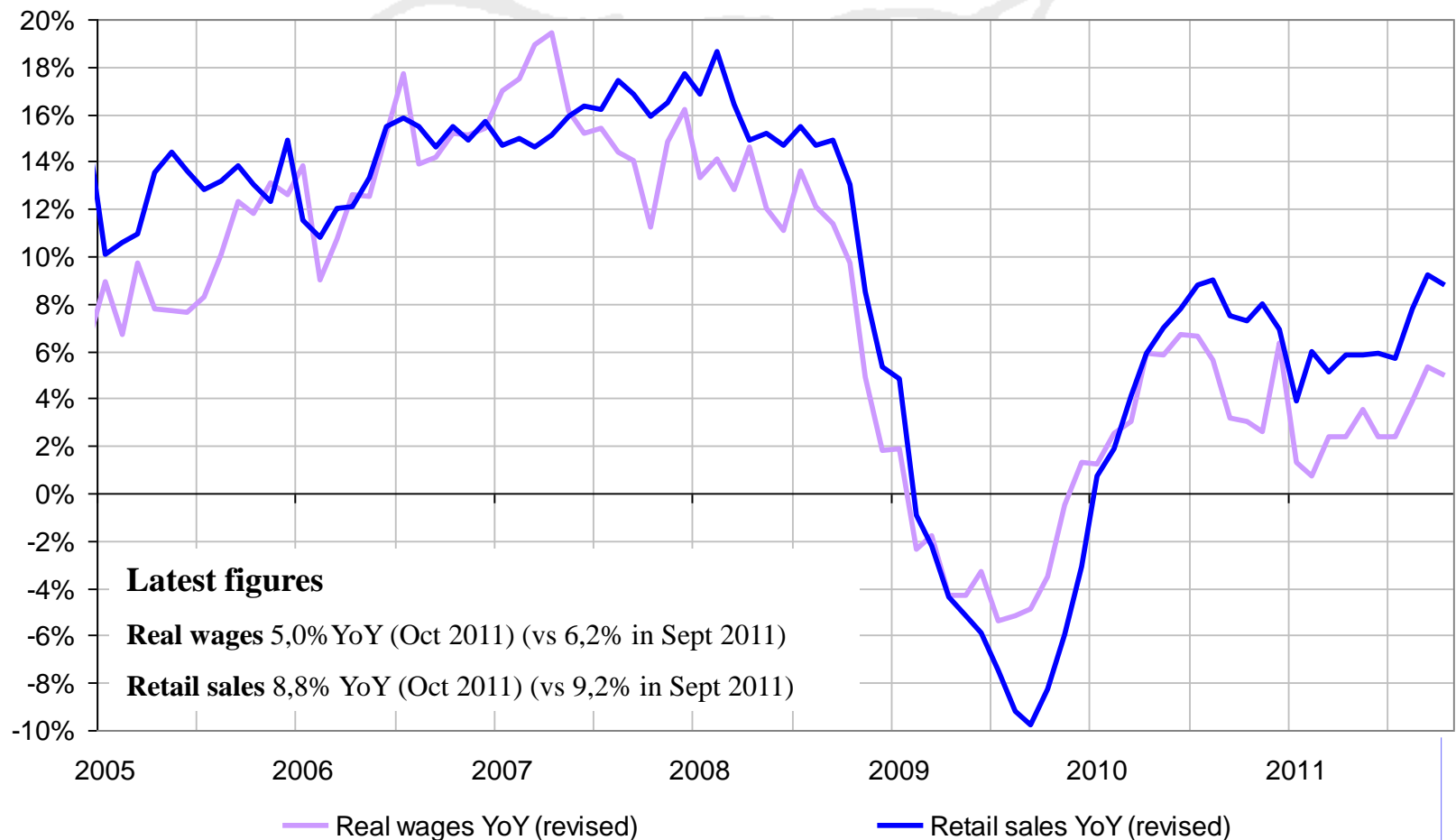
# Inflation

- ◆ Food price shock effect of the 2H2010 has almost come to an end by now
- ◆ Inflation has declined substantially, but could grow together with consumers' demand
- ◆ Base effect supports inflation deceleration in YoY terms
- ◆ Consequences of the RUB depreciation in August-September are yet to be seen (estimates of the pass-through effect, based on previous episodes, range from 0.1 to 0.3)



# Consumption

- ◆ Growth of consumption is robust, supported by labour market conditions
- ◆ Retail sales have been growing faster than real income & wages for some time, indicating a decline in propensity to save





# Central Bank Balance Sheet (surplus)

## Assets:

- ♦ FX
- ♦ Government
- ♦ OMOs
- ♦ Others

## Liabilities:

- ♦ Notes
- ♦ Required reserves
- ♦ Free reserves
- ♦ Capital





# Central Bank Balance Sheet (deficit)

## Assets:

- ◆ FX
- ◆ Government
- ◆ Others

## Liabilities:

- ◆ Notes
- ◆ Required reserves
- ◆ OMOs
- ◆ Capital