

Interest Rate Unchanged For Present

By [The Moscow Times](#)

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The Central Bank on Friday left its main interest rates unchanged for a sixth month to avoid stunting economic growth even as inflation accelerated.

The bank kept the refinancing rate at a record-low 7.75 percent, matching the forecast of all 20 economists in a Bloomberg survey. The bank also left the repurchase rate on one- and seven-day loans unchanged at 6.75 percent. The regulator last cut rates on May 31.

“The inflationary risks that are due to monetary factors remain at an acceptable level,” the Central Bank said in a statement on its web site, adding that annual inflation rose to 7.8 percent through Nov. 22.

“We think the rates for the near future are comfortable for market participants,” Alexei Ulyukayev, the Central Bank's First Deputy Chairman, said Nov. 24. “They succeed in achieving a balance between risks of higher inflation and risks to economic growth.”

The bank will base its rate policy next year on the pace of economic expansion, consumer-

price growth and current-account surplus, Ulyukayev said.

The bank, which has kept its rates unchanged for five straight months after 14 reductions since April 2009, may raise the refinancing rate a quarter point to 8 percent by the end of the first quarter next year, according to the median estimate of 19 economists surveyed by Bloomberg.

“The need to raise rates is increasing,” said Vladimir Osakovsky, an economist at UniCredit. Osakovsky said the regulator will likely keep rates unchanged through the end of the year before tightening monetary policy at the start of 2011.

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