

Inflation Stable for November

By [The Moscow Times](#)

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Inflation stabilized in November, giving the Central Bank more reason to leave key interest rates unchanged at its policy meeting on Monday in order to support economic growth.

Consumer prices rose 6.5 percent year on year last month, unchanged from October, data from the State Statistics Service showed.

The data bodes well for the Central Bank's recently revised 2012 inflation forecast of 6.5-6.7 percent.

In monthly terms, prices rose 0.3 percent in November, while analysts polled by Reuters had expected a 0.5 percent rise.

The surprising moderation in headline inflation, with small increases in prices of most dairy products outweighing higher prices for bread and alcohol, points to interest rates being left unchanged for the third straight month in December.

"Declining inflation combined with a weak growth outlook are likely to shift the Central Bank's concerns from inflation to growth," VTB Capital analysts wrote in a note.

Gross domestic product grew by 2.9 percent in the third quarter, down from 4.0 percent in the second quarter.

Analysts at Barclays said in a recent research note that inflation is likely to jump sharply in January, due to a usual hike in household utility tariffs.

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