

# Central Bank Says Inflation Has Peaked

By [The Moscow Times](#)

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Inflation has already peaked, a senior monetary official said Tuesday, but there is no consensus in the Central Bank on whether to further tighten the gap between lending and deposit rates.

"Some people think we need more [narrowing of the interest rate corridor]; others believe it is enough. Let's see how we go through the first quarter," Central Bank deputy chairman Sergei Shvetsov told journalists on the sidelines of a financial conference.

The bank tweaked its policy rates Monday, saying the move would reduce market volatility. The bank also signaled its intent to keep interest rates on hold in the near future.

It raised its fixed deposit rate 25 basis points to 4.5 percent while cutting its foreign exchange swap rate for rubles 25 basis points to 6.5 percent. But it kept key lending rates unchanged.

Reducing the spread between the Central Bank's deposit and lending rates is part of its long-term strategy of shifting toward inflation-targeting and away from controlling the ruble's

exchange rate, which would allow the currency to float.

The International Monetary Fund has on numerous occasions urged Russia's monetary officials to streamline their policy instruments to one central rate and a band around it of 200 basis points.

Inflation was stable at 6.5 percent in November, with virtually no changes in prices across a wide range of products. However, the rate remained above the Central Bank's 5 to 6 percent target.

"The peak of inflation is over in our view," Shvetsov said. "Inflation has started to decline, and we do not see factors that could push inflation [higher]."

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