

Central Bank Might Hold Rates

By [The Moscow Times](#)

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The Central Bank is likely to keep interest rates on hold on Wednesday, before its new head takes office, caught between stubbornly high inflation and a slowing economy.

The bank has come under political pressure to cut lending rates to boost economic growth, which has slowed sharply in recent months and came to just 1.1 percent in the first quarter.

The central bank may set a more "dovish," or expansionary, monetary course when Kremlin economic aide Elvira Nabiullina, a trusted adviser to President Vladimir Putin, takes over next month.

But a majority of analysts believe the bank will stay its hand this month, in line with its key policy objective of reducing inflation.

"We believe inflation remaining above the target is an overwhelming reason for the [Central Bank] to keep its key policy parameters unchanged," Vladimir Pantyushin, an economist at Barclays Capital, said before the monthly meeting.

(Reuters)

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