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Russia's Central Bank Says Monetary Policy Remains Tight

By The Moscow Times

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Dmitry Tulin

The Russian Central Bank's First Deputy Governor Dmitry Tulin said the bank's monetary policy, which targets inflation, remains tight, but March's rate decision will depend on the latest macroeconomic data.

"Based on February data our policy remains tight," Tulin said in an interview authorized for release on Thursday. "We need to wait until the March meeting — there will be new information, new data, consumer polls, their expectations."

The Central Bank, which unexpectedly cut its key policy rate in January by 200 basis points to 15 percent, is to meet on March 13 to decide on rates.

In his first public remarks since he replaced Ksenia Yudayeva as the head of monetary policy, Tulin said the bank's "instincts and acquired reflexes" were still geared toward the goal of

lowering inflation, reiterating the aim of 4 percent inflation by the end of 2017.

He also said that there are "indirect" signs that inflationary expectations are declining, reiterating that inflationary expectations remain a chief factor for deciding on the level of the key rate.

He added that "nothing terrible" will happen if inflation reaches 20 percent in the second quarter, as the bank still expects inflation to decline soon.

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