

Russian Central Bank Lowers Key Interest Rate

By [The Moscow Times](#)

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The Russian Central Bank lowered its key interest rate by 0.5 percentage points to 10.5 percent on Friday, the TASS state news agency reported. The last time the bank lowered the interest rate was in August 2015.

Following a meeting of the Board of Directors, the bank decided to lower the rate based on recent perceived positive trends in inflation patterns.

“The Board of Directors notes positive process of inflation stabilization, decline of inflation expectations and inflation risks amid signs of an approaching phase of growing recovery,” the bank's report said, TASS reported.

The report said the decision was also based on positive GDP trends in Q1 of this year, as well as macroeconomic indicators in April, which reflect the growing ability of the Russian economy to withstand fluctuations in the price of oil.

With the next meeting of the bank's Board of Directors to take place on July 29, the report mentioned the future of the rate.

“The Russian Central Bank will consider the possibility of further reduction of the key rate, assessing inflation risks and compliance of dynamics of inflation deceleration with the target trajectory,” the report said.

The ruble continued to fall following the announcement, but stabilized later in the day after the dollar and euro fell to 64.7 and 73.2 rubles, respectively.

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