

Russia's Central Bank Sees Scope for More Rate Cuts

By [Reuters](#)

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The next rate-setting meeting is in three weeks. **Wikicommons**

The Russian Central Bank sees room for further rate cuts, First Deputy Chairwoman Ksenia Yudayeva said Friday, sending a dovish signal three weeks before the bank's next rate-setting meeting.

The Central Bank cut its key interest rate to 7% in early September, lowering the cost of borrowing for the third time this year, and said another rate cut was possible at one of the next three board meetings.

"In principle, indeed, we will study and consider various effects each time (when making a decision) but we see a certain scope for lowering (the rate) further," Yudayeva told budget hearings in parliament's upper house.

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The cuts have taken place against a backdrop of slowing inflation and sluggish economic growth, which also prompted the Central Bank to lower its gross domestic product forecasts. Analysts took Yudayeva's message as an indication that the Central Bank is ready to lower its main interest rate in the nearest future.

"The Central Bank is giving a clear signal about its readiness to lower the rate already at the upcoming board meeting," said Kirill Tremasov, a former economy ministry official and now head of research at Loko-Invest. The next two rate-setting meetings are scheduled for Oct. 25 and Dec. 13.

A monthly Reuters poll of analysts showed this week that the Central Bank is widely expected to lower its key rate to 6.75% in the fourth quarter as inflation is on track to fall below its 4% target.

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