

MNI CBR Preview: December 2025

Details:

- **Monetary policy decision:** 10:30 GMT/13:30 local time, Friday 19th December 2025
- **Post-decision press conference:** 14:00 GMT/17:00 local time

MNI Point of View:

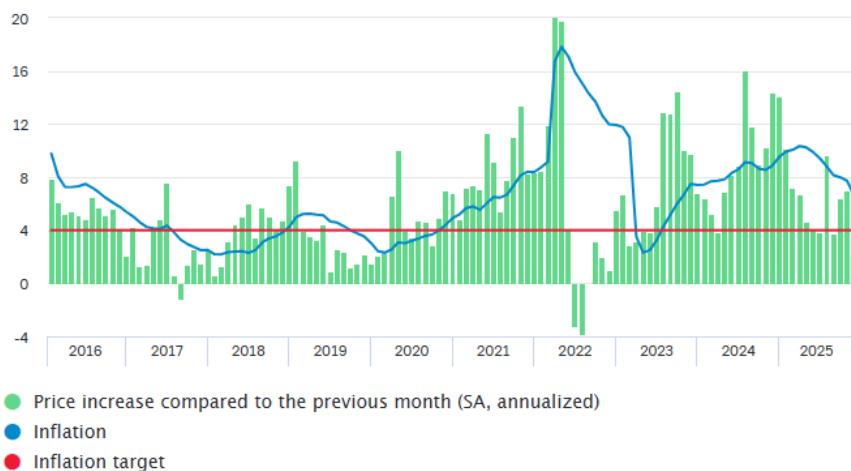
The CBR is expected to continue with monetary policy easing following two months of lower-than-expected inflation readings. Governor Elvira Nabiullina has previously advised that further easing is to be approached with caution, and therefore a larger 100bp rate cut is seen only as an outside possibility, particularly given the recent increase in household inflation expectations. According to a poll published by Vedomosti, 17 of 23 analysts expect the central bank to lower its key interest rate by 50bps to 16.00%.

At its meeting in October, the CBR lowered the key rate by 50bps to 16.50%. Its discussions included a larger 100bp cut as well as no change. When discussing the size of the key rate cut, most participants agreed that 50bps would address both slowing economic growth as well as receding inflationary pressures since the beginning of the year. At the same time, the more cautious option was seen as acknowledging still-present inflationary risks. Participants were unanimous in their choice of signal: a neutral signal must be maintained. The Bank also repeated guidance that stabilising inflation to target will require a prolonged period of tight monetary policy.

Since then, Russia has recorded two consecutive months of below-estimate headline inflation readings. In November, annual CPI inflation slowed to +6.6% Y/Y from +7.7% Y/Y in October. The CBR noted that seasonally adjusted monthly price growth slowed to 2.2% on an annualised basis – significantly less than the 7.0% in October – with the decline in inflation driven not only by volatile goods and services components, but by falling gasoline and food prices.

Despite the continued fall in headline inflation, household inflation expectations remain at concerning levels, jumping from 12.6% in October to 13.3% in November, and again in December to 13.7%. The increase here is likely in part due to the expectation of the 2% VAT increase from January in addition to other regulatory price changes. But given that Governor Nabiullina has stressed that decisions will be made prudently, this data will likely be enough to err the CBR on the side of caution with a 50bp cut instead of 100bps.

Figure 1: Headline inflation continues to trend lower towards target (Source: CBR)



Central Bank Watch:

MNI CBR Data Watch List							2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Inflation	Current	3m ago	3m Chg	6m ago	6m Chg						
CPI YoY % y/y	6.6	8.1	⬇️	9.9	⬇️						-2.00
CPI Core YoY % y/y	6.1	8.0	⬇️	8.9	⬇️						-1.78
PPI YoY % y/y	0.7	-0.3	⬆️	2.7	⬇️						-0.17
Oil Price (Brent Active) \$/bbl	60.33	66.27	⬇️	61.64	⬇️						-0.68
Economic Activity	Current	3m ago	3m Chg	6m ago	6m Chg		2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Markit Russia Manuf PMI Index	48.3	48.7	⬇️	50.2	⬇️						-1.04
Markit Russia Services PMI Index	52.2	50.0	⬆️	52.2	➡️						1.12
Industrial Production YoY % y/y	3.1	0.7	⬆️	1.3	⬆️						1.97
Trade Balance NSA \$bn	11.14	13.25	⬇️	8.59	⬆️						0.31
Monetary Analysis	Current	3m ago	3m Chg	6m ago	6m Chg		2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Money Supply Narrow Def % y/y	19.07	18.68	⬆️	18.03	⬆️						2.14
Citi Russia Terms of Trade \$	51.53	51.57	⬇️	49.16	⬆️						-0.01
Consumer / Labour Market	Current	3m ago	3m Chg	6m ago	6m Chg		2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Retail Sales Real YoY % y/y	4.8	2.0	⬆️	1.9	⬆️						-0.28
Consumer Confidence Index	-9.0	-9.0	➡️	-7.0	⬇️						-0.11
Unemployment Rate %	2.2	2.2	➡️	2.3	⬇️						-0.20
Real Wages YoY % y/y	4.7	5.1	⬇️	0.1	⬆️						0.35

Note: For quarterly data the 3m ago column will display the previous data point and the 6m ago column will display the data point prior to that.

Source: MNI, Bloomberg

Analyst Views:

8 of the 10 analysts surveyed by Bloomberg expect a 50bp cut to 16.50%. The remaining 2 forecast a slightly larger 100bp reduction to 16.00%.

Goldman Sachs: Expect Another 50bp Cut Following Sharper-Than-Expected Inflation Declines

- Goldman Sachs expect the CBR to lower the key rate by another 50bps to 16.00%. They note that inflation has fallen more than they or the Bank expected in the last two months. They add that the sharper-than-expected fall in inflation in November was helped by lower food and gasoline prices, but more stable parts of inflation – in particular among services – also declined more quickly than they had forecast.
- While this raises the risk of a larger cut, Goldman Sachs think the Bank is likely to cut at the same increment of 50bps as in the last meeting for two reasons. First, despite the fall in inflation, household inflation expectations increased, likely driven by the anticipation of the 2% VAT increase in January as well as changes to other regulatory prices that will have a positive impact on annual inflation. Second, realised prices for Russian oil exports have fallen sharply in recent months.

JP Morgan: Expect 50bp Cut, But Risks Skewed Towards Larger 100bp Move

- JP Morgan expect the CBR to cut 50bps to 16.00%, but they note that risks are skewed toward a larger 100bp cut thanks to a very soft CPI print in November.