

MNI CBR Preview: October 2025

Details:

- **Monetary policy decision:** 1130 BST/1330 local time, Friday 24th October 2025
- **Post-decision press conference:** 1300 BST/1500 MSK

MNI Point of View:

The CBR is expected to continue with monetary policy easing given the absence of any new significant inflationary risks. However, Governor Elvira Nabiullina has previously advised that further easing is to be approached with caution, meaning an unchanged decision remains a possibility as well. According to a poll published by Vedomosti, 10 out of 22 economists expect the CBR to keep the key rate unchanged at 17%, 6 predict it will lower the rate by another 100bps to 16%. The remaining 6 also expect another cut, but their range of estimates varies between 50-200bps.

At its meeting in September, CBR policymakers considered either reducing the key rate by 100bps or leaving it unchanged at 18%, before voting in favour of the former. The stabilisation of inflation above the Bank's target, uneven economic activity trends and lagged inflationary effects of monetary and fiscal policy were cited as the main arguments in favour of a hold. But the expectation that inflation expectations will decline alongside headline inflation as well as slower economic activity data for 1H-2025 ultimately led participants to opt for a 100bp cut instead – which was below the 200bp move expected by analysts.

Minutes from the meeting stated that the CBR was unanimous in the choice of signal: “a neutral signal must be maintained, as inflationary risks prevail over the forecast horizon. The Bank of Russia may need to pause in its key rate cuts.” The Bank also stated that “Further key rate decisions will be made depending on the sustainability of the inflation slowdown and the dynamics of inflation expectations.”

In her post-decision press conference, Governor Elvira Nabiullina said “we need to proceed cautiously in our decisions, assessing the further adjustment of monetary conditions and the market reaction.” She noted that inflationary risks – including elevated levels of inflation expectations – still prevail, and that the labour market remains a “significant risk”, with tensions likely to persist for a long time or even worsen.

Since then, inflation has remained on a generally benign path – annual inflation eased slightly to 7.98% in September from 8.14% in August, while the month-on-month figure rose 0.34%. The central bank note that price increases for food and non-food products, excluding the most volatile items such as oil products, vegetables, and fruits, remained near August's levels, and that on average the slowdown in price growth for some product groups offset the increases seen in others. More concerning is the significant jump in seasonally adjusted monthly price growth – to 6.7% Y/Y in September from +4.0% in August – although the CBR say this can be explained by one-off factors.

Overall, it appears likely that the CBR will deliver another rate cut at this month's meeting, though just over half of the economists polled by Vedomosti expect easing to continue. 10 out of 22 economists and other experts surveyed by the newspaper expect the CBR to keep the key rate unchanged at 17%, 6 predict it will lower the rate by another 100bps to 16%. The remaining 6 also expect another cut, but their range of estimates varies between 50-200bps.

Central Bank Watch:

<div> Central Bank Watch - Central Bank of Russia </div>										
October 20, 2025										
MNI CBR Data Watch List										
		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index
Inflation										
CPI YoY	% y/y	8.0	9.4	↓	10.3	↓				-0.66
CPI Core YoY	% y/y	7.7	8.7	↓	9.7	↓				-1.61
PPI YoY	% y/y	-0.4	0.3	↓	9.8	↓				-0.88
Oil Price (Brent Active)	\$/bbl	60.99	64.91	↓	71.14	↓				-0.07
Economic Activity										
Markit Russia Manuf PMI	Index	48.2	47.5	↑	48.2	→				-1.28
Markit Russia Services PMI	Index	47.0	49.2	↓	50.1	↓				-1.79
Industrial Production YoY	% y/y	0.5	1.4	↓	-0.9	↑				-0.29
Trade Balance NSA	\$bn	7.47	7.94	↓	11.01	↓				-0.93
Monetary Analysis										
Money Supply Narrow Def	% y/y	18.88	18.26	↑	17.94	↑				2.20
Citi Russia Terms of Trade	\$	52.13	52.30	↓	56.48	↓				-0.09
Consumer / Labour Market										
Retail Sales Real YoY	% y/y	2.8	1.8	↑	1.8	↑				-0.94
Consumer Confidence	Index	-9.0	-9.0	→	-7.0	↓				-0.11
Unemployment Rate	%	2.1	2.2	↓	2.4	↓				-1.53
Real Wages YoY	% y/y	6.6	4.6	↑	6.5	↑				0.44

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

Sell-Side Views:

Raiffeisenbank: Inflation situation, stronger RUB allows for easing

- Inflation situation still allows for the CBR to lower the key rate by 100bps at the October meeting.
- Given the strong RUB exchange rate, the likelihood of easing has increase, however the probability of unchanged is also significant an increase in the general inflation level, whatever the cause, has usually pushed the CBR to be more cautious.

Scotiabank: Difficult decision, but governor could have more confidence to ease this week

- Governor Nabiullina had said at the last decision on September 12th that a pause was considered before ultimately delivering a 100bps cut to 17% that was half of what consensus expected.
- Her concern was uncertainty over fiscal policy developments. Shortly after the decision, the Ministry of Finance offered refreshed guidance on a budget rule that had analysts believing the signal favoured less fiscal stimulus going forward. That could give more confidence for the Governor to deliver another sizeable cut this week on the heels of recently cooler inflation but still very elevated expectations.

Veles Capital: Could Cut Key Rate by 100bps

- Bank will be choosing between maintain rates, or cutting by 100bps.
- Comments in Autumn have not reflected any heightened concerns regarding the new budget parameters for the current and subsequent periods.
- The main argument in favour of easing is the absence of new inflationary risks from the budget.