MNI CBR Preview: September 2025

Details:

- **Monetary policy decision:** 11:30 BST/13:30 local time, Friday 12th September 2025
- **Post-decision press conference:** 13:00 BST/15:00 MSK

MNI Point of View:

The CBR is expected to continue with monetary policy easing, with ongoing benign inflation developments justifying further rate cuts. Governor Elvira Nabiullina has previously advised that further easing is to be approached with caution but concerns over an inflation resurgence have not been realised. Among sell-side, most analysts expect the CBR to deliver another 200bp cut, but a not-insignificant minority expect a more cautious 100bp step.

At its meeting in July, CBR policymakers considered proposals to reduce the key rate by 100, 150 and 200bps. The reduction by 100 and 200bps were discussed in the most detail, with the Board eventually voting for the latter. When assessing the risk of a smaller step, it was determined that this could lead to a significant and prolonged deviation of inflation down from 4%. Meanwhile, a faster fall in realised inflation than was previously expected instead warranted a larger 200bp move.

Two signal options were considered: a moderately soft signal (on assessing the advisability of reducing the key rate at the next meetings) and a neutral signal (without indicating the direction of further steps). Most participants agreed that it was necessary to maintain the latter given pro-inflationary risks still prevail over the forecast horizon. Indeed, the CBR stated that it may need pauses in the cutting cycle.

In her post-decision press conference, Governor Elvira Nabiullina noted that most measures of underlying inflation decreased to 4-6% – and that this happened earlier than forecast – while the slowdown in annual inflation prompted a downward revision to the central bank's forecast to 6–7% as of the end of this year. Since then, inflation has remained on a more benign path – annual inflation eased from 8.14% in August from 8.79% in July, while the monthly figure fell 0.40% (Est: -0.22% M/M), marking a 3 year low for the month-on-month series. The deflation was in large part due to a fall in food prices (-0.81% M/M), which was driven by a 10.02% drop in prices for fruits and vegetables. Non-food prices rose 0.42% while services prices decreased by 0.62%.

On the other hand, Deputy Governor Alexey Zabotkin has recently pointed to elevated inflation expectations which he says limits the room to cut the key rate. He said premature and excessive rate cuts won't save budget funds but will cause extra spending in future, and that while there has been significant progress in the fight against inflation, it is too early to declare that targets have been reached.

Overall, it is highly likely that the CBR will deliver another rate cut at this month's meeting. What is less certain is the scale of such a move. 7 of the 9 economists polled by Bloomberg expect a 200bp cut (1 expects a more moderate 100bp cut while 1 expects no change). Meanwhile, 12 out of 23 respondents to a Vedomosti poll expect a reduction of 200bps. 8 expect a more cautious 100bp cut while the remaining 3 are undecided between 100 and 200bps.

Business Address – MNI Market News, 3rd Floor, 1 Great Tower Street, London, EC3R 5AA

Central Bank Watch:

mni **Central Bank Watch - Central Bank of Russia**

September 11, 2025

MNI CBR Data Watch List

Inflation		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
CPI YoY	% y/y	8.1	9.9	↓	10.1	↓					-0.38
CPI Core YoY	% y/y	8.0	8.9	↓	9.6	↓					-1.74
PPI YoY	% y/y	-0.3	2.7	↓	9.7	↓					-1.10
Oil Price (Brent Active)	$/bbl	67.48	61.40	↑	70.05	↓					0.03
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	48.7	50.2	↓	50.2	↓					-1.21
Markit Russia Services PMI	Index	50.0	52.2	↓	50.5	↓					-0.35
Industrial Production YoY	% y/y	0.7	1.3	↓	0.9	↓					-0.37
Trade Balance NSA	$bn	9.26	11.69	↓	10.08	↓					-0.43
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	18.68	18.03	↑	18.07	↑					1.68
Citi Russia Terms of Trade	$	51.57	49.16	↑	54.12	↓					-0.41
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	2.0	1.9	↑	4.7	↓					-1.19
Consumer Confidence	Index	-8.0	-7.0	↓	-13.0	↑					0.45
Unemployment Rate	%	2.2	2.3	↓	2.4	↓					-1.05
Real Wages YoY	% y/y	5.1	0.1	↑	11.3	↓					-0.06

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 (Alphabetical):

Goldman Sachs: Expect 200bp Key Rate Cut as Underlying Growth Momentum Well Below Potential

- With the underlying growth momentum well below potential and recent sequential inflation implying an annualised rate close to the 4% target, Goldman Sachs think the CBR will cut the key rate by 200bps. They estimate that real rates remain in double digits and, combined with continued RUB strength, financial conditions remain very tight.
- They note that the guidance of the Bank has remained cautious, citing pro-inflationary risks, with fiscal loosening in their view the prime risk. Additionally, inflationary expectations of households have ticked up again, from 13% in July to 13.5% in August. However, Goldman think this is mostly related to the increase in petrol prices given the loss of refinery capacity as a result of drone strikes and we expect that the CBR will look through this factor.

JP Morgan: Expect 200bp Cut, But Risks Skewed to Smaller 100bp Cut

- JP Morgan say the CBR will likely deliver another large 200bp cut as the economy has lost momentum, with inflation following suit. They estimate that growth is tracking around 1% this year, and inflation is tracking ~6%oya for end-2025, both at the low-end of the CBR's forecast ranges.
- They note that the only two problematic elements of the otherwise dovish macro picture are (i) still elevated household inflation expectations, and (ii) budget spending tracking above plan. Risks at this meeting are skewed towards a smaller 100bp cut, JPM add.

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