



National Bank
of Ukraine

Presentation to the press briefing on monetary policy

January 2024



Key messages

- The Board of the National Bank of Ukraine has taken a decision to keep its key policy rate unchanged. Other interest rates on the NBU's transactions with the banks remain unchanged as well
- The decision to make no changes to the key policy rate meets the need to maintain exchange rate sustainability, keep inflation moderate in 2024, and bring it into the target range of 5% ± 1 pp over the monetary policy horizon
- The baseline scenario of the NBU's forecast, which assumes that Ukraine will receive sufficient international financing and that security risks will ease from next year, envisages a slight reduction of the key policy rate starting in H2 2024. The NBU will adjust its monetary policy if the balance of risks to inflation and exchange rate sustainability changes

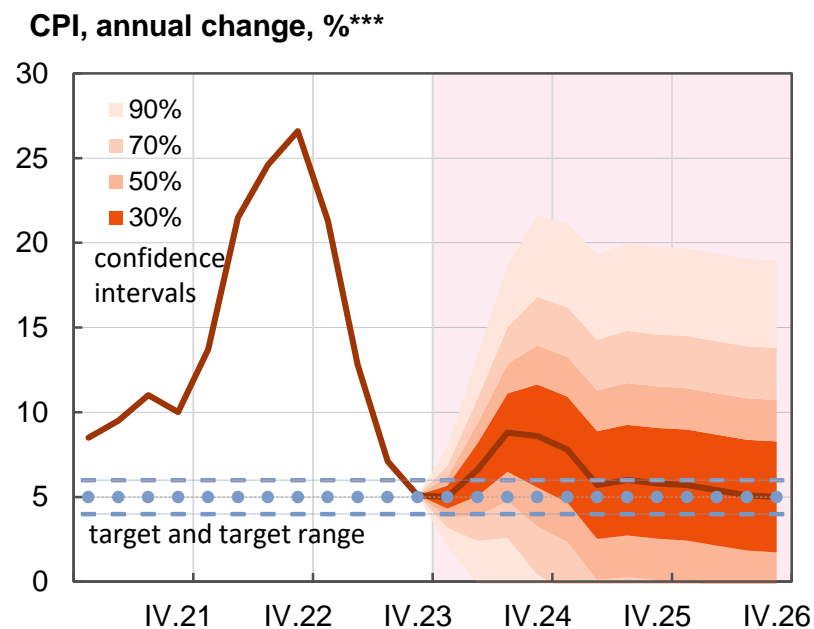
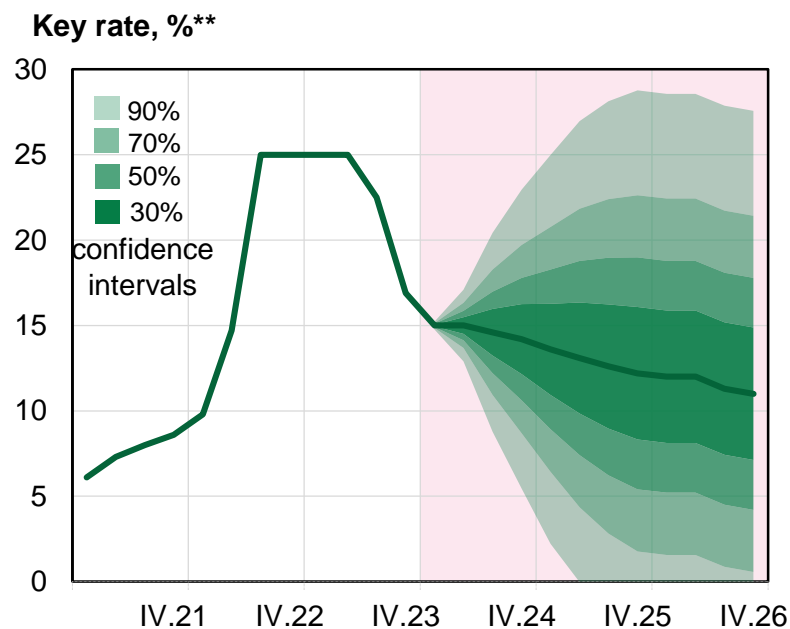
Key macroeconomic indicators*

	2023	2024	2025	2026
Real GDP, change, %	5.7 (4.9)	3.6 (3.6)	5.8 (6.0)	4.5
Nominal GDP, UAH bn	6 510 (6 625)	7 580 (7 730)	8 710 (8 900)	9 690
CPI, y-o-y, % (eop)**	5.1 (5.8)	8.6 (9.8)	5.8 (6.0)	5.0
Core CPI, y-o-y, % (eop)**	4.9 (5.7)	6.4 (8.6)	3.1 (3.0)	2.9
Current account balance, USD bn	-9.7 (-7.3)	-16.9 (-11.0)	-19.8 (-17.6)	-23.8
Gross reserves, USD bn	40.5 (41.8)	40.4 (44.7)	42.1 (45.0)	36.9

* in brackets – previous forecast (Inflation report, October 2023)

** end of period (December to December of previous year)

Key rate and inflation forecast*



* The forecast is given in a fan chart. This chart type is used to illustrate uncertainty with regard to predicted future values. For instance, the probability that the indicator will be in the range of the darkest shaded area in the chart (around the central line) is 30%. The same applies to other chart areas, implying the 90% probability that the indicator will be in the range of the lightest shaded area.

** quarter average

*** end of quarter