



National Bank
of Ukraine

Presentation to the press briefing on monetary policy

October 2021



Key messages

- The NBU has decided to keep its key policy rate at 8.5% per annum. This decision comes in line with a decline in inflation to 5% at the end of next year projected in the baseline scenario of the updated macroeconomic forecast
- In order to bring inflation back to the target of 5%, the NBU will have to maintain the key policy rate of not less than 8.5% at least by Q3 2022
- If additional pro-inflationary risks materialize, the NBU will be ready to raise the key policy rate and apply other monetary tools at the meeting in December

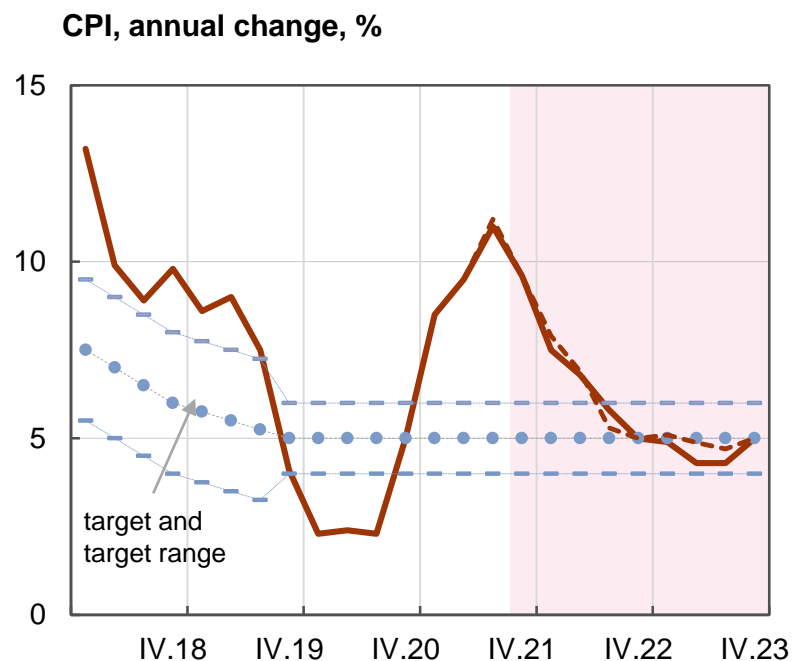
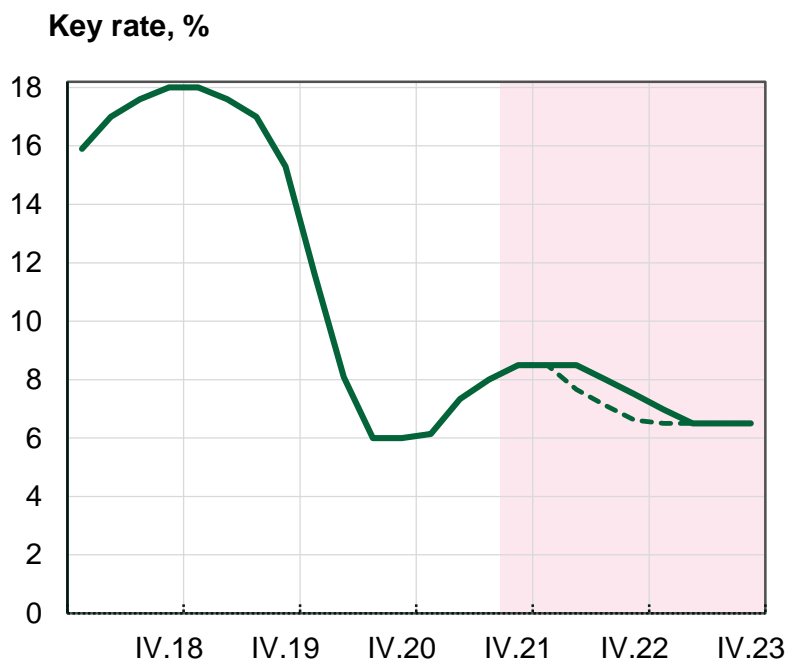
Key macroeconomic indicators*

	2019	2020	2021 forecast	2022 forecast	2023 forecast
Real GDP, change, %	3.2	-4.0	3.1 (3.8)	3.8 (4.0)	4.0 (4.0)
Nominal GDP, UAH bn	3 977	4 192	5 190 (4 975)	5 750 (5 485)	6 300 (6 000)
CPI, y-o-y, % (eop)**	4.1	5.0	9.6 (9.6)	5.0 (5.0)	5.0 (5.0)
Core CPI, y-o-y, % (eop)**	3.9	4.5	7.1 (7.3)	3.3 (4.0)	4.0 (4.0)
Current account balance, % GDP	-2.7	3.4	-1.0 (-0.4)	-2.6 (-2.8)	-4.0 (-4.2)
Gross reserves, USD bn	25.3	29.1	31.1 (31.3)	30.2 (31.6)	29.6 (31.7)

* in brackets – previous NBU forecast (Inflation report, July 2021)

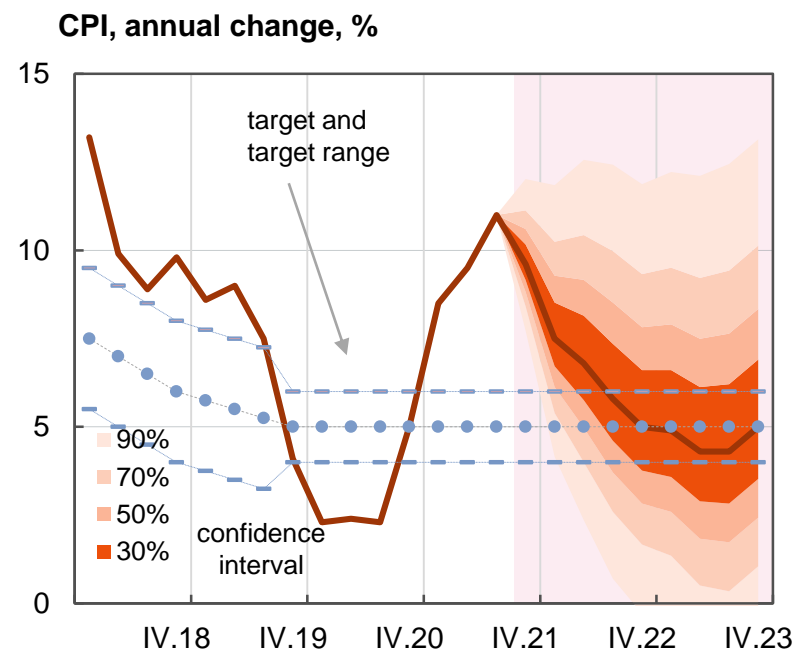
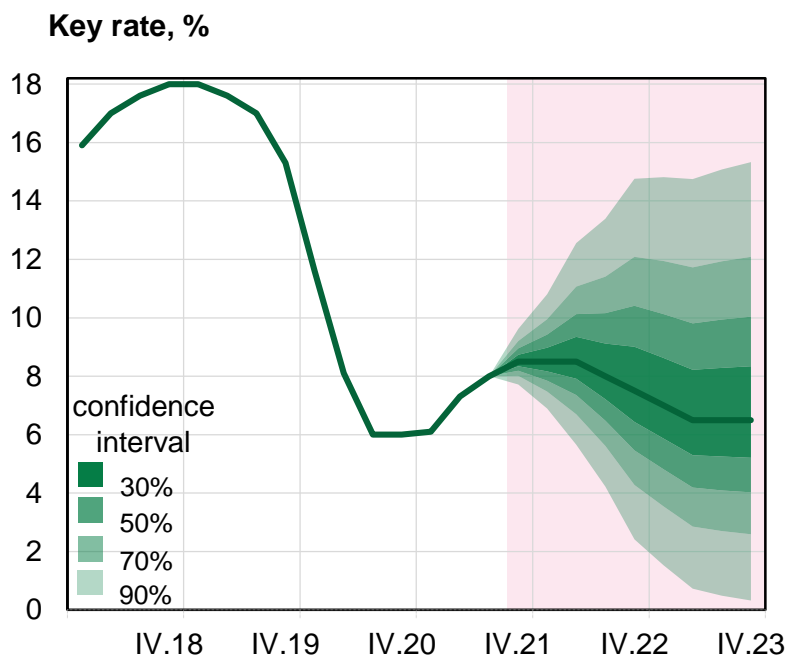
** end of period (December to December of previous year)

Key rate and inflation forecast*



* dashed line – previous forecast (July 2021)

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.