National Bank of Ukraine

Presentation to the press briefing on monetary policy

October 2022

Key messages

- The NBU has left its key policy rate unchanged at 25%. With exchange rate stability supported by the key policy rate and the NBU's additional measures, inflation processes will remain under control

- According to the baseline scenario of the macroeconomic forecast, the key policy rate will remain at 25% at least until Q2 2024. If required, the NBU stands ready to raise the key policy rate above its forecast and deploy additional measures

- To stabilize exchange rate expectations and ease pressure on international reserves, the NBU has developed a new mechanism that will also increase households' ability to protect their savings from exchange rate fluctuations

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Key macroeconomic indicators*

|	2021 actual	2022	2023	2024
Real GDP, change, %	3.4	-31.5 (-33.4)	4.0 (5.5)	5.2 (4.9)
Nominal GDP, UAH bn	5 460	4 750 (4 540)	6 175 (5 990)	7 350 (7 100)
CPI, y-o-y, % (eop)**	10.0	30.0 (31.0)	20.8 (20.7)	9.4 (9.4)
Core CPI, y-o-y, % (eop)**	7.9	24.5 (24.5)	13.3 (12.4)	3.0 (2.6)
Current account balance, USD bn	-3.2	6.8 (6.4)	-8.0 (-3.9)	-5.1 (-8.8)
Gross reserves, USD bn	30.9	26.0 (20.8)	21.7 (21.2)	27.4 (28.7)

* in brackets – previous forecast (Inflation report, July 2022)
** end of period (December to December of previous year)

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Key rate and inflation forecast*

Key rate, %**

Legend:
- 30%
- 50%
- 70%
- 90% confidence interval

CPI, annual change, %***

confidence interval
- 90%
- 70%
- 50%
- 30%

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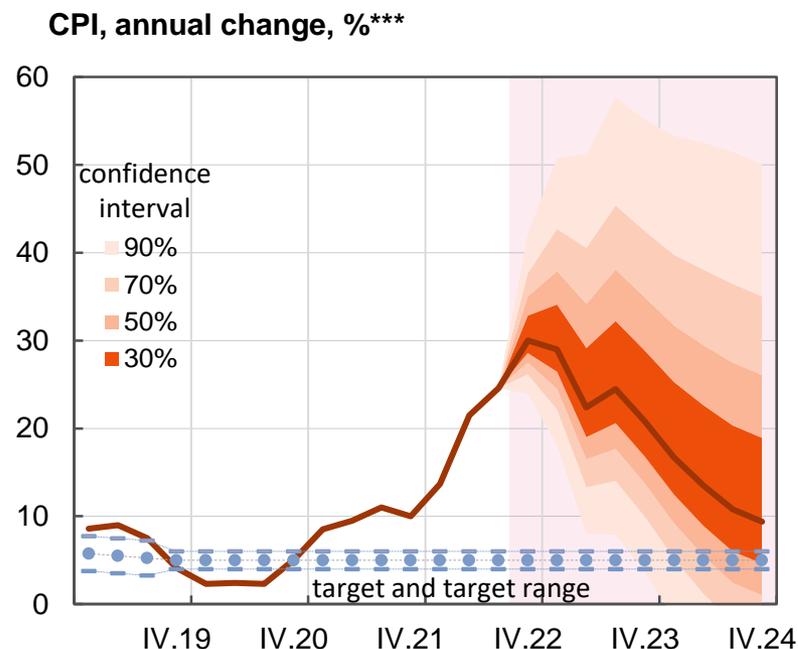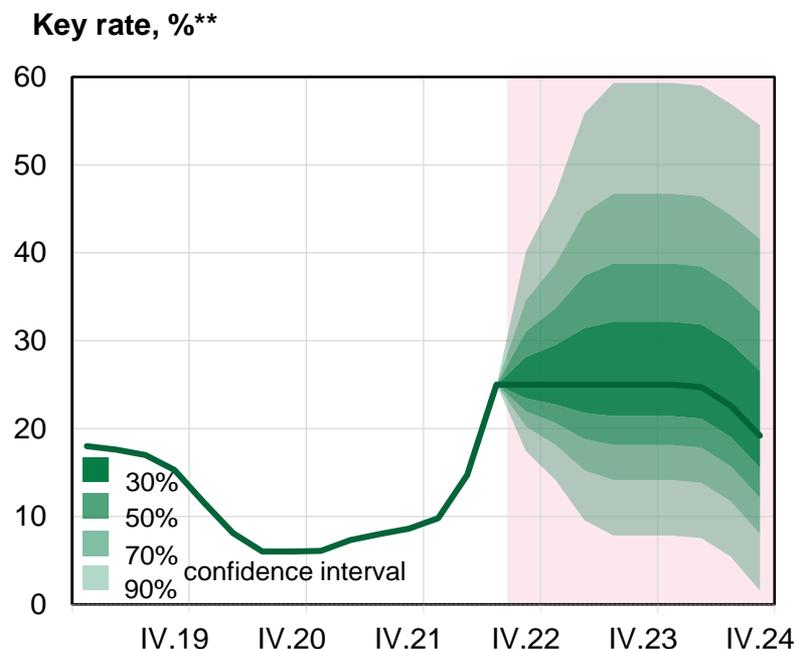
* The forecast is given in a fan chart. This chart type is used to illustrate uncertainty with regard to predicted future values. For instance, the probability that the indicator will be in the range of the darkest shaded area in the chart (around the central line) is 30%. The same applies to other chart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

** quarter average

*** end of quarter

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