



National Bank
of Ukraine

Presentation to the press briefing on monetary policy

July 2023



Key messages

- The Board of the National Bank of Ukraine has decided to cut the key policy rate from 25% to 22%. In view of the faster-than-expected decline in inflation, long-lasting stable conditions on the FX market, a high level of international reserves, as well as the effectiveness of previous measures to boost the attractiveness of hryvnia assets, the NBU has started a key policy rate cut cycle earlier than the April forecast envisaged
- With the key policy rate cut, the hryvnia savings will remain attractive, as inflation is expected to decrease
- The NBU will continue to cut its key policy rate, provided the FX market remains sustainable and inflation declines over the forecast horizon

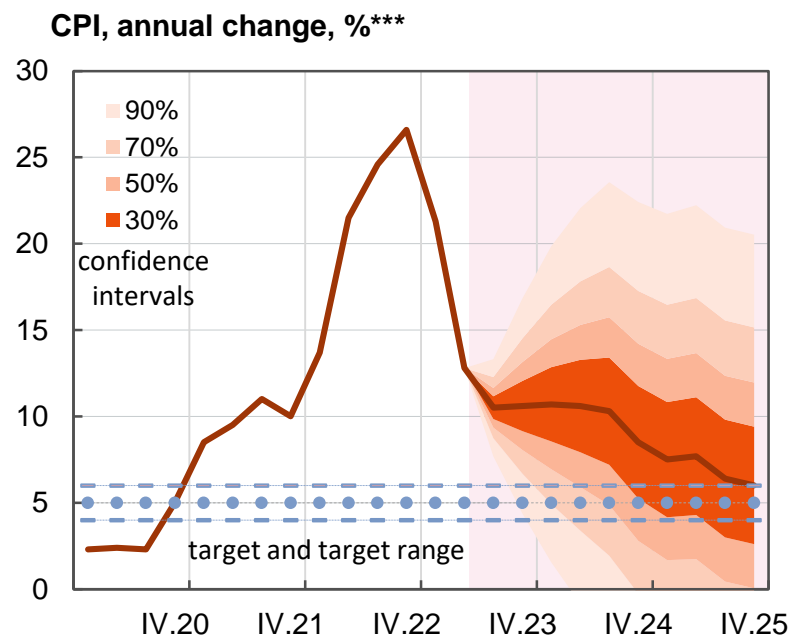
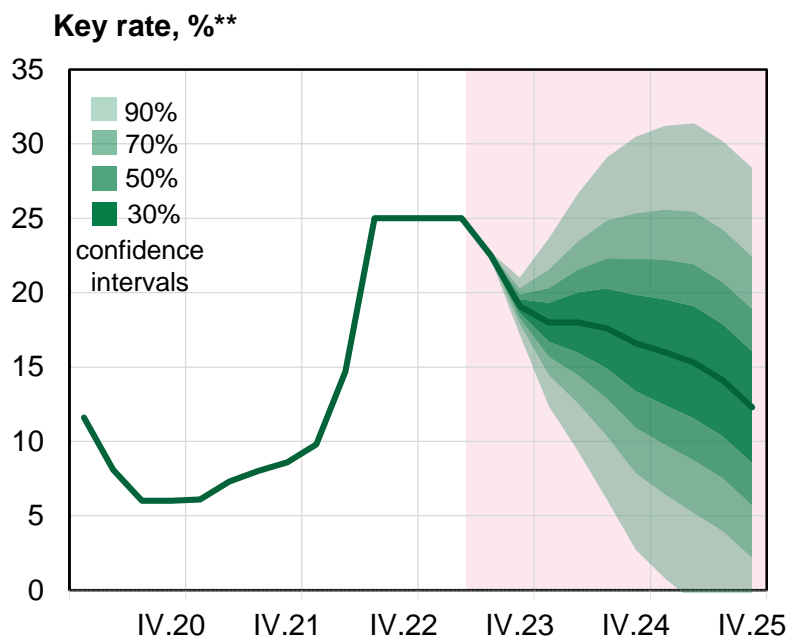
Key macroeconomic indicators*

	2022	2023	2024	2025
Real GDP, change, %	-29.1	2.9 (2.0)	3.5 (4.3)	6.8 (6.4)
Nominal GDP, UAH bn	5 191	6 525 (6 510)	7 620 (7 700)	8 830 (8 910)
CPI, y-o-y, % (eop)**	26.6	10.6 (14.8)	8.5 (9.6)	6.0 (6.0)
Core CPI, y-o-y, % (eop)**	22.6	8.7 (12.5)	7.0 (7.2)	3.1 (2.8)
Current account balance, USD bn	7.9	-11.0 (-13.5)	-17.2 (-10.6)	-16.1 (-7.7)
Gross reserves, USD bn	28.5	38.3 (34.5)	42.6 (36.1)	44.1 (37.1)

* in brackets – previous forecast (Inflation report, April 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