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Monetary Policy

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Monetary policy decision: base rate diminished to 4,5 percent annually

The Executive Board of the National Bank of Moldova (NBM) decided unanimously to decrease the base rate applied to the main short-term monetary policy operations by 1,0 percentage points, as from 5,5 percent to 4,5 percent annually. At the same time, the interest rates on overnight loans and deposits decreased by 1,0 percentage points up to 7,5 percent and, respectively, 1,5 percent annually.

The decision was taken in the context of confirmation of the disinflationary trend forecasted by the NBM in the Inflation Report no.1, 2020.

This decision was based on the assessment of the recent developments and macroeconomic information on external and internal environment, considering the risks and uncertainties at global level determined by the repercussions of coronavirus in the global and regional economy. At this stage, the coronavirus spread causes additional sources of disinflationary pressures on the consumer prices level.

At the same time, the uncertainty associated with coronavirus from the investment activity at global and regional level and a possible distortion of distribution channels could also affect the investment evolutions in the Republic of Moldova.

Thus, the NBM decision of monetary policy easing is oriented towards supporting the aggregate demand that, within the transmission mechanism limits, will be propagated through more channels, including the lending one.

In the following immediate period, the National Bank will monitor cautiously the external and internal risks associated with the national and global economy. If necessary, the NBM will examine the opportunity to convene an extraordinary meeting on monetary policy, measure already applied by other central banks.

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