
ARMENIAN CENTRAL BANK CUTS REFINING RATE FOR EIGHTH TIMES THIS YEAR

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Armenia's Central Bank said today it had cut its refinancing rate to 6.25 percent from 6.5 percent.

According to the regulator, the annual deflation in Armenia was at 0.6 percent in November, down from 0.9 percent deflation reported in October. On a monthly basis, the inflation rate stood at 1 percent in November, up from 0.5 percent in October.

The Central Bank said also it does not expect a significant inflationary pressure from external markets in the coming months, however, there are some inflationary risks that may be prompted by the US Feds possible decision to raise interest rates and their impact on emerging markets.

According to the regulator, the economic activity continues to slow down, caused largely by a deeper-than-expected decline in the agricultural sector.

The Central Bank says also that domestic demand is gradually recovering, largely thanks to stimulating monetary and fiscal policies implemented in 2015 and 2016.

The regulator thinks that the implemented monetary policy has formed sufficient incentives for overcoming the deflationary environment in 2017 and meeting the projected inflation rate.

It is the eighth consecutive cut of the benchmark rate by the regulator within this year. In February, the rate was reduced from 8.75% to 8.5%, in March - to 8.25%, in May - to 7.75%, in June -to 7.5%, in August - to 7 25%, in September - to 6.75% and in November to 6.5%.

Kaynak/Source: