

Central bank raises key rate to 1.75 pct per annum

The Board of the National Bank of Romania (BNR) decided on Tuesday to raise the benchmark interest rate to 1.75 pct from 1.50 pct per annum beginning November 10, 2021 and keep a firm control on money market liquidity, the central bank said in a release.

Also, the monetary authority decided to widen the symmetrical interest rate corridor for permanent facilities to a 0.75 percentage points from a 0.50 percentage points. Thus, starting with November 10, 2021, the lending facility interest rate (Lombard) increases to 2.50 pct per annum from 2 pct per annum, and the deposit facility rate is maintained at 1 pct per annum.

The minimum reserve requirement ratios on both RON- and foreign currency-denominated liabilities of credit institutions stay unchanged at the current level.

This is the second key interest rate rise in the last month after the October 5 hike to 1.5 pct per annum. The monetary policy interest rate has stayed unchanged since January, when the BNR Board decided to slash it from 1.50 pct to 1.25 pct per annum.