



NATIONAL BANK OF KAZAKHSTAN

PRESS RELEASE

Base rate lowered to 15.75%

Astana

23 October 2026

The Monetary Policy Committee of the National Bank of the Republic of Kazakhstan has decided to set the base rate at **15.75%** per annum with a corridor of +/- 1 percentage point.

Annual inflation has been declining for the twelfth consecutive month. In September 2026, it stood at **9.3%**. Disinflation is supported by moderately tight monetary policy and favorable dynamics of the tenge exchange rate. **Food inflation** declined to **8.5%**, from 9.5%. This reflected a more pronounced fall in prices for fruit and vegetables, as well as slower growth in meat prices. **Non-food inflation** declined to **11.0%**, from 11.4%, as annual growth in fuel prices moderated. **Services inflation** remained at **8.9%**, while price growth for unregulated services stayed strong.

Monthly inflation stood at 0.6% in September, unchanged from August. In seasonally adjusted terms, it eased to 0.7%, from 0.9%. The median of seasonally adjusted core inflation estimates remained at 0.7%. This points to persistent price pressure.

One-year ahead household **inflation expectations** declined to 11.8% in September, from 12.1% in August. Professional market participants revised their inflation expectations for the end of 2026 downward to 9.5%, from 10.0%, for 2027 –to 8.3%, from 8.5% in August.

The external environment remains pro-inflationary. The situation in the Middle East is keeping global energy prices high. The FAO Food Price Index rose to 136.0 points in September. It was up 1.5% over the month and 5.8% in annual terms. The increase was driven mainly by higher prices for cereals, sugar and vegetable oils amid adverse weather conditions and logistical constraints.

Global monetary conditions are tightening. In September, the ECB raised its rates for the second time this year. The Fed did so for the first time since 2023. The Bank of Russia left its key rate unchanged, pausing its easing cycle amid stronger price pressure.

Economic growth remains resilient. According to preliminary data, GDP grew by 4.2% in January–September 2026. Growth was driven by non-resource sectors, primarily construction, manufacturing and transport. Fixed capital investment increased by 7.0%. Investment in the non-resource sector, excluding budget funds, rose by 25.0%. Consumption growth was more moderate than a year earlier, partly reflecting the normalization of consumer lending growth. At the same time, fiscal and quasi-fiscal stimulus and strong investment activity continue to keep domestic demand elevated.

The balance of risks remains tilted to the upside. Domestic risks stem from fiscal and quasi-fiscal stimulus, elevated inflation expectations, and movements in fuel prices and regulated tariffs. External risks are associated with high global energy and food prices, accelerating inflation in trading partner countries, and tighter global financial conditions.

Inflation is restrained by moderately tight monetary conditions, positive exchange rate dynamics, liquidity management measures (including mirroring operations and higher minimum reserve requirements), and measures to regulate consumer lending.

The continued decline in annual inflation and inflation expectations has created room to lower the base rate. The decision preserves the moderate tightness of monetary conditions. This is needed to consolidate disinflation and return inflation to the 5% target in 2028.

At the same time, price pressures remain elevated and the balance of risks is still tilted to the upside. Annual inflation may pick up somewhat towards the end of the year. This would reflect the low base for regulated tariffs in 2025. That base stems from the moratorium on utility tariff increases, which was in effect from October 2025 through the end of March 2026. The moratorium was accompanied by a 14% cut in utility tariffs in the fourth quarter of 2025.

Given the current balance of risks, the likelihood of a change in the base rate by the end of 2026 remains low. Any further reduction will depend on confirmation of a sustained easing of price pressures. Further decisions will take into account inflation dynamics, inflation expectations, and changes in the balance of risks.

The next scheduled decision of the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan on the base rate will be announced on 4 December 2026 at 12:00 Astana time.

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