

# Czech National Bank cuts interest rates

Author: SF / pb | Published: 22.12.2009

The Czech National Bank decided at its last meeting to lower the repo rate from 1,25 to 1 %, i.e. to the level usual in the Eurozone today. The analysts attribute this step to the central bank worries not only of a slow growth of the Czech economy but also of minimum inflation pressures. CNB prime rate has therefore dropped almost to a quarter, from 3.75 to 1 %, clearly in connection with the financial crisis. Yet, the commercial banks follow CNB steps scarcely this year, mortgage interest lie between 5 - 6 %, when these rates rate a different direction from CNB rates.

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22.12.2009 09:41, SF / pb