

RUSSIA'S POST-2022 FINANCIAL OUTLOOK: NDB AS A NEW FINANCIAL ARCHITECTURE?

XIII Annual Conference on the World Economy 'BRICS and Rethinking the Global Economic Order'

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Dr. Kazi Sohag

Graduate School of Management | Saint
Petersburg University |

Head of the Laboratory of Economic Policy
& Natural Resources | Ural Federal
University

sohagkaziewu@gmail.com

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SCAN ME



Agenda

- The health of the Russian Financial Market amid Geopolitical Tensions
- The New Development Bank as A New Financial Architecture?

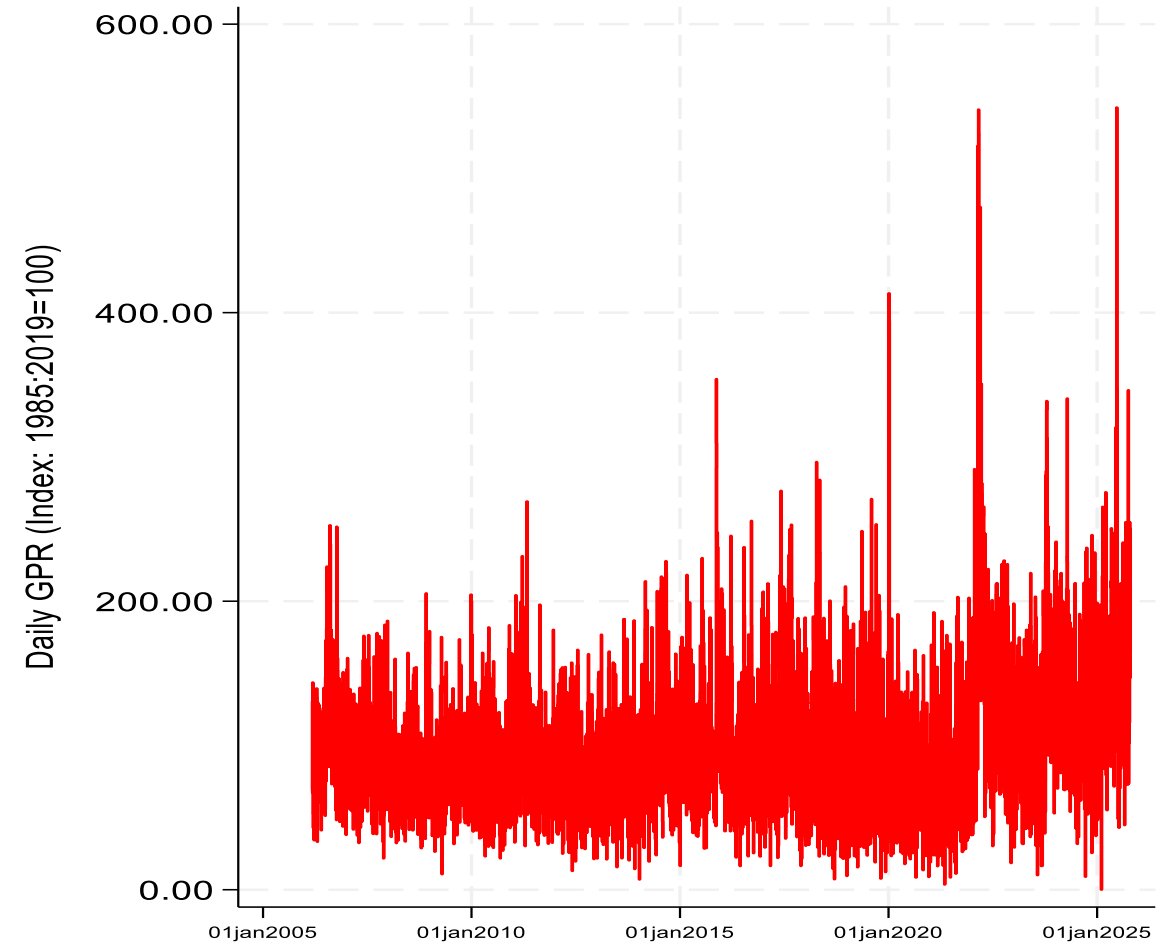
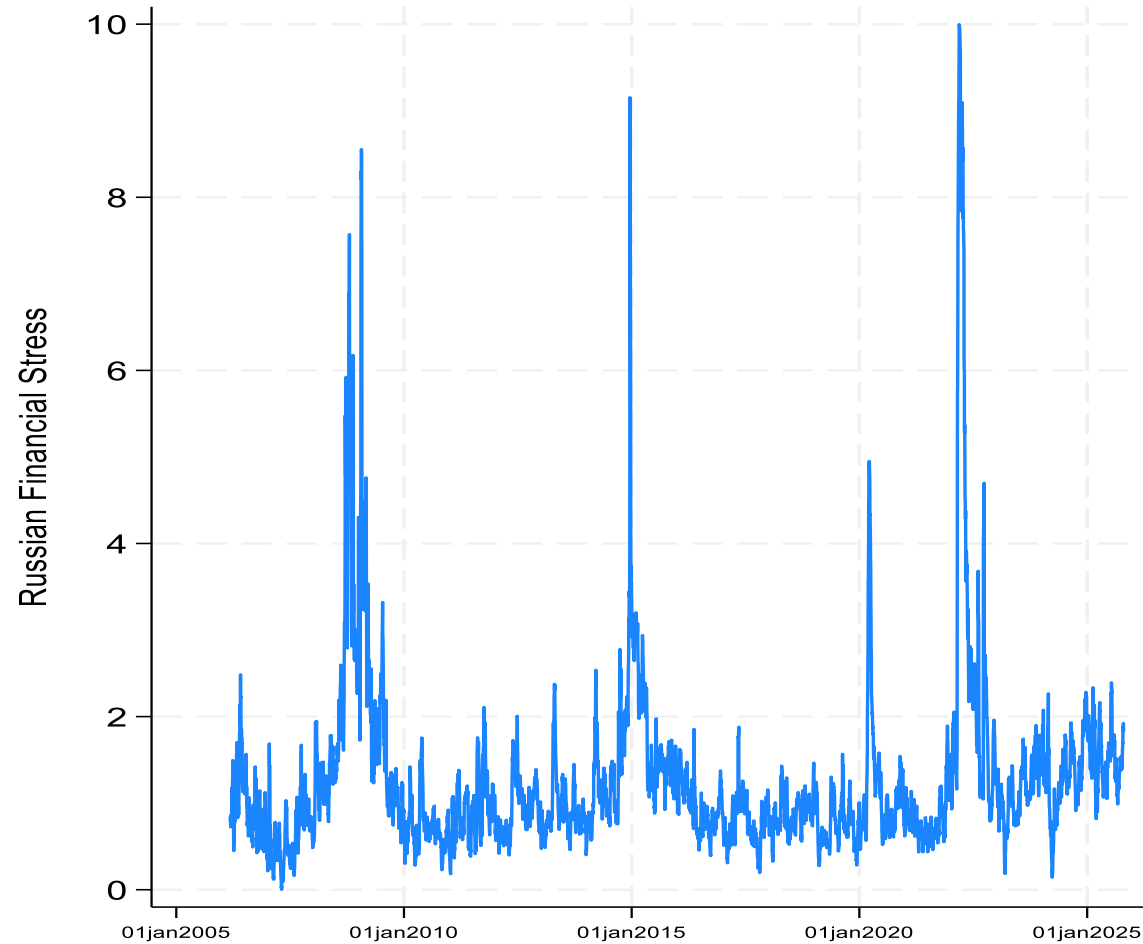


**Graduate School
of Management**
St. Petersburg University

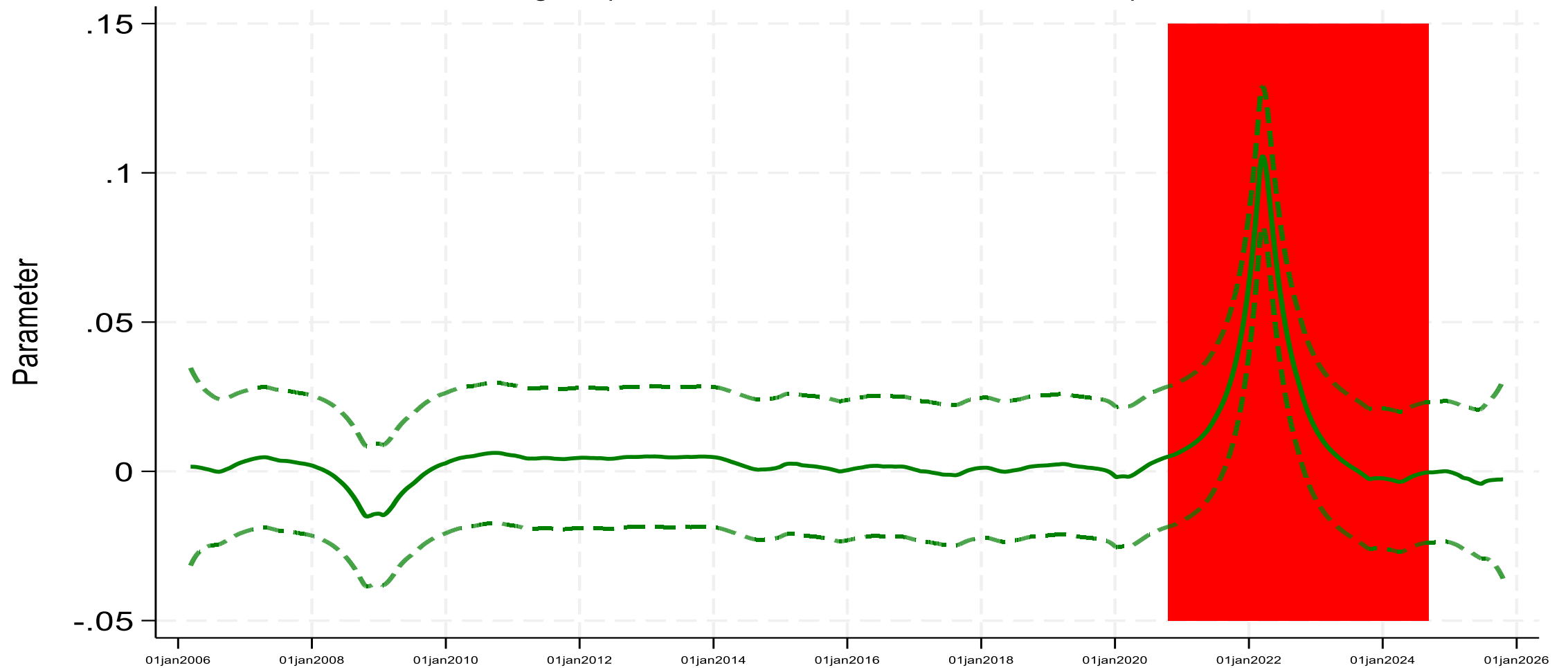


The Health of the Russian Financial Market

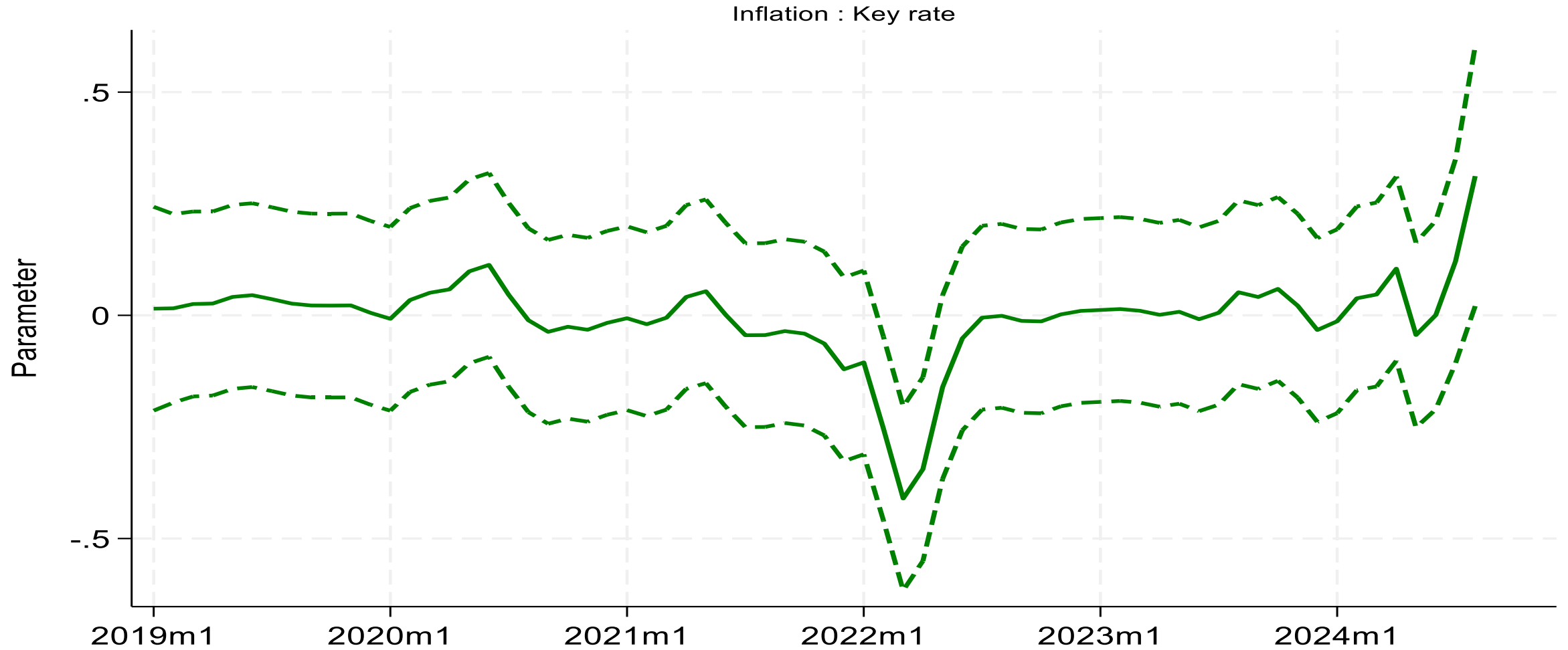
Russian Financial Stress & Daily Geopolitical Risk



Time Varying Response of Russian Financial Stress to Geopolitical Risks

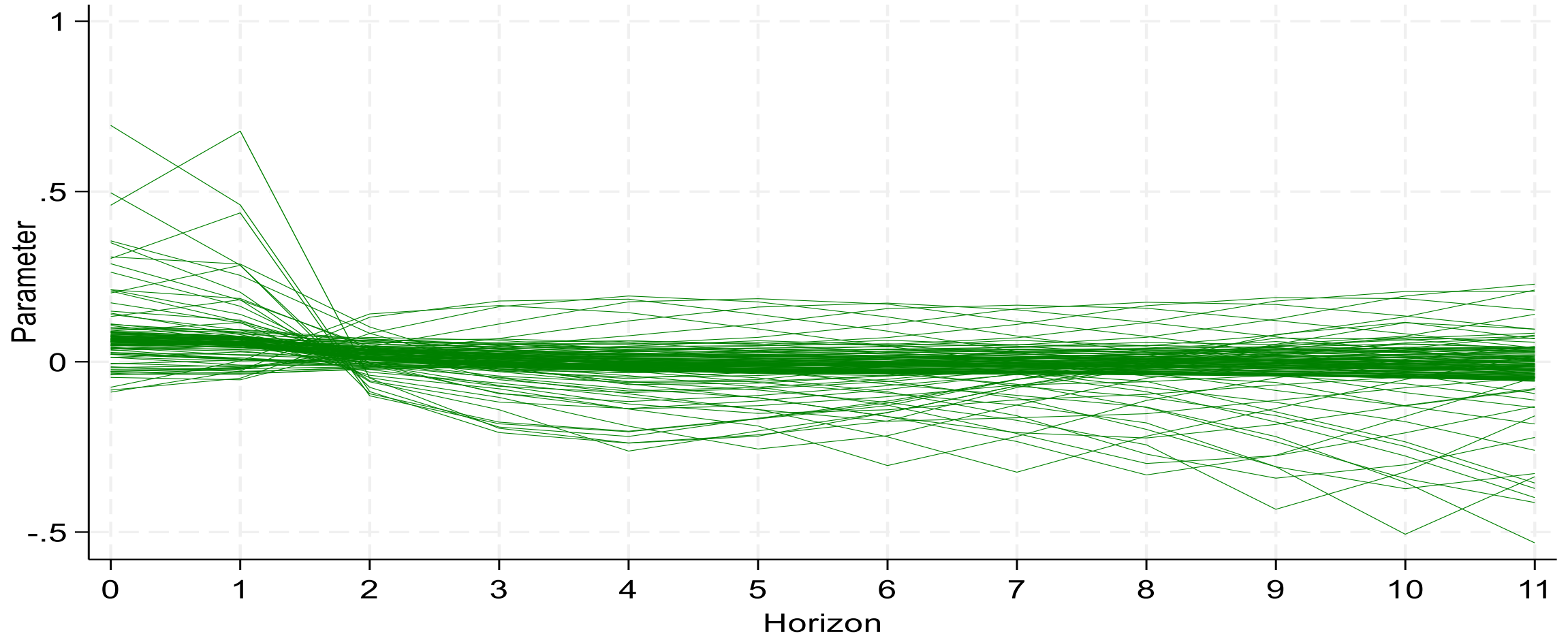


The Response of Inflation and Central Bank Key rates

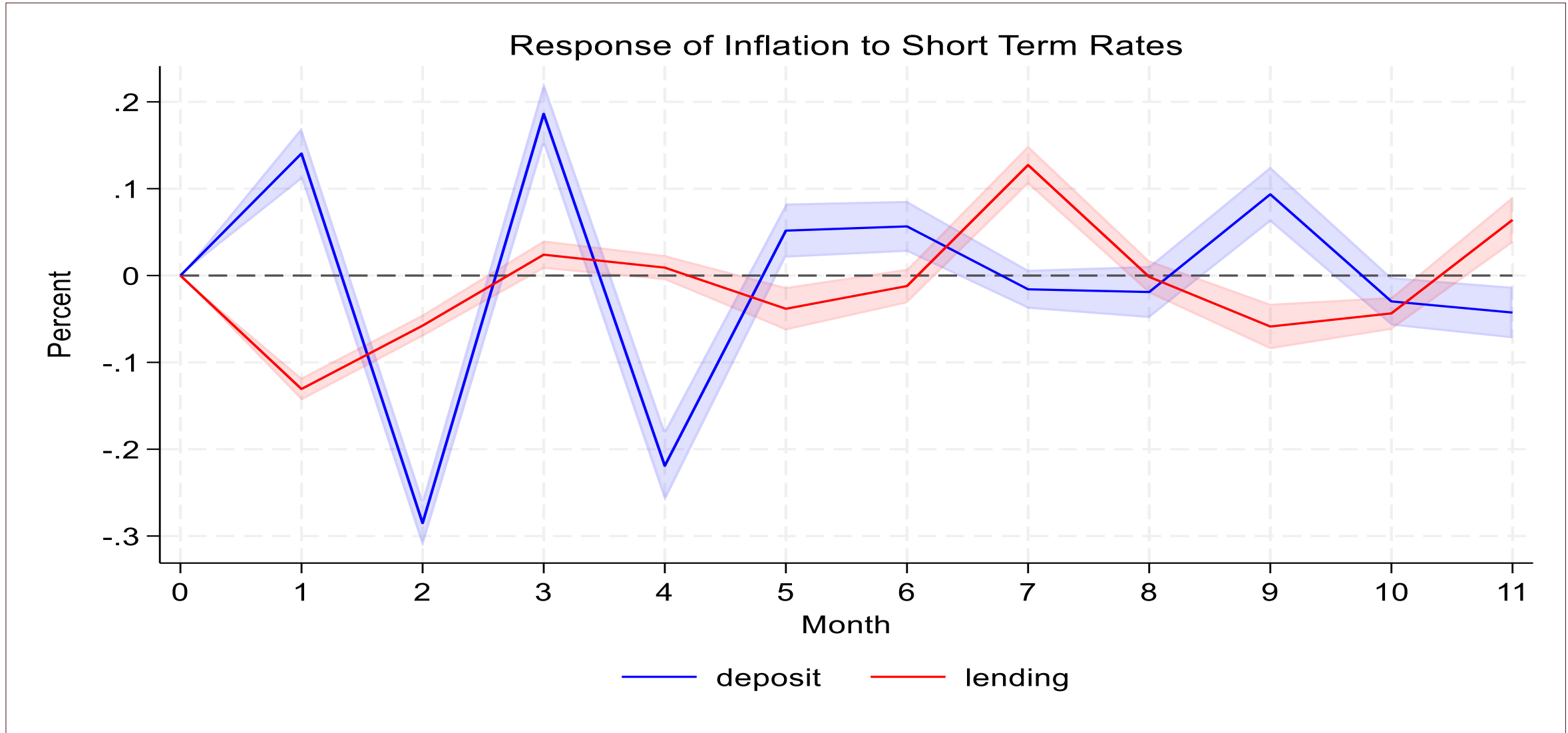


The Health of Russian Financial Markets

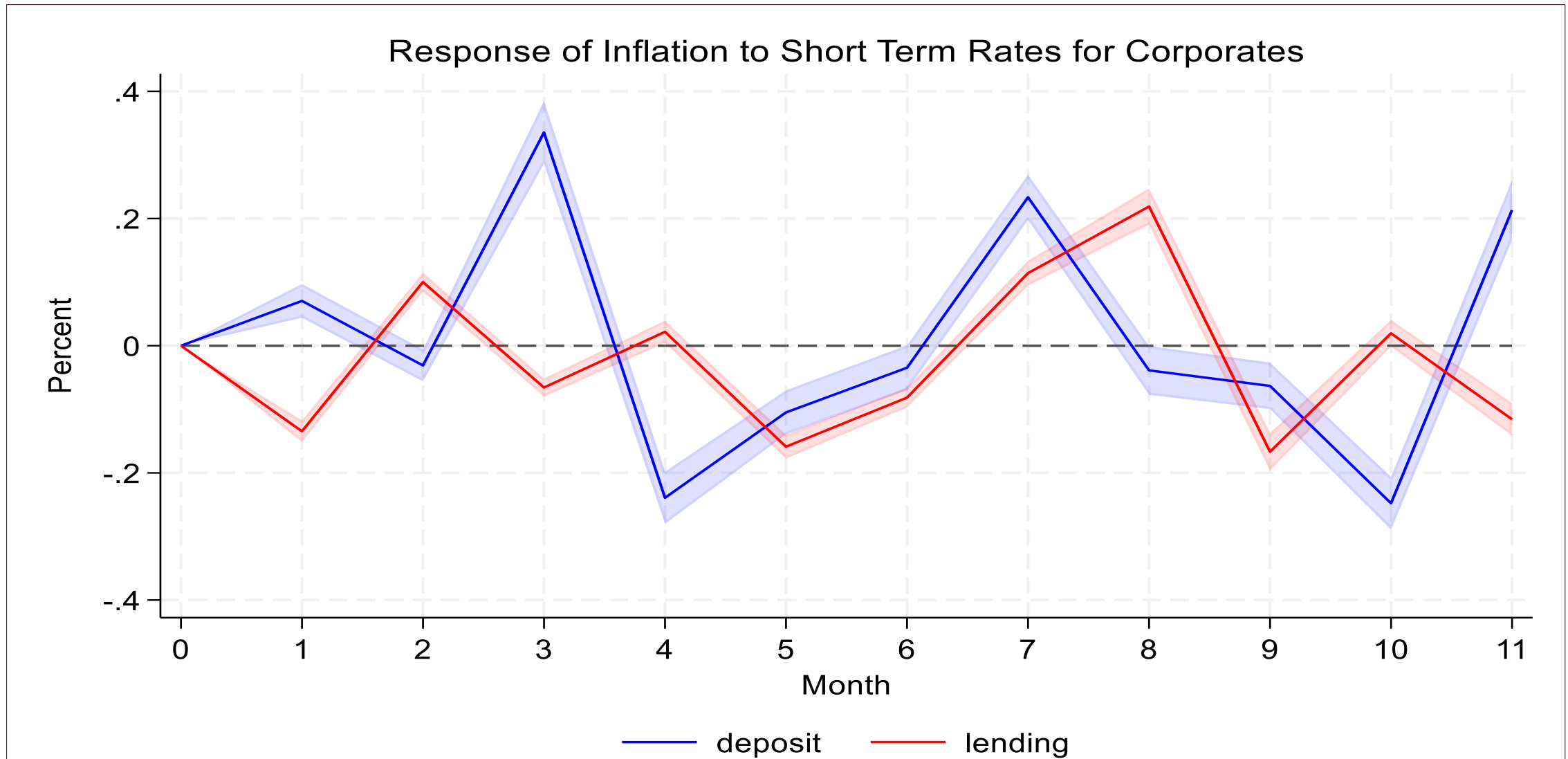
TV Response of Inflation to Keyrate



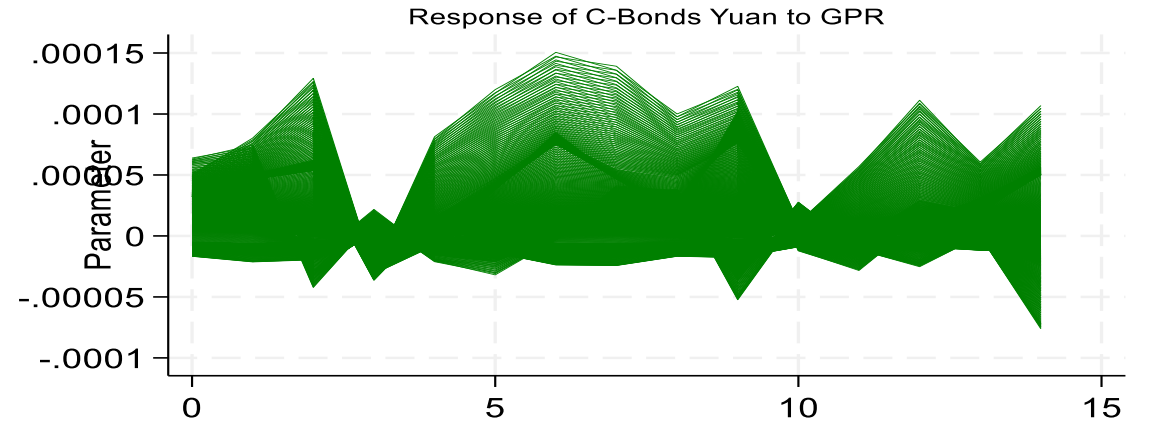
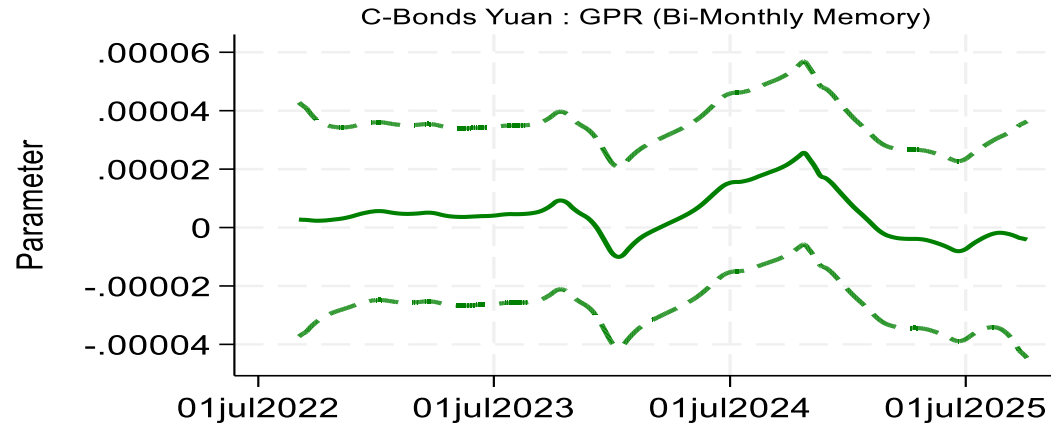
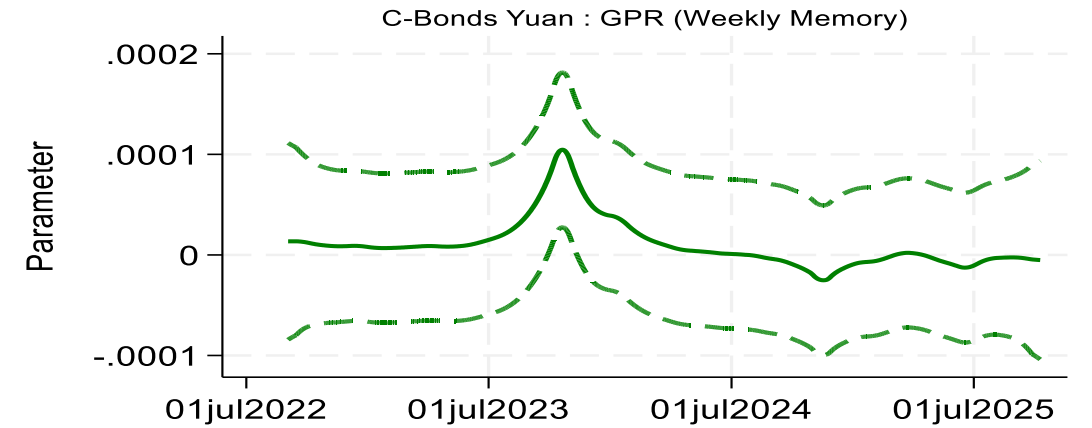
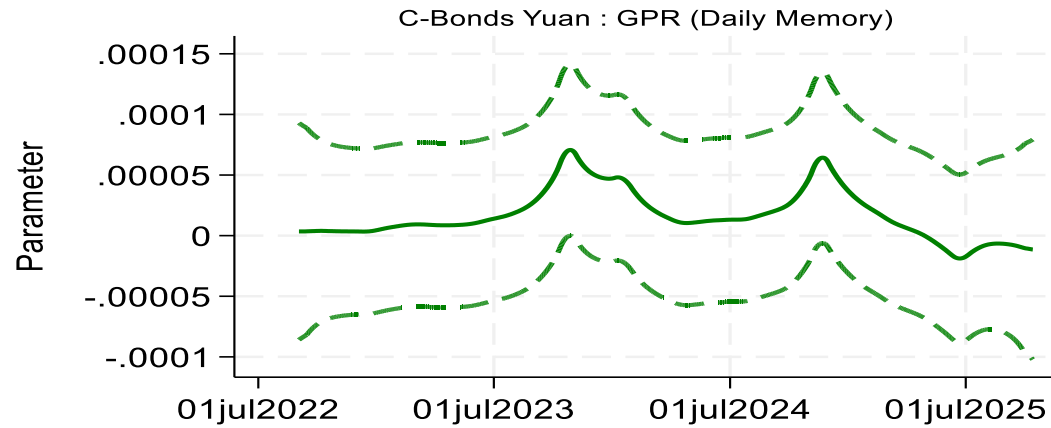
Regional Inflation and Commercial Bank Rates



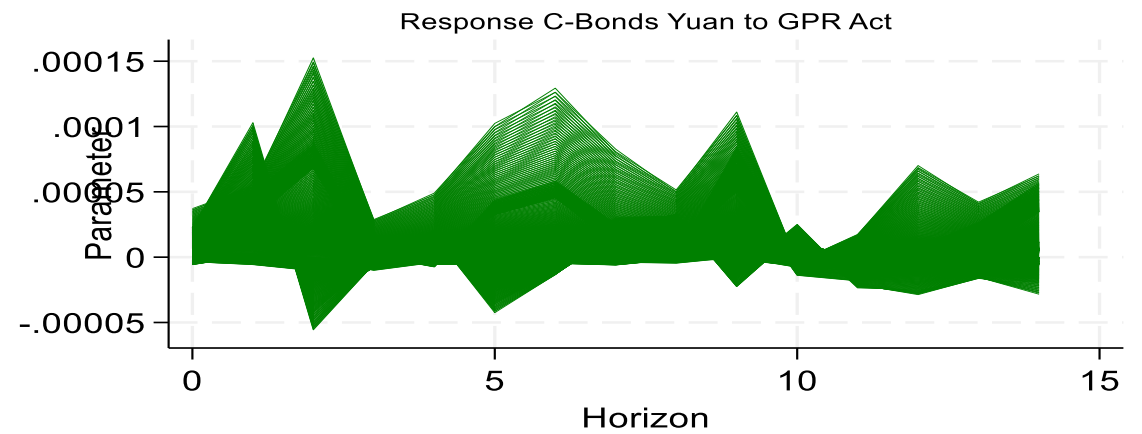
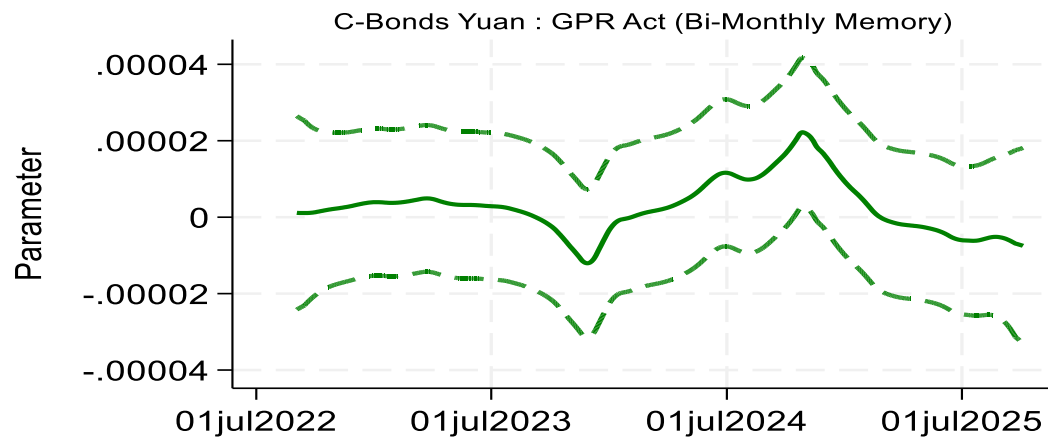
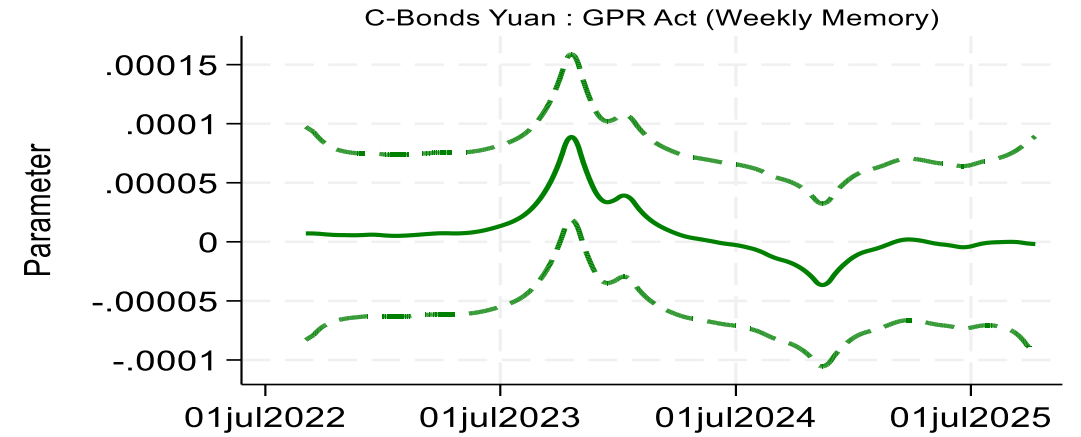
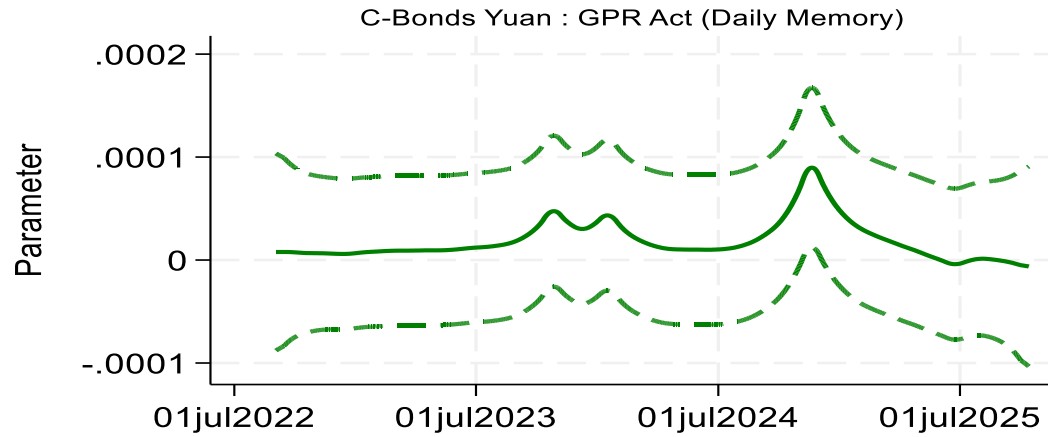
The Health of Russian Financial Markets



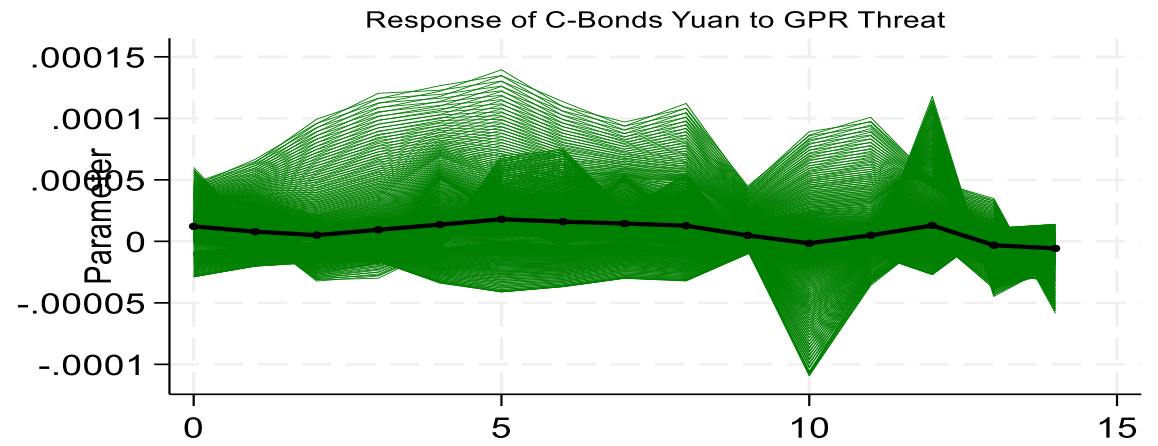
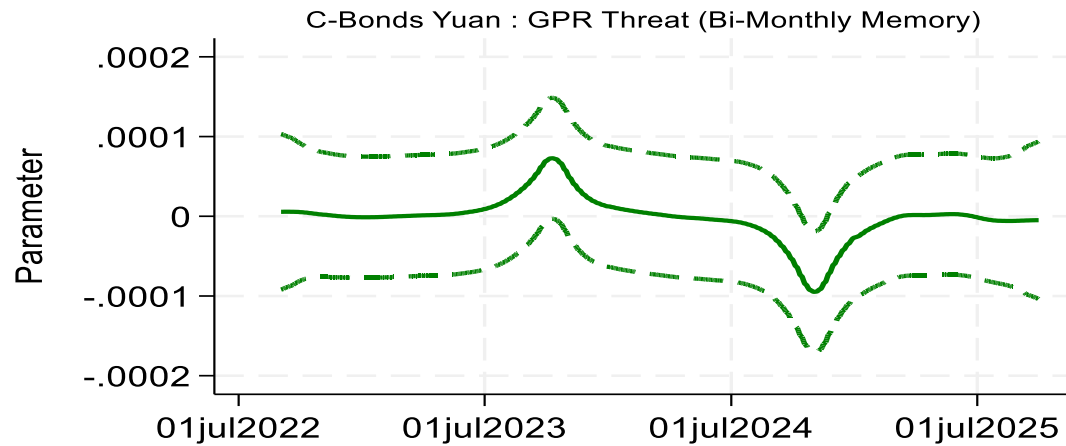
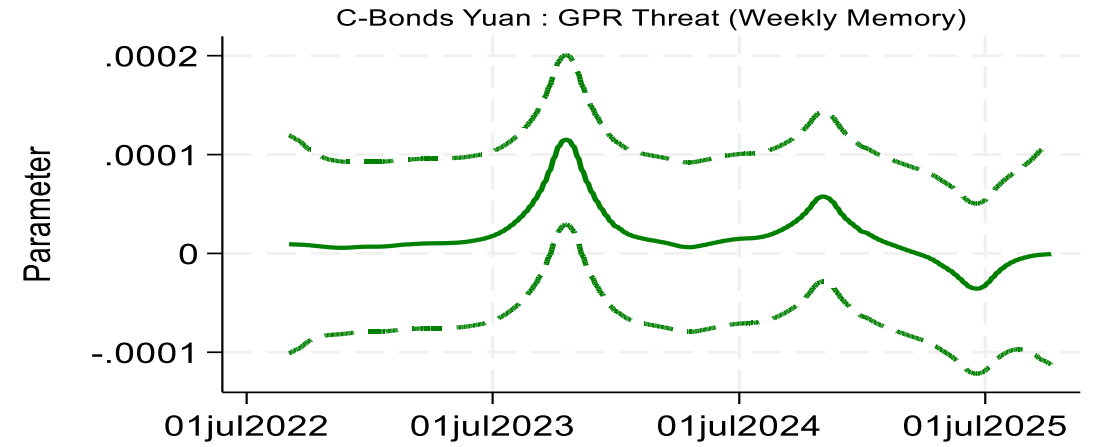
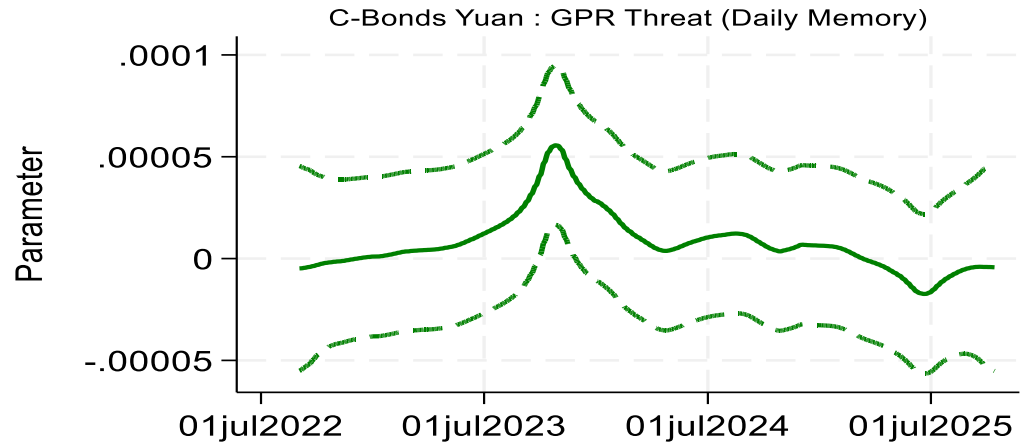
TVP Response of Yuan Denominated Corporate Bonds to Daily GPR



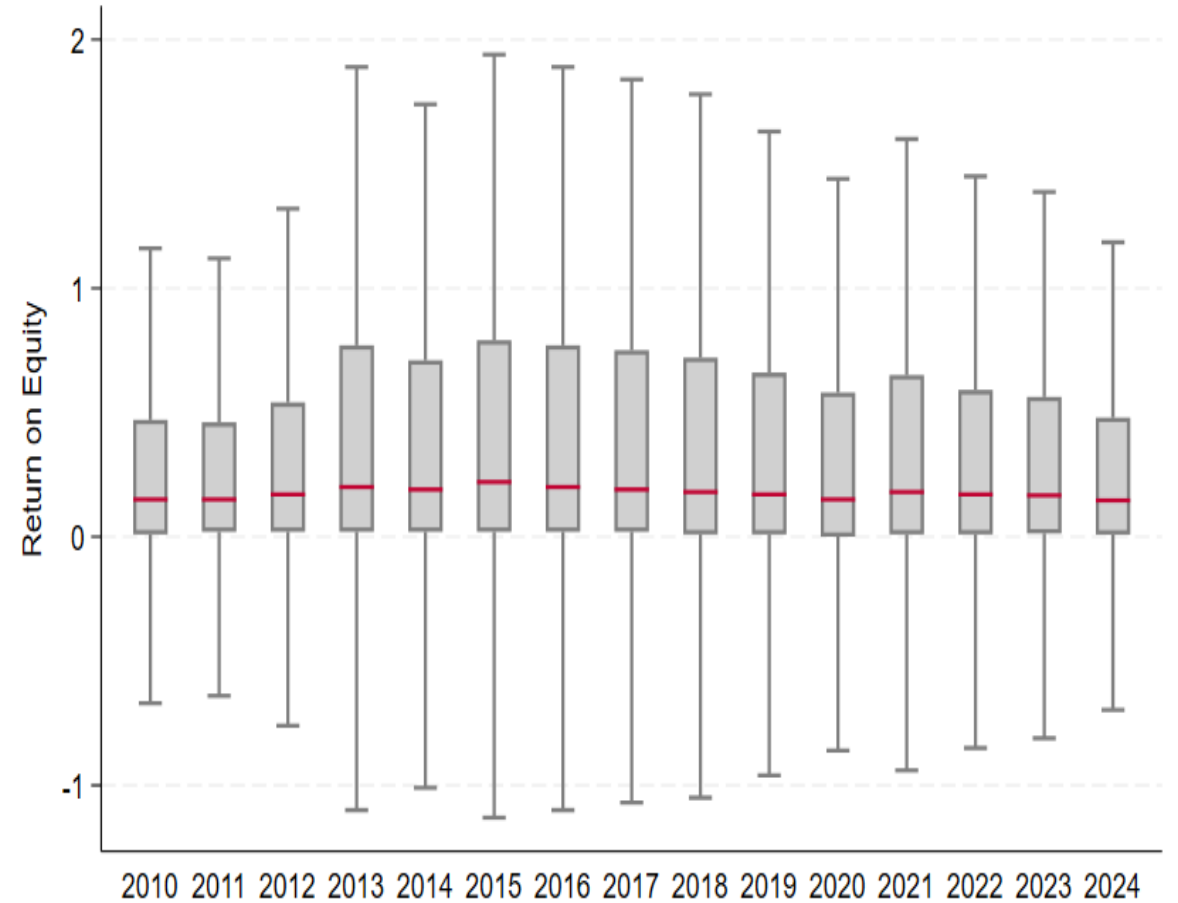
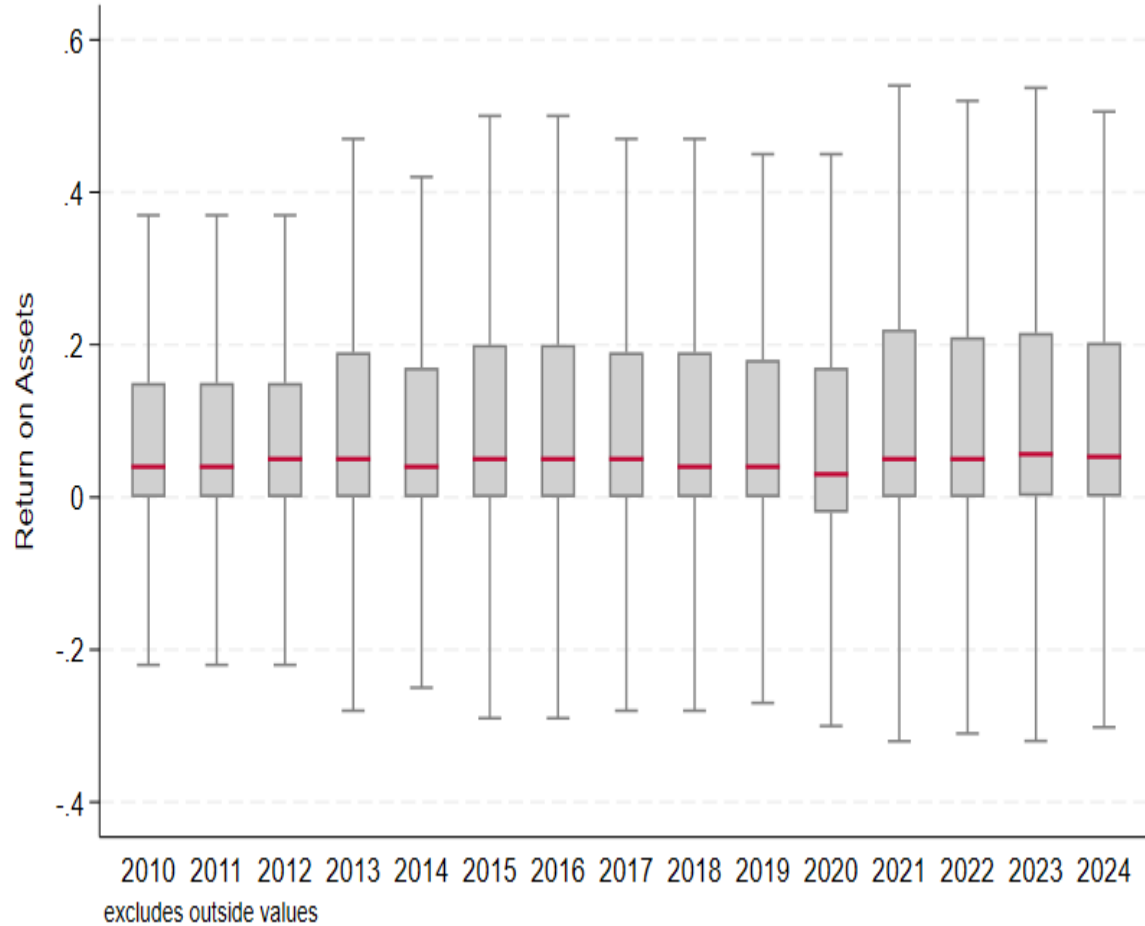
TVP Response of Yuan Denominated Corporate Bonds and GPR Acts



TVP Response of Yuan Denominated Corporate Bonds to GPR Threats

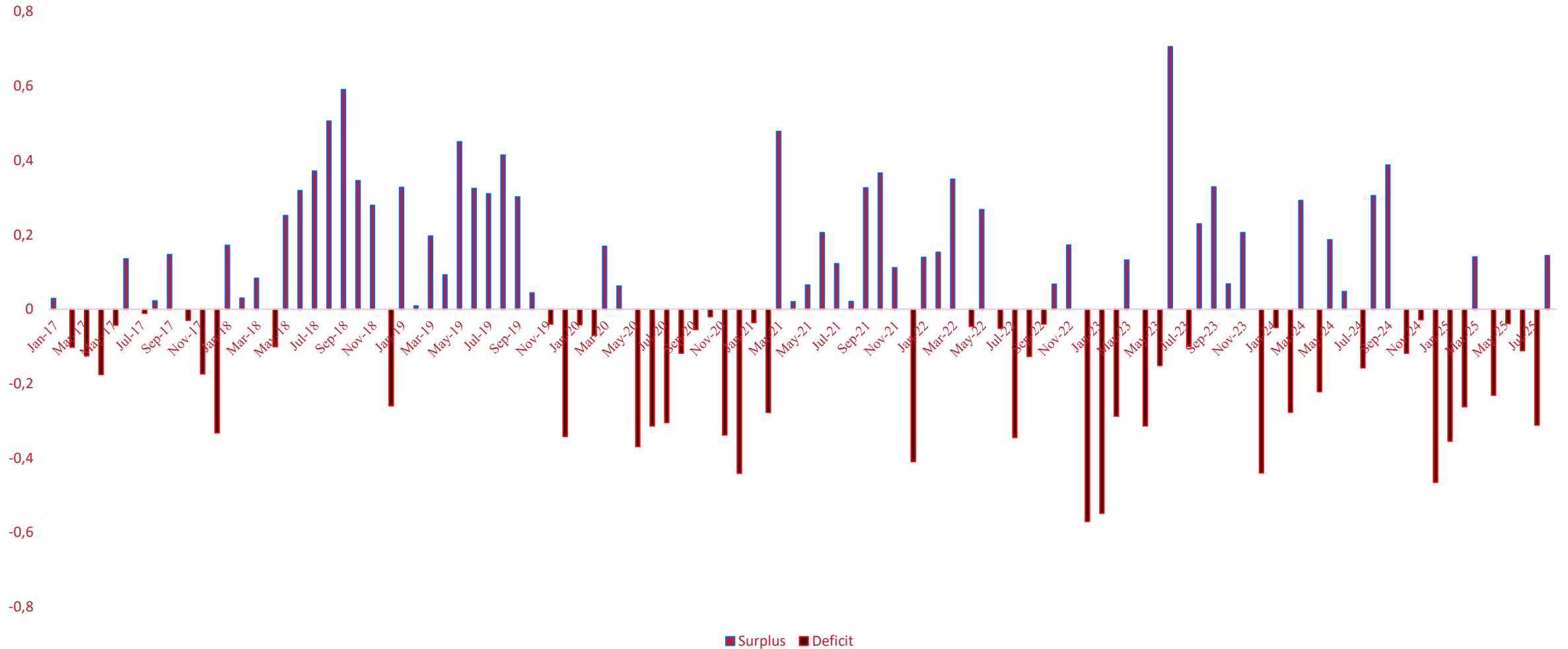


Financial Performance of Russian Corporates

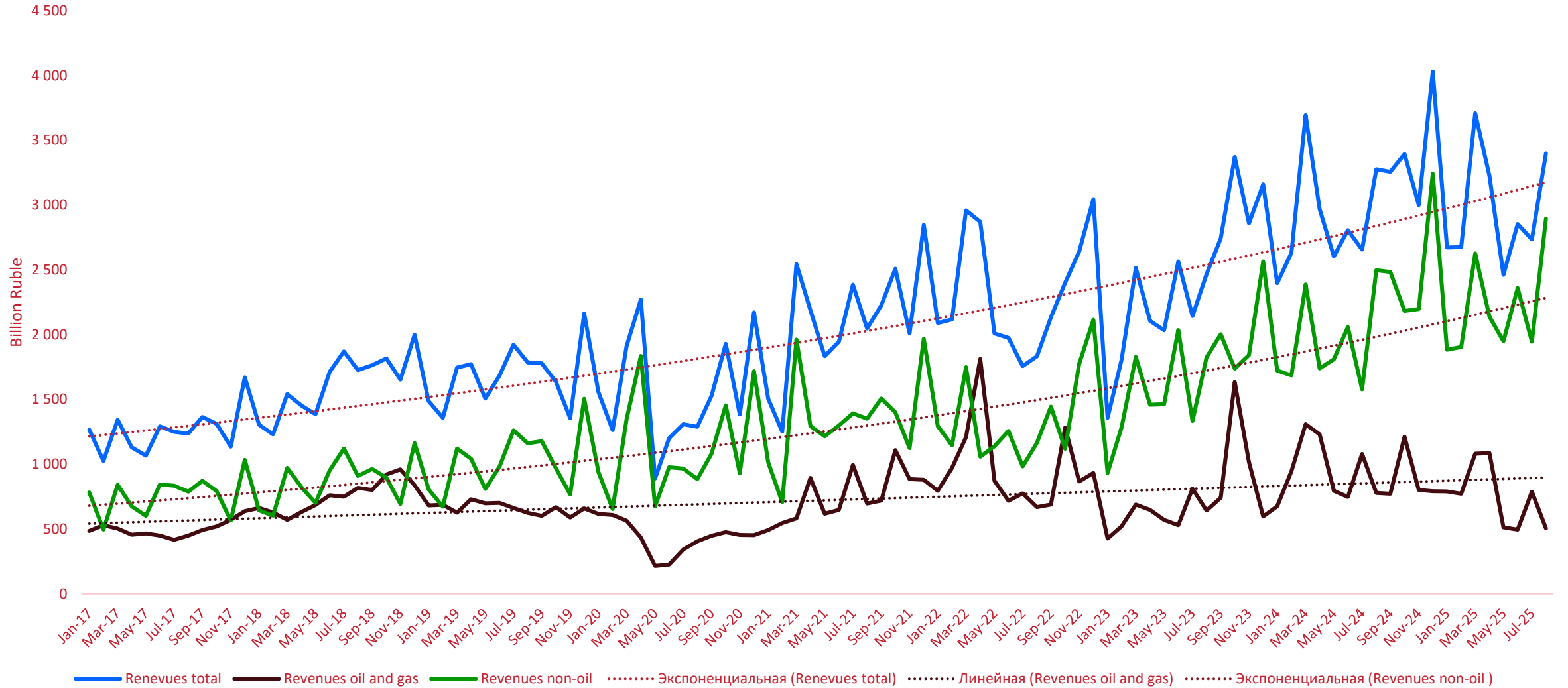


The Health of Russian Financial Markets ..(11)

Russian Public Finance

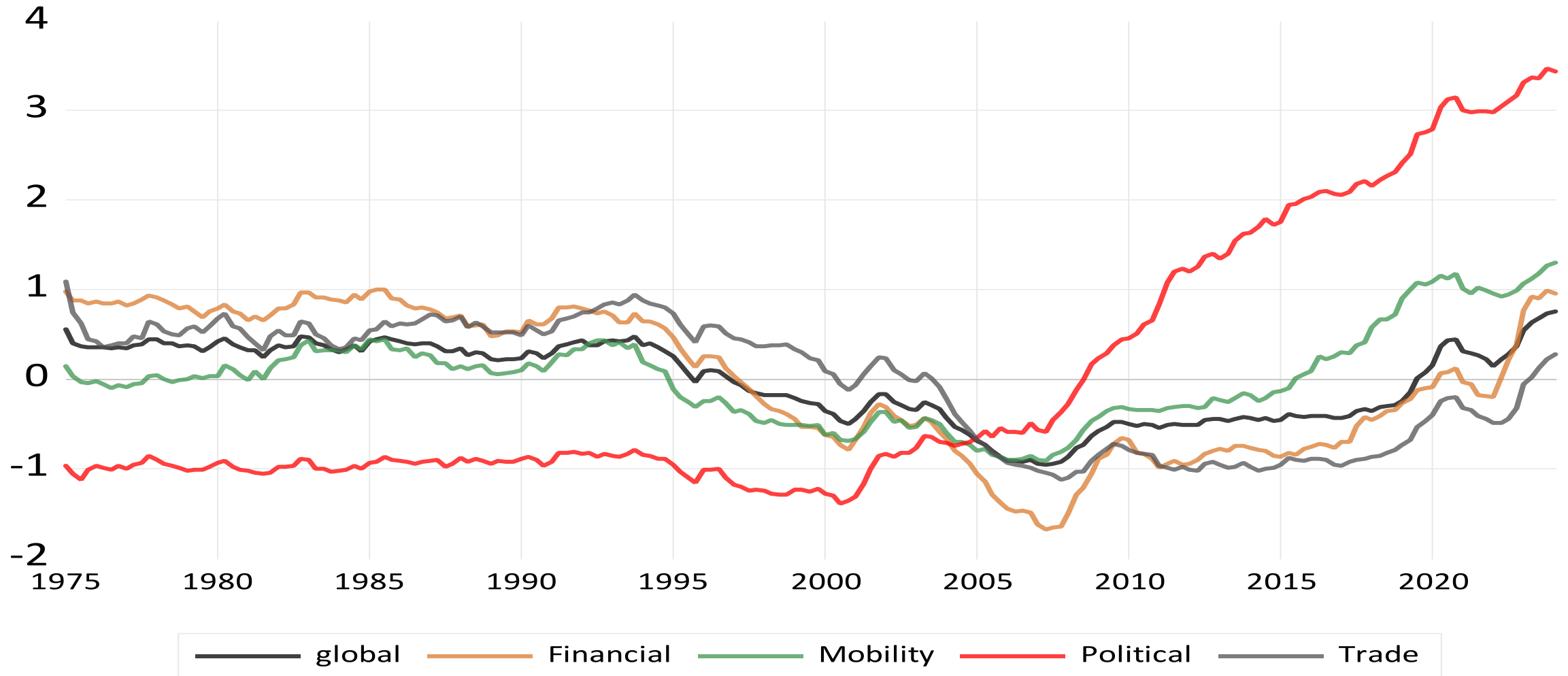


The Health of Russian Public Finance

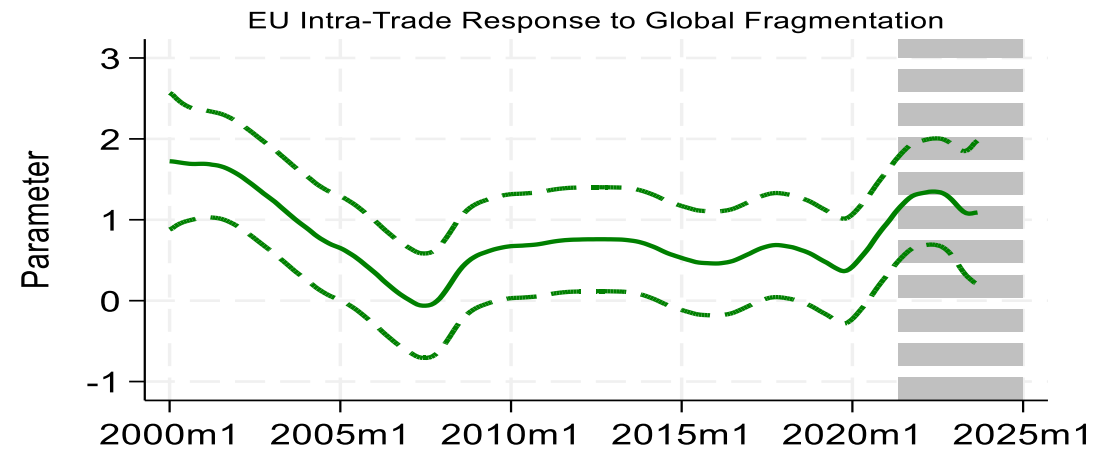
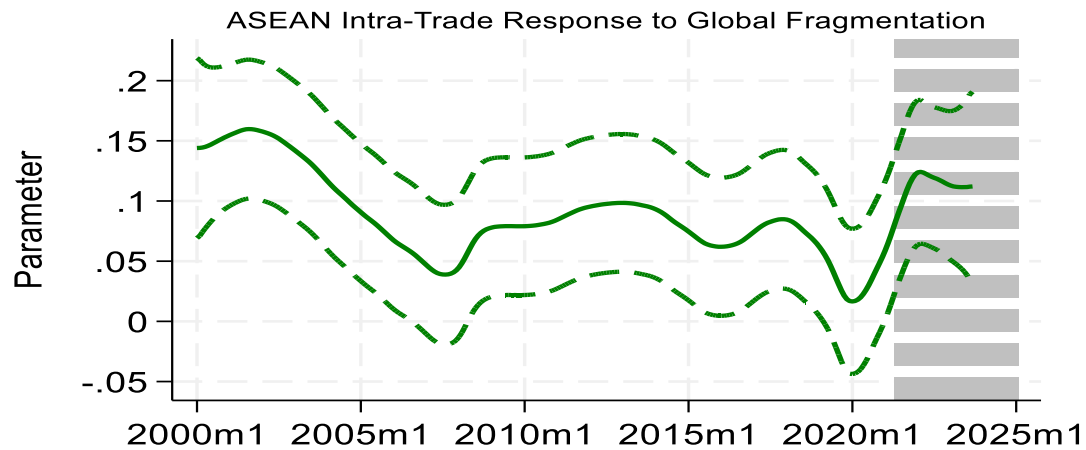
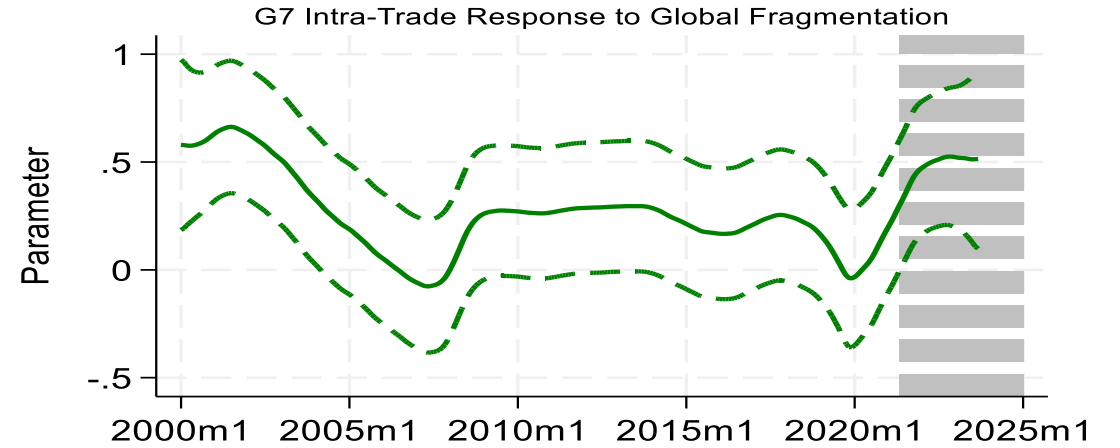
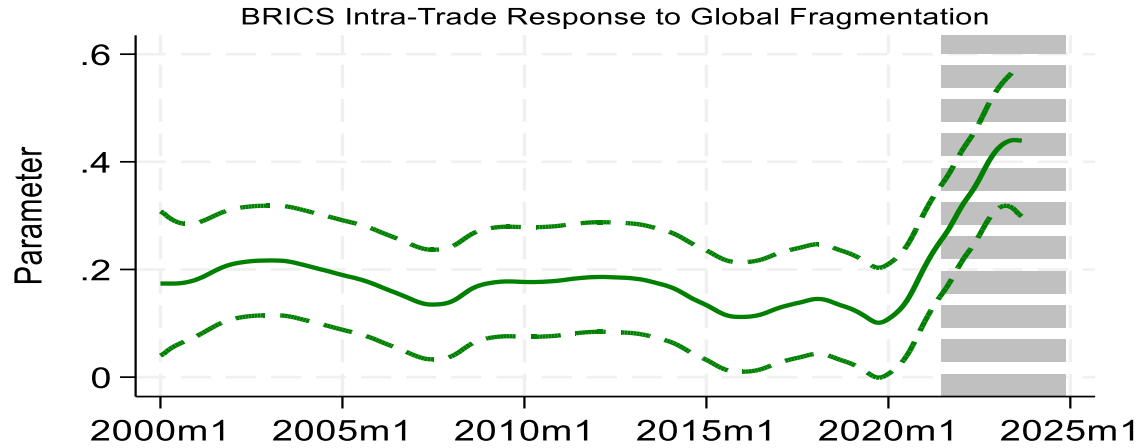


The New Development Bank as A New Financial Architecture?

Is De-globalization on Move ? (1) Geo-economic fragmentation

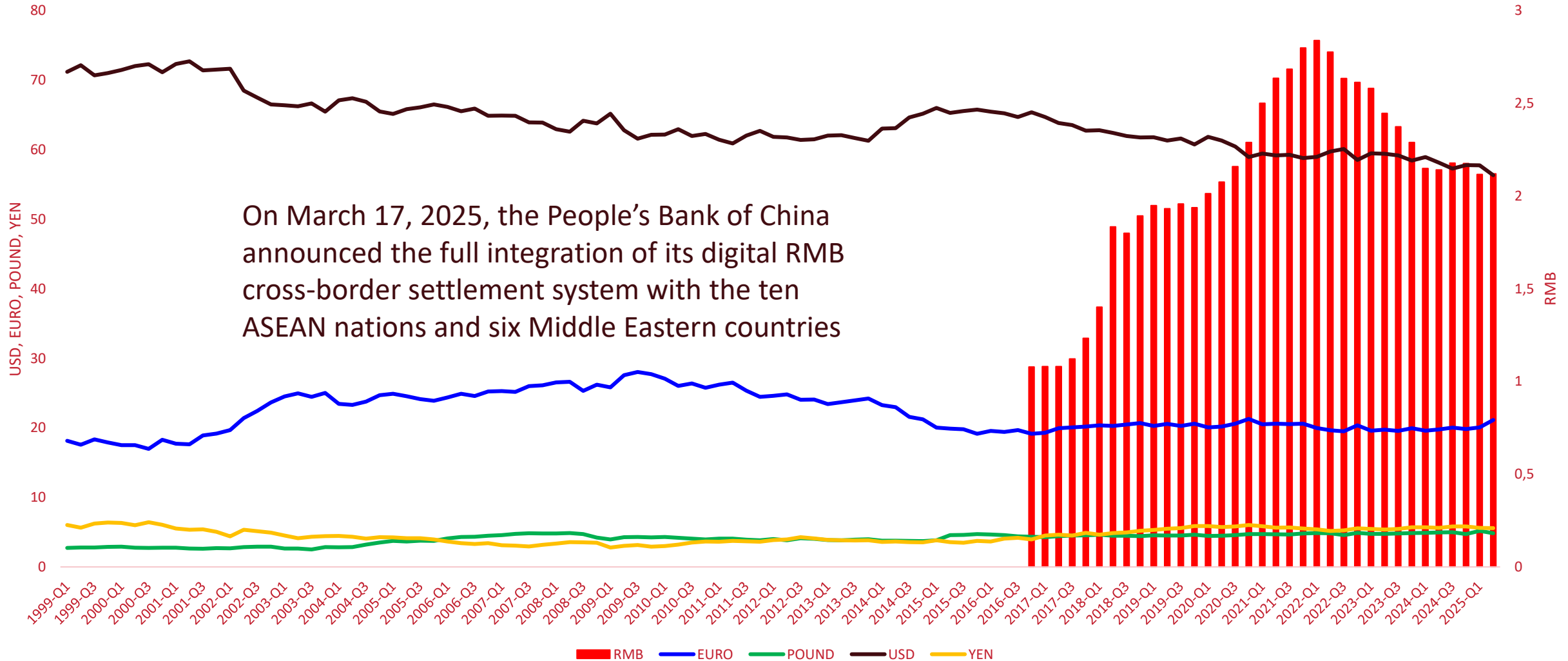


Regionalization induced by global fragmentation



Is De-globalization on Move ? (2)

Ratio of Reserve Currencies



IS DE-GLOBALIZATION ON MOVE ? (3)

Metric

US Dollar (USD)

Chinese Renminbi (RMB/CNY)

Share of Global FX Reserves

~58% (dominant share)

~2-3%

Share of Global Payments

~50% (48.46% via SWIFT)

~3% (2.89% via SWIFT)

Share of Int'l Debt Issuance

~60-64%

Information missing

Role in Commodity Trade

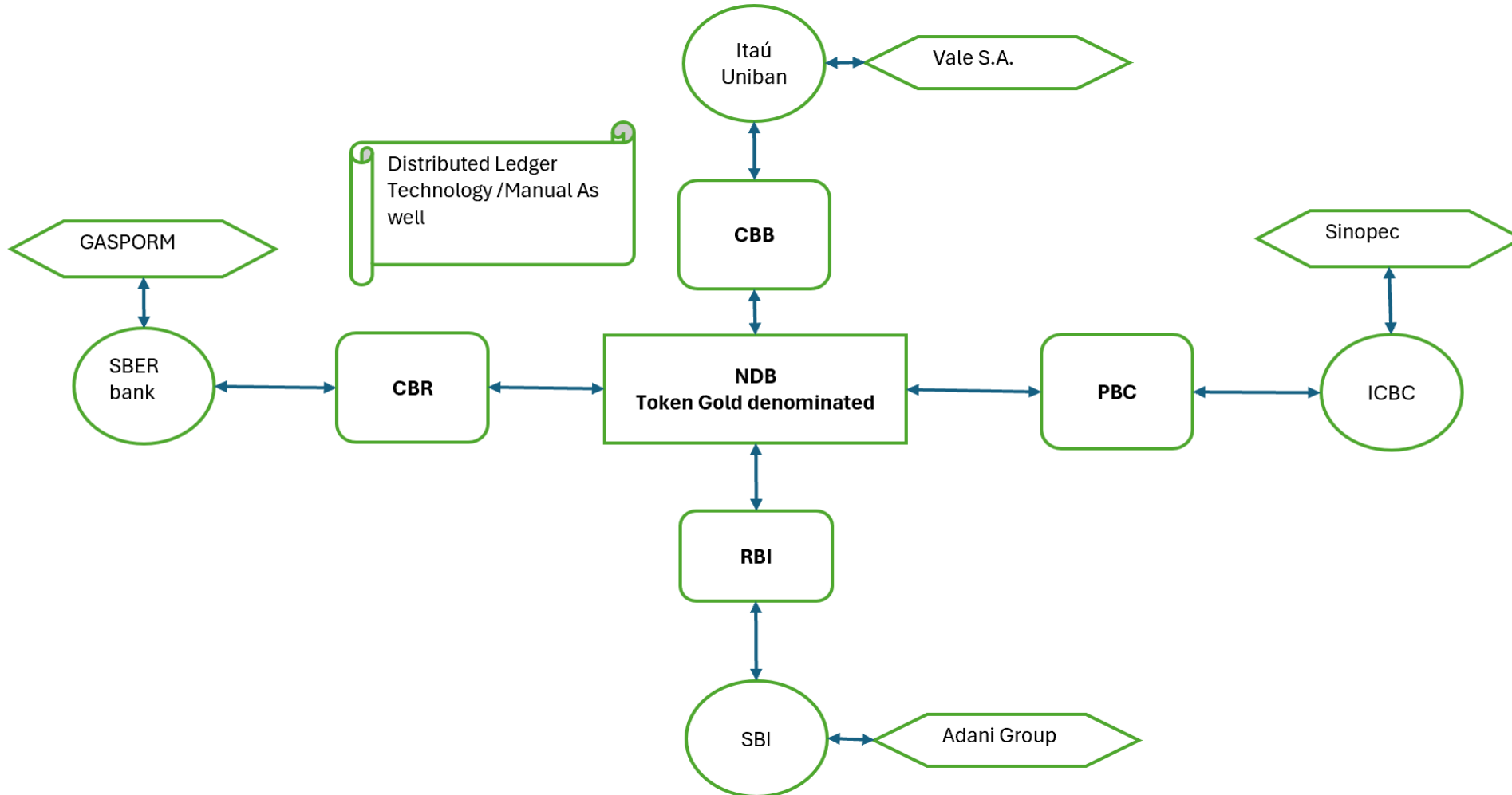
Dominant, but facing challenges

Growing use for some bilateral
trades (e.g., with Russia)

The New Development Bank as A New Financial Architecture?

- **Common currency?**
- **Local Currency?**
- **Trust?**
- **The Core Technologies: Distributed Ledger Technology (DLT) and Tokenization**
- The entire system rests on two key technological pillars:
- **Distributed Ledger Technology (DLT):** Imagine a shared database of transactions that is not maintained by a single entity (like a central bank or a clearinghouse) but is instead copied and synchronized across a network of participants. This creates a single, tamper-proof source of truth that everyone can trust without needing a central authority to validate it.
- **Tokenization:** This is the process of creating a digital representation of a real-world asset on a DLT network. Virtually anything of value—a bond, a stock, Gold a US dollar, a Japanese yen, or even a barrel of oil—can be converted into a "token." These tokens can then be instantly and securely transferred on the ledger.

NDB



The Key Takeaways

- **Geo-economic fragmentation is reorienting global trade and innovation. Instead of a single, integrated market, we see the emergence of distinct blocs, often coalescing around shared political ideologies or stark national interests. Within these blocs, regional cooperation is being fostered as a strategic imperative, not just an economic choice.**
- **The era of U.S. dollar dominance is being challenged. The global monetary system is entering an extraordinary phase of experimentation, with heightened efforts to create alternative trade settlement systems and potential challenger currencies, accelerating the move toward a multi-currency world.**
- **In this fragmented environment, nations are testing new models of resilience. Russia's macro-prudential policies, for instance, have demonstrated a degree of effectiveness in insulating its economy from global negative externalities, such as sanctions. This provides a potential playbook for other states seeking to “decouple” or enhance their strategic autonomy, further fueling the multi-polar dynamic.**

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