

Russia Again Attracting Investment

By [The Moscow Times](#)

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In the week through Jan. 11, investment funds focused on Russia experienced an inflow of \$43 million, equaling about 0.4 percent of the total amount under management, according to EPFR Global. In the weeks leading up to the New Year, investors had been cashing out of Russia-focused funds.

This follows a trend of investors putting money into Russian assets that are part of larger emerging market funds, said Chris Weafer, a strategist at Troika Dialog. "They have increased their Russian assets over the last three weeks, with the inflow as of last week reaching \$133 million, or 0.27 percent of the amount under management," he said.

Analysts see this as part of a general change in attitude toward emerging markets, not just Russia. For the week ending last Wednesday, emerging market funds grew by \$1.8 billion, Weafer said. "Investors are not betting on specific countries — \$1.6 billion of that amount was put into relatively stable and balanced emerging market funds," he said.

It is too early to say this is a reversal in the trend, said UralSib Capital senior trader Andrei

Kukk. As usual, at the start of the year, everyone gets new limits — the inflow of funds to Russia could be due to the fact that finances are being reallocated between various accounts; in reality fresh money is not yet visible on the market, he said.

"Through the middle of February, there will be no serious inflows or outflows — until there is some clarity about the presidential election," Kukk said. With MICEX up 6 percent, it's clear that related markets are paying attention, but so far the situation on markets globally isn't so bad as to push investors to the Russian market, ignoring the lack of political clarity and other risks, one trader said.

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