

Surgut Cash Feeds Liquidity

By [The Moscow Times](#)

July 17, 2012

The  **Moscow Times**

Part of oil producer Surgutneftegaz's estimated \$31 billion cash pile may be "trapped" within Russia's banking system and not readily available for mergers or dividends, analysts at Troika Dialog said.

If all the cash is held in Russia, it makes up 9 percent of all corporate deposits and helps support the liquidity of the country's banking system, Troika analysts Oleg Maximov, Alex Fak and Valery Nesterov wrote in a research note Tuesday.

"Clearly, it could not be easily withdrawn, and potential mergers and acquisitions would be limited to assets whose sellers would agree to leave the money in the Russian banking system," Troika said in the note.

That may preclude the company from bidding for a stake in oil producer TNK-BP, as neither BP nor its Russian billionaire partners would likely want to leave the cash in Russia, Troika said.

(Bloomberg)

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