

# Romney Win Might Depress Russian Market

By [The Moscow Times](#)

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Mitt Romney

An election victory by U.S. presidential candidate Mitt Romney might increase the risk premium for the Russian equity market and result in stock indexes falling 5 to 10 percent, Citi said in a report.

Romney was officially nominated Tuesday at the 2012 Republican National Convention to run against President Barack Obama in the November election.

A re-election of Obama, who is trying to continue the reset of the United States' relations with the Kremlin, would not have any major impact on Russian markets, according to the report.

Romney, on the other hand, called Russia the United States' "number one geopolitical foe" and might revise the New START arms reduction treaty, Citi said, adding that a Cold War agenda could make a comeback in a Romney White House.

He is also seeking to reduce the United States' energy dependence by deregulating the oil and gas industry, Citi said. As a result, oil and gas production may rise, putting downward pressure on global energy prices, on which the Russian economy is heavily dependent.

Stocks that are the most popular with investors — like Magnit, Sberbank and MTS — will be affected the most, while Russia's defense industry may even benefit from an arms race with the United States, according to the bank.

But Ovanes Oganisyan, an analyst at Troika Dialog, said investors should not worry about the U.S. election.

First, Russia is not the United States' main concern, and the main focus of global events is shifting to Asia, he said. Second, a Republican victory may lead to a more aggressive foreign policy, which would boost energy prices, Oganisyan said.

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