

Russia's Credit Outlook Downgraded Over Ukraine Sanctions

By [The Moscow Times](#)

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Standard & Poor's Headquarters in Lower Manhattan.

Credit rating agency Standard & Poor's has downgraded Russia's credit rating outlook to negative, citing the potential economic fallout of Moscow's deteriorating relations with the West over the Russian annexation of Crimea.

Hours after U.S. President Barack Obama threatened to sanction key sectors of the Russian economy on Thursday, S&P announced that it had downgraded Russia's ranking to BBB, the second-lowest investment grade.

The BBB ranking implies Russia is considered to have "adequate capacity to meet financial commitments, but [is] more subject to adverse economic conditions."

Other countries with a BBB rating are Bahrain, Colombia and Italy.

"Heightened geopolitical risk and the prospect of U.S. and EU economic sanctions following Russia's incorporation of Crimea could reduce the flow of potential investment, trigger rising capital outflows, and further weaken Russia's already deteriorating economic performance," S&P said in a statement on its website.

On Thursday, U.S. President Barack Obama [announced sanctions](#) against 20 additional people and threatened possible penalties directly targeting the economy.

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