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Central Bank Spending to Defend Ruble Falls Ninefold in April

By The Moscow Times

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The Central Bank spent more than $2.4 billion last month to defend the ruble.

The Central Bank threw $2.4 billion into shoring up the ruble in April, 9 times less than the $22.3 billion it spent to support the Russian currency in March.

The bank also spent 248 million euros defending the currency, down from nearly 2.3 billion euros in the previous month, according to data published on the bank's website.

Since the beginning of the year, the ruble has plummeted 9 percent against the dollar, despite an ongoing rearguard action by the Central Bank, which has funneled nearly $40 billion into defending the ruble. On Monday, the Central Bank's exchange rate was 35.7 rubles against the dollar.

At the root of the ruble's decline are a sharp economic slowdown in Russia and a huge increase in capital outflow, but the crisis in Ukraine has piled extra pressure onto the currency.

The ruble reached historical lows on March 18, two days after a referendum in Crimea yielded a landslide result in favor of uniting the territory with Russia in the teeth of resistance from Western nations.

April's currency interventions by the Central Bank are the smallest since October last year, when the bank sold $1.65 billion and 133 million euros.

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