

Sanctioned VTB's Shares Down, Russian Market Stable Despite Sanctions

By [The Moscow Times](#)

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A worker cleans a sign outside a branch of VTB Bank in Moscow.

Shares in Russia's second-largest bank VTB slid over 3 percent at the start of trading on Wednesday, but the broader stock market rose as investors had priced in the impact of a new wave of Western sanctions.

Brussels and Washington announced new punitive measures on Tuesday, targeting Russia's energy, banking and defense sectors over what they say is Moscow's support for rebels in eastern Ukraine.

The U.S. Treasury imposed targeted sanctions on Russian banks including VTB, VTB subsidiary Bank of Moscow and the Russian Agricultural Bank.

VTB recouped some of its early losses to trade 1.55 percent lower at 9:35 a.m., sharply underperforming the broader ruble-denominated MICEX index, which rose 1 percent.

The dollar-based RTS index was up 0.97 percent.

Russian stocks closed little changed on Tuesday, but the RTS is down around 15 percent from this year's highs seen earlier in July, before the downing of a Malaysian airliner in eastern Ukraine.

New sanctions have been widely anticipated by markets ever since the West accused pro-Russian rebels of shooting down the airliner on July 17, killing all 298 aboard.

"All in all, while the European sanctions do not come as a big surprise, the good news is that the EU has left the door open to temper its position soon, as the sanctions could be reconsidered within three months," Natalya Orlova, an analyst at Alfa Bank, wrote in a note.

The ruble was broadly stable in early trading, strengthening by 0.09 percent against the dollar to 35.77 and by 0.1 percent against the euro to 47.96 .

That left the Russian currency 0.15 percent stronger at 41.25 versus the dollar-euro basket the Central Bank uses to guide the ruble's nominal exchange rate.

See also:

[EU Sanctions to Squeeze Russian Banks, Consumers](#)

[Investors Rush to Sell Russian Corporate Bonds Before EU Sanctions](#)

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