

Ruble Continues Slide as Central Bank Conducts First Ruble-Dollar Swap

By [The Moscow Times](#)

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A woman walks out of a building past a board showing currency exchange rates in St. Petersburg.

The Russian ruble weakened on Wednesday after the Central Bank conducted its first overnight ruble-dollar swap operation to boost banking liquidity.

Large foreign debt payments by Russian companies shut out of overseas capital markets as well as broad risk aversion after the West imposed sanctions over Moscow's role in Ukraine have pushed the ruble to new lows almost daily in recent weeks.

At 11:30 a.m in Moscow, the ruble traded 0.2 percent weaker against the dollar and the euro, at 39.68 and 50.05, respectively.

The ruble opened beyond the level of 44.40 where the Central Bank automatically starts unlimited interventions to defend the currency, but recovered to trade at 44.34 rubles per the basket.

The Central Bank said on Wednesday it had conducted the ruble-swap overnight operation in the amount of \$581.4 million. This was the first time the market used the mechanism that the Central Bank introduced on Sept. 16.

The bank denied a media report on Tuesday that Russia was weighing the introduction of temporary capital controls which had sent the ruble tumbling.

"Currency moves remained in focus," Sberbank Investment Research analysts wrote in a morning note.

Russian shares traded higher on Wednesday, with the dollar-denominated RTS index adding 0.2 percent to 1,125 points and the ruble-traded MICEX adding 0.4 percent to 1,417 points.

Shares in debt-ridden Mechel were up 15 percent after the head of VTB Bank said the bank was "not afraid" of investing in the miner.

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