

Russia's Tumbling Ruble Falls to New Historic Low Against Euro

By [The Moscow Times](#)

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U.S. 100 dollar banknotes and Russian 10 rubles coins.

Russia's ruble on Friday continued to shed value, weakening past 53 rubles to the euro for the first time and nearing 42 to the dollar as the Central Bank spent billions intervening on the market to defend it.

By the end of the day on Friday, the Russian currency had devalued to 53.06 rubles to the euro, 41.90 to the dollar and 46.92 to the dollar-euro basket, against which the Central Bank measures the ruble's nominal exchange rate.

The ruble has lost more than 25 percent against the dollar and 18 percent against the euro since the beginning of the year, struck by a slide in oil prices and capital outflows accelerated by Western sanctions over the crisis in Ukraine and a sharp economic slowdown at home.

The Central Bank has already spent more than \$15 billion this month trying to halt the ruble's

slide.

Current Central Bank policy mandates foreign currency interventions when the ruble passes the limits of a prescribed trading corridor against the dollar-euro basket. The upper boundary of the corridor is raised by 5 kopeks every time the regulator spends more than \$350 million on propping up the currency's value.

The Central Bank moved the upper boundary of the currency eight times on Thursday — the biggest one-day corridor shift so far this year — indicating that it spent about \$2.8 billion from its reserves. The bank releases data on the precise amounts spent with a two-day time lag.

The Central Bank said earlier this month that it still plans on free-floating the ruble at the end of this year and switching to an inflation-targeting policy.

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