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Rusagro, Magnit, S&P: Business in Brief

By The Moscow Times

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EU Ban Spurs Rusagro Sales

Russian farming conglomerate Rusagro Group said Friday that its third-quarter sales rose 65 percent to about 17 billion rubles ($405 million) following a ban on pork imports from Europe.

Russia stopped pork imports from Europe on health grounds in January, fueling domestic prices well before imposing a broader ban on Western food imports in August for one year in response to sanctions over Moscow's role in the Ukraine conflict.

Rusagro said revenue in its pork division jumped 161 percent in the third quarter, year-on-year, to stand at 5.5 billion rubles ($131 million) and was up 159 percent in January-September.

The company, listed in London as Ros Agro and controlled by senator Vadim Moshkovich's family, said earlier that it planned to boost pork output to replace EU's imports. *(Reuters)*

Magnit Profits Leap

Russia's biggest food retailer Magnit posted a forecast-beating 40 percent jump in third-quarter earnings on Friday after nimbly navigating an import ban and sticking with low prices despite surging inflation.

Magnit, a low cost retailer with a big presence in Russia's far-flung regions, moved quickly to find new supplies to fill gaps on the shelves when Moscow banned imports including fruit and vegetables from Europe and the United States in August, in response to Western sanctions over Ukraine.

Magnit, which runs a more than 9,000-strong chain of low-price, mostly small neighborhood stores, said its net profit amounted to $395 million in the third quarter, while analysts forecast $366 million. *(Reuters)*

S&P Holds Russia Rating Steady

Standard & Poor's affirmed Russia's sovereign rating on Friday at a notch above junk status, warning a downgrade may follow if more sanctions are imposed on Moscow for its role in the Ukrainian conflict.

The agency affirmed the country's long- and short-term foreign currency sovereign ratings at BBB-/A-3 after cutting them in April. S&P also said another cut might come if Russia's monetary policy or exchange-rate flexibility weakens.

It maintained a negative outlook on Russia.

"The negative outlook reflects our view that we could lower our ratings on Russia over the next 18 months if its external and fiscal buffers deteriorate faster than we currently expect — for example, due to any further tightening of sanctions as a result of the conflict in Ukraine," S&P said in a statement. *(Reuters)*

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