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# Russia's Ruble Plunges Past 43 to U.S. Dollar, 55 to Euro

By The Moscow Times

October 30, 2014

An employee of a bank counts ruble, euro and dollar banknotes.

The ruble dropped past the 43 to the U.S. dollar mark late Wednesday and past the 55 to the euro mark Thursday amid an ongoing rout for the Russian currency as traders and investors sell rubles ahead of a Central Bank meeting this Friday.

The currency slid below 43 ruble to the dollar shortly before midnight after the U.S. Federal Reserve announced, in a widely expected development, that it intends to end its quantitative easing program of bond buying by the end of the month.

Declines continued Thursday morning with the ruble weakening to 43.4 to the dollar. Just after 10 a.m., the currency collapsed past the 55 to the euro mark for the first time in history.

Hit by Western sanctions, a declining oil price and widespread risk aversion to Russia, the ruble has lost over a quarter of its value against the greenback since the beginning of the

year.

The worst performing currency in the world, the ruble dropped 9 percent against the dollar in the last three weeks. Just three days ago, one dollar was worth 42 rubles.

The falls come despite the Russian Central Bank burning through over $20 billion worth of foreign currency reserves this month in an attempt to prop up the ruble.

The currency' devaluation in recent days was compounded by speculation the Central Bank may decide to scale back market interventions in defense of the ruble at its monthly rate-setting meeting scheduled for Friday morning.

Any move by the Central Bank to loosen the trading corridor it uses to regulate the ruble is likely cause the value of the ruble to collapse in the short term.

Despite fears that the Russian economy could tip into recession, experts also expect the Central Bank to raise interest rates Friday.

"We still think that in the current conditions the stabilization of the ruble requires a quite aggressive increase in the base [interest] rate," ING Bank's chief economist in Moscow, Dmitry Polevoy, said in a note to investors Thursday.

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