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Capital Outflow From Russia Soars to $28 Billion in October

By The Moscow Times

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Capital outflow from Russia leaped to $28 billion in October, an amount equal to nearly half last year's total capital flight and the biggest monthly outflow so far this year, the Economic Development Ministry said in a report.

Capital outflow has soared this year as investors' jitters over slowing economic growth were aggravated by Western sanctions over the Ukraine crisis. These fears were tipped into overdrive as the price of Brent oil, the global benchmark, plunged from $100 in mid-September to $85 in October, sending Russia's already fast-weakening ruble into a tail-spin that only encouraged flight from Russian assets. The price of Brent oil has since fallen to $80. The ruble has fallen nearly 30 percent against the U.S. dollar this year.

The Central Bank this month raised its capital flight forecast from $90 billion for the year to $128 billion. Capital flight was $63 billion last year and $57 billion in 2012, according to the regulator.

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