

Russia's Ruble Hits 10-Day High as Putin Leans on Exporters

By [The Moscow Times](#)

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Putin and a series of officials have put pressure on Russian exporters to sell foreign currency earnings to increase the demand for rubles.

The Russian ruble firmed to a 10-day high against the dollar on Monday as exporters sold foreign currency revenues, partly to meet tax obligations and partly in response to a call from President Vladimir Putin.

At 6:30 p.m., the ruble was up 5.5 percent against the dollar at 55.3 and 6.2 percent firmer at 67.7 versus the euro.

However, by 8 p.m. it had slipped back to 56 to the dollar and 68.9 to the euro as oil, Russia's chief export, fell 1.8 percent to \$60.27.

Putin and a series of officials have put pressure on Russian exporters to sell foreign currency earnings to increase the demand for rubles.

"It's all due to exporters, [foreign currency sales] come only from them," said Igor Akinshin, trader at Alfa Bank.

The exporters anyway have to pay tax bills at the end of the month that require them to convert foreign earnings into rubles.

This, combined with increased verbal support of the ruble from officials, as well as practical measures to stabilize the market, has significantly reduced the ruble's volatility.

The measures included the Central Bank raising its key interest rate by an unprecedented 6.5 percentage points last week, promises of additional sales of foreign currency, plans to increase banks' capital, and tougher rules to curb currency speculation.

Alexander Medvedev, deputy CEO of Russia's top gas producer Gazprom, told reporters his firm would sell foreign currency revenues on the domestic market as Putin had requested.

At one stage last week, the ruble, which began the year at around 33 to the dollar, spiked to over 80 to the dollar.

Its fall, and the prospect of a sharp recession next year under the effect of the collapsing oil price and Western sanctions over Ukraine, have put at risk the stability on which Putin has built his popularity.

Russian stocks were mixed, reflecting the ruble's performance. The dollar-traded RTS was up 5.6 percent to 811 points and the ruble-based MICEX stood 0.8 percent lower at 1,437 points.

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