

Ruble Rises as Russia Pressures Exporters, West Goes on Holiday

By [The Moscow Times](#)

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A Russian one ruble coin swimming in a jar of water.

Russia's ruble strengthened on Thursday as exporters sold foreign currency in response to government pressure and to meet tax payments, but trading volumes were thin as many Western markets were closed for the Christmas Day holidays.

At 11:25 a.m. in Moscow, the ruble was 1.7 percent stronger against the dollar at 52.55 and gained 1.5 percent to trade at 64.53 versus the euro.

The ruble earlier hit its highest against the dollar and euro since Dec. 4 and has trimmed its losses against the greenback to around 37 percent this year.

The Russian currency is supported towards the end of each month by tax payments to the state budget that require Russian exporters to convert part of their foreign-currency earnings into rubles.

Forex sales have also risen after the government told large exporters on Tuesday that by March 1 they must bring their net foreign exchange assets back to the levels of Oct. 1.

Analysts, however, are cautious on the near-term outlook for the ruble, saying much depends on oil prices, which remain weak, and progress in talks to secure a lasting peace in eastern Ukraine.

"We think the short-term upside for the ruble is limited," Dmitry Polevoy at ING Bank said in a note, also citing the risk of Russia being downgraded to 'junk' status by ratings agency S&P as a factor weighing on investors' mood.

The Central Bank has spent over \$80 billion defending the ruble this year amid a slump in oil prices and Western sanctions over the Ukraine crisis that have restricted Russian firms' access to international capital markets.

It said on Thursday that it and the Finance Ministry had not conducted forex market interventions on Dec 23.

Russian shares were mixed on Thursday, largely reflecting the moves in the ruble.

The dollar-denominated RTS index was up 2.4 percent to 834 points, while its ruble-based peer MICEX traded 0.5 percent lower at 1,393 points.

Shares in the country's second-largest bank VTB rose over 5 percent. The Finance Ministry said on Thursday it was doing everything it could to ensure VTB gets money from the National Wealth Fund by the end of the year.

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