

Russian Ruble Seesaws as Oil Prices Fall, Exporters Sell Dollars

By [The Moscow Times](#)

December 30, 2014



People queue to enter a currency exchange office in Moscow on Dec. 29, 2014.

The Russian ruble staged an uncertain recovery on Tuesday as traders saw modest foreign-currency sales on the final day of trading before the New Year holidays.

At 3:30 p.m. in Moscow, the ruble was around 2.6 percent stronger against the dollar at 56.81 rubles per dollar and 2.1 percent firmer against the euro at 69.52.

Within the first hour of trading, the ruble had surged to trade as much as 6 percent higher against the U.S. currency, before sliding back into negative territory and then rising once more.

The Russian currency has swung wildly in recent weeks after the Central Bank floated it and panic gripped the market, threatening to shatter the economic prosperity on which President Vladimir Putin's popularity partly rests.

"We think that state companies were 'explicitly recommended' to sell foreign currency today so that the ruble ends the year on a beautiful note," said Vladimir Miklashevsky, a trading desk strategist at Danske Bank.

"Today the authorities will do everything so that the ruble ends below 60 [to the dollar], whatever happens," he said.

A forex trader at a Russian bank said the Central Bank was unlikely to have intervened on Tuesday, citing the small volumes that were moving the market.

"Our market is very thin ahead of the New Year's holidays. With just \$700 million in tomorrow trades, the ruble had moved by over 5 percent," the trader said.

Analysts at Nordea Bank said the early surge was probably driven by forex sales by one of Russia's state exporters, which were recently ordered to sell part of their overseas revenues to support the ruble.

A Finance Ministry official was unable to immediately say whether the ministry had sold foreign currency left over on its accounts on Tuesday.

The Russian currency is down more than 40 percent against the dollar this year, hurt by plunging oil prices and Western sanctions imposed over Moscow's role in Ukraine's crisis. They have limited Russian firms' ability to borrow abroad and spurred demand for dollars.

That slide has prompted heavy Central Bank interventions of more than \$80 billion to defend the ruble, sending Russia's reserves to their lowest since 2009.

The Central Bank said on Tuesday that the Finance Ministry had sold \$80 million in forex market interventions on Dec. 26, part of coordinated government efforts to defend the ruble. It said it did not intervene itself on Dec. 26.

Front-month Brent crude oil slumped on Tuesday to a new five-and-a-half year low on Tuesday at below \$57 a barrel, checking gains in the ruble.

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