

Russia, Emerging Markets Hit as Oil Dips Below \$50 per Barrel

By [The Moscow Times](#)

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

LONDON — Many emerging market currencies weakened on Wednesday, weighed down by oil prices hitting fresh lows, with Russian assets feeling most of the pain.

South Africa's rand, Turkey's lira and the Russian ruble all traded lower against the dollar, after oil prices fell below \$50 per barrel for the first time since 2009.

In Kenya, the shilling hit the lowest level in more than three years against the greenback, while in Asia the Indonesian rupiah touched three-week lows.

"The sentiment at this moment is still a little bit negative, and that is mainly because the last quarter was so negative," said Roy Scheepe, portfolio manager at ING Investment Management. "This is still a hangover from last year."

The weaker ruble sent Russian dollar-denominated stocks lower for the fifth consecutive session, trading down 1.9 percent. Yet emerging market shares overall were up 0.2 percent, on track for their first daily gain since the start of the year.

In Romania, the Bucharest stock index rose 0.4 percent and the leu traded flat against the euro after the Central Bank cut interest rates by 25 basis points to 2.5 percent, as expected.

Government bond prices across central Europe had firmed ahead of the meeting, which bolstered speculation that Poland and Hungary could follow suit in reducing interest rates.

Markets are also looking out for the minutes of the U.S. Federal Reserve's last policy meeting, due out later on Wednesday, hoping to glimpse clues on when U.S. interest rates might rise.

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