

Russian Assets Nearing Buying Range, Investment Adviser Says

By [The Moscow Times](#)

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Russia's currency remains volatile after losing 40 percent of its value last year.

Russian assets are approaching levels where they would be attractive to buy, investment adviser Marc Faber — writer of the Gloom, Boom & Doom Report — said Tuesday.

Western sanctions imposed over Moscow's role in the Ukraine crisis and oil's price collapse are tipping Russia's economy into recession and its credit rating looks set to tumble into junk for the first time in more than a decade.

Faber said his view is based on low valuations in Russia at a time when developed market assets such as U.S. stocks and real estate are "grossly inflated" by central banks' money printing.

"Russian assets may move into some kind of a buying range," Faber told an investor briefing in London. "They can go lower but they're moving into a buying range."

Shares in the MSCI Russia index trade at an 80 percent discount to their U.S. counterparts based on their price-to-earnings ratio, compared with an average discount of 50 percent since 2003, Datastream data showed.

Russian sovereign debt yields around 630 basis points above U.S. Treasuries, close to Iraqi and Angolan levels. That is 400 bps above year-ago levels and more than double the average premium paid by other investment grade credits on the EMBIG index.

Faber, a critic of central banks' asset-purchase program, also backed assets which tend to do well when global economic conditions worsen, such as gold, U.S. government bonds and cash.

"You can print as much money as you like, some asset prices no longer react to the upside," Faber said. "We have grossly inflated asset markets."

The Gloom, Boom & Doom Report is an in depth economic and financial publication, which highlights unusual investment opportunities around the world, according to its website.

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