

Russian Central Bank to Support Market With Reserve Fund

By [The Moscow Times](#)

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Russian Finance Minister Anton Siluanov said Wednesday that the Central Bank would gradually sell forex from the country's Reserve Fund to support the market, hit by Western sanctions and declining oil prices.

He said that "not all 500 billion rubles [\$7.6 billion] will be splashed out at once," referring to the amount from the fund that has been pencilled in to support the budget this year.

Earlier on Wednesday, Siluanov said the Finance Ministry intended to convert part of the Reserve Fund into rubles to take advantage of high interest rates and a weak ruble.

A steep fall in the ruble, low prices for its main oil exports and Western sanctions over Moscow's role in the Ukraine crisis have hit Russia's economy hard and have caused a serious domestic liquidity shortage.

Deputy Finance Minister Alexei Moiseyev told journalists that the ministry may sell the 500 billion rubles of foreign exchange this month or in early February — not directly to the market but to the Central Bank.

"We believe that the conversion of this amount of rubles would be very beneficial to us," Moiseyev said.

Maxim Oreshkin, head of the Finance Ministry's long-term strategic planning department, told Reuters that rubles received from the forex sale would be placed on bank deposits. The Central Bank will then decide when to convert the foreign exchange and distribute it to the market.

"The Central Bank understands that it is not possible to convert the whole amount at once," Oreshkin said.

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