

# Russian Ruble Trims Gains as S&P Downgrade Looms

By [The Moscow Times](#)

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The ruble trimmed early gains on Friday, with traders remaining cautious over the prospect that Standard & Poor's ratings agency could downgrade Russia's credit ratings to 'junk' status.

At 0730 GMT, the ruble was 0.1 percent stronger against the dollar at 65.21 but 0.1 percent weaker versus the euro at 75.88.

Brent crude futures edged higher, holding above \$48 per barrel, lending some support to the Russian currency. Oil is one of Russia's chief exports.

S&P warned in late December that it could deprive Russia of its investment grade rating as soon as mid-January, following a deterioration in the country's monetary flexibility and a weakening economy.

Some in the market have said the agency may postpone its Russia rating review until later in

the month. S&P declined to comment, saying only that it expects "to resolve the CreditWatch on Russia in January."

"The response to a possible downgrade to 'junk' level may be low key, because this scenario has already been priced in," Andrei Dirgin, head analyst at Alfa Forex, said in a note.

A downgrade would deprive the country of its investment-grade credit rating for the first time in more than 10 years. Russia exited junk territory in 2004 as it lifted itself out of the financial chaos that followed the 1998 default.

Russian stocks traded lower, with the dollar-based RTS index down 1.1 percent to 753 points and its ruble-based peer MICEX down 0.4 percent to 1,557 points.

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