

Russian Ruble Weakens as Oil Drops More Than \$1 Per Barrel

By [The Moscow Times](#)

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A general view of a refinery plant is seen outside Ufa, Bashkortostan.

The ruble fell and shares declined on Thursday after oil dropped more than \$1 per barrel on global markets and Standard & Poor's rating agency cut the ratings of some of Russia's top companies to junk.

At 0725 GMT, the ruble was around 0.8 percent down at 68.42 ruble per dollar and traded some 0.3 percent lower versus the euro at 77.52.

The dollar-denominated RTS index was 1.9 percent down at 755 points and the ruble-based MICEX traded 0.7 percent lower at 1,643 points.

S&P cut the credit ratings of several state-controlled Russian companies and leading banks, with energy companies Rosneft and Gazprom being downgraded to non-investment grade.

The downgrade came after S&P cut Russia's sovereign rating to junk last month, bringing it

below investment grade for the first time in a decade on worsening monetary policy and economic growth following Western sanctions on Moscow.

"This decision had been expected but we cannot rule out a higher sell-off of shares of corresponding companies," Alexandr Kostyukov, analyst at Veles Capital in Moscow, said in a note.

Oil prices, Russia's main export, fell more than \$1 per barrel to around \$53 per barrel, extending volatility seen in recent weeks.

Gazprom shares were down 1.3 percent on MICEX, underperforming the market and Rosneft traded in line, down 0.7 percent.

Shares in Magnit, Russia's biggest food retailer were down 2.5 percent after the company said its shareholder Lavreno Limited had placed 1 million shares at around \$143 each.

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