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Russian Ruble Strengthens as Oil Prices Hold Above $60 a Barrel

By The Moscow Times

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People walk along a street, with a board displaying currency exchange rates seen above, in Moscow.

Russia's ruble strengthened sharply in early trade on Friday, extending gains from the previous session to briefly dip below 60 to the dollar as oil prices held above $60 a barrel.

At 07:30 GMT, the ruble was about 1 percent stronger against the dollar at 60.19 and gained 1.1 percent to trade at 66.30 versus the euro.

Volumes were thin, accentuating market moves.

Analysts said that forex sales had increased in recent days, while demand for dollars remained little changed. Growing signs that a cease-fire in east Ukraine was taking hold provided a further lift to the ruble.

"The key driver behind the ruble's performance, we think, was increased hard currency selling flow from export, while the bid remained unchanged," Maxim Korovin, a forex analyst

at VTB Capital bank, said in a note.

Brent crude, a crucial driver for all Russian assets, held above $60 a barrel for the second day in a row in a positive signal for investors. At 07:30 GMT, it was trading 0.5 percent higher at $60.8 per barrel.

Russian shares, meanwhile, were mixed, reflecting the swings in the Russian currency.

The dollar-denominated RTS index was up 0.9 percent to 920 points, while its ruble-based peer MICEX traded 0.1 percent lower at 1,759 points.

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