

Russia's Central Bank Says Forex Repo Rate Hike Not Meant to Stem Ruble Growth

By [The Moscow Times](#)

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Russia's Central Bank said on Monday its decision to raise rates for foreign exchange repos was not aimed at limiting ruble strength but prompted by a "normalization" of the market and a reduced threat to financial stability.

The ruble fell earlier on Monday after the Central Bank said it was raising the rate at which it lends foreign currency to banks through repo auctions, its second such move this month.

"In general, the increase of rates may induce banks to search more actively for alternative sources of financial resources both on the domestic market and abroad," the Central Bank said in an e-mailed comment.

The Central Bank will raise its rates for foreign exchange repos as of April 21 by LIBOR plus 2.5 percentage points for one-year repos and by LIBOR plus 2 percentage points for one-week

and 28-day repos.

At 5:39 p.m., the ruble was around 2.1 percent weaker against the dollar at 53 after opening some 0.9 percent higher.

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