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Russian Ruble Gains on Firming Oil Prices

By The Moscow Times

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People are seen near a currency exchange office in central Moscow April 30, 2015.

The Russian ruble grew stronger on Thursday buoyed by firming oil prices.

At 7:15 p.m. Moscow time the ruble was 1.77 percent stronger against the dollar at 50.10 and had gained 2.17 percent to trade at 57.83 versus the euro.

International oil benchmark Brent was up 0.2 percent at 67.93 per barrel, below a 2015 high of 69.63 per barrel reached on Wednesday.

The ruble had opened strongly on Wednesday but fell back in the evening as the oil price retreated.

"If previously the situation with forex liquidity was one of the defining factors for the ruble, now global factors are in the forefront," analysts at Rosbank said in a note, citing the global weakening of the dollar and a rally in emerging market currencies as well as impact of oil

prices.

"The link between oil prices and the movement of the USD-RUB pair has again been reestablished and is being firmly maintained."

VTB Capital analysts said in a note that despite the strong momentum on Wednesday morning the ruble had failed to hold below the level of 50 rubles to the dollar because of solid bids for foreign currency at that level.

"The 50.0 mark remained an unbeatable resistance level," they wrote.

Russian stocks were weaker in both ruble and dollar terms on Thursday, tracking global markets.

The ruble-based MICEX index was down 1.59 percent to 1,686.98 points while the dollar-based RTS was down 0.51 percent to 1,060.73 points.

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