

Ruble Falls Further After Weak China Data, Tax Period Supports

By [The Moscow Times](#)

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The Russian ruble fell further on Friday, following weak Chinese factory data that pushed the oil price lower, but the onset of foreign currency sales by exporters to pay monthly taxes helped contain the losses.

At 1200 GMT, the ruble was 0.5 percent weaker against the dollar at 68.12 and had lost 0.8 percent to 77.00 versus the euro.

The ruble is now at its lowest level against the dollar since Feb. 5 and approaching its 2015 low of 71.85, reached on Jan. 30.

International oil benchmark Brent was down 1.2 percent to \$46 per barrel, on a day when global markets are reeling from weak Chinese manufacturing data that has underscored the extent of China's economic slowdown.

China is a major buyer of commodities such as oil that account for the bulk of Russian exports.

However, the ruble's decline on Friday was relatively modest compared with its slide over the previous days, reflecting sales of foreign currency by exporters who need rubles to pay monthly taxes next week.

Analysts at Sberbank CIB said in a note that 717 billion rubles (\$10.5 billion) were due to be paid in taxes, but added this would be not change the ruble's direction.

"As oil prices continue to slide, a further dollar / ruble rise is inevitable," they wrote.

Citi economist Ivan Tchakarov said there was little sign Russian policymakers intended to resist the rouble's slide.

"Policymakers seem willing to let the currency absorb the external shock from lower oil prices - the strategy that had worked well previously," he said in a note.

"We thus deem it very unlikely that the CBR will embark on outright FX sales, although it might scale up FX refinancing and take a pause in the rate-cutting cycle."

Russian share indexes fell heavily, tracking the bleak mood on global markets.

The dollar-denominated RTS index was down 2.9 percent to 772 points, while the ruble-based MICEX was down 1.3 percent to 1,674 points.

Shares in potash producer Uralkali bucked the negative trend, rising 0.6 percent after the company said it was considering a new share buy-back.

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