

Volatile Ruble Sinks After U.S. Oil Stock Build

By [The Moscow Times](#)

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The Russian ruble fell on Wednesday after a volatile day of trading, sinking in the evening along with the oil price after U.S. oil inventory data showed a large buildup in stockpiles.

At 3:50 p.m. GMT, the ruble was 1 percent weaker against the dollar at 67.54 and down 0.5 percent to 75.93 versus the euro.

The closely watched U.S. inventories data, which showed crude stockpiles rising by an unexpectedly large amount, quashed attempts by the oil price and ruble to recover.

After the data, international oil benchmark Brent fell 2.5 percent on the day to \$48.3 per barrel.

"Oil is back on the downtrend, that's the main story for the ruble," said Tatiana Orlova, EM

strategist at RBS in London.

Russian markets shrugged off a six-month extension of EU sanctions against Russia over the Ukraine crisis, as well as an expansion of U.S. sanctions. They viewed the moves as formalities that did not fundamentally change geopolitical risks.

Sberbank CIB analysts noted that the ruble's rate against the dollar is approximately three rubles stronger than it was in January, when the oil price was at a similar level, which "gives an idea of the extent to which Ukraine-related risk has abated."

Russian share indexes were also dragged down by the U.S. oil stocks data, having been up earlier in the day.

The dollar-denominated RTS index was down 2 percent to 789 points, while the ruble-based MICEX was 0.4 percent lower at 1,697 points.

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