

Ruble Volatility Prompts Jump in Foreign Exchange Deals

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The ruble dropped almost 10% over the weekend following a crash in oil prices. **Igor Ivanko / Moskva News Agency**

Foreign exchange transactions spiked this week, as Russians tried to capitalize on the fall in the value of the ruble, Russian daily Vedomosti [reported](#).

A number of Russian banks reported a significant increase in both buying and selling of U.S. dollars and euros, the paper said.

The Ural Bank for Reconstruction and Development said its sales of dollars were twice the usual rate Tuesday and demand for euros rocketed three-fold. Absolut Bank also recorded a three-fold increase in purchases of foreign currency over the weekend.

Meanwhile, other financial outlets, such as Vostochny Bank and Bank Saint Petersburg (BSP) said the market moved in the opposite direction, with Russians seeing the fall in the ruble as a good time to swap their stashes of euros and dollars. Vostochny said customers were buying twice as many rubles as foreign currencies, and BSP said purchases of the local currency were up by between 15% and 30%.

The ruble has seen significant volatility in recent days, [slumping](#) to 75 rubles against the U.S. dollar over the weekend, from an exchange rate of around 60 at the start of the year.

However, customers trying to profit from the volatility on the retail market would have had to deal with large spreads — the difference between the price at which traders buy and sell the same currency — which eats into potential gains. Sergey Romanchuk, a representative of the ACI Financial Markets Association in Russia told The Bell that retail investors probably missed any opportunities to turn a quick profit and advised against trading until the foreign exchange markets have calmed down.

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