

# Foreigners Ditch Russian Government Bonds in Record Numbers

Monthly outflow from government bonds in March was more intense than after Western sanctions were introduced.

April 02, 2020



The crash in the value of the ruble prompted an outflow from Russian assets. **Stanislav Krasilnikov / TASS**

Foreign investors sold more than \$3.5 billion worth of Russian government bonds in March, as the coronavirus caused unprecedented panic on the global markets and the ruble crashed following a collapse in world oil prices.

Data from the Moscow Exchange shows non-residents reduced their holdings of Russian federal bonds, referred to as OFZs, by a record 284 billion rubles (\$3.63 billion at Thursday's exchange rate) over the month, Russian daily Vedomosti [reported](#).

The sell-off was the largest ever recorded in a single month, Promsvyazbank analyst Dmitry Gritskevich said, more than doubling the previous high of 141 billion rubles in June 2018,

when the U.S. leveled fresh sanctions against Russia.

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In total, non-residents sold more than 10% of all OFZs which were on their books, reducing their share of total holdings from a previous all-time high of almost 35% to 31.2%.

Analysts say the main trigger for the mass exit was the collapse in the value of the ruble, which dropped 20% over the month after Russia walked away from an oil production cut with Saudi Arabia, triggering a price war and sending oil prices tumbling to their lowest level in almost two decades.

Prices for Russian government debt collapsed over the month as the sell-off intensified. Yields — the annual interest rate which moves in the opposite direction to prices and is a marker of how safe or risky investors believe an asset is — on Russia's 10-year bonds [climbed](#) from a low of 6.03% in mid-February to a peak of 8.57% in March.

Analysts surveyed by the paper said the sell-off could continue in April as volatility on global financial markets and in Russian assets continues.

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