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INDEPENDENT NEWS FROM RUSSIA

Russian Banks Import Most Dollars Since 2014 Crisis

Lenders reported a surge in demand for U.S. dollars as financial markets collapsed in March.

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The Russian ruble fell to its lowest level in four years in March. **Andrei Nikerichev / Moskva News Agency**

Russian banks bought their highest volume of U.S. dollars since the 2014 crisis in March amid unprecedented volatility on the global financial markets.

Data from the Central Bank, first reported by the RBC news website, shows Russian banks imported almost $5 billion in U.S. dollars, and another 1 billion in euros, during March.

The Russian ruble fell by more than 20% in the first two weeks of the month, dropping to its

lowest level against the U.S. dollar since January 2016, at 80.8. The fall came as oil prices tumbled after Russia pulled out of an oil production pact with Saudi Arabia and global financial markets went into meltdown as cases of the coronavirus surged in Europe and the U.S.

The volume of dollars bought in March was almost 10 times higher than the amount imported in February. The record monthly figure stands at $10.2 billion, registered in December 2014 when Russia's Central Bank dramatically hiked interest rates from 10% to 17% in a bid to stem a sharp fall in the value of the ruble, which lost almost half its value in a four-month slide.

Banks previously reported a surge in demand for foreign currencies from Russian customers in March when the ruble started its sharp descent. Russian households and businesses are particularly aware of volatility in the value of the ruble, with numerous bouts of sharp devaluation — in 2014, 2008, 1998 and after the breakup of the Soviet Union — in living memory.

Despite fears, the currency has proved more stable than in previous crises, with economists hailing Russia's strong macroeconomic position as protecting the ruble from a more serious fall. It is down 14% for the year so far, against a 45% drop in the price of oil.

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