

Russian Ruble Approaches Pre-Coronavirus Levels

Ruble hits three-month high as oil prices stabilize.

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The Russian ruble dropped under 70 against the U.S. dollar Monday for the first time since early March.
Alexander Avilov / Moskva News Agency

The Russian ruble passed another milestone on its recovery to pre-coronavirus levels Monday, as it dropped below 70 against the U.S. dollar.

Trading at 69.7 against the greenback, the ruble is at its highest level in almost three months. The currency's recent stability stands in marked contrast to previous global economic crises, when the ruble suffered heavily due to its strong dependence on global oil prices.

The Russian government made delinking the currency from the oil price one of its key tenets of economic stability in the aftermath of the 2014-2015 economic crisis in Russia.

"The ruble is supported by a number of factors, including the preservation of oil prices near the \$38 per barrel mark, as well as increased appetite for risky assets," [said](#) Nordea analyst

Grigory Zhirnov.

Speculation about the future of the latest OPEC+ deal between Russia, Saudi Arabia and a host of other oil producers ramped up over the weekend and could yet cause further movement in the currency. The record production cut agreement — which reduced the daily global supply of oil by around 10% in May and June — will wind down at the end of the month without a fresh deal.

The cartel is set to meet next week to discuss future production plans, and Russia has said it is not opposed to bringing the meeting forward to June 4.

Oil prices have climbed since the new OPEC+ deal was signed, but are still down more than a third since the start of the year as quarantines and lockdowns have disrupted global demand for oil, and fears over storage constraints sent the price of U.S. benchmark oil deep into [negative](#) territory for one day in April.

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