

Russian Markets Plunge Again as Tensions Flare in Eastern Ukraine

February 21, 2022



Russian markets plunged as tensions flared in eastern Ukraine. **Sophia Sandurskaya / Moskva News Agency**

Russia's financial markets plunged Monday to their lowest level in more than a year as tensions surged in eastern Ukraine and the Kremlin rebuffed plans for a face-to-face meeting between President Vladimir Putin and his U.S. counterpart Joe Biden.

The dollar-denominated RTS index of leading Russian firms was down 12.5% on the day in evening trading in Moscow, having briefly dipped below 1,200 points for the first time since November 2020. The sell-off was across the board, with commodities, banks and technology firms all suffering heavy losses.

The ruble also weakened throughout the day, down more than 2% at 79.1 against the dollar and 89.6 against the euro.

Monday's slide comes amid reports of heavy shelling around eastern Ukraine and near separatist-held territories in the Donbas. It also follows the Kremlin dismissing a French call

for a presidential summit between Biden and Putin as “premature.”

Related article: [Russia Says Border Facility Near Ukraine Destroyed in Shell Attack](#)

Zurab Kazbegi, sales director at the equities department of BCS Global Markets, told the Moscow Times that the government’s lack of willingness to confirm the summit quashed a brief morning rally before subsequent developments moved stocks even further into the red.

“As no such plans were subsequently confirmed by the Kremlin, the market took a leg down and continued to move lower on worrying news of a continued flare up in fighting in the Donbas, followed by a request from the authorities in the People’s Republics for military and financial aid from Russia,” he said.

Markets have been extremely volatile in recent weeks as traders attempt to digest the possibility of a military escalation.

Earlier on Monday, Russia’s Federal Security Service [said](#) an “unidentified projectile fired from Ukraine” destroyed a border facility in the Rostov region. A Ukrainian military spokesman dismissed the report as “fake news.”

Russia’s Defense Ministry later said it had killed five Ukrainian “saboteurs” that it claimed were caught crossing the border illegally.

Pro-Russian separatists in Donetsk and Luhansk have announced [mass evacuations](#) of the regions’ civilian population and a general mobilization for working-age men, warning of the need to prepare for a looming attack from Ukrainian forces.

Kyiv has denied those plans and issued warnings of its own, pointing to a potential “false flag” operation designed to provide a pretext for a Russian invasion.

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