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Russia's Stocks Crash 44%, Central Bank Unveils Emergency Support

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Stock markets were facing an unprecedented sell-off Thursday morning. **Eugene Razumny / Vedomosti / TASS**

Russia's stock markets plunged at the start of a delayed trading session Thursday after Russia launched military action in Ukraine.

The benchmark MOEX index of leading Russian shares fell by more than 40% in morning trading according to data on the exchange's website. The crash came as Western governments promised unprecedented sanctions in response to President Vlaidmir Putin's shock announcement that Russia had launched military action against Ukraine.

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The start of trading was temporarily delayed to allow Russia's Central Bank to announce an emergency support package — intervening in the foreign currency markets and boosting liquidity to banks.

“To stabilize the situation on the financial market, the Bank of Russia decided to start interventions in the foreign exchange market … and conduct operations today to provide additional liquidity to the banking sector,” it said in a statement.

The regulator said it stood poised to use “all necessary tools” to stave off the worst of the volatility.

In a later update, it said it was blocking the short-selling of shares in a bid to halt the slide and “protect the interests of investors.”

Trading was once again suspended at 10:40 following the unprecedented sell-off, the Moscow Exchange said in a statement.

Russia’s banks, giant commodities firms, metals exporters and technology companies all fell heavily in the mass sell-off.

The Russian ruble was hyper volatile in trading Thursday morning, falling by more than 10% at one point to stand above 100 against the euro and 90 against the U.S. dollar — both all-time lows.

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