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Russia Default on Debt Is ‘Imminent’ – Fitch

By AFP

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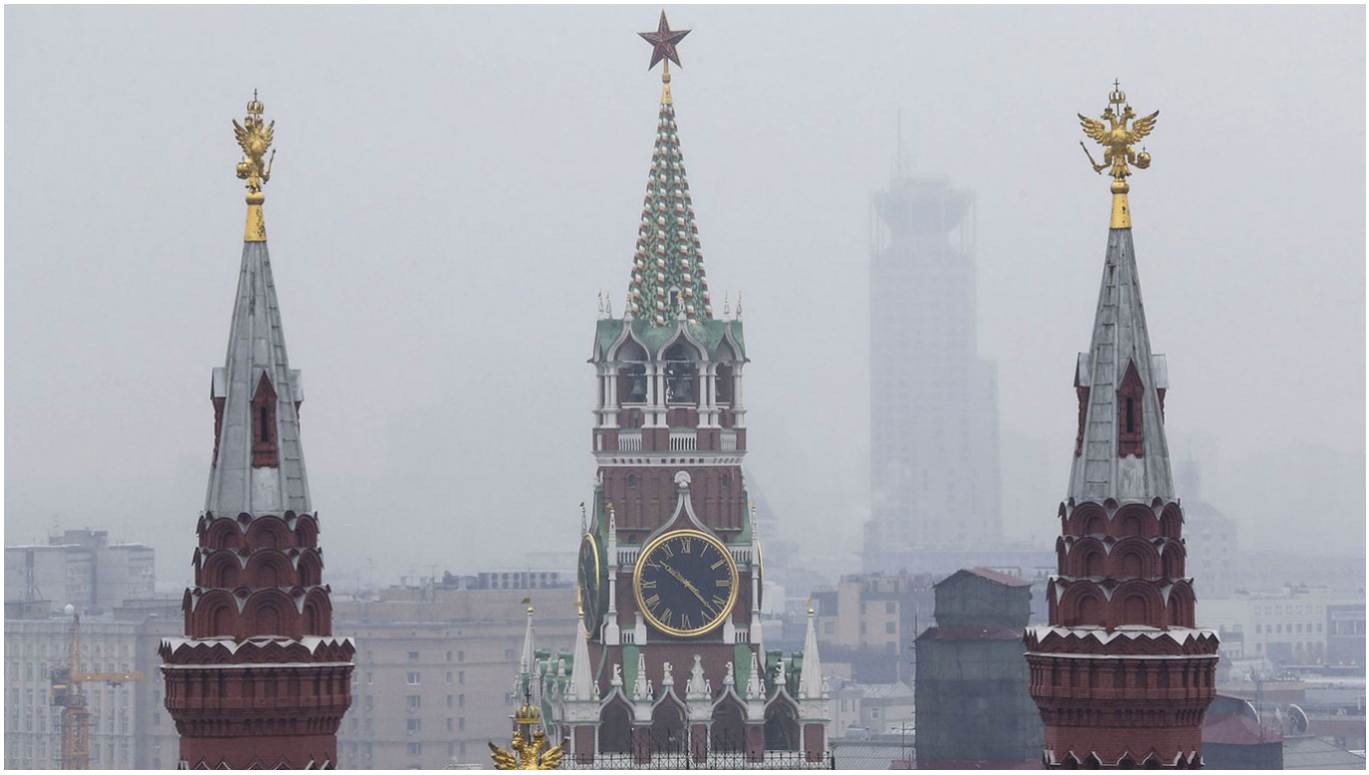

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Ratings agency Fitch on Tuesday again downgraded Russia's sovereign debt rating farther into junk territory from "B" to "C," saying the decision reflects the view that a default is "imminent."

Like other major ratings agencies, Fitch had already slashed Russia's rating earlier this month to "junk" status, or the category of countries at risk of not being able to repay their debt.

"The 'C' rating reflects Fitch's view that a sovereign default is imminent," the agency said in a statement, adding its new downgrade came because recent developments had "further undermined Russia's willingness to service government debt."

The agency said "the further ratcheting up of sanctions, and proposals that could limit trade in energy, increase the probability of a policy response by Russia that includes at least

selective non-payment of its sovereign debt obligations."

On Tuesday, the United States and Britain announced they were cutting off Russian energy imports — the U.S. ban is effective immediately, while London said it would phase out oil imports by the end of the year.

If Russia were to default on a debt payment, it would be the first time since 1998.

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