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Russian Stock Market to Reopen Thursday After Unprecedented Pause

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The Moscow Exchange has been closed since Feb. 25. **Alexander Avilov / Moskva News Agency**

Russia's main stock market will resume trading Thursday for the first time in four weeks, the Central Bank announced Wednesday.

The Moscow Exchange has been closed since Feb. 25 following Russia's invasion of Ukraine and the imposition of tough financial sanctions on Moscow. It is the longest suspension of trading since the fall of the Soviet Union.

Trading will be opened for 33 of Russia's largest publicly listed companies, those that comprise the benchmark MOEX index, the Central Bank said. That list includes the likes of now-sanctioned financial institutions like Sberbank and VTB, the country's largest energy giants Gazprom and Rosneft and private firms such as the country's top retail chains, flag-carrier Aeroflot as well as metals and commodities giants.

The trading day will be shortened to just over four hours, with deals starting at 9:50 a.m. Moscow time and closing at 2 p.m. Short selling will also be banned, the regulator announced,

in an attempt to limit speculative bids that could send the market into freefall.

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The reopening will be a crucial test for Russia's economy amid what Central Bank chief Elvira Nabiullina has called a "period of large-scale structural transformation," and what independent analysts expect to be the most hard-hitting economic crisis since the fall of the Soviet Union.

The reopening will follow the resumption of trading in local government bonds Monday. The government has pledged to buy up to 1 trillion rubles ($10 billion) of assets, including shares and bonds, in an attempt to stabilize financial markets, but traders are braced for heavy losses.

Under a presidential decree, foreigners will banned from selling their Russian shares, in a bid to protect Russian investors from heavy losses. Several Western investment funds have announced plans to completely offload their Russian holdings in the wake of Russia's attack on Ukraine.

The Russian stock market crashed by more than 40% in trading in the hours after Russia invaded Ukraine. The Central Bank only took the decision to close the market after the West introduced heavy sanctions on Russia in the days that followed.

The government's commitment to buy up to $10 billion of shares and bonds, along with the "company purchases of shares, favorable conditions in the commodity markets and a ban on foreign investors trading should avoid a deep correction when trading resumes," analysts at the Moscow-based Aton brokerage firm said in a recent research note.

Prior to the closure, foreigners such as large Western investment and pension funds, accounted for around half of all trading on the Moscow Exchange.

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