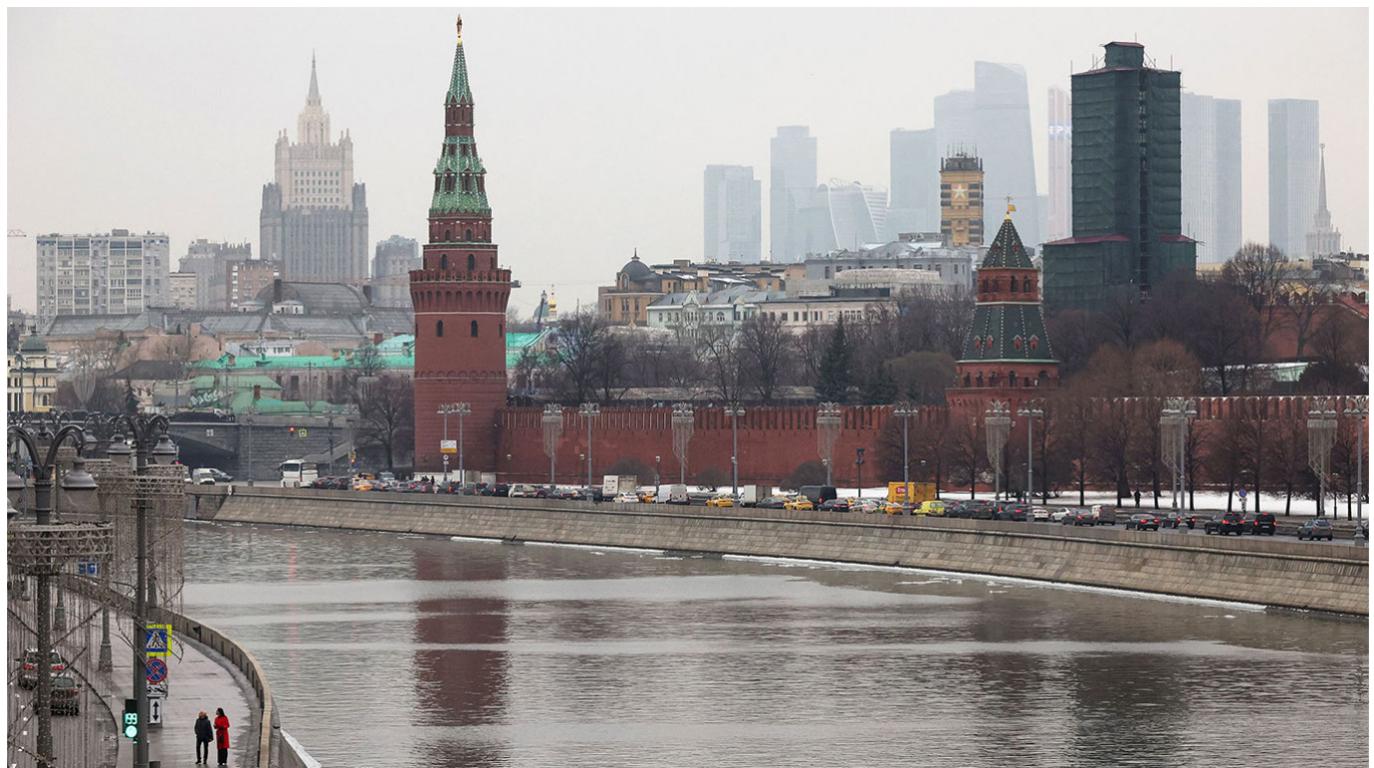


# No 'Trump Rally' for Russian Stocks, Tycoons

By [Moscow Times Reporter](#)

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Valery Sharifulin / TASS

With the U.S. stock market making record gains on the back of Donald Trump's election victory, analysts doubt the Russian market can benefit from a Trump rally to the same extent as it did in 2016.

The S&P 500 index of 500 leading publicly traded U.S. firms broke [the historic 6,000](#) mark on Nov. 8 for the first time in history on the back of Trump's election victory.

The Russian benchmark stock index, too, gained following Trump's victory, but it remains lower than it was this summer or before the Kremlin's full-scale invasion of Ukraine.

On Wednesday, the day the U.S. election results were still coming in, Russia's ruble-based benchmark Moscow Stock Exchange (MOEX) index rose 3% in the morning amid expectations of a Trump victory.

The gas giant [Gazprom](#) (+2.4%), the state airline [Aeroflot](#) (+2.9%) and the holding company [Sistema](#) (+3.4%) were among the companies whose shares rose on the announcement of Trump's victory on Nov. 6.

However, the index, which closed at 2734.56, is still lower than a month ago and the prospects for further gains are unclear.

**Embed:**



Russian stock prices [plummeted](#) with the country's full-scale invasion of Ukraine and [did not recover](#) until 2023. The MOEX index [started to fall](#) again in the summer of 2024 as the Central Bank continued to tighten monetary policy by raising the key interest rate.

Stock markets usually fall when the key interest rate is raised. This is because the higher key rate may depress consumer demand and make it costlier for firms to borrow, hurting profits. At the same time, a high key interest rate makes it more profitable for investors to lend money to the government.

Russian analysts doubt the market can count on the same kind of Trump rally that the country's markets experienced when the Republican first came to power in 2016.

First, there is a less widespread sense that the poor relations between the U.S. and Russia might actually change, given the ongoing Ukraine–Russia war and the continuing attempts by the U.S. and the EU to limit Russia's energy revenues.

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While Trump's potential conciliatory moves on Ukraine are hard to read, it is likely that his comeback will be accompanied by pressure on commodity markets, including oil sold by Russia, suggested [Alina Popstova](#), an analyst at brokerage Alfa Capital.

Another analyst, [Anna Kokoreva](#), also said that the positive market sentiment in Russia is likely driven by a sense of certainty, but would be short-lived as there are no signs that Trump will deliver on positive steps toward Russia.

Second, Russia is now less connected to the global system, so the positive sentiment about Trump's victory in U.S. markets does not spill over to Russia, some say.

In November–December 2016, for example, the Russian market rose by 13%, as the correlation between the stock markets of different countries was close, according to BKS analyst Mikhail Zeltser.

However, the Russian market is less responsive to global dynamics due to greater international barriers to capital flows, he suggested.

"The S&P 500 Index remains at historic highs on the back of the Fed's reversal of its interest

rate path, while the Moscow Exchange Index is at annual lows on the back of the Central Bank's tight policy," [Zeltser added](#).

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The business community is also lukewarm about the chances of Trump's second term changing things for the better.

Alexander Shokhin, who heads the Russian Union of Industrialists and Entrepreneurs (RSPP) business lobby group, [said he did not](#) expect Trump to lift sanctions on Moscow.

"Russian business, including big business, assumes from past experience that sanctions are easy to impose but very slow to lift," Shokhin noted.

Few of Russia's business elites have reacted to the U.S. polls, with sanctioned tycoon Oleg Deripaska being one of the exceptions.

Writing on his Telegram channel, [Deripaska suggested](#) that Trump's victory could lead to a collapse in oil prices to as low as \$50 by May.

And while Trump's win led to a [sharp rise](#) in the fortunes of U.S. businessmen — most notably Elon Musk and Jeff Bezos — the fortunes of Russian businessmen have not been affected, an analysis of the Bloomberg Billionaires Index shows.

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