

# Official Says Ruble Drop 'Unjustified'

By [The Moscow Times](#)

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The Finance Ministry said the ruble's weakening against the dollar is unjustified and expects the currency to strengthen to a more "comfortable" level for exporters and importers.

"Economic relations suggest that probably a fair rate, if that's the right word, is around 29" per dollar, Deputy Finance Minister Sergei Storchak said in Washington late last week. "This rate will be comfortable and satisfy both exporters and importers" when prices for oil "settle" in the \$80 to \$100 a barrel range, Storchak said.

The ruble has weakened 11 percent against the dollar this month to 32.05 on Friday. Urals crude oil, Russia's biggest export, has fallen 6.6 percent over the same period to close Friday at \$106.68 a barrel.

Russia is not planning any limitations on capital movements, Storchak said. Net capital outflow reached \$31.2 billion in the first half, according to Central Bank data. Too much has been made of Russia's capital flight because it was just "hot money" from speculators leaving the country again, Storchak said.

Finance Ministry officials and central bank governors from Brazil, Russia, India, China and South Africa said Thursday in a statement that advanced economies needed to "avoid creating excessive global liquidity," which has made capital flows and commodity prices too volatile.

Russia is not planning to sell more eurobonds this year and has not started preparations for a sale next year, Storchak said.

"We haven't gotten to the point yet where we could do it without a road show," the way the Finance Ministry can with domestic debt — known as OFZs — he said. "We're going to work toward that, although maybe we don't need to, since the domestic market is really the priority."

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