

Ruble Hits Lowest Rate in 3 Years

By [The Moscow Times](#)

May 31, 2012



Oil prices and euro worries are driving the ruble to rates not seen in years. **Igor Tabakov**

The ruble dipped to a three-year low Thursday as oil prices fell further.

The ruble dropped 1.2 percent to 33.2 rubles against the U.S. dollar in later afternoon trading Thursday, its lowest level since April 2009, before picking up slightly to close at 32.45 rubles to the dollar by the official Central Bank rate.

The Russian currency has been declining for seven days and lost some 3.5 percent this week as oil prices went down.

Analysts also attribute the ruble's decline to increasing anxiety regarding the eurozone economies of Greece, Spain and Italy, prompting speculation that demand for Russia's cash-cow commodities could slump.

The Central Bank increased daily sales of dollars and euros to slow the depreciation of the ruble against its target basket, VTB Capital said.

The regulator is selling the equivalent of about \$200 million a day, said Mikhail Palei, a currency trader at the brokerage unit of Russia's second-largest bank. The Central Bank was previously selling \$100 million to \$150 million a day, he said.

The Urals blend, which is viewed as a benchmark price for Russian oil exports, dropped 3.4 percent to \$100.60 Wednesday and lost a total of 4.5 percent this week.

Deputy Prime Minister Arkady Dvorkovich sought to assuage fears of lower oil prices and a declining ruble, insisting that the government is in control.

"We're prepared for any scenario," he told RIA-Novosti. "But we have the reserves necessary for dealing with a crisis if there is one."

Russia holds more than \$513 billion in international reserves, which include foreign currency, gold and special drawing rights, but the country's international currency and gold reserves dropped \$1.1 billion in the week ended May 25 to \$513.2 billion, the Central Bank said on its website Thursday.✘

(Bloomberg, AP)

Original url: <https://www.themoscowtimes.com/2012/05/31/ruble-hits-lowest-rate-in-3-years-a15143>