

Rumors of Weak Ruble Exaggerated, Says New Financial Regulator Chief

By [The Moscow Times](#)

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A Central Bank official denied rumors Thursday that the ruble is weakening, claiming it was a strong and stable currency.

"The rumors of the ruble's weakening are largely exaggerated," said Sergei Shvetsov, head of the Central Bank's Financial Markets Service.

From January to July the ruble fell 8.7 percent against the dollar and euro bi-currency basket against which the exchange rate is set. The dynamics of the Russian currency has been affected among other things by the Finance Ministry's statement that it planned purchases of hard currency on the market. The finance minister, Anton Siluanov, said Thursday that his ministry would buy foreign currency worth between 30 billion rubles and 50 billion rubles by the end of the year, Prime reported.

The Central Bank, which increased the level of its hard currency interventions in June and July

to alleviate sharp fluctuations in the exchange rate, has said it would continue to make the ruble exchange rate more flexible.

On Thursday, the bank shifted the boundaries of its target bi-currency exchange rate corridor upward for the seventh time in the past two months by 5 kopecks to 32.05-39.05 rubles.

Shvetsov described the ruble dynamics in recent months as fluctuations.

"These are fluctuations as we are moving toward the free float of the ruble," he said.

The strength of the ruble has been a matter of some controversy, with newly appointed Central Bank head Elvira Nabiullina under pressure to maintain interest rates to keep the ruble up while inflation remains stubbornly high, despite calls from some to let the ruble fall in order to stimulate the economy.

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