

Russian Stocks Hit 5-Week Lows as Europe Mulls New Sanctions

By [The Moscow Times](#)

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Both the ruble-denominated MICEX and the dollar-denominated RTS indices fought back from deeper losses to end the day down 0.3 and 0.2, respectively.

Fear of new economic sanctions pushed Russian equities to new five-week lows on Wednesday, as the U.S. ramped up pressure on EU leaders meeting to impose new sanctions on the Russian economy and violence continued in Ukraine.

Russian shares fell for the third straight session, though both the ruble-denominated MICEX and the dollar-denominated RTS indices fought back from deeper losses to declines of 0.3 and 0.2, respectively, at 7 p.m. in Moscow..

EU leaders will work to block loans for new projects in Russia by two multilateral lenders, the European Bank for Reconstruction and Redevelopment and the European Investment Bank, as well as broadening the scope of other sanctions, according to a draft statement from the meeting.

"Fears of new sanctions have resurfaced in recent days. What could happen if Russia manages to avoid meaningful sanctions is that the U.S. could go for unilateral sanctions," said Tatyana Orlova, a strategist at RBS.

"But if no biting sanctions materialize in the next few days [U.S. and European] lawmakers will go on recess and the sanctions talk will die down."

The ruble weakened slightly against the euro and gained slightly against the dollar on Wednesday.

Orlova played down the impact of the withdrawal of EBRD and EIB assistance, adding: "It is harsh language but so far I have not seen anything that could do much damage."

The sanctions threat did not prevent Russia's Promsvyazbank from selling \$300 million in bonds on Tuesday at 10.5 percent, \$100 million more than targeted. It is the first Russian issuer to sell dollar bonds since the crisis with Ukraine began.

The conflict has also been hitting Ukraine's economy, forcing the Central Bank to jack up rates by 300 basis points to 12.5 percent. The hryvna fell 0.6 percent to a one-week low.

Material from the Moscow Times was included in this report.

See also:

[EU Leaders Meet to Discuss Sanctions Expansions Over Ukraine](#)

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