

Russia's Ruble Hits All-Time New Low Against Dollar

By [The Moscow Times](#)

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A woman walks into a building past a board showing currency exchange rates in St. Petersburg, Oct. 29, 2014.

The ruble opened sharply weaker on Thursday, hitting a new all-time low of over 43 rubles per dollar, after comments by the U.S. Federal Reserve lifted the dollar and on speculation ahead of the Russian Central Bank's rate meeting on Friday.

By 0725 GMT, the ruble had recovered slightly but was still 0.5 percent weaker against the dollar at 43.41. It was 0.06 percent weaker at 54.66 versus the euro .

That left the currency 0.29 percent weaker at 48.48 against the dollar-euro basket the Central Bank uses to gauge the ruble's nominal exchange rate.

"In early trade, the dollar is likely to strengthen against the ruble and try to hold above 43," Anton Startsev, a financial analyst at Olma investment firm, said in a morning note to clients.

The ruble has lost nearly a quarter of its value against the dollar this year on falling oil prices, risk aversion towards Russia because of its role in the Ukraine crisis and demand for foreign currency from Russian firms shut out of Western capital markets.

The market is awaiting a rate decision by the Russian Central Bank, due on Friday, with broad expectations that rates will be raised to fight high inflation and support the ruble.

The ruble fell to over 43 rubles per dollar for the first time in after-hours trading on Wednesday after the U.S. Federal Reserve ended its monthly bond purchase program and gave a positive assessment of the U.S. economy's prospects.

The Fed's comments boosted the dollar, because traders pulled forward expectations of when the Fed would eventually raise interest rates, and applied pressure to emerging market assets, which have been supported by the ultra-loose monetary policy of the world's largest economy.

Russian shares opened mixed on Thursday, with the dollar-denominated RTS index down 1.3 percent to 1,045 points, linked to the weaker ruble. Its ruble-based peer MICEX traded 0.1 percent higher at 1,440 points.

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