

Ruble Strengthens Against U.S. Dollar and Euro as Volatility Falls

By [The Moscow Times](#)

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An employee uses a machine while counting Russian ruble banknotes.

The ruble rose strongly on Thursday, supported by end-of-month tax payments and a firmer oil price, while the MICEX index of Russian stocks touched a 2014 high.

At 8:50 p.m. Moscow time, the ruble was 1.3 percent stronger against the dollar at 46.86 and 1.4 percent firmer at 57.91 versus the euro.

Russian exporters are forced to sell foreign currency to meet monthly tax payments near the end of each month. Mineral extraction tax falls due on Nov. 25 and profit tax on Nov. 28.

The ruble was also supported by a firming oil price, with Brent crude gaining to \$78.8 per barrel as markets weighed the possibility of OPEC cutting production at a key meeting on Nov. 27.

"If OPEC takes a decision to reduce volumes this will have a notable [positive] impact on the

ruble, but for the time being it will probably trade sideways," Grand Capital analyst Sergei Kozlovsky said in a note.

Analysts also said President Vladimir Putin and Central Bank officials may have calmed the ruble by saying they would not let speculators drive its moves.

"Apparently, those verbal interventions this week by the Central Bank ... continue to have an effect," said Gleb Zadoya, head analyst at Profit Group investment house in Moscow.

"Nevertheless, it would be premature to speak about a sustainable strengthening of the ruble," he added.

Traders said that speculative pressure against the ruble had eased since the Central Bank floated it last week, making it less predictable, with overall trading volumes low.

Russian stocks also traded higher on Thursday, with the ruble-based MICEX hitting a 2014 high of 1,532 points before falling back. MICEX was still up 0.8 percent on the day at 1,530 points when markets closed.

MICEX has made steady gains over recent weeks as the sliding ruble made ruble-priced shares cheaper in dollar terms and boosted ruble earnings of major companies with dollar export revenues.

The dollar-based RTS index, helped by the strengthening ruble on Thursday, was up 1.88 percent on the day at 1,040 points.

However, Alfa Forex analyst Andrei Dirgin said in a note that there was a "catastrophic lack of drivers" for Russian stocks, with investors in waiting mode ahead of next week's OPEC meeting.

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