

Russia's Ruble Tumbles After OPEC Refuses to Cut Oil Output

By [The Moscow Times](#)

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A reflection of a yearly chart of U.S. dollars and Russian rubles are seen on ruble notes.

Russia's ruble fell to record lows against the dollar and euro on Thursday after OPEC decided against cutting crude-oil output to boost flagging prices.

At 8 p.m. the ruble was down around 2.6 percent against the dollar at 48.6 rubles per dollar and around 2.5 percent weaker against the euro at 60.7 rubles per euro.

It had earlier strengthened against both currencies in nervous trade before the OPEC meeting in Vienna, one of the most closely watched in years.

"The ruble basket is in free fall again, reflecting the lack of agreement from OPEC over oil production cuts. I would assume that the central bank will need to come in very soon," Timothy Ash, an emerging markets analyst for Standard Bank, said in a note.

Brent crude fell more than \$6 to around \$71 a barrel after the OPEC meeting, in turn weighing

on the ruble. Oil and gas account for around two-thirds of Russian exports, making the ruble and other Russian assets sensitive to changes in the oil price.

Traders said market moves were exacerbated by thin volumes, which mean that even small purchases of foreign currency could move the market.

Russia's Central Bank let the ruble float earlier this month after spending over \$70 billion defending the currency this year. The bank has warned, however, that it could still carry out large, ad hoc interventions to defend the ruble if threats to financial stability emerge.

As of Thursday, the ruble was down over 30 percent against the dollar this year.

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