

Russian Assets Gain on Oil Price, Ukraine Cease-Fire Hopes

By [The Moscow Times](#)

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A cashier takes a 500-ruble banknote from a cash register as she serves a customer at a wine store in Krasnoyarsk.

The ruble and Russian shares saw firm gains on Thursday, tracking up the rallying oil price and following signs that a cease-fire is taking hold in eastern Ukraine.

At 8:40 p.m. the ruble was 0.5 percent stronger at 61.06 against the dollar, and 1.8 percent stronger against the euro at 68.5.

The Russian currency's gains mean it is trading against the euro at its strongest level in 2015. Earlier on Thursday the ruble hit a seven-week high of 60.38 against the dollar.

The dollar-denominated RTS index of Russian shares closed up 3.2 percent at 912 points, while the ruble-based MICEX index was up 0.8 percent at 1,761 points.

The gains follow a 5 percent surge in the oil price above \$60 per barrel late on Wednesday,

after comments by the Saudi oil minister about improved oil demand.

On Thursday Brent was down slightly at just over \$61 per barrel, still holding comfortably above the \$60 mark.

"If not now [to buy Russian shares], when?" asked BCS analyst Mark Bradford in a morning note. "The sell-off this week could encourage traders to begin purchases, especially considering that the oil price is above \$61 a barrel."

He added that investors in Russia would also be encouraged by developments in Ukraine, where there are signs that the Minsk peace deal agreed two weeks ago may at last be taking hold.

Ukrainian President Petro Poroshenko is likely to order government forces to start pulling back heavy weapons in the country's east on Thursday under a Feb. 12 peace deal, a military source said.

Implementation of the Minsk peace deal is an important driver for Russian financial markets as it is likely to determine the future of Western sanctions against Russia.

"OSCE observers are reporting the withdrawal of heavy weapons in the Donbass. The preservation of the cease-fire on the whole in this region, possibly, will restrain the withdrawal of foreigners' money from Russian assets," VTB24 analyst Oleg Dushin said in a note.

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