

Russian Ruble Firms on Higher Oil Price, ECB Decision on Bond-Buying

By [The Moscow Times](#)

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A woman is reflected in a window as she walks near a board displaying currency exchange rates in Moscow.

The ruble firmed to multi-month highs on Thursday, supported by higher oil prices and comments by a senior Russian official who said the ruble remained undervalued.

The European Central Bank's decision to start a bond-buying program that could potentially affect flows of funds into emerging markets such as Russia, also helped.

At 5:07 p.m., the ruble was around 1.5 percent stronger at 60.96 against the dollar, near its highest since early January. It had gained 2.2 percent to 67.15 versus the euro to trade at its strongest since the end of December.

Brent oil prices rose above \$61 per barrel. "This level of oil is quite comfortable for the ruble," VTB Capital analysts said in a note.

Russia's Central Bank First Deputy Governor Dmitry Tulin said in an interview on Thursday that the ruble remained about 10 percent undervalued.

This followed a recent release of Finance Ministry amendments to the 2015 budget which is calculated on an average rate of 61.5 rubles to the dollar.

"Magically, the dollar in the Russian foreign exchange market has been oscillating around that level," Alexandr Yegorov, an analyst at TeleTrade investment house, said in a note.

"Apparently, the market has taken those verbal interventions more seriously."

The ECB said on Thursday that it would start buying bonds, worth 60 billion euros per month on March 9, boosting optimism in emerging markets.

Russian stock indexes also rose, with the dollar-based RTS index was up 2.9 percent to 916 points, while the ruble-based MICEX was up 0.8 percent to 1,772 points.

Indexes fell around 3 percent on Wednesday, in part because of the extension of Ukraine-related sanctions against Russia by the United States.

"Russian stock indexes could even correct upwards following the grandiose fall on the previous day," Sosnova said. "A positive factor for Russian market participants is the fact that Brent continues to trade in the range \$60-63 per barrel."

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