

# Russia's Ruble Strengthens on Rising Oil Price

By [The Moscow Times](#)

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A board showing currency exchange rates is on display in central Moscow.

The Russian ruble firmed further on Wednesday, boosted by a rise in the oil price and by the start of the monthly tax period requiring exporters to convert foreign currency.

At 9:00 p.m., the ruble was 2.2 percent stronger against the dollar at 49.7 and up 1.7 percent to 53.2 against the euro.

The Russian currency was helped by gains in international oil benchmark Brent, which was up 1.5 percent to \$59.3 per barrel on signs that U.S. production is falling.

Analysts at VTB Capital said in a note that commodity currencies were firming on the back of the rising oil price, adding there was demand for the ruble from Russian households.

"The Russian FX market is still overwhelmed by retail flows that remain a strong sell [of foreign currency]," they wrote.

The end-of-month tax period requiring exporters to convert foreign currency begins today, which analysts said would help the ruble in the coming days, making a breach of the 50 mark against the dollar likely.

However, Pavel Shchipalov, head analyst at Romanov Capital, said in a note that the ruble would probably weaken to the range 54-55 within a few weeks because the Central Bank is likely to cut interest rates at its next meeting on April 30.

"Among the financial community more and more people believe that the tendency for lowering ... interest rates will continue, at least by 1 percent and even by 2-3 percent," he wrote.

Russian stock indexes were up on Wednesday, with the biggest gain in the dollar-based RTS index that is helped by a stronger ruble.

At 9:00 p.m., the RTS was up 3.6 percent to 1,052 points with the ruble-based MICEX up 1.8 percent to 1,677 points.

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