

Moscow Stock Exchange Wins From Sanctions Fears

June 18, 2018



Anton Novoderzhkin / TASS

Fear of new sanctions is pushing Russian companies to quit the stock exchanges in London and New York in favor of the Moscow Exchange.

The United States imposed sanctions on officials and businesspeople connected to President Vladimir Putin in April for Russia's alleged meddling in the 2016 election. Russian billionaire Oleg Deripaska, and eight companies in which he is a large shareholder including the world's second-largest aluminum producer, were among the hardest-hit blacklisted entities.

Related article: [Oligarchs Abramovich and Deripaska Take Boardroom Battle to London Court](#)

Sixty percent of dual-listed stocks of Russian companies are now handled on the Moscow Exchange, compared to 44 percent in 2014, when Western sanctions over Russia's annexation of the Crimean peninsula from Ukraine were first imposed, Bloomberg reported Monday.

“It really doesn’t make sense for Russian companies to list abroad in the current environment,” Yekaterina Iliouchenko, Frankfurt-based Union Investment Privatfonds money manager, told Bloomberg.

Companies were allegedly spooked by the blacklisting of Deripaska’s En+ Group less than a year after his holding company [placed](#) a \$1.5 billion listing in London and Moscow. As a result, Deripaska had to [give up](#) majority share in one of his companies.

Meat producer Cherkizovo Group left the London stock exchange last year, while TMK are [considering](#) delisting, according to Bloomberg. Steelmaker Severstal is encouraging investors to buy local shares with no plans to delist from London yet.

Russian companies that were urged to list abroad are now “scheduling meetings to join the bourse,” Bloomberg reported, citing the Moscow Exchange’s managing director for client and corporate relations.

Original url:

<https://www.themoscowtimes.com/2018/06/18/moscow-stock-exchange-sanctions-a61877>