

Russian Markets Rally as Counting Continues in U.S. Presidential Election

Despite a likely Biden victory and possible sanctions, the ruble also stands higher.

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The ruble dipped Thursday morning, but it did not wipe-out impressive gains notched up earlier in the week. **Evgenij Razumnyj / TASS**

The Russian stock market leapt higher Thursday as it picked up on a global equities rally, even as counting continues in the closer-than-expected U.S. presidential election.

Stocks around the world rallied Wednesday, but the Russian market was closed for a public holiday, leaving it to hitch a ride higher when markets reopened Thursday morning. The MOEX Index jumped by more than 1.4% in the first minutes of trading — fully regaining territory lost at the end of last week in a [mass sell-off](#).

It continued to accelerate through the day, up 2.4% during afternoon trading in Moscow. Russia's dollar-denominated RTS Index was up even more, popping 2.5% immediately at the

open and rising to record a gain of 4.6%.

The ruble was flat against the U.S. dollar and down against the euro Thursday as Democratic candidate Joe Biden appeared to be nearing victory, securing the [key states](#) of Michigan and Wisconsin. That performance helped the currency hang-on to gains recorded since the start of the week, as the ruble has been one of the best-performing currencies in the world despite the heightened election uncertainty — adding almost 4% against the dollar during a 48-hour hot streak.

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As of Thursday afternoon the ruble stood at 91.7 against the euro and printed 77.5 against the U.S. dollar.

The ruble has drifted markedly over recent months as analysts feared a Biden presidency could mean a [tougher line](#) against Russia and increased risk of sanctions against the Russian economy.

That Russia or allegations of Kremlin interference have not been part of the immediate post-election analysis in the U.S. is a potentially good sign for the currency, said Andrey Kochetkov, lead analyst at Otkritie Broker.

Analysts remain cautious about predicting a sustained rise in Russian assets, however, citing ongoing uncertainty both over the U.S. election result and the coronavirus pandemic, which has seen Europe's largest economies announce fresh lockdowns.

“It is too early to say that the downtrend in the Russian stock market has been broken,” said Alor analyst Alexey Antanov. “Investors can at any time sell back,” he added, citing the possibility of legal challenges to the election outcome from the Trump campaign and Biden adopting harsh anti-Russia rhetoric or measures over the coming days.

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The [likely Republican majority](#) in the U.S. Senate could be a slight fillip for Russian assets, Antanov suggested, as it reduces the possibility of a blockbuster green energy bill that would have upset the global oil markets — a key influence on the Russian economy and value of the ruble.

Benchmark Brent crude oil has climbed back above the \$40-per-barrel mark in the last few days, and is likely to be swayed by rumors that the OPEC+ group of Russia, Saudi Arabia and other key oil producers, might agree to extend its [production cuts](#) when it meets at the end of the month, BCS market analyst Igor Galaktionov said in a research note Thursday morning.

“At the same time, the level of uncertainty associated with the coronavirus epidemic remains high. It is still difficult to reliably estimate how much demand will subside this time ... About 500,000 people a day are being infected with Covid-19, which means we can't yet consider the possibility of an early end to the pandemic.”

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