

Russian ruble hits new low of 57 to the U.S. dollar

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From RFE/RL, December 12, 2014 The Russian ruble fell below 57 to the dollar in trading on December 12, continuing a slide that has cut its value nearly in half this year. The ruble's value against the dollar and the euro has continued to decline despite Russia's effort to shore it up by raising a key interest rate by one percentage point on December 11, the fifth increase this year. The ruble was trading at about 57.31 to the dollar at midday on the Moscow exchange and later fell below 57.5. One euro was buying more than 71 rubles. The Russian central bank raised its key interest rate from 9.5 percent to 10.5 percent on December 11 -- and almost double the rate of 5.5 percent in March, when President Vladimir Putin set off a tense confrontation with the West by annexing Crimea from Ukraine. The ruble and Russia's energy-reliant economy have been battered for months by falling world oil prices and sanctions imposed by the United States, the European Union, and other nations over Moscow's seizure of Crimea and its support for pro-Russian separatists fighting government forces in eastern Ukraine. The central bank said it would continue to raise its key rate in the case of further aggravation of inflation risks. Andrei Klepach, deputy CEO of Russia's Vnesheconombank, said the rate hike was unlikely to help the ruble but would have a negative impact on the economy. For complete text, link below:

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