

Tim Ash comments on Putin push for Donbas peacekeepers

Opinion

Posted by:

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Ash: "The imposition of peacekeepers in Donbas, along the current line of conflict, would likely significantly reduce the costs to Moscow now of sustaining the DPR/LPR militarily, while Moscow would still keep its optionality of intervening elsewhere in Eastern Ukraine as noted from his comments over a reaction to the US arming Ukraine."

LONDON, Sep 5, 2017 – Responding to Russian President Vladimir Putin's push for UN peacekeepers in the disputed areas of the Donbas, Bluebay Asset Management analyst Timothy Ash offered the following comments at 10:20 today: Pretty clear message to the US - if you step up military assistance to Ukraine, with "defensive" weaponry: a) it will have not military impact; b) the rebels will launch attacks elsewhere in Eastern Ukraine. A none too hidden threat of escalation/retaliation from Moscow. Note that the new US envoy to Ukraine peace talks, Kurt Volker, had suggested that the debate over arming Ukraine had stepped up a gear again in DC - albeit it is still assumed that Trump, like Obama would veto any such advice from his generals. The offer of peacekeepers, is an old one from Putin - and will be unacceptable to the Ukrainian side. This is an offer to support peace keepers between the two opposing sides at the moment, which Ukraine will argue will just cement the current conflict. They want peacekeepers across the current occupied territories, and including control over the border with Russia, to stop the continued re-supply of rebels from Russia. Given the current focus on N Korea, and the need to keep Moscow on side with respect to UNSC resolutions, I doubt the US administration will want to push this issue at present. Perhaps this is also why Putin is currently pushing this issue - he knows the US wants something now, over N Korea, and he is looking for concessions himself, e.g. banging the peace-keeper idea over Ukraine, which is an old one. The imposition of peacekeepers in Donbas, along the current line of conflict, would likely significantly reduce the costs to Moscow now of sustaining the DPR/LPR militarily, while Moscow would still keep its optionality of intervening elsewhere in Eastern Ukraine as noted from his comments over a reaction to the US arming Ukraine. ### ** Please note that any views expressed herein are those of the author as of the date of publication and are subject to change at any time due to market or economic conditions. The views expressed do not reflect the opinions of all portfolio managers at BlueBay, or the views of the firm as a whole. In addition, these conclusions are speculative in nature, may not come to pass and are not intended to predict the future of any specific investment. No representation or warranty can be given with respect to the accuracy or completeness of the information. Charts and graphs provided herein are for illustrative purposes only."