

# Russia jacks up key interest rate by 350 bp to 12%

## Will lift oil export duty to '23 high as prices exceed cap

REUTERS

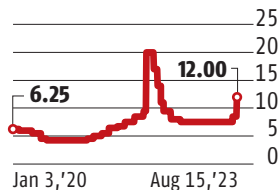
15 August

The ruble gave up early gains to weaken on Tuesday in volatile trade after the central bank hiked rates by 350 basis points to 12 per cent, a move that was baked into market expectations after the bank called an emergency meeting to head off heavy currency losses.

The extraordinary rate meeting came after the rouble plummeted past the 100 threshold against the dollar on Monday and the Kremlin criticised the central bank's monetary policy. The Kremlin

## RATE TRAJECTORY

Russian central bank rate (%)



Source: Bloomberg

said loose money policy was to blame for the weakening rouble, which has lost more than a fifth of its value against the dollar since the Ukraine war began. It briefly traded at 92.60 on Tuesday.

Also, export levy paid by oil producers in September will be hiked to the highest level this year, boosting state coffers as the price of the nation's crude surges.