



Putin Signs Decree Ordering Gas Exports To Be Halted If Buyers Don't Pay In Rubles

Description

Contrary to expectations that Vladimir Putin was bluffing about collecting rubles in exchange for Russian energy exports, moments ago a decree signed by the Russian president confirmed that that was not the case.

According to Bloomberg, Putin said he had signed a decree demanding payment in rubles for Russian gas supplies, which is set to begin April 1 as previously reported. According to the decree, while Russia will continue to supply gas at set volumes and prices, it will demand that **buyers of gas open accounts in Russian banks**, and warned that **Moscow can halt gas contracts if buyers don't pay in rubles**; additionally, new proceedings in EUR or USD could be blocked. Pushing what many viewed as a bluff to the edge, Putin said that active contracts will be halted if demands are not met, and explained that the move is meant to increase settlements in national currencies.

Putin's decree follows an earlier report in the Russian press that Gazprom was studying options of halting gas supplies to Europe amid RUB payment issues. It also follows comments from the Kremlin which suggested that it would look into the idea from lawmakers to ask other nations to pay for a wider range of Russia exports in rubles.

Indicating Russia's operational readiness to follow through with the plan, Interfax adds that Putin has ordered for special accounts for gas payments to be opened at Gazprombank which will sell gas FX on a Moscow exchange.

In kneejerk response to the news, US nat gas prices spiked – perhaps in anticipation that much of US output will now be LNG-ed over to Europe, potentially creating a US shortage in due course...



... while oil also rose from session lows following the latest SPR release jawboning which has yet to be confirmed by the White House.



Finally, now that it appears the ruble will have to be purchased by western powers, the currency has completed its roundtrip to pre-invasion levels.



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