

Russia's Micex Falls to Near Lowest Since 2004; Lukoil Tumbles

By William Mauldin

Nov. 20 (Bloomberg) -- Russia's Micex Index declined to near the lowest in four years as equities worldwide tumbled and crude oil dropped for a fifth day.

OAO Rosneft and OAO Lukoil, Russia's biggest oil producers, led the slide with declines of more than 7 percent. The Micex Stock Exchange halted trading for an hour at 11:05 a.m.

The 30-stock Micex Index sank 8.1 percent to 512.96 at 12:07 p.m.. It earlier fell 9.1 percent to 507.17, nearing the intraday low of 493.62 on Oct. 28, when the gauge sank to a level not seen since 2004. Today's drop was the biggest fluctuation among more than 80 benchmarks Bloomberg tracks worldwide.

Crude oil for December delivery decreased 2.1 percent to \$52.50 a barrel in after-hours trading in New York, the lowest in almost 22 months. Russia's Urals blend dropped to \$47.03 a barrel. The MSCI Emerging Markets Index slipped 4.4 percent. U.S. stock indexes yesterday fell to their lowest levels since 2003, and European and Asian equities today sank.

“Apart from global bearish sentiment about growth, the specific concern here is if the oil price continues to drop down,” said [Kevin Dougherty](#), portfolio manager at [Pharos Financial Group](#) in Moscow. “It's a fairly bleak outlook with oil at \$50 a barrel or below.”

The dollar-denominated RTS Index lost 5.4 percent to 573.31. The Russian Depository Index, a gauge of Russian global depository receipts trading in London, fell 9.2 percent.

Rosneft, Russia's biggest oil producer, retreated 6.77 rubles, or 7.9 percent, to 79.40 rubles on the Micex, a record low. OAO Lukoil, the second-biggest producer, lost 8.5 percent to 760 rubles, its first decline in two days.

Sberbank Drops

The yield on Russia's benchmark 30-year dollar bond climbed 21 basis points to 11.71 percent, the highest this month. Shares of OAO Sberbank, Russia's biggest bank, tumbled 9.3 percent to 22.21 rubles.

President Dmitry Medvedev is scheduled to meet with owners and top managers of Russia's biggest corporations today to discuss the financial crisis, Vedomosti reported.

Medvedev invited business leaders including OAO Gazprom Chief Executive Officer Alexei Miller, Interros Holding Co.'s owner Vladimir Potanin and Mikhail Fridman, the biggest shareholder in Alfa Group to dinner at his Barvikha residence outside Moscow, the newspaper reported, citing presidential spokeswoman Natalya Timakova.
