

## Lombard Odier banker: Financial situation in Russia 'under control'

By Andrei Skvarsky.

**Lombard Odier**, a Swiss private bank with a presence in Russia, does not see the latter's economic troubles as a major crisis and believes that the country might be at the start of a path towards recovery.

"Of course, the situation is serious and difficult in Russia. Of course, we have a conjunction of factors – the sanctions, the price of oil, the internal political situation. But we do not share the opinion that it is a major crisis," **Arnaud Leclercq**, head of new markets at the 220-year-old Geneva-based firm, one of the largest European private banks, told EmergingMarkets.me.

"The central bank has certainly taken the right steps by increasing the interest rates and making competent use of its reserves, and has thereby kept the situation pretty much under control," he said.

"This doesn't mean that the situation is easy," Leclercq said.

He pointed out that the rouble remains weak, being kept down by the low price of oil.

However, Lombard Odier has a more optimistic forecast for the oil price than many others do. The bank expects it to reach between \$50 and \$60 per barrel by the end of 2016.

"We wonder now if Russia hasn't seen the worst," Leclercq said. "Very soon, it'll probably come back and start some recovery."

In speaking about Russia's problems, Leclercq said the country's privatisation programme is unlikely to arouse much enthusiasm among foreign investors. He argued that many international investors would be put off by the high degree of state involvement in the Russian economy.

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