

The Saker on Regime Change, Assault on Russia, Weakening of the Ruble—Part 2

This is part 2 of a dossier on the US/NATO/Saudi coordinated attack on the Russian economy, with special appendices filling in various aspects of this multipolar struggle, and an important appeal by the Saker to join the “battle of communications” against Western propaganda.

Ruble Exchange Rate Fluctuations and the Economic War

SOURCE: Vineyard of the Saker



President Putin: At the center of a hurricane.

by **Aleksei Kettunen**

Translation to English: Petri Krohn

[dropcap]Russian ruble[/dropcap] exchange rate changes have all the ingredients of success detective story. On Monday, 15.12. 2014 ruble weakened to a record low since 1998: the dollar cost 64 rubles and 79 rubles to the euro. In recent years, the price of an euro has been hanging around 50 rubles, or 5 000 rubles withdrawn from an ATM for a night of adventures in St. Petersburg would cost around 100 euros. Last night, the Russian Central Bank raised its base rate drastically from 10.5 per cent to 17 per cent to curb currency speculation. The price of an euro during the day momentarily exceeded the limit of 100 rubles or 80 rubles for a dollar. Now at the end of the market day the ruble has slightly appreciated: \$ 1= 72.60 rubles and 1 euro = 90 rubles. The official rates of the Russian Central Bank before tomorrow's market day are \$ 1 = 61.15 rubles and 1 Euro = 76.15 rubles.

What is this about?

The economic sanctions imposed by the US and the EU prevent granting of loans to Russian companies with a payment period of more than 30 days. As Russian companies have been borrowing money from the West the entire post-Cold War period at a lower rate of interest and the penalties now prevent loan restructuring and follow-up funding, these companies must now get euros and dollars to take care of their loans, thereby creating more demand for foreign currency in the Russian market and thus weakening the ruble.

Also, the fall in the price of oil reduces Russia's foreign exchange earnings, which in a situation of high demand for currency weakens the ruble.



The Eurasian Economic Union comes into force on January 1, 2015. Most likely at the same time the Russian ruble and foreign exchange markets will change drastically, and the Russian economy will take a distance to the dollar and the euro. Now the West is doing its best to weaken the ruble and thus destabilize the Russian economy and the political system before the end of the year. The maxima of the West is to prevent the emergence of the new economic union and closer cooperation within the BRICS. Taking into account the Christmas holidays, the West has little more than a week to succeed.

What are the Russian authorities doing?

Trying their best to defend the ruble and the Russian economy. Their actions are limited by two factors: first, in this battle Russia's foreign currency reserves may be used only minimally (for which there are far better uses), and, secondly, the entire process must take place under the rules of the dollar-based global liberal economic model (because Russia will disconnect from the dollar system only later).

For the rest of the year the going will only get tougher. Even under the liberal economic model the Central Bank of Russia and the government have much stronger measures to stabilize and strengthen the ruble, which they probably will introduced as needed.

Russia will detach itself from the global dollar economy according to earlier plans .Until then it will continue defending the ruble. The West on its part will make every effort to weaken the ruble. What will be the end result? Time will tell – or the stars. I predict that next year will see a surprise!

What might this 2015 surprise be?

The Russian government has already informed Russian banks that the amounts of reserve currency deposits placed by various ministries in Russian banks will be drastically less than during previous years. These funds will instead be used to finance various domestic infrastructure projects. All this means that the Russian government obsessed with saving during all the 2000s and 2010s will become a big spender investing in strategical domestic projects. This will considerably strengthen Russian economy. Another factor will be the Eurasian Union.

The third factor is a combination of recent Russia-China, Russia-Iran and Russia-India megaprojects and financing from the New Development Bank NDB (formerly referred to as the BRICS Development Bank). Russian President, Government and Bank of Russia have consistently informed the market players that now is the time to concentrate on domestic markets and domestic financial resources. All this will probably mean the unlinking of Russian economy from dollar-dominated Western economy.

Enjoy the cliffhanger!

POSTED BY VINEYARDAKER: AT [00:05](#) [38 COMMENTS:](#)

LABELS: [RUSSIAN TSB AND RUBLE](#)

Other news & commentary concerning Russia and Novorussia distributed by The Saker

APPENDIX I

TUESDAY, DECEMBER 16, 2014

[Karma or God's punishment – justice in Donetsk](#)

Listen to this Ukrainian Nazi, speaking in Russian with his fellow Ukrainians, explaining that there are no peaceful civilians in Donetsk but only collaborators with the enemy. As soon as he is done spewing his hatred he gets hit by an artillery shell. Call it 'karma' or remember the words of the 3rd Psalm "*thou hast broken the teeth of the ungodly*" but this guy sure got what he deserved. See for yourself:

POSTED BY VINEYARDSAKER: AT [15:39](#)

LABELS: [UKRAINIAN INTERAHAMWE](#)

APPENDIX II

[Sayyed Hassan Nasrallah on the biggest distortion of Islam in history](#)

LET US RECALL THAT WAHABISM IS A FUNDAMENTALIST CREED ACTIVELY SUPPORTED BY THE SAUDIS–Washington's close buddies.

[dropcap]T[/dropcap]he horrible events in Pakistan immediately brought to my mind the barbaric attack by Wahabi Chechens against the school in Beslan. It is amazing for me to see that, apparently, attacking schools and taking children hostage is a God-pleasing action in the sick minds of the human reptiles known as Wahabis. They also love to slit throats, torture and, occasionally, eat livers. Truly, this ideology which we can call Wahabism or, probably even more accurately, Takfirism is satanic in its very core.

Ramzan Kadyrov is very wise when he refers to these militants as "*shaitans*" or devils. He is, I think, quite literally right. Unlike the Anglo "coalition of the willing", the Russian and Syrian armed forces have done a superb job killing as many of these "*shaitans*" as possible, as have the truly

Muslim Chechens. But one can only kill people, not ideologies. And Takfirism cannot be eliminated by Russian or Syrian guns. Takfirism can only be defeated by Islam. This is what Ramzan Kadyrov has done in Chechnia and this is what Hezbollah is trying to do in Lebanon and this is what Iran is trying to achieve in the Middle-East.

In this video, Hezbollah leader Sayyed Hassan Nasrallah explains the nature of Takfirism and the threat it poses to the Muslim world:

POSTED BY VINEYARDAKER: AT [14:31](#) [16 COMMENTS:](#)

APPENDIX III

The Russian Central Bank's "counterattack" lasted 30 mins!

The result of the Russian Central Bank's hike in interest rates turned out to be worse than my worst nightmares: it reversed the downward spiral of the Ruble for only about half an hour, then the Russian currency resumed its collapse. Rumor has it that the Central Bank might begin buying Rubles next, which I personally don't see as useful at this point.

I have asked for expert opinions and I hope to get them soon. In the meantime, here is my own take on this which, *caveat emptor*, is backed by ZERO personal expertise in these matters. Still, for whatever it's worth, my own speculations:

1) The Ruble is falling due to three completely separate reasons:

i) The recession in the West which triggers a drop in oil prices

ii) The Anglo-American bloc pressures on OPEC not to cut production

iii) The impact of western sanctions

2) None of the above are enough to explain what is happening. The real problem is the lack of credibility of the Russian Central Bank and the Kremlin. Thus the key factor in the fall of the Ruble is distrust of the Russian authorities.

3) This distrust is fully deserved. The head of the Central Bank is a notorious 5th columnist which Putin failed to fire, arrest or otherwise remove from that position. But there is worse:

4) Putin personally is not trusted either, at least not on economic matters. [Dmitri Orlov put it very well:](#)

*Some people are starting to loudly criticize Putin for his inaction; but what can he do? Ideologically, he is a statist, and has done a good job of shoring up Russian sovereignty, clawing back control of natural resources from foreign interests and curtailing foreign manipulation of Russian politics. But **he is also an economic liberal who believes in market mechanisms and the free flow of capital.** He can't go after the bankers on the basis of ideology alone, because what ideological differences are there? And so, once again, **he is being patient, letting the bankers burn the old "wooden" ruble all the way to the ground, and their own career prospects in the process. And then he will step in and solve the ensuing political problem, as a political problem rather than as a financial one.***

Orlov, as always, is spot on here. Let me explain, as this is crucial:

First, yes, Putin is an economic liberal. I hate to admit it, but I am convinced of it. So while he is "socialist" in a sense of supporting a social state, which helps the poor, needy, sick or old, he also is a "market capitalist" in the sense that he believes that market forces should be left free to maximize the competitiveness of an economy. This might be a result of seeing a (pseudo-) socialist system fail or because he sincerely admires the competitiveness of US and other

(pseudo-) capitalist economies, I don't know. But there is no doubt in my mind that he is an economic liberal.

Second, it would be typical Putin to let the "Atlantic Integrationist" 5th column to fail so badly as to make their removal a political demand of the Russian people. The problem with that is that this strategy can take a huge toll on the Russian people and economy.

Right now the situation is so bad that the value of some high visibility Russian stocks has begun to plunge. As does the Ruble. As does the price of Bread.

I am not much of an economist, much less so a trader. But I have to agree with the markets here: the current Putin+Nabiulina combo is not one deserving trust and if I had to speculate, I would speculate against Russia right now.

Maybe I am naive or primitive but I see only *one* way to reverse this death spiral: not only to fire Nabiulina, but to *fully nationalize the Central Bank*, fire the totality of its current top management and to appoint a new team with Sergei Glaziev as its director with a rank of Minister of Finance. Then Russia must take the strategic decision to drop the current system of backing each printed Ruble with purchased US Dollars and instead back the Ruble with either energy or metals or a combo of real-world resources. My own vote would go for gold.

The Saker

APPENDIX IV

[CrossTalk: US vs Russia](#)

LABELS: [SOUTH FRONT](#)



Stop the Empire's war on
Russia



I am a 'legal alien' currently living in the Imperial Homeland

HOW TO CONTACT ME:

Main email address: vineyardsaker@gmail.com

(for example to be included in the "Saker's friends" low volume mailing list)

Alternative/backup emails:

vineyardsaker@mail.ru

thesaker@unseen.is

APPENDIX V
NO TO INTERNET CENSORSHIP!



AN APPEAL BY THE SAKER

Dear friends and readers,

Today I am writing to you to appeal for your help. By now it must be clear to everybody that what is taking place today is not just some “Cold War v2” or some “East-West tensions”, but a full-scale total war between not only Russia and the USA, but between the entire Anglo-American-led NATO Empire and the Resistance (lead by Russia and the BRICS). Make no mistake, this is not about the Ukraine or, even less so, about the Donbass. This is about regime change in Moscow. Ask yourself a simple question: what will happen to China, Iran, Latin America and the rest of the planet if the Anglo-American-led NATO bloc is successful and a Yeltsin/Proshenko/Hollande/Abbot/etc-like figure takes over the Kremlin? I am not saying that Russia today “is” the Resistance, but I am saying that Russia is absolutely indispensable for the Resistance. If Russia loses this war, the Empire wins the planet. And if Russia wins, that will be the end of the Empire. That is really that simple.

So far this war has been a 1% shooting war, 30% financial war and 69% information war. But what is crucial is this: these ratios can change. Look at the devastation this 1% war caused in the Donbass and imagine what a full-scale 100% shooting continental war would do to our planet! In fact, if we lose the information war the probability of these ratios changing for the worse is very high. In other words, to avoid a continental shooting war we have to win the information war.

We all know that Russians are experts at shooting, adequate at finances and absolutely terrible at public relations. I would argue that the volunteer blogosphere has done much more to explain the Russian point of view than the entire state-funded Russian media. But with the informational battle heating up, we need help, a lot of help.

In this war, the single best “weapon” we have is direct translations from Russian into English. Documents, speeches and official statements, of course, but also videos, commentaries, documents from the vibrant Russian blogosphere. If the Russians knew anything at all about PR they would hire a firm with the sole task of translating this kind of material into English. Such a firm could employ no more than 50 full time translators plus assisting personnel. It would cost the Russian state budget pennies. But they won’t do it because they just don’t “get it”.

We will have to do it. *Pro bono*.

Because, above all, we don’t want to be bystanders.

And we don’t want a continental war.

So, **I literally beg all of you who can translate from Russian into English, even if you are not professionals or if your English is not perfect** (we have editors who will gladly help: please contact the Russian Saker Team whose appeal I am publishing below in English and Russian. Please offer your assistance, **even just for a few hours a week**, to translate the huge amount of most important information we have in Russian into English (because English is the *lingua franca* of our planet). Please help us stop an Empire gone crazy and hell bent on starting a shooting war with Russia.

Specifically, I ask you to do two things:

1. **Contact the Russian Saker Team** at editor@vineyardsaker.ru and offer them your services

2. **Spread this appeal** to any and all contacts you have who might help or even know somebody who could help.

Please don't be a bystander.

The Saker

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Words from the European Saker—

Shaking hands across the ocean

We, the volunteers of the Russian Diaspora, spontaneously organized ourselves into a group to help our historic Homeland of Russia. Our site is the Russian version of the parent English blog "The Vineyard of the Saker", which analyzes the current pressing issues in the world. The blog owner, The Saker, has extensive experience in military analysis, which is very popular in the English-speaking blogosphere.

Multiple language volunteer groups have decided to bring the Saker's blog to their readership. As of today, in addition to Russian, we have French, German, Serbian, Italian, Spanish (Latin American) and Oceania (Pacific) versions. This is truly an unprecedented case of volunteers from around the world spontaneously uniting to organize an opposition to the mainstream Western media's reporting of world's events.

The realization that we have been bluntly manipulated by certain global interests that are mindlessly pushing the world towards war and destruction, prompted us to join our voices to the growing world protest against the propaganda of violence and hatred. Exposing the thick wall of Western lies and trying to tell people the truth from the other side is the civic duty of every honest person.

We say NO to violence and wars around the world; we stand for peaceful coexistence, economic and cultural cooperation between our nations; and, we extend the hand of friendship to all nations, brothers and sisters all over the world!

We will be together only through the realization that we share common values and interests: the right to freedom, self-development, labour and education, the right to love and raise our children, the right to the TRUTH and LIFE.

The purpose of the unbridled Western propaganda is contrary to these rights and to befuddle our consciousness and identity, to divide us, to force us to hate each other, so we can be more easily crushed one by one.

If you support our call and want to help, please join our volunteers. We need people with various language skills to translate our material.

Please contact us at editor@vineyardsaker.ru.

And now a word from the Editors of The Greanville Post

FRIENDS AND FELLOW ACTIVISTS—

AS YOU KNOW, THERE'S A COLOSSAL INFORMATION WAR GOING ON, AND THE FATE OF THE WORLD LITERALLY HANGS ON THE OUTCOME.

THEIR LIES.
THEIR CONSTANT PROPAGANDA.

OUR TRUTH.

HUGE ISSUES ARE BEING DECIDED: Nuclear war, whether we'll live in democracy or tyranny, dignity or destitution,

planetary salvation or doom...It's a battle of communications we can't afford to lose.

So, we request that you do something.
Reading is not enough. Action of some sort is needed.

Start with something simple: Share our posts.
If you don't, how can we ever neutralize the power of the corporate media?

And if you took the time to read this article, and found it worth SHARING, then why not sign up with our special bulletin to be included in our future distributions? And please tell others about The Greenville Post.

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