

Flash note
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Last Minute on the Ukraine Crisis: Declarations on agreements, but the parties remain very belligerent

Russia continues to bombard despite promise to scale back

- RUSSIAN FORCES BOMBARDED THE OUTSKIRTS OF KYIV AND A BESIEGED CITY IN NORTHERN UKRAINE TODAY, A DAY AFTER PROMISING TO SCALE DOWN OPERATIONS IN THE AREA
- UKRAINE DEFENCE MINISTRY SPOKESPERSON SAYS RUSSIAN FORCES ARE “PREPARING TO RESUME OFFENSIVE OPERATIONS”. “RUSSIAN FORCES ARE STILL TRYING TO TAKE MARIUPOL AND OTHER TOWNS AND CITIES”. “NO MASS WITHDRAWAL OF RUSSIAN TROOPS SEEN FROM AROUND KYIV OR CHERNIHIV”
- RUSSIAN LEAD NEGOTIATOR MEDINSKY SAYS RUSSIAN POSITION ON CRIMEA AND DONBAS UNCHANGED.
- THE WEST DISMISSED THE “MOSCOW PROMISE TO SCALE BACK” AS A STRATEGY FOR REGROUPING BY THE INVADERS, WHO WOULD BE SUFFERING GREAT LOSSES
- GERMAN SCHOLZ HAS TOLD ZELENSKIY IN PHONE CALLS THAT GERMANY WOULD BE READY TO ACT AS A SECURITY GUARANTOR, BUT “DOES NOT WANT TO SPECULATE WHETHER SECURITY GUARANTOR ROLE WOULD HAVE MILITARY COMPONENT”

Russia gas supply to Europe at risk as deadline for payment in Ruble for gas delivery nears

- GERMANY TRIGGERED AN EMERGENCY PLAN FOR GAS RATIONING IF A STANDOFF OVER A RUSSIAN DEMAND TO PAY FOR FUEL WITH ROUBLES DISRUPTS OR HALTS SUPPLIES – REUTERS
- AUSTRIAN CHANCELLOR OFFICE SAYS AUSTRIA ACTIVATES EARLY-WARNING PHASE OF EMERGENCY GAS-SUPPLY PLAN BECAUSE OF RUSSIA'S DEMAND FOR PAYMENT IN RUBLES.
- DUTCH GOVERNMENT NOT ACTIVATING GAS CRISIS PLAN, BUT WILL LAUNCH CAMPAIGN ASKING PUBLIC TO USE LESS GAS - ECONOMIC MINISTRY SPOKESPERSON

- RUSSIA'S MOST SENIOR LAWMAKER SAID ON WEDNESDAY "RUSSIA COULD WIDEN THE DEMAND FOR ROUBLE PAYMENTS TO OTHER COMMODITIES INCLUDING OIL, GRAIN, FERTILISERS, COAL AND METALS, RAISING THE RISK OF RECESSION IN EUROPE AND THE UNITED STATES".
- MACRON SAYS "IMPOSIBLE TO PAY FOR GAS IN ROUBLES"
- JOHNSON'S SPOKESMAN SAYS BRITAIN WON'T BE PAYING IN ROUBLES FOR RUSSIAN COMMODITIES, BUSINESS MINISTRY CONTACTING UK BUSINESSES THAT MAY HAVE CONCERNS
- RUSSIAN DEPUTY FOREIGN MINISTER RYABKOV SAYS RUSSIA HOPES THAT EUROPEAN COUNTRIES WILL CHANGE THEIR DECISION ON NOT BUYING ROUBLES TO PAY FOR RUSSIAN GAS. HE ADDED, "WE HOPE EUROPE WILL FIND A "CREATIVE" SOLUTION TO THE PROBLEM. ALSO POINTED THAT "SWITCH TO ENERGY PAYMENT IN ROUBLES IS NOT BREACH OF CONTRACT BUT RESPONSE TO UNPRECEDENTED PRESSURE FROM WESTERN COUNTRIES – TASS

New sanctions looming

- EU IS CONSIDERING NEW RUSSIAN BANK SANCTIONS, DIPLOMATS SAY – WSJ
- EU OFFICIALS ARE CONSIDERING HITTING THE FOUR NON-SANCTIONED BANKS THAT WERE REMOVED FROM SWIFT SANCTIONS, INCLUDING VTB (WSJ)
- UK PM JOHNSON'S SPOKESMAN SAYS NOW IS THE TIME TO GO FURTHER ON RUSSIA SANCTIONS. "THERE IS FURTHER WE CAN GO ON RESTRICTING RUSSIA'S ACCESS TO SWIFT PAYMENT SYSTEM"

Effects of Sanctions

- RUSSIAN GOLD MINERS POLYMETAL (POLYP.L) AND PETROPVLOVSK (POG.L) WARNED OF INCREASING HURDLES IN DOING BUSINESS, HIGHER OPERATING COSTS AND CONTINUED CHALLENGES REPAYING LOANS TO SANCTIONED BANKS.
- PETROPVLOVSK SAID IT WAS IN EARLY TALKS WITH ITS MAIN LENDER, THE SANCTIONED RUSSIAN BANK GAZPROMBANK GZPRI.MM, TO RESTRUCTURE ITS DEBT AFTER BEING UNABLE TO MAKE REPAYMENTS. IT HAS ALSO BEEN UNABLE TO SELL ITS GOLD.
- POLYMETAL SAID SOME GOLD PROJECTS WERE FACING DELAYS OF UP TO A YEAR (DESPITE DEMAND FOR GOLD IN RUSSIA HAS BEEN BOOSTED BY LOCAL RETAIL INVESTMENT). THE COMPANY IS CUTTING EXPLORATION BUDGETS AS IT FACES HIGHER COSTS AFTER BEING FORCED TO CHANGE FREIGHT SERVICE PROVIDERS. SHARES IN LONDON-LISTED POLYMETAL AND PETROPVLOVSK HAVE FALLEN BY MORE THAN 60% SINCE RUSSIA LAUNCHED THE WAR.

- UKRAINE LOSING \$1.5 BILLION A MONTH IN BLOCKED AGRICULTURE EXPORTS SINCE RUSSIAN INVASION - AGRICULTURE MINISTRY
- DUTCH RABOBANK TO EXIT RUSSIA DUE TO UKRAINE WAR - ANP NEWS

Geopolitical trends

- DANISH PRIME MINISTER SAYS DENMARK WOULD SUPPORT FINNISH NATO MEMBERSHIP. FINLAND'S PRESIDENT SAULI NIINISTO SAID EARLIER THIS MONTH THAT THE COUNTRY WOULD REVIEW ITS SECURITY POLICY TO DECIDE WHETHER TO JOIN NATO.

Best