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FINANCIAL SERVICES

Wall Street bounces back, Russian stocks fall as war breaks out

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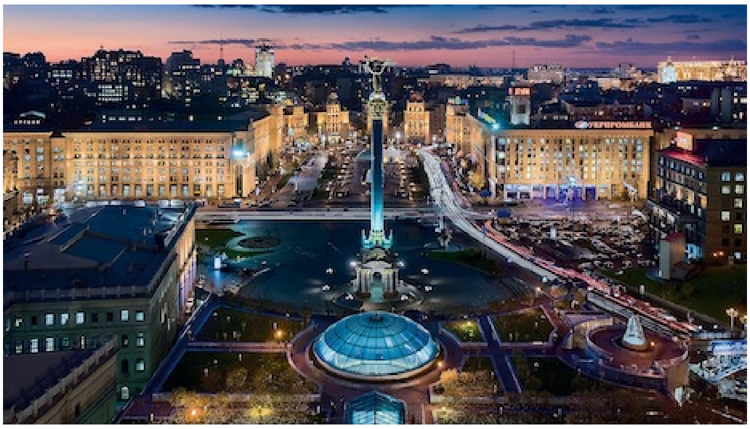

U.S. citizens have been urged to leave Ukraine. Image credit: InterContinental Hotels & Resorts

By LUXURY DAILY NEWS SERVICE

With Russia's invasion of Ukraine underway and world leaders responding to the crisis, Wall Street managed to shake off the geopolitical turmoil.

Russian troops began attacking Ukraine from three sides on the morning of Feb. 24 local time, in what U.S President Joe Biden has described as a "premeditated war that will bring a catastrophic loss of life and human suffering." Although Russian stocks fell and the ruble reached a record low against the dollar, the three major U.S. indices closed up on the day.

Stock reversal

The Moscow stock exchange briefly suspended trading on Feb. 24, but the MOEX index closed down 33 percent and RTS index, which is calculated in U.S. dollars, ended the day down 38 percent.

Russian currency also hit a record low against the dollar, with the ruble trading at about 88 to the dollar at press time.

The U.S. and its allies imposing more sanctions on Russia. Image credit: Shutterstock

While the Dow Jones Industrial Average shed more than 850 points earlier in the day, stocks rallied after President Biden and other allies announced new sanctions against Russia. The U.S. has also authorized more troops for deployment in Germany, in defense of other NATO countries.

The Dow scratched its way back to a gain by the closing bell, up by 0.28 percent. It remains down more than 10 percent from its record high from Jan. 4, less than eight weeks ago.

After trading down by 2.6 percent, the S&P 500 closed at 1.5 percent higher. The Nasdaq went from being down almost 3.5 percent to closing up at 3.34 percent.

While Russia and Ukraine have been at war since early 2014, concerns about a full-scale invasion grew in recent weeks (see story). Several Ukrainian cities, including the capital Kyiv, have already been subject to missile attacks by Russia.