

sanctions would not only have a significant impact on the Russian economy, but also could be disruptive to the global economy."

Russian stocks traded in New York fell the most in more than two weeks after Obama's announcement. The Bloomberg Russia-U.S. Equity index of the most-traded Russian shares in the U.S. dropped 3.3 percent to 80.10 at 4 p.m. in New York.

Standard & Poor's cut its outlook for Russia to negative because of the risks posed by the conflict, affirming Russia's credit rated at BBB, the second-lowest investment grade.

#### Russia's Reaction

Kremlin spokesman Dmitry Peskov said Russia was surprised by some of the names on today's list, and considers the use of sanctions unacceptable. It's not true that Putin is an investor in Gunvor as the U.S. alleges, he said.

In retaliation for the new U.S. sanctions, the Russian government barred entry of nine U.S. officials, including House Speaker John Boehner of Ohio and Senate Foreign Relations Committee Chairman Robert Menendez of New Jersey.

"The speaker is proud to be included on a list of those willing to stand against Putin's aggression," Boehner's spokesman, Michael Steel, said in an e-mail.

Edward J. Krauland, a partner at the law firm Steptoe & Johnson who's a specialist on international sanctions, said targeting individuals probably won't have a big an impact on Russia's actions. Hitting Russian economic sectors would.

"I don't even think if they targeted Putin it would bring Mr. Putin to the table," Krauland said. "If you can isolate particular sectors of a country's economy that are significant, disproportionate parts of the economy, you're going to impose a hurt on that country."

#### EU Debate

The EU, with closer economic ties to Russia, hasn't gone as far as the U.S. The 28-nation bloc saddled 21 Russian and Crimean officials with asset freezes and visa bans on March 17, and may widen that list to include close Putin associates at a summit in Brussels today and tomorrow.

Chancellor Angela Merkel of Germany, Russia's biggest EU trading partner, said it's too early to start economic retaliation. "We will make very clear that in the case of further escalation we will be ready to introduce economic sanctions," Merkel told reporters before the EU summit.

Sanctions require the agreement of all EU governments, a consensus-building process that can't match Putin's speed in mobilizing troops in Crimea, staging the secession referendum and moving toward annexation.

#### Ukraine Tensions

Tensions continue to rise in the region. The government in Kiev said yesterday it plans to reinforce its eastern border with Russia and withdraw troops from Crimea, ceding control of the Black Sea peninsula. Obama said Russia's continuing military movements carry "dangerous risks of escalation."

U.S. Defense Secretary Chuck Hagel spoke by phone today with Russian Defense Minister Sergei Shoigu to clarify Russia's intentions for its troops amassed along the border with Ukraine, Rear Admiral John Kirby, Hagel's spokesman, said at a news conference.

Shoigu told Hagel that Russian troops are arrayed along the border only for military exercises, Kirby said. Russian troops won't cross the border into Ukraine and "would take no aggressive action," Kirby said Hagel was told.

"It was a lengthy call, lasting about an hour, and I think it's fair to say that at times it was direct," Kirby said of the exchange.

#### NATO Allies