

Daily review

May 15, 2008

Trader's view

For today we do not exclude technical correction at Russian stock market. However, the chance that yesterday's climb over oil & gas sector stocks will continue is big. Wednesday's securities of the day were Gazprom Neft's shares, as company is set to close its registry today. Therefore some growth of company's quotes is expected. Oil sector's strong positions may yet pull indices up. We must note though, that piercing of all time high under RTS opens a new path onto 2550 points in half year's term.

Main news

Tax initiatives' sudden appearance.

"Tax holidays" must be put upon deposits in new oil & gas regions, said premier-minister Vladimir Putin at meeting on establishment of Baltic Pipeline System-2 (BTS-2) in Ust-Luga.

Other news

➤ TNK-BP to expand production in 2009.

Russian-British oil company TNK-BP expects expansion of oil extraction in 2009 above 2008, reported executive vice-president of exploration and extraction Sergey Brezitsky.

➤ Gazprom Neft finished audit of reserves.

Proved reserves of Gazprom Neft of oil under SPE classification, have been audited by Miller & Lents (M&L), and as of late 2007 reserves formed 4.823 bn barrels, increasing +7.7% versus 2006 (4.476 bn barrels), announces the quarter report by company.

➤ Winter's helping hand – Gazprom increased gas extraction +2.15%.

Gazprom's extraction of gas in January-April 2008 has formed 199.4 bn cb m, adding +2.15% or 4.2 bn cb m more than during similar term of 2007, says the company in official message.

➤ E4 buys a stake in TGC-11.

UES' ex top-manager controlled – E4 engineering company, is set to buy a stake in TGC-11, reports Reuters, citing the offering insiders.

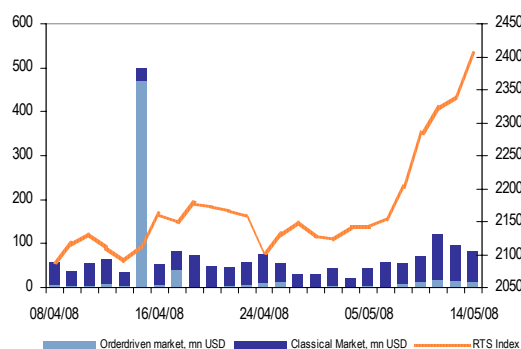
Market estimates

Main indicators and indices

	Close, USD	Change, pt.	Change, %			
			day	week	month	year
RTS Index	▲ 2,406.05	66.48	2.84	9.29	15.06	31.74
MICEX Index	▲ 1,904.20	64.42	3.50	9.48	16.23	18.61
USD / RUR	▲ 23.89	0.08	0.34	0.29	1.86	-7.43
EUR / RUR	▲ 36.97	0.12	0.33	0.80	-0.43	5.83
EUR / USD	▼ 1.55	-0.00	-0.01	0.52	-2.27	13.76
Dow Jones Index	▲ 12,898.38	66.20	0.52	0.66	4.85	-3.63
NASDAQ	▲ 2,496.70	1.58	0.06	2.39	9.71	-1.13
FTSE 100	▲ 6,216.00	4.10	0.07	-0.72	6.59	-5.37
Nikkei 225	▲ 14,118.55	164.82	1.18	0.11	9.30	-19.38
MSCI EM	▲ 1,207.58	1.99	0.17	0.13	5.44	21.67

Source: Bloomberg, Estimation: Veles Capital

RTS index vs. trade volume



Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	▼ 121.18	-1.60	-1.30	-0.55	10.68	79.79
Urals, USD / bbl	▼ 117.15	-1.65	-1.39	0.03	10.45	81.54
Gold, USD / ounce	▼ 884.39	-3.37	-0.38	-0.66	-6.61	25.03
Palladium, USD / ounce	- 446.18	-	-	2.87	-4.52	17.94
Copper, USD / ton	▼ 8,125	-110	-1.34	-3.62	-5.03	4.70
Nickel, USD / ton	▼ 26,550	-500	-1.85	-6.99	-8.13	-47.63

Source: Bloomberg, Estimation: Veles Capital

Russian share quotes

	Close, USD	Change, USD	Change, %			
			day	week	month	year
UES	▼ 1.084	-0.021	-1.90	5.24	6.27	-16.45
VTB	▲ 0.004	0.000	0.25	2.79	8.87	-
Polyus-Gold	- 54.50	-	-	0.93	4.89	28.99
NorNickel	▲ 293.00	11.500	4.09	7.33	1.38	51.03
Rostelecom	- 11.57	-	-	1.49	-1.53	27.85
MTS	- 12.00	-	-	-2.83	-3.23	26.32
Sberbank	▲ 3.520	0.020	0.57	2.03	11.57	-8.81
LUKOIL	▲ 109.40	5.200	4.99	16.38	28.25	48.04
Gazprom Neft	▲ 6.600	0.250	3.94	6.88	11.30	75.53
Surgutneftegas	▲ 1.195	0.066	5.85	21.44	23.83	-1.24
Gazprom	▲ 15.05	0.370	2.52	8.27	15.15	60.11
Tatneft	- 7.550	-	-	10.62	23.57	68.15
Rosneft	▲ 11.650	0.550	4.95	19.12	23.28	43.30

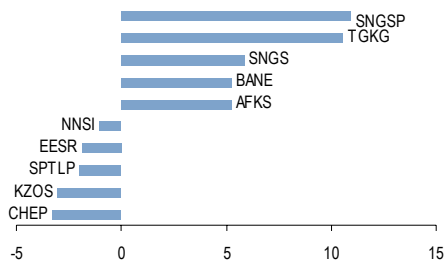
Source: RTS web page, Estimation: Veles Capital

Veles Management MC Unit investment trusts

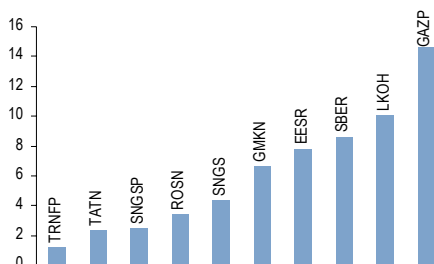
	Net asset value, RUR	Share price, RUR	Change, %			Since interest per annum formation, %
			day	month	year	
VELES Capital	▲ 11,200,066	1,182.52	0.81	4.86	4.55	8.60
VELES Capital - Selected Shares	▲ 10,527,192	996.95	1.19	6.45	-0.49	-0.21
VELES Capital - Bonds	▲ 22,849,702	1,006.21	0.05	0.79	-	2.55

Source: Veles Management MC

Rise and fall leaders, %



Leaders on turnover volumes in RTS, mn USD



RTS index support and resistance levels

	support	resistance
1	2,400.0	2,415.6
2	2,343.5	2,458.5
3	2,300.0	2,493.4

Trader's view

Yesterday met no expectations for technical correction throughout Russian indices. Since the day's start market was rather weak, whilst chance of correction start was high. Morally – players were ready to begin fixing income, as it built up during last seven trading sessions. Nevertheless, they took on a waiting stance, which in return brought a new wave of purchases. Stock of Surgutneftegas appeared above the rest of market, absorbing support from RF's premier as he announced plans to expand existing capacities. As a result – common stock of the company rose +5.85%, preferred stock expanded +10.96%. Beside of that, oil & gas sector quotes were enjoying legislative initiatives regarding reduction of tax pressure upon oil & gas companies and government's promises to continue looking for tax and administrative preferences for the industry. As a result – market dropped down sharply and pierced new all time high, taking on 2400 points defenses.

Late during the day RTS rose +2.84% and formed 2406.05 points towards the end of the trading session. The primary support of the market was provided by stocks of oil & gas sector: LUKOIL (+4.99%), Gazprom (+2.52%) and Rosneft (+4.96%). Some correction appeared over stocks of Uralsvyazinform (-0.38%).

Wednesday's classic market turnover has formed 72.1 mn USD, with top three turnovers manned through securities of: Gazprom (14.6 mn USD), LUKOIL (10.1 mn USD) and Sberbank (8.6 mn USD).

For today we do not exclude technical correction at Russian stock market. However, the chance that yesterday's climb over oil & gas sector stocks will continue is high. Wednesday's securities of the day were Gazprom Neft's shares, as company is set to close its registry today. Therefore some growth of company's quotes is expected. Oil sector's strong positions may yet pull indices up. We must note though, that piercing of all time high under RTS opens a new path onto 2550 points in half year's term.

RTS index support and resistance levels



Oil & Gas

Tax initiatives' sudden appearance.

"Tax holidays" must be put upon deposits in new oil & gas regions, said premier-minister Vladimir Putin at meeting on establishment of Baltic Pipeline System-2 (BTS-2) in Ust-Luga.

Putin also spoke about the need to apply "tax holidays" for companies conducting surveying and development of new deposits. He noted that in addition to Far-Eastern territories, this benefit "could also be applied to deposits in Timano-Pechora pool, on par with Yamal peninsula and continental shelf". During his speech about tax holidays premier noted that "seven years is a decent term" and a generally accepted practice.

According to our estimates, the average term for launch of new oil & gas deposits at designed (final) capacities takes up about 6-7 years. And premier's planned measure would first benefit the growth of oil companies' cash flow, through prolonging zero rates on oil extraction tax and through pushing the accelerated launch of extraction at designed capacities, and secondly – real growths of number of new projects launched, as well as start of oil industry's movement towards new oil & gas regions.

Putin also announced that law bill on direct cut of mining tax rates has been already approved and confirmed by the government, while now it is required to put it into State Duma for examination as soon as possible. Do remember that the real cut of mining tax rates would have allowed oil industry to save up to 4.2 bn USD in 2007, while in 2008 this value would form a much larger figure due to growth of oil price and expansion of oil extraction.

Premier also reminded about the need to enter new duties and rates system for oil products, depending on their quality. According to him, the system must be build at "the higher the quality of oil product, the lower excesses must be" principle. As current export duties on light oil products are higher, than ones of dark oil products. In our opinion this would become the primary obstacle on the path of modernization and construction of modern petrochemical complexes and facilities.

Beside of that, Putin spoke about offering the oil industry a whole new range of tax preferences. Including the change of administering system on exhausted deposits, on par with improving the order of deposit amortization.

We find given announcements are positive for oil sector, indicating the seriousness of state's intent to reduce tax pressure upon oil industry. Putin's offers have found a more than merely positive feedback from investors. After premier's announced plans – players realized that all mentioned plans on reduction of tax load will be implemented, whilst the process will not be stretched for many years, and began buying virtually all of oil stocks.

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Company profile

Last price, USD	2.10
Market capitalization, mn USD	34,084
Ticker	tnbp
Fair value, USD	2.60
Undervaluation, Overvaluation %	23.57
Recommendation:	BUY

Oil & Gas
TNK-BP
TNK-BP to expand production in 2009.

Russian-British oil company TNK-BP expects expansion of oil extraction in 2009 above 2008, reported executive vice-president of exploration and extraction Sergey Brezitsky.

He confirmed – that according to five year plan of company's development, which was accepted in 2007, back then it was expected that in 2008 oil extraction would fall down by 1%, whilst extraction was set to rise again in 2009. However, late last year this forecast was reviewed, including result of 2008. TNK-BP now anticipates the extraction to be equal to result of 2007. Therefore, the drop of group's extraction is denied.

The executive vice-president did not confirm by which value oil extraction could expand. According to Brezitsky, in September 2008 we can expect the board of directors to approve final plans of extraction for 2009. He said that growth of extraction is expected to be provided through new projects, such as: Uvat, Verkhnechona, and also through improving the utilization rate of accompanying gas.

In general we find this news to be positive for company's stock, as market expected a fall of extraction in 2008 just recently, and knew now whenever company would launch new deposits in time (late 2008 – early 2009). Now the forecast is revaluated towards expanded extraction over that period. Our calculations prove that oil extraction in 2007-2009 should up by +3.5-4%.

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Company profile

Last price, USD	6.60
Market capitalization, mn USD	31,293
Ticker	SIBN
Fair value, USD	6.256
Undervaluation, Overvaluation %	-5.21
Recommendation:	HOLD

Oil & Gas
Gazprom Neft
Gazprom Neft finished audit of reserves.

Proved reserves of Gazprom Neft of oil under SPE classification, have been audited by Miller & Lents (M&L), and as of late 2007 reserves formed 4.823 bn barrels, increasing +7.7% versus 2006 (4.476 bn barrels), announces the quarter report by company.

Proved and audited reserves of oil of Gazprom Neft under SEC standards have formed 4,112 bn barrels, expanding by +7.3% (3.831 bn barrels). While proved gas results of company under SPE have dropped -30% to 20.6 bn cb m, while under SEC standards reserves lost -31%, down to 14.4 bn cb m.

Message indicates that audit of Gazprom Neft's reserves is conducted on all of deposits, based on estimate of representative base of deposits by Gazprom Neft, forming 90-95% under Russian ABC1 category.

According to Gazprom Neft's representative, oil reserves rose through geological surveys and purchase of new license spots. Gas reserves were dropped due to writing off some extracted gas, while now new licenses for large deposits had been acquired.

Overall we see resource base of Gazprom Neft as adequate for current extraction rate, but still ineffective for company's own strategic plans of extraction, 100 mn tons to 2020 in particular. Under current extraction rate the reserves should prove enough for 20 years, though under 100 mn tons per year those reserves will last 6.5 years. Therefore future purchases, or existing enterprises (example: Tomskneft) and licenses, on par with conduct of geological surveying.

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Company profile

Last price, USD	15.05
Market capitalization, mn USD	356,286
Ticker	GAZP
Fair value, USD	16.25
Undervaluation, Overvaluation %	7.97
Recommendation:	
BUY	

Oil & Gas**Gazprom****Winter's helping hand – Gazprom increased gas extraction +2.15%.**

Gazprom's extraction of gas in January-April 2008 has formed 199.4 bn cb m, adding +2.15% or 4.2 bn cb m more than during similar term of 2007, says the company in official message.

Let us remind you, that Valery Minlikaev manager of Gazprom's gas and condensed gas department said that in 2008 Gazprom is planning to produce 561 bn cb m of gas and implement Chakanskoe field project in West Siberia.

He also specified: among the producing fields in 2008 Gazprom is planning to produce 545.9 bn cb m and among the new ones — 15.1 bn cb m. According to the plans, gas monopoly will produce 50% of gas due to the new fields by the 2020.

Besides, in the beginning of May the Gazprom's management instructed the operating team of company's administration to develop the basic trends preparation of associated companies and organizations by autumn-winter operation of 2008-2009 and to stock up the commercial gas in the underground storage facilities in volume of more than 64 bn cb m.

We believe that the increased gas production during 4 months of this year is connected with great demand of principal consumers on the "blue fuel" and increasing demand can be explained by more severe climate conditions during this period. It should be mentioned that in the last year the monopoly decreased gas production by 2.59% due to abnormally warm winter and as consequence the gas demand decreased.

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Company profile

Last price, USD **0.0014**
Market capitalization,
mn USD **708**
Ticker **TGKK**

Energy**TGC-11****E4 buys a stake in TGC-11.**

UES' ex top-manager controlled - E4 engineering company, is set to buy a stake in TGC-11, reports Reuters, citing the offering insiders.

According to him the contract (with buyer) was already signed.

Reuter's sources also said that the buyer, will probably, get a payment extension on portfolio attainment.

The share prices of state interest (stake) earlier defined by TGC-11's board of directors is equal to the price of additional emission - 0.0017 USD per share.

The rival of E4 Group on purchase of TGC-11 is Mechel. Besides, the interest to generation company has been shown by Evonik, which, however, wants to do business only with Russian partners.

We see the given news as positive, but predictable. The buyer was already known, as a transaction price which exceeds the market price by 22%. The news is darkened only by the fact that there is no clarity in the situation over company's additional emission on the back of Rosneft's plans. UES will sell only 28.9% of TGC-11 shares, which is does not oblige the shareholder to offer the minors, the value of additional emission, if it occurs, will give E4 a chance to consolidate more than 40% of generating company. In this case the offer will be made.

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Trade results

	Ticker	Price, USD	Change, USD	Change, %				Current year, USD		Volume, USD	MCAP, mn USD	Fair price, USD	Potential, %	Recommendation		
				day	week	month	from Jan 1	year	min						max	
Oil and Gas																
	Bashneft	▲ BANE	14.000	0.700	5.26	7.49	8.11	-15.92	2.00	12.860	16.400	27.750	2.704	-	-	HOLD
	Bashneft, pref.	- BANEP	9.2750	-	-	0.27	-1.85	-15.49	-7.57	9.1000	10.8000	-	-	-	-	HOLD
	Gazprom	▲ GAZP	15.050	0.370	2.52	8.27	15.15	6.81	60.11	11.410	15.100	14.607,230	356,286	16.250	7.97	BUY
	Gazprom Neft	▲ SIBN	6.6000	0.2500	3.94	6.88	11.30	3.94	75.53	5.0000	6.6000	330,000	31,293	6.2560	-5.21	HOLD
	LUKOIL	▲ LKOH	109.400	5.200	4.99	16.38	28.25	25.75	48.04	64.250	109.400	10,094,532	93,052	109.270	-0.12	BUY
	NOVATEK	- NVTK	8.4000	-	-	9.45	14.68	12.00	70.04	6.5000	8.7000	-	25,505	9.1700	9.17	BUY
	RITEK	- RITK	8.0500	-	-	0.94	-	-20.69	-17.44	7.0000	9.9000	-	1,165	-	-	-
	Rosneft	▲ ROSN	11.6500	0.5500	4.95	19.12	23.28	21.76	43.30	6.6700	11.6500	3,400,120	123,469	11.3300	-2.75	BUY
	Surgutneftegas	▲ SNGS	1.1950	0.0660	5.85	21.44	23.83	-3.63	-1.24	0.8650	1.2710	4,349,000	47,137	-	-	UNDER REVISION
	Surgutneftegas, pref.	▲ SNGSP	0.5770	0.0570	10.96	15.40	-2.29	-10.96	-19.86	0.4340	0.6480	2,452,920	-	-	-	UNDER REVISION
	Tatneft	- TATN	7.5500	-	-	10.62	23.57	24.79	68.15	4.7500	7.5500	2,322,850	16,999	-	-	HOLD
	Tatneft, pref.	- TATNP	3.7250	-	-	3.47	9.24	0.68	29.34	2.7000	3.5000	-	-	-	-	HOLD
	TNK-BP Holding	▲ tnbp	2.1000	0.0400	1.94	6.60	8.25	-5.83	11.70	1.5200	2.1900	67,937	34,084	2.5950	23.57	BUY
	TNK-BP Holding, pref.	- tnbp	1.7900	-	-	7.83	4.37	-5.79	-0.56	1.4220	1.8000	79,745	-	2.3410	30.78	BUY
	Transneft, pref.	▲ TRNFP	1.460.0	60.0	4.29	14.51	13.18	-26.82	-19.34	1,215.0	2,007.0	1,232,000	9,080	2,580.0	76.71	BUY
Energy																
	Bashkirenergo	- BEGY	1.6700	-	-	-5.38	-15.01	-21.23	-19.03	1.5000	2.1000	-	1,805	-	-	-
	Bashkirenergo, pref.	- BEGYP	1.2800	-	-	-	-	7.56	-5.88	1.1750	1.1750	-	-	-	-	-
	Hydro-WGC	▲ HYDR	0.0810	0.0005	0.62	3.85	4.25	-	-	0.0687	0.0930	642,254	15,865	-	-	-
	Irkutskenergo	- IRGZ	1.0000	-	-	-3.85	-14.93	-15.97	3.09	0.9700	1.1510	50,000	4,767	-	-	-
	WGC-1	- OGKA	0.0890	-	-	-3.78	-6.32	-27.64	-24.58	0.0795	0.1225	-	3,973	0.1308	46.97	BUY
	WGC-2	▲ OGKB	0.0880	0.0012	1.38	5.14	-13.94	-42.86	-	0.0825	0.1500	193,550	2,880	-	-	UNDER REVISION
	WGC-3	- OGKC	0.1125	-	-	7.14	-	-25.12	-33.63	0.1050	0.1450	-	5,342	-	-	UNDER REVISION
	WGC-4	- OGKD	0.0925	-	-	2.78	-20.43	-30.45	-21.28	0.0880	0.1335	-	5,829	0.1020	10.27	HOLD
	WGC-5	- OGKE	0.1110	-	-	11.00	-1.55	-36.64	-19.88	0.0955	0.1795	-	3,926	0.2123	91.26	BUY
	WGC-6	- OGKF	0.0855	-	-	3.01	-5.79	-32.68	-43.56	0.0782	0.1250	-	2,758	-	-	UNDER REVISION
	UES	▼ EESR	1.0840	-0.0210	-1.90	5.24	6.27	-17.50	-16.45	0.8470	1.3400	7,830,717	46,487	1,5688	44.72	BUY
	UES, pref.	- EESRP	0.9625	-	-	6.94	9.38	-15.94	-14.44	0.7600	1.1710	-	-	1.3335	38.55	BUY
	TGC-1	- TGKA	0.0014	-	-	1.11	-2.50	4.60	1.87	0.0012	0.0014	-	5,257	0.0017	24.54	BUY
	TGC-2	- TGKB	0.0010	-	-	-0.00	-2.06	-5.00	-22.13	0.0008	0.0012	66,500	1,053	0.0015	57.89	BUY
	TGC-2, pref.	- TGKBP	0.0007	-	-	-	-	-5.23	-14.71	-	-	-	-	0.0011	51.72	BUY
	TGC-3 (Mosenergo)	- MSNG	0.1925	-	-	4.05	-13.48	-19.12	-19.79	0.1700	0.2460	-	7,652	-	-	REDUCE
	TGC-4	- TGKD	0.0011	-	-	0.48	-4.95	-14.92	-2.76	0.0010	0.0012	-	1,439	-	-	-
	TGC-4, pref.	- TGKDP	0.0006	-	-	-	-	0.83	-15.97	0.0005	0.0006	-	-	-	-	-
	TGC-5	- TGKE	0.0008	-	-	1.32	-4.38	-15.47	-40.47	0.0007	0.0010	-	941	0.0012	56.86	BUY
	TGC-6	- TGKF	0.0009	-	-	-2.25	-13.00	-24.02	-23.01	0.0010	0.0012	-	1,122	0.0009	3.45	REDUCE
	TGC-7	▲ TGKG	0.0940	0.0090	10.59	7.43	-7.84	-13.76	-	0.0850	0.1095	426,658	2,818	-	-	-
	TGC-8	- TGKH	0.0016	-	-	-	-	10.71	55.00	0.0013	0.0016	-	3,195	0.0009	-41.94	SELL
	TGC-9	- TGKI	0.0003	-	-	-	-1.54	-0.00	3.23	0.0003	0.0003	-	2,504	-	-	-
	TGC-10	- TGKJ	4.5000	-	-	-0.66	0.22	10.02	12.50	3.5000	4.5343	-	3,954	-	-	-
	TGC-11	- TGKK	0.0014	-	-	1.85	9.96	-14.81	-	0.0012	0.0016	117,300	708	-	-	-
	TGC-12 (Kuzbasenergo)	- KZBE	0.0255	-	-	-	-	-99.07	-99.28	2.5000	2.8100	-	1,801	-	-	-
	TGC-13	- TGKM	0.0082	-	-	-0.61	-3.93	-22.40	-26.47	0.0082	0.0102	24,600	1,305	-	-	-
	TGC-14	- TGKN	0.0004	-	-	-	-	28.99	30.88	4.71	0.0003	0.0003	-	346	-	-
Nonferrous metallurgy																
	BMSK	- bmsk	1.7825	-	-	1.86	3.33	-27.24	-31.44	1.6850	1.6850	-	9	4.5900	157.50	SPECULATIVE BUY
	BMSK, pref.	- bmskp	2.1500	-	-	-	-	-	-	0.9500	0.9500	-	-	3.4400	60.00	HOLD
	VSMPO	- VSMPO	215.50	-	-	-0.69	-2.05	-28.64	-28.24	214.50	314.00	-	2,485	-	-	HOLD
	Norisk Nickel	▲ GMKN	293.00	11.50	4.09	7.33	1.38	10.57	51.03	203.00	305.90	6,646,250	55,854	314.68	7.40	BUY
	Safyanovskaya med	- sfmd	6.0000	-	-	-	-	-35.14	-58.62	6.0000	7.0000	-	12	4.7300	-21.17	SELL
	Sredneural'sk MPZ	- sumz	16.500	-	-	-	-8.33	-11.17	-31.25	16.500	17.800	-	83	36.550	121.52	SPECULATIVE BUY
	Uralskoelektromed	- uelm	117.00	-	-	3.54	2.86	2.99	-4.88	100.00	121.00	-	593	126.38	8.02	ACCUMULATE
	Ufaleynickel	- ufal	8.2000	-	-	1.23	11.56	5.81	-23.36	7.5000	7.5000	-	221	6.6300	-19.15	REDUCE
	Chelyabinsk Zink Plant	- CHZN	10.20	-	-	2.00	0.99	-9.13	-91.95	9.30	12.15	70,950	553	22.53	120.88	BUY
	Yuzhuralnickel	▲ unkl	1,250.0	35.0	2.88	7.53	7.99	-10.71	44.84	1,120.0	1,300.0	137,225	750	463.4	-62.93	ACCUMULATE
	Electrozinc	▲ eltz	100.00	5.00	5.26	4.17	4.66	-6.54	-27.25	95.00	110.00	40,100	140	-	-	-
Ferrous metallurgy (Steel)																
	Ashinsky Metallurgy Plant	- AMEZ	0.7725	-	-	0.98	-4.63	-18.68	39.57	0.7550	0.9700	-	385	0.9400	21.68	BUY
	EvrAZ**	▲ EVR	119.000	5.500	4.85	2.59	21.43	53.55	231.48	62.000	121.250	37,557,610	42,237	103.210	-13.27	ACCUMULATE
	Mechel	- MTLR	45.500	-	-	-0.66	13.04	68.52	287.23	20.000	45.800	-	18,940	28.680	-36.97	BUY
	MMC	- MAGN	1.4000	-	-	3.13	12.00	7.69	46.52	1.0500	1.3900	-	15,644	1.7530	25.21	BUY
	NLMC	- NLMK	5.2500	-	-	1.94	17.98	29.47	89.53	3.4300	5.1500	-	31,464	5.3600	2.10	ACCUMULATE
	Severstal	▲ CHMF	26.550	0.050	0.19	1.34	8.81	16.45	95.65	20.000	27.450	397,500	26,754	27.520	3.65	BUY
	Chelyabinsk Metallurgy Plant	- CHMK	370.00	-	-	1.72	-3.90	0.68	119.58	330.00	450.00	82,302	1,170	-	-	-
	Chusovskoy Metallurgy Plant	- chmz	127.000	-	-	1.20	8.09	10.43	67.11	113.000	124.800	-	296	-	-	-
Precious metals																
	Buryatzoloto	- BRZL	20.125	-	-	-	-0.86	11.81	25.78	19.000	22.000	-	141	26.690	32.62	SPECULATIVE BUY
	Lenzoloto	- lnzl	50.000	-	-	-	-15.09	-13.04	49.25	60.000	60.000	-	57	34.210	-31.58	HOLD
	Polymetal	- PMTL	8.2250	-	-	1.23	1.23	18.86	18.77	7.0000	9.3500	-	2,591	8.2800	0.67	HOLD
	Polys-Gold	- PLZL	54.500	-	-	0.93	4.89	18.74	28.99	46.500	58.000	40,875	10,389	57.180	4.92	HOLD
	Susumanzoloto	- sysy	28.000	-	-	-	-	-6.67	-37.08	-	-	-	25	55.270	97.39	ACCUMULATE

Source: RTS website, Bloomberg (* - NASDAQ, ** - LME, rest - RTS) Estimation: Veles Capital

Trade results

	Ticker	Price, USD	Change, USD	Change, %				Current year, USD		Volume, USD	MCAP, mn USD	Fair price, USD	Potential, %	Recommendation		
				day	week	month	from Jan 1	year	min						max	
Coal industry																
	Belon	- BLNG	165.000	-	-	4.76	14.58	75.53	364.79	93.000	180.000	-	1.898	91.610	-44.48	SPECULATIVE BUY
	Vorkutaugol	- voug	182.00	-	-	2.25	-13.33	-9.00	-1.62	190.00	244.00	-	611	318.92	75.23	SPECULATIVE BUY
	Vorkutaugol, pref	- vougp	179.25	-	-	-0.42	0.42	-0.42	4.22	160.00	181.00	-	-	255.14	42.34	SPECULATIVE BUY
	Kuzbassrazrezugol	- kzru	0.8700	-	-	4.82	2.96	102.56	120.81	0.4400	0.8600	173.500	5.336	0.3800	-56.32	HOLD
	Raspadskaya	- RASP	9.9000	-	-	6.45	29.41	52.31	330.43	5.4000	9.9000	390.500	7.730	10.6500	7.58	ACCUMULATE
	Yuzny Kuzbass	- UKUZ	153.000	-	-	2.68	21.43	183.33	548.31	56.000	154.900	187.272	5.525	50.380	-67.07	REDUCE
Pipe industry																
	Almetievsk Pipe Plant	- atza	10.750	-	-	-	-2.27	-8.51	-28.33	-	-	-	32	-	-	UNDER REVISION
	Vyksa Metallurgy Plant	- vszm	1.660.5	-	-	0.03	-4.98	-21.49	20.81	1,745.0	2,080.0	-	3,125	-	-	UNDER REVISION
	Pervouralsk New Pipe Plant	- PNTZ	27.500	-	-	-	0.92	-12.00	-17.04	28.975	32.200	-	669	-	-	UNDER REVISION
	Seversky Pipe Plant	- SVTZ	13.550	-	-	-3.90	-3.56	-18.13	25.75	13.500	15.800	-	652	15.400	13.65	ACCUMULATE
	Sinarsky Pipe Plant	- SNTZ	110.00	-	-	-	-8.14	-21.43	0.46	110.00	138.50	-	693	141.68	28.80	SPECULATIVE BUY
	Taganrog Metallurgy Plant	- TAMZ	1.0000	-	-	-	-	-18.96	-20.00	1.0000	1.1000	-	462	1.1300	13.00	HOLD
	TMK	▲ TRMK	8.2200	0.0100	0.12	1.80	4.71	-24.76	-8.92	7.1000	10.7000	123.400	7.176	9.3800	14.11	HOLD
	Chelyabinsk Pipe Plant	▼ CHEP	4.4000	-0.1500	-3.30	-1.12	6.80	3.41	10.00	3.8500	4.5500	44,000	2,078	-	-	UNDER REVISION
Telecommunications																
	Volgatelecom	▼ NNSI	4.8000	-0.0500	-1.03	10.34	-2.04	-18.23	-21.31	4.0000	5.9100	48,000	1,437	6.0110	25.23	BUY
	Volgatelecom, pref.	- NNSIP	3.1250	-	-	0.81	-3.85	-24.70	-24.52	3.1000	4.1800	-	-	4.5083	44.27	BUY
	Vimpelcom*	▼ VIP	32.440	-0.200	-0.61	-1.64	5.09	-22.02	62.02	28.510	44.390	95,460,024	33,272	30.800	-5.06	HOLD
	Dalsvyaz	- ESPK	4.8000	-	-	6.19	3.23	-9.43	-3.52	4.4800	5.7000	-	578	7.4457	55.12	BUY
	Dalsvyaz, pref.	- ESPKP	3.8300	-	-	3.37	-3.04	-14.41	-19.37	3.7000	4.2000	-	-	5.5812	45.72	BUY
	Comstar-UTS	- CMST	11.0000	-	-	15.79	9.73	0.59	51.72	10.3000	10.5000	-	4,597	11.0420	0.38	HOLD
	MGTS	- MGTS	36.400	-	-	0.14	0.55	0.28	32.12	32.000	34.600	-	3,422	-	-	HOLD
	MGTS, pref.	- MGTSP	32.350	-	-	-1.07	-0.61	0.62	31.50	28.800	31.300	-	-	-	-	HOLD
	MTS	- MTSS	12.0000	-	-	-2.83	-3.23	-21.82	26.32	11.8000	15.7000	957,000	23,920	16.5300	37.75	BUY
	Rostelecom	- RTKM	11.5700	-	-	1.49	-1.53	-2.45	27.85	10.4000	12.4400	11,570	8,982	4.1300	-64.30	SELL
	Rostelecom, pref.	- RTKMP	2.2700	-	-	3.18	-2.37	-34.21	2.0000	2.8500	90,400	-	-	3.1000	36.56	ACCUMULATE
	North-West Telecom	▲ SPTL	1.2550	0.0100	0.80	11.56	-1.95	-27.03	-27.23	1.1400	1.7000	62,750	1,351	1.5002	19.54	HOLD
	North-West Telecom, pref.	▼ SPTLP	0.9800	-0.0200	-2.00	-2.00	-17.30	-20.33	-12.58	0.9800	1.2150	98,000	-	1.1251	14.81	HOLD
	Sibirtelecom	- ENCO	0.0925	-	-	10.78	-3.65	-22.92	-22.92	0.0780	0.1170	549,250	1,349	0.1140	23.24	BUY
	Sibirtelecom, pref.	- ENCOP	0.0609	-	-	2.44	-7.80	-24.35	-26.63	0.0595	0.0670	-	-	0.0855	40.39	BUY
	Uralsvyazinform	▼ URSI	0.0520	-0.0002	-0.38	6.56	0.78	-18.43	-16.13	0.0462	0.0635	52,000	1,924	0.0573	10.19	BUY
	Uralsvyazinform, pref.	- URSIP	0.0312	-	-	5.93	-7.95	-26.47	-24.24	0.0295	0.0418	-	-	0.0430	37.60	ACCUMULATE
	CenterTelecom	- ESMO	0.7062	-	-	7.01	-5.20	-24.22	-26.81	0.6500	0.9320	-	1,396	1.0357	46.65	ACCUMULATE
	CenterTelecom, pref.	- ESMOP	0.5350	-	-	-	-4.89	-14.06	-15.35	0.5250	0.6375	-	-	0.7768	45.20	BUY
	SouthTelecom	- KUBN	0.1538	-	-	9.04	-6.68	-22.35	-27.30	0.1345	0.2020	-	567	0.2565	66.83	BUY
	SouthTelecom, pref.	- KUBNP	0.1150	-	-	-	-2.13	-20.55	-18.87	0.1175	0.1450	-	-	0.1848	60.70	BUY
Machinery																
	AvtoVAZ	- AVAZ	1.7950	-	-	-2.71	4.97	-6.99	76.15	1.7900	1.9500	-	5,170	1.9890	10.81	BUY
	AvtoVAZ, pref.	- AVAZP	0.5850	-	-	1.30	-14.91	-23.53	17.00	-	-	-	-	1.4910	154.87	BUY
	GAZ	- GAZA	202.50	-	-	-0.74	-	19.12	62.91	155.00	210.00	40,520	3,923	192.77	-4.80	BUY
	GAZ, pref.	- GAZAP	119.00	-	-	-2.46	-1.65	-0.83	35.23	113.00	125.50	-	-	144.58	21.50	BUY
	ZMZ	- ZMZN	4.4500	-	-	-	4.71	48.33	100.00	2.9000	3.0000	-	627	0.6390	-85.64	SELL
	ZMZ, pref	- zmznp	3.3250	-	-	-	11.76	38.54	82.19	2.6000	3.2000	-	-	0.4790	-85.59	SELL
	Kamaz	- KMAZ	6.1000	-	-	1.67	-2.01	17.31	103.33	5.6500	7.2500	-	4,314	6.4000	4.92	BUY
	Kirovsky zavod	- KIRZ	50.250	-	-	-	-1.37	-8.64	86.11	48.000	52.000	-	546	33.290	-33.75	REDUCE
	NefAZ	- nfaz	46.950	-	-	-2.19	-2.69	30.42	204.87	36.500	50.250	-	377	49.150	4.69	BUY
	Saturn NPO	- satr	0.0862	-	-	-2.27	-0.35	-27.52	-17.66	0.0840	0.1125	-	344	0.1379	59.88	HOLD
	OMZ	- OMZZ	6.8500	-	-	-3.18	-2.49	-12.46	-25.95	7.0000	7.6000	-	243	6.3200	-7.74	SELL
	RSC Energia	- satr	655.00	-	-	3.97	-1.87	32.32	100.00	489.90	650.00	162,250	736	561.20	-14.32	HOLD
	UAZ	- uaza	0.1300	-	-	-	6.12	-6.47	44.44	0.1125	0.1390	-	516	-	-	-
	UAZ, pref.	- uazap	0.0762	-	-	-	5.90	-14.33	41.86	0.0710	0.0890	-	-	-	-	-
	Severstal-Auto	- SVAV	61.250	-	-	-1.61	-4.30	13.43	94.44	49.000	67.300	61,250	2,099	81.330	32.78	BUY
	Power Machines	- SILM	0.2140	-	-	1.90	-0.47	5.68	21.59	0.1930	0.2220	-	1,864	0.1250	-41.59	SELL
Industry																
	ALNAS	- alnz	0.9005	-	-	-	-	-21.70	-5.21	0.8250	0.8500	-	186	1.3300	47.70	BUY
	Angeromash	- ange	60.000	-	-	-25.00	60.00	4.35	69.01	-	-	-	60	79.650	32.75	BUY
	BEPP	- bunz	52.000	-	-	-	-16.80	9.47	-22.10	-	-	-	16	113.840	118.92	BUY
	BEPP, pref.	- bunzp	41.000	-	-	-	6.49	-1.20	12.33	-	-	-	-	85.380	108.24	BUY
	Mikron	- mkro	11.7750	-	-	1.73	1.73	16.87	55.45	10.0000	11.3000	-	115	-	-	-
	Sitronics	- SITR	0.1215	-	-	-	-6.43	1.25	-39.25	0.1150	0.1366	-	1,160	0.0854	-29.71	SELL
Chemical industry																
	Kirovo-Chepetsk Chem. Comp.	- kchk	370.00	-	-	-	-3.39	-9.20	57.45	360.00	402.00	-	418	-	-	-
	Kirovo-Chepetsk Chem. Comp., pref.	- kchkp	115.50	-	-	0.43	-0.86	-36.71	-9.41	-	-	-	-	-	-	-
	Silvinit	- SILV	1,585.00	-	-	-	13.21	39.04	80.11	495.86	900.00	1,610.00	-	14,778	-	UNDER REVISION
	Silvinit, pref	▲ silvp	910.00	55.00	6.43	13.75	54.24	40.00	400.00	570.00	855.00	924,670	-	-	-	UNDER REVISION
	Uralkali	- URKA	10.9500	-	-	-2.58	9.17	40.38	428.99	5.8000	12.4000	-	23,262	-	-	UNDER REVISION
Retail Trade																
	Pharmacy Network 36.6	- APTK	48.125	-	-	5.65	6.94	-34.08	-43.91	42.500	70.000	-	457	-	-	UNDER REVISION
	GUM	- GUMM	2.7250	-	-	-0.91	-3.54	32.93	12.37	1.9700	2.9500	-	164	-	-	UNDER REVISION
	X5 Retail Group**	▲ FIVE	35.900	0.050	0.14	5.28	27.13	-1.64	21.09	26.960	38.000	7,917,161	7,600	-	-	UNDER REVISION
	Seventh Continent	- SCOM	24.050	-	-	0.52	2.34	-7.14	-17.72	22.750	27.300	-	1,804	-	-	UNDER REVISION
	TzUM	- TZUM	6.2500	-	-	2.46	43.68	190.70	197.62	2.1200	6.1000	-	560	-	-	UNDER REVISION

Source: RTS website, Bloomberg (* - NASDAQ, ** - LME, rest - RTS) Estimation: Veles Capital

Trade results

	Ticker	Price, USD	Change, USD	Change, %			Current year, USD		Volume, USD	MCAP, mn USD	Fair price, USD	Potential, %	Recommendation					
				day	week	month	from Jan 1	year						min	max			
Consumer Sector																		
	Baltika	-	PKBA	43.375	-	-	0.87	-2.03	-10.34	-13.25	42.900	50.000	-	6.909	-	-	UNDER REVISION	
	Baltika, pref.	-	PKBAP	26.625	-	-	-	-3.18	-20.52	-19.11	28.000	31.000	-	-	-	-	UNDER REVISION	
	WBD	-	WBDF	75.250	-	-	-3.53	-1.89	-16.39	21.62	72.000	93.000	86.422	3.311	-	-	UNDER REVISION	
	Kalina	▲	KLNA	35.000	1.750	5.26	6.06	11.02	-13.58	-3.45	30.500	39.000	870,000	341	-	-	UNDER REVISION	
	Lebedyansky	-	LEKZ	80.750	-	-	0.16	-0.62	-12.23	-4.44	80.000	93.500	-	1.648	-	-	UNDER REVISION	
Transport																		
	Aeroflot	-	AFLT	4.1500	-	-	-4.05	-3.04	10.67	26.33	3.5000	4.4500	-	4.609	4.7100	13.49	BUY	
	Primorsk Shipping Corporation	-	PRIM	0.4425	-	-	-36.10	-36.79	7.93	43.90	0.4200	0.4200	-	352	0.5610	26.78	BUY	
	FESCO	-	FESH	1.3250	-	-	5.58	31.19	21.00	126.50	0.9800	1.3000	-	3.128	1.0500	-20.75	SELL	
	Novorossiysk Sea Shipping	-	NOMP	3.2450	-	-	1.41	4.68	10.75	44.22	2.9900	3.2500	-	1.420	3.6000	10.94	BUY	
	Novorossiysk Sea Shipping, pref.	-	NOMPP	1.6000	-	-	0.95	-0.93	-11.11	19.40	1.5700	1.7400	-	-	2.7000	68.75	BUY	
Banks																		
	VTB	▲	VTBR	0.0040	0.0000	0.25	2.79	8.87	-19.96	-	0.0034	0.0050	312,500	27,233	-	-	-	
	Sberbank	▲	SBER	3.5200	0.0200	0.57	2.03	11.57	-16.59	-8.81	3.0350	4.3800	8,599,400	78,286	4.6210	31.28	ACCUMULATE	
	Sberbank, pref.	-	SBERP	2.3000	-	-	4.55	14.43	-23.33	-21.03	2.0100	2.9300	23,000	-	3.4660	50.70	ACCUMULATE	
Media & IT																		
	RBC	-	RBCI	8.3750	-	-	-0.89	-8.97	-19.86	-9.95	8.3500	10.9000	-	1,172	9.8600	17.73	BUY	
	CTC Media*	▲	CTCM	27.910	0.610	2.23	11.68	-0.14	-7.58	-	24.500	31.750	27,739,314	4,246	32.900	17.88	BUY	
Oblgaz																		
	Altai Kraigasservice	-	akgs	177.50	-	-	-	-	54.35	-	105.00	105.00	-	20	339.43	91.23	BUY	
	Astrakhanoblgas	-	asog	2.0000	-	-	-	-	-25.93	-	2.7000	2.7000	-	8	2.3800	19.00	HOLD	
	Belgorodoblgas	-	bogz	1,212.50	-	-	-	-	142.50	142.50	-	700.00	700.00	-	97	3,331.71	174.78	BUY
	Bryanskoblgas	-	brog	525.00	-	-	-23.64	29.63	28.83	72.13	380.00	510.00	81,750	58	1,140.89	117.31	BUY	
	Vladimiroblgas	-	vlog	1,175.00	-	-	-	-21.67	-20.47	147.37	1,050.00	1,355.00	-	53	973.7	-17.13	HOLD	
	Volgogradoblgas	-	vlgz	825.00	-	-	6.45	27.31	27.41	129.17	495.00	805.00	-	71	1,329.23	61.12	BUY	
	Voronezhoblgas	-	vozg	6.5000	-	-	-	72.19	64.77	204.45	3.6000	7.0000	-	144	12.8200	97.23	BUY	
	Ivanovooblgas	-	ivog	50.000	-	-	-	792.86	809.09	900.00	-	-	-	20	150.760	201.52	BUY	
	Ivanovooblgas, pref.	-	ivogp	51.000	-	-	-	5.15	5.15	1,600.00	-	-	-	-	150.760	195.61	BUY	
	Irkutskoblgas	-	irog	195.00	-	-	-	-	-	95.00	-	-	-	4	-	-	-	
	Kalugaoblgas	-	klog	860.00	-	-	3.61	26.47	43.33	330.00	-	-	-	26	1,286.95	49.65	BUY	
	Karelgas	-	klgz	128.00	-	-	-	0.79	0.39	-14.67	-	-	-	3	324.27	153.34	BUY	
	Kirovoblgas	-	krog	330.00	-	-	-	51.72	51.72	184.48	-	-	-	33	705.25	113.71	BUY	
	Komigaz	-	kgaz	30.000	-	-	-7.69	-53.85	-20.00	-20.53	30.000	30.000	5,970	11	80.440	168.13	BUY	
	Komigaz, pref.	-	kgazp	15.500	-	-	-12.68	-16.22	-29.55	-24.39	-	-	-	-	60.330	289.23	BUY	
	Kostromaoblgas	-	koog	392.50	-	-	-5.99	-13.26	3.29	65.26	400.00	400.00	-	22	935.74	138.41	BUY	
	Krasnodarkraigas	-	kgas	15.000	-	-	-	-60.63	141.94	-80.65	-	-	-	31	12.110	-19.27	SELL	
	Kurganoblgas	-	kuog	400.00	-	-	-	-	-38.46	-33.33	-	-	-	12	-	-	-	
	Kurskoblgas	-	krzg	885.00	-	-	-26.43	149.30	172.31	785.00	700.00	700.00	-	78	1,184.98	33.90	BUY	
	Lenoblgas	-	leog	2,575.00	-	-	-	-1.15	-0.96	267.86	-	-	-	204	717.7	-72.13	HOLD	
	Lipetskoblgas	-	lpog	150.00	-	-	-	15.38	20.00	-	-	-	-	18	716.78	377.85	BUY	
	Nizhegorodoblgas	-	nnog	2,375.00	-	-	-1.45	-43.11	-40.48	-18.24	2,3500	4,5000	-	66	1,8700	-21.26	HOLD	
	Omskoblgas	-	omog	11,500	-	-	-	64.29	76.92	-	10,000	11,000	-	17	20.130	75.04	BUY	
	Omskoblgas, pref.	-	omogp	6,0000	-	-	-	33.33	50.00	-	-	-	-	-	11,5500	92.50	BUY	
	Oreloblgas	-	orog	565.00	-	-	334.62	126.00	50.67	42.14	-	-	-	21	512.18	-9.35	BUY	
	Orenburgoblgas	-	orog	2,125.00	-	-	3.66	66.67	120.21	251.24	1,000.00	2,250.00	-	163	2,855.8	34.39	HOLD	
	Pensagasifikatsiya	-	pgzf	130.00	-	-	-	-	-35.00	160.00	-	-	-	5	869.49	568.84	BUY	
	Rostovoblgas	-	rtbg	812.50	-	-	-1.52	25.00	35.42	76.63	625.00	900.00	-	108	1,529.82	88.29	BUY	
	Rostovoblgas, pref.	-	rtbgp	477.50	-	-	-	1.60	1.60	40.44	460.00	460.00	-	-	1,529.82	220.38	BUY	
	Ryazanoblgas	-	rzog	9,0000	-	-	56.52	-11.33	-13.04	386.49	-	-	-	43	5,9200	-34.22	HOLD	
	Samaragas	-	sagz	247.750	-	-	-	444.51	348.42	371.90	45,500	45,500	-	29	289.840	16.99	BUY	
	Saratovoblgas	-	srog	23.625	-	-	-	215.00	190.77	269.14	7.750	25.000	-	87	50.010	111.68	BUY	
	Sibirgasservice	-	sbsg	8.5500	-	-	-	13.25	13.25	-18.57	-	-	-	39	-	-	-	
	Smolenskoblgas	-	smog	157.50	-	-	-1.56	75.00	78.98	215.00	81.50	185.00	-	63	332.44	111.07	BUY	
	Stavropolkraigas	-	stkg	500.00	-	-	-	-40.30	-47.64	-	575.00	575.00	-	62	81.59	-83.68	SELL	
	Stavropolkraigas, pref.	-	stkgp	325.00	-	-	-	-15.58	-45.83	-	280.00	400.00	-	-	81.59	-74.90	SELL	
	Tambovoblgas	-	tozg	44.500	-	-	3.49	27.14	27.14	147.22	29.000	40.000	-	38	81.290	82.67	BUY	
	Tveroblgas	-	tveo	250.00	-	-	-	-14.24	-8.42	55.28	225.00	246.00	-	45	236.31	-5.48	HOLD	
	Tulaoblgas	-	tuog	532.50	-	-	-21.11	136.67	97.22	326.00	180.00	705.00	-	84	1,106.23	107.74	BUY	
	Chitaoblgas	-	chog	55.000	-	-	-	-	-	-	-	-	-	4	-	-	-	
	Yaroslavlbgas	-	yrog	285.00	-	-	-	7.55	9.62	99.30	-	-	-	20	503.81	76.78	BUY	
Services companys																		
	Gazpromgeofizika	-	ggpf	531.5	-	-	-21.26	-71.65	-77.14	-81.67	400.0	2,200.0	-	25	3,662.9	589.16	BUY	
	Giprospetsgaz	-	gsgz	1,545.0	-	-	-	-21.77	-34.26	18.85	1,800.0	1,850.0	-	65	7,463.0	383.04	BUY	
	Giprospetsgaz, pref.	-	gsgzp	800.00	-	-	-10.61	-33.33	-39.62	-20.00	-	-	-	-	5,970.00	646.25	BUY	
	Spetsgazremstroy	-	sgrs	260.00	-	-	-	-10.34	-27.78	-	344.00	425.00	-	133	741.25	185.10	BUY	
	Spetsgazremstroy, pref.	-	sgrsp	120.00	-	-	-	-36.00	-36.00	-	120.00	255.00	-	-	555.94	363.28	BUY	

Source: RTS website, Bloomberg (* - NASDAQ, ** - LME, rest - RTS) Estimation: Veles Capital

Quotes of Russian ADR vs. shares in RTS

	ADR Code	RTS Code	Shares in ADR	Stock Market	Last ADR price, USD	Change, USD	Share's price in ADR, USD	Last RTS price, USD	ADR / RTS, %	ADR Change, %	RTS Change, %	ADR trade volume, ths. USD	RTS trade volume, ths. USD
AFK Sistema	SSA LI	AFKS	20,00	London	28.500	-	1.4	1.4	-	-	0.05	-	651
AFK Sistema	KO71 GR	AFKS	20,00	Frankfurt	33.019	0.223	1.7	1.4	0.18	0.68	0.05	64	651
Aeroflot	AETG GR	AFLT	100	Frankfurt	416.224	-2.452	4.162	4.300	-	-0.59	-	8	-
Wimm-Bill-Dann	WBD LI	WBDF	1	London	110.000	-	110.000	75.250	0.46	-	-0.04	14	86
Wimm-Bill-Dann	WBD US	WBDF	1	New York	125.400	3.400	125.400	75.250	0.67	2.79	-0.04	22,264	86
Wimm-Bill-Dann	WBPA GR	WBDF	1	Frankfurt	121.045	-4.278	121.045	75.250	-	-3.41	-0.04	-	86
Volgaelcom	NZH GR	NNSI	2	Frankfurt	9.284	-0.020	4.642	4.800	-	-0.22	-0.01	-	48
Vimpelcom	VIP US	VIMP	1/4	New York	32.440	-0.200	648.80	420.00	-	-0.61	-	95,460	-
Vimpelcom	VIP GR	VIMP	1/4	Frankfurt	32.803	-0.056	656.06	420.00	-	-0.17	-	54	-
Gazprom	OGZD LI	GAZP	4	London	60.900	1.900	15.225	15.050	0.01	3.22	0.02	871,794	14,607
Gazprom	OGZPY US	GAZP	4	New York	60.250	0.665	15.062	15.050	-	1.12	0.02	-	14,607
Gazprom	GAZ GR	GAZP	4	Frankfurt	60.886	1.496	15.222	15.050	0.01	2.52	0.02	3,471	14,607
Golden Telecom	GLDN US	GLDN	1	New York	105.020	-	105.020	-	-	-	-	-	-
Golden Telecom	GT7 GR	GLDN	1	Frankfurt	103.873	-	103.873	-	-	-	-	-	-
EvrzHolding	EVR LI	-	1/3	London	119.000	5.500	357.000	-	-	4.85	-	37,558	-
EvrzHolding	HK1A GR	-	1/3	Frankfurt	119.838	5.400	359.515	-	-	4.72	-	25	-
Irkutskenergo	IKSGY US	IRGZ	50	New York	-	-	-	0.870	-	-	0.04	-	259
Irkutskenergo	IRK GR	IRGZ	50	Frankfurt	-	-	-	0.870	-	-	0.04	-	259
Kuzbasenergo	KUW GR	KZBE	10	Frankfurt	22.382	-	2.238	2.500	-	-	-	-	-
Lenenergo	LNO GR	LSNG	80	Frankfurt	35.460	-	0.443	1.840	-	-	-	-	-
LUKOIL	LKOD LI	LKOH	1	London	112.250	7.750	112.250	109.400	0.03	7.42	0.05	655,920	9,834
LUKOIL	LUKOY US	LKOH	1	New York	111.050	5.870	111.050	109.400	-	5.58	0.05	-	9,834
LUKOIL	LUK GR	LKOH	1	Frankfurt	111.560	6.426	111.560	109.400	0.02	6.11	0.05	4,175	9,834
MCTN	MOW GR	MGTS	1	Frankfurt	31.720	-0.844	31.720	31.500	-	-2.59	-	-	-
Mechel	MTL US	MTLR	3	New York	44.470	-	14.823	45.800	-	-	-	-	-
Mechel	FQF GR	MTLR	3	Frankfurt	44.492	-	14.831	45.800	-	-	-	-	-
Mosenergo	AOMD LI	MSNG	100	London	22.000	-	0.220	0.220	-	-	-	-	-
Mosenergo	AOMOY US	MSNG	100	New York	20.500	-	0.205	0.220	-	-	-	-	-
Mosenergo	MRO GR	MSNG	100	Frankfurt	18.877	-0.010	0.189	0.220	-	-0.05	-	29	-
MTS	MBDL LI	MTSS	5	London	-	-	-	12.000	-	-	-	-	957
MTS	MBT US	MTSS	5	New York	-	-	-	12.000	-	-	-	-	957
MTS	MKY GR	MTSS	5	Frankfurt	76.096	-0.242	15.219	12.000	0.27	-0.32	-	24	957
Nizhnekamskneftekhim	QAO GR	NKNC	10	Frankfurt	9.903	-0.099	0.990	1.020	-0.03	-0.99	-	34	20
NOVATEK	NVTK LI	NVTK	1/100	London	-	-	-	8.180	-	-	-	-	-
NOVATEK	NVATY US	NVTK	1/100	Frankfurt	-	-	-	8.180	-	-	-	-	-
Norilsk Nickel	MNOD LI	GMKN	1	London	29.500	0.960	29.50	293.00	-0.90	3.36	0.04	368,500	6,646
Norilsk Nickel	NILSY US	GMKN	1	New York	29.250	0.450	29.25	293.00	-	1.56	0.04	-	6,646
Norilsk Nickel	NNIA GR	GMKN	1	Frankfurt	29.445	0.603	29.45	293.00	-0.90	2.09	0.04	315	6,646
UHM	UHM GR	OMZZ	1	Frankfurt	6.808	-0.015	6.808	8.750	-	-0.22	-	-	-
Pyaterochka	FIVE LI	-	1/4	London	35.900	0.050	143.600	-	-	0.14	-	7,917	-
UES	UESD LI	EESR	100	London	107.750	-4.250	1.078	1.084	-0.01	-3.79	-0.02	12,573	7,831
UES	USERY US	EESR	100	New York	-	-	-	1.084	-	-	-0.02	-	7,831
UES	UES GR	EESR	100	Frankfurt	108.775	-3.182	1.088	1.084	0.00	-2.84	-0.02	75	7,831
Rostelekom	RKMD LI	RTKM	6	London	69.300	-	11.550	11.570	-	-	0.01	-	12
Rostelekom	ROS US	RTKM	6	New York	-	-	-	11.570	-	-	0.01	-	12
Rostelekom	RTL GR	RTKM	6	Frankfurt	69.644	-0.135	11.607	11.570	0.00	-0.19	0.01	51	12
Seversky pipe plant	SVY GR	SVTZ	10	Frankfurt	137.710	-0.298	13.771	14.500	-	-0.22	-	-	-
Gazprom Neft	GAZ LI	SIBN	5	London	18.790	-	3.758	4.300	-	-	-	-	-
Gazprom Neft	GZPFY US	SIBN	5	New York	32.250	-	6.450	4.300	-	-	-	-	-
Gazprom Neft	SCF GR	SIBN	5	Frankfurt	34.041	1.865	6.808	4.300	-	5.80	-	252	-
Surgutneftegas	SGGD LI	SNGS	50	London	12.600	1.360	0.252	1.195	-0.79	12.10	0.05	184,672	4,349
Surgutneftegas	SGTZY US	SNGS	50	New York	-	-	-	1.195	-	-	0.05	-	4,349
Surgutneftegas	SGN GR	SNGS	50	Frankfurt	61.927	-	1.239	1.195	-	-	0.05	-	4,349
Tatneft	ATAD LI	TATN	20	London	101.000	-	5.050	7.550	-	-	0.04	-	2,323
Tatneft	TNT US	TATN	20	New York	-	-	-	7.550	-	-	0.04	-	2,323
Tatneft	TTFA GR	TATN	20	Frankfurt	96.244	-0.314	4.812	7.550	-0.36	-0.32	0.04	324	2,323
Tyumenaviatrans	UTARY US	TMAT	100	New York	40.000	-	0.400	0.538	-	-	-	-	-
Tyumenaviatrans	TYV GR	TMAT	100	Frankfurt	71.176	2.172	0.712	0.538	-	3.15	-	28	-
Tsum	THT GR	TZUM	20	Frankfurt	122.237	-1.815	6.112	2.000	-	-1.46	-	-	-
YUKOS	YUK LI	YUKO	4	London	3.950	-	0.988	0.350	-	-	-	-	-
YUKOS	YUKOY US	YUKO	4	New York	-	-	-	0.350	-	-	-	-	-
STC	KUE GR	KUBN	50	Frankfurt	8.229	-	0.165	0.145	-	-	-	-	-

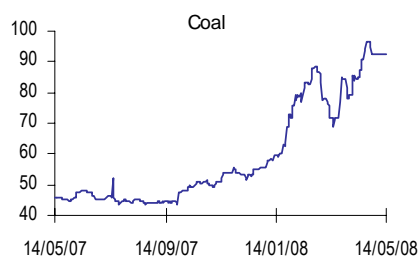
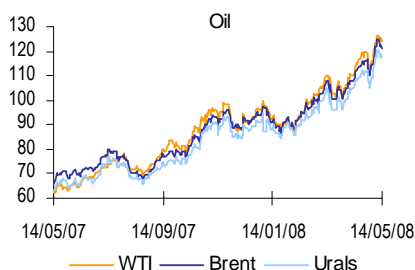
Source: Bloomberg, Estimation: Veles Capital

Commodity markets

Prices of energy carriers

		Close, USD	Change, USD	Change, %					Current year, USD	
				day	week	month	from Jan 1	year	min	max
Light, USD / bbl	▼	122.15	-1.63	-1.32	0.01	12.10	27.37	80.88	86.75	124.75
Brent, USD / bbl	▼	121.18	-1.60	-1.30	-0.55	10.68	29.07	79.79	85.05	125.03
Urals, USD / bbl	▼	117.15	-1.65	-1.39	0.03	10.45	28.34	81.54	82.80	120.22
WTI, USD / bbl	▼	124.22	-1.58	-1.26	0.56	11.15	29.40	96.64	86.47	125.96
Brent-Urals	▲	4.03	0.05	1.26	-14.98	17.84	54.41	40.42	1.66	9.94
Coal, USD / ton	-	92.75	-	-	-	8.80	67.12	101.63	55.50	96.50

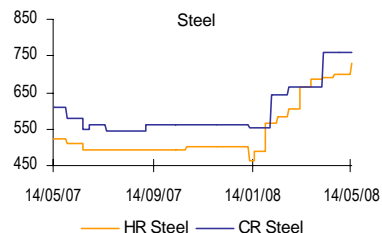
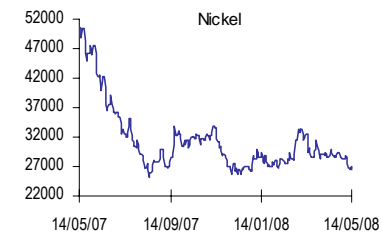
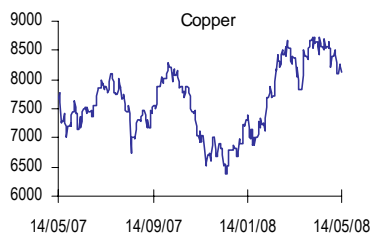
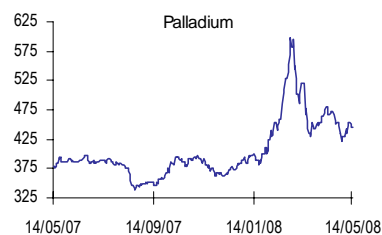
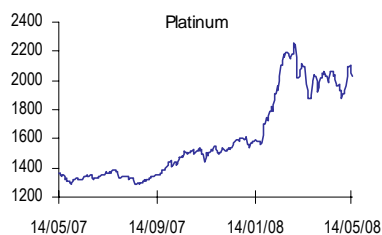
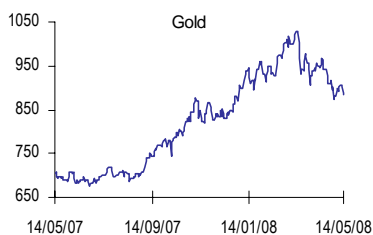
Source: Bloomberg, Estimation: Veles Capital



Prices of metals

		Close, USD	Change, USD	Change, %					Current year, USD	
				day	week	month	from Jan 1	year	min	max
Gold, USD / ounce	▼	884.39	-3.37	-0.38	-0.66	-6.61	1.49	25.03	871.38	1,027.52
Silver, USD / ounce	▼	16.95	-0.18	-1.05	-0.65	-6.82	9.62	21.88	15.47	21.42
Platinum, USD / ounce	▼	2,027.86	-21.23	-1.04	3.02	2.03	27.47	49.03	1,540.21	2,257.73
Palladium, USD / ounce	-	446.18	-	-	2.87	-4.52	14.82	17.94	380.95	598.39
Aluminum, USD / ton	▼	2,940.00	-5.00	-0.17	0.68	-3.45	22.04	3.01	2,409.00	3,227.00
Copper, USD / ton	▼	8,125.00	-110.00	-1.34	-3.62	-5.03	21.72	4.70	6,675.00	8,730.00
Nickel, USD / ton	▼	26,550.00	-500.00	-1.85	-6.99	-8.13	0.95	-47.63	26,300.00	33,400.00
Lead, USD / ton	▼	2,260.00	-55.00	-2.38	-6.61	-22.60	-11.37	8.39	2,191.00	3,420.00
Tin, USD / ton	-	25,150.00	-	-	4.79	20.94	53.12	78.05	16,025.00	25,150.00
Zink, USD / ton	▼	2,285.00	-35.00	-1.51	1.42	-0.87	-3.59	-41.63	2,154.00	2,830.00
Titanium, USD / ton	▲	5,401.33	110.23	2.08	2.08	4.26	20.69	-17.51	4,475.38	5,511.56
HR Steel, USD / ton	▲	730.00	30.00	4.29	4.29	5.80	46.00	39.05	465.00	700.00
CR Steel, USD / ton	-	760.00	-	-	-	-	35.71	24.59	555.00	760.00

Source: Bloomberg, Estimation: Veles Capital



International indices

Russian indices

		Close, USD	Change, pt.	Change, %					Current year, pt.	
				day	week	month	from Jan 1	year	min	max
RTS Index	▲	2,406.05	66.48	2.84	9.29	15.06	5.04	31.74	1,859.53	2,406.05
MICEX Index	▲	1,904.20	64.42	3.50	9.48	16.23	0.81	18.61	1,509.70	1,942.36
Technical RTS Index	▲	3,586.63	125.84	3.64	12.03	17.31	13.55	46.35	2,536.61	3,586.63
MSCI Russia	▲	1,571.67	38.27	2.50	7.62	13.84	2.30	39.16	1,251.20	1,581.95

Source: Bloomberg, Estimation: Veles Capital

Indices of developed markets

		Close, USD	Change, pt.	Change, %					Current year, pt.	
				day	week	month	from Jan 1	year	min	max
DJ Industrial	USA ▲	12,898.38	66.20	0.52	0.66	4.85	-2.76	-3.63	11,634.82	13,279.54
NASDAQ	USA ▲	2,496.70	1.58	0.06	2.39	9.71	-5.87	-1.13	2,155.42	2,661.50
FTSE 100	Great Britain ▲	6,216.00	4.10	0.07	-0.72	6.59	-3.73	-5.37	5,338.70	6,534.70
Nikkei 225	Japan ▲	14,118.55	164.82	1.18	0.11	9.30	-7.77	-19.38	11,691.00	15,413.37
S&P 500	USA ▲	1,408.66	5.62	0.40	1.16	6.05	-4.07	-6.16	1,256.98	1,471.77
AEX	Nederlands ▲	488.39	7.91	1.65	0.64	8.35	-5.31	-8.09	401.45	518.27
OMX	Sweden ▲	1,012.86	1.00	0.10	-0.70	6.80	-6.34	-19.46	875.02	1,081.44
DAX	Germany ▲	7,083.24	23.05	0.33	0.10	8.07	-12.20	-5.62	6,167.82	8,100.64
MIB 30	Italy ▲	35,043.00	488.00	1.41	-0.49	5.31	-9.88	-20.10	30,583.00	38,885.00
CAC 40	France ▲	5,055.24	56.57	1.13	-0.40	6.06	-9.95	-16.44	4,416.71	5,665.94
SMI	Switzerland ▲	7,594.61	16.29	0.21	-0.58	6.37	-10.49	-19.13	6,769.80	8,571.76
ASX 200	Australia ▲	5,872.70	60.00	1.03	3.60	9.93	-7.37	-6.65	5,039.60	6,385.70
Bloomberg European 500	▲	365.02	1.47	0.41	-0.44	3.83	-4.21	-3.65	310.63	386.01

Source: Bloomberg, Estimation: Veles Capital

Indices of emerging markets

		Close, USD	Change, pt.	Change, %					Current year, pt.	
				day	week	month	from Jan 1	year	min	max
MSCI EM	▲	1,207.58	1.99	0.17	0.13	5.44	-3.08	21.67	1,011.42	1,245.98
Europe										
ASE	Greece ▲	4,276.56	10.94	0.26	0.36	8.60	-17.42	-11.83	3,735.47	5,207.44
WSE WIG	Poland ▲	48,321.35	306.98	0.64	0.12	3.44	-13.17	-19.31	42,506.24	56,066.82
PFTS	Ukraine ▲	950.47	6.18	0.65	4.74	1.16	-19.04	7.47	824.94	1,208.61
BUX	Hungary ▲	23,507.86	219.79	0.94	1.38	7.01	-10.40	-9.18	20,803.64	26,242.90
PX	Czech Republic ▲	1,655.20	13.30	0.81	-0.51	9.04	-8.81	-8.32	1,393.00	1,819.50
TA-100	Israel ▲	1,028.06	16.38	1.62	1.92	5.47	-11.65	-7.50	882.87	1,167.04
XU 100	Turkey ▲	42,522.74	691.63	1.65	-1.73	1.86	-23.44	-5.29	38,174.27	55,281.66
Asia and Africa										
HSI	Hong Kong ▼	25,533.48	-19.29	-0.08	-0.30	7.23	-8.19	22.36	20,572.92	27,853.60
SENSEX	India ▲	16,978.35	225.49	1.35	-2.08	7.41	-16.37	21.89	14,677.24	21,206.77
JALSH	SAR ▲	32,387.01	387.99	1.21	1.54	5.25	11.84	15.42	24,005.35	32,476.76
JCI	Indonesia ▲	2,449.34	30.44	1.26	2.80	7.78	-10.80	20.20	2,167.65	2,838.48
KOSPI	South Korea ▲	1,843.75	0.95	0.05	-0.55	5.56	-2.81	16.01	1,537.53	1,892.50
SHCOMP	China ▲	3,657.43	97.19	2.73	2.19	10.94	-30.49	-6.20	2,990.79	5,522.78
America										
MEXBOL	Mexico ▲	31,336.57	449.17	1.45	1.87	0.46	6.09	5.80	25,282.31	32,292.92
IBOV	Brazil ▼	70,026.62	-476.63	-0.68	1.46	12.67	9.61	38.62	53,010.96	71,084.38
IPSA	Chile ▲	2,909.31	13.17	0.45	-0.52	-1.92	-4.67	-8.37	2,369.06	3,089.68
IBVC	Venezuela ▼	36,407.23	-665.78	-1.80	-4.40	-10.64	-3.95	-13.89	33,767.05	41,584.92

Source: Bloomberg, Estimation: Veles Capital

Information disclosure

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The investment recommendations are given based on the evaluation of the company's share yield. The basis for the calculation of the expected company's cost is the evaluation by the discounted cash flows method (DCF). In some estimations the method of comparable coefficients, and also the mixed estimation (by DCF method and by comparable coefficients method) are applied. All recommendations are assigned based on the determined by us the fair cost of the shares within the nearest 12 months.

At the present moment the investment scale of the Investment Company Veles Capital is the following:

BUY – corresponds to the growth potential of the shares within the nearest 12 months by 15% or more.

ACCUMULATE – corresponds to the growth potential of the shares within the nearest 12 months for 5-15%.

HOLD – corresponds to the growth (reduction) potential of the shares within the nearest 12 months from -5% to 5%.

REDUCE – corresponds to the reduction potential of the shares within the nearest 12 months from 15% to 5%.

SELL – corresponds to the reduction potential of the shares within the nearest 12 months by 15% or more.

In some cases the deviations from the evaluation scale given above, based on which the recommendations are assigned, are possible. That fact relates to the high volatility of some securities in particular, and market in the whole, and also to the individual characteristics of one or another issuer.

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