

Daily review

June 27, 2008

Trader's view

Yesterday Russian stock market was rather volatile, failing to form a single trend. Since the very morning the background of latter dropping oil has been changed by the growth of the indicator towards the noon. The market was rejuvenated by the appearing positive trend over the oil quotes. However, the negative influence off European markets sapped RTS' positions, making it slide back to 2300 points. Yesterday evening, not long before the closing of Russian stocks – the positive statistics of US secondary housing market has been published. However, the negative opening of US stock markets, backed by fears of more of Citigroup Inc assets wrote off and Goldman Sachs' downgrade of brokerage company's ratings ruined it all: market began forming negative prerequisites for the next day.

Main news

Gazprom to sell Gazprom Neft's option.

Gazprom saves the plans on selling call option of Eni on 20% of Gazprom Neft, reported head of finance-economy department of Gazprom – Andrei Kruglov at press-conference of Thursday, reports Interfax.

LUKOIL summoned a meeting of shareholders.

In case planned tax privileges are introduced in 2009, LUKOIL's investments could add +1.5-1.8 bn USD, reported the president of company Vagit Alekperov at annual meeting of shareholders, held yesterday in Moscow.

Sistema thinks about its investments into Svyazinvest.

«If the decision (on privatization of Svyazinvest) is made, we will seal the fate of the asset», – said Vitaliy Savelyev, the vice president of Sistema at the press conference on Thursday in Moscow. According to him, Sistema is waiting for government's decision concerning Svyazinvest's privatization during 2H 2008 and 2009. Sistema hopes to get a positive decision considering the problem and plans to participate in privatization, said Savelyev.

Other news

- Tatneft wants to worth 30 bn USD.
- Annual meeting of TNK-BP's shareholders.
- The bread-baking NMTP.
- Sistema confirmed 1Q financial results.
- Melamed: "There is no reason to merge MTS and Comstar"

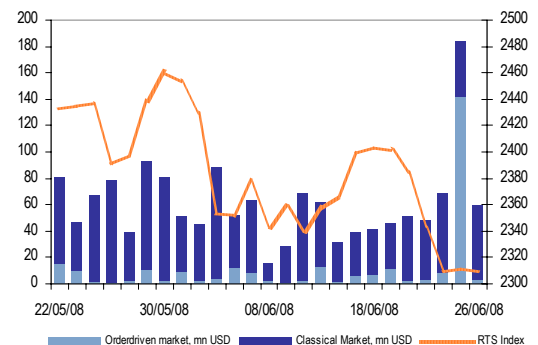
Market estimates

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	
RTS Index	2,308.76	-1.97	-0.09	-3.84	-3.42	23.12
MICEX Index	1,757.46	-6.86	-0.39	-4.93	-5.35	6.20
USD / RUR	23.43	-0.09	-0.37	-0.90	-0.81	-9.09
EUR / RUR	36.92	0.08	0.22	0.58	-0.28	6.46
EUR / USD	1.58	0.01	0.57	1.62	0.41	17.21
Dow Jones Index	11,453.42	-358.41	-3.03	-5.05	-8.73	-14.70
NASDAQ	2,321.37	-79.89	-3.33	-5.71	-6.44	-10.90
FTSE 100	5,518.20	-147.90	-2.61	-3.33	-8.92	-15.46
Nikkei 225	13,822.32	-7.60	-0.05	-2.18	-0.51	-22.56
MSCI EM	1,099.71	-6.50	-0.59	-2.40	-7.74	5.24

Source: Bloomberg, Estimation: Veles Capital

RTS index vs. trade volume



Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	
Brent, USD / bbl	139.26	5.63	4.21	6.39	9.44	94.77
Urals, USD / bbl	135.42	6.08	4.70	7.14	10.51	103.73
Gold, USD / ounce	943.53	33.84	3.72	2.39	1.64	39.31
Palladium, USD / ounce	492.63	3.68	0.75	1.25	9.01	28.25
Copper, USD / ton	8,445	130	1.56	1.38	3.11	14.59
Nickel, USD / ton	21,800	100	0.46	-1.80	-6.44	-42.02

Source: Bloomberg, Estimation: Veles Capital

Russian share quotes

	Close, USD	Change, USD	Change, %			
			day	week	month	
VTB	-0.004	-	-	-1.64	-12.44	-34.85
Polyus-Gold	-59.50	-	-	-4.19	-11.19	42.09
NorNickel	252.50	-1,000	-0.39	-6.83	-13.82	20.01
Rostelecom	11.80	0.050	0.43	3.06	3.60	23.69
MTS	12.10	0.020	0.17	-3.59	-5.76	22.22
Sberbank	-3.300	-	-	-2.37	-8.08	-15.28
LUKOIL	96.70	-0.100	-0.10	-6.57	-11.37	23.18
Gazprom Neft	-8.000	-	-	1.91	11.89	93.24
Surgutneftegas	-1.112	-	-0.22	-6.43	-9.15	0.68
Gazprom	14.40	-0.020	-0.14	-3.03	-6.25	41.87
Tatneft	7.550	0.040	0.53	-2.45	-3.82	61.15
Rosneft	11.200	0.020	0.18	-5.64	-4.60	40.62

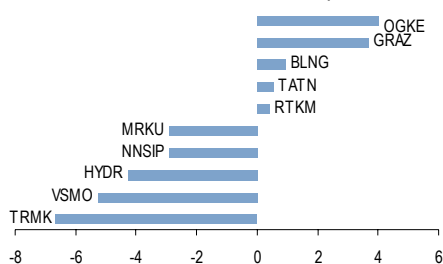
Source: RTS web page, Estimation: Veles Capital

Veles Management MC Unit investment trusts

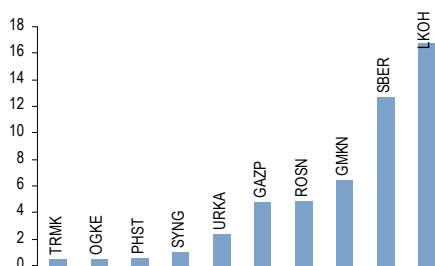
	Net asset value, RUR	Share price, RUR	Change, %			Since interest formation, %
			day	month	year	
VELES Capital	10,146,421	1,154.40	-0.25	-5.30	1.84	6.89
VELES Capital - Selected Shares	9,900,752	963.88	-0.20	-6.25	-2.94	-2.25
VELES Capital - Bonds	36,214,637	1,008.97	-0.13	0.14	-	2.48

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	2,300.0	2,343.5
2	2,273.3	2,355.2
3	2,237.0	2,376.1

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The change of RTS was insignificant yesterday: -0.09%. The indicator closed at 2308.76 points. Whereas the top support of the index was formed by the stocks of metallurgy companies: Mechel (+1.8%), NLMK (+1.9%) and Severstal (+1.2%). The utmost negative influences in the dynamics of RTS were provided by stocks of: Gazprom (-0.14%), HydroWGC (-4.28%) and TMK (-6.67%).

The turnover of classic market of Thursday has formed 56.6 mn USD. The leaders on given value are stocks of LUKOIL (16.7 mn USD), Sberbank (12.7 mn USD) and Norilsk Nickel (6.4 mn USD).

Prior to this all foreign markets have demonstrated some significant negative dynamics. In particular – US indicators dropped over 3%, Japan's Nikkei lost just over 2%. We think that given factors would contribute to further drop of Russian market which slopes through the fall trend. Today's target is 2270 points of RTS.

RTS index support and resistance levels



Company profile

Last price, USD	14.400
Market capitalization, mn USD	340,899
Ticker	GAZP
Fair value, USD	16.250
Undervaluation, Overvaluation %	12.85
Recommendation:	BUY

Oil & Gas**Gazprom****Gazprom to sell Gazprom Neft's option.**

Gazprom saves the plans on selling call option of Eni on 20% of Gazprom Neft, reported head of finance-economy department of Gazprom – Andrei Kruglov at press-conference of Thursday, reports Interfax.

According to him Gazprom plans to consolidate the remainder 20% of Gazprom Neft's stocks. The contract terms are set to April 2009. And before this term ends the option is planned for sale. Kruglov added that the value of portfolio forms about 4 bn USD. Also remember that the consortium of Italy's Eni and Enel purchased 20% stocks of Gazprom Neft along with some other assets of YUKOS during the bankruptcy proceedings of the latter. However, Gazprom holds a three-year call option, allowing it to buy 20% of oil company and by 51% in other assets purchased by Italians this summer. Such as extracting companies of Arcticgas and Urengoil.

Even though project of Gazprom's budget of 2008 still does not feature funds require to redeem 20% of Gazprom Neft off Eni. We must remind you that Gazprom representative reported during the press-conference that Gazprom plans on increasing its investment plan +100 bn RUR in 2008, and this value fully equals the price of the option. Do remember that previous investment plan of Gazprom for 2008 has been approved at value of 710,13 bn RUR.

According to Kruglov, the corrections of budget are related to the change of USD exchange rate, shift of price for gas shipments abroad – occurring during December 2007.

In general – we share the wish of the gas monopoly to control 100% of Gazprom Neft, due to promising growth prospects of the oil company. And given decision would obviously have a long-term positive nature for the businesses of both companies. We also sure that in short-term the review of investment program upwards would harm the quotes of the concern, though barely.

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Company profile

Last price, USD	96.700
Market capitalization, mn USD	82,249
Ticker	LKOH
Fair value, USD	138.44
Undervaluation, Overvaluation %	43.16
Recommendation:	BUY

Oil & Gas
LUKOIL

LUKOIL summoned a meeting of shareholders.

In case planned tax privileges are introduced in 2009, LUKOIL's investments could add +1.5-1.8 bn USD, reported the president of company Vagit Alekperov at annual meeting of shareholders, held yesterday in Moscow.

According to him this would allow to support high growth rates, achieved by the company during past years. Besides of that Alekperov reported that in 2008 LUKOIL should significantly reduce the lag from its competitors on values such as refining and sales, thanks to the purchase of new refinery in Europe. He added that in mid-term refining of the company should add +18 mn tons. Though abroad refining of company should add from 18% to 30% in the total refining output. In order to do that LUKOIL would invest about 20.5 bn USD into refining over next 10 years. According to the company representatives, under existing extraction volume, LUKOIL could achieve the balance of refining, but company would require 85 mn tons of refining output per year (current output 60 mn tons).

Vladimir Nekrasov, the senior VP of company also spoke out during the meeting, saying that due to the growth of refining capacities LUKOIL attempts to expand its sales network. In 2008 company's number of gas stations should expand up +340 and form a total of 2121 stations. The future plans see RF's stations of LUKOIL to rise to 2500 stations. Besides of that, to year 2015 company should increase its number of abroad gas stations by +35%.

Alekperov also announced that one of the key targets of the company is increase of capitalization, which requires a stable growth of hydrocarbon extraction and full compensation of extraction by expansion of reserves.

We must also tell that during the meeting, the shareholders of LUKOIL have decided to approve the dividends of 42 RUR in 42 RUR per one common stock, which is +10.5% above the result of 2006 (38 RUR).

We see given meeting as quite positive and successful, as it brought a number of important announcements by the representatives of company over its development. For example: the trend to expand refining asset has been market and set. And we think that the faster the company achieves its plans, the more it income it would get and add more of shareholders value, thanks to the fact that current refining margin is high and worth 15 USD per barrel.

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Company profile

Last price, USD	7.550
Market capitalization, mn USD	17,070
Ticker	TATN
Recommendation:	HOLD

Oil & Gas
Tatneft

Tatneft wants to worth 30 bn USD.

The capitalization of Tatneft could increase to 30 bn USD in just 5 years, announced Tatarstan's PM and head of Tatneft's board – Rustam Minnikhanov to journalists this Thursday, reports Interfax.

Although Minnikhanov did not pinpoint how the company will achieve such results. According to him this would depend not only on himself, but on the world community itself, as company's results are closely tied with oil price and other prerequisites. Note – that according to company's data, its capitalization of 2007 exceeded 321 bn RUR (13.1 bn USD), which is 31% above the result of 2006.

When asked on possible changes in the shareholders – Minnikhanov replied that neither the republic nor company have such plans, as no official statements regarding the issue have been published to date. He also said that company is effective and brings stable income, thence there is no reason to get rid of the company.

We think that company should be able to achieve given capitalization, but in order to do that Tatneft would have to intensify its oil extraction, attempting to extract bituminized oil, attracting foreign companies for the purpose, and finishing construction of own refinery, as well as conducting expansion into other regions of Russia and abroad.

Company profile

Last price, USD	2.200
Market capitalization, mn USD	35,662
Ticker	tnbp
Fair value, USD	2.595
Undervaluation, Overvaluation %	17.95
Recommendation:	BUY

Oil & Gas
TNK-BP

Annual meeting of TNK-BP's shareholders.

Yesterday TNK-BP held its annual meeting of shareholders at 12:00 in Moscow, the required quorum of 97.43% was achieved – cites Interfax.

The final financial results of holding for 2007 were announced during the meeting. According to Robert Dudley TNK-BP's net income of 2007 under US GAAP has formed 5.7 bn USD, adding +11.2% to our forecast. Do remember, that TNK-BP's net income of 2006 formed a whole 6.4 bn USD. Therefore during 2007 company reduced its net income down by -11%. Company's sales of 2007 formed 24.9 bn USD, dropping -22.5% below the prior year's results (32.1 bn USD). Whereas EBITDA expanded by +16% to 8.7 bn USD. These financial values indicate the sale of Udmurtneft back in 2007.

During the meeting of shareholders the new board of directors has been appointed, the new board has been basically re-elected off the prior members. Note though – four of Russian board members started to withdraw, and general assembly chose to appoint the unscheduled meeting of shareholders, which should decide on dismissal of Russian representatives. Whilst current board members would control and direct the movement of current activities by the company. Thus – Russian and British shareholders of TNK-BP took on a breather in the conflict dating back to the spring. We do not exclude that sides of the conflict could reach a compromise prior to the unscheduled meeting of shareholders, solving a range of principal issues.

The held meeting also determined the value of dividends of 2007, thus company spent all of its RAS-compliant net income at dividends, i.e. 3.04 RUR per stock.

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Company profile

Last price, USD	0.2035
Market capitalization, mn USD	3,919
Ticker	NMTP

Transport**NMTP****The bread-baking NMTP.**

NMTP launched a grain storage terminal, with output of 4 mn t per year, for transportation of grain and oil-bearing crop, said company's press office.

The investments value formed 82.6 mn USD. The head of the construction was East Point Holding.

Grain deliveries started in August 2007.

The new terminal will allow cargo owners to decrease the expenses of vessels charter: panamax vessel loading will be conducted within 72 hours, while today it takes 120 hours.

Among the large grain traders of NMTP's clients are International Grain Company, Agriko & Finance, Rosinteragroservice, Bunge and Valars.

It should be mentioned that NMTP provides almost a half of grain transportation by sea in Russia. The grain transportation income forms 7%, according to the results of 2007 against 5% the year before. Grain is the most profitable cargo. The grain transportation price is one of the highest in comparison with other NMTP's cargos. Moreover, in 2008 the grain transportation tariffs increased by +35%. The investments in grain terminal appeared to be similar with company management's expectations. We think that the given news as neutral for company's shares, because in spite of all positive factor, the grain value in company's income is on the same level as it was. NMTP provides some projects in container business and treats it preferentially.

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Company profile

Last price, USD	1.460
Market capitalization, mn USD	14,089
Ticker	AFKS

Other
Sistema

Sistema confirmed 1Q financial results.

Sistema's net income according to 1Q 2008 US GAAP report, in comparison with the last year, decreased by -46.5% and formed 398.7 mn USD. The income increased by +39.7% and reached 3.78 bn USD. OIBDA also increased by +31.8% to 1.4 bn USD, but OIBDA margin fell by -38.2% from 40.5%.

After publishing of 1Q reports of the subsidiaries, we usually announced the Sistema's results. The results of the main segments were already known, but the additional information — the data concerning closed segments. In comparison with 4Q 2007, Sistema's results appeared lower: the income decreased almost in all segments. However, in this case, the main value has seasonal factor, which has a serious influence on such important segment as retain and tourism. Due to them the share of main segment (telecommunication) increased by +8.5 p.p. and reached 73.3% in income value. This segment led OIBDA margin fall in comparison with 1Q 2007. Let us remind you that OIBDA margin of MTS decreased by +4.5 p.p., which has a predominate growth in Sistema's structure, decreasing OIBDA margin of holding.

Melamed: "There is no reason to merge MTS and Comstar"

Sistema does not plan to merge MTS and Comstar, its subsidiaries said Leonid Melamed, the president of Sistema at press conference on Thursday in Moscow. "We do not see a necessity to merge MTS and Comstar", — said Melamed. According to him, the communicational operators are developing successfully, cooperating with each other, increasing their market values. Melamed also noted that it will be difficult to implement such deal, because "it is hard to satisfy interests of 3 public companies" (MTS, Comstar and Sistema). Thus, "if we have a necessity, we will return to this question in future", he said. The information was announced by Interfax agency

Let us remind you that the similar deal was provided by Vimpelcom and Golden Telecom 4 months ago. And according to the 1Q, Vimpelcom's results were improved after the verger with GT. Of course, it had some effect on company's efficiency, but a merger of MTS and Comstar will be discussed in Sistema. Moreover, the merger due to Comstar's high efficiency will not have a negative influence on merged company, as it occurred with Vimpelcom. Due to the reduction of administrative costs, the company should manage to increase cash flow. Concerning the results of merger terms shifting, it is possible that Sistema wants to see the results of such merger by the example of Vimpelcom and the results of such assets reorganization, in particular what kind of benefits can be achieved due to synergic income growth. Moreover, it is possible that company is waiting for the decision concerning Syvazinvest privatization, in case of which, the assets structure can change.

Sistema thinks about its investments into Svyazinvest.

"If the decision (on privatization of Svyazinvest) is made, we will seal the fate of the asset", – said Vitaliy Savelyev, the vice president of Sistema at the press conference on Thursday in Moscow. According to him, Sistema is waiting for government's decision concerning Svyazinvest's privatization during 2H 2008 and 2009. Sistema hopes to get a positive decision considering the problem and plans to participate in privatization, said Savelyev. The data was announced in Interfax's statement.

Let us remind you that Sistema became the owner of Svyazinvest's blocking stake in the end of 2006, but the purchase brought almost no benefits. Sistema's representatives do not conceal that blocking stake purchase was aimed at obtaining the control under Svyazinvest. However, the results of 2 years showed that the company did not receive any benefits from the purchase — Svyazinvest's dividends are not high (in comparison with Sistema) and Sistema also can not participate in Svyazinvest subsidiaries' activity and it does not reflect their results in its financial reports.

Sistema do not want to "freeze" its funds. Therefore, in case of privatization delay and withdraw from the company, Sistema can face significant problems. Since the becoming Svyazinvest's shareholder, Sistema market value increased by +1bn USD, i.e. from the one hand the given investment can be seen as positive, but from the other hand the results can be not so good. In case of Sistema sells the shares, it would be necessary for a buyer, who can financially provide the deal and who can accept all risks of Svyazinvest's shares. In our point of view, there are a few such buyers. Concerning foreign companies, we think that the access to Russian market can be handicapped, due to the last amendments in the strategic investments law. Among Russian operators — Megafon and Altimo (Vimpelcom) look appropriate, but there is no doubt that they will make the same mistakes. It should be mentioned that there are a lot of other companies in different sectors besides Russian operators, including oil companies.

Sistema's US GAAP report, mn USD

	1 Q 2007	Изм., %	1 Q 2008	1 Q 2007	Изм., %	2 Q 2007	Изм., %	3 Q 2007	Изм., %	4 Q 2007	Изм., %	1 Q 2008
Telecommunications	2,067	34.1	2,771	2,067	12.2	2,318	15.8	2,684	0.4	2,693	2.9	2,771
Hi-tech	311	43.4	446	311	5.4	328	15.2	377	60.0	604	-26.2	446
Banking	80	89.3	151	80	17.9	94	2.7	97	109.6	202	-25.4	151
Real estate	35	312.5	142	35	176.2	95	-18.4	78	79.3	140	2.0	142
Other income	214	26.5	271	214	70.4	365	29.5	472	10.2	521	-48.0	271
Sales	2,706	39.7	3,780	2,706	18.3	3,200	15.9	3,708	12.2	4,160	-9.1	3,780
Cost of products sold	(1,075)	44.1	(1,549)	(1,075)	31.9	(1,417)	13.1	(1,603)	23.1	(1,972)	-21.5	(1,549)
Commercial and managing expenses	(529)	50.8	(799)	(529)	18.6	(628)	-8.3	(576)	20.4	(693)	15.2	(799)
Amortization	(367)	53.3	(563)	(367)	4.8	(384)	18.1	(454)	25.6	(570)	-1.3	(563)
Other expenses	(6)	н/с	11	(6)	1014.8	(71)	86.9	(132)	н/с	52	-78.7	11
Cost of products sold	(1,977)	46.6	(2,899)	(1,977)	26.5	(2,501)	10.6	(2,764)	15.2	(3,184)	-8.9	(2,899)
EBITDA	1,096	31.8	1,444	1,096	-1.1	1,084	28.9	1,397	5.5	1,474	-2.0	1,444
EBITDA margin, %	40.5	-2.3	38.2	40.5	-6.6	33.9	3.8	37.7	-2.2	35.4	2.8	38.2
Operational profit	728	21.0	881	728	-4.0	699	34.9	943	-4.2	904	-2.5	881
Sales profit margin, %	26.9	-3.6	23.3	26.9	-5.1	21.9	3.6	25.4	-3.7	21.7	1.6	23.3
Non-operating profit/margin	(34)	н/с	113	(34)	202.5	(103)	83.9	(189)	н/с	143	-20.5	113
Profit before tax	695	43.2	995	695	-14.1	597	26.4	755	38.7	1,046	-4.9	995
Profit before tax margin, %	25.7	0.6	26.3	25.7	-7.0	18.7	1.7	20.4	4.8	25.2	1.2	26.3
Income tax expenses	(222)	20.1	(266)	(222)	12.4	(249)	16.6	(291)	-21.2	(229)	16.2	(266)
Share in Bashkir companies	14	203.0	42	14	328.4	60	-70.3	18	1.8	18	133.9	42
Minority interest	(264)	40.3	(370)	(264)	4.8	(276)	-8.3	(253)	43.3	(363)	1.9	(370)
Ceased activities items	523	н/с	(2)	523	н/с	0	н/с	0	н/с	(6)	-61.6	(2)
Net profit	746	-46.6	399	746	-82.4	131	73.9	228	104.5	467	-14.6	399
Net profit margin, %	27.6	-17.0	10.5	27.6	-23.5	4.1	2.1	6.2	5.1	11.2	-0.7	10.5

Source: company's data; 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	
Oil and Gas																
	Bashneft	- BANE	17.300	-	-	1.32	9.67	3.90	42.39	12.860	17.400	3,337	-	-	HOLD	
	Bashneft, pref.	- BANEP	11.3500	-	-	-0.87	11.55	3.42	24.73	9.1000	12.1000	28,992	-	-	HOLD	
	Gazprom	▼ GAZP	14.400	-0.020	-0.14	-3.03	-6.25	2.20	41.87	11.410	15.650	4,748,586	340,899	16.250	12.85	BUY
	Gazprom Neft	- SIBN	8.0000	-	-	1.91	11.89	25.98	93.24	5.0000	8.1000	-	37,930	8.8800	-	ACCUMULATE
	LUKOIL	▼ LKOH	96.70	-0.10	-0.10	-6.57	-11.37	11.15	23.18	64.25	113.20	16,743,025	82,249	138.44	43.16	BUY
	NOVATEK	- NVTK	8.3500	-	-	-6.44	-1.47	11.33	64.05	6.5000	9.1500	-	25,353	12.0500	44.31	BUY
	RITEK	- RITK	8.6250	-	-	-0.52	1.17	-15.02	-15.02	7.0000	9.9000	-	1,249	-	-	-
	Rosneft	▲ ROSN	11.200	0.020	0.18	-5.64	-4.60	17.06	40.62	6.670	12.200	4,809,100	118,700	14.310	27.77	BUY
	Surgutneftegas	- SNGS	1.1125	-	-	-6.43	-9.15	-10.28	0.68	0.8650	1.2980	-	43,981	-	-	UNDER REVISION
	Surgutneftegas, pref.	▼ SNGSP	0.5500	-0.0100	-1.79	-5.50	-7.56	-15.12	-18.15	0.4340	0.6480	82,500	-	-	-	UNDER REVISION
	Tatneft	▲ TATN	7.5500	0.0400	0.53	-2.45	-3.82	24.79	61.15	4.7500	8.0100	75,500	17,010	-	-	HOLD
	Tatneft, pref.	- TATNP	3.8000	-	-	-	0.66	2.70	47.00	2.7000	3.8300	171,300	-	-	-	HOLD
	TNK-BP Holding	▲ tnbp	2.2000	0.0050	0.23	4.76	5.26	-1.35	12.53	1.5200	2.2000	561,000	35,662	2.5950	17.95	BUY
	TNK-BP Holding, pref.	- tnbpp	1.7750	-	-	4.41	7.58	-6.58	-8.62	1.4220	1.8500	-	-	2.3410	31.89	BUY
	Transneft, pref.	- TRNFP	1.390.0	-	-	-1.77	-4.47	-30.33	-15.50	1,215.0	2,007.0	138,500	8,645	2,580.0	85.61	BUY
Energy																
	Bashkirenergo	- BEGY	1.5300	-	-	-3.47	-13.80	-27.83	-25.73	1.5000	2.1000	-	1,673	-	-	-
	Bashkirenerpo, pref.	- BEGYP	1.5500	-	-	-0.32	21.09	30.25	19.23	1.1750	1.1750	-	-	-	-	-
	Hydro-WGC	▼ HYDR	0.0805	-0.0036	-4.28	-6.40	-11.44	-	-	0.0687	0.0930	163,000	15,767	-	-	-
	Irkutskenergo	- IRGZ	1.0000	-	-	-3.85	-14.93	-15.97	3.09	0.9700	1.1510	50,000	4,767	-	-	-
	WGC-1	- OGKA	0.0800	-	-	-11.36	-10.61	-34.96	-	0.0795	0.1225	-	3,571	0.1530	91.25	BUY
	WGC-2	- OGKB	0.0848	-	-	-4.72	-10.97	-44.94	-47.00	0.0710	0.1500	-	2,776	0.2325	174.17	BUY
	WGC-3	- OGKC	0.1500	-	-	27.66	33.33	-0.17	-11.97	0.1050	0.1450	-	7,123	0.1651	10.07	ACCUMULATE
	WGC-4	- OGKD	0.0850	-	-	7.05	-2.86	-36.09	-26.41	0.0794	0.1335	-	5,356	0.1943	128.59	BUY
	WGC-5	▲ OGKE	0.1290	0.0050	4.03	-	11.21	-26.37	-17.83	0.0955	0.1795	516,000	4,563	0.2046	58.60	BUY
	WGC-6	- OGKF	0.0765	-	-	-1.92	-8.38	-39.76	-	0.0700	0.1250	-	2,468	0.0932	21.83	BUY
	TGC-1	- TGKA	0.0014	-	-	1.87	0.37	4.21	-7.80	0.0012	0.0014	-	5,237	0.0017	25.00	BUY
	TGC-2	- TGKB	0.0010	-	-	-1.01	4.79	1.50	-12.44	0.0008	0.0012	-	1,092	0.0015	52.28	BUY
	TGC-2, pref.	- TGKBP	0.0007	-	-	-	-	-5.23	-19.44	-	-	-	-	0.0011	51.72	BUY
	TGC-3 (Mosenergo)	- MSNG	0.1840	-	-	3.95	-1.08	-22.69	-17.30	0.1700	0.2460	55,300	7,314	-	-	REDUCE
	TGC-4	- TGKD	0.0011	-	-	1.90	3.88	-13.71	-0.93	0.0010	0.0012	-	1,449	-	-	-
	TGC-4, pref.	- TGKDP	0.0005	-	-	-14.41	-22.13	-34.03	-44.44	0.0005	0.0006	-	-	-	-	-
	TGC-5	- TGKE	0.0008	-	-	-3.12	1.97	-14.36	-40.61	0.0007	0.0010	-	953	0.0012	54.84	BUY
	TGC-6	- TGKF	0.0007	-	-	1.39	-18.89	-36.24	-34.23	0.0007	0.0012	-	941	0.0009	23.29	REDUCE
	TGC-7	- TGKG	0.0815	-	-	-9.44	-6.32	-25.23	-	0.0810	0.1095	-	2,443	-	-	-
	TGC-8	- TGKH	0.0017	-	-	-	7.07	18.93	50.68	0.0013	0.0017	-	3,433	0.0009	-45.95	SELL
	TGC-9	- TGKI	0.0003	-	-	-	-22.08	-6.25	-3.23	0.0003	0.0003	-	2,347	-	-	-
	TGC-10	- TGKJ	4.6100	-	-	-	0.88	12.71	20.37	3.5000	4.6100	-	4,051	-	-	-
	TGC-11	- TGKK	0.0010	-	-	-10.71	-23.08	-38.27	-	0.0010	0.0016	142,100	513	-	-	-
	TGC-12 (Kuzbasenergo)	- KZBE	0.0245	-	-	-	10.36	-10.91	-27.94	0.0250	0.0281	-	1,730	-	-	-
	TGC-13	- TGKM	0.0080	-	-	-0.62	-2.45	-24.76	-27.56	0.0080	0.0102	-	1,265	-	-	-
	TGC-14	- TGKN	0.0003	-	-	-13.85	-13.85	-17.65	-34.12	0.0003	0.0003	-	218	-	-	-
Nonferrous metallurgy																
	BMSK	- bmsk	2.6000	-	-	-	10.64	6.12	-	1.6850	1.6850	-	13	4.5900	76.54	SPECULATIVE BUY
	BMSK, pref.	- bmskp	2.1500	-	-	-	-	-	-	0.9500	0.9500	-	-	3.4400	60.00	HOLD
	VSMPO	▼ VSMO	180.00	-10.00	-5.26	-10.56	-15.69	-40.40	-40.20	180.00	314.00	144,200	2,075	-	-	HOLD
	Norisk Nickel	▼ GMKN	252.50	-1.00	-0.39	-6.83	-13.82	-4.72	20.01	203.00	316.50	6,415,500	48,134	314.68	24.63	BUY
	Safyanovskaya med	- sfmd	6.0000	-	-	-	-	-35.14	-52.00	6.0000	7.0000	-	12	4.7300	-21.17	SELL
	Sredneuralsky MPZ	- sumz	16.250	-	-	-	-4.41	-12.52	-32.29	16.500	18.400	-	82	36.550	124.92	SPECULATIVE BUY
	Uralektromed	- uelm	109.75	-	-	-2.88	-4.15	-3.39	-2.62	100.00	121.00	-	557	126.38	15.15	ACCUMULATE
	Ufaleynickel	- ufal	7.4100	-	-	-5.61	-11.26	-4.39	2.56	7.5000	7.5000	-	199	6.6300	-10.53	REDUCE
	Chelyabinsk Zink Plant	- CHZN	8.20	-	-	-4.09	-19.21	-26.95	-94.61	8.20	12.15	41,300	444	22.53	174.76	BUY
	Yuzhuralnickel	- unkl	990.0	-	-	-0.50	-14.29	-29.29	1.02	1,000.0	1,300.0	-	594	463.4	-53.19	ACCUMULATE
	Electrozinc	- eltz	85.00	-	-	-5.56	-	-	-	85.00	110.00	56,280	119	-	-	-
Ferrous metallurgy (Steel)																
	Ashinsky Metallurgy Plant	- AMEZ	0.6575	-	-	-1.87	-10.54	-30.79	17.41	0.6400	0.9700	-	328	0.9400	42.97	BUY
	Evrast**	▼ EVR	34.400	-0.800	-2.27	-4.18	-10.07	-5.75	24.42	33.510	131.250	6,572,709	12,210	103.210	200.03	ACCUMULATE
	Mechel	- MTLR	42.000	-	-	-0.30	-2.21	55.56	230.71	20.000	45.800	42,000	17,483	28.680	-31.71	BUY
	MMC	- MAGN	1.3600	-	-	-0.73	8.37	4.62	30.14	1.0500	1.4200	68,000	15,197	1.7530	28.90	BUY
	NLMC	- NLMK	5.4000	-	-	2.37	10.20	33.17	83.05	3.4300	5.4900	108,000	32,363	5.3600	-0.74	ACCUMULATE
	Severstal	- CHMF	25.900	-	-	0.58	3.39	13.60	85.00	20.000	28.000	62,808	26,099	27.520	6.25	BUY
	Chelyabinsk Metallurgy Plant	- CHMK	396.50	-	-	3.66	-1.00	7.89	135.31	330.00	450.00	-	1,254	-	-	-
	Chusovskoy Metallurgy Plant	- chmz	128.000	-	-	-1.54	-	-	-	113.000	128.000	128,000	298	-	-	-
Precious metals																
	Buryatoloto	- BRZL	17.250	-	-	-9.21	-14.29	-4.17	38.00	19.000	22.000	-	121	26.690	54.72	SPECULATIVE BUY
	Lenzoloto	- lnzl	45.500	-	-	-	40.00	-20.87	71.70	40.000	60.000	-	52	34.210	-24.81	HOLD
	Polymetal	- PMTL	8.4250	-	-	-2.03	-5.07	21.75	31.13	7.0000	9.3500	-	2,654	8.2800	-1.72	HOLD
	Polys-Gold	- PLZL	59.500	-	-	-4.19	-11.19	29.63	42.09	46.500	80.000	-	11,342	57.180	-3.90	HOLD
	Susumanzoloto	- sysy	47.250	-	-	1.07	68.75	57.50	5.00	-	-	-	42	55.270	16.97	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	210.000	2.000	0.96	5.00	19.32	123.40	500.00	93.000	210.000	105,000	2,415	91.610	-56.38	SPECULATIVE BUY
	Vorkutaugol	- voug	178.50	-	-	-2.46	-1.65	-10.75	5.00	177.00	244.00	-	601	318.92	78.67	SPECULATIVE BUY
	Vorkutaugol, pref	- vougp	178.50	-	-	-2.72	-1.65	-0.83	11.56	160.00	187.00	-	-	255.14	42.94	SPECULATIVE BUY
	Kuzbassrazrezugol	- kzru	0.8700	-	-	3.20	3.57	102.56	117.23	0.4400	0.9000	205,230	5,336	0.3800	-56.32	HOLD
	Raspaskaya	▼ RASP	9.4000	-0.0500	-0.53	-	-0.53	44.62	260.15	5.4000	10.3000	47,000	7,339	10.6500	13.30	ACCUMULATE
	Yuzny Kuzbass	- UKUZ	140.500	-	-	0.90	-5.86	160.19	378.14	56.000	158.900	-	5,073	50.380	-64.14	REDUCE
Pipe industry																
	Almetievsk Pipe Plant	- atza	13.500	-	-	-	25.58	14.89	14.89	-	-	-	40	-	-	UNDER REVISION
	Vyksa Metallurgy Plant	- vsmz	1,610.0	-	-	-3.85	-6.69	-23.88	5.92	1,650.0	2,080.0	-	3,030	-	-	UNDER REVISION
	Pervouralsk New Pipe Plant	- PNTZ	29.500	-	-	-4.84	-4.07	-5.60	-7.81	28.975	32.200	103,250	718	-	-	UNDER REVISION
	Seversky Pipe Plant	- SVTZ	11.500	-	-	-6.50	-13.53	-30.51	6.24	11.500	15.800	23,500	553	15.400	33.91	ACCUMULATE
	Sinarsky Pipe Plant	- SNTZ	91.50	-	-	7.65	-14.88	-34.64	-16.82	85.00	138.50	-	576	-	-	UNDER REVISION
	Taganrog Metallurgy Plant	- TAMZ	0.9750	-	-	-	-2.50	-20.99	-21.05	1.0000	1.1000	-	451	1.1300	15.90	HOLD
	TMK	▼ TRMK	8.4000	-0.6000	-6.67	6.33	2.44	-23.11	-8.70	7.1000	10.7000	474,000	7,333	9.3800	11.67	HOLD
	Chelyabinsk Pipe Plant	- CHEP	4.1850	-	-	-0.71	-0.95	-1.65	2.70	3.8500	4.5500	-	1,977	-	-	UNDER REVISION
Telecommunications																
	Volgatelecom	▼ NNSI	4.6200	-0.0200	-0.43	-1.18	1.09	-21.29	-8.51	4.0000	5.9100	139,600	1,354	6.0110	30.11	BUY
	Volgatelecom, pref.	▼ NNSIP	2.6500	-0.0800	-2.93	-12.40	-14.65	-36.14	-29.71	2.6500	4.1800	265,000	-	4.5083	70.12	BUY
	Vimpelcom*	▼ VIP	115.250	-2.750	-2.33	0.44	3.83	48.71	181.72	28.510	120.750	40,297,952	118,204	39.990	-65.30	BUY
	Dalsvyaz	- ESPK	4.1750	-	-	-11.36	-7.22	-21.23	-13.92	4.4000	5.7000	-	503	7.4457	78.34	BUY
	Dalsvyaz, pref.	- ESPKP	3.3250	-	-	-0.75	-13.07	-25.70	-21.72	3.4000	4.2000	-	-	5.5812	67.86	BUY
	Comstar-UTS	- CMST	11.000	-	-	-	5.26	0.59	46.67	10.300	11.000	-	4,597	13.480	22.55	BUY
	MGTS	- MGTS	36.600	-	-	-	0.55	0.83	36.57	32.000	34.600	-	3,441	-	-	HOLD
	MGTS, pref.	- MGTS	32.500	-	-	10.17	0.46	1.09	30.78	28.800	31.300	-	-	-	-	HOLD
	MTS	▲ MTSS	12.1000	0.0200	0.17	-3.59	-5.76	-21.17	22.22	11.8000	15.7000	121,000	24,119	16.2900	34.63	BUY
	Rostelecom	▲ RTKM	11.8000	0.0500	0.43	3.06	3.60	-0.51	23.69	10.4000	12.4400	118,000	9,140	4.1300	-65.00	SELL
	Rostelecom, pref.	- RTKMP	2.2300	-	-	-7.08	-2.41	-23.76	-24.02	2.0000	2.8500	-	-	3.1000	39.01	ACCUMULATE
	North-West Telecom	- SPTL	1.2905	-	-	-5.63	3.78	-24.97	-24.97	1.1400	1.7000	-	1,342	1.3290	2.98	HOLD
	North-West Telecom, pref.	- SPTLP	0.8200	-	-	-3.53	-8.89	-33.33	-23.19	0.8200	1.2150	-	-	0.9967	21.55	ACCUMULATE
	Sibirtelecom	- ENCO	0.0928	-	-	-4.33	-0.75	-22.67	-16.77	0.0780	0.1170	-	1,351	0.1140	22.84	BUY
	Sibirtelecom, pref.	- ENCOP	0.0605	-	-	-2.42	0.41	-24.84	-20.08	0.0570	0.0670	-	-	0.0855	41.32	BUY
	Uralsvyazinform	- URSI	0.0540	-	-	-8.09	1.89	-15.29	-11.48	0.0462	0.0635	54,000	1,995	0.0573	6.11	BUY
	Uralsvyazinform, pref.	- URSIP	0.0320	-	-	-5.74	3.39	-24.59	-21.25	0.0295	0.0418	-	-	0.0430	34.17	ACCUMULATE
	CenterTelecom	- ESMO	0.6575	-	-	-0.38	-4.36	-29.45	-27.75	0.6500	0.9320	-	1,245	1.0357	57.52	ACCUMULATE
	CenterTelecom, pref.	- ESMOP	0.3950	-	-	-16.84	-21.00	-36.55	-27.69	0.4000	0.6375	-	-	0.7768	96.66	BUY
	SouthTelecom	- KUBN	0.1550	-	-	-0.64	1.14	-21.72	-19.48	0.1345	0.2020	-	559	0.2565	65.48	BUY
	SouthTelecom, pref.	- KUBNP	0.1035	-	-	-1.43	-10.78	-28.50	-25.27	0.1050	0.1450	-	-	0.1848	78.55	BUY
Machinery																
	AvtoVAZ	- AVAZ	1.6000	-	-	-3.03	-9.60	-17.10	16.36	1.5900	1.9500	-	4,622	1.9890	24.31	BUY
	AvtoVAZ, pref.	- AVAZP	0.5500	-	-	-	-4.76	-28.10	4.76	0.5500	0.5550	-	-	1.4910	171.09	BUY
	GAZ	▼ GAZA	186.00	-3.00	-1.59	-5.58	-1.46	9.41	36.56	155.00	210.00	374,650	3,608	197.30	6.08	HOLD
	GAZ, pref.	- GAZAP	112.50	-	-	-3.85	-2.17	-6.25	11.39	113.00	125.50	-	-	148.00	31.56	BUY
	ZMZ	- ZMZN	5.3000	-	-	-	7.61	76.67	108.83	2.9000	5.2000	-	731	4.4500	-16.04	HOLD
	ZMZ, pref	- zmnzp	3.5500	-	-	-	5.19	47.92	91.89	2.6000	3.5000	-	-	3.3400	-5.92	HOLD
	Kamaz	- KMAZ	5.6000	-	-	-4.68	-5.08	7.69	31.76	5.6500	7.2500	-	3,960	6.4000	14.29	BUY
	Kirovsky zavod	- KIRZ	54.050	-	-	-1.37	7.67	-1.73	75.77	48.000	56.000	-	587	33.290	-38.41	REDUCE
	NeftAZ	- nfaz	41.750	-	-	-9.24	-7.73	15.97	193.50	36.500	50.250	-	336	49.150	17.72	BUY
	Saturn NPO	- satr	0.0870	-	-	-	-1.14	-26.89	-34.22	0.0835	0.1125	-	347	0.1379	58.51	HOLD
	OMZ	- OMZZ	6.9250	-	-	-0.57	1.09	-11.50	-14.77	7.0000	7.6000	-	246	6.3200	-8.74	SELL
	RSC Energia	- satr	688.50	-	-	0.88	-	-	-	489.90	705.00	-	774	641.10	-6.88	HOLD
	UAZ	- uaza	0.1550	-	-	10.71	19.23	11.51	65.33	0.1125	0.1500	-	617	-	-	-
	UAZ, pref.	- uazap	0.0950	-	-	8.57	15.15	6.74	72.73	0.0710	0.0900	-	-	-	-	-
	Severstal-Auto	- SVAV	63.250	-	-	-2.84	3.43	17.13	87.41	49.000	67.300	190,450	2,168	81.330	28.58	BUY
	Power Machines	- SILM	0.2125	-	-	-0.82	-0.58	4.94	25.74	0.1930	0.2220	247,516	1,851	0.1250	-41.18	SELL
Industry																
	ALNAS	- alnz	0.8000	-	-	-11.16	-30.43	-20.79	0.8250	0.8500	-	-	165	1.3300	66.25	BUY
	Angeromash	- ange	35.500	-	-	-	-41.32	-38.26	4.41	-	-	-	36	79.650	124.37	BUY
	BEPP	- bunz	52.000	-	-	-	-	9.47	-9.57	-	-	-	16	113.840	118.92	BUY
	BEPP, pref.	- bunzp	41.000	-	-	-	-	-1.20	-1.20	-	-	-	-	85.380	108.24	BUY
	Mikron	- mkro	12.1750	-	-	1.46	3.62	20.84	69.10	10.0000	12.0000	-	119	-	-	-
	Sitrionics	- SITR	0.1320	-	-	-	8.64	10.00	-16.19	0.1150	0.1366	-	1,260	0.0854	-35.30	SELL
Chemical industry																
	Azot (Berezniki)	- azop	955.00	-	-	2.14	1.06	5.23	54.03	875.00	960.00	-	388	1,427.50	49.48	BUY
	Akron	- AKRN	116.00	-	-	-2.93	11.54	129.70	398.28	50.70	121.00	231,500	5,532	136.24	17.45	BUY
	Ammofos	- ammo	180.00	-	-	-8.16	-20.88	58.59	531.58	100.00	270.00	-	1,624	332.20	84.56	BUY
	Dorogobuzh	- DGBZ	1.3300	-	-	-4.66	9.02	195.56	375.00	0.4550	1.4000	-	3,966	1.1900	-10.53	HOLD
	Dorogobuzh, pref	- DGBZP	0.6225	-	-	-5.68	1.22	94.53	170.65	0.3200	0.7000	-	-	0.6400	2.81	HOLD
	Kujbyshevazot	▼ kazt	4.7000	-0.0500	-1.05	-6.00	9.30	74.07	152.01	2.3400	5.0100	47,000	-	5.7500	22.34	BUY
	Kujbyshevazot, pref	- kaztp	2.2500	-	-	-	12.50	42.86	54.75	1.5000	1.7000	-	-	3.2800	45.78	BUY
	Silvinit	- SILV	2,187.5	-	-	9.38	33.79	148.58	603.38	900.0	2,160.0	-	-	1,417.4	-35.20	REDUCE
	Silvinit, pref	- silvp	1,152.50	-	-	-6.87	25.96	77.31	476.25	570.00	1,250.00	-	-	809.90	-29.73	REDUCE
	Uralkali	- URKA	14.350	-	-	-9.46	22.65	83.97	443.56	5.800	16.050	2,389,554	30,485	17.830	24.25	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
Retail Trade															
Pharmacy Network 36,6	- APTK	44.050	-	-	-1.56	-2.11	-39.66	-51.73	42.000	70.000	-	418	-	UNDER REVISION	
GUM	- GUMM	2.7500	-	-	-0.36	2.42	34.15	30.95	1.9700	2.9500	-	165	-	UNDER REVISION	
X5 Retail Group**	▲ FIVE	35.900	0.100	0.28	2.87	-6.75	-1.64	28.84	26.960	38.930	5,287,429	7,600	-	UNDER REVISION	
Seventh Continent	- SC0N	26.850	-	-	-0.83	6.55	3.67	3.67	22.750	28.500	-	2,014	-	UNDER REVISION	
Tzum	- TZUM	5.6000	-	-	-6.28	-8.94	160.47	182.83	2.1200	6.1000	28,000	502	-	UNDER REVISION	
Consumer Sector															
Baltika	- PKBA	43.575	-	-	-0.97	1.21	-9.92	-7.29	42.800	50.000	-	6,950	-	UNDER REVISION	
Baltika, pref.	- PKBAP	27.500	-	-	-	3.29	-17.91	-8.94	25.500	31.000	-	-	-	UNDER REVISION	
WBD	- WBDF	74.250	-	-	-0.67	-10.81	-17.50	2.91	72.000	93.000	-	3,267	-	UNDER REVISION	
Kalina	- KLNA	33.750	-	-	-3.57	2.27	-16.67	-12.34	30.500	39.000	-	329	-	UNDER REVISION	
Lebedyansky	- LEKZ	81.875	-	-	1.39	-0.15	-11.01	-2.53	80.000	93.500	-	1,671	-	UNDER REVISION	
Transport															
Aeroflot	▼ AFLT	3.7000	-0.1000	-2.63	-7.50	-9.54	-1.33	33.94	3.5000	4.4500	92,500	4,109	4.1700	12.70	HOLD
Primorsk Shipping Corporation	- PRIM	0.4605	-	-	0.11	6.47	12.32	50.49	0.4200	0.4200	-	367	0.5610	21.82	BUY
FESCO	- FESH	1.2000	-	-	3.90	-11.11	9.59	70.94	0.9800	1.3500	60,000	2,833	1.0500	-12.50	SELL
Novorossiysk Sea Shipping	- NOMP	3.4000	-	-	0.74	4.94	16.04	49.45	2.9900	3.4000	-	1,455	3.6000	5.88	BUY
Novorossiysk Sea Shipping, pref.	- NOMPP	1.4100	-	-	-6.65	-6.62	-21.67	6.42	1.4100	1.7400	17,625	-	2.7000	91.49	BUY
Banks															
VTB	- VTBR	0.0036	-	-	-1.64	-12.44	-29.05	-34.85	0.0034	0.0050	413,806	24,140	-	-	-
Sberbank	- SBER	3.3000	-	-	-2.37	-8.08	-21.80	-15.28	3.0350	4.3800	12,683,500	73,287	4.6210	40.03	ACCUMULATE
Sberbank, pref.	- SBERP	2.0500	-	-	-3.53	-14.58	-31.67	-30.51	2.0100	2.9300	-	-	3.4660	69.07	ACCUMULATE
Media & IT															
RBC	▼ RBCI	9.0000	-0.1000	-1.10	0.28	0.28	-13.88	-0.55	8.3500	10.9000	90,000	1,260	9.8600	9.56	BUY
CTC Media*	- CTCM	105.020	-	-	-	-	4.03	-	24.500	105.040	18,968,304	15,976	32.900	-68.67	BUY
Oblgaz															
Altai Kraigasservice	- akgs	178.50	-	-	-	-0.83	55.22	-	105.00	105.00	-	20	339.43	90.16	BUY
Astrakhanoblgas	- asog	2.0000	-	-	-	-	-25.93	-0.25	2.7000	2.7000	-	8	2.3800	19.00	HOLD
Belgorodoblgas	- bogz	425.00	-	-	-	-	-15.00	-	700.00	700.00	-	34	3,331.71	683.93	BUY
Bryanskoblgas	- brog	445.00	-	-	-	-22.61	9.20	52.14	380.00	510.00	-	49	1,140.89	156.38	BUY
Vladimiroblgas	- vlog	825.0	-	-	-5.71	-10.81	-44.16	71.88	1,050.0	1,355.0	-	37	973.7	18.03	HOLD
Volgogradoblgas	- vlgz	960.00	-	-	-	16.36	48.26	170.42	495.00	805.00	-	82	1,329.23	38.46	BUY
Voronezhoblgas	- vogz	4.7500	-	-	-9.52	-6.86	20.41	143.59	3.6000	7.0000	-	105	12.8200	169.89	BUY
Ivanovooblgas	- ivog	20.000	-	-	-	-60.00	263.64	300.00	-	-	-	8	150.760	653.80	BUY
Ivanovooblgas, pref.	- ivogp	26.000	-	-	-	-	46.39	766.67	-	-	-	-	150.760	479.85	BUY
Irkutskoblgas	- irog	190.00	-	-	-2.56	-2.56	-2.56	90.00	-	-	-	4	-	-	-
Kalugaoblgas	- klog	775.00	-	-	10.71	-9.88	29.17	287.50	-	-	-	23	1,286.95	66.06	BUY
Karelgas	- klgz	118.50	-	-	-	-7.78	-7.06	-7.06	-	-	-	3	324.27	173.65	BUY
Kirovoblgas	- krog	331.50	-	-	-	-1.04	52.41	329.91	-	-	-	33	705.25	112.75	BUY
Komigaz	- kgaz	32.500	-	-	-	-	-13.33	-7.80	30.000	30.000	-	11	80.440	147.51	BUY
Komigaz, pref.	- kgazp	15.125	-	-	-0.33	-1.14	-31.25	-26.22	-	-	-	-	60.330	298.88	BUY
Kostromaoblgas	- koog	438.50	-	-	-	32.48	15.39	86.60	331.00	400.00	-	24	935.74	113.40	BUY
Krasnodarkraigas	- kgas	15.000	-	-	-	-	141.94	200.00	-	-	-	31	12.110	-19.27	SELL
Kurganoblgas	- kuog	470.00	-	-	-	17.50	-27.69	135.00	-	-	-	14	-	-	-
Kurskoblgas	- krgez	712.50	-	-	-14.93	-16.18	119.23	185.00	600.00	700.00	-	63	1,184.98	66.31	BUY
Lenoblgas	- leog	2,575.0	-	-	-	-	-0.96	296.15	-	-	-	204	717.77	-72.13	HOLD
Lipetskoblgas	- lpog	160.00	-	-	-	-5.88	28.00	-	-	-	-	19	716.78	347.99	BUY
Nizhegorodoblgas	- nnog	3.1000	-	-	1.64	29.17	-22.31	4.20	2,3500	4,5000	-	86	1.8700	-39.68	HOLD
Omskoblgas	- omog	9.500	-	-	-	-17.39	46.15	-9.52	10.000	11.000	-	14	20.130	111.89	BUY
Omskoblgas, pref.	- omogp	4.5000	-	-	-	-26.00	12.50	-14.29	-	-	-	-	11.8500	156.67	BUY
Oreloblgas	- orgz	542.50	-	-	-	-3.98	44.67	36.48	-	-	-	21	512.18	-5.59	BUY
Orenburgoblgas	- orog	2,150.0	-	-	-	1.18	122.80	228.24	1,000.0	2,250.0	-	165	2,855.8	32.83	HOLD
Pensgasifikatsiya	- pgzf	140.00	-	-	-	-	-30.00	180.00	-	-	-	5	869.49	521.06	BUY
Rostovoblgas	- rtbg	775.00	-	-	-	3.33	29.17	57.36	625.00	900.00	-	103	1,529.82	97.40	BUY
Rostovoblgas, pref.	- rtbgp	430.00	-	-	-1.15	-5.49	-8.51	28.36	400.00	460.00	-	-	1,529.82	255.77	BUY
Ryazanoblgas	- rzog	6,250.0	-	-	8.70	38.89	-39.61	-54.59	-	-	-	30	5,920.0	-5.28	HOLD
Samaragas	- sagz	250.000	-	-	-	-	352.49	376.19	45.500	45.500	-	29	289.840	15.94	BUY
Saratovoblgas	- srog	17.000	-	-	1.49	-15.00	109.23	200.88	7.750	25.000	-	63	50.010	194.18	BUY
Sibirgasservice	- sbsg	7,050.0	-	-	-6.62	-6.62	-6.62	27.03	-	-	-	33	-	-	-
Smolenskoblgas	- smog	149.00	-	-	-1.32	-2.61	69.32	223.91	81.50	185.00	-	60	332.44	123.11	BUY
Stavropolkraigas	- stkg	500.00	-	-	-	-	-47.64	-	575.00	575.00	-	62	81.59	-83.68	SELL
Stavropolkraigas, pref.	- stkgp	325.00	-	-	-	-	-45.83	-	280.00	400.00	-	-	81.59	-74.90	SELL
Tambovoblgas	- togz	66.000	-	-	0.76	38.95	88.57	271.83	29.000	54.000	-	57	81.290	23.17	BUY
Tveroblgas	- tveo	215.00	-	-	-	-14.00	-21.25	39.16	225.00	246.00	-	38	236.31	9.91	HOLD
Tulaoblgas	- tuog	417.50	-	-	19.29	-16.50	54.63	234.00	180.00	705.00	-	66	1,106.23	164.97	BUY
Chitaoblgas	- chog	55.000	-	-	-	-	-	-	-	-	-	4	-	-	-
Yaroslavlbgas	- yrog	295.00	-	-	-1.67	-1.67	13.46	103.45	250.00	250.00	-	21	503.81	70.78	BUY
Services companys															
Giprospetsgaz	- gsgz	1,350.0	-	-	12.50	-7.22	-42.55	35.68	1,800.0	1,850.0	-	57	7,463.0	452.81	BUY
Giprospetsgaz, pref.	- gsgzp	747.50	-	-	0.34	-4.17	-43.58	-21.32	800.00	800.00	-	-	5,970.00	698.66	BUY
Spetsgazremstroy	- sgrs	220.00	-	-	-	-15.38	-38.89	-	344.00	425.00	-	112	741.25	236.93	BUY
Spetsgazremstroy, pref.	- sgrsp	95.00	-	-	-	-20.83	-49.33	-	120.00	255.00	-	-	555.94	485.20	BUY
Services companys															
Belgorodasbestocement	- belc	140.00	-	-	-33.33	75.00	250.00	-	-	-	-	14	588.48	320.34	SPECULATIVE BUY
Strojpolymerkeramika	- spke	40.000	-	-	-	-	158.06	-	-	-	-	75	79.940	99.85	BUY
Strojpolymerkeramika, pref.	- spkep	8.0000	-	-	-	-	-29.52	-	8.0000	8.0000	-	-	27.9800	249.75	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	-	-	-	-	-
AFK Sistema	KO71 GR	AFKS	20,00	Frankfurt	30.760	-0.153	1.5	1.4	-	-0.50	-	-	-
Aeroflot	AETG GR	AFLT	100	Frankfurt	361.693	-9.735	3.617	3.700	-0.02	-2.62	-0.03	9	92
Wimm-Bill-Dann	WBD LI	WBDF	1	London	16.000	-	16.000	74.000	-	-	-	-	-
Wimm-Bill-Dann	WBD US	WBDF	1	New York	109.300	-3.590	109.300	74.000	-	-3.18	-	14,685	-
Wimm-Bill-Dann	WBPA GR	WBDF	1	Frankfurt	112.451	1.599	112.451	74.000	-	1.44	-	-	-
Volgaelcom	NZH GR	NNSI	2	Frankfurt	9.440	0.096	4.720	4.620	-	1.03	-0.00	-	140
Vimpelcom	VIP US	VIMP	1/4	New York	29.300	-1.520	586.00	420.00	-	-4.93	-	81,453	-
Vimpelcom	VIP GR	VIMP	1/4	Frankfurt	29.753	-0.553	595.06	420.00	-	-1.82	-	27	-
Gazprom	OGZD LI	GAZP	4	London	57.300	-0.200	14.325	14.400	-0.01	-0.35	-0.00	454,319	4,749
Gazprom	OGZPY US	GAZP	4	New York	56.450	-1.250	14.112	14.400	-	-2.17	-0.00	-	4,749
Gazprom	GAZ GR	GAZP	4	Frankfurt	56.926	-0.385	14.231	14.400	-0.01	-0.67	-0.00	1,376	4,749
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	115.250	-2.750	345.750	-	-	-2.33	-	40,298	-
EvrzHolding	HK1A GR	-	1/3	Frankfurt	115.724	-1.856	347.171	-	-	-1.58	-	155	-
Irkutskenergo	IKSGY US	IRGZ	50	New York	-	-	-	0.860	-	-	-	-	-
Irkutskenergo	IRK GR	IRGZ	50	Frankfurt	-	-	-	0.860	-	-	-	-	-
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	96.400	-0.100	96.400	96.700	-0.00	-0.10	-0.00	263,288	16,743
LUKOIL	LUKOY US	LKOH	1	New York	95.750	-1.020	95.750	96.700	-	-1.05	-0.00	-	16,743
LUKOIL	LUK GR	LKOH	1	Frankfurt	95.505	-0.895	95.505	96.700	-0.01	-0.93	-0.00	1,506	16,743
MCTN	MOW GR	MGTS	1	Frankfurt	33.435	-0.048	33.435	31.500	-	-0.14	-	-	-
Mechel	MTL US	MTLR	3	New York	44.470	-	14.823	42.000	-	-	0.03	-	42
Mechel	FQF GR	MTLR	3	Frankfurt	44.492	-	14.831	42.000	-	-	0.03	-	42
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	18.251	0.342	0.183	0.220	-	1.91	-	53	-
MTS	MBDL LI	MTSS	5	London	-	-	-	12.100	-	-	0.00	-	121
MTS	MBT US	MTSS	5	New York	-	-	-	12.100	-	-	0.00	-	121
MTS	MKY GR	MTSS	5	Frankfurt	76.829	-2.596	15.366	12.100	0.27	-3.27	0.00	433	121
Nizhnekamskneftekhim	OAD GR	NKNC	10	Frankfurt	8.968	0.014	0.897	0.900	-	0.15	-	-	-
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	25.200	-0.050	25.20	252.50	-0.90	-0.20	-0.00	61,325	6,416
Norilsk Nickel	NILSY US	GMKN	1	New York	24.700	-0.900	24.70	252.50	-	-3.52	-0.00	-	6,416
Norilsk Nickel	NNIA GR	GMKN	1	Frankfurt	24.860	-0.525	24.86	252.50	-0.90	-2.07	-0.00	239	6,416
UHM	UHM GR	OMZZ	1	Frankfurt	7.002	0.305	7.002	8.750	-	4.55	-	1	-
Pyaterochka	FIVE LI	-	1/4	London	34.400	-0.800	137.600	-	-	-2.27	-	6,573	-
UES	UESD LI	EESR	100	London	100.000	-	1.000	1.020	-	-	-	-	-
UES	USERY US	EESR	100	New York	-	-	-	1.020	-	-	-	-	-
UES	UES GR	EESR	100	Frankfurt	97.504	-	0.975	1.020	-	-	-	-	-
Rostelekom	RKMD LI	RTKM	6	London	69.300	-	11.550	11.800	-	-	0.00	-	118
Rostelekom	ROS US	RTKM	6	New York	-	-	-	11.800	-	-	0.00	-	118
Rostelekom	RTL GR	RTKM	6	Frankfurt	69.418	-0.211	11.570	11.800	-0.02	-0.30	0.00	64	118
Seversky pipe plant	SVY GR	SVTZ	10	Frankfurt	124.299	-0.289	12.430	14.500	-	-0.23	-	-	-
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	38.627	-0.073	7.725	4.300	-	-0.19	-	18	-
Surgutneftegas	SGGD LI	SNGS	50	London	11.030	-0.030	0.221	1.115	-	-0.27	-	8,023	-
Surgutneftegas	SGTZY US	SNGS	50	New York	-	-	-	1.115	-	-	-	-	-
Surgutneftegas	SGN GR	SNGS	50	Frankfurt	61.927	-	1.239	1.115	-	-	-	-	-
Tatneft	ATAD LI	TATN	20	London	101.000	-	5.050	7.550	-	-	0.01	-	76
Tatneft	TNT US	TATN	20	New York	-	-	-	7.550	-	-	0.01	-	76
Tatneft	TTFA GR	TATN	20	Frankfurt	96.244	-0.314	4.812	7.550	-0.36	-0.32	0.01	324	76
Tyumenaviatrans	UTARY US	TMAT	100	New York	40.000	-	0.400	0.538	-	-	-	-	-
Tyumenaviatrans	TYV GR	TMAT	100	Frankfurt	64.509	-0.899	0.645	0.538	-	-1.37	-	-	-
Tsum	THT GR	TZUM	20	Frankfurt	105.418	-11.383	5.271	2.000	-	-9.75	-	22	-
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	0.156	-	-	-	-	-

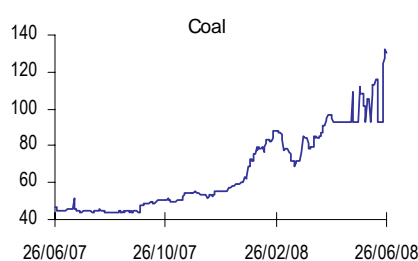
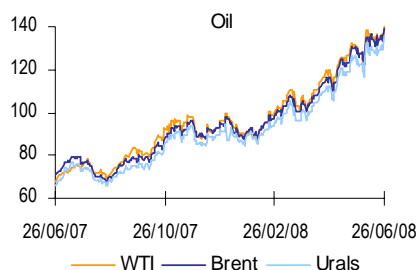
Source: Bloomberg, Estimation: Veles Capital

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	▲	138.85	5.46	4.09	6.63	8.49	44.79	98.30	86.75	139.51
Brent, USD / bbl	▲	139.26	5.63	4.21	6.39	9.44	48.32	94.77	85.05	139.99
Urals, USD / bbl	▲	135.42	6.08	4.70	7.14	10.51	48.36	103.73	82.80	136.08
WTI, USD / bbl	▲	139.64	5.61	4.19	5.84	8.37	45.46	102.46	86.47	139.64
Brent-Urals	▼	3.84	-0.45	-10.49	-14.48	-18.47	47.13	-23.66	1.66	9.94
Coal, USD / ton	▼	130.50	-1.85	-1.40	40.70	16.26	135.14	181.55	55.50	132.35

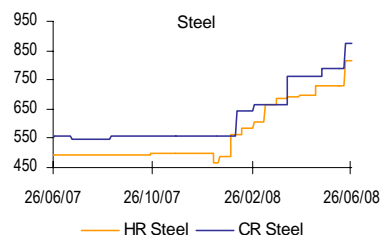
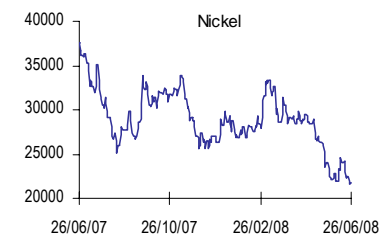
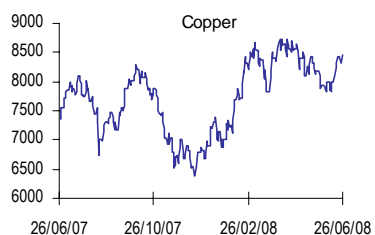
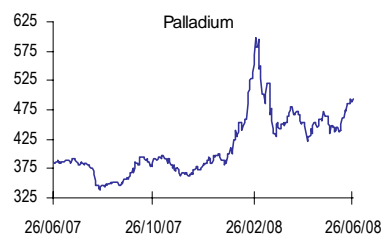
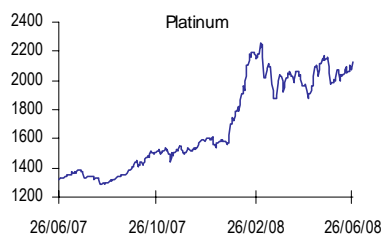
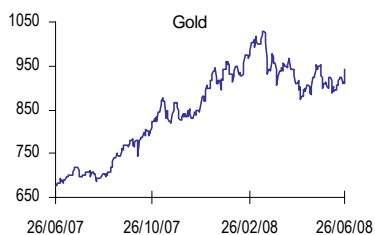
Source: Bloomberg, Estimation: Veles Capital



Prices of metals

		Close, USD	Change, USD	Change, %					Current year, USD	
				day	week	month	from Jan 1	year	min	max
Gold, USD / ounce	▲	943.53	33.84	3.72	2.39	1.64	8.28	39.31	871.38	1,027.52
Silver, USD / ounce	▲	17.65	0.39	2.26	-1.02	-1.38	14.15	36.59	15.47	21.42
Platinum, USD / ounce	▲	2,131.08	54.18	2.61	3.78	1.74	33.96	60.39	1,540.21	2,257.73
Palladium, USD / ounce	▲	492.63	3.68	0.75	1.25	9.01	26.77	28.25	380.95	598.39
Aluminum, USD / ton	▲	3,100.00	42.00	1.37	0.88	3.44	28.68	14.60	2,409.00	3,227.00
Copper, USD / ton	▲	8,445.00	130.00	1.56	1.38	3.11	26.52	14.59	6,675.00	8,730.00
Nickel, USD / ton	▲	21,800.00	100.00	0.46	-1.80	-6.44	-17.11	-42.02	21,500.00	33,400.00
Lead, USD / ton	▲	1,810.00	28.00	1.57	-0.06	-11.92	-29.02	-30.25	1,775.00	3,420.00
Tin, USD / ton	▲	23,200.00	495.00	2.18	3.57	-4.13	41.25	66.31	16,025.00	25,300.00
Zink, USD / ton	▲	1,990.00	118.00	6.30	2.90	-7.48	-16.03	-40.60	1,870.00	2,830.00
Titanium, USD / ton	-	5,511.56	-	-	-	2.04	23.15	-6.37	4,475.38	5,511.56
HR Steel, USD / ton	-	815.00	-	-	-	11.64	63.00	64.65	465.00	815.00
CR Steel, USD / ton	-	872.50	-	-	-	10.44	55.80	55.80	555.00	872.50

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	▼	2,308.76	-1.97	-0.09	-3.84	-3.42	0.80	23.12	1,859.53	2,498.10
MICEX Index	▼	1,757.46	-6.86	-0.39	-4.93	-5.35	-6.96	6.20	1,509.70	1,966.32
Technical RTS Index	▲	3,341.18	1.83	0.05	-4.59	-4.79	5.78	31.28	2,536.61	3,730.73
MSCI Russia	▼	1,485.27	-6.42	-0.43	-4.39	-5.50	-3.33	25.76	1,251.20	1,649.20

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 ▼	11,453.42	-358.41	-3.03	-5.05	-8.73	-13.66	-14.70	11,453.42	13,279.54
NASDAQ	USA ▼	2,321.37	-79.89	-3.33	-5.71	-6.44	-12.48	-10.90	2,155.42	2,661.50
FTSE 100	Great Britain ▼	5,518.20	-147.90	-2.61	-3.33	-8.92	-14.54	-15.46	5,338.70	6,534.70
Nikkei 225	Japan ▼	13,822.32	-7.60	-0.05	-2.18	-0.51	-9.70	-22.56	11,691.00	15,413.37
S&P 500	USA ▼	1,283.15	-38.82	-2.94	-4.44	-7.38	-12.61	-14.82	1,256.98	1,471.77
AEX	Nederlands ▼	426.03	-13.53	-3.08	-4.62	-10.09	-17.40	-21.05	401.45	518.27
OMX	Sweden ▼	880.56	-30.08	-3.30	-5.60	-11.32	-18.58	-29.06	875.02	1,081.44
DAX	Germany ▼	6,459.60	-158.24	-2.39	-3.89	-7.17	-19.93	-17.20	6,167.82	8,100.64
MIB 30	Italy ▼	30,443.00	-600.00	-1.93	-3.42	-9.69	-21.71	-26.94	30,237.00	38,885.00
CAC 40	France ▼	4,426.19	-110.10	-2.43	-3.60	-9.79	-21.16	-25.51	4,416.71	5,665.94
SMI	Switzerland ▼	6,949.73	-131.64	-1.86	-2.92	-6.31	-18.09	-23.00	6,769.80	8,571.76
ASX 200	Australia ▲	5,307.00	69.20	1.32	-1.11	-7.13	-16.29	-14.18	5,039.60	6,385.70
Bloomberg European 500	▼	208.62	-5.05	-2.36	-3.91	-42.07	-45.25	-43.86	208.62	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	▼	1,099.71	-6.50	-0.59	-2.40	-7.74	-11.74	5.24	1,011.42	1,252.59
Europe										
ASE	Greece ▼	3,483.98	-100.55	-2.81	-4.54	-12.98	-32.73	-26.75	3,390.46	5,207.44
WSE WIG	Poland ▲	42,117.40	40.13	0.10	-2.75	-9.59	-24.32	-35.81	41,706.99	56,066.82
PFTS	Ukraine ▼	783.01	-2.52	-0.32	0.07	-13.68	-33.31	-21.42	782.46	1,208.61
BUX	Hungary ▼	20,468.32	-79.68	-0.39	-3.26	-8.97	-21.98	-28.35	20,150.86	26,242.90
PX	Czech Republic ▼	1,479.80	-30.40	-2.01	-8.26	-10.03	-18.47	-19.33	1,393.00	1,819.50
TA-100	Israel ▼	1,000.32	-22.42	-2.19	-3.53	-2.14	-14.04	-9.07	882.87	1,167.04
XU 100	Turkey ▼	36,578.95	-993.69	-2.64	-3.76	-8.98	-34.14	-19.00	36,488.26	55,281.66
Asia and Africa										
HSI	Hong Kong ▼	22,455.67	-179.49	-0.79	-1.50	-7.52	-19.26	3.46	20,572.92	27,853.60
SENSEX	India ▲	14,421.82	201.75	1.42	-4.42	-11.39	-28.96	-0.06	13,736.01	21,206.77
JALSH	SAR ▲	29,988.12	23.57	0.08	-4.18	-7.63	3.56	6.02	24,005.35	33,309.82
JCI	Indonesia ▲	2,350.89	9.53	0.41	-0.93	-1.92	-14.38	10.61	2,167.65	2,838.48
KOSPI	South Korea ▼	1,717.66	-0.13	-0.01	-1.32	-5.89	-9.46	-0.89	1,537.53	1,901.13
SHCOMP	China ▼	2,901.85	-3.16	-0.11	5.57	-14.03	-44.85	-28.85	2,695.63	5,522.78
America										
MEXBOL	Mexico ▼	29,199.94	-369.50	-1.25	-2.17	-7.05	-1.14	-5.21	25,282.31	32,292.92
IBOV	Brazil ▼	63,946.92	-1,906.42	-2.89	-3.97	-9.92	0.10	18.11	53,010.96	73,920.38
IPSA	Chile ▼	3,042.98	-34.58	-1.12	-0.95	-0.78	-0.29	-11.21	2,369.06	3,113.93
IBVC	Venezuela ▼	36,859.28	-36.72	-0.10	0.33	5.12	-2.76	-6.51	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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