

Daily review

June 30, 2008

Trader's view

Following the world's stock markets, Russian market opened at a downward gap last Friday. Towards noon RTS dropped to the level of early May, sloping below 2300 points. However, the positive support by statistics of US population income and expense provoked another wave of optimism. As a result – the morning's shortcomings were compensated. Aside of this – the stocks of oil & gas sector were pushed up by the price of oil, achieving yet another highest value at the back of failing dollar and fears regarding decrease of extraction by Libya. Among corporate news we point out that a range of companies have conducted their annual meetings of shareholders. In particular – AvtoVAZ announced its plans on establishment of a joint automobile parts holding with KAMAZ and Rostekhnologii State Corp. We think that management's announced plans of Friday could support the stocks of the automobile giant today.

Main news

Gazprom conducted shareholders' meeting.

The shareholders of Gazprom have chosen a new board of directors, which forms 11 people, during last Friday's meeting of shareholders in Moscow, reported the journalist of Agency of Gas Information from the concern's office, where the meeting was held.

Other news

➤ WGC-2 and WGC-6 plan to conduct second offerings in Gazprom's favor.

WGC-2 and WGC-6 can conduct second offerings in Gazprom's interest to cover the deficit of investment program, said Denis Fedotov, the representative of gas company.

➤ AvtoVAZ keeps its finger on the pulse.

During the shareholders' meeting, held on June 27th of 2008, Sergey Chemezov, the chairman of the board of Gazprom and chief manager of Rostekhnologii State Corp. and Boris Aleshin, the president of AvtoVAZ have announced the plans concerning the creation of a new holding of automobile parts production.

➤ AvtoVAZ: big plans of market conquest.

AvtoVAZ will start the production of five and seven seat station wagons and also commercial cars on the base of Renault from 2010, said company's statement, citing Boris Aleshin.

➤ Kirovsky Plant: blame the minors.

Kirovsky Plant's shareholders have refused the proposal by board on increasing the number of announced stocks by 9.1 mn to 20 mn stocks, at Friday's annual meeting.

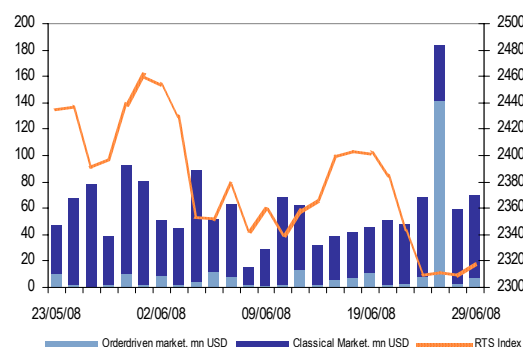
Market estimates

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS index	▲ 2,318.61	9.85	0.43	-2.77	-3.27	22.41
MICEX Index	▲ 1,765.91	8.45	0.48	-3.46	-5.63	5.79
USD / RUR	▼ 23.42	-0.02	-0.08	-0.66	-0.88	-9.41
EUR / RUR	▲ 36.98	0.06	0.16	0.53	0.08	6.57
EUR / USD	▲ 1.58	0.00	0.23	1.20	0.98	17.31
Dow Jones Index	▼ 11,346.51	-106.91	-0.93	-4.19	-9.91	-15.47
NASDAQ	▼ 2,315.63	-5.74	-0.25	-3.76	-6.88	-11.22
FTSE 100	▲ 5,529.90	11.70	0.21	-1.62	-8.89	-15.85
Nikkei 225	▼ 13,544.36	-277.96	-2.01	-2.85	-1.20	-24.47
MSCI EM	▼ 1,084.79	-14.92	-1.36	-2.31	-9.26	2.69

Source: Bloomberg, Estimation: Veles Capital

RTS index vs. trade volume



Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	▲ 139.89	0.63	0.45	4.60	7.77	94.18
Urals, USD / bbl	▲ 136.31	0.89	0.66	5.40	9.00	102.18
Gold, USD / ounce	▲ 954.71	11.17	1.18	3.18	3.46	39.86
Palladium, USD / ounce	▼ 492.36	-0.26	-0.05	1.25	9.82	27.83
Copper, USD / ton	▲ 8,530	85	1.01	1.13	5.37	13.11
Nickel, USD / ton	▲ 21,950	150	0.69	-2.01	-2.44	-40.27

Source: Bloomberg, Estimation: Veles Capital

Russian share quotes

	Close, USD	Change, USD	Change, %			
			day	week	month	year
VTB	▼ 0.004	-0.000	-2.51	-2.78	-14.22	-35.60
Polyus-Gold	- 59.50	-	-	-0.83	-5.18	43.37
NorNickel	▲ 257.00	4,500	1.78	-3.02	-8.87	23.26
Rostelecom	▲ 11.92	0.120	1.02	4.56	3.92	24.82
MTS	▼ 11.99	-0.110	-0.91	-5.59	-4.84	21.73
Sberbank	▼ 3.220	-0.080	-2.42	-4.14	-8.78	-15.93
LUKOIL	▲ 98.70	2,000	2.07	-3.42	-7.06	28.27
Gazprom Neft	- 8.015	-	-	-1.05	-6.53	96.69
Surgutneftegas	- 1.115	-	-	-5.51	-4.78	2.29
Gazprom	▲ 14.55	0.150	1.04	-1.36	-3.26	44.78
Tatneft	- 7.600	-	0.66	-2.19	-3.68	64.15
Rosneft	▲ 11.650	0.450	4.02	-1.60	0.69	48.41

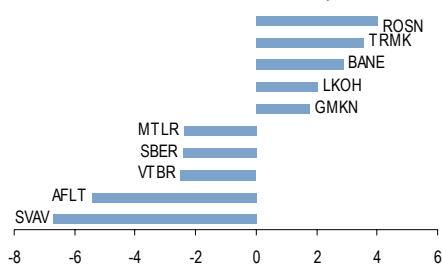
Source: RTS web page, Estimation: Veles Capital

Veles Management MC Unit investment trusts

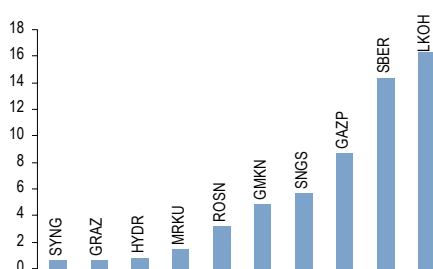
	Net asset value, RUR	Share price, RUR	Change, %			Since interest per annum formation, %
			day	month	year	
VELES Capital	▼ 10,123,629	1,151.80	-0.22	-5.06	1.24	6.77
VELES Capital - Selected Shares	▼ 9,841,554	958.12	-0.60	-6.14	-3.81	-2.61
VELES Capital - Bonds	▼ 36,205,921	1,008.73	-0.02	0.08	-	2.40

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	2,267.9	2,351.4
3	2,237.0	2,369.8

Trader's view

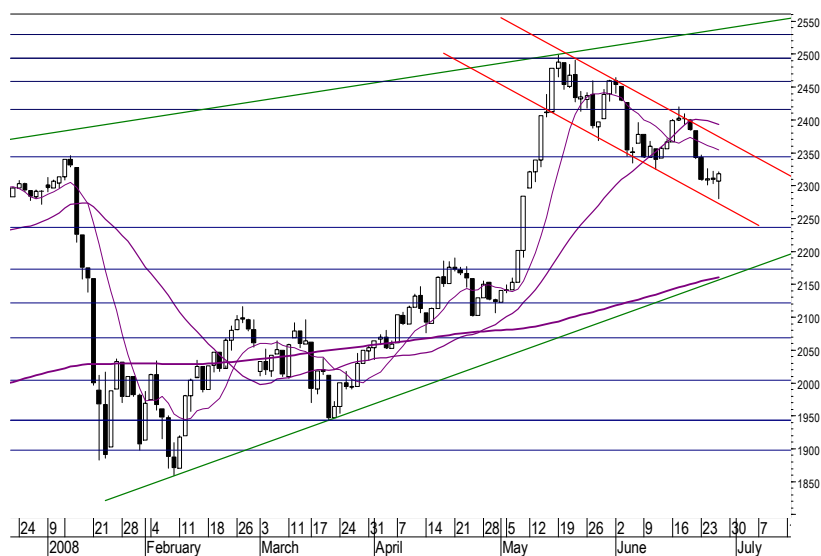
Following the world's stock markets, Russian market opened at a downward gap last Friday. Towards noon RTS dropped to the level of early May, sloping below 2300 points. However, the positive support by statistics of US population income and expense provoked another wave of optimism. As a result – the morning's shortcomings were compensated. Aside of this – the stocks of oil & gas sector were pushed up by the price of oil, achieving yet another highest value at the back of failing dollar and fears regarding decrease of extraction by Libya. Among corporate news we point out that a range of companies have conducted their annual meetings of shareholders. In particular – AvtoVAZ announced its plans on establishment of a joint automobile parts holding with KAMAZ and Rostekhnologii State Corp. We think that management's announced plans of Friday could support the stocks of the automobile giant today.

RTS rose +0.43% last Friday, closing at 2138.61 points. The index was supported by stocks of Rosneft (+4.02%), LUKOIL (+2.07%) and Gazprom (+1.04%). The banking sector seemed rather weak, as quotes of Sberbank (-2.42%) and VTB (-2.51%) went down negative.

Friday's turnover of classic market formed 62.3 mn USD. The top turnover volumes were achieved by stocks of LUKOIL (16.2 mn USD), Sberbank (14.3 mn USD) and Gazprom (8.7 mn USD).

We think that today RTS would move in a side trend, following the dynamics of foreign indices. Do note though, the dynamics of US indices was weakly negative, whereas Asia's indices remained virtually unchanged. However, the over-bought nature of Russian market could bring investors to new wave of purchases.

RTS index support and resistance levels



Company profile

Last price, USD	14.550
Market capitalization, mn USD	344,450
Ticker	GAZP
Fair value, USD	16.250
Undervaluation, Overvaluation %	11.68
Recommendation:	BUY

Oil & Gas
Gazprom
Gazprom conducted shareholders' meeting.

The shareholders of Gazprom have chosen a new board of directors, which forms 11 people, during last Friday's meeting of shareholders in Moscow, reported the journalist of Agency of Gas Information from the concern's office, where the meeting was held.

The new board is now headed by the first vice-premier of RF – Viktor Zubkov and head of Ministry of Economic Development – Elvira Nabiullina. They replaced Dmistry Medvedev (according to the law the president of RF cannot hold any other occupation aside from his primary work), and German Graf, which went to manage Sberbank instead of MED. The remaining 9 members of the board have saved their seats. And now the new official head of board of gas monopoly is Zubkov, just as we have anticipated.

During the previously-held meeting, the shareholders have approved the dividends in 2.66 RUR per share. During 2006 Gazprom paid 2.54 RUR of dividends per share, and 1.5 RUR during 2005. Therefore the dividends of 2007 will increase by +4.7% versus 2006.

Alexei Miller announced his plans at the meeting, promising to increase extraction up to 563 bn cb m of gas this year, versus previous value of 561 bn cb m. The expansion is set to be achieved due to previous launches of large gas deposits in 2007, such as Kharvutinsky square of Yamburgskoye deposit and Yuzhno-Russkoye deposit.

Miller also shed light on concern's activities over CIS, according to him the price of gas for Ukraine would exceed 400 USD per th cb m in 2009, whereas this year Ukraine pays 179.5 USD per th cb m. The increase of price is related to transfer of middle-asia countries, the primary suppliers of gas through Gazprom's system, to European sale price around 400 USD at year 2009. This value is rather critical for Ukraine industry, hence the primary enterprises of economy, consuming gas as primary raw material will quickly lose their competitiveness (agrochemical and chemical enterprises). In addition to that – Ukrainian government will have to subsidize the population, as they would not be able to pay such price. We do not exclude that if the gas price for Ukraine is increased up to 400 USD per th cb m, then no long-term contracts would be signed between Ukraine and Gazprom, and we could even witness new gas wars at borders of Russia and Ukraine. But then the price would be boosted not by tens of percents, but hundreds.

Dmitry Lyutyagin
DLyutyagin@veles-capital.ru

Company profile

Last price, USD	0.0830
Market capitalization, mn USD	2,717
Ticker	OGKB
Fair value, USD	0.2325
Undervaluation, Overvaluation %	180.12
Recommendation:	BUY

Company profile

Last price, USD	0.0755
Market capitalization, mn USD	2,436
Ticker	OGKF
Fair value, USD	0.0932
Undervaluation, Overvaluation %	23.44
Recommendation:	BUY

Energy
WGC-2

WGC-2 and WGC-6 plan to conduct second offerings in Gazprom's favor.

WGC-2 and WGC-6 can conduct second offerings in Gazprom's interest to cover the deficit of investment program, said Denis Fedotov, the representative of gas company.

According to him the decision concerning the second offering should be made in autumn of 2008, to attract extra money in the middle of 2009. Therefore, the gas company will retain control over generating company's report.

In particular, WGC-2's investment program for 2009-2011 forms about 6.4-6.8 bn USD, said Stanislav Nevenitsin, the vp of the company.

The company already attracted 1 bn USD and it is possible to raise the investments by 2.5 bn USD, in terms of credit resources, the remaining volume will be covered by other sources, among which we do not exclude an additional emission and the offering of bonded loan.

Gazprom's representative also noted that another generating company, where the holding is the main shareholder of WGC-6, which "will not manage to provide the investment program by itself and it will require the extra resources of the shareholders". However, Gazprom do not exclude the opportunity of project financing usage in construction of new blocks.

It should be mentioned that the decision was expected. The shares of WGC-2 and WGC-6 were offered in non-favorable market conditions, which did not to allow attract planned investments. In such situation we do not exclude the second attempt to reoffer the remaining value of additional emission. The decision to provide an additional emission in Gazprom's favor was not a surprise too, because with such main shareholder, it is hard to imagine another policymaker. The given news is lightly-positive for companies' businesses. However, the attraction of investments is more expensive than borrowed assets, but the minority interest can be "blurred" as well. It should be mentioned that the companies do not have other opportunities to attract the resources for their investment programs.

We do not think that the news will have an influence on companies' securities. Now the market is waiting for UES elimination, which will lead to high volatility of sector shares.

Oleg Zotikov
OZotikov@veles-capital.ru

Company profile

Last price, USD	1.5750
Market capitalization, mn USD	4,554
Ticker	AVAZ
Fair value, USD	1.9890
Undervaluation, Overvaluation %	26.29
Recommendation:	BUY

Machinery

AvtoVAZ

AvtoVAZ keeps its finger on the pulse.

During the shareholders' meeting, held on June 27th of 2008, Sergey Chemezov, the chairman of the board of Gazprom and chief manager of Rostekhnologii State Corp. and Boris Aleshin, the president of AvtoVAZ have announced the plans concerning the creation of a new holding of automobile parts production.

The target of the project is the production of modern automobile parts for the new AvtoVAZ' models and all the other Russian automobile companies, and also for export in CIS and far-abroad countries.

In the nearest future, in association with third-party experts, holding's development strategy will be prepared. It will be aimed at the modernization of current outputs and the construction of the new factories, including the cooperation with foreign partners. In terms of the development of automobile components production, the company will use the experience of scientific institutes and it is planned to hold researches and innovational programs.

The given project will be headed by Vladimir Avetisyan, the vice member of UES' board. Under his authority a group of managers will work, invited after the successful reorganization of UES, for an implementation of knowledge and experience in administration of huge industrial complexes.

The decision concerning the construction of automobile complexes producing was made by AvtoVAZ, Kamaz and Rostekhnologii. Troika Dialog, Renault and Nissan can also participate the project. However, the balance of the participants was not defined yet. Vladimir Avetisyan will head the new structure, who will work with his group of managers. The company also planned to provide an IPO of the new company. The participation of Rostekhnologii in project, from our point of view, has a positive influence, because the structure has more than 40 representations in Russia. It can help to promote AvtoVAZ' and KAMAZ products. We see the news as positive for AvtoVAZ. Let us remind you that GAZ also announced the creation of automobile components production business. The step appeared to be successful in terms of management and work cooperation. Another good news is about the new head bringing his own management team, allowing to dissolve the well known psychological factor known as "cooperation with the new guys".

AvtoVAZ: big plans of market conquest.

AvtoVAZ will start the production of five and seven seat station wagons and also commercial cars on the base of Renault from 2010, said company's statement, citing Boris Aleshin.

Moreover, according to Aleshin's statement, the company is plans to organize engines productions with volume of 1.4 and 1.6 l, under the Renault's license.

In future, AvtoVAZ' product scale, according to company's plans will be as follows: the company will continue the production of budget class automobiles, producing the "B" vehicles and also the "C" class vehicle will be developed. AvtoVAZ will continue the 4X4s production. Moreover, on the base of Renault RF-90, the family van will be developed, which is to be produced under the "Lada" brand. In 2010 the company's management plans to sell 1.2 mn automobiles per year. Thus, according to our estimations AvtoVAZ can take 33% of Russian automobile market. Let us remind you that according to the results of 2007, the AvtoVAZ' share decreased from 30% to 27%. From our point of view AvtoVAZ' plans are too optimistic, the company can face a stiff competition of Russian automobiles. More than 20 world automobile producers have signed an agreement of industrial assembly. A lot of factories will start its work from 2010. According to our estimations, the production volume can form 1.2-1.3 mn automobiles. Moreover, we should not disregard the import of foreign automobiles, which in 2007 formed 1.26 mn units. We do not think that these figures will decrease during next 2-3 years. The import can form 1.8 mn automobiles in 2010. Hence, the sales volume of AvtoVAZ can form about 600-700 th automobiles. It should be mentioned that in alliance with Renault and Nissan the results can yield higher results.

Marina Irkly
Mirkly@veles-capital.ru

Company profile

Last price, USD	54.000
Market capitalization, mn USD	587
Ticker	KIRZ
Fair value, USD	33.290
Undervaluation, Overvaluation %	-38.35
Recommendation:	

REDUCE**Machinery construction****Kirovsky Plant****Kirovsky Plant: blame the minors.**

Kirovsky Plant's shareholders have refused the proposal by board on increasing the number of announced stocks by 9.1 mn to 20 mn stocks, at Friday's annual meeting.

Note though, that funds off emission Kirovsky Plnat wanted to spend for construction of a foundry in 2010. The need to establish own foundry is related to constant growing costs of products, issued at subsidiary enterprise of Kirovsky Plant – Petrostal, using obsolete equipment. However, just like the management in person of Georgy Semenenko feared, the decision of additional emission has been blocked by the minors. Nevertheless, due to the fact that management refuses to use other sources of financing, the issue remains open.

Marina Irkly
Mirkly@veles-capital.ru

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	17.800	0.500	2.89	4.09	13.02	6.91	43.55	12.860	17.800	174,900	3,427	-	-	HOLD
Bashneft, pref.	▲ BANEP	11.5000	0.1500	1.32	0.22	15.00	4.78	26.10	9.1000	12.1000	11,500	-	-	-	HOLD
Gazprom	▲ GAZP	14.550	0.150	1.04	-1.36	-3.26	3.26	44.78	11.410	15.650	8,727,840	344,450	16.250	11.68	BUY
Gazprom Neft	- SIBN	8.0150	-	-	-1.05	-6.53	26.22	96.69	5.0000	8.1000	-	38,002	8.8800	10.79	ACCUMULATE
LUKOIL	▲ LKOH	98.70	2.00	2.07	-3.42	-7.06	13.45	28.27	64.25	113.20	16,236,920	83,951	138.44	40.26	BUY
NOVATEK	- NVTK	8.5000	-	-	-7.10	1.19	13.33	66.83	6.5000	9.1500	85,000	25,809	12.0500	41.76	BUY
RITEK	- RITK	8.6250	-	-	-0.52	1.17	-15.02	-15.02	7.0000	9.9000	-	1,249	-	-	-
Rosneft	▲ ROSN	11.650	0.450	4.02	-1.60	0.69	21.76	48.41	6.670	12.200	3,230,000	123,469	14.310	22.83	BUY
Surgutneftegas	- SNGS	1.1150	-	-	-5.51	-4.78	-10.08	2.29	0.8650	1.2980	5,686,000	43,994	-	-	UNDER REVISION
Surgutneftegas, pref.	- SNGSP	0.5400	-	-	-6.28	-7.22	-16.67	-19.10	0.4340	0.6480	-	-	-	-	UNDER REVISION
Tatneft	- TATN	7.6000	-	-	-2.19	-3.68	25.62	64.15	4.7500	8.0100	-	17,105	-	-	HOLD
Tatneft, pref.	- TATNP	3.7100	-	-	-2.50	-1.07	0.27	43.38	2.7000	3.8300	-	-	-	-	HOLD
TNK-BP Holding	▲ tnbp	2.2200	0.0200	0.91	5.21	6.99	-0.45	11.56	1.5200	2.2000	366,192	35,963	2.5950	16.89	BUY
TNK-BP Holding, pref.	- tnbpp	1.7400	-	-	1.16	3.88	-8.42	-10.54	1.4220	1.8500	-	-	2.3410	34.54	BUY
Transneft, pref.	- TRNFP	1,357.5	-	-	-4.74	-5.73	-31.95	-16.97	1,215.0	2,007.0	-	8,443	2,580.0	90.06	BUY
Energy															
Bashkirenergo	- BEGY	1.4250	-	-	-10.09	-19.72	-32.78	-30.91	1.4250	2.1000	7,125	1,563	-	-	-
Bashkirenergo, pref.	- BEGYP	1.5500	-	-	-0.32	-0.32	30.25	19.23	1.1750	1.1750	-	-	-	-	-
Hidro-WGC	▼ HYDR	0.0802	-0.0003	-0.37	-5.09	-10.39	-	-	0.0687	0.0930	798,200	15,708	-	-	-
Irkutskenergo	- IRGZ	1.0000	-	-	-3.85	-14.93	-15.97	3.09	0.9700	1.1510	50,000	4,767	-	-	-
WGC-1	- OGKA	0.0735	-	-	-13.53	-17.88	-40.24	-	0.0795	0.1225	-	3,281	0.1530	108.16	BUY
WGC-2	- OGKB	0.0830	-	-	-12.63	-11.23	-46.10	-48.29	0.0710	0.1500	48,555	2,717	0.2325	180.12	BUY
WGC-3	- OGKC	0.1500	-	-	25.26	33.33	-0.17	-11.79	0.1050	0.1450	-	7,123	0.1651	10.07	ACCUMULATE
WGC-4	- OGKD	0.0850	-	-	6.25	-	-36.09	-28.27	0.0794	0.1335	-	5,356	0.1943	128.59	BUY
WGC-5	- OGKE	0.1225	-	-	-9.26	5.60	-30.08	-21.73	0.0955	0.1795	-	4,333	0.2046	67.02	BUY
WGC-6	- OGKF	0.0755	-	-	-9.58	-11.18	-40.55	-	0.0700	0.1250	-	2,436	0.0932	23.44	BUY
TGC-1	- TGKA	0.0014	-	-	0.37	0.74	4.60	-6.83	0.0012	0.0014	-	5,257	0.0017	24.54	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	0.1795	-	-	-5.53	-3.49	-24.58	-20.04	0.1700	0.2460	-	7,135	-	-	REDUCE
TGC-4	- TGKD	0.0011	-	-	1.90	3.88	-13.71	-2.73	0.0010	0.0012	-	1,449	-	-	-
TGC-4, pref.	- TGKDP	0.0005	-	-	-14.41	-22.13	-34.03	-43.79	0.0005	0.0006	-	-	-	-	-
TGC-5	- TGKE	0.0008	-	-	-6.25	-1.32	-17.13	-42.53	0.0007	0.0010	37,500	923	0.0012	60.00	BUY
TGC-6	- TGKF	0.0007	-	-	-2.67	-18.89	-36.24	-35.11	0.0007	0.0012	-	941	0.0009	23.29	REDUCE
TGC-7	- TGKG	0.0815	-	-	-11.65	-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	-	-	3.33	-19.48	-3.13	-	0.0003	0.0003	-	2,426	-	-	-
TGC-10	- TGKJ	4.6100	-	-	-	1.43	12.71	20.37	3.5000	4.6100	-	4,051	-	-	-
TGC-11	▼ TGKK	0.0010	-0.0000	-1.00	-11.61	-20.80	-38.89	-	0.0010	0.0016	34,650	508	-	-	-
TGC-12 (Kuzbasenergo)	- KZBE	0.0245	-	-	6.52	10.36	-10.91	-28.99	0.0250	0.0281	-	1,730	-	-	-
TGC-13	- TGKM	0.0080	-	-	-3.64	-3.05	-24.76	-28.64	0.0080	0.0102	-	1,265	-	-	-
TGC-14	- TGKN	0.0003	-	-	-8.20	-13.85	-17.65	-34.12	0.0003	0.0003	-	218	-	-	-
Nonferrous metallurgy															
BMSK	- bmsk	2.6000	-	-	-	10.64	6.12	52.94	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	170.00	-	-	-14.36	-19.81	-43.71	-43.71	180.00	314.00	-	1,960	-	-	HOLD
Norisk Nickel	▲ GMKN	257.00	4.50	1.78	-3.02	-8.87	-3.02	23.26	203.00	316.50	4,870,600	48,991	314.68	22.44	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	-	-	-5.52	-12.52	-32.29	-	16.500	18.400	-	82	36.550	124.92	SPECULATIVE BUY
Uralektromed	- uelm	107.00	-	-	-4.46	-6.55	-5.81	-3.60	100.00	121.00	-	543	126.38	18.11	ACCUMULATE
Ufaleynickel	- ufal	7.4100	-	-	-1.98	-11.26	-4.39	2.56	7.5000	7.5000	-	199	6.6300	-10.53	REDUCE
Chelyabinsk Zink Plant	- CHZN	8.60	-	-	-1.99	-15.27	-23.39	-94.32	8.20	12.15	-	466	22.53	161.98	BUY
Yuzhuralnickel	- unkl	970.0	-	-	-3.00	-15.73	-30.71	-5.37	970.0	1,300.0	19,400	582	463.4	-52.23	ACCUMULATE
Electrozinc	- eltz	87.25	-	-	-4.70	-	-	-	85.00	110.00	-	123	-	-	-
Ferrous metallurgy (Steel)															
Ashinsky Metallurgy Plant	- AMEZ	0.6200	-	-	-3.12	-15.36	-34.74	5.08	0.6200	0.9700	31,000	309	0.9400	51.61	BUY
Evraz**	▼ EVR	34.250	-0.150	-0.44	-5.52	-7.43	-6.16	24.59	33.510	131.250	8,327,794	12,156	34.403	0.45	ACCUMULATE
Mechel	▼ MTLR	41.000	-1.000	-2.38	-0.61	-5.09	51.85	233.33	20.000	45.800	135,300	17,067	28.680	-30.05	BUY
MMC	- MAGN	1.3850	-	-	3.75	13.52	6.54	35.78	1.0500	1.4200	-	15,476	1.7530	26.57	BUY
NLMC	- NLMK	5.4000	-	-	-	11.80	33.17	83.05	3.4300	5.4900	213,000	32,363	5.3600	-0.74	ACCUMULATE
Severstal	▲ CHMF	26.250	0.350	1.35	0.19	5.42	15.13	88.17	20.000	28.000	262,000	26,452	27.520	4.84	BUY
Chelyabinsk Metallurgy Plant	- CHMK	392.50	-	-	2.61	-2.12	6.80	132.94	330.00	450.00	-	1,241	-	-	-
Chusovskoy Metallurgy Plant	- chmz	129.000	-	-	-0.77	-	-	-	113.000	128.000	-	301	-	-	-
Precious metals															
Buryatoloto	- BRZL	17.250	-	-	-	-14.29	-4.17	30.68	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	8.4000	-	-	-2.33	-4.55	21.39	31.15	7.0000	9.3500	-	2,646	8.2800	-1.43	HOLD
Polys-Gold	- PLZL	59.500	-	-	-0.83	-5.18	29.63	43.37	46.500	80.000	-	11,342	57.180	-3.90	HOLD
Susumanzoloto	- sysy	47.250	-	-	-0.53	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	-	-	5.00	21.04	123.40	483.33	93.000	210.000	-	2,415	91.610	-56.38	SPECULATIVE BUY	
	Vorkutaugol	- voug	178.50	-	-	-2.46	-1.65	-10.75	4.69	177.00	244.00	-	601	318.92	78.67	SPECULATIVE BUY	
	Vorkutaugol, pref	- vougp	178.50	-	-	-0.83	-1.65	-0.83	8.51	160.00	187.00	-	-	255.14	42.94	SPECULATIVE BUY	
	Kuzbassrazrezugol	▲ kzru	0.8800	0.0100	1.15	3.53	6.67	104.89	120.14	0.4400	0.9000	113,137	5,398	0.3800	-56.82	HOLD	
	Raspadskaya	- RASP	9.4000	-	-	-0.84	1.08	44.62	261.54	5.4000	10.3000	279,600	7,339	10.6500	13.30	ACCUMULATE	
	Yuzny Kuzbass	- UKUZ	140.500	-	-	-1.06	-5.07	160.19	380.18	56.000	158.900	-	5,073	50.380	-64.14	REDUCE	
Pipe industry																	
	Almetievsk Pipe Plant	- atza	13.500	-	-	-	-	14.89	14.89	-	-	-	40	-	-	UNDER REVISION	
	Vyksa Metallurgy Plant	- vsmz	1.610.0	-	-	-0.77	-6.40	-23.88	5.13	1.650.0	2.080.0	-	3,030	-	-	UNDER REVISION	
	Pervouralsk New Pipe Plant	- PNTZ	30.000	-	-	-3.46	-3.23	-4.00	-6.25	28.975	32.200	-	730	-	-	UNDER REVISION	
	Seversky Pipe Plant	- SVTZ	11.000	-	-	-10.57	-16.35	-33.53	1.62	11.500	15.800	-	529	15.400	40.00	ACCUMULATE	
	Sinarsky Pipe Plant	- SNTZ	91.50	-	-	-1.08	-14.88	-34.64	-16.82	85.00	138.50	-	576	-	-	UNDER REVISION	
	Taganrog Metallurgy Plant	- TAMZ	0.9750	-	-	-	-2.50	-20.99	-19.42	1.0000	1.1000	-	451	1.1300	15.90	HOLD	
	TMK	▲ TRMK	8.7000	0.3000	3.57	9.09	7.41	-20.37	-4.40	7.1000	10.7000	87,000	7,595	9.3800	7.82	HOLD	
	Chelyabinsk Pipe Plant	- CHEP	4.1900	-	-	-0.48	-0.83	-1.53	3.46	3.8500	4.5500	20,766	1,979	-	-	UNDER REVISION	
Telecommunications																	
	Volgatelecom	- NNSI	4.6500	-	-	-1.59	2.31	-20.78	-8.73	4.0000	5.9100	-	1,363	6.0110	29.27	BUY	
	Volgatelecom, pref.	- NNSIP	2.6775	-	-	-11.49	-10.75	-35.48	-28.98	2.6500	4.1800	-	-	4.5083	68.38	BUY	
	Vimpelcom*	▲ VIP	119.000	3.750	3.25	2.59	1.49	53.55	189.54	28.510	120.750	43,511,616	122,051	39.990	-66.39	BUY	
	Dalsvyaz	- ESPK	4.1750	-	-	-11.36	-14.80	-21.23	-14.80	4.4000	5.7000	-	503	7.4457	78.34	BUY	
	Dalsvyaz, pref.	- ESPKP	3.3250	-	-	-0.75	-13.07	-25.70	-28.11	3.4000	4.2000	-	-	5.5812	67.86	BUY	
	Comstar-UTS	- CMST	11.000	-	-	-	0.56	0.59	29.41	10.300	11.000	-	4,587	13.480	22.55	BUY	
	MGTS	- MGTS	36.600	-	-	-	5.25	0.83	36.57	32.000	34.600	-	3,441	-	-	HOLD	
	MGTS, pref.	- MGTS	32.500	-	-	10.17	0.46	1.09	33.20	28.800	31.300	-	-	-	-	HOLD	
	MTS	▼ MTSS	11.9900	-0.1100	-0.91	-5.59	-4.84	-21.89	21.73	11.8000	15.7000	622,900	23,900	16.2900	35.86	BUY	
	Rostelecom	▲ RTKM	11.9200	0.1200	1.02	4.56	3.92	0.51	24.82	10.4000	12.4400	237,200	9,223	4.1300	-65.35	SELL	
	Rostelecom, pref.	- RTKMP	2.2100	-	-	-7.92	-3.07	-24.44	-24.32	2.0000	2.8500	-	-	3.1000	40.27	ACCUMULATE	
	North-West Telecom	- SPTL	1.2775	-	-	-6.44	2.73	-25.73	-24.85	1.1400	1.7000	-	1,328	1.3290	4.03	HOLD	
	North-West Telecom, pref.	- SPTLP	0.8100	-	-	-3.57	-10.00	-34.15	-22.86	0.8200	1.2150	-	-	0.9967	23.05	ACCUMULATE	
	Sibirtelecom	- ENCO	0.0930	-	-	-3.33	1.09	-22.50	-16.89	0.0780	0.1170	46,500	1,354	0.1140	22.58	BUY	
	Sibirtelecom, pref.	- ENCOP	0.0605	-	-	-2.42	2.11	-24.84	-20.92	0.0570	0.0670	-	-	0.0855	41.32	BUY	
	Uralsvyazinform	- URSI	0.0532	-	-	-7.39	2.40	-16.47	-13.06	0.0462	0.0635	-	1,971	0.0573	7.61	BUY	
	Uralsvyazinform, pref.	- URSIP	0.0320	-	-	-4.75	3.39	-24.59	-20.47	0.0295	0.0418	-	-	0.0430	34.17	ACCUMULATE	
	CenterTelecom	- ESMO	0.6575	-	-	-0.38	-2.59	-29.45	-27.75	0.6500	0.9320	-	1,247	1.0357	57.52	ACCUMULATE	
	CenterTelecom, pref.	- ESMOP	0.3975	-	-	-16.32	-20.50	-36.14	-27.73	0.4000	0.6375	-	-	0.7768	95.42	BUY	
	SouthTelecom	- KUBN	0.1550	-	-	-1.27	1.14	-21.72	-20.72	0.1345	0.2020	-	555	0.2565	65.48	BUY	
	SouthTelecom, pref.	- KUBNP	0.0985	-	-	-6.19	-12.83	-31.95	-23.05	0.1050	0.1450	-	-	0.1848	87.61	BUY	
Machinery																	
	AvtoVAZ	- AVAZ	1.5750	-	-	-0.94	-6.39	-18.39	14.55	1.5900	1.9500	-	4,554	1.9890	26.29	BUY	
	AvtoVAZ, pref.	- AVAZP	0.5500	-	-	-0.90	-28.10	4.76	0.5500	0.5550	-	-	-	1.4910	171.09	BUY	
	GAZ	▼ GAZA	184.50	-1.50	-0.81	-5.87	-2.25	8.53	35.16	155.00	210.00	258,000	3,577	197.30	6.94	HOLD	
	GAZ, pref.	- GAZAP	110.00	-	-	-4.35	-2.65	-8.33	6.80	113.00	125.50	-	-	148.00	34.55	BUY	
	ZMZ	- ZMZN	5.3000	-	-	-	6.00	76.67	109.90	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	5.5000	-	-	-6.38	-5.98	5.77	32.53	5.6500	7.2500	-	3,890	6.4000	16.36	BUY	
	Kirovsky zavod	- KIRZ	54.000	-	-	-1.46	7.46	-1.82	75.61	48.000	56.000	54,000	587	33.290	-38.35	REDUCE	
	NeiAZ	- nfaz	42.000	-	-	-6.67	-7.18	16.67	183.78	36.500	50.250	-	338	49.150	17.02	BUY	
	Saturn NPO	- satr	0.0870	-	-	-	-1.42	-26.89	-33.33	0.0835	0.1125	-	347	0.1379	58.51	HOLD	
	OMZ	- OMZZ	7.1000	-	-	1.94	3.65	-9.27	-12.62	7.0000	7.6000	7,100	252	6.3200	-10.99	SELL	
	RSC Energia	- satr	688.50	-	-	0.88	-	-	-	489.90	705.00	-	774	641.10	-6.88	HOLD	
	UAZ	- uaza	0.1550	-	-	6.90	19.23	11.51	65.33	0.1125	0.1500	-	617	-	-	-	
	UAZ, pref.	- uazap	0.0950	-	-	8.57	15.15	6.74	77.57	0.0710	0.0900	-	-	-	-	-	
	Severstal-Auto	▼ SVAV	59.000	-4.250	-6.72	-9.02	-3.15	9.26	75.33	49.000	67.300	90,000	2,022	81.330	37.85	BUY	
	Power Machines	- SILM	0.2122	-	-	-0.93	-0.12	4.81	25.59	0.1930	0.2220	-	1,848	0.1250	-41.11	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	-	-	0.62	3.62	20.84	66.78	10.0000	12.0000	-	119	-	-	-	
	Sitronics	- SITR	0.1330	-	-	0.76	9.47	10.83	-15.56	0.1150	0.1366	415,900	1,270	0.0854	-35.79	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	114.50	-	-	-3.78	6.02	126.73	390.36	50.70	121.00	-	5,460	136.24	18.99	BUY	
	Ammofos	- ammo	182.50	-	-	-6.41	-17.03	60.79	540.35	100.00	270.00	-	1,646	332.20	82.03	BUY	
	Dorogobuzh	- DGBZ	1.2950	-	-	-4.07	4.23	187.78	428.57	0.4550	1.4000	-	3,895	1.1900	-8.11	HOLD	
	Dorogobuzh, pref	- DGBZP	0.6225	-	-	-4.23	0.81	94.53	182.95	0.3200	0.7000	-	-	0.6400	2.81	HOLD	
	Kujbyshevazot	- kazt	4.7000	-	-	-6.19	9.30	74.07	154.88	2.3400	5.0100	97,170	-	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	2.175.0	-	-	8.78	33.03	147.16	599.36	900.0	2,160.0	-	-	1,417.4	-34.83	REDUCE	
	Silvinit, pref	- silvp	1,135.00	-	-	-6.20	23.71	74.62	456.37	570.00	1,250.00	-	-	809.90	-28.64	REDUCE	
	Uralkali	- URKA	14.300	-	-	-4.67	19.17	83.33	445.80	5.800	16.050	-	-	30,379	17.830	24.69	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	40.750	-	-	-7.91	-10.44	-44.18	-55.34	40.750	70.000	490.600	387	-	-	UNDER REVISION
GUM	- GUMM	2.7100	-	-	-1.81	0.93	32.20	29.05	1.9700	2.9500	-	163	-	-	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	- SCOM	26.750	-	-	-1.56	3.88	3.28	2.59	22.750	28.500	-	2,006	-	-	UNDER REVISION
TzUM	- TZUM	5.4750	-	-	-8.37	-10.98	154.65	180.05	2.1200	6.1000	-	491	-	-	UNDER REVISION
Consumer Sector															
Baltika	- PKBA	42.900	-	-	-2.50	-1.15	-11.32	-8.24	42.800	50.000	-	6,829	-	-	UNDER REVISION
Baltika, pref.	- PKBAP	26.000	-	-	-5.45	-2.80	-22.39	-16.47	25.500	31.000	80,600	-	-	-	UNDER REVISION
WBD	- WBDF	73.750	-	-	-0.34	-10.33	-18.06	0.34	72.000	93.000	-	3,245	-	-	UNDER REVISION
Kalina	- KLNA	33.750	-	-	-1.46	2.27	-16.67	-12.34	30.500	39.000	-	329	-	-	UNDER REVISION
Lebedyansky	- LEKZ	81.750	-	-	0.46	-0.30	-11.14	-1.80	80.000	93.500	102,438	1,669	-	-	UNDER REVISION
Transport															
Aeroflot	▼ AFLT	3.5000	-0.2000	-5.41	-10.83	-13.79	-6.67	22.16	3.5000	4.4500	41,650	3,887	4.1700	19.14	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	-	-	-	-7.51	9.59	70.45	0.9800	1.3500	389,396	2,833	1.0500	-12.50	SELL
Novorossiysk Sea Shipping	- NOMP	3.4000	-	-	0.74	3.80	16.04	50.11	2.9900	3.4000	-	1,460	3.6000	5.88	BUY
Novorossiysk Sea Shipping, pref.	- NOMPP	1.4500	-	-	-4.01	-3.97	-19.44	9.43	1.4100	1.7400	-	-	2.7000	86.21	BUY
Banks															
VTB	▼ VTBR	0.0035	-0.0001	-2.51	-2.78	-14.22	-30.83	-35.60	0.0034	0.0050	31,560	23,534	-	-	-
Sberbank	▼ SBER	3.2200	-0.0800	-2.42	-4.14	-8.78	-23.70	-15.93	3.0350	4.3800	14,342,705	71,485	4.6210	43.51	ACCUMULATE
Sberbank, pref.	- SBERP	1.9750	-	-	-4.82	-13.38	-34.17	-31.90	2.0100	2.9300	-	-	3.4660	75.49	ACCUMULATE
Media & IT															
RBC	- RBCI	8.7500	-	-	-2.78	-2.78	-16.27	-2.78	8.3500	10.9000	-	1,225	9.8600	12.69	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	2.5000	-	-	25.00	25.00	-7.41	24.69	2.7000	2.7000	-	10	2.3800	-4.80	HOLD
Belgorodoblgas	- bogz	500.00	-	-	17.65	17.65	-	-	700.00	700.00	-	40	3,331.71	566.34	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	720.00	-	-	-25.00	-12.73	11.20	102.82	495.00	805.00	72,000	62	1,329.23	84.62	BUY
Voronezhoblgas	- vogz	4.7500	-	-	-5.00	-9.52	20.41	141.73	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	-	90.00	-	-	-	4	-	-	-
Kalugaoblgas	- klog	775.00	-	-	3.33	-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	-	-	-	25.11	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	- krgz	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	717.7	-72.13	HOLD
Lipetskoblgas	- lpog	160.00	-	-	-	-5.88	28.00	-	-	-	-	19	716.78	347.99	BUY
Nizhegorodoblgas	- nnog	3.1000	-	-	-	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	-	-	-	-10.00	12.50	-14.29	-	-	-	-	11.5500	156.67	BUY
Oreloblgas	- orgz	542.50	-	-	-	-3.98	44.67	36.48	-	-	-	21	512.18	-5.59	BUY
Orenburgoblgas	- orog	1,900.0	-	-	-11.63	-10.59	96.89	191.86	1,000.0	2,250.0	19,000	146	2,855.8	50.31	HOLD
Pensagsifikatsiya	- 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	17.01	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	19.500	-	-	2.63	-4.88	140.00	245.13	7.750	25.000	-	72	50.010	156.46	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	32.00	88.57	266.67	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	397.50	-	-	-7.56	-20.50	47.22	219.21	180.00	705.00	-	63	1,106.23	178.30	BUY
Chitaoblgas	- chog	55.000	-	-	-	-	-	-	-	-	-	4	-	-	-
Yaroslavl oblgas	- 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	19.47	1,800.0	1,850.0	-	57	7,463.0	452.81	BUY
Giprospetsgaz, pref.	- gsgzp	747.50	-	-	0.34	-4.17	-43.58	-16.94	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	150.00	-	-	-21.05	87.50	275.00	-	-	-	-	15	588.48	292.32	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	28.360	-1.490	1.4	1.4	-	-4.99	-	10,080	-
AFK Sistema	KO71 GR	AFKS	20,00	Frankfurt	30.015	-0.745	1.5	1.4	-	-2.42	-	-	-
Aeroflot	AETG GR	AFLT	100	Frankfurt	339.920	-21.773	3.399	3.500	-0.03	-6.02	-0.06	21	42
Wimm-Bill-Dann	WBD LI	WBDF	1	London	16.000	-	16.000	74.000	-	-	-	120	-
Wimm-Bill-Dann	WBD US	WBDF	1	New York	108.930	-0.370	108.930	74.000	-	-0.34	-	26,319	-
Wimm-Bill-Dann	WBPA GR	WBDF	1	Frankfurt	108.401	-4.050	108.401	74.000	-	-3.60	-	-	-
Volgaelcom	NZH GR	NNSI	2	Frankfurt	8.902	-0.538	4.451	4.620	-	-5.70	-	-	-
Vimpelcom	VIP US	VIMP	1/4	New York	29.820	-	596.40	420.00	-	-	-	-	-
Vimpelcom	VIP GR	VIMP	1/4	Frankfurt	29.464	-	589.27	420.00	-	-	-	-	-
Gazprom	OGZD LI	GAZP	4	London	58.400	1.100	14.600	14.550	0.00	1.92	0.01	685,970	8,728
Gazprom	OGZPY US	GAZP	4	New York	58.400	1.950	14.600	14.550	-	3.45	0.01	-	8,728
Gazprom	GAZ GR	GAZP	4	Frankfurt	58.297	1.372	14.574	14.550	0.00	2.41	0.01	2,955	8,728
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	3.750	357.000	-	-	3.25	-	43,512	-
EvrzHolding	HK1A GR	-	1/3	Frankfurt	118.170	2.446	354.510	-	-	2.11	-	34	-
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	99.900	3.500	99.900	98.700	0.01	3.63	0.02	327,816	16,237
LUKOIL	LUKOY US	LKOH	1	New York	100.250	4.500	100.250	98.700	-	4.70	0.02	-	16,237
LUKOIL	LUK GR	LKOH	1	Frankfurt	99.735	4.230	99.735	98.700	0.01	4.43	0.02	1,481	16,237
MCTN	MOW GR	MGTS	1	Frankfurt	33.088	-0.347	33.088	31.500	-	-1.04	-	-	-
Mechel	MTL US	MTLR	3	New York	44.380	0.210	14.793	41.000	-0.64	0.48	-0.02	27,065	135
Mechel	FQF GR	MTLR	3	Frankfurt	44.277	-0.141	14.759	41.000	-0.64	-0.32	-0.02	3	135
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	17.962	-	0.180	0.220	-	-	-	-	-
MTS	MBDL LI	MTSS	5	London	-	-	-	11.990	-	-	-0.01	-	623
MTS	MBT US	MTSS	5	New York	-	-	-	11.990	-	-	-0.01	-	623
MTS	MKY GR	MTSS	5	Frankfurt	78.764	1.935	15.753	11.990	0.31	2.52	-0.01	45	623
Nizhnekamskneftekhim	QAO GR	NKNC	10	Frankfurt	8.666	-0.303	0.867	0.900	-	-3.37	-	-	-
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	25.650	0.450	25.65	257.00	-0.90	1.79	0.02	190,840	4,871
Norilsk Nickel	NILSY US	GMKN	1	New York	25.200	0.500	25.20	257.00	-	2.02	0.02	-	4,871
Norilsk Nickel	NNIA GR	GMKN	1	Frankfurt	25.651	0.791	25.65	257.00	-0.90	3.18	0.02	609	4,871
UHM	UHM GR	OMZZ	1	Frankfurt	7.090	-	7.090	8.750	-	-	-	-	-
Pyaterochka	FIVE LI	-	1/4	London	34.250	-	137.000	-	-	-	-	-	-
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	11.920	-	-	0.01	-	237
Rostelekom	ROS US	RTKM	6	New York	-	-	-	11.920	-	-	0.01	-	237
Rostelekom	RTL GR	RTKM	6	Frankfurt	71.217	1.799	11.870	11.920	-0.00	2.59	0.01	136	237
Seversky pipe plant	SVY GR	SVTZ	10	Frankfurt	123.685	-	12.368	14.500	-	-	-	-	-
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	40.414	-	8.083	4.300	-	-	-	-	-
Surgutneftegas	SGGD LI	SNGS	50	London	11.330	0.300	0.227	1.115	-0.80	2.72	-	52,091	5,686
Surgutneftegas	SGTZY US	SNGS	50	New York	-	-	-	1.115	-	-	-	-	5,686
Surgutneftegas	SGN GR	SNGS	50	Frankfurt	61.857	-0.552	1.237	1.115	0.11	-0.88	-	57	5,686
Tatneft	ATAD LI	TATN	20	London	99.600	-2.400	4.980	7.550	-	-2.35	-	3,231	-
Tatneft	TNT US	TATN	20	New York	-	-	-	7.550	-	-	-	-	-
Tatneft	TTFA GR	TATN	20	Frankfurt	96.244	-0.314	4.812	7.550	-	-0.32	-	324	-
Tyumenaviatrans	UTARY US	TMAT	100	New York	40.000	-	0.400	0.538	-	-	-	-	-
Tyumenaviatrans	TYV GR	TMAT	100	Frankfurt	61.448	-	0.614	0.538	-	-	-	-	-
Tsum	THT GR	TZUM	20	Frankfurt	106.747	1.329	5.337	2.000	-	1.26	-	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	7.875	-0.258	0.158	0.156	-	-3.17	-	-	-

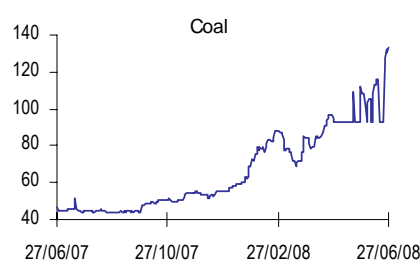
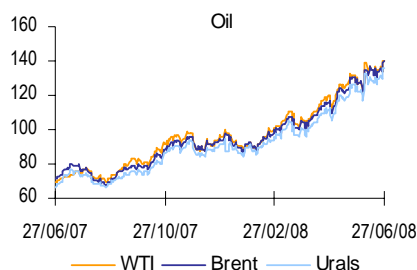
Source: Bloomberg, Estimation: Veles Capital

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	▲	139.51	0.66	0.48	4.82	6.90	45.47	97.83	86.75	140.17
Brent, USD / bbl	▲	139.89	0.63	0.45	4.60	7.77	48.99	94.18	85.05	142.55
Urals, USD / bbl	▲	136.31	0.89	0.66	5.40	9.00	49.33	102.18	82.80	136.97
WTI, USD / bbl	▲	140.21	0.57	0.41	4.15	7.01	46.05	101.54	86.47	142.31
Brent-Urals	▼	3.58	-0.26	-6.77	-18.82	-24.63	37.16	-22.51	1.66	9.94
Coal, USD / ton	▲	132.85	2.35	1.80	43.23	22.44	139.37	194.57	55.50	132.85

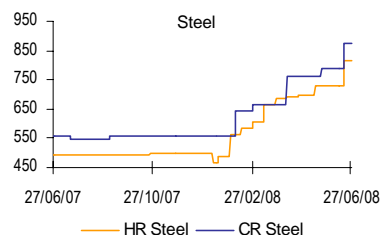
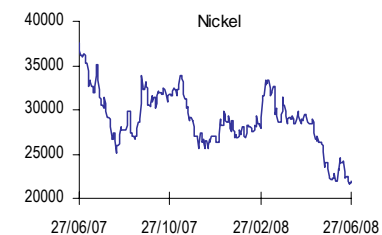
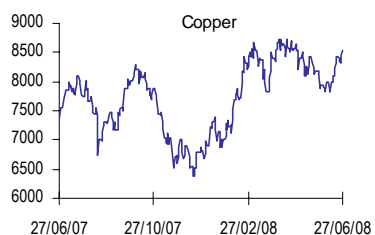
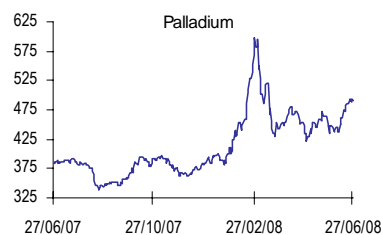
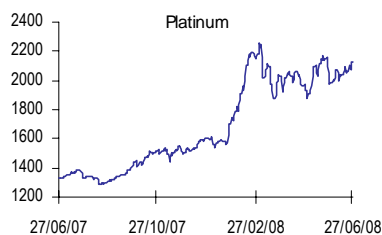
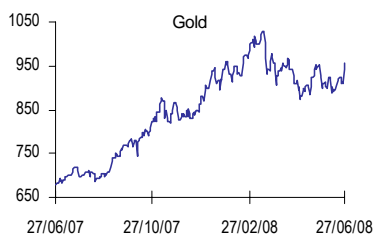
Source: Bloomberg, Estimation: Veles Capital



Prices of metals

		Close, USD	Change, USD	Change, %					Current year, USD	
				day	week	month	from Jan 1	year	min	max
Gold, USD / ounce	▲	954.71	11.17	1.18	3.18	3.46	9.56	39.86	871.38	1,027.52
Silver, USD / ounce	▲	18.02	0.37	2.07	0.91	0.81	16.51	37.07	15.47	21.42
Platinum, USD / ounce	▼	2,127.98	-3.10	-0.15	3.18	3.89	33.76	60.16	1,540.21	2,257.73
Palladium, USD / ounce	▼	492.36	-0.26	-0.05	1.25	9.82	26.71	27.83	380.95	598.39
Aluminum, USD / ton	▲	3,123.00	23.00	0.74	-0.54	5.51	29.64	13.98	2,409.00	3,227.00
Copper, USD / ton	▲	8,530.00	85.00	1.01	1.13	5.37	27.79	13.11	6,675.00	8,730.00
Nickel, USD / ton	▲	21,950.00	150.00	0.69	-2.01	-2.44	-16.54	-40.27	21,500.00	33,400.00
Lead, USD / ton	▼	1,800.00	-10.00	-0.55	-4.26	-11.24	-29.41	-32.08	1,775.00	3,420.00
Tin, USD / ton	▲	23,375.00	175.00	0.75	2.75	-0.95	42.31	68.17	16,025.00	25,300.00
Zink, USD / ton	▼	1,930.00	-60.00	-3.02	-1.13	-8.96	-18.57	-43.05	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	▲	2,318.61	9.85	0.43	-2.77	-3.27	1.23	22.41	1,859.53	2,498.10
MICEX Index	▲	1,765.91	8.45	0.48	-3.46	-5.63	-6.51	5.79	1,509.70	1,966.32
Technical RTS Index	▲	3,376.45	35.27	1.06	-2.63	-4.29	6.89	31.34	2,536.61	3,730.73
MSCI Russia	▲	1,498.59	13.32	0.90	-2.55	-5.25	-2.46	25.56	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 ▼	11,346.51	-106.91	-0.93	-4.79	-9.91	-14.46	-15.47	11,297.99	13,279.54
NASDAQ	USA ▼	2,315.63	-5.74	-0.25	-3.76	-6.88	-12.69	-11.22	2,155.42	2,661.50
FTSE 100	Great Britain ▲	5,529.90	11.70	0.21	-1.62	-8.89	-14.36	-15.85	5,338.70	6,534.70
Nikkei 225	Japan ▼	13,544.36	-277.96	-2.01	-2.85	-1.20	-11.52	-24.47	11,691.00	15,413.37
S&P 500	USA ▼	1,278.38	-4.77	-0.37	-3.00	-8.09	-12.94	-15.10	1,256.98	1,471.77
AEX	Netherlands ▼	425.92	-0.11	-0.03	-2.61	-11.57	-17.42	-22.00	401.45	518.27
OMX	Sweden ▼	862.65	-17.91	-2.03	-7.52	-13.98	-20.23	-31.42	855.68	1,081.44
DAX	Germany ▼	6,421.91	-37.69	-0.58	-2.38	-8.70	-20.40	-18.93	6,167.82	8,100.64
MIB 30	Italy ▼	30,346.00	-97.00	-0.32	-2.06	-10.14	-21.96	-27.70	30,037.00	38,885.00
CAC 40	France ▼	4,397.32	-28.87	-0.65	-2.48	-11.54	-21.67	-26.79	4,348.31	5,665.94
SMI	Switzerland ▼	6,861.54	-88.19	-1.27	-2.94	-8.20	-19.13	-24.92	6,769.80	8,571.76
ASX 200	Australia ▼	5,237.00	-70.00	-1.32	-0.97	-7.28	-17.39	-16.42	5,039.60	6,385.70
Bloomberg European 500	▼	207.97	-0.65	-0.31	-2.52	-42.44	-45.42	-44.68	205.55	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	▼	1,084.79	-14.92	-1.36	-2.31	-9.26	-12.93	2.69	1,011.42	1,252.59
Europe										
ASE	Greece ▼	3,424.16	-59.82	-1.72	-5.39	-16.28	-33.88	-28.62	3,387.28	5,207.44
WSE WIG	Poland ▼	41,373.83	-743.57	-1.77	-3.75	-11.72	-25.65	-37.71	41,178.17	56,066.82
PFTS	Ukraine ▼	767.57	-15.44	-1.97	-3.12	-15.38	-34.62	-22.97	767.57	1,208.61
BUX	Hungary ▼	20,343.38	-124.94	-0.61	0.10	-10.53	-22.46	-29.33	20,032.23	26,242.90
PX	Czech Republic ▼	1,478.00	-1.80	-0.12	-5.20	-11.81	-18.57	-19.83	1,393.00	1,819.50
TA-100	Israel -	1,000.32	-	-	-3.53	-2.56	-14.04	-9.24	882.87	1,167.04
XU 100	Turkey ▼	35,829.40	-749.55	-2.05	-5.50	-9.03	-35.49	-22.42	35,414.55	55,281.66
Asia and Africa										
HSI	Hong Kong ▼	22,042.35	-413.32	-1.84	-3.09	-9.10	-20.75	0.47	20,572.92	27,853.60
SENSEX	India ▼	13,802.22	-619.60	-4.30	-5.28	-16.48	-32.01	-4.84	13,736.01	21,206.77
JALSH	SAR ▲	30,375.47	387.35	1.29	-0.67	-5.69	4.90	6.95	24,005.35	33,309.82
JCI	Indonesia ▼	2,332.11	-18.78	-0.80	-1.67	-4.18	-15.07	10.38	2,167.65	2,838.48
KOSPI	South Korea ▼	1,684.45	-33.21	-1.93	-2.69	-6.71	-11.21	-3.84	1,537.53	1,901.13
SHCOMP	China ▼	2,748.43	-153.42	-5.29	-2.94	-20.54	-47.76	-29.78	2,695.63	5,522.78
America										
MEXBOL	Mexico ▲	29,295.00	95.06	0.33	-0.81	-7.43	-0.82	-5.74	25,282.31	32,292.92
IBOV	Brazil ▲	64,321.11	374.19	0.59	-0.45	-12.07	0.68	18.79	53,010.96	73,920.38
IPSA	Chile ▼	3,025.10	-17.88	-0.59	-0.33	-1.47	-0.88	-12.05	2,369.06	3,113.93
IBVC	Venezuela ▲	37,147.82	288.54	0.78	1.56	6.77	-1.99	-6.13	33,767.05	41,584.92

Source: Bloomberg, Estimation: Veles Capital

Information disclosure

The statement of an analyst and confirmation of the responsibility withdrawal

The given report is prepared by the analyst (-s) of the Investment Company Veles Capital. The given estimations in the present report reflect personal opinion of the analyst (-s). The award of the analysts does not depend, never depended and will not depend upon the specific recommendations or estimations, provided in the present report. The award of the analysts depends upon the general efficiency of the business of the Investment Company Veles Capital, determined by the investment benefit of the company's clients and also upon the incomes from other types of activity of the Investment Company Veles Capital.

The given report, prepared by the Research Department of the Investment Company Veles Capital, is basing on the public information. The present review was prepared independently from other Departments of the Investment Company Veles Capital, and any recommendations and judgments, presented in the given report reflect only the view point of the analyst (-s), participated in making of the present review. Due to that consideration, the Investment Company Veles Capital considers being necessary to state that the analysts and the Company are not responsible for the content of the given report. The analysts of the Investment Company Veles Capital do not take overall responsibility to regularly up-date the information, contained in the present report, and also to announce about all changes, introduced to the present review.

Provided analytical material of the Investment Company Veles Capital could be used only with information aims. The company does not guarantee the completeness and preciousness of provided information in the given report and its reliability, and also is not responsible for direct and indirect losses from using of the given materials. This document cannot serve as a basis for purchase and selling any securities, and cannot also be considered as an offer from the part of the Investment Company Veles Capital. The Investment Company Veles Capital and (or) its subsidiaries along with the staff, directors and analysts of the Investment Company Veles Capital have the right to purchase and sell any securities, mentioned in the given review.

The Investment Company Veles Capital and (or) its subsidiaries can serve as a market-maker or have the liabilities for underwriting of companies' securities, mentioned in the given review, can purchase or sell them for clients, and also make any actions, which do not contradict the Russian law. The Investment Company Veles Capital and (or) its subsidiaries can also be interested in the possibility of providing the companies, mentioned in the present review, with the investments and bank or any other services.

All rights for the given bulletin belong to the Investment Company Veles Capital. The reproduction and/or distribution of the analytical materials of the Investment Company Veles Capital are prohibited without the written permission of the Company. © Veles Capital 2008.

The principle of recommendation assignment

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.

In order to get additional information and specifications please contact the Research Department of the Investment Company Veles Capital.

Research Department*research@veles-capital.ru*

Mikhail Zak
Head of Department
Strategy
MZak@veles-capital.ru

Ivan Manaenko
Fixed income market,
Macroeconomics
IManaenko@veles-capital.ru

Ilya Fedotov
Telecommunications
IFedotov@veles-capital.ru

Stanislav Fomenko
Metallurgy
SFomenko@veles-capital.ru

Marina Irkly
Transport, machinery
Mirkly@veles-capital.ru

Oleg Zotikov
Energy
OZotikov@veles-capital.ru

Dmitry Lyutyagin
Oil and gas
DLyutyagin@veles-capital.ru

Oleg Salmanov
Fixed income
OSalmanov@veles-capital.ru

Shawn Gizatulin
Editor/Interpreter
SGizatulin@veles-capital.ru

Sales and Trading Department*sales@veles-capital.ru*

Yury Pavlov
Director (VIP clients)
YPavlov@veles-capital.ru

Sergey Vetoshkin
Corporative Clients
SVetoshkin@veles-capital.ru

Alexander Taran
Trading (Ukraine)
ATaran@veles-capital.com.ua

Ekaterina Tochilkina
Trading
ETochilkina@veles-capital.ru

Strategic Investments Department

Andrey Lee
Head of department
ALee@veles-capital.ru

Assets Management*am@veles-capital.ru*

Beyshen Isaev
Head of Department
BIsaev@veles-capital.ru

Vadim Labed
Investor relations
VLabed@veles-capital.ru

Stanislav Brodsky
Investment products
SBrodsky@veles-capital.ru