

Daily review

August 12, 2008

Trader's view

The beginning of trading session this Monday was rather unlucky for Russian stock market. Slammed by events in South Ossetia and strong criticism of Russia's peacekeepers by western media – have seriously expanded political and military risks of country. Russia's very own investment appeal suffered badly, due to background of Georgia-South Ossetia conflict. Western investors hurry to get their funds off Russia's assets. The resulting RTS lost -4.5% in just 30 minutes after the trades began, sliding below 1650 points. However, then the news on cease-fire agreement signed by Georgia came up, making a range of stocks rise throughout the market. Among various sectors we would like to point out the stocks of Uralkali, adding +5.1%, whilst backed by news on positive RAS report: net income rose 2.2 times versus last year. Aside of that – Sberbank's quotes have also added weight, although no important news regarding Sberbank appeared yesterday, hence – we could say that bank's stocks are compensating for almost a -8% last week's fall. More to that – throughout the day the stocks of WTI oil brand rose up, backed by fears regarding troubles with delivery of oil off Caspian region, positive reflecting upon the quotes of oil & gas companies. The mentioned issues have all proved to bring a positive support for RTS, as index finally entered the positive zone yesterday.

Main news

Uralsvyazinform's 1H 2008 results.

Uralsvyazinform's revenue under RAS 1H 2008 report increased by 5.2%, to 20 bn RUR. Company's net income decreased by 27.5% and reached 1.6 bn RUR.

Other news

➤ MTS' US GAAP report.

Today, MTS plans to publish its financial results under US GAAP report. We expect that quarter revenue growth will form 8%, coupled by a slight fall of OIBDA margin.

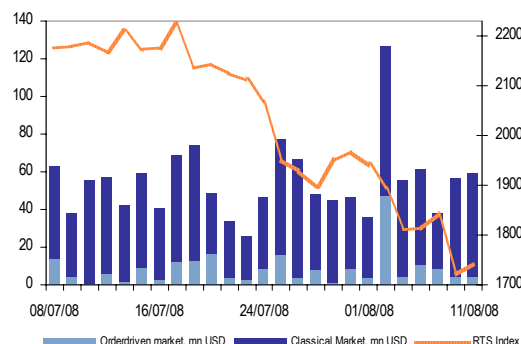
Market estimates

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	▲ 1,742.96	20.25	1.18	-8.06	-19.57	-8.13
MICEX Index	▲ 1,412.25	52.63	3.87	-2.70	-12.93	-14.10
USD / RUR	▲ 24.3792	0.17	0.70	4.18	4.86	-4.42
EUR / RUR	▲ 36.4198	0.00	0.01	-0.13	-1.69	4.41
EUR / USD	▼ 1.4940	-0.01	-0.70	-4.12	-6.26	9.16
Dow Jones Index	▲ 11,782.35	48.03	0.41	4.42	6.14	-11.01
NASDAQ	▲ 2,439.95	25.85	1.07	6.76	8.97	-4.12
FTSE 100	▲ 5,541.80	52.60	0.96	4.17	5.33	-8.22
Nikkei 225	▲ 13,430.91	262.50	1.99	3.85	3.00	-19.88
MSCI EM	▲ 990.59	0.57	0.06	-1.76	-5.02	-5.08

Source: Bloomberg, Estimation: Veles Capital

RTS index vs. trade volume



Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	▼ 111.32	-1.11	-0.99	-6.56	-22.90	58.37
Urals, USD / bbl	▼ 108.83	-0.98	-0.89	-7.36	-22.64	59.67
Gold, USD / ounce	▼ 844.94	-33.42	-3.80	-8.08	-14.69	19.33
Palladium, USD / ounce	▼ 330.86	-10.28	-3.01	-9.17	-28.92	-11.68
Copper, USD / ton	▼ 7,330	-70	-0.95	-3.62	-11.37	-1.61
Nickel, USD / ton	▼ 18,000	-150	-0.83	-0.14	-16.67	-32.46

Source: Bloomberg, Estimation: Veles Capital

Russian share quotes

	Close, USD	Change, USD	Change, %			
			day	week	month	year
VTB	- 0.003	-	-	-4.76	-8.57	-36.00
Polyus-Gold	- 37.50	-	-	-11.87	-28.23	-6.02
NorNickel	▼ 182.40	-7.600	-4.00	-15.63	-17.84	-10.19
Rostelecom	- 11.48	-	-0.22	-4.77	-5.17	18.91
MTS	- 10.77	-	-	-1.64	-7.95	7.70
Sberbank	▲ 2.620	0.130	5.22	-4.38	-16.03	-29.57
LUKOIL	▲ 78.60	2.400	3.15	-4.84	-15.76	5.79
Gazprom Neft	- 5.000	-	-	-21.26	-32.20	28.21
Surgutneftegas	▼ 0.740	-0.020	-2.63	-14.45	-27.80	-35.09
Gazprom	▲ 10.68	0.570	5.64	-5.32	-19.09	1.71
Tatneft	▼ 5.650	-0.050	-0.88	-3.42	-20.98	19.70
Rosneft	▲ 8.660	0.080	0.93	-12.53	-19.44	7.58

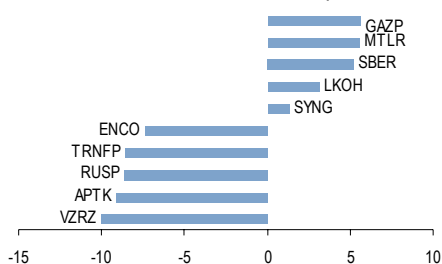
Source: RTS web page, Estimation: Veles Capital

Veles Management MC Unit investment trusts

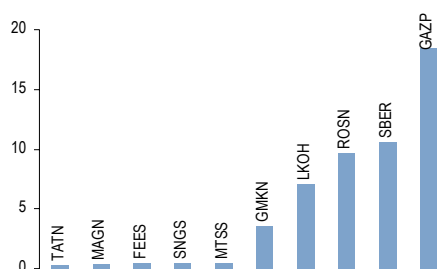
	Net asset value, RUR	Share price, RUR	Change, %			Since interest per annum formation, %
			day	month	year	
VELES Capital	▼ 9,305,911	985.81	-2.45	-11.19	-12.99	-0.60
VELES Capital - Selected Shares	▼ 8,257,209	770.40	-3.45	-15.31	-21.56	-13.32
VELES Capital - Bonds	▲ 33,117,586	1,006.14	0.01	-0.25	-	1.27

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	1,704.5	1,800.0
2	1,700.0	1,834.0
3	1,650.0	1,898.5

Trader's view

The beginning of trading session this Monday was rather unlucky for Russian stock market. Slammed by events in South Ossetia and strong criticism of Russia's peacekeepers by western media – have seriously expanded political and military risks of country. Russia's very own investment appeal suffered badly, due to background of Georgia-South Ossetia conflict. Western investors hurry to get their funds off Russia's assets. The resulting RTS lost -4.5% in just 30 minutes after the trades began, sliding below 1650 points. However, then the news on cease-fire agreement signed by Georgia came up, making a range of stocks rise throughout the market. Among various sectors we would like to point out the stocks of Uralkali, adding +5.1%, whilst backed by news on positive RAS report: net income rose 2.2 times versus last year. Aside of that – Sberbank's quotes have also added weight, although no important news regarding Sberbank appeared yesterday, hence – we could say that bank's stocks are compensating for almost a -8% last week's fall. More to that – throughout the day the stocks of WTI oil brand rose up, backed by fears regarding troubles with delivery of oil off Caspian region, positive reflecting upon the quotes of oil & gas companies. The mentioned issues have all proved to bring a positive support for RTS, as index finally entered the positive zone yesterday.

RTS added +1.18% yesterday, totaling 1742.96 points. Index has been supported by stocks of Gazprom (+5.64%), Sberbank (+5.22%) and LUKOIL (+3.15%). Some negative pushing over RTS has been made by stocks of NOVATEK (-4.26%) and Norilsk Nickel (-4%).

RTS classic turnover has formed 55.0 mn USD. Market's turnover leaders of Tuesday: Gazprom (18.5 mn USD), Sberbank (10.6 mn USD) and Rosneft (9.7 mn USD).

Situation over the market remains quite instable. On one hand – we have positive backing by sound dynamics of European grounds, on par with growth of US indices futures quotes due to forecasts of commodities companies' expanded incomes. However – the tense situation in Caucasus region and possible prolongation of confrontation is likely to become the primary factor to determine investment appeal of Russian market for investors. Thus – we see the negative vector of RTS movement as most likely to happen.

RTS index support and resistance levels



Company profile

Last price, USD	10.770
Market capitalization, mn USD	21,468
Ticker	MTSS
Fair value, USD	16.290
Undervaluation, Overvaluation %	51.25
Recommendation:	BUY

Telecoms
MTS
MTS' US GAAP report.

Today, MTS plans to publish its financial results under US GAAP report. We expect that quarter revenue growth will form 8%, coupled by a slight fall of OIBDA margin. It should be mentioned that among the reasons of the growth can be seasonal growth of ARPU in Russia and we think that it will hit 10.7 USD. Moreover, a positive influence will be provided by a growth of subscribers' base (+2.5%) and strengthening of RUR exchange rate. From our point of view, company's growth dynamics were insignificant, due to high growth rates of subscribers' base and as a result the "blurred" ARPU. Regarding the expenditures: we expect that expenses would rise at a faster pace, through worsening macro economical environment in Russia.

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MTS financial results under US GAAP report, mn USD

	1H 2007	Chg. %	1H 2008 (F)	1Q 2007	Chg. %	2Q 2007	Chg. %	3Q 2007	Chg. %	4Q 2007	Chg. %	1Q 2008	Chg. %	2Q 2008 (F)
Sales	3,710	33.4	4,950	1,741	13.0	1,969	12.6	2,216	5.0	2,326	2.3	2,379	8.1	2,571
Expenses	(2,422)	45.9	(3,533)	(1,144)	11.7	(1,278)	10.7	(1,414)	19.0	(1,683)	-0.5	(1,675)	11.0	(1,858)
inc. amortization	(634)	54.3	(978)	(306)	7.1	(328)	13.8	(373)	29.5	(483)	-2.5	(471)	7.6	(507)
Sales income	1,288	10.0	1,417	597	15.7	691	16.0	802	-19.7	644	9.4	705	1.1	713
Sales income margin, %	34.7	-6.1	28.6	34.3	0.8	35.1	1.1	36.2	-8.5	27.7	1.9	29.6	-1.9	27.7
OIBDA	1,922	24.6	2,395	903	12.8	1,019	15.3	1,175	-4.1	1,127	4.3	1,176	3.7	1,220
OIBDA margin, %	51.8	-3.4	48.4	51.9	-0.1	51.7	1.3	53.0	-4.6	48.4	1.0	49.4	-2.0	47.4
Interest payable	(75)	2.9	(78)	(38)	-0.9	(38)	4.1	(39)	-48.6	(20)	102.1	(41)	-8.8	(37)
Other non-operational income / expense	100	111.3	212	64	-42.1	37	193.5	108	-80.2	21	415.4	110	-7.8	102
Income before tax	1,313	18.2	1,552	623	10.8	690	26.1	871	-25.9	645	20.0	774	0.4	777
Income before tax margin, %	35.4	-4.0	31.3	35.8	-0.7	35.1	4.2	39.3	-11.6	27.7	4.8	32.5	-2.3	30.2
Income tax	(344)	4.7	(360)	(168)	4.7	(176)	22.6	(216)	-17.2	(179)	-7.1	(166)	17.1	(194)
Minority share	(13)	n/c	3	(6)	3.3	(6)	-95.4	(0)	1992.3	(6)	n/m	2	-4.2	2
Net income	956	24.9	1,195	449	13.2	508	28.9	655	-29.7	460	32.5	610	-4.2	585
Net income margin, %	25.8	-1.6	24.1	25.8	0.0	25.8	3.7	29.5	-9.8	19.8	5.9	25.6	-2.9	22.7

Note: margin change is given in percent points

Source: company's data; Estimation: Veles Capital

Company profile

Last price, USD	0.040
Market capitalization, mn USD	1,496
Ticker	URSI

Telecoms
Uralsvyazinform
Uralsvyazinform's 1H 2008 results.

Uralsvyazinform's revenue under RAS 1H 2008 report increased by 5.2%, to 20 bn RUR. Company's net income decreased by 27.5% and reached 1.6 bn RUR.

From our point of view, company's 1H 2008 results were not sound enough. Fall of OIBDA margin and low income growth rates (in comparison with other IRCs) were negative factors for Uralsvyazinform's business. Local and intraareal communications were the boosting factor for company's business and Uralsvyazinform's revenue increased insignificantly in these segments, because company has not changed the tariffs since February 2007. The main growth driver of revenue was the new services and cellular communications and due to growth of subscribers' base these segments have highest growth rates.

The growth of almost all expenses items was higher than company's income growth rates. Expenses of salaries were slightly increased, due to reduction of staff numbers.

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Uralsvyazinform's financial results under RAS report, mn USD

	6 mnth 2007	Chg., %1	6 mnth 2008	2Q 2007	Chg., %1	3Q 2007	Chg., %1	4Q 2007	Chg., %1	1Q 2008	Chg., %1	2Q 2008
Local communication	200	6.6	213	102	(1.5)	101	4.7	105	0.5	106	1.3	107
Long-distance communication	98	8.6	106	49	(21.0)	39	70.1	66	(21.6)	52	4.2	54
Cellular communication	226	19.0	269	119	4.9	125	10.3	138	(7.3)	128	9.6	140
Income from operators	96	14.8	110	31	117.2	68	(33.7)	45	51.3	68	(39.1)	41
New services	59	65.4	98	30	10.0	33	24.7	41	14.2	47	7.9	51
Other income	50	-21.6	39	46	(49.0)	23	(13.2)	20	(67.8)	7	400.1	33
Sales	728	14.6	834	378	2.9	389	7.0	416	-2.1	407	4.7	427
Salaries	(159)	13.0	(179)	(85)	(6.7)	(79)	26.2	(100)	(17.3)	(83)	16.8	(97)
Expenses on communication operators' services	(89)	31.1	(117)	(48)	15.2	(55)	(1.4)	(55)	0.8	(55)	12.4	(62)
Amortization	(81)	31.9	(107)	(41)	6.8	(43)	11.6	(48)	8.6	(53)	2.9	(54)
Other expenses	(217)	23.1	(267)	(120)	(2.7)	(117)	31.0	(153)	(16.5)	(128)	9.1	(139)
Cost value	(546)	22.7	(670)	(293)	0.4	(295)	20.8	(356)	-10.6	(318)	10.7	(352)
OIBDA	263	3.1	271	125	10.1	138	-21.1	109	30.7	142	-9.2	129
OIBDA margin, %	36.2	-3.6	32.5	33.1	2.3	35.4	-9.3	26.1	8.7	34.9	-4.6	30.2
Operating income	182	-9.7	165	84	11.7	94	-36.1	60	48.5	90	-16.3	75
Operating income margin, %	25.1	-5.3	19.7	22.3	1.9	24.3	-9.8	14.5	7.5	22.0	-4.4	17.6
Non-operational income / expenses	(23)	21.5	(28)	(7)	87.7	(12)	11.6	(14)	62.0	(22)	-76.4	(5)
Interest expenses	(35)	11.6	(39)	(17)	-0.3	(17)	20.6	(21)	-9.1	(19)	6.5	(20)
Income before tax	125	-21.4	98	61	6.9	65	-60.2	26	87.4	48	2.5	50
Income before tax margin, %	17.1	-5.4	11.8	16.1	0.6	16.7	-10.5	6.2	5.7	11.9	-0.2	11.6
Income tax	(39)	-22.3	(30)	(20)	-2.9	(20)	-25.4	(15)	5.9	(15)	-6.2	(14)
Net income	86	-21.0	68	41	11.7	45	-75.1	11	192.6	33	6.6	35
Net income margin, %	11.9	-3.7	8.2	10.7	0.9	11.7	-9.0	2.7	5.4	8.1	0.1	8.2

Note: the change of percent estimates is given in percent points

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	16.000	-	-	-7.78	-12.57	-3.90	11.50	12.860	18.750	-	3,041	-	-	HOLD
Bashneft, pref.	- BANEP	9.2000	-	-	-8.91	-18.58	-16.17	-4.42	9.1000	12.1000	9.200	-	-	-	HOLD
Gazprom	▲ GAZP	10.680	0.570	5.64	-5.32	-19.09	-24.20	1.71	9.400	15.650	18,463,406	252,833	20.200	89.14	BUY
Gazprom Neft	- SIBN	5.0000	-	-	-21.26	-32.20	-21.26	28.21	5.0000	8.1000	50,000	23,706	8.8800	77.60	ACCUMULATE
LUKOIL	▲ LKOH	78.60	2.40	3.15	-4.84	-15.76	-9.66	5.79	64.25	113.20	7,048,950	66,854	138.44	76.13	BUY
NOVATEK	- NVTK	6.7500	-	-	-11.76	-21.05	-10.00	29.31	6.5000	9.1500	-	20,495	12.0500	78.52	BUY
RITEK	- RITK	7.5250	-	-	-4.44	-11.99	-25.86	-30.96	7.0000	9.9000	-	1,089	-	-	-
Rosneft	▲ ROSN	8.660	0.080	0.93	-12.53	-19.44	-9.49	7.58	6.670	12.200	9,720,150	91,780	14.310	65.24	BUY
Surgutneftegas	▼ SNGS	0.7400	-0.0200	-2.63	-14.45	-27.80	-40.32	-35.09	0.7250	1.2980	450,600	29,248	-	-	UNDER REVISION
Surgutneftegas, pref.	- SNGSP	0.3650	-	-	-8.18	-24.74	-43.67	-44.91	0.3650	0.6480	7,300	-	-	-	UNDER REVISION
Tatneft	▼ TATN	5.6500	-0.0500	-0.88	-3.42	-20.98	-6.61	19.70	4.7500	8.0100	289,685	12,730	8.6868	53.75	BUY
Tatneft, pref.	- TATNP	2.8500	-	-	-3.39	-17.39	-22.97	1.79	2.7000	3.8300	-	-	4.4480	56.07	BUY
TNK-BP Holding	- tnbp	1.7300	-	-	-9.07	-16.43	-22.42	-13.50	1.5200	2.2190	-	28,025	2.5950	50.00	BUY
TNK-BP Holding, pref.	- tnbpp	1.3550	-	-	-7.51	-17.38	-28.68	-21.68	1.3300	1.8500	-	-	2.3410	72.77	BUY
Transneft, pref.	▼ TRNFP	960.0	-90.0	-8.57	-20.00	-19.33	-51.88	-43.86	960.0	2,007.0	148,000	5,971	2,275.0	136.98	BUY
Energy															
Bashkirenergo	▼ BEGY	1.3500	-0.0200	-1.46	-9.70	-9.70	-36.32	-34.78	1.3500	2.1000	13,500	1,464	-	-	-
Bashkirenergo, pref.	- BEGYP	1.1250	-	-	-	-18.18	-5.46	-11.24	1.0500	1.1750	-	-	-	-	-
Hydro-WGC	▼ HYDR	0.0605	-0.0010	-1.63	-8.05	-9.02	-	-	0.0570	0.0930	93,821	11,850	-	-	-
Inter RAO UES	▼ IRAO	0.0006	-0.0000	-3.33	-9.38	-	-	-	0.0006	0.0008	46,191	752	-	-	-
Irkutskenergo	- IRGZ	0.6200	-	-	-8.82	-22.01	-47.90	-34.53	0.6600	1.1510	-	2,955	-	-	-
WGC-1	▼ OGKA	0.0700	-0.0030	-4.11	2.94	-15.66	-43.09	-	0.0605	0.1225	106,750	3,125	0.1630	118.57	BUY
WGC-2	- OGKB	0.0550	-	-	-16.35	-25.22	-64.29	-64.52	0.0585	0.1500	-	1,800	0.2387	334.00	BUY
WGC-3	- OGKC	0.0665	-	-	-20.12	-28.11	-55.74	-58.44	0.0665	0.1450	33,250	3,158	0.1651	148.27	ACCUMULATE
WGC-4	- OGKD	0.0488	-	-	-18.75	-25.00	-63.35	-57.97	0.0510	0.1335	-	3,072	0.1977	305.54	BUY
WGC-5	- OGKE	0.1150	-	-	1.77	-3.77	-34.36	-26.16	0.0950	0.1795	-	4,068	0.2046	77.91	BUY
WGC-6	- OGKF	0.0410	-	-	-28.07	-41.43	-67.72	-72.39	0.0440	0.1250	-	1,323	0.0932	127.32	BUY
TGC-1	- TGKA	0.0008	-	-	-8.33	-38.43	-36.78	-40.65	0.0008	0.0014	-	3,177	0.0020	142.42	BUY
TGC-2	- TGKB	0.0010	-	-	-1.02	-2.51	-3.00	-7.18	0.0008	0.0012	-	1,423	0.0015	54.64	BUY
TGC-2, pref.	- TGKBP	0.0006	-	-	-13.79	-13.79	-18.30	-26.47	0.0004	0.0004	-	-	0.0011	76.00	BUY
TGC-3 (Mosenergo)	- MSNG	0.1178	-	-	-10.08	-23.51	-50.50	-49.00	0.1200	0.2460	-	4,682	-	-	REDUCE
TGC-4	- TGKD	0.0011	-	-	-3.64	-2.30	-14.52	-3.64	0.0010	0.0012	-	2,056	-	-	-
TGC-4, pref.	- TGKDP	0.0004	-	-	-	-25.00	-37.50	-45.78	0.0005	0.0006	-	-	-	-	-
TGC-5	▼ TGKE	0.0005	-0.0000	-1.96	-15.25	-31.97	-44.75	-62.26	0.0005	0.0010	55,000	615	0.0012	140.00	BUY
TGC-6	▼ TGKF	0.0007	-0.0000	-1.41	-1.41	-1.41	-38.86	-38.60	0.0007	0.0012	70,000	1,302	0.0009	28.57	REDUCE
TGC-7	- TGKG	0.0625	-	-	-12.89	-16.11	-42.66	-47.92	0.0690	0.1095	-	1,873	-	-	-
TGC-8	- TGKH	0.0016	-	-	-4.82	-3.66	12.86	41.07	0.0013	0.0017	-	3,257	0.0009	-43.04	SELL
TGC-9	- TGKI	0.0002	-	-	-8.82	-41.51	-51.56	-40.38	0.0002	0.0003	-	1,213	-	-	-
TGC-10	- TGKJ	4.4000	-	-	1.15	-4.35	7.58	1.15	3.5000	4.6100	-	3,867	-	-	-
TGC-11	- TGKK	0.0006	-	-	-20.00	-34.07	-62.96	-	0.0006	0.0016	36,600	308	-	-	-
TGC-12 (Kuzbasenergo)	- KZBE	0.0120	-	-	-11.11	-47.83	-56.36	-64.96	0.0120	0.0281	-	847	-	-	-
TGC-13	- TGKM	0.0055	-	-	-14.40	-22.54	-47.95	-49.27	0.0060	0.0102	-	875	-	-	-
TGC-14	- TGKN	0.0004	-	-	53.57	36.51	26.47	14.67	0.0002	0.0003	-	335	-	-	-
FGC UES	▼ FEES	0.0126	-0.0006	-4.55	-8.70	-	-	-	0.0116	0.0158	426,348	6,002	-	-	-
Nonferrous metallurgy															
BMSK	- bmsk	2.6750	-	-	-	-28.67	9.18	4.90	1.6850	3.5000	-	14	4.5900	71.59	SPECULATIVE BUY
BMSK, pref.	- bmskp	1.4500	-	-	-	-14.71	-32.56	-32.56	0.9500	0.9500	-	-	3.4400	137.24	HOLD
VSMPO	▼ VSMO	130.00	-3.20	-2.40	-4.76	-5.11	-56.95	-53.74	130.00	314.00	13,000	1,499	-	-	HOLD
Norilsk Nickel	▼ GMKN	182.40	-7.60	-4.00	-15.63	-17.84	-31.17	-10.19	175.00	316.50	3,594,500	34,771	314.68	72.52	BUY
Safiyonovskaya med	- sfmd	5.2500	-	-	-2.33	-12.50	-43.24	-58.00	6.0000	7.0000	-	11	4.7300	-9.90	SELL
Sredneuralsky MPZ	- sumz	15.000	-	-	-6.25	-1.64	-19.25	-39.39	14.000	18.400	-	76	36.550	143.67	SPECULATIVE BUY
Uralkhrommet	- uelm	85.50	-	-	-7.57	-19.34	-24.74	-19.64	87.00	121.00	-	434	126.38	47.81	ACCUMULATE
Ufaleynickel	- ufal	7.0750	-	-	-11.01	-5.92	-8.71	-5.67	7.5000	7.5000	-	190	6.6300	-6.29	REDUCE
Chelyabinsk Zink Plant	- CHZN	5.5250	-	-	-2.30	-19.93	-50.78	-95.77	5.4100	12.1500	-	299	-	-	UNDER REVISION
Yuzhuralnickel	- unkl	650.0	-	-	-5.80	-16.77	-53.57	-40.91	700.0	1,300.0	-	390	463.4	-28.71	ACCUMULATE
Electrozinc	- eltz	75.00	-	-	-4.61	-4.61	-	-	75.00	110.00	-	105	-	-	-
Ferrous metallurgy (Steel)															
Ashinsky Metallurgy Plant	- AMEZ	0.4750	-	-	-14.41	-21.81	-50.00	-19.05	0.5000	0.9700	-	237	0.9400	97.89	BUY
EvrAZ**	▲ EVR	76.500	49.800	186.52	-4.61	-25.37	-1.29	60.38	30.850	131.250	75,201,024	27,152	124.760	63.08	ACCUMULATE
Mechel	▲ MTLR	23.750	1.250	5.56	16.42	-39.41	-12.04	79.25	16.500	45.800	223,310	9,886	43.820	84.51	-
MMC	▼ MAGN	0.9000	-0.0500	-5.26	-16.28	-32.08	-30.77	-18.18	0.9000	1.4400	360,000	10,057	1.5100	67.78	ACCUMULATE
NLMC	- NLMK	4.0500	-	-	-4.71	-31.93	-0.12	35.00	3.4300	5.6500	-	24,273	5.7500	41.98	ACCUMULATE
Severstal	▼ CHMF	16.500	-0.500	-2.94	-9.59	-26.01	-27.63	4.43	16.000	28.000	227,500	16,627	32.660	97.94	BUY
Chelyabinsk Metallurgy Plant	- CHMK	300.00	-	-	-17.81	-21.57	-18.37	33.63	313.00	450.00	-	949	-	-	-
Chusovskoy Metallurgy Plant	- chmz	135.000	-	-	-0.74	7.14	-	-	113.000	132.000	-	315	-	-	-
Precious metals															
Buryatoloto	- BRZL	14.500	-	-	-6.45	-12.12	-19.44	9.02	15.500	22.000	-	102	26.690	84.07	SPECULATIVE BUY
Lenzoloto	- lnzl	42.500	-	-	21.43	6.25	-26.09	50.44	40.000	60.000	-	48	34.210	-19.51	HOLD
Polymetal	- PMTL	7.0000	-	-	-7.28	-12.50	1.16	15.70	7.0000	9.3500	-	2,205	8.2800	18.29	HOLD
Polyus-Gold	- PLZL	37.500	-	-	-11.87	-28.23	-18.30	-6.02	37.500	80.000	-	7,149	57.180	52.48	HOLD
Susumanzoloto	- sysy	45.750	-	-	-	-2.66	52.50	1.67	-	-	-	41	55.270	20.81	ACCUMULATE
Coal industry															
Belon	- BLNG	175.000	-	-	-5.41	-18.22	86.17	343.04	93.000	240.000	17,500	2,012	91.610	-47.65	SPECULATIVE BUY
Vorkutaugol	- voug	160.00	-	-	-6.16	-10.49	-20.00	-6.16	165.00	244.00	-	539	318.92	99.32	SPECULATIVE BUY
Vorkutaugol, pref.	- vougp	160.00	-	-	-6.16	-10.36	-11.11	-	160.00	187.00	-	-	255.14	59.46	SPECULATIVE BUY
Kuzbassrazrezugol	▼ kzru	0.6250	-0.0050	-0.79	-9.02	-23.31	45.52	66.22	0.4400	0.9000	145,010	3,821	0.3800	-39.20	HOLD
Raspadskaya	▼ RASP	5.9000	-0.3500	-5.60	-11.28	-31.79	-9.23	113.00	5.4000	10.3000	118,750	4,607	10.6500	80.51	ACCUMULATE
Yuzny Kuzbass	- UKUZ	79.000	-	-	-	-31.30	46.30	132.35	56.000	158.900	-				

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						
Pipe industry															
Almetievsk Pipe Plant	- atza	15.000	-	-	11.11	11.11	27.66	27.66	-	-	-	45	26.780	78.53	SPECULATIVE BUY
Vykasa Metallurgy Plant	- vsmz	1,330.0	-	-	-1.30	-11.30	-37.12	-14.19	1,400.0	2,080.0	-	2,503	2,439.8	83.45	SPECULATIVE BUY
Pervouralsk New Pipe Plant	- PNTZ	29.250	-	-	0.34	-2.09	-6.40	-	28.000	32.200	-	712	42.350	44.79	BUY
Seversky Pipe Plant	- SVTZ	10.500	-	-	-3.67	-	-36.56	-1.87	10.000	15.800	21,000	505	16.180	54.10	SPECULATIVE BUY
Sinarsky Pipe Plant	- SNTZ	75.00	-	-	-6.25	-11.76	-46.43	-31.88	68.00	138.50	-	472	230.47	207.29	SPECULATIVE BUY
Taganrog Metallurgy Plant	- TAMZ	0.7900	-	-	-	-17.28	-35.98	-28.18	0.8000	1.1000	-	365	1.3200	67.09	SPECULATIVE BUY
TMK	- TRMK	7.9000	-	-	-4.24	-5.39	-27.69	-14.50	7.1000	10.7000	-	6,897	10.0400	27.09	ACCUMULATE
Chelyabinsk Pipe Plant	- CHEP	3.9200	-	-	-0.76	-2.73	-7.87	-6.89	3.8500	4.5500	137,300	1,852	5.5700	42.09	BUY
Telecommunications															
Volgatelecom	- NNSI	3.1750	-	-	-3.05	-25.43	-45.91	-37.12	3.2000	5.9100	-	945	6.0110	89.32	BUY
Volgatelecom, pref.	▼ NNSIP	2.0000	-0.0100	-0.50	-6.32	-23.00	-51.81	-44.90	2.0000	4.1800	40,000	-	4.5083	125.42	BUY
Vimpelcom*	- VIP	24.150	-	-	-0.08	-8.17	-41.95	16.37	22.350	120.750	131,771,928	24,769	39.990	65.59	BUY
Dalsvyaz	- ESPK	3.2000	-	-	-13.51	-23.35	-39.62	-33.95	3.2000	5.7000	114,500	404	7.4457	132.68	BUY
Dalsvyaz, pref.	- ESPKP	3.1500	-	-	-0.79	-3.82	-29.61	-31.67	3.0000	4.2000	-	-	5.5812	77.18	BUY
Comstar-UTS	- CMST	8.000	-	-	-5.88	-33.33	-26.84	-24.53	8.500	11.000	-	3,344	13.480	68.50	BUY
MGTS	- MGTS	34.700	-	-	-	3.27	-4.41	10.16	32.000	34.600	-	3,270	-	-	HOLD
MGTS, pref.	- MGTS	31.300	-	-	-2.19	6.10	-2.64	18.34	28.050	31.300	-	-	-	-	HOLD
MTS	- MTSS	10.7700	-	-	-1.64	-7.95	-29.84	7.70	9.9000	15.7000	490,900	21,468	16.2900	51.25	BUY
Rostelecom	- RTKM	11.475	-	-	-4.77	-5.17	-3.25	18.91	10.400	12.440	-	8,750	4.480	-60.96	SELL
Rostelecom, pref.	- RTKMP	1.6000	-	-	0.63	-20.00	-45.30	-41.61	2.0000	2.8500	-	-	3.3600	110.00	BUY
North-West Telecom	- SPTL	0.9300	-	-	-	-19.83	-45.93	-41.32	0.9300	1.7000	-	976	1.3290	42.90	HOLD
North-West Telecom, pref.	- SPTLP	0.6250	-	-	-5.45	-13.79	-49.19	-44.69	0.6000	1.2150	-	-	0.9967	59.47	ACCUMULATE
Sibirtelecom	▼ ENCO	0.0630	-0.0050	-7.35	-11.39	-25.44	-47.50	-38.30	0.0630	0.1170	64,000	944	0.1140	80.95	BUY
Sibirtelecom, pref.	- ENCOP	0.0480	-	-	-2.54	-11.93	-40.37	-32.39	0.0450	0.0670	-	-	0.0855	78.12	BUY
Uralsvyazinform	▼ URSI	0.0400	-0.0030	-6.98	-16.14	-22.33	-37.25	-31.62	0.0400	0.0635	20,000	1,496	0.0573	43.25	BUY
Uralsvyazinform, pref.	▼ URSIP	0.0260	-0.0010	-3.70	-10.50	-15.31	-38.82	-33.25	0.0260	0.0418	26,000	-	0.0430	65.38	ACCUMULATE
CenterTelecom	- ESMO	0.4875	-	-	-5.34	-23.23	-47.69	-48.28	0.5000	0.9320	-	951	0.9018	84.98	BUY
CenterTelecom, pref.	- ESMOP	0.3450	-	-	-	-9.09	-44.58	-39.39	0.3550	0.6375	-	-	0.6763	96.03	BUY
SouthTelecom	- KUBN	0.1150	-	-	-10.85	-16.97	-41.92	-35.93	0.1200	0.2020	-	420	0.2526	119.65	BUY
SouthTelecom, pref.	- KUBNP	0.0815	-	-	-5.23	-12.13	-43.70	-32.08	0.0810	0.1450	-	-	0.1895	132.52	BUY
Machinery															
AvtoVAZ	- AVAZ	0.7000	-	-	-33.33	-53.49	-63.73	-58.21	1.1000	1.9500	-	1,242	1.6770	139.57	BUY
AvtoVAZ, pref.	- AVAZP	0.5850	-	-	-	-24.52	-23.53	8.33	0.5500	0.6550	-	-	1.2580	115.04	BUY
GAZ	- GAZA	120.00	-	-	-10.95	-26.15	-29.41	-19.06	120.00	210.00	36,500	2,321	197.30	64.42	HOLD
GAZ, pref.	- GAZAP	68.00	-	-	-16.82	-28.80	-43.33	-33.66	95.00	125.50	-	-	148.00	117.65	BUY
ZMZ	- ZMZN	5.1000	-	-	-60.77	-8.11	70.00	100.00	2.9000	5.2000	-	702	4.4500	-12.75	HOLD
ZMZ, pref.	- zmnzp	3.3750	-	-	-12.90	-12.34	40.62	80.00	2.6000	3.5250	-	-	3.3400	-1.04	HOLD
Kamaz	- KMAZ	4.9500	-	-	-10.41	-6.16	-4.81	12.50	5.5500	7.2500	-	3,501	6.4000	29.29	BUY
Kirovsky zavod	- KIRZ	45.000	-	-	4.65	-14.29	-18.18	31.20	45.000	56.000	31,750	489	33.290	-26.02	REDUCE
NefAZ	- nfaz	33.500	-	-	1.52	-17.28	-6.94	111.42	36.500	50.250	-	269	49.150	46.72	BUY
Saturn NPO	- satr	0.0700	-	-	-0.71	-14.63	-41.18	-46.77	0.0750	0.1125	-	279	0.1379	97.00	HOLD
OMZ	- OMZZ	6.0000	-	-	-13.67	-11.44	-23.32	-32.39	6.7500	7.6000	-	213	6.3200	5.33	SELL
RSC Energia	- satr	485.00	-	-	-19.17	-28.68	-	-	489.90	705.00	-	545	641.10	32.19	HOLD
UAZ	- uaza	0.1425	-	-	-3.39	-8.06	2.52	37.68	0.1125	0.1500	-	561	-	-	-
UAZ, pref.	- uazap	0.0725	-	-	-19.44	-25.64	-18.54	35.51	0.0710	0.0900	-	-	-	-	-
Severstal-Auto	▼ SVAV	48.250	-1.050	-2.13	-6.85	-18.36	-10.65	22.15	48.250	67.300	48,250	1,654	81.330	68.56	BUY
Power Machines	- SILM	0.2037	-	-	-1.09	-2.98	0.62	7.24	0.1930	0.2220	-	1,774	0.1250	-38.65	SELL
Industry															
ALNAS	- alnz	0.5450	-	-	-	-33.94	-52.61	-37.71	0.6500	0.8500	-	113	1.2000	120.18	BUY
Angeromash	- ange	35.050	-	-	-	-	-39.04	-16.55	-	-	-	35	79.650	127.25	BUY
BEPP	- bunz	52.000	-	-	-	-	9.47	-9.57	-	-	-	16	81.000	55.77	BUY
BEPP, pref.	- bunzp	41.000	-	-	-	-	-1.20	-1.20	-	-	-	-	60.700	48.05	BUY
Gazenergoservice	- gzes	110.00	-	-	-11.65	-9.09	-28.57	-42.11	110.00	210.00	11,000	38	137.00	24.55	ACCUMULATE
Mikron	- mkro	10.000	-	-	-7.83	-14.89	-0.74	46.52	10.000	12.250	10,000	109	-	-	-
Orgenergogaz	- oeng	10.435	-	-	-7.90	-9.65	-27.41	-18.48	10.660	13.510	-	63	25.200	141.49	BUY
Sitronics	- SITR	0.1025	-	-	-8.89	-14.58	-14.58	-25.72	0.1150	0.1366	-	979	0.0854	-16.68	SELL
Centrenergogaz	- cegz	4.645.0	-	-	-0.11	-4.23	116.05	-	3.000.0	5.680.0	-	438	5.693.6	22.57	BUY
Centrenergogaz, pref.	- cegzp	1,200.0	-	-	-2.04	-18.64	-34.25	-	1,100.0	2,200.0	-	-	4,270.2	255.85	BUY
Electrogaz	- elgz	670.00	-	-	12.61	11.67	-4.29	15.52	550.50	600.00	-	42	895.70	33.69	BUY
Electrogaz, pref.	- elgzp	150.00	-	-	-1.64	-9.09	-50.82	-25.00	150.00	390.00	15,000	-	671.80	347.87	BUY
Chemical industry															
Azot (Berezniki)	- azop	925.00	-	-	-	0.33	1.93	27.59	875.00	960.00	-	375	1,427.50	54.32	BUY
Akron	▼ AKRN	82.00	-2.75	-3.24	-11.35	-33.33	62.38	237.80	50.70	127.50	164,000	3,910	136.24	66.15	BUY
Ammofos	▼ ammo	106.00	-24.00	-18.46	-11.30	-21.48	-6.61	163.03	99.00	270.00	73,800	956	332.20	213.40	BUY
Dorogobuzh	- DGBZ	0.8500	-	-	-15.00	-36.33	88.89	243.43	0.4550	1.4000	-	717	1.1900	40.00	HOLD
Dorogobuzh, pref.	- DGBZP	0.6725	-	-	-3.93	-6.60	110.16	224.10	0.3200	0.7400	-	-	0.6400	-4.83	HOLD
Kujbyshevazot	▼ kazt	3.5000	-0.1500	-4.11	-10.26	-22.05	29.63	94.44	2.3400	5.0100	70,000	838	5.7500	64.29	BUY
Kujbyshevazot, pref.	- kaztp	2.1500	-	-	2.38	-1.15	36.51	47.87	1.5000	2.0500	-	-	3.2800	52.56	BUY
Silvinit	- SILV	1,380.0	-	-	-16.87	-34.13	56.82	253.85	900.0	2,275.0	-	12,365	1,417.4	2.71	REDUCE
Silvinit, pref.	▼ silvp	600.00	-25.00	-4.00	-25.93	-39.39	-7.69	126.42	510.00	1,250.00	31,500	-	809.90	34.98	REDUCE
Uralkali	- URKA	9.250	-	-	-14.35	-33.45	18.59	236.36	5.800	16.050	-	19,851	17.830	92.76	ACCUMULATE
Retail Trade															
Pharmacy Network 36,6	▼ APTK	26.000	-2.600	-9.09	-16.80	-33.33	-64.38	-68.86	26.000	70.000	26,000	247	-	-	UNDER REVISION
GUM	- GUMM	2.6250	-	-	-0.57	-1.22	28.05	20.14	1.9700	2.9500	-	158	-	-	UNDER REVISION
X5 Retail Group**	- FIVE	27.500	-	-	-1.79	-8.79	-24.66	-0.33	26.700	38.930	19,041,842	7,276	-	-	UNDER REVISION
Seventh Continent	▼ SCON	25.900	-0.100	-0.38	-0.58	-1.71	-	3.39	22.750	28.500	77,700	1,942	-	-	UNDER REVISION
TzUM	- TZUM	5.1750	-	-	-2.36	-3.72	140.70	149.40	2.1200	6.1000	-	464	-	-	UNDER REVISION

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

Trade results

	Ticker	Price, USD	Change, USD	Change, %				Current year, USD		Volume, USD	MCAP, mn USD	Fair price, USD	Potential, %	Recommendation			
				day	week	month	from Jan 1	year	min						max		
Consumer Sector																	
	Baltika	-	PKBA	36.550	-	-	-9.75	-15.73	-24.44	-26.90	42.250	50.000	-	5,867	-	-	UNDER REVISION
	Baltika, pref.	-	PKBAP	26.100	-	-	-5.52	-5.95	-22.09	-18.82	25.500	31.000	-	-	-	-	UNDER REVISION
	WBD	▼	WBDF	47.000	-3.000	-6.00	-14.55	-28.79	-47.78	-37.75	47.000	93.000	47,000	2,068	-	-	UNDER REVISION
	Kalina	▼	KLNA	26.000	-1.000	-3.70	8.33	-20.00	-35.80	-38.75	23.000	39.000	26,000	254	-	-	UNDER REVISION
	Lebedyansky	▼	LEKZ	80.500	-0.500	-0.62	-2.13	-1.83	-12.50	-16.69	80.000	93.500	80,500	1,643	-	-	UNDER REVISION
Transport																	
	Aeroflot	-	AFLT	2.9000	-	-	-3.81	-3.33	-22.67	3.57	2.9000	4.4500	-	3,221	4.1700	43.79	HOLD
	Vostochny Port	-	vopt	61.000	-	-	-	-12.86	-6.15	-7.58	50.000	70.000	-	160	114.580	87.84	BUY
	Vostochny Port, pref.	-	voptp	80.000	-	-	-	-	53.85	39.13	-	-	-	-	85.930	7.41	ACCUMULATE
	FESCO	-	FESH	1.0350	-	-	-5.05	-7.17	-5.48	36.18	0.9800	1.3500	-	2,444	1.0500	1.45	SELL
	Murmansk Commercial Seaport	-	mscp	1.025.00	-	-	-	-	20.31	-4.61	860.00	1,200.00	-	127	1,305.40	27.36	BUY
	Murmansk Commercial Seaport, pref.	-	mscpp	287.50	-	-	-0.17	-	-8.73	-13.53	271.00	305.00	-	-	979.00	240.52	BUY
	Novorossiysk Commercial Sea Port	-	NMTP	0.1645	-	-	-7.32	-13.44	-34.20	-	0.1500	0.2650	-	3,168	0.1990	20.97	ACCUMULATE
	Novorossiysk Sea Shipping	-	NOMP	3.3150	-	-	-3.23	-0.15	13.14	41.06	2.9900	3.4000	-	1,368	3.6000	8.60	BUY
	Novorossiysk Sea Shipping, pref.	-	NOMPP	0.9750	-	-	-15.22	-22.00	-45.83	-26.97	1.1500	1.7400	-	-	2.7000	176.92	BUY
	FESCO	-	PRIM	0.4500	-	-	-	-2.28	9.76	30.81	0.4200	0.4200	-	358	0.5610	24.67	BUY
Banks																	
	VTB	-	VTBR	0.0032	-	-	-4.76	-8.57	-36.76	-36.00	0.0031	0.0050	94,900	21,517	-	-	-
	Sberbank	▲	SBER	2.6200	0.1300	5.22	-4.38	-16.03	-37.91	-29.57	2.3300	4.3800	10,633,425	57,978	4.6210	76.37	ACCUMULATE
	Sberbank, pref.	▼	SBERP	1.4200	-0.0800	-5.33	-16.47	-24.47	-52.67	-49.29	1.4000	2.9300	84,200	-	3.4660	144.08	ACCUMULATE
Media & IT																	
	RBC	▼	RBCI	7.3500	-0.1500	-2.00	-3.92	-11.45	-29.67	-14.53	7.3500	10.9000	73,500	1,029	9.8600	34.15	BUY
	CTC Media*	-	CTCM	22.650	-	-	-1.52	3.95	-25.00	-	21.030	105.040	11,113,123	3,446	32.600	43.93	BUY
Oblgaz																	
	Altaikrasservice	-	akgs	123.00	-	-	-	-19.87	6.96	-58.31	105.00	105.00	-	14	339.43	175.96	BUY
	Astrakhanoblgas	-	asog	2.5000	-	-	-	-	-7.41	17.65	2.7000	2.7000	-	10	2.3800	-4.80	HOLD
	Belgorodoblgas	-	bogz	600.00	-	-	-	20.00	20.00	-	700.00	700.00	-	48	3,331.71	455.28	BUY
	Bryanskoblgas	-	brög	430.00	-	-	-2.27	-3.37	5.52	30.70	380.00	510.00	15,050	47	1,140.89	165.32	BUY
	Vladimiroblgas	-	vlog	750.00	-	-	-7.69	-7.69	-49.24	29.87	800.00	1,355.00	-	34	973.7	29.83	HOLD
	Volgogradoblgas	-	vlgz	780.00	-	-	-	1.30	20.46	79.31	495.00	805.00	-	67	1,329.23	70.41	BUY
	Voronezhoblgas	-	vogz	5.3500	-	-	-1.92	12.39	35.61	185.33	3.6000	7.0000	-	119	12.8200	139.63	BUY
	Ivanovooblgas	-	ivog	20.000	-	-	-	-	263.64	299.20	-	-	-	8	150.760	653.80	BUY
	Ivanovooblgas, pref.	-	ivogp	26.000	-	-	-	-	-46.39	766.67	-	-	-	-	150.760	479.85	BUY
	Irkutskoblgas	-	irog	170.00	-	-	-	-10.53	-12.82	70.00	-	-	-	4	-	-	-
	Kalugaoblgas	-	klog	900.00	-	-	-7.69	-7.69	50.00	259.28	750.00	800.00	-	27	1,286.95	42.99	BUY
	Karelgas	-	klgz	57.00	-	-	-	-49.78	-55.29	-55.12	-	-	-	2	324.27	468.89	BUY
	Kirovoblgas	-	krog	311.00	-	-	-	-6.33	42.99	63.64	-	-	-	31	705.25	126.77	BUY
	Komigaz	-	kgaz	35.000	-	-	-	7.69	-6.67	-46.15	30.000	30.000	-	12	80.440	129.83	BUY
	Komigaz, pref.	-	kgazp	7.800	-	-	-0.32	-48.43	-64.55	-51.25	-	-	-	-	60.330	673.46	BUY
	Kostromaoblgas	-	koog	397.50	-	-	-5.92	-9.66	4.61	68.79	331.00	400.00	-	22	935.74	135.41	BUY
	Krasnodarkraigas	-	kgas	15.000	-	-	-	-	141.94	114.29	-	-	-	31	12.110	-19.27	SELL
	Kurganoblgas	-	kuog	470.00	-	-	-	-	-27.69	44.62	-	-	-	14	-	-	-
	Kurskoblgas	-	krgz	650.00	-	-	-	6.12	100.00	154.90	600.00	700.00	-	57	1,184.98	82.30	BUY
	Lenoblgas	-	leog	2,575.0	-	-	-	-	-0.96	296.15	650.00	650.00	-	204	717.7	-72.13	HOLD
	Lipetskoblgas	-	lpog	160.00	-	-	-	-	28.00	33.33	-	-	-	19	716.78	347.99	BUY
	Nizhegorodoblgas	-	nnog	2,725.0	-	-	-	-3.54	-31.70	-3.54	2,350.00	4,500.00	-	76	1.8700	-31.38	HOLD
	Omskoblgas	-	omog	9.575	-	-	-	0.26	47.31	91.50	10.000	11.000	-	14	20.130	110.23	BUY
	Omskoblgas, pref.	-	omogp	3.9000	-	-	-	-11.36	-2.50	30.00	-	-	-	-	11.5500	196.15	BUY
	Oreloblgas	-	orgz	442.50	-	-	-	-	18.00	195.00	-	-	-	17	512.18	15.75	BUY
	Orenburgoblgas	-	orog	2,200.0	-	-	-	1.15	127.98	189.47	1,000.00	2,250.00	-	169	2,855.8	29.81	HOLD
	Pensagasifikatsiya	-	pgzf	140.00	-	-	-	-	-30.00	-6.67	-	-	-	5	869.49	521.06	BUY
	Rostovoblgas	-	rtbg	750.00	-	-	-1.96	-1.32	25.00	66.67	625.00	900.00	-	100	1,529.82	103.98	BUY
	Rostovoblgas, pref.	-	rtbgp	435.00	-	-	2.35	1.16	-7.45	47.46	400.00	460.00	-	-	1,529.82	251.68	BUY
	Ryazanoblgas	-	rzog	5,750.00	-	-	-	-4.17	-44.44	-65.26	-	-	-	28	5,920.00	2.96	HOLD
	Samaragas	-	sagz	55.500	-	-	-	-77.80	0.45	9.90	45.500	45.500	-	6	289.840	422.23	BUY
	Saratovoblgas	-	srog	16.500	-	-	-	-5.71	103.08	214.29	7.750	25.000	-	61	50.010	203.09	BUY
	Sibirgasservice	-	sbsg	8,550.00	-	-	-	21.28	13.25	52.00	-	-	-	39	-	-	-
	Smolenskoblgas	-	smog	147.50	-	-	-1.67	-1.01	67.61	210.53	81.50	185.00	-	59	332.44	125.38	BUY
	Stavropolkraigas	-	stkg	412.50	-	-	-2.94	-5.71	-56.81	-	575.00	575.00	-	51	81.59	-80.22	SELL
	Stavropolkraigas, pref.	-	stkgp	275.00	-	-	-	-15.38	-54.17	-	280.00	400.00	-	-	81.59	-70.33	SELL
	Tambovoblgas	-	tozg	69.500	-	-	-	0.72	98.57	258.71	29.000	59.000	-	60	81.290	16.96	BUY
	Tveroblgas	-	tveo	202.50	-	-	-	3.85	-25.82	9.46	225.00	246.00	-	36	236.31	16.70	HOLD
	Tulaoblgas	-	tuog	455.50	-	-	3.05	3.52	68.70	265.79	180.00	705.00	-	72	1,106.23	142.86	BUY
	Chitaoblgas	-	chog	125.000	-	-	-	85.19	127.27	-	-	-	-	9	-	-	-
	Yaroslavl-oblgas	-	yrog	320.00	-	-	-15.79	8.29	23.08	88.24	250.00	260.00	-	22	503.81	57.44	BUY
Services companys																	
	Giprospekgaz	-	gsgz	1,433.5	-	-	1.67	6.19	-39.00	7.38	1,100.00	1,850.00	-	59	7,463.0	420.61	BUY
	Giprospekgaz, pref.	-	gsgzp	675.00	-	-	-1.82	-9.70	-49.06	-15.09	800.00	800.00	-	-	5,970.00	784.44	BUY
	Spetsgazremstroy	-	sgrs	172.50	-	-	-	-5.48	-52.08	-15.85	344.00	425.00	-	91	741.25	329.71	BUY
	Spetsgazremstroy, pref.	-	sgrsp	95.50	-	-	-	-9.48	-49.07	-34.14	120.00	255.00	-	-	555.94	482.14	BUY
Services companys																	
	Belgorodasbestocement	-	belc	141.00	-	-	-2.76	-6.00	252.50	-	-	-	-	14	588.48	317.36	SPECULATIVE BUY
	Strojpolimerkeramika	-	spke	35.000	-	-	-	-	125.81	128.01	-	-	-	70	79.940	128.40	BUY
	Strojpolimerkeramika, pref.	-	spkep	16.5000	-	-	-	-	45.37	45.37	8.0000	8.0000	-	-	27.9800	69.58	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	33.900	-0.400	1.7	1.1	-	-1.17	-	6,471	-
AFK Sistema	KO71 GR	AFKS	20.00	Frankfurt	24.576	-0.098	1.2	1.1	-	-0.40	-	2	-
Aeroflot	AETG GR	AFLT	100	Frankfurt	290.747	-13.899	2.907	3.000	-	-4.56	-	-	-
Wimm-Bill-Dann	WBD LI	WBDF	1	London	16.000	-	16.000	47.000	-0.66	-	-0.07	399	47
Wimm-Bill-Dann	WBD US	WBDF	1	New York	80.010	5.900	80.010	47.000	0.70	7.96	-0.07	53,839	47
Wimm-Bill-Dann	WBPA GR	WBDF	1	Frankfurt	80.228	1.994	80.228	47.000	0.71	2.55	-0.07	38	47
Volgaelcom	NZH GR	NNSI	2	Frankfurt	5.976	-0.042	2.988	3.200	-	-0.70	-	-	-
Vimpelcom	VIP US	VIMP	1/4	New York	24.150	0.090	483.000	420.000	-	0.37	-	131,772	-
Vimpelcom	VIP GR	VIMP	1/4	Frankfurt	24.711	1.647	494.22	420.000	-	7.14	-	33	-
Gazprom	OGZD LI	GAZP	4	London	43.000	1.950	10.750	10.680	0.01	4.75	0.05	1,384,350	18,463
Gazprom	OGZPY US	GAZP	4	New York	42.600	1.440	10.650	10.680	-	3.50	0.05	-	18,463
Gazprom	GAZ GR	GAZP	4	Frankfurt	42.728	1.580	10.682	10.680	0.00	3.84	0.05	6,535	18,463
Golden Telecom	GLDN LI	GLDN	1	New York	105.020	-	105.020	-	-	-	-	-	-
Golden Telecom	GT7 GR	GLDN	1	Frankfurt	103.873	-	103.873	-	-	-	-	-	-
EvrazHolding	EVR LI	-	1/3	London	76.500	-1.300	229.500	-	-	-1.67	-	75,201	-
EvrazHolding	HK1A GR	-	1/3	Frankfurt	75.895	-2.339	227.686	-	-	-2.99	-	48	-
Irkutskenergo	IKSGY US	IRGZ	50	New York	-	-	-	0.660	-	-	-	-	-
Irkutskenergo	IRK GR	IRGZ	50	Frankfurt	-	-	-	0.660	-	-	-	-	-
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	78.400	1.700	78.400	78.600	-0.00	2.22	0.03	368,153	7,412
LUKOIL	LUKOY US	LKOH	1	New York	78.200	1.600	78.200	78.600	-	2.09	0.03	-	7,412
LUKOIL	LUK GR	LKOH	1	Frankfurt	77.509	0.253	77.509	78.600	-0.01	0.33	0.03	1,056	7,412
MCTN	MOW GR	MGTS	1	Frankfurt	26.892	-0.189	26.892	31.500	-	-0.70	-	-	-
Mechel	MTL US	MTLR	3	New York	21.220	0.390	7.073	25.750	-0.73	1.87	-0.73	138,296	1,804
Mechel	FQF GR	MTLR	3	Frankfurt	43.353	-1.476	14.451	25.750	-0.44	-3.29	-0.73	2	1,804
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	11.728	-0.353	0.117	0.220	-	-2.92	-	28	-
MTS	MBDL LI	MTSS	5	London	-	-	-	10.770	-	-	-0.12	-	491
MTS	MBT US	MTSS	5	New York	-	-	-	10.770	-	-	-0.12	-	491
MTS	MKY GR	MTSS	5	Frankfurt	67.081	-4.308	13.416	10.770	0.25	-6.03	-0.12	3	491
Nizhnekamskneftekhim	QAO GR	NKNC	10	Frankfurt	6.574	-0.272	0.657	0.725	-	-3.97	-	-	-
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	18.300	-0.900	18.30	182.40	-0.90	-4.69	-0.04	259,130	3,594
Norilsk Nickel	NILSY US	GMKN	1	New York	17.660	-1.390	17.66	182.40	-	-7.30	-0.04	-	3,594
Norilsk Nickel	NNIA GR	GMKN	1	Frankfurt	17.779	-1.298	17.78	182.40	-0.90	-6.81	-0.04	817	3,594
UHM	UHM GR	OMZZ	1	Frankfurt	6.275	-0.195	6.275	8.750	-	-3.01	-	-	-
Pyaterochka	FIVE LI	-	1/4	London	27.500	0.800	110.000	-	-	3.00	-	19,042	-
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	11.500	-	-	-	-	-
Rostelekom	ROS US	RTKM	6	New York	-	-	-	11.500	-	-	-	-	-
Rostelekom	RTL GR	RTKM	6	Frankfurt	68.575	0.421	11.429	11.500	-	0.62	-	111	-
Seversky pipe plant	SVY GR	SVTZ	10	Frankfurt	104.580	-0.735	10.458	14.500	-	-0.70	-	-	-
Gazprom Neft	GAZ LI	SIBN	5	London	27.110	-0.640	5.422	4.300	-	-2.31	-	5,085	-
Gazprom Neft	GZPFY US	SIBN	5	New York	32.250	-	6.450	4.300	-	-	-	-	-
Gazprom Neft	SCF GR	SIBN	5	Frankfurt	27.415	-0.042	5.483	4.300	-	-0.15	-	316	-
Surgutneftegas	SGGD LI	SNGS	50	London	7.780	0.080	0.156	0.740	-0.79	1.04	-0.03	37,708	451
Surgutneftegas	SGTZY US	SNGS	50	New York	-	-	-	0.740	-	-	-0.03	-	451
Surgutneftegas	SGN GR	SNGS	50	Frankfurt	7.515	-0.354	0.150	0.740	-0.80	-4.50	-0.03	143	451
Tatneft	ATAD LI	TATN	20	London	111.750	4.500	5.588	5.650	-0.01	4.20	-0.01	19,989	290
Tatneft	TNT US	TATN	20	New York	-	-	-	5.650	-	-	-0.01	-	290
Tatneft	TTFA GR	TATN	20	Frankfurt	96.244	-0.314	4.812	5.650	-0.15	-0.32	-0.01	324	290
Tyumenaviatrans	UTARY US	TMAT	100	New York	40.000	-	0.400	0.538	-	-	-	-	-
Tyumenaviatrans	TYV GR	TMAT	100	Frankfurt	59.760	-0.420	0.598	0.538	-	-0.70	-	-	-
Tsum	THT GR	TZUM	20	Frankfurt	97.857	1.569	4.893	2.000	-	1.63	-	-	-
STC	KUE GR	KUBN	50	Frankfurt	8.229	0.353	0.165	0.135	-	4.49	-	-	-

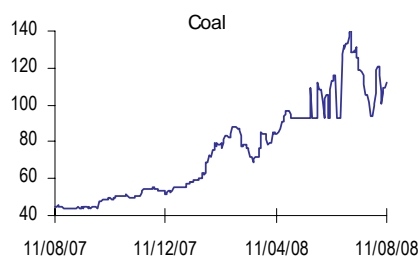
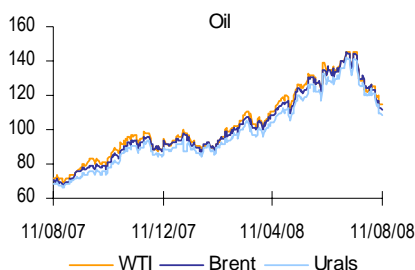
Source: Bloomberg, Estimation: Veles Capital

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	▼ 112.37	-0.95	-0.84	-6.59	-22.68	17.17	58.74	86.75	147.59
Brent, USD / bbl	▼ 111.32	-1.11	-0.99	-6.56	-22.90	18.56	58.37	85.05	147.21
Urals, USD / bbl	▼ 108.83	-0.98	-0.89	-7.36	-22.64	19.23	59.67	82.80	142.94
WTI, USD / bbl	▼ 114.45	-0.75	-0.65	-5.73	-21.11	19.22	60.14	86.47	146.30
Brent-Urals	▼ 2.49	-0.13	-4.96	50.00	-32.70	-4.60	16.90	1.66	9.94
Coal, USD / ton	▲ 112.00	2.50	2.28	-3.45	-5.49	101.80	148.89	55.50	142.85

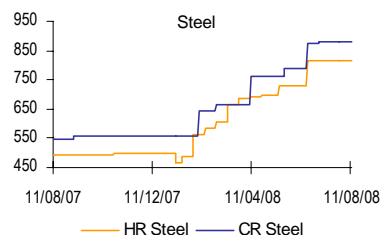
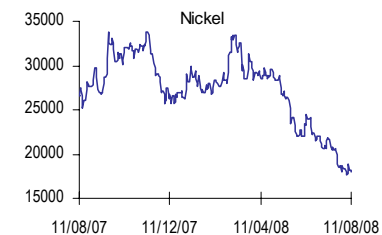
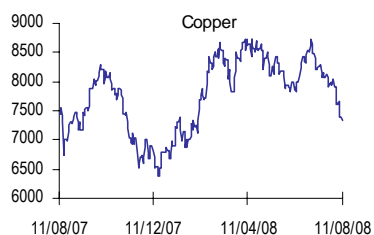
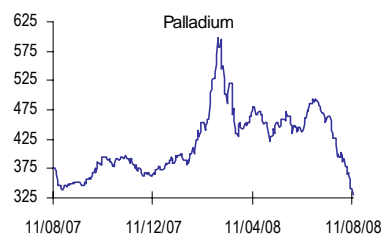
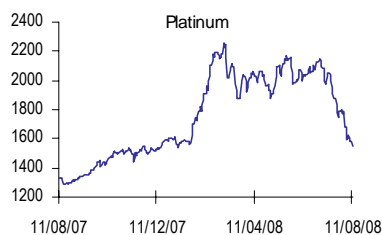
Source: Bloomberg, Estimation: Veles Capital



Prices of metals

	Close, USD	Change, USD	Change, %					Current year, USD	
			day	week	month	from Jan 1	year	min	max
Gold, USD / ounce	▼ 844.94	-33.42	-3.80	-8.08	-14.69	-3.03	19.33	871.38	1,027.52
Silver, USD / ounce	▼ 15.08	-0.64	-4.08	-13.38	-22.05	-2.47	11.53	15.47	21.42
Platinum, USD / ounce	▼ 1,552.96	-30.00	-1.90	-2.33	-24.37	-2.38	16.88	1,540.21	2,257.73
Palladium, USD / ounce	▼ 330.86	-10.28	-3.01	-9.17	-28.92	-14.86	-11.68	341.13	598.39
Aluminum, USD / ton	▼ 2,833.00	-17.00	-0.60	-1.70	-14.59	17.60	9.38	2,409.00	3,317.00
Copper, USD / ton	▼ 7,330.00	-70.00	-0.95	-3.62	-11.37	9.81	-1.61	6,675.00	8,730.00
Nickel, USD / ton	▼ 18,000.00	-150.00	-0.83	-0.14	-16.67	-31.56	-32.46	17,600.00	33,400.00
Lead, USD / ton	▼ 1,925.00	-49.00	-2.48	-3.51	-2.04	-24.51	-34.08	1,568.00	3,420.00
Tin, USD / ton	▼ 18,750.00	-250.00	-1.32	-8.98	-18.12	14.16	18.67	16,025.00	25,300.00
Zinc, USD / ton	▲ 1,690.00	5.00	0.30	-4.36	-16.54	-28.69	-49.25	1,685.00	2,830.00
Titanium, USD / ton	- 4,585.62	-	-	-	-2.35	2.46	22.35	4,475.38	5,511.56
HR Steel, USD / ton	- 815.00	-	-	-	-	63.00	64.65	465.00	815.00
CR Steel, USD / ton	- 880.00	-	-	-	-	57.14	61.47	555.00	880.00

Source: Bloomberg, Estimation: Veles Capital



International indices

Russian indices

		Close, USD	Change, pt.	Change, %					Current year, pt.	
				day	week	month	from Jan 1	year	min	max
RTS Index	▲	1,742.96	20.25	1.18	-8.06	-19.57	-23.91	-8.13	1,648.53	2,498.10
MICEX Index	▲	1,412.25	52.63	3.87	-2.70	-12.93	-25.23	-14.10	1,282.38	1,966.32
Technical RTS Index	▲	2,591.54	96.54	3.87	-6.46	-16.90	-17.96	-0.26	2,313.34	3,730.73
MSCI Russia	▲	1,135.50	41.17	3.76	-5.30	-17.74	-26.09	-4.85	1,040.85	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 ▲	11,782.35	48.03	0.41	4.42	6.14	-11.18	-11.01	10,827.71	13,279.54
NASDAQ	USA ▲	2,439.95	25.85	1.07	6.76	8.97	-8.01	-4.12	2,155.42	2,661.50
FTSE 100	Great Britain ▲	5,541.80	52.60	0.96	4.17	5.33	-14.17	-8.22	5,071.10	6,534.70
Nikkei 225	Japan ▲	13,430.91	262.50	1.99	3.85	3.00	-12.26	-19.88	11,691.00	15,413.37
S&P 500	USA ▲	1,305.32	9.00	0.69	4.51	5.31	-11.10	-10.20	1,200.44	1,471.77
AEX	Netherlands ▲	412.13	3.61	0.88	5.01	5.14	-20.09	-17.91	374.09	518.27
OMX	Sweden ▲	900.26	15.25	1.72	6.27	10.65	-16.75	-23.06	801.54	1,081.44
DAX	Germany ▲	6,609.63	47.98	0.73	4.09	7.42	-18.07	-9.99	5,999.32	8,100.64
MIB 30	Italy ▲	30,179.00	464.00	1.56	5.52	5.04	-22.39	-23.16	27,531.00	38,885.00
CAC 40	France ▲	4,538.49	46.64	1.04	6.02	10.68	-19.16	-16.70	4,002.87	5,665.94
SMI	Switzerland ▲	7,337.73	75.63	1.04	3.67	10.53	-13.52	-14.33	6,422.85	8,571.76
ASX 200	Australia ▲	5,026.10	39.90	0.80	2.83	0.93	-20.72	-15.33	4,758.50	6,385.70
Bloomberg European 500	▲	209.14	2.32	1.12	4.92	6.99	-45.12	-40.90	189.56	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	▲	990.59	0.57	0.06	-1.76	-5.02	-20.50	-5.08	987.66	1,252.59
Europe										
ASE	Greece ▼	3,327.91	-6.21	-0.19	-1.02	1.13	-35.74	-28.20	3,100.71	5,207.44
WSE WIG	Poland ▲	40,949.96	298.17	0.73	-1.63	5.19	-26.41	-29.87	37,371.76	56,066.82
PFTS	Ukraine ▼	622.91	-23.33	-3.61	-2.65	-9.87	-46.94	-41.52	610.20	1,208.61
BUX	Hungary ▼	20,925.17	-44.41	-0.21	-2.13	2.81	-20.24	-23.97	19,527.81	26,242.90
PX	Czech Republic ▲	1,457.40	3.90	0.27	1.21	0.91	-19.71	-16.75	1,372.40	1,819.50
TA-100	Israel ▲	929.10	0.86	0.09	0.36	0.24	-20.16	-12.17	882.87	1,167.04
XU 100	Turkey ▲	41,733.27	783.36	1.91	-3.53	19.22	-24.86	-15.15	32,645.90	55,281.66
Asia and Africa										
HSI	Hong Kong ▼	21,859.34	-25.87	-0.12	-2.91	-1.47	-21.41	0.31	20,572.92	27,853.60
SENSEX	India ▲	15,503.92	336.10	2.22	6.35	15.10	-23.63	4.28	12,514.99	21,206.77
JALSH	SAR ▲	26,960.95	201.03	0.75	4.19	-2.79	-6.90	-0.43	24,005.35	33,309.82
JCI	Indonesia ▼	2,133.92	-62.01	-2.82	-4.21	-6.28	-22.28	-3.33	2,124.29	2,838.48
KOSPI	South Korea ▲	1,581.09	12.37	0.79	2.47	0.87	-16.66	-13.53	1,488.75	1,901.13
SHCOMP	China ▼	2,470.07	-135.65	-5.21	-9.91	-13.53	-53.05	-47.99	2,453.71	5,522.78
America										
MEXBOL	Mexico ▼	26,943.69	-189.10	-0.70	1.72	-2.43	-8.78	-8.42	25,282.31	32,292.92
IBOV	Brazil ▼	54,720.25	-1,864.15	-3.29	-1.60	-9.02	-14.35	3.96	53,010.96	73,920.38
IPSA	Chile ▼	2,926.38	-37.98	-1.28	-1.21	5.98	-4.11	-8.35	2,369.06	3,113.93
IBVC	Venezuela ▼	38,821.18	-408.40	-1.04	-2.21	2.03	2.42	-5.04	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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