

# Daily review

August 18, 2008

## Trader's view

Last Friday had failed to form a single trend. On one hand – external factors were quite sound. DJ added +0.72% and NASDAQ upped +1.03%, Europe's indicators had also demonstrated a moderate growth. However, commodities market's situation was not as sound. Brent oil brand's prices have dropped to 109 USD during the day, metals market had also demonstrated a negative dynamics. The resulting quotes of commodities companies have dropped as well. The top negative influence on index has been put by stocks of Gazprom and LUKOIL. Banking sector's quotes were quite opposite to the general market, still backed by external factors. The weakening of limitations set upon Fannie Mae and Freddie Mac mortgage firms have propelled US banks' quotes upwards, and Russian banks were quick to follow.

## Main news

### Amtel-Vredestein suffers losses.

The net losses by Amtel-Vredestein in 2007 under IAS have increased 49 times, up to 243 mn USD, from prior year's 5 mn of total losses, reports company's press-release.

## Other news

### ➤ Norilsk Nickel may partner Rostekhnologii in purchasing Udokan.

Rostekhnologii is discussing an opportunity to attract Norilsk Nickel as a possible partner of its consortium with Metallinvest in developing Udokan copper deposit, announced Sergei Chemezov, the chief manager of Rostkhnologii to the journalists on Friday. According to Chemezov, the partnership will be possible only if Norilsk Nickel's puts copper assets in joint venture.

### ➤ MTS filed a report against SMARTS.

On July 15<sup>th</sup>, MTS and Cezanne B.V., its subsidiary have filed a report in Federal Antimonopoly Service, concerning the purchase of rights, defining regulation of SMARTS' business activity.

### ➤ Power Machines: a little casting.

A quarter report of the machinery concern indicates that Highstat Limited, headed by Alexei Mordashov, has decreased its share in Power Machines from 55.42% to 30%.

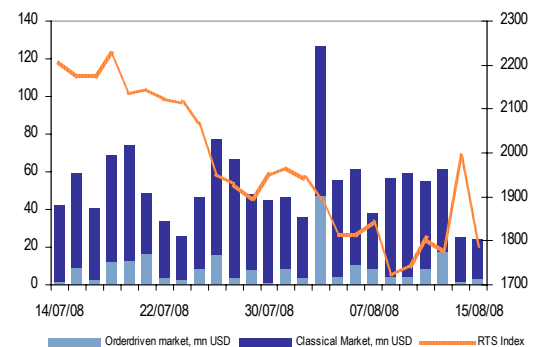
## Market estimates

### Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	1,785.36	-9.87	-0.55	3.64	-17.93	-1.92
MICEX Index	1,460.20	15.44	1.07	7.40	-11.01	-8.70
USD / RUR	24.6137	0.21	0.86	1.67	5.84	-3.99
EUR / RUR	36.1267	0.01	0.02	-0.79	-1.85	4.47
EUR / USD	1.4678	-0.01	-0.84	-2.44	-7.25	9.55
Dow Jones Index	11,659.90	43.97	0.38	-0.63	3.74	-9.23
NASDAQ	2,452.52	-1.15	-0.05	1.59	7.34	0.06
FTSE 100	5,454.80	-42.60	-0.77	-0.63	5.91	-6.90
Nikkei 225	13,019.41	62.61	0.48	-1.13	2.03	-19.38
MSCI EM	971.89	-12.05	-1.22	-1.83	-4.33	1.57

Source: Bloomberg, Estimation: Veles Capital

### RTS index vs. trade volume



### Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	110.71	-1.19	-1.06	-1.53	-17.71	60.73
Urals, USD / bbl	108.81	-0.15	-0.14	-0.91	-16.73	62.28
Gold, USD / ounce	809.52	-17.52	-2.12	-7.84	-17.91	17.96
Palladium, USD / ounce	292.32	-24.66	-7.78	-14.31	-33.65	-17.32
Copper, USD / ton	7,360	-25	-0.34	-0.54	-8.91	9.20
Nickel, USD / ton	18,700	-400	-2.09	3.03	-8.33	-25.50

Source: Bloomberg, Estimation: Veles Capital

### Russian share quotes

	Close, USD	Change, USD	Change, %			
			day	week	month	year
VTB	0.003	-0.000	-1.85	-0.62	-7.83	-32.63
Polys-Gold	39.50	-	-	5.33	-25.26	-2.47
NorNickel	203.00	3,500	1.75	6.84	-6.45	-1.12
Rostelecom	11.48	-	2.46	-0.22	-3.16	20.47
MTS	11.35	0.220	1.98	4.85	-3.32	14.07
Sberbank	2.620	-0.030	-1.13	5.22	-15.48	-29.19
LUKOIL	77.50	-1.300	-1.65	1.71	-19.44	3.75
Gazprom Neft	5.550	-	-0.89	-0.89	-29.75	46.05
Surgutneftegas	0.800	-0.014	-1.72	5.26	-22.78	-31.91
Gazprom	10.90	0.070	0.65	7.81	-17.55	5.52
Tatneft	5.840	-	2.46	-17.86	21.54	-
Rosneft	8.770	0.070	0.80	2.21	-20.27	9.22

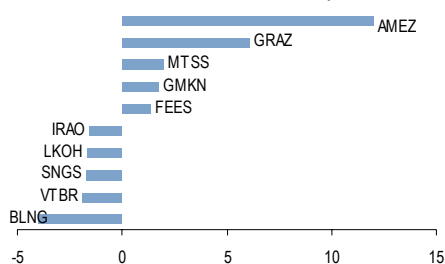
Source: RTS web page, Estimation: Veles Capital

### Veles Management MC Unit investment trusts

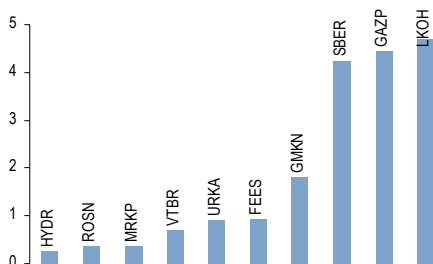
	Net asset value, RUR	Share price, RUR	Change, %			Since interest per annum formation, %
			day	month	year	
VELES Capital	9,506,425	1,003.88	-0.07	-9.29	-9.39	0.16
VELES Capital - Selected Shares	8,483,660	788.72	0.02	-12.52	-17.57	-12.16
VELES Capital - Bonds	33,151,080	1,007.16	0.07	0.04	-	1.44

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	1,777.6	1,798.1
2	1,750.8	1,821.0
3	1,706.1	1,891.3

## Trader's view

Last Friday had failed to form a single trend. On one hand – external factors were quite sound. DJ added +0.72% and NASDAQ upped +1.03%, Europe's indicators had also demonstrated a moderate growth. However, commodities market's situation was not as sound. Brent oil brand's prices have dropped to 109 USD during the day, metals market had also demonstrated a negative dynamics. The resulting quotes of commodities companies have dropped as well. The top negative influence on index has been put by stocks of Gazprom and LUKOIL. Banking sector's quotes were quite opposite to the general market, still backed by external factors. The weakening of limitations set upon Fannie Mae and Freddie Mac mortgage firms have propelled US banks' quotes upwards, and Russian banks were quick to follow.

RTS lost -0.55% and stopped at 1785.36 points. The worse support of the market has been made up with stocks of LUKOIL (-1.65%), Silvinite (-8%) and NLMK (-5.1%). The positive backing of index has been formed through quotes of: Gazprom (+0.65), Rosneft (+0.8%) and Norilsk Nickel (+1.75%).

Classic market's turnover of RTS has formed 20.6 mn USD. The stocks of LUKOIL (4.7 mn USD), Gazprom (4.4 mn USD) and Sberbank (4.3 mn USD) have achieved the highest turnovers of Friday.

Foreign markets' dynamics of Friday was rather calm, no evident trend appearing through the day: some indices have demonstrated a considerably sound result, some were negative. No important macroeconomic statistics is expected to come out soon. Therefore we assume that the determining factor of the day would be the data off the commodities market. We thin that today's dynamics of RTS has a weak, yet positive nature, thanks to the latter oversold character of market.

RTS index support and resistance levels



*Company profile*

Last price, USD	2.000
Market capitalization, mn USD	68,282
Ticker	AMV

## Oil &amp; Gas

## Amtel-Vredestein

## Amtel-Vredestein suffers losses.

The net losses by Amtel-Vredestein in 2007 under IAS have increased 49 times, up to 243 mn USD, from prior year's 5 mn of total losses, reports company's press-release.

Message says that business profitability suffered considerably, due to latter wrote-off of some assets worth a total of 136 mn USD, on par with growth of costs spend to service a considerable debt, forming 75 mn USD.

Amtel-Vredestein's net sales upped +29.4% and formed 994 mn USD. The growth was provided, above all – by the key segment of automobile tires, on par with stable results shown by other business segments. Amtel-Vredestein points out a stable growth of tire demand. Company's Russian business sales upped +30%, achieving a total of 439 mn USD, Holland's branch (Vredstein Baden) sales increased +18% to 402 mn USD. Amtel-Vredestein's gross income expanded +26.5% to 234 mn USD. EBITDA lost -23.5% and formed 59 mn USD.

Amtel-Vredestein's net debt of 2007 rose +17.8% to a record 800 mn USD, whereas its primary part is held by Russia's branches of the company. Company's business prospects of 2008 are directly related to results of ongoing negotiations with primary banks-creditors of Russian branch. Message also notes – that company still got problems with restoring turnover funds, which may lead to temporary stops in production, whereas the issue fully depends on second stabilization tranche off SIBUR-Russkiye Shini (SIBUR-Russian Tires) company.

Do remember - Amtel-Vredestein and SIBUR have signed a merger agreement on July 11<sup>th</sup> 2008, in order to unite their tire business. The deal is to be held in two stages. During the first stage – the existing debt of Amtel-Vredestein is to be restructured. After which – begins the merger procedure. In order to merge Amtel will conduct an additional emission of 159.3 mn common stocks, meant to be paid for with a 100% portfolio of SIBUR-Russskiye Shini. As a result – SIBUR-Holding gains 70% of new company, and then – after a private offering of untied Amtel at LSE of up to 79.4 mn stocks at 150 mn USD – reducing its stake down to 60.5%. All merger deals are planned for closing after acquisition of permits of regulating bodies before late 2008. FAS of RF has already approved the deal. In our opinion – given merger is the sole chance for Amtel-Vredestein to evade bankruptcy. And SIBUR understands that – hence the deal is mostly beneficial for the latter company. The chemical holding may “grow” a missing chain for SIBUR-Russskiye Shini, out of developed segment of automobile tires. Amtel's benefits could be experienced by its top-managers only, who are set to get record bonuses of over 6 mn USD.

*Dmitry Lyutyagin*  
*DLyutyagin@veles-capital.ru*

**Financial results of Amtel-Vredestein N.V. under IAS, 2007, mn USD**

	2006	Chg. %	2007
Sales	768	29.4	994
Cost of products sold, excluding amortization	(536)	31.5	(705)
Amortization	(45)	22.2	(55)
Gross income	187	25.1	234
Other operating (expense)/income	(146)	162.3	(383)
EBITDA	79	-25.3	59
<i>EBITDA margin, %</i>	10.3	-4.4	5.9
EBIT	41	-463.4	(149)
<i>EBIT margin, %</i>	5.3	-20.3	-15.0
Interest paid	(45)	55.6	(70)
Currency exchange gain, netto	15	-120.0	(3)
Costs reformation	(3)	-100.0	0
EBT	8	n/d	(222)
<i>EBT margin, %</i>	1.0	-23.4	-22.3
Income tax	(7)	185.7	(20)
income on sale of discounted operations, net of tax	(6)		0
Net income	(5)	n/d	(242)
<i>Net income margin, %</i>	-0.7	-23.7	-24.3

Source: company's data; Estimation: Veles Capital

*Company profile*

Last price, USD	203.00
Market capitalization, mn USD	38,697
Ticker	GMKN
Fair value, USD	314.68
Undervaluation, Overvaluation %	55.01
Recommendation:	<b>BUY</b>

**Non-ferrous metallurgy****Norilsk Nickel**

Norilsk Nickel may partner Rostekhnologii in purchasing Udokan.

Rostekhnologii is discussing an opportunity to attract Norilsk Nickel as a possible partner of its consortium with Metallinvest in developing Udokan copper deposit, announced Sergei Chemezov, the chief manager of Rostekhnologii to the journalists on Friday. According to Chemezov, the partnership will be possible only if Norilsk Nickel's puts copper assets in joint venture. Rostekhnologii will find an opportunity to cooperate with Norilsk Nickel, if company's board of directors confirms a decision to put copper deposits in joint venture, which the company has on balance, said the head of Rostekhnologii. According to him, Rostekhnologii did not conduct negotiations with Basic Element, the other participant of auction and did not sign any agreements with it, such as Rostekhnologii has made with Metallinvest.

The opportunity of the triple alliance: "Rostekhnologii-Metallinvest-Norilsk Nickel" is under discussion for a long period already. However, due to intra-group problems, Norilsk Nickel has filed and then removed an application of participation in the auction. Chemezov's words confirm the fact that Norilsk Nickel's experience and technologies would be very beneficial for company's business. To some extent, it is a kind of invitation to take part in deposit's development. Taking into account Potanin's statements, Norilsk Nickel also agreed to participate in this deal. We see the news as neutral for company's securities and do not change our "BUY" recommendation on Norilsk Nickel's stocks.

*Stanislav Fomenko*  
*SFomenko@veles-capital.ru*

*Company profile*

Last price, USD	11.350
Market capitalization, mn USD	22,624
Ticker	MTSS
Fair value, USD	19.590
Undervaluation, Overvaluation %	43.52
Recommendation:	<b>BUY</b>

**Telecoms****MTS****MTS filed a report against SMARTS.**

On July 15<sup>th</sup>, MTS and Cezanne B.V., its subsidiary have filed a report in Federal Antimonopoly Service, concerning the purchase of rights, defining regulation of SMARTS' business activity. The information was presented by Interfax.

Just as we mentioned before, MTS could be interested in SMARTS. Among the reasons of such interest are: MTS' efforts to save the leading positions at Russian cellular market. Moreover, it can increase the price of MTS' business (depending on deal price). The filed application can be explained by MTS' decision to merge with SMARTS. Moreover, we do not exclude that the negotiations, concerning the deal are close to final stage. Thus, if FAS approves the request and if final arrangement between MTS and SMARTS' shareholders is achieved, MTS will not have to spend time on extra coordination and being able to start the merger with SMARTS at once. Regarding FAS' approval we can tell: such deals are rarely vetoed by FAS.

We confirm "BUY" recommendation on MTS' stocks.

*Ilya Fedotov*  
*IFedotov@veles-capital.ru*

*Company profile*

Last price, USD	0.200
Market capitalization, mn USD	1,742
Ticker	SILM
Fair value, USD	0.125
Undervaluation, Overvaluation %	-37.5
Recommendation:	<b>SELL</b>

**Machinery****Power Machines****Power Machines: a little castling.**

A quarter report of the machinery concern indicates that Highstat Limited, headed by Alexei Mordashov, has decreased its share in Power Machines from 55.42% to 30%.

Meanwhile, by 16.55% of company's stake was passed into ownership to both King Rail Trading Ltd and Ashington Trading Ltd. The data was presented as May 12<sup>th</sup>.

According to a source, close to Power Machines, King Rail Trading and Ashington Trading are also affiliated with A. Mordashov. Thus, company's share has been increased by 63.1%.

There were no serious changes in capital structure of Power Machines. Alexei Mordashov is still the major shareholder of the company. Such "shifting" was conducted in order to make shareholders' structure more sophisticated. We do not exclude that the major shareholder is purchasing the shares off the market under low prices, in order to sell Power Machines' portfolio in the future. We see the news as neutral for company's business and think that it will have only a slight influence on Power Machines' stocks.

*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					
<b>Oil and Gas</b>															
Bashneft	- BANE	15.425	-	-	2.83	-15.60	-7.36	10.18	12.860	18.750	-	2,943	-	-	HOLD
Bashneft, pref.	- BANEP	9.2000	-	-	-6.60	-18.58	-16.17	-4.17	9.1000	12.1000	-	-	-	-	HOLD
Gazprom	▲ GAZP	10.900	0.070	0.65	7.81	-17.55	-22.64	5.52	9.400	15.650	4,447,566	258,041	20.200	85.32	BUY
Gazprom Neft	- SIBN	5.5500	-	-	-0.89	-29.75	-12.60	46.05	5.0000	8.1000	-	26,314	8.8800	60.00	ACCUMULATE
LUKOIL	▼ LKOH	77.50	-1.30	-1.65	1.71	-19.44	-10.92	3.75	64.25	113.20	4,705,747	65,919	138.44	78.63	BUY
NOVATEK	- NVTK	7.1000	-	-	0.71	-16.96	-5.33	39.22	6.5000	9.1500	18,460	21,558	12.0500	69.72	BUY
RITEK	- RITK	7.5250	-	-	-3.22	-11.99	-25.86	-30.96	7.0000	9.9000	-	1,089	-	-	-
Rosneft	▲ ROSN	8.770	0.070	0.80	2.21	-20.27	-8.34	9.22	6.670	12.200	372,371	92,946	14.310	63.17	BUY
Surgutneftegas	▼ SNGS	0.8000	-0.0140	-1.72	5.26	-22.78	-35.48	-31.91	0.7250	1.2980	80,000	31,739	-	-	UNDER REVISION
Surgutneftegas, pref.	▲ SNGSP	0.4100	0.0050	1.23	3.14	-11.83	-36.73	-37.55	0.3650	0.6480	89,995	-	-	-	UNDER REVISION
Tatneft	- TATN	5.8400	-	-	2.46	-17.86	-3.47	21.54	4.7500	8.0100	-	13,151	8.6868	48.75	BUY
Tatneft, pref.	- TATNP	2.9000	-	-	3.57	-13.43	-21.62	3.57	2.7000	3.8300	-	-	4.4480	53.38	BUY
TNK-BP Holding	- tbnp	1.7250	-	-	-1.43	-16.06	-22.65	-13.53	1.5200	2.2190	-	27,957	2.5950	50.43	BUY
TNK-BP Holding, pref.	- tbnpp	1.3800	-	-	3.76	-13.21	-27.37	-21.14	1.3300	1.8500	7,590	-	2.3410	69.64	BUY
Transneft, pref.	- TRNFP	1.075.0	-	-	2.38	-8.51	-46.12	-35.63	960.0	2,007.0	-	6,686	2,275.0	111.63	BUY
<b>Energy</b>															
Bashkirenergo	- BEGY	1.3900	-	-	1.46	-2.80	-34.43	-31.70	1.3500	2.1000	-	1,506	-	-	-
Bashkirenergo, pref.	- BEGYP	1.1250	-	-	-	-	-5.46	-10.18	1.0500	1.1750	-	-	-	-	-
Hydro-WGC	▼ HYDR	0.0690	-0.0010	-1.43	12.20	4.55	-	-	0.0570	0.0930	244,500	13,514	-	-	-
Inter RAO UES	▼ IRAO	0.0006	-0.0000	-1.56	5.00	-	-	-	0.0006	0.0008	36,170	817	-	-	-
Irkutskenergo	- IRGZ	0.6455	-	-	0.08	-18.81	-45.76	-31.51	0.6600	1.1510	-	3,077	-	-	-
WGC-1	- OGKA	0.0625	-	-	-14.38	-25.15	-49.19	-	0.0605	0.1225	-	2,790	0.1630	144.80	BUY
WGC-2	- OGKB	0.0528	-	-	-9.66	-29.63	-65.68	-65.46	0.0525	0.1500	-	1,730	0.2387	351.66	BUY
WGC-3	- OGKC	0.0750	-	-	-1.64	-16.90	-50.08	-50.00	0.0665	0.1450	-	3,562	0.1651	120.13	ACCUMULATE
WGC-4	- OGKD	0.0552	-	-	8.33	-16.29	-58.46	-49.77	0.0510	0.1335	-	3,482	0.1977	257.83	BUY
WGC-5	- OGKE	0.1030	-	-	8.42	-11.97	-41.21	-31.33	0.0950	0.1795	-	3,643	0.2046	98.64	BUY
WGC-6	- OGKF	0.0430	-	-	-4.44	-39.44	-66.14	-69.29	0.0440	0.1250	-	1,387	0.0932	116.74	BUY
TGC-1	- TGKA	0.0009	-	-	12.50	-33.82	-31.03	-33.82	0.0008	0.0014	-	3,466	0.0020	122.22	BUY
TGC-2	- TGKB	0.0010	-	-	-1.02	-1.02	-2.50	2.63	0.0008	0.0012	-	1,430	0.0015	53.85	BUY
TGC-2, pref.	- TGKBP	0.0006	-	-	-	-13.79	-18.30	-26.47	0.0004	0.0004	-	-	0.0011	76.00	BUY
TGC-3 (Mosenergo)	- MSNG	0.1235	-	-	2.07	-17.67	-48.11	-46.88	0.1200	0.2460	-	4,909	-	-	REDUCE
TGC-4	- TGKD	0.0011	-	-	-2.78	-4.11	-15.32	5.00	0.0010	0.0012	-	2,036	-	-	-
TGC-4, pref.	- TGKDP	0.0004	-	-	-	-25.00	-37.50	-42.68	0.0005	0.0006	-	-	-	-	-
TGC-5	- TGKE	0.0006	-	-	20.59	-16.33	-32.04	-53.41	0.0005	0.0010	-	757	0.0012	95.12	BUY
TGC-6	- TGKF	0.0007	-	-	-	-1.39	-37.99	-34.26	0.0007	0.0012	-	1,320	0.0009	26.76	REDUCE
TGC-7	- TGKG	0.0645	-	-	-0.77	-14.57	-40.83	-44.70	0.0690	0.1095	-	1,933	-	-	-
TGC-8	- TGKH	0.0016	-	-	-0.00	-3.05	13.57	39.47	0.0013	0.0017	-	3,278	0.0009	-43.40	SELL
TGC-9	- TGKI	0.0002	-	-	-8.82	-35.42	-51.56	-40.38	0.0002	0.0003	-	1,213	-	-	-
TGC-10	- TGKJ	4.2650	-	-	-7.78	-7.28	4.28	-1.95	3.5000	4.6100	-	3,748	-	-	-
TGC-11	- TGKK	0.0006	-	-	-18.84	-38.46	-65.43	-	0.0006	0.0016	-	287	-	-	-
TGC-12 (Kuzbasenergo)	- KZBE	0.0122	-	-	0.83	-34.05	-55.64	-64.38	0.0120	0.0281	-	862	-	-	-
TGC-13	- TGKM	0.0057	-	-	-1.72	-19.72	-46.06	-47.64	0.0060	0.0102	-	907	-	-	-
TGC-14	- TGKN	0.0004	-	-	-	-36.51	26.47	14.67	0.0002	0.0003	-	335	-	-	-
FGC UES	▲ FEES	0.0151	0.0002	1.34	14.39	-	-	-	0.0116	0.0158	926,159	7,193	-	-	-
<b>Nonferrous metallurgy</b>															
BMSK	- bmsk	2.6750	-	-	-	-13.71	9.18	0.94	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	135.00	-	-	1.35	-4.93	-55.30	-53.21	130.00	314.00	-	1,556	-	-	HOLD
Norilsk Nickel	▲ GMKN	203.00	3.50	1.75	6.84	-6.45	-23.40	-1.12	175.00	316.50	1,794,100	38,697	314.68	55.01	BUY
Safiyonovskaya med	- sfmd	5.2500	-	-	-	-12.50	-43.24	-58.00	6.0000	7.0000	-	11	4.7300	-9.90	SELL
Sredneuralsky MPZ	- sumz	15.000	-	-	-	-1.64	-19.25	-37.50	14.000	18.400	-	76	36.550	143.67	SPECULATIVE BUY
Uralkhromed	- uelm	89.00	-	-	-1.11	-15.84	-21.65	-12.75	87.00	121.00	-	451	126.38	42.00	ACCUMULATE
Ufaleynickel	- ufal	7.0750	-	-	-	-5.92	-8.71	-8.71	7.5000	7.5000	-	190	6.6300	-6.29	REDUCE
Chelyabinsk Zink Plant	- CHZN	5.6750	-	-	3.18	-16.54	-49.44	-95.58	5.3500	12.1500	-	308	-	-	UNDER REVISION
Yuzhuralnickel	- unkl	712.5	-	-	6.34	-6.25	-49.11	-33.10	700.0	1,300.0	-	427	463.4	-34.96	ACCUMULATE
Electrozinc	- eltz	65.10	-	-	-9.74	-17.20	-	-	68.19	110.00	-	91	-	-	-
<b>Ferrous metallurgy (Steel)</b>															
Ashinsky Metallurgy Plant	▲ AMEZ	0.5600	0.0600	12.00	12.00	-6.28	-41.05	-4.68	0.5000	0.9700	28,000	279	0.9400	67.86	BUY
Ervaz**	▲ EVR	83.400	55.440	198.28	7.20	-17.83	7.61	100.96	30.850	131.250	52,423,712	29,601	124.760	49.59	ACCUMULATE
Mechel	- MTLR	26.000	-	-	15.56	-33.25	-3.70	96.23	16.500	45.800	147,400	10,823	43.820	68.54	-
MMC	- MAGN	0.9550	-	-	0.53	-25.39	-26.54	-9.05	0.9000	1.4400	-	10,671	1.5100	58.12	ACCUMULATE
NLMC	- NLMK	4.2250	-	-	3.05	-13.78	4.19	45.69	3.4300	5.6500	-	25,321	5.7500	36.09	ACCUMULATE
Severstal	- CHMF	19.000	-	-	11.76	-12.54	-16.67	24.59	16.000	28.000	-	19,146	32.660	71.89	BUY
Chelyabinsk Metallurgy Plant	- CHMK	342.00	-	-	-4.74	-10.59	-6.94	66.83	313.00	450.00	-	1,081	-	-	-
Chusovskoy Metallurgy Plant	- chmz	135.000	-	-	-	7.57	-	-	113.000	132.000	-	315	-	-	-
<b>Precious metals</b>															
Buryatoloto	- BRZL	14.500	-	-	-4.92	-12.12	-19.44	6.81	15.500	22.000	-	102	26.690	84.07	SPECULATIVE BUY
Lenzoloto	- lnzl	40.000	-	-	-5.88	6.67	-30.43	41.59	40.000	60.000	-	46	34.210	-14.48	HOLD
Polymetal	- PMTL	7.0000	-	-	-	-15.66	1.16	20.48	7.0000	9.3500	-	2,205	8.2800	18.29	HOLD
Polyus-Gold	- PLZL	39.500	-	-	5.33	-25.26	-13.94	-2.47	36.000	80.000	-	7,530	57.180	44.76	HOLD
Susumanzoloto	- sysy	45.750	-	-	-	-2.66	52.50	1.67	-	-	-	41	55.270	20.81	ACCUMULATE
<b>Coal industry</b>															
Belon	▼ BLNG	168.000	-7.000	-4.00	-6.67	-22.22	78.72	321.32	93.000	240.000	8,400	1,932	91.610	-45.47	SPECULATIVE BUY
Vorkutaugol	- voug	160.00	-	-	-6.16	-10.36	-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	-1.39	160.00	187.00	-	-	255.14	59.46	SPECULATIVE BUY
Kuzbassrazrezugol	▼ kzru	0.6100	-0.0050	-0.81	-3.17	-25.52	42.03	74.29	0.4400	0.9000	30,500	3,729	0.3800	-37.70	HOLD
Raspadskaya	▼ RASP	6.4000	-0.1000	-1.54	2.40	-28.49	-1.54	128.98	5.4000	10.3000	163,000	4,997	10.6500	66.41	ACCUMULATE
Yuzny Kuzbass	- UKUZ	87.500	-	-	3.55	-23.91	62.04	151.80	56.000	158.900	-	3,160	50.380	-42.42	REDUCE

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						
<b>Pipe industry</b>																
	Almetievsk Pipe Plant	- atza	15.000	-	-	11.11	27.66	27.66	-	-	-	45	26.780	78.53	SPECULATIVE BUY	
	Vykasa Metallurgy Plant	- vsmz	1,330.0	-	0.38	-9.22	-37.12	-13.92	1,400.0	2,080.0	-	2,503	2,439.8	83.45	SPECULATIVE BUY	
	Pervouralsk New Pipe Plant	- PNTZ	28.950	-	-1.03	-3.10	-7.36	-5.08	28.000	32.200	-	705	42.350	46.29	BUY	
	Seversky Pipe Plant	- SVTZ	10.500	-	-3.67	-	-36.56	-4.11	10.000	15.800	-	505	16.180	54.10	SPECULATIVE BUY	
	Sinarsky Pipe Plant	- SNTZ	77.00	-	6.94	-6.67	-45.00	-30.00	68.00	138.50	-	485	230.47	199.31	SPECULATIVE BUY	
	Taganrog Metallurgy Plant	- TAMZ	0.7900	-	-	-17.28	-35.98	-32.77	0.8000	1.1000	-	365	1.3200	67.09	SPECULATIVE BUY	
	TMK	- TRMK	8.1500	-	2.84	-2.40	-25.40	-11.89	7.1000	10.7000	-	7,115	10.0400	23.19	ACCUMULATE	
	Chelyabinsk Pipe Plant	- CHEP	3.8150	-	-3.30	-3.28	-10.34	-9.60	3.8500	4.5500	-	1,802	5.5700	46.00	BUY	
<b>Telecommunications</b>																
	Volgatelecom	- NNSI	3.3000	-	3.12	-21.52	-43.78	-33.33	3.2000	5.9100	33,000	983	6.0110	82.15	BUY	
	Volgatelecom, pref.	- NNSIP	2.0855	-	3.76	-18.22	-49.75	-40.41	2.0000	4.1800	-	-	4.5083	116.17	BUY	
	Vimpelcom*	- VIP	24.370	-	1.29	-10.60	-41.42	21.61	22.350	120.750	80,901,800	24,994	39.990	64.10	BUY	
	Dalsvyaz	- ESPK	3.4000	-	-4.23	-18.56	-35.85	-29.90	3.2000	5.7000	-	420	7.4457	118.99	BUY	
	Dalsvyaz, pref.	- ESPKP	3.0500	-	-3.17	-6.87	-31.84	-31.46	2.6500	4.2000	-	-	5.5812	82.99	BUY	
	Comstar-UTS	- CMST	8.000	-	-	-5.88	-26.84	-21.18	8.500	11.000	-	3,344	13.480	68.50	BUY	
	MGTS	- MGTS	34.700	-	-	-5.19	-4.41	6.77	32.000	34.600	-	3,263	-	-	HOLD	
	MGTS, pref.	- MGTS	30.850	-	9.98	-5.08	-4.04	16.64	27.100	31.300	-	-	-	-	HOLD	
	MTS	▲ MTSS	11.3500	0.2200	1.98	4.85	-3.32	-26.06	14.07	9.9000	15.7000	56,750	22.624	16.2900	43.52	BUY
	Rostelecom	- RTKM	11.475	-	-0.22	-3.16	-3.25	20.47	10.400	12.440	-	8,750	4.480	-60.96	SELL	
	Rostelecom, pref.	- RTKMP	1.6000	-	-5.88	-20.00	-45.30	-40.74	2.0000	2.8500	-	-	3.3600	110.00	BUY	
	North-West Telecom	- SPTL	1.0100	-	5.21	-13.68	-41.28	-36.48	0.9300	1.7000	-	1,051	1.3290	31.58	HOLD	
	North-West Telecom, pref.	- SPTLP	0.6425	-	-1.91	-12.29	-47.76	-42.38	0.6000	1.2150	-	-	0.9967	55.13	ACCUMULATE	
	Sibirtelecom	- ENCO	0.0715	-	5.15	-14.88	-40.42	-29.07	0.0630	0.1170	-	1,012	0.1140	59.44	BUY	
	Sibirtelecom, pref.	- ENCOP	0.0392	-	-12.78	-30.53	-51.24	-43.20	0.0450	0.0670	-	-	0.0855	117.83	BUY	
	Uralsvyazinform	- URSI	0.0412	-	-4.16	-18.72	-35.36	-27.70	0.0400	0.0635	41,210	1,543	0.0573	39.04	BUY	
	Uralsvyazinform, pref.	- URSIP	0.0270	-	-	-11.18	-36.47	-29.87	0.0260	0.0418	-	-	0.0430	59.26	ACCUMULATE	
	CenterTelecom	- ESMO	0.4850	-	-4.43	-21.14	-47.96	-48.95	0.5000	0.9320	-	939	0.9018	85.94	BUY	
	CenterTelecom, pref.	- ESMOP	0.3300	-	-4.35	-13.04	-46.99	-42.13	0.3000	0.6375	-	-	0.6763	104.94	BUY	
	SouthTelecom	- KUBN	0.1150	-	-4.96	-15.44	-41.92	-35.57	0.1200	0.2020	-	420	0.2526	119.65	BUY	
	SouthTelecom, pref.	- KUBNP	0.0815	-	0.62	-12.60	-43.70	-32.08	0.0810	0.1450	-	-	0.1895	132.52	BUY	
<b>Machinery</b>																
	AvtoVAZ	- AVAZ	0.9100	-	7.06	-37.67	-52.85	-45.51	1.1000	1.9500	-	1,517	1.6770	84.29	BUY	
	AvtoVAZ, pref.	- AVAZP	0.5500	-	-5.98	-19.71	-28.10	-7.17	0.5500	0.6550	-	-	1.2580	128.73	BUY	
	GAZ	- GAZA	133.00	-	4.31	-11.92	-21.76	-8.40	120.00	210.00	-	2,573	197.30	48.35	HOLD	
	GAZ, pref.	- GAZAP	75.50	-	-4.13	-18.82	-37.08	-23.74	95.00	125.50	-	-	148.00	96.03	BUY	
	ZMZ	- ZMZN	5.1000	-	-	-8.11	70.00	100.00	2.9000	5.2000	-	702	4.4500	-12.75	HOLD	
	ZMZ, pref.	- zmnzp	3.3750	-	-6.90	-3.57	40.62	80.00	2.6000	3.5250	-	-	3.3400	-1.04	HOLD	
	Kamaz	- KMAZ	5.0000	-	0.50	-5.66	-3.85	14.29	5.5500	7.2500	-	3,536	6.4000	28.00	BUY	
	Kirovsky zavod	- KIRZ	44.000	-	-6.88	-12.00	-20.00	28.28	45.000	56.000	-	478	33.290	-24.34	REDUCE	
	NefAZ	- nfaz	33.500	-	-	-17.28	-6.94	108.98	36.500	50.250	-	269	49.150	46.72	BUY	
	Saturn NPO	- satr	0.0695	-	-0.71	-14.72	-41.60	-45.70	0.0750	0.1125	-	277	0.1379	98.42	HOLD	
	OMZ	- OMZZ	6.0000	-	-8.75	-16.67	-23.32	-32.39	6.7500	7.6000	-	213	6.3200	5.33	SELL	
	RSC Energia	- satr	490.00	-	-3.92	-22.83	-	-	489.90	705.00	-	551	641.10	30.84	HOLD	
	UAZ	- uaza	0.1425	-	-3.39	-3.39	2.52	37.68	0.1125	0.1500	-	561	-	-	-	
	UAZ, pref.	- uazap	0.0725	-	-3.33	-25.64	-18.54	35.51	0.0710	0.0900	-	-	-	-	-	
	Severstal-Auto	- SVAV	48.625	-	-1.37	-17.58	-9.95	22.71	48.250	67.300	-	1,666	81.330	67.26	BUY	
	Power Machines	- SILM	0.2000	-	-2.44	-6.98	-1.23	4.99	0.1930	0.2220	63,966	1,742	0.1250	-37.50	SELL	
<b>Industry</b>																
	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	-15.54	-	-	-	35	79.650	127.25	BUY	
	BEPP	- bunz	52.000	-	-	-	9.47	-20.00	-	-	-	16	81.000	55.77	BUY	
	BEPP, pref.	- bunzp	41.000	-	-	-	-1.20	-1.20	-	-	-	-	60.700	48.05	BUY	
	Gazenergoservice	- gzes	115.50	-	2.21	-4.55	-25.00	-39.21	110.00	210.00	-	40	137.00	18.61	ACCUMULATE	
	Mikron	- mkro	10.150	-	-3.38	-16.29	0.74	48.72	10.000	12.250	-	110	-	-	-	
	Orgenergogaz	- oeng	10.400	-	-2.44	-9.96	-27.65	-18.75	10.070	13.510	-	63	25.200	142.31	BUY	
	Sitronics	- SITR	0.1025	-	-	-14.76	-14.58	-24.07	0.1150	0.1366	-	979	0.0854	-16.68	SELL	
	Centrenergogaz	- cegz	4.625.0	-	-0.54	-4.64	115.12	-	3.000.0	5.680.0	-	438	5.693.6	23.10	BUY	
	Centrenergogaz, pref.	- cegzp	1,350.0	-	12.50	-8.47	-26.03	-	1,100.0	2,200.0	-	-	4,270.2	216.31	BUY	
	Electrogaz	- elgz	670.00	-	-	11.48	-4.29	15.52	550.50	600.00	-	42	895.70	33.69	BUY	
	Electrogaz, pref.	- elgzp	165.00	-	8.20	-1.49	-45.90	-17.50	130.00	390.00	-	-	671.80	307.15	BUY	
<b>Chemical industry</b>																
	Azot (Berezniki)	- azop	925.00	-	-	1.09	1.93	34.06	875.00	960.00	-	375	1,427.50	54.32	BUY	
	Akron	▼ AKRN	84.00	-1.00	-1.18	-0.88	-32.04	66.34	249.64	50.70	127.50	126,025	4,006	136.24	62.19	BUY
	Ammofos	- ammo	121.05	-	-6.88	-8.64	6.65	198.52	99.00	270.00	-	1,092	332.20	174.43	BUY	
	Dorogobuzh	- DGBZ	0.8500	-	-5.56	-35.85	88.89	243.43	0.4550	1.4000	-	706	1.1900	40.00	HOLD	
	Dorogobuzh, pref.	- DGBZP	0.6000	-	-14.29	-16.67	87.50	189.16	0.3200	0.7400	-	-	0.6400	6.67	HOLD	
	Kujbyshevazot	- kazt	3.6950	-	1.23	-9.88	36.85	100.27	2.3400	5.0100	-	884	5.7500	55.62	BUY	
	Kujbyshevazot, pref.	- kaztp	2.1500	-	-	-1.15	36.51	53.13	1.5000	2.0500	-	-	3.2800	52.56	BUY	
	Silvinit	- SILV	1,150.0	-	-16.36	-45.24	30.68	196.77	900.0	2,275.0	74,750	10,630	1,417.4	23.25	REDUCE	
	Silvinit, pref.	- silvp	625.00	-	-	-36.55	-3.85	142.25	510.00	1,250.00	-	-	809.90	29.58	REDUCE	
	Uralkali	▲ URKA	10.210	0.110	1.09	18.72	-27.95	30.90	271.27	5.800	16.050	910,095	21,690	17.830	74.63	ACCUMULATE
<b>Retail Trade</b>																
	Pharmacy Network 36,6	- APTK	28.450	-	-0.52	-19.29	-61.03	-65.30	26.000	70.000	-	270	-	-	UNDER REVISION	
	GUM	- GUMM	2.6000	-	0.58	-2.35	26.83	14.54	1.9700	2.9500	-	156	-	-	UNDER REVISION	
	X5 Retail Group**	- FIVE	27.600	-	3.37	-13.21	-24.38	2.68	26.700	38.930	7,666,670	7,303	-	-	UNDER REVISION	
	Seventh Continent	- SCON	26.080	-	0.31	0.31	0.69	3.49	22.750	28.500	-	1,956	-	-	UNDER REVISION	
	TzUM	- TZUM	5.1750	-	-	-3.72	140.70	158.75	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		
<b>Consumer Sector</b>																	
	Baltika	-	PKBA	35.750	-	-	-7.14	-17.34	-26.10	-26.10	42.250	50.000	-	5,746	-	-	UNDER REVISION
	Baltika, pref.	-	PKBAP	26.100	-	-	-1.51	-5.09	-22.09	-18.69	25.500	31.000	-	-	-	-	UNDER REVISION
	WBD	-	WBDF	52.750	-	-	5.50	-21.27	-41.39	-30.09	47.000	93.000	-	2,321	-	-	UNDER REVISION
	Kalina	-	KLNA	25.000	-	-	-7.41	-21.88	-38.27	-39.17	23.000	39.000	-	244	-	-	UNDER REVISION
	Lebedyansky	-	LEKZ	81.000	-	-	-	-1.37	-11.96	-13.83	80.000	93.500	47,952	1,653	-	-	UNDER REVISION
<b>Transport</b>																	
	Aeroflot	-	AFLT	2.9500	-	-	-1.67	-4.84	-21.33	6.31	2.9000	4.4500	-	3,276	4.1700	41.36	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	-	-	-1.90	-3.72	-5.48	38.00	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	0.1615	-	-	-1.67	-11.75	-35.40	-	0.1500	0.2650	-	3,110	0.1990	23.22	ACCUMULATE
	Novorossiysk Sea Shipping	-	NOMP	3.1750	-	-	-2.34	-3.79	8.36	32.57	2.9900	3.4000	-	1,312	3.6000	13.39	BUY
	Novorossiysk Sea Shipping, pref.	-	NOMPP	0.9500	-	-	-3.06	-24.00	-47.22	-29.73	1.1500	1.7400	-	-	2.7000	184.21	BUY
	FESCO	-	PRIM	0.4500	-	-	-	-2.28	9.76	30.81	0.4200	0.4200	-	358	0.5610	24.67	BUY
<b>Banks</b>																	
	VTB	▼	VTBR	0.0032	-0.0001	-1.85	-0.62	-7.83	-37.15	-32.63	0.0031	0.0050	718,941	21,383	-	-	-
	Sberbank	▼	SBER	2.6200	-0.0300	-1.13	5.22	-15.48	-37.91	-29.19	2.3300	4.3800	4,250,200	58,158	4.6210	76.37	ACCUMULATE
	Sberbank, pref.	-	SBERP	1.6000	-	-	6.67	-14.89	-46.67	-41.50	1.4000	2.9300	-	-	3.4660	116.62	ACCUMULATE
<b>Media &amp; IT</b>																	
	RBC	-	RBCI	7.8000	-	-	4.00	-5.45	-25.36	-8.24	7.3500	10.9000	-	1,092	9.8600	26.41	BUY
	CTC Media*	-	CTCM	22.630	-	-	2.21	4.05	-25.07	-	21.030	105.040	3,586,451	3,443	32.600	44.06	BUY
<b>Oblgaz</b>																	
	Altaikraisservice	-	akgs	123.00	-	-	-	-21.90	6.96	-35.26	105.00	105.00	-	14	339.43	175.96	BUY
	Astrakhanobgas	-	asog	2.5000	-	-	-	-7.41	17.65	-	2.7000	2.7000	-	10	2.3800	-4.80	HOLD
	Belgorodobgas	-	bogz	600.00	-	-	-	20.00	20.00	-	700.00	700.00	-	48	3,331.71	455.28	BUY
	Bryanskobgas	-	brog	445.00	-	-	1.14	-	9.20	35.26	380.00	510.00	-	49	1,140.89	156.38	BUY
	Vladimirobgas	-	vlog	775.0	-	-	6.90	-4.62	-47.55	34.20	800.0	1,355.0	-	35	973.7	25.64	HOLD
	Vologradobgas	-	vlgz	780.00	-	-	-	1.30	20.46	79.31	495.00	805.00	-	67	1,329.23	70.41	BUY
	Voronezhobgas	-	vogz	5.4000	-	-	3.85	-8.47	36.88	191.89	3.6000	7.0000	-	120	12.8200	137.41	BUY
	Ivanovoobgas	-	ivog	20.000	-	-	-	-	263.64	299.20	-	-	-	8	150.760	653.80	BUY
	Ivanovoobgas, pref.	-	ivogp	26.000	-	-	-	-	-46.39	766.67	-	-	-	-	150.760	479.85	BUY
	Irkutskobgas	-	irog	170.00	-	-	-	-10.53	-12.82	70.00	-	-	-	4	-	-	-
	Kalugaobgas	-	klog	900.00	-	-	-	-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
	Kirovobgas	-	krog	311.00	-	-	-	-6.33	42.99	63.64	-	-	-	31	705.25	126.77	BUY
	Komigaz	-	kgaz	32.500	-	-	-7.14	-	-13.33	-50.00	30.000	30.000	-	11	80.440	147.51	BUY
	Komigaz, pref.	-	kgazp	7.800	-	-	-0.32	-48.43	-64.55	-51.25	-	-	-	-	60.330	673.46	BUY
	Kostromaobgas	-	koog	425.00	-	-	0.59	-3.41	11.84	80.47	331.00	400.00	-	24	935.74	120.17	BUY
	Krasnodarkraigas	-	kgas	15.000	-	-	-	-	141.94	114.29	-	-	-	31	12.110	-19.27	SELL
	Kurganobgas	-	kuog	470.00	-	-	-	-	-27.69	44.62	-	-	-	14	-	-	-
	Kurskobgas	-	krgz	650.00	-	-	-	1.96	100.00	154.90	600.00	700.00	-	57	1,184.98	82.30	BUY
	Lenobgas	-	leog	2,575.0	-	-	-	-	-0.96	296.15	650.0	650.0	-	204	717.7	-72.13	HOLD
	Lipetskobgas	-	lpog	160.00	-	-	-	-	28.00	33.33	-	-	-	19	716.78	347.99	BUY
	Nizhegorodobgas	-	nnog	3.2000	-	-	17.43	3.23	-19.80	13.27	2.3500	4.5000	-	89	1.8700	-41.56	HOLD
	Omskobgas	-	omog	9.000	-	-	-6.01	-5.76	38.46	80.00	10.000	11.000	-	13	20.130	123.67	BUY
	Omskobgas, pref.	-	omogp	2.7000	-	-	-30.77	-38.64	-32.50	-10.00	-	-	-	-	11.5500	327.78	BUY
	Orelobgas	-	orzg	442.50	-	-	-	-	18.00	195.00	-	-	-	17	512.18	15.75	BUY
	Orenburgobgas	-	orog	2,000.0	-	-	-9.09	-8.05	107.25	161.44	1,000.0	2,250.0	20,000	154	2,855.8	42.79	HOLD
	Pensagasifikatsiya	-	pgzf	140.00	-	-	-	-	-30.00	-6.67	-	-	-	5	869.49	521.06	BUY
	Rostovobgas	-	rtbg	750.00	-	-	-1.32	25.00	87.50	625.00	900.00	900.00	-	100	1,529.82	103.98	BUY
	Rostovobgas, pref.	-	rtbgp	435.00	-	-	2.35	1.16	-7.45	50.00	400.00	460.00	-	-	1,529.82	251.68	BUY
	Ryazanobgas	-	rzog	5.7500	-	-	-	-4.17	-44.44	-65.26	-	-	-	28	5.9200	2.96	HOLD
	Samaragas	-	sagz	55.500	-	-	-	-63.00	0.45	9.90	45.500	45.500	-	6	289.840	422.23	BUY
	Saratovobgas	-	srog	15.000	-	-	-9.09	-11.76	84.62	189.86	7.750	25.000	-	55	50.010	233.40	BUY
	Sibirgasservice	-	sbsg	8.5500	-	-	-	21.28	13.25	52.00	-	-	-	39	-	-	-
	Smolenskobgas	-	smog	148.50	-	-	2.41	-	68.75	230.00	81.50	185.00	-	60	332.44	123.87	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
	Tambovobgas	-	togz	69.500	-	-	-	0.72	98.57	258.71	29.000	59.000	-	60	81.290	16.96	BUY
	Tverobgas	-	tveo	202.50	-	-	-	2.53	-25.82	9.46	225.00	246.00	-	36	236.31	16.70	HOLD
	Tulaobgas	-	tuog	455.50	-	-	-	3.52	68.70	265.79	180.00	705.00	-	72	1,106.23	142.86	BUY
	Chitaobgas	-	chog	125.000	-	-	-	85.19	127.27	-	-	-	-	9	-	-	-
	Yaroslavl-obgas	-	yrog	320.00	-	-	-	7.56	23.08	88.24	250.00	260.00	-	22	503.81	57.44	BUY
<b>Services companys</b>																	
	Giprospekgaz	-	gsgz	1,433.5	-	-	-	6.19	-39.00	23.31	1,100.0	1,850.0	-	59	7,463.0	420.61	BUY
	Giprospekgaz, pref.	-	gsgzp	675.00	-	-	-	-9.70	-49.06	-	800.00	800.00	-	-	5,970.00	784.44	BUY
	Spetsgazremstroy	-	sgrs	172.50	-	-	-	-5.48	-52.08	-15.85	344.00	425.00	-	89	741.25	329.71	BUY
	Spetsgazremstroy, pref.	-	sgrsp	85.00	-	-	-10.99	-19.43	-54.67	-41.38	120.00	255.00	-	-	555.94	554.05	BUY
<b>Services companys</b>																	
	Belgorodasbestocement	-	belc	201.00	-	-	42.55	34.00	402.50	-	-	-	-	20	588.48	192.78	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	0.50	-1.17	0.01	6,471	142
AFK Sistema	KO71 GR	AFKS	20.00	Frankfurt	26.054	0.889	1.3	1.1	-	3.53	0.01	-	142
Aeroflot	AETG GR	AFLT	100	Frankfurt	290.928	-5.724	2.909	3.000	-	-1.93	-	-	-
Wimm-Bill-Dann	WBD LI	WBDF	1	London	16.000	-	16.000	47.000	-	-	-	-	-
Wimm-Bill-Dann	WBD US	WBDF	1	New York	76.470	-2.670	76.470	47.000	-	-3.37	-	16,431	-
Wimm-Bill-Dann	WBPA GR	WBDF	1	Frankfurt	78.075	-1.269	78.075	47.000	-	-1.60	-	-	-
Volgaelcom	NZH GR	NNSI	2	Frankfurt	6.385	-0.054	3.193	3.300	-	-0.84	0.03	-	33
Vimpelcom	VIP US	VIMP	1/4	New York	24.430	-	488.60	420.00	-	-	-	-	-
Vimpelcom	VIP GR	VIMP	1/4	Frankfurt	24.352	-	487.03	420.00	-	-	-	-	-
Gazprom	OGZD LI	GAZP	4	London	43.250	-0.250	10.812	10.900	-0.01	-0.57	0.01	431,410	4,448
Gazprom	OGZPY US	GAZP	4	New York	43.300	0.130	10.825	10.900	-	0.30	0.01	-	4,448
Gazprom	GAZ GR	GAZP	4	Frankfurt	43.008	-0.424	10.752	10.900	-0.01	-0.98	0.01	835	4,448
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	77.300	-6.100	231.900	-	-	-7.31	-	69,378	-
EvrazHolding	HK1A GR	-	1/3	Frankfurt	80.115	-0.443	240.346	-	-	-0.55	-	2	-
Irkutskenergo	IKSGY US	IRGZ	50	New York	-	-	-	0.680	-	-	-	-	-
Irkutskenergo	IRK GR	IRGZ	50	Frankfurt	-	-	-	0.680	-	-	-	-	-
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	76.000	-3.000	76.000	77.500	-0.02	-3.80	-0.02	487,266	5,249
LUKOIL	LUKOY US	LKOH	1	New York	75.950	-2.550	75.950	77.500	-	-3.25	-0.02	-	5,249
LUKOIL	LUK GR	LKOH	1	Frankfurt	75.741	-2.715	75.741	77.500	-0.02	-3.46	-0.02	615	5,249
MCTN	MOW GR	MGTS	1	Frankfurt	26.421	-0.224	26.421	31.500	-	-0.84	-	-	-
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	11.743	-	0.117	0.220	-	-	-	-	-
MTS	MBDL LI	MTSS	5	London	-	-	-	11.350	-	-	0.02	-	57
MTS	MBT US	MTSS	5	New York	-	-	-	11.350	-	-	0.02	-	57
MTS	MKY GR	MTSS	5	Frankfurt	71.925	-0.210	14.385	11.350	-	-0.29	0.02	-	57
Nizhnekamskneftekhim	QAO GR	NKNC	10	Frankfurt	6.429	-0.055	0.643	0.725	-	-0.84	-	0	-
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	20.300	0.100	20.30	203.00	-0.90	0.50	0.02	830,699	1,794
Norilsk Nickel	NILSY US	GMKN	1	New York	20.100	0.130	20.10	203.00	-	0.65	0.02	-	1,794
Norilsk Nickel	NNIA GR	GMKN	1	Frankfurt	20.227	0.243	20.23	203.00	-0.90	1.22	0.02	220	1,794
UHM	UHM GR	OMZZ	1	Frankfurt	5.871	-	5.871	8.750	-	-	-	-	-
Pyaterochka	FIVE LI	-	1/4	London	27.630	-	110.520	-	-	-	-	-	-
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	11.200	-	-	-	-	-
Rostelekom	ROS US	RTKM	6	New York	-	-	-	11.200	-	-	-	-	-
Rostelekom	RTL GR	RTKM	6	Frankfurt	67.829	-0.412	11.305	11.200	-	-0.60	-	36	-
Seversky pipe plant	SVY GR	SVTZ	10	Frankfurt	102.750	-	10.275	14.500	-	-	-	-	-
Gazprom Neft	GAZ LI	SIBN	5	London	27.500	-	5.500	4.300	-	-	-	-	-
Gazprom Neft	GZPFY US	SIBN	5	New York	32.250	-	6.450	4.300	-	-	-	-	-
Gazprom Neft	SCF GR	SIBN	5	Frankfurt	27.669	-	5.534	4.300	-	-	-	-	-
Surgutneftegas	SGGD LI	SNGS	50	London	8.100	-	0.162	0.800	-0.80	-	-0.02	17,987	80
Surgutneftegas	SGTZY US	SNGS	50	New York	-	-	-	0.800	-	-	-0.02	-	80
Surgutneftegas	SGN GR	SNGS	50	Frankfurt	7.941	-0.201	0.159	0.800	-0.80	-2.46	-0.02	23	80
Tatneft	ATAD LI	TATN	20	London	114.000	1.500	5.700	5.700	-	1.33	-	11,443	-
Tatneft	TNT US	TATN	20	New York	-	-	-	5.700	-	-	-	-	-
Tatneft	TTFA GR	TATN	20	Frankfurt	96.244	-0.314	4.812	5.700	-	-0.32	-	324	-
Tyumenaviatrans	UTARY US	TMAT	100	New York	40.000	-	0.400	0.538	-	-	-	-	-
Tyumenaviatrans	TYV GR	TMAT	100	Frankfurt	58.714	-	0.587	0.538	-	-	-	-	-
Tsum	THT GR	TZUM	20	Frankfurt	98.346	-0.834	4.917	2.000	-	-0.84	-	-	-
STC	KUE GR	KUBN	50	Frankfurt	8.229	0.353	0.165	0.135	-	4.49	-	-	-

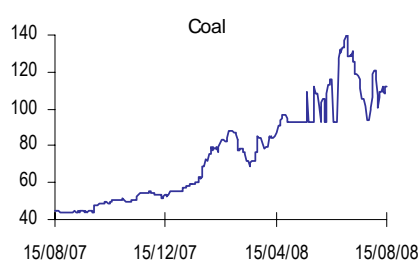
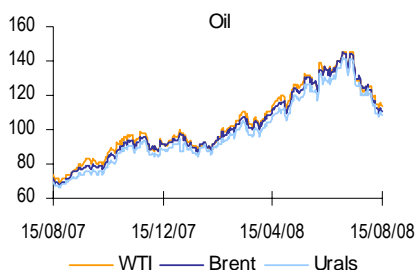
Source: Bloomberg, Estimation: Veles Capital

## 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	▼ 112.19	-0.15	-0.13	-1.00	-17.01	16.99	59.18	-0.74	147.59
Brent, USD / bbl	▼ 110.71	-1.19	-1.06	-1.53	-17.71	17.91	60.73	85.05	147.21
Urals, USD / bbl	▼ 108.81	-0.15	-0.14	-0.91	-16.73	19.20	62.28	-3.32	142.94
WTI, USD / bbl	▼ 113.77	-1.24	-1.08	-1.24	-15.48	18.51	60.24	86.47	146.30
Brent-Urals	▼ 1.90	-1.04	-35.37	-27.48	-50.90	-27.20	3.83	1.66	9.94
Coal, USD / ton	- 112.00	-	-	2.28	-3.03	101.80	149.44	55.50	142.85

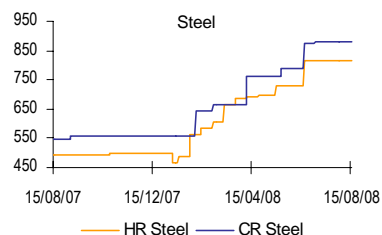
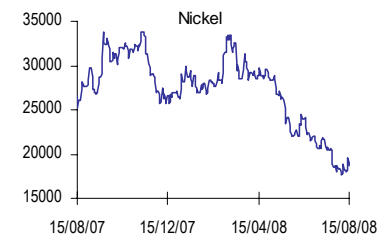
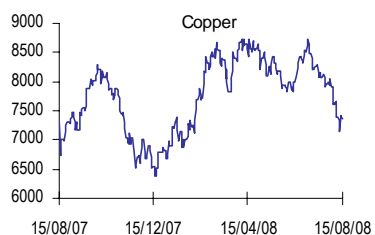
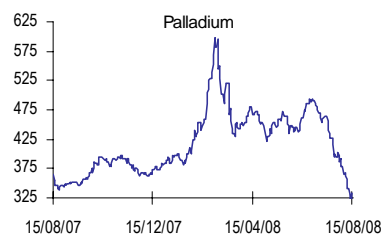
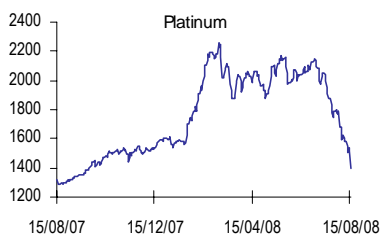
Source: Bloomberg, Estimation: Veles Capital



### Prices of metals

	Close, USD	Change, USD	Change, %					Current year, USD	
			day	week	month	from Jan 1	year	min	max
Gold, USD / ounce	▼ 809.52	-17.52	-2.12	-7.84	-17.91	-7.10	17.96	827.04	1,027.52
Silver, USD / ounce	▼ 13.09	-1.47	-10.10	-16.73	-32.22	-15.34	5.39	14.56	21.42
Platinum, USD / ounce	▼ 1,394.82	-121.53	-8.01	-11.89	-28.41	-12.32	7.99	1,502.11	2,257.73
Palladium, USD / ounce	▼ 292.32	-24.66	-7.78	-14.31	-33.65	-24.77	-17.32	316.98	598.39
Aluminum, USD / ton	▲ 2,780.00	4.00	0.14	-2.46	-10.98	15.40	12.55	2,409.00	3,317.00
Copper, USD / ton	▼ 7,360.00	-25.00	-0.34	-0.54	-8.91	10.26	9.20	6,675.00	8,730.00
Nickel, USD / ton	▼ 18,700.00	-400.00	-2.09	3.03	-8.33	-28.90	-25.50	17,600.00	33,400.00
Lead, USD / ton	▲ 1,670.00	10.00	0.60	-15.40	-15.01	-34.51	-40.46	1,568.00	3,420.00
Tin, USD / ton	- 18,700.00	-	-	-1.58	-19.57	13.85	38.52	16,025.00	25,300.00
Zinc, USD / ton	▲ 1,675.00	25.00	1.52	-0.59	-6.74	-29.32	-43.98	1,615.00	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	▼	1,785.36	-9.87	-0.55	3.64	-17.93	-22.05	-1.92	1,648.53	2,498.10
MICEX Index	▲	1,460.20	15.44	1.07	7.40	-11.01	-22.69	-8.70	1,282.38	1,966.32
Technical RTS Index	▼	2,636.94	-2.59	-0.10	5.69	-17.14	-16.52	6.11	2,313.34	3,730.73
MSCI Russia	▼	1,161.84	-0.40	-0.03	6.17	-16.58	-24.38	3.10	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 ▲	11,659.90	43.97	0.38	-0.63	3.74	-12.10	-9.23	10,827.71	13,279.54
NASDAQ	USA ▼	2,452.52	-1.15	-0.05	1.59	7.34	-7.53	0.06	2,155.42	2,661.50
FTSE 100	Great Britain ▼	5,454.80	-42.60	-0.77	-0.63	5.91	-15.52	-6.90	5,071.10	6,534.70
Nikkei 225	Japan ▲	13,019.41	62.61	0.48	-1.13	2.03	-14.95	-19.38	11,691.00	15,413.37
S&P 500	USA ▲	1,298.20	5.27	0.41	0.15	4.24	-11.59	-8.01	1,200.44	1,471.77
AEX	Nederlands ▲	409.86	0.45	0.11	0.33	6.74	-20.53	-15.85	374.09	518.27
OMX	Sweden ▼	873.33	-1.40	-0.16	-1.32	5.62	-19.24	-23.76	801.54	1,081.44
DAX	Germany ▲	6,446.02	3.81	0.06	-1.76	4.72	-20.10	-11.33	5,999.32	8,100.64
MIB 30	Italy -	29,455.00	-	-	-0.87	4.69	-24.25	-22.71	27,531.00	38,885.00
CAC 40	France ▲	4,453.62	32.71	0.74	-0.85	8.30	-20.67	-15.42	4,002.87	5,665.94
SMI	Switzerland ▲	7,235.93	29.47	0.41	-0.36	9.91	-14.72	-14.09	6,422.85	8,571.76
ASX 200	Australia ▲	4,981.70	0.60	0.01	-0.09	2.28	-21.42	-12.78	4,758.50	6,385.70
Bloomberg European 500	▲	205.16	0.82	0.40	-0.80	5.99	-46.16	-39.06	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	▼	971.89	-12.05	-1.22	-1.83	-4.33	-22.00	1.57	970.57	1,252.59
<b>Europe</b>										
ASE	Greece -	3,298.12	-	-	-1.08	4.53	-36.32	-27.09	3,100.71	5,207.44
WSE WIG	Poland -	40,903.46	-	-	0.62	9.05	-26.50	-26.31	37,371.76	56,066.82
PFTS	Ukraine ▲	641.22	3.82	0.60	-0.78	5.08	-45.38	-36.76	610.20	1,208.61
BUX	Hungary ▲	20,996.39	275.29	1.33	0.13	3.18	-19.97	-18.92	19,527.81	26,242.90
PX	Czech Republic ▲	1,456.20	7.80	0.54	0.19	4.12	-19.77	-11.92	1,372.40	1,819.50
TA-100	Israel -	930.63	-	-	0.26	4.41	-20.02	-7.67	882.87	1,167.04
XU 100	Turkey ▲	42,194.42	483.90	1.16	3.04	16.00	-24.03	-5.12	32,645.90	55,281.66
<b>Asia and Africa</b>										
HSI	Hong Kong ▼	21,160.58	-232.13	-1.09	-3.31	-0.30	-23.92	2.36	20,572.92	27,853.60
SENSEX	India -	14,724.18	-	-	-2.92	17.08	-27.47	2.55	12,514.99	21,206.77
JALSH	SAR ▼	27,246.63	-573.25	-2.06	1.82	1.38	-5.91	4.83	24,005.35	33,309.82
JCI	Indonesia ▼	2,085.15	-21.49	-1.02	-5.04	-6.00	-24.06	9.25	2,035.59	2,838.48
KOSPI	South Korea -	1,572.19	-	-	0.22	4.30	-17.13	-7.08	1,488.75	1,901.13
SHCOMP	China ▲	2,450.61	13.53	0.56	-5.95	-9.43	-53.42	-48.58	2,370.74	5,522.78
<b>America</b>										
MEXBOL	Mexico ▲	27,340.83	93.38	0.34	0.77	-2.25	-7.43	-1.63	25,282.31	32,292.92
IBOV	Brazil ▼	54,244.03	-894.32	-1.62	-4.14	-12.59	-15.09	12.97	53,010.96	73,920.38
IPSA	Chile -	2,894.51	-	-	-2.36	6.10	-5.15	-2.25	2,369.06	3,113.93
IBVC	Venezuela ▲	39,930.47	493.02	1.25	1.79	2.21	5.35	-0.89	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

---

**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