

# Daily review

October 7, 2008

## Trader's view

The total fall continued throughout the market, dragging down Russia's market. RTS has dropped below the all important 1000 points and hit the level of late October 2005, reaching almost 900 points. The acceptance of "Paulson plan" has provided no support for the market, bringing only fear on ineffectiveness of the taken measures. Aside of this – the expected worsening of financial crisis and US economy recession spreads like a wildfire. And this slams the commodity sector rather hard. Yesterday the oil price dropped below 90 USD, and was traded at 85-86 USD, making the stocks of oil & gas companies lose at average of -15-20%. About a third of its price has been lost by Norilsk Nickel. The trades got halted twice during the day. After the second time, the trades opened some 30 minutes before the end of the session, continuing the fall, whilst RTS drilled below 900 points.

## Main events

### Alfa and Telenor split property?

Scandinavia's Telenor – the telecoms group and affiliates of Russia's Alfa-group, are close to sign a pact set to exchange assets, reported the insider from the Scandinavian party.

## Other news

### ➤ WGC-3's IAS 1H 2008 financial report.

According to 1H 2008 financial report, WGC-3's revenue increased by +33% and formed 768 mn USD in comparison with 1H 2007 results. The major boosting factors were: total sales growth and increased effectiveness of operations at wholesale electric energy market under current market liberalization.

### ➤ KAMAZ: surfaced difficulties.

Over January-September 2008 KAMAZ produced and sold 41.85 th trucks, by 9.8% above the results of prior year, company's press office reported. Besides published operating results, the company also announced that the deal, concerning 42% sale of KAMAZ's stake to Daimler could not be finalized due to long crisis at the stock market.

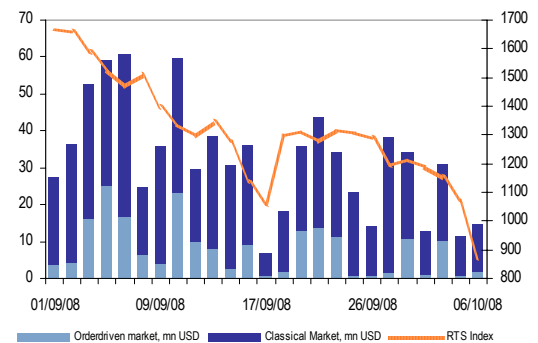
## Market estimates

### Main indicators and indices

	Close	Change, pt.	Change, %		
			day	week	month
RTS Index	866.39	-204.59	-19.10	-27.44	-41.03
MICEX Index	752.00	-172.55	-18.66	-26.25	-39.10
USD / RUR	26.2340	0.29	1.10	3.49	5.01
EUR / RUR	35.5140	-0.30	-0.85	-2.61	-2.28
EUR / USD	1.3531	-0.03	-1.96	-6.02	-5.11
Dow Jones Index	9,955.50	-369.88	-3.58	-3.95	-11.28
NASDAQ	1,862.96	-84.43	-4.34	-6.09	-17.42
FTSE 100	4,589.19	-391.06	-7.85	-4.76	-12.43
Nikkei 225	10,473.09	-465.05	-4.25	-10.82	-14.24
MSCI EM	671.18	-70.55	-9.51	-13.40	-23.18

Source: Bloomberg, Estimation: Veles Capital

### RTS index vs. trade volume



### Resource markets

	Close, USD	Change, USD	Change, %		
			day	week	month
Brent, USD / bbl	83.39	-4.98	-5.64	-8.53	-18.87
Urals, USD / bbl	82.08	-4.49	-5.19	-9.95	-18.44
Gold, USD / ounce	884.25	27.61	3.22	-5.73	7.51
Palladium, USD / ounce	203.19	-1.28	-0.63	-7.38	-28.29
Copper, USD / ton	5,560	-450	-7.49	-13.66	-19.42
Nickel, USD / ton	14,300	-850	-5.61	-12.80	-23.12

Source: Bloomberg, Estimation: Veles Capital

### Russian share quotes

	Close, USD	Change, USD	Change, %		
			day	week	month
VTB	0.002	-0.000	-12.43	-20.51	-32.61
Polys-Gold	21.12	-	-8.15	-33.15	-29.58
NorNickel	69.00	-41.700	-37.67	-48.51	-54.61
Rostelecom	7.500	-	4.17	-30.23	-29.04
MTS	6.500	-1.750	-21.21	-24.86	-31.22
Sberbank	1.320	-0.257	-16.32	-16.46	-38.32
LUKOIL	40.50	-12.900	-24.16	-30.41	-40.09
Gazprom Neft	4.000	-	-	-9.60	-5.33
Surgutneftegas	0.370	-0.110	-22.92	-26.00	-41.27
Gazprom	5.200	-1.680	-24.42	-28.86	-40.02
Tatneft	2.500	-	-	-34.21	-42.53
Rosneft	3.920	-1.480	-27.41	-42.35	-49.94

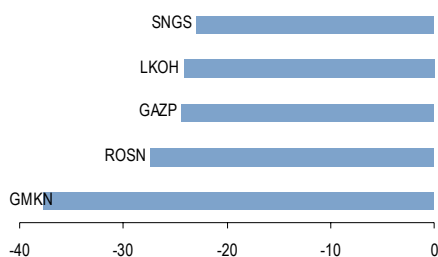
Source: RTS web page, Estimation: Veles Capital

### Veles Management MC Unit investment trusts

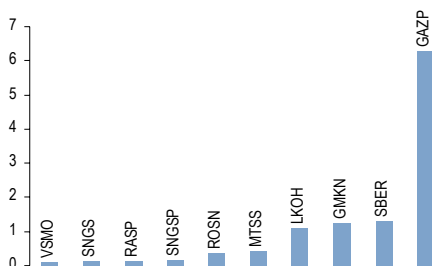
	Net asset value, RUR	Share price, RUR	Change, %			Since interest per annum formation, %
			day	month	year	
VELES Capital	7,199,086	723.54	-6.35	-23.58	-36.24	-10.99
VELES Capital - Selected Shares	5,562,387	517.13	-7.61	-28.96	-47.62	-25.73
VELES Capital - Bonds	25,915,452	931.56	0.68	-6.91	-	-10.77

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	1,056.8	1,100.0
2	1,000.0	1,200.0
3	982.2	1,215.0

**Trader's view**

The total fall continued throughout the market, dragging down Russia's market. RTS has dropped below the all important 1000 points and hit the level of late October 2005, reaching almost 900 points. The acceptance of "Paulson plan" has provided no support for the market, bringing only fear on ineffectiveness of the taken measures. Aside of this – the expected worsening of financial crisis and US economy recession spreads like a wildfire. And this slams the commodity sector rather hard. Yesterday the oil price dropped below 90 USD, and was traded at 85-86 USD, making the stocks of oil & gas companies lose at average of -15-20%. About a third of its price has been lost by Norilsk Nickel. The trades got halted twice during the day. After the second time, the trades opened some 30 minutes before the end of the session, continuing the fall, whilst RTS drilled below 900 points.

Yesterday RTS lose -19.1%, thus renewing its bottom level, reached in October 1997, finally closing at 866.39 points. The worst sapping of index was made by stocks of Gazprom (-20.6%), LUKOIL (-24.16%) and Rosneft (-27.41%).

Classic market's turnover of Monday has formed 12.7 mn USD. The top volumes were achieved by stocks of Gazprom (6.3 mn USD), Sberbank (1.3 mn USD) and Norilsk Nickel (1.3 mn USD).

For now we see no reason for a cardinal change throughout Russian stock markets. The proof of that is evident in drop of RTS futures down to 700 points. However, there is a chance that some positive correction following the yesterday fall, would finally appear today. The improvement could also be supported by US indices growing futures, as well as oil prices, which correct upwards, backed by the expected reduction of OPEC, after excessive fall of Monday. Nevertheless, the early trades are likely to be held in the red.

**RTS index support and resistance levels**



*Company profile*

Last price, USD	0.029
Market capitalization, mn USD	1,377
Ticker	OGKC
Fair value, USD	0.1651
Undervaluation, Overvaluation %	469.31
Recommendation:	<b>ACCUMULATE</b>

## Energy

## WGC-3

## WGC-3's IAS 1H 2008 financial report.

According to 1H 2008 financial report, WGC-3's revenue increased by +33% and formed 768 mn USD in comparison with 1H 2007 results. The major boosting factors were: total sales growth and increased effectiveness of operations at wholesale electric energy market under current market liberalization.

WGC-3's operating expenses upped by +39% and totaled 715 mn USD over 1H 2008. The main expenditure item was formed by fuel expenses, which increased by 49% against 1H 2007 results.

1H 2008 results indicate that company's income from primary activities increased by 11%, excluding single time items. Company's EBITDA added 21%. Therefore, WGC-3's net income increased more than 2 times in comparison with prior year results and formed 135 mn USD. Such a growth of net income can be explained by a growth of financial income, gained from interest payments, attracted by additional emission of the company over 2007 and placed on the deposit.

As a result, EBITDA margin added 1.2 p.p. and totaled 11.3% over given financial period. Such dynamics can be related to the fact that among the major generating companies, which have published their financial reports, WGC-3 demonstrated higher growth rate of costs vs a growth of revenue. Company's results can be explained by higher fuel prices against electricity tariffs. However, WGC-3 is effectively decreasing a negative effect of recent misbalance by strengthening company's efficiency. First of all, the company's coal share in fuel balance was increased, due to higher growth rates of gas prices vs coal prices. Secondly, WGC-3 managed to restrain its semi-fixed costs on the level of 2007. Thirdly, in spite of market liberalization, the company is actively use arbitrage deals at electricity market and taking into account low fuel efficiency of company's plants and high value of regulated tariffs, electric energy resale is more profitable in some cases than electricity production. It should be mentioned that during market liberalization, the last advantage of the company will be lost.

Thus, the efficiency of generating companies is still poor. However, we think that WGC-3 chose the right strategy and in the current ineffective tariff installation, the company tries to optimize its activity.

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**WGC-3's consolidated financial results over 1H 2008**

	1H 2007		Change, %		1H 2008	
	mn RUR	mn USD	RUR	USD	mn RUR	mn USD
Income	15,018	576.0	22.4	33.4	18,381	768.5
Other income (expenses)	37	1.4	-47.3	-42.6	20	0.8
Expenses	(13,428)	(515.1)	27.4	38.8	(17,101)	(715.0)
Fuel costs	(5,999)	(230.1)	36.6	48.9	(8,195)	(342.6)
Purchased heat and electric power	(3,198)	(122.6)	26.0	37.4	(4,030)	(168.5)
Salaries	(1,672)	(64.1)	6.1	15.7	(1,775)	(74.2)
Amortization	(610)	(23.4)	28.7	40.2	(785)	(32.8)
Recovery of PPE depreciation	355	13.6	n/m	n/m	0	0.0
Income from primary activities*	1,272	48.8	2.2	11.4	1,300	54.3
<i>Income from primary activities margin, %</i>	8.5				7.1	
EBITDA*	1,882	72.2	10.8	20.7	2,085	87.2
<i>EBITDA margin, %</i>	12.5				11.3	
Financial income (expenses)	923	35.4	218.2	246.9	2,936	122.8
Income before tax*	2,194	84.2	93.0	110.4	4,236	177.1
<i>Income before tax margin, %</i>	14.6				23.0	
Income tax reliefs (expenses)*	(712)	(27.3)	40.9	53.6	(1,004)	(42.0)
Net income*	1,482	56.8	118.1	137.7	3,232	135.1
<i>Net income margin, %</i>	9.9				17.6	

Source: Company's data; Estimation: Veles Capital

\* excluding recovery of PPE depreciation

## Telecoms

### Alfa and Telenor split property?

Scandinavia's Telenor – the telecoms group and affiliates of Russia's Alfa-group, are close to sign a pact set to exchange assets, reported the insider from the Scandinavian party.

The deals' primary features: Telenor gives 12% of Vimpelcom's voting stock to Alfa, effectively reducing its stake from 29.9% to 17.9%. Alfa's stake would expand from 44% to 56% respectively. Then Alfa transfers its stake of Kievstar to Telenor, giving all of 43.5% held stock. Norway's government is to hand over about 5% of Telenor. The deal intends only the exchange of stakes, whereas no cash is involved. This data has been provided by Reuters news agency.

In our opinion – if the given info is real, then such deal would be extremely profitable for Alfa. As according to current capitalizations of Vimpelcom and Telenor, Alfa gets 2.9 bn USD worth of assets, whilst Telenor gains only 1.3 bn USD worth. (Our appraisal of 43.5% of Kievstar, excluding the control premium). Aside from the cash worth, Alfa would get total control of Vimpelcom (which, in fact adds control premium to 12% of Vimpelcom's stock), removing Telenor as an influential minor shareholder, now holding the company firmly in its hands, plus opening new routes for development abroad, just as the company chooses to do. Regarding Telenor – we could say that the success of this deal is yet to be seen – as company gains only full control of Kievstar, and a chance to consolidate its results in its own report, as previously this ability was obstructed by the very same Alfa.

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*Company profile*

Last price, USD	3.075
Market capitalization, mn USD	2175
Ticker	KMAZ
Fair value, USD	5.980
Undervaluation, Overvaluation %	94.47
Recommendation:	<b>BUY</b>

**Machinery****KAMAZ**

**KAMAZ: surfaced difficulties.**

Over January-September 2008 KAMAZ produced and sold 41.85 th trucks, by 9.8% above the results of prior year, company's press office reported. Moreover, company's sales at Russian market formed 32.1 th trucks (+16.3%) and at foreign markets – 9.7 th units.

Also, the company sales on 53.7 th motors and power units (+16.4%), spare parts worth 8.9 bn RUR (+3.2%) and diversification products of 7.4 bn RUR (-5.9%).

KAMAZ's operating results demonstrate the forecasted trend, i.e. falling rates of company's sales. Moreover, a fall was very significant: KAMAZ's sales growth rates over 2007 were 2.5 times higher than prior year results. We expect a strong fall of company's results over 4Q 2008, which will be related to seasonal factor and financial crisis, reflecting real sector of economy.

Besides published operating results, the company also announced that the deal, concerning the plans to sell 42% of KAMAZ's stake to Daimler could not be finalized due to long crisis at the stock market.

In July 2008 Troika Dialog, investment group reported about negotiations between KAMAZ and Daimler, concerning the plans to sell 42% of KAMAZ's stake. Recently, the companies planned to sign the agreement in October 2008.

No wonder: in July 2008 the price of KAMAZ's stake formed 3.9 bn USD and now it is 3 times cheaper. In the current situation, it will be more logical to wait until the situation is stable, in order to gain as much money as possible. However, we do not exclude that the deal could be cancelled, if Daimler faces financial crisis and liquidity problems as well. Anyway, we see the given news as negative for KAMAZ's securities.

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## Trade results

	Ticker	Price, USD	Change, USD	Change, %					Current year, USD		Volume, USD	MCAP, mn USD	Fair price, USD	Potential, %	Recommendation		
				day	week	month	from Jan 1	year	min	max							
<b>Oil and Gas</b>																	
	Bashneft	-	BANE	7.500	-	-	-25.00	-38.52	-54.95	-47.18	7.500	18.750	45,000	1,458	-	-	HOLD
	Bashneft, pref.	-	BANEP	5.2500	-	-	-12.50	-36.75	-52.16	-49.52	5.0000	12.1000	-	-	-	-	HOLD
	Gazprom	▼	GAZP	5.2000	-1.6800	-24.42	-28.86	-40.02	-63.09	-55.06	5.2000	15.6500	6,303,856	123,102	20,2000	288.46	BUY
	Gazprom Neft	-	SIBN	4.0000	-	-	-	-9.60	-37.01	-5.33	4.6900	8.1000	-	18,965	8.8800	122.00	ACCUMULATE
	LUKOIL	▼	LKOH	40.500	-12.900	-24.16	-30.41	-40.09	-53.45	-53.34	40.500	113.200	1,090,854	34,448	129,630	220.07	BUY
	NOVATEK	-	NVTK	3.4000	-	-	-34.62	-49.63	-54.67	-39.82	5.2000	9.1500	-	10,323	12,0500	254.41	BUY
	RITEK	-	RITK	5.2500	-	-	-9.48	-12.50	-48.28	-50.00	6.0000	9.9000	-	760	-	-	-
	Rosneft	▼	ROSN	3.9200	-1.4800	-27.41	-42.35	-49.94	-59.03	-54.31	3.9200	12.2000	360,400	41,545	15,1100	285.46	BUY
	Surgutneftegas	▼	SNGS	0.3700	-0.1100	-22.92	-26.00	-41.27	-70.16	-72.59	0.3700	1.2980	124,004	14,990	-	-	UNDER REVISION
	Surgutneftegas, pref.	-	SNGSP	0.2300	-	-	-15.60	-32.35	-64.51	-65.91	0.2100	0.6480	172,500	-	-	-	UNDER REVISION
	Tatneft	-	TATN	2.5000	-	-	-34.21	-42.53	-58.68	-54.95	3.3000	8.0100	-	5,664	8.6868	247.47	BUY
	Tatneft, pref.	-	TATNP	1.4750	-	-	-27.16	-35.16	-60.14	-52.42	2.0000	3.8300	-	-	4.4480	201.56	BUY
	TNK-BP Holding	▼	tnbp	1.4850	-0.0150	-1.00	-1.00	-16.34	-33.41	-28.30	1.3700	2.2190	5,510	24,118	2.6950	74.75	BUY
	TNK-BP Holding, pref.	-	tnbpb	1.3000	-	-	-8.45	-12.75	-31.58	-25.93	1.3000	1.8500	39,000	-	2,3410	80.08	BUY
	Transneft, pref.	-	TRNFP	505.00	-	-	-28.87	-38.79	-74.69	-73.42	420.00	2,007.00	25,250	3,141	2,275.00	350.50	BUY
<b>Energy</b>																	
	Bashkirenergo	-	BEGY	0.7000	-	-	-26.32	-41.67	-66.98	-66.43	0.7000	2.1000	11,718	770	-	-	-
	Bashkirenergo, pref.	-	BEGYP	0.8100	-	-	-7.43	-42.14	-31.93	-32.78	1.0500	1.1750	-	-	-	-	-
	Hydro-WGC	▼	HYDR	0.0258	-0.0057	-18.10	-15.41	-58.79	-	-	0.0258	0.0930	12,900	5,053	-	-	-
	Inter RAO UES	-	IRAO	0.0004	-	-	-11.96	-30.17	-	-	0.0004	0.0008	-	525	-	-	-
	Irkutskenergo	-	IRGZ	0.5400	-	-	1.89	-13.61	-54.62	-44.62	0.5500	1.1510	-	2,574	-	-	-
	WGC-1	-	OGKA	0.0200	-	-	-27.27	-61.35	-83.74	-79.17	0.0230	0.1225	-	893	0.1530	665.00	BUY
	WGC-2	-	OGKB	0.0175	-	-	-	-57.32	-88.64	-88.35	0.0195	0.1500	-	573	0.2387	1,264.00	BUY
	WGC-3	-	OGKC	0.0290	-	-	-6.45	-57.04	-80.70	-79.99	0.0290	0.1450	14,500	1,377	0.1651	469.31	ACCUMULATE
	WGC-4	-	OGKD	0.0415	-	-	-1.19	-25.23	-68.80	-67.19	0.0420	0.1335	-	2,615	0.1977	376.39	BUY
	WGC-5	-	OGKE	0.0600	-	-	-12.41	-36.74	-65.75	-61.29	0.0600	0.1795	30,000	2,122	0.2046	241.00	BUY
	WGC-6	-	OGKF	0.0150	-	-	-16.67	-53.12	-88.19	-89.03	0.0160	0.1250	-	484	0.0932	521.33	BUY
	TGC-1	-	TGKA	0.0003	-	-	-27.14	-49.00	-80.46	-81.39	0.0003	0.0014	-	982	0.0020	684.31	BUY
	TGC-2	-	TGKB	0.0009	-	-	-2.79	-8.42	-13.00	-8.90	0.0008	0.0012	-	1,275	0.0015	72.41	BUY
	TGC-2, pref.	-	TGKBP	0.0005	-	-	-	-44.44	-34.64	-25.93	0.0004	0.0004	-	-	0.0011	120.00	BUY
	TGC-3 (Mosenergo)	-	MSNG	0.0520	-	-	-5.45	-41.11	-78.15	-79.28	0.0520	0.2460	5,200	2,067	-	-	REDUCE
	TGC-4	-	TGKD	0.0009	-	-	-1.57	-7.84	-24.19	-6.00	0.0010	0.0012	-	1,823	-	-	-
	TGC-4, pref.	-	TGKDP	0.0004	-	-	-	-	-44.44	-37.01	0.0005	0.0006	-	-	-	-	-
	TGC-5	-	TGKE	0.0002	-	-	-13.73	-55.56	-75.69	-80.36	0.0003	0.0010	-	271	0.0012	445.45	BUY
	TGC-6	-	TGKF	0.0007	-	-	88.57	10.00	-42.36	-34.98	0.0002	0.0012	-	1,227	0.0009	36.36	REDUCE
	TGC-7	-	TGKG	0.0220	-	-	-12.00	-48.84	-79.82	-79.84	0.0200	0.1095	-	659	-	-	-
	TGC-8	-	TGKH	0.0012	-	-	-	-17.76	-10.71	8.70	0.0013	0.0017	-	2,577	0.0009	-28.00	SELL
	TGC-9	-	TGKI	0.0001	-	-	-15.79	-46.67	-75.00	-72.41	0.0001	0.0003	-	626	-	-	-
	TGC-10	-	TGKJ	1.7500	-	-	1.45	-59.06	-57.21	-57.16	2.9000	4.6100	-	1,538	-	-	-
	TGC-11	-	TGKK	0.0006	-	-	57.33	3.51	-63.58	-	0.0005	0.0016	-	303	-	-	-
	TGC-12 (Kuzbasenergo)	-	KZBE	0.0046	-	-	-5.21	-57.67	-83.45	-84.78	0.0045	0.0281	-	321	-	-	-
	TGC-13	-	TGKM	0.0021	-	-	-43.24	-54.89	-80.13	-77.62	0.0030	0.0102	-	334	-	-	-
	TGC-14	-	TGKN	0.0002	-	-	-12.50	-27.08	-48.53	-46.15	0.0002	0.0003	-	136	-	-	-
	FGC UES	-	FEES	0.0040	-	-	-42.86	-66.67	-	-	0.0040	0.0158	64,500	1,905	-	-	-
<b>Nonferrous metallurgy</b>																	
	BMSK	-	bmsk	2.0500	-	-	-23.36	-16.33	-22.64	-67.50	1.6850	3.5000	-	11	4.5900	123.90	SPECULATIVE BUY
	BMSK, pref.	-	bmskp	2.0000	-	-	-20.00	-6.98	-17.53	-67.50	0.9500	0.9500	-	-	3.4400	72.00	HOLD
	VSMPO	-	VSMO	95.50	-	-	-14.73	-24.51	-68.38	-67.10	95.50	314.00	87,550	1,101	-	-	HOLD
	Norilsk Nickel	▼	GMKN	69.00	-41.70	-37.67	-48.51	-54.61	-73.96	-74.16	67.00	316.50	1,255,250	13,153	314.68	356.06	BUY
	Safiyanovskaya med	-	sfmd	2.2500	-	-	-18.18	-43.75	-75.68	-75.00	2.0000	7.0000	-	5	4.7300	110.22	SELL
	Sredneuralsky MPZ	-	sumz	10.500	-	-	-	-10.83	-43.47	-46.85	14.000	18.400	-	53	36.550	248.10	SPECULATIVE BUY
	Uralkhromed	-	uelm	54.500	-	-	-11.38	-22.14	-52.02	-45.23	69.500	121.000	-	276	126.380	131.89	ACCUMULATE
	Ufaleynickel	-	ufal	4.5050	-	-	-24.98	-24.92	-41.87	-49.94	7.5000	7.5000	-	121	6.6300	47.17	REDUCE
	Chelyabinsk Zink Plant	-	CHZN	3.5000	-	-	-	-30.14	-68.82	-75.86	3.1000	12.1500	-	190	-	-	UNDER REVISION
	Yuzhuralnickel	-	unkl	231.00	-	-	-34.93	-64.46	-83.50	-83.01	231.00	1,300.00	3,465	139	463.39	100.60	ACCUMULATE
	Electrozinc	-	eltz	27.900	-	-	-15.20	-51.58	-	-	45.690	110.000	-	39	-	-	-
<b>Ferrous metallurgy (Steel)</b>																	
	Ashinsky Metallurgy Plant	-	AMEZ	0.2600	-	-	-29.73	-50.94	-72.63	-67.50	0.2600	0.9700	26,500	130	0.9400	261.54	BUY
	Evrast**	▼	EVZ	21.100	-8.700	-29.19	-42.97	-66.24	-72.77	-66.93	21.100	131.250	17,096,504	7,489	135.320	541.33	ACCUMULATE
	Mechel	-	MTLR	15.000	-	-	-11.76	-25.00	-44.44	-18.92	15.000	45.800	30,000	6,244	43.820	192.13	ACCUMULATE
	MMC	-	MAGN	0.4350	-	-	-33.08	-46.30	-66.54	-62.98	0.5500	1.4400	-	4,861	1.5900	265.52	ACCUMULATE
	NLMC	-	NLMK	1.4500	-	-	-27.50	-54.83	-64.24	-61.33	1.5500	5.6500	-	8,690	5.7500	296.55	BUY
	Severstal	▼	CHMF	7.500	-0.950	-11.24	-31.82	-48.28	-67.11	-65.91	7.500	28.000	37,500	7,558	32.660	335.47	BUY
	Chelyabinsk Metallurgy Plant	-	CHMK	177.50	-	-	-33.02	-46.94	-51.70	-33.40	313.00	450.00	-	561	-	-	-
	Chusovskoy Metallurgy Plant	-	chmz	50.000	-	-	-28.57	-64.79	-	-	113.000	132.000	-	117	-	-	-
<b>Precious metals</b>																	
	Buryatzoloto	-	BRZL	13.750	-	-	-	-3.51	-23.61	-21.43	10.000	22.000	-	97	26.690	94.11	SPECULATIVE BUY
	Lenzoloto	-	Inzl	27.500	-	-	-8.33	-15.38	-52.17	-56.00	40.000	60.000	-	31	34.210	24.40	HOLD
	Polymetal	-	PMTL	5.0000	-	-	-22.70	6.95	-27.75	-27.11	5.0000	9.3500	-	1,575	8.2800	65.60	BUY
	Polys-Gold	-	PLZL	21.125	-	-	-33.15	-29.58	-53.98	-50.87	16.000	80.000	-	4,027	57.180	170.67	BUY
	Susumanzoloto	-	sysy	41.500	-	-	-	-9.29	38.33	18.57	-	-	-	37	55.270	33.18	ACCUMULATE
<b>Coal industry</b>																	
	Belon	-	BLNG	85.000	-	-	-32.00	-46.88	-9.57	54.55	93.000	240.000	-	978	91.610	7.78	SPECULATIVE BUY
	Vorkutaugol	-	voug	139.50	-	-	-	-15.45	-30.25	-12.84	165.00	244.00	-	447	318.92		

## 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	20.000	-	-	-	33.33	70.21	73.91	-	-	-	59	26.780	33.90	SPECULATIVE BUY
Vykasa Metallurgy Plant	- vsmz	1,042.50	-	-	-	-16.60	-	-	1,000.00	2,080.00	-	1,962	2,439.84	134.04	SPECULATIVE BUY
Pervouralsk New Pipe Plant	- PNTZ	24.375	-	-	-0.51	-12.95	-22.00	-22.62	27.000	32.200	-	593	42.350	73.74	BUY
Seversky Pipe Plant	- SVTZ	8.5000	-	-	-	-20.00	-48.64	-37.61	10.0000	15.8000	-	409	16.1800	90.35	SPECULATIVE BUY
Sinarsky Pipe Plant	- SNTZ	50.000	-	-	-9.09	-34.64	-64.29	-58.47	40.000	138.500	-	315	230.470	360.94	SPECULATIVE BUY
Taganrog Metallurgy Plant	- TAMZ	0.5250	-	-	-4.55	-33.54	-57.46	-54.35	0.8000	1.1000	-	243	1.3200	151.43	SPECULATIVE BUY
TMK	▼ TRMK	4.0000	-0.6000	-13.04	-30.43	-33.33	-63.39	-62.70	4.0000	10.7000	40,000	3,492	10.0400	151.00	ACCUMULATE
Chelyabinsk Pipe Plant	- CHEP	2.5000	-	-	-10.71	-29.78	-41.25	-45.05	2.5000	4.5500	26,000	1,181	5.5700	122.80	BUY
<b>Telecommunications</b>															
Volgatelecom	▼ NNSI	1.2000	-0.2050	-14.59	-31.43	-47.83	-79.56	-78.29	1.2000	5.9100	12,000	377	6.0110	400.92	BUY
Volgatelecom, pref.	- NNSIP	1.0000	-	-	-28.06	-33.33	-75.90	-74.03	1.0000	4.1800	30,000	-	4.5083	350.83	BUY
Vimpelcom*	▼ VIP	13.390	-4.010	-23.05	-24.01	-39.11	-67.81	-54.53	12.470	120.750	173,830,096	13,733	35.640	166.17	BUY
Dalsyvyaz	- ESPK	1.3500	-	-	-20.59	-41.30	-74.53	-73.79	1.7000	5.7000	-	176	6.6357	391.53	BUY
Dalsyvyaz, pref.	- ESPKP	1.5000	-	-	-21.05	-40.59	-66.48	-66.48	1.2500	4.2000	-	-	4.9768	231.79	BUY
Comstar-UTS	- CMST	5.0000	-	-	-9.09	-37.50	-54.28	-59.43	8.5000	11.0000	-	2,090	12.6930	153.86	BUY
MGTS	- MGTS	27.000	-	-	-8.47	8.00	-25.62	-15.62	25.250	34.600	-	2,491	-	-	HOLD
MGTS, pref.	- MGTSF	21.050	-	-	1.69	-28.28	-34.53	-20.57	20.700	31.300	-	-	-	-	HOLD
MTS	▼ MTSS	6.5000	-1.7500	-21.21	-24.86	-31.22	-57.65	-45.83	6.5000	15.7000	420,010	12,957	16.2900	150.62	BUY
Rostelecom	- RTKM	7.5000	-	-	4.17	-30.23	-36.76	-29.04	7.3000	12.4400	-	5,635	4.4800	-40.27	SELL
Rostelecom, pref.	- RTKMP	0.6988	-	-	-20.14	-38.71	-76.11	-74.12	0.6900	2.8500	-	-	3.3600	380.86	BUY
North-West Telecom	- SPTL	0.4500	-	-	-21.74	-37.06	-73.84	-73.92	0.4500	1.7000	22,500	487	1.3503	200.07	BUY
North-West Telecom, pref.	- SPTLP	0.3600	-	-	-19.10	-31.10	-70.73	-69.03	0.3600	1.2150	18,000	-	1.0127	181.31	BUY
Sibirtelecom	▼ ENCO	0.0225	-0.0065	-22.41	-31.82	-55.00	-81.25	-79.64	0.0225	0.1170	23,500	348	0.1140	406.67	BUY
Sibirtelecom, pref.	- ENCOP	0.0200	-	-	-25.65	-46.31	-75.16	-72.03	0.0200	0.0670	20,000	-	0.0855	327.50	BUY
Uralsvyazinform	▼ URSI	0.0135	-0.0025	-15.62	-28.95	-46.00	-78.82	-79.02	0.0135	0.0635	13,750	514	0.0459	240.00	BUY
Uralsvyazinform, pref.	- URSIP	0.0100	-	-	-25.93	-45.95	-76.47	-74.55	0.0100	0.0418	21,000	-	0.0344	244.00	BUY
CenterTelecom	- ESMO	0.3050	-	-	-6.15	-23.75	-67.27	-67.72	0.2900	0.9320	-	593	1.0436	242.16	BUY
CenterTelecom, pref.	- ESMOP	0.2130	-	-	-19.62	-23.24	-65.78	-61.73	0.2000	0.6375	-	-	0.7847	268.40	BUY
SouthTelecom	- KUBN	0.0500	-	-	-23.08	-28.57	-74.75	-73.96	0.0500	0.2020	15,000	200	0.2917	483.40	BUY
SouthTelecom, pref.	- KUBNP	0.0532	-	-	-26.55	-63.21	-60.99	-	0.0600	0.1450	-	-	0.2188	310.89	BUY
<b>Machinery</b>															
AvtoVAZ	- AVAZ	0.5500	-	-	-38.89	-8.33	-71.50	-	0.7950	1.9500	-	849	1.6770	204.91	BUY
AvtoVAZ, pref.	- AVAZP	0.1850	-	-	-40.32	-47.14	-75.82	-	0.3500	0.6550	-	-	1.2580	580.00	BUY
GAZ	- GAZA	57.000	-	-	-27.16	-40.00	-66.47	-60.97	57.000	210.000	-	1,122	197.300	246.14	HOLD
GAZ, pref.	- GAZAP	45.500	-	-	-21.55	-20.18	-62.08	-58.45	95.000	125.500	-	-	148.000	225.27	BUY
ZMZ	- ZMZN	8.500	-	-	-	66.67	183.33	233.33	2.900	5.200	-	1,058	4.450	-47.65	HOLD
ZMZ, pref.	- zmnzp	2.6500	-	-	-	-20.30	10.42	38.74	2.6000	3.5250	-	-	3.3400	26.04	HOLD
Kamaz	- KMAZ	3.0750	-	-	16.04	-18.00	-40.87	-21.15	2.0000	7.2500	-	2,175	5.9800	94.47	BUY
Kirovsky zavod	- KIRZ	45.950	-	-	9.40	14.88	-16.45	27.11	40.000	56.000	-	499	33.290	-27.55	REDUCE
NefAZ	- nfaz	20.000	-	-	-18.37	-44.44	-44.44	-18.86	20.000	50.250	20,000	161	45.750	128.75	BUY
Saturn NPO	- satr	0.0273	-	-	-3.54	-56.40	-77.10	-77.10	0.0350	0.1125	-	109	0.1379	406.06	HOLD
OMZ	- OMZZ	5.0000	-	-	-30.56	-27.95	-36.10	-41.18	5.0000	7.6000	-	177	6.3200	26.40	SELL
RSC Energia	- satr	245.00	-	-	-5.77	-24.62	-	-	250.00	705.00	-	275	641.10	161.67	HOLD
UAZ	- uaza	0.1125	-	-	-8.16	4.65	-19.06	19.68	0.1125	0.1500	-	443	-	-	-
UAZ, pref.	- uazap	0.0575	-	-	-4.17	-12.88	-35.39	15.58	0.0660	0.0900	-	-	-	-	-
Power Machines	- SILM	0.1775	-	-	-3.01	-11.25	-12.35	-8.62	0.1900	0.2220	-	1,546	0.1250	-29.58	SELL
Severstal-Auto	- SVAV	33.750	-	-	-12.34	-30.59	-37.50	-22.24	34.000	67.300	-	1,157	81.330	140.98	BUY
<b>Industry</b>															
ALNAS	- alnz	0.9200	-	-	68.81	68.81	-20.00	-0.54	0.6500	0.8500	-	190	1.2000	30.43	BUY
Angermash	- ange	20.500	-	-	-	-41.51	-64.35	-41.01	-	-	-	20	79.650	288.54	BUY
BEPP	- bunz	29.500	-	-	-25.32	-24.55	-37.89	-46.36	-	-	-	9	81.000	174.58	BUY
BEPP, pref.	- bunzp	24.000	-	-	-28.36	-27.27	-42.17	-42.17	-	-	-	-	60.700	152.92	BUY
Gazenergoservice	- gzes	90.000	-	-	33.33	20.00	-41.56	-51.35	45.000	210.000	-	31	137.000	52.22	ACCUMULATE
Mikron	- mkro	6.0000	-	-	-21.31	-23.32	-40.45	-13.67	9.3000	12.2500	-	65	-	-	-
Orgenergogaz	- oeng	6.4000	-	-	-0.78	-28.89	-55.48	-55.48	10.0000	13.5100	-	38	25.2000	293.75	BUY
Sitronics	- SITR	0.0680	-	-	-2.86	-29.90	-43.33	-47.29	0.0650	0.1366	-	649	0.0814	19.71	HOLD
Centrenergogaz	- cegz	4.400.0	-	-	-0.56	-0.56	104.65	-	3.000.0	5.680.0	-	417	5.693.6	29.40	BUY
Centrenergogaz, pref.	- cegzp	1.275.0	-	-	-8.93	-8.93	-30.14	-	750.0	2.200.0	-	-	4.270.2	234.92	BUY
Electrogaz	- elgz	430.00	-	-	-2.82	-38.57	-38.57	-22.52	490.00	600.00	-	27	895.70	108.30	BUY
Electrogaz, pref.	- elgzp	105.50	-	-	-0.47	-36.06	-65.41	-49.76	130.00	390.00	-	-	671.80	536.78	BUY
<b>Chemical industry</b>															
Azot (Berezniki)	- azop	-	-	-	-	-	-	-	875.00	960.00	-	-	1,427.50	-	BUY
Akron	- AKRN	27.250	-	-	-30.13	-55.69	-46.04	13.54	35.500	127.500	-	1,299	136.240	399.96	BUY
Ammofos	- ammo	95.00	-	-	-8.21	-13.71	-16.30	98.12	95.50	270.00	-	857	332.20	249.68	BUY
Dorogobuzh	- DGBZ	0.3500	-	-	-33.33	-53.33	-22.22	34.62	0.4550	1.4000	-	295	1.1900	240.00	HOLD
Dorogobuzh, pref.	- DGBZP	0.2750	-	-	-25.68	-31.25	-14.06	39.24	0.3000	0.7400	-	-	0.6400	132.73	HOLD
Kujbyshevazot	- kazt	2.7000	-	-	-	-	-	-	2.3400	5.0100	13,500	647	5.7500	112.96	BUY
Kujbyshevazot, pref.	- kaztp	2.0000	-	-	-	-	-	-	1.5000	2.0500	-	-	3.2800	64.00	BUY
Silvinit	- SILV	600.0	-	-	-11.11	-42.86	-31.82	18.23	620.0	2,275.0	-	5,428	1,417.4	136.23	REDUCE
Silvinit, pref.	▲ silvp	281.00	1.00	0.36	-27.48	-50.70	-56.77	-19.71	280.00	1,250.00	56,200	-	809.90	188.22	REDUCE
Uralkali	- URKA	3.5800	-	-	-41.07	-50.96	-54.10	0.28	3.5800	16.0500	24,397	7,605	17.8300	398.04	ACCUMULATE
<b>Retail Trade</b>															
Pharmacy Network 36,6	- APTK	10.500	-	-	-22.22	-54.35	-85.62	-86.00	9.000	70.000	-	100	-	-	UNDER REVISION
GUM	- GUMM	2.0750	-	-	-3.49	-1.19	1.22	-5.68	1.9700	2.9500	-	124	-	-	UNDER REVISION
X5 Retail Group**	▼ FIVE	12.800	-5.000	-28.09	-40.99	-43.61	-64.93	-61.24	12.800	38.930	28,087,536	3,387	-	-	UNDER REVISION
Seventh Continent	- SCON	25.350	-	-	-0.20	-0.39	-2.12	-0.59	22.750	28.500	-	1,901	-	-	UNDER REVISION
TzUM	- TZUM	2.7500	-	-	-31.25	-38.89	27.91	39.24	2.1200	6.1000	-	247	-	-	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	28.000	-	-	-3.45	-18.84	-42.12	-41.54	30.000	50.000	-	4,476	-	UNDER REVISION		
	Baltika, pref.	- PKBAP	18.500	-	-	-14.94	-14.94	-44.78	-38.28	18.500	31.000	78,000	-	-	UNDER REVISION		
	WBD	- WBDF	27.000	-	-	-21.74	-22.86	-70.00	-65.82	26.000	93.000	39,500	1,188	-	UNDER REVISION		
	Kalina	- KLNA	18.000	-	-	-15.29	-13.25	-55.56	-49.30	22.000	39.000	-	176	-	UNDER REVISION		
	Lebedyansky	- LEKZ	71.000	-	-	-14.97	-15.73	-22.83	-18.23	80.000	93.500	-	1,449	-	UNDER REVISION		
<b>Transport</b>																	
	Aeroflot	- AFLT	2.4000	-	-	-4.95	-13.82	-36.00	-22.20	2.5000	4.4500	-	2,665	4.1700	73.75	HOLD	
	Vostochny Port	- vopt	72.000	-	-	-	18.03	10.77	9.09	50.000	70.000	-	153	114.580	59.14	BUY	
	Vostochny Port, pref.	- voptp	-	-	-	-	-	-	-	65.000	65.000	-	-	85.930	-	ACCUMULATE	
	FESCO	- FESH	0.9250	-	-	-2.63	-2.63	-15.53	-5.61	0.9250	1.3500	64,750	2,184	1.0500	13.51	SELL	
	Murmansk Commercial Seaport	- mscp	1,025.0	-	-	-	-	20.31	-4.65	860.0	1,200.0	-	126	1,305.4	27.36	BUY	
	Murmansk Commercial Seaport, pref.	- mscpp	265.25	-	-	0.09	-5.27	-15.79	-7.26	255.00	305.00	-	-	979.00	269.09	BUY	
	Novorossiysk Commercial Sea Port	- NMTP	0.1025	-	-	2.50	-18.00	-59.00	-	0.0900	0.2650	-	1,974	0.1990	94.15	ACCUMULATE	
	Novorossiysk Sea Shipping	- NOMP	2.4000	-	-	-12.73	-27.27	-18.09	-8.05	2.9900	3.4000	-	968	3.6000	50.00	BUY	
	Novorossiysk Sea Shipping, pref.	- NOMPp	0.5250	-	-	-50.00	-30.46	-70.83	-62.43	0.8000	1.7400	-	-	2.7000	414.29	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	0.0016	-0.0002	-12.43	-20.51	-32.61	-69.37	-66.74	0.0012	0.0050	15,500	10,422	-	-	-	
	Sberbank	▼ SBER	1.3200	-0.2574	-16.32	-16.46	-38.32	-68.72	-67.69	1.2400	4.3800	1,308,910	29,095	4.6210	250.08	ACCUMULATE	
	Sberbank, pref.	- SBERP	0.6000	-	-	-37.04	-48.28	-80.00	-78.18	0.6000	2.9300	66,000	-	3.4660	477.67	ACCUMULATE	
<b>Media &amp; IT</b>																	
	RBC	▼ RBCI	4.0000	-0.2500	-5.88	-16.67	-37.01	-61.72	-55.31	4.0000	10.9000	20,000	560	9.8600	146.50	BUY	
	CTC Media*	▼ CTCM	12.790	-1.470	-10.31	-10.43	-29.96	-57.65	-	13.950	105.040	12,820,868	1,946	32.600	154.89	BUY	
<b>Oblgaz</b>																	
	Altaikrasservice	- akgs	20.000	-	-	-	-83.67	-82.61	-88.24	20.000	105.000	6,400	2	339.430	1,597.15	BUY	
	Astrakhanoblgas	- asog	1.7500	-	-	-	-30.00	-35.19	-17.65	2.7000	2.7000	-	7	2.3800	36.00	HOLD	
	Belgorodoblgas	- bogz	600.00	-	-	-	-	20.00	-	700.00	700.00	-	48	3,331.71	455.28	BUY	
	Bryanskoblgas	- brog	470.00	-	-	-	-	15.34	44.62	380.00	510.00	-	52	1,140.89	142.74	BUY	
	Vladimiroblgas	- vlog	770.00	-	-	-	-3.75	-47.88	27.80	800.00	1,355.00	-	35	973.74	26.46	HOLD	
	Volgogradoblgas	- vlgz	-	-	-	-	-	-	-	495.00	805.00	-	-	1,329.23	-	BUY	
	Voronezhoblgas	- vogz	3.8000	-	-	16.03	-22.05	-3.68	128.92	3.6000	7.0000	-	84	12.8200	237.37	BUY	
	Ivanovooblgas	- ivog	5.0000	-	-	-	-50.00	-9.09	-0.20	-	-	-	4	150.7600	2,915.20	BUY	
	Ivanovooblgas, pref.	- ivogp	26.000	-	-	-	-	-46.39	766.67	-	-	-	-	150.760	479.85	BUY	
	Irkutskoblgas	- irog	300.00	-	-	76.47	76.47	53.85	200.00	-	-	-	6	-	-	-	
	Kalugaoblgas	- klog	699.00	-	-	-	-17.76	16.50	196.82	650.00	800.00	-	21	1,286.95	84.11	BUY	
	Karelgas	- klgz	-	-	-	-	-	-	-	-	-	-	-	324.27	-	BUY	
	Kirovoblgas	- krog	275.00	-	-	-	-11.29	26.44	44.70	-	-	-	27	705.25	156.45	BUY	
	Komigaz	- kgaz	57.50	-	-	-42.50	91.67	53.33	72.93	30.00	30.00	-	20	80.44	39.90	BUY	
	Komigaz, pref.	- kgazp	10.0000	-	-	30.93	28.21	-54.55	-33.33	-	-	-	-	60.3300	503.30	BUY	
	Kostromaoblgas	- koog	202.50	-	-	-	-45.27	-46.71	-14.01	331.00	400.00	-	11	935.74	362.09	BUY	
	Krasnodarkraigas	- kgas	13.000	-	-	-	-13.33	109.68	85.71	-	-	-	27	12.110	-6.85	SELL	
	Kurganoblgas	- kuog	470.00	-	-	-	-	-27.69	44.62	-	-	-	14	-	-	-	
	Kurskoblgas	- krgz	300.00	-	-	-33.33	-40.00	-7.69	33.33	500.00	700.00	-	27	1,184.98	294.99	BUY	
	Lenoblgas	- leog	4,500.0	-	-	-	74.76	73.08	592.31	650.0	650.0	-	356	717.7	-84.05	HOLD	
	Lipetskoblgas	- lpog	105.00	-	-	-	-4.55	-16.00	-16.00	-	-	-	12	716.78	582.65	BUY	
	Nizhegorodoblgas	- nnog	2.4900	-	-	25.76	-20.95	-37.59	-11.07	1.5000	4.5000	49,800	69	1.8700	-24.90	HOLD	
	Omskoblgas	- omog	7.500	-	-	15.38	-	15.38	50.00	10.000	11.000	-	11	20.130	168.40	BUY	
	Omskoblgas, pref.	- omogp	2.7000	-	-	-	-	-32.50	-10.00	-	-	-	-	11.5500	327.78	BUY	
	Oreloblgas	- orgz	110.00	-	-	-74.42	-74.42	-70.67	-26.67	-	-	-	4	512.18	365.62	BUY	
	Orenburgoblgas	- orog	1,250.0	-	-	-28.57	-34.21	29.53	72.41	1,000.0	2,250.0	-	96	2,855.8	128.46	HOLD	
	Pensagasifikatsiya	- pgzf	-	-	-	-	-	-	-	-	-	-	-	869.49	-	BUY	
	Rostovoblgas	- rtbg	370.00	-	-	-38.33	-47.14	-38.33	-9.20	600.00	900.00	-	53	1,529.82	313.46	BUY	
	Rostovoblgas, pref.	- rtbgp	395.00	-	-	-	7.48	-15.96	33.90	400.00	460.00	-	-	1,529.82	287.30	BUY	
	Ryazanoblgas	- rzog	5.5000	-	-	-2.22	-	-46.86	-15.38	-	-	-	26	5.9200	7.64	HOLD	
	Samaragaz	- sagz	97.750	-	-	-	-	76.92	103.65	45.500	45.500	-	11	289.840	196.51	BUY	
	Saratovoblgas	- srog	8.000	-	-	-30.43	-44.83	-1.54	51.66	7.750	25.000	-	29	50.010	525.12	BUY	
	Sibirgasservice	- sbsg	8.5500	-	-	-	-	13.25	71.00	-	-	-	39	-	-	-	
	Smolenkoblgas	- smog	147.25	-	-	-0.84	-0.84	67.33	210.00	81.50	185.00	-	59	332.44	125.77	BUY	
	Stavropolkraigas	- stkg	550.00	-	-	37.50	-	-42.41	-	400.00	700.00	-	66	81.59	-85.17	SELL	
	Stavropolkraigas, pref.	- stkgp	250.00	-	-	92.31	-9.09	-58.33	-	130.00	400.00	-	-	81.59	-67.36	SELL	
	Tambovoblgas	- togz	45.000	-	-	-24.37	-24.37	28.57	135.29	29.000	59.000	-	39	81.290	80.64	BUY	
	Tveroblgas	- tveo	230.00	-	-	26.03	26.03	-15.75	31.43	225.00	246.00	-	41	236.31	2.74	HOLD	
	Tulaoblgas	- tuog	349.50	-	-	-0.29	-18.72	29.44	365.84	180.00	705.00	-	55	1,106.23	216.52	BUY	
	Chitaoblgas	- chog	67.50	-	-	-	-46.00	22.73	-	-	-	-	5	-	-	-	
	Yaroslavlbgas	- yrog	305.00	-	-	-	-7.58	17.31	114.04	250.00	260.00	-	21	503.81	65.18	BUY	
<b>Services companys</b>																	
	Giprospekgaz	- gsgz	775.00	-	-	-20.51	-45.94	-67.02	-44.84	1,100.00	1,850.00	-	31	7,463.00	862.97	BUY	
	Giprospekgaz, pref.	- gsgzp	260.00	-	-	-38.82	-52.29	-80.38	-60.61	800.00	800.00	-	-	5,970.00	2,196.15	BUY	
	Spetsgazremstroy	- sgrs	160.00	-	-	20.75	12.28	-55.56	-15.79	56.00	425.00	-	82	741.25	363.28	BUY	
	Spetsgazremstroy, pref.	- sgrsp	70.000	-	-	-13.58	6.87	-62.67	-49.09	120.000	255.000	-	-	555.940	694.20	BUY	
<b>Services companys</b>																	
	Belgorodasbestocement	- belc	190.00	-	-	-	-5.00	375.00	-	-	-	-	19	588.48	209.73	SPECULATIVE BUY	
	Strojpolimerkeramika	- spke	35.000	-	-	-	-	125.81	128.01	-	-	-	70	79.940	128.40	BUY	
	Strojpolimerkeramika, pref.	- spkep	16.500	-	-	-	-	45.37	45.37	8.000	8.000	-	-	27.980	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	0.5	2.39	-1.17	-0.52	6,471	20
AFK Sistema	KO71 GR	AFKS	20,00	Frankfurt	9.485	-5.420	0.5	0.5	-0.05	-36.36	-0.52	5	20
Aeroflot	AETG GR	AFLT	100	Frankfurt	215.153	-29.290	2.152	2.500	-	-11.98	-	-	-
Wimm-Bill-Dann	WBD LI	WBDF	1	London	16.000	-	16.000	27.000	-	-	-0.32	-	40
Wimm-Bill-Dann	WBD US	WBDF	1	New York	52.570	-3.380	52.570	27.000	0.95	-6.04	-0.32	12,558	40
Wimm-Bill-Dann	WBPA GR	WBDF	1	Frankfurt	55.476	-3.868	55.476	27.000	-	-6.52	-0.32	-	40
Volgaelcom	NZH GR	NNSI	2	Frankfurt	2.841	-0.057	1.421	1.200	-	-1.96	-0.21	-	12
Vimpelcom	VIP US	VIMP	1/4	New York	13.390	-4.010	267.80	420.00	-	-23.05	-	173,830	-
Vimpelcom	VIP GR	VIMP	1/4	Frankfurt	12.800	-5.693	256.00	420.00	-	-30.79	-	484	-
Gazprom	OGZD LI	GAZP	4	London	20.250	-7.580	5.062	5.200	-0.03	-27.24	-0.48	776,659	6,304
Gazprom	OGZPY US	GAZP	4	New York	20.950	-5.050	5.238	5.200	-	-19.42	-0.48	-	6,304
Gazprom	GAZ GR	GAZP	4	Frankfurt	19.877	-7.725	4.969	5.200	-0.04	-27.99	-0.48	13,212	6,304
Golden Telecom	GLDN US	GLDN	1	New York	105.020	-	105.020	-	-	-	-	-	-
Golden Telecom	GT7 GR	GLDN	1	Frankfurt	103.873	-	103.873	-	-	-	-	-	-
Evrzholding	EVR LI	-	1/3	London	21.100	-8.700	63.300	-	-	-29.19	-	17,097	-
Evrzholding	HK1A GR	-	1/3	Frankfurt	23.002	-5.566	69.007	-	-	-19.48	-	60	-
Irkutskenergo	IKSGY US	IRGZ	50	New York	-	-	-	0.550	-	-	-	-	-
Irkutskenergo	IRK GR	IRGZ	50	Frankfurt	-	-	-	0.550	-	-	-	-	-
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	34.000	-19.200	34.000	40.500	-0.16	-36.09	-0.47	261,696	1,091
LUKOIL	LUKOY US	LKOH	1	New York	35.300	-17.100	35.300	40.500	-	-32.63	-0.47	-	1,091
LUKOIL	LUK GR	LKOH	1	Frankfurt	37.683	-16.141	37.683	40.500	-0.07	-29.99	-0.47	5,235	1,091
MCTN	MOW GR	MGTS	1	Frankfurt	20.296	0.188	20.296	31.500	-	0.94	-	-	-
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	4.736	-0.674	0.047	0.220	-	-12.46	-	208	-
MTS	MBDL LI	MTSS	5	London	-	-	-	6.500	-	-	-0.37	-	420
MTS	MBT US	MTSS	5	New York	-	-	-	6.500	-	-	-0.37	-	420
MTS	MKY GR	MTSS	5	Frankfurt	35.978	-11.649	7.196	6.500	0.11	-24.46	-0.37	44	420
Nizhnekamskneftekhim	QAO GR	NKNC	10	Frankfurt	3.518	-0.208	0.352	0.360	-0.02	-5.59	-	1	4
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	5.600	-4.450	5.60	69.00	-0.92	-44.28	-1.53	85,229	1,255
Norilsk Nickel	NILSY US	GMKN	1	New York	6.600	-3.450	6.60	69.00	-	-34.33	-1.53	-	1,255
Norilsk Nickel	NNIA GR	GMKN	1	Frankfurt	6.278	-4.224	6.28	69.00	-0.91	-40.22	-1.53	3,565	1,255
UHM	UHM GR	OMZZ	1	Frankfurt	4.195	-0.222	4.195	8.750	-	-5.02	-	-	-
Pyaterochka	FIVE LI	-	1/4	London	12.800	-5.000	51.200	-	-	-28.09	-	28,088	-
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	8.400	-	-	-	-	-
Rostelekom	ROS US	RTKM	6	New York	-	-	-	8.400	-	-	-	-	-
Rostelekom	RTL GR	RTKM	6	Frankfurt	38.292	-5.305	6.382	8.400	-	-12.17	-	71	-
Seversky pipe plant	SVY GR	SVTZ	10	Frankfurt	92.009	-7.358	9.201	14.500	-	-7.40	-	-	-
Gazprom Neft	GAZ LI	SIBN	5	London	12.200	-6.740	2.440	4.300	-	-35.59	-	1,157	-
Gazprom Neft	GZPPY US	SIBN	5	New York	32.250	-	6.450	4.300	-	-	-	-	-
Gazprom Neft	SCF GR	SIBN	5	Frankfurt	14.207	-4.879	2.841	4.300	-	-25.56	-	443	-
Surgutneftegas	SGGD LI	SNGS	50	London	3.300	-1.500	0.066	0.370	-0.82	-31.25	-0.42	34,355	124
Surgutneftegas	SGTZY US	SNGS	50	New York	-	-	-	0.370	-	-	-0.42	-	124
Surgutneftegas	SGN GR	SNGS	50	Frankfurt	3.586	-1.176	0.072	0.370	-0.81	-24.69	-0.42	256	124
Tatneft	ATAD LI	TATN	20	London	31.000	-25.600	1.550	3.800	-	-45.23	-	11,616	-
Tatneft	TNT US	TATN	20	New York	-	-	-	3.800	-	-	-	-	-
Tatneft	TTFA GR	TATN	20	Frankfurt	96.244	-0.314	4.812	3.800	-	-0.32	-	324	-
Tyumenaviatrans	UTARY US	TMAT	100	New York	40.000	-	0.400	0.538	-	-	-	-	-
Tyumenaviatrans	TYV GR	TMAT	100	Frankfurt	21.649	-3.193	0.216	0.538	-	-12.85	-	0	-
Tsum	THT GR	TZUM	20	Frankfurt	75.772	-0.133	3.789	2.000	-	-0.18	-	-	-
STC	KUE GR	KUBN	50	Frankfurt	8.229	0.353	0.165	0.135	-	4.49	-	-	-

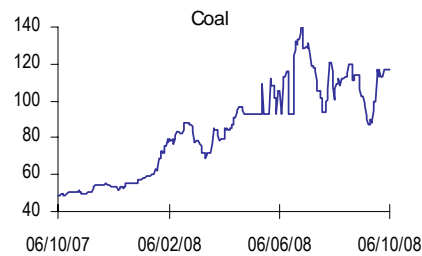
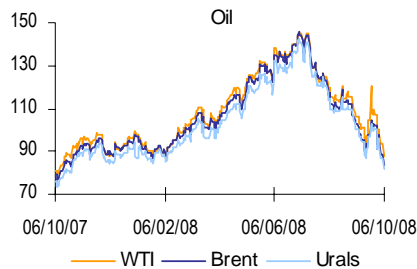
Source: Bloomberg, Estimation: Veles Capital

## 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	▼	84.65	-4.50	-5.05	-9.49	-17.10	-11.73	6.68	-0.74	147.59
Brent, USD / bbl	▼	83.39	-4.98	-5.64	-8.53	-18.87	-11.18	5.13	82.48	147.21
Urals, USD / bbl	▼	82.08	-4.49	-5.19	-9.95	-18.44	-10.08	7.97	-3.32	142.94
WTI, USD / bbl	▼	87.81	-6.07	-6.47	-8.88	-17.34	-8.53	8.11	86.47	146.30
Brent-Urals	▼	1.31	-0.49	-27.22	6,450.00	-39.07	-49.81	-60.30	-2.01	9.94
Coal, USD / ton	-	117.15	-	-	3.90	14.13	111.08	142.30	55.50	142.85

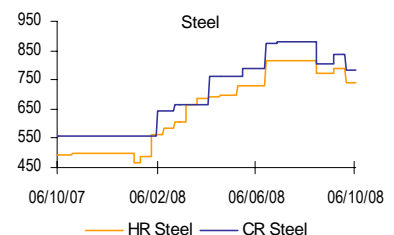
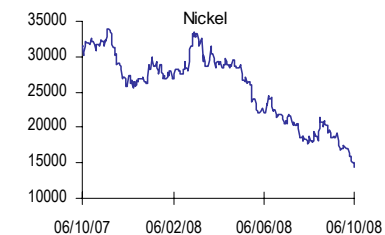
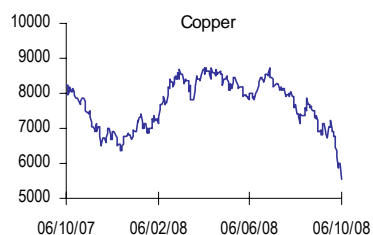
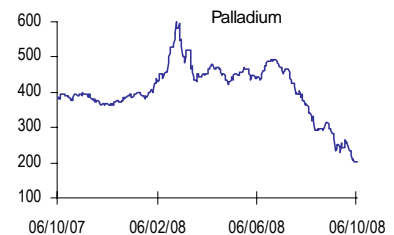
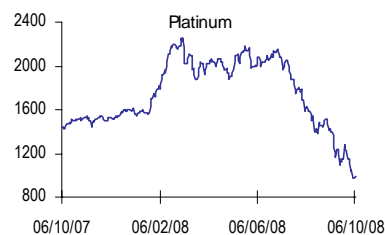
Source: Bloomberg, Estimation: Veles Capital



### Prices of metals

		Close, USD	Change, USD	Change, %					Current year, USD	
				day	week	month	from Jan 1	year	min	max
Gold, USD / ounce	▲	884.25	27.61	3.22	-5.73	7.51	1.48	13.40	763.64	1,027.52
Silver, USD / ounce	▼	11.29	-0.17	-1.48	-16.69	-10.37	-26.98	-19.87	10.72	21.42
Platinum, USD / ounce	▲	989.54	11.19	1.14	-10.73	-29.13	-37.80	-31.03	978.35	2,257.73
Palladium, USD / ounce	▼	203.19	-1.28	-0.63	-7.38	-28.29	-47.71	-47.17	200.88	598.39
Aluminum, USD / ton	▼	2,250.00	-89.00	-3.81	-7.82	-15.00	-6.60	-7.41	2,301.00	3,317.00
Copper, USD / ton	▼	5,560.00	-450.00	-7.49	-13.66	-19.42	-16.70	-32.28	5,850.00	8,730.00
Nickel, USD / ton	▼	14,300.00	-850.00	-5.61	-12.80	-23.12	-45.63	-54.46	15,150.00	33,400.00
Lead, USD / ton	▼	1,635.00	-85.00	-4.94	-10.41	-9.42	-35.88	-55.69	1,568.00	3,420.00
Tin, USD / ton	▼	16,200.00	-800.00	-4.71	-9.50	-11.84	-1.37	0.62	16,025.00	25,300.00
Zink, USD / ton	▼	1,549.00	-46.00	-2.88	-7.80	-11.49	-34.64	-49.30	1,580.00	2,830.00
Titanium, USD / ton	-	3,902.18	-	-	-	-5.85	-12.81	-11.50	3,902.18	5,511.56
HR Steel, USD / ton	-	740.00	-	-	-	-4.52	48.00	49.49	465.00	815.00
CR Steel, USD / ton	-	785.00	-	-	-	-2.48	40.18	40.18	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	▼ 866.39	-204.59	-19.10	-27.44	-41.03	-62.17	-59.04	865.55	2,498.10
MICEX Index	▼ 752.00	-172.55	-18.66	-26.25	-39.10	-60.19	-58.28	743.32	1,966.32
Technical RTS Index	▼ 1,292.11	-336.69	-20.67	-30.31	-40.06	-59.09	-55.98	1,281.93	3,730.73
MSCI Russia	▼ 547.75	-159.76	-22.58	-29.59	-42.23	-64.35	-59.56	541.70	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 ▼ 9,955.50	-369.88	-3.58	-3.95	-11.28	-24.95	-29.22	9,525.32	13,279.54
NASDAQ	USA ▼ 1,862.96	-84.43	-4.34	-6.09	-17.42	-29.76	-32.99	1,777.02	2,661.50
FTSE 100	Great Britain ▼ 4,589.19	-391.06	-7.85	-4.76	-12.43	-28.93	-30.42	4,549.66	6,534.70
Nikkei 225	Japan ▼ 10,473.09	-465.05	-4.25	-10.82	-14.24	-31.58	-38.63	10,374.38	15,413.37
S&P 500	USA ▼ 1,056.89	-42.34	-3.85	-4.47	-14.93	-28.02	-32.15	1,007.97	1,471.77
AEX	Nederlands ▼ 312.56	-31.46	-9.14	-3.40	-19.70	-39.40	-42.82	310.67	518.27
OMX	Sweden ▼ 723.91	-56.48	-7.24	-6.51	-12.25	-33.06	-42.44	718.51	1,081.44
DAX	Germany ▼ 5,387.01	-410.02	-7.07	-7.23	-12.08	-33.22	-32.68	5,292.84	8,100.64
MIB 30	Italy ▼ 24,053.00	-2,217.00	-8.44	-8.27	-14.50	-38.14	-41.63	23,828.00	38,885.00
CAC 40	France ▼ 3,711.98	-368.77	-9.04	-6.11	-11.55	-33.88	-36.47	3,679.63	5,665.94
SMI	Switzerland ▼ 6,458.72	-421.10	-6.12	-0.64	-7.42	-23.88	-28.83	6,343.43	8,571.76
ASX 200	Australia ▼ 4,540.40	-155.00	-3.30	-5.55	-6.90	-28.38	-31.26	4,515.00	6,385.70
Bloomberg European 500	▼ 171.22	-13.82	-7.47	-4.52	-12.00	-55.07	-56.10	169.98	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	▼ 671.18	-70.55	-9.51	-13.40	-23.18	-46.13	-46.13	656.16	1,252.59
<b>Europe</b>									
ASE	Greece ▼ 2,640.78	-164.17	-5.85	-7.04	-16.00	-49.01	-49.20	2,634.26	5,207.44
WSE WIG	Poland ▼ 34,832.29	-1,997.98	-5.42	-5.49	-12.73	-37.41	-43.41	34,690.15	56,066.82
PFTS	Ukraine ▼ 348.02	-26.61	-7.10	-8.26	-32.93	-70.36	-68.07	347.10	1,208.61
BUX	Hungary ▼ 17,991.02	-1,083.24	-5.68	-3.86	-8.28	-31.43	-35.66	17,289.35	26,242.90
PX	Czech Republic ▼ 1,102.90	-101.90	-8.46	-8.51	-19.76	-39.24	-41.38	1,102.80	1,819.50
TA-100	Israel ▼ 684.79	-76.10	-10.00	-14.81	-23.98	-41.15	-40.27	665.72	1,167.04
XU 100	Turkey ▼ 31,574.74	-2,978.26	-8.62	-12.42	-19.28	-43.15	-44.40	30,971.24	55,281.66
<b>Asia and Africa</b>									
HSI	Hong Kong ▼ 16,803.76	-878.64	-4.97	-6.02	-15.70	-39.58	-39.62	16,283.72	27,853.60
SENSEX	India ▼ 11,801.70	-724.62	-5.78	-6.30	-18.52	-41.87	-33.60	11,732.97	21,206.77
JALSH	SAR ▼ 21,022.63	-1,655.62	-7.30	-8.94	-17.29	-27.40	-32.03	20,961.26	33,309.82
JCI	Indonesia ▼ 1,648.74	-183.77	-10.03	-10.03	-18.48	-39.95	-34.07	1,592.24	2,838.48
KOSPI	South Korea ▼ 1,358.75	-60.90	-4.29	-6.70	-3.25	-28.38	-31.93	1,351.72	1,901.13
SHCOMP	China ▼ 2,173.74	-120.05	-5.23	-5.23	-1.30	-58.69	-60.85	1,802.33	5,522.78
<b>America</b>									
MEXBOL	Mexico ▼ 21,749.13	-1,240.37	-5.40	-9.21	-16.04	-26.37	-31.04	20,693.83	32,292.92
IBOV	Brazil ▼ 42,100.79	-2,416.53	-5.43	-8.53	-18.94	-34.10	-32.44	37,616.74	73,920.38
IPSA	Chile ▼ 2,450.50	-157.12	-6.03	-6.87	-11.57	-19.70	-27.09	2,369.06	3,113.93
IBVC	Venezuela ▼ 37,851.39	-117.37	-0.31	-0.71	-6.65	-0.14	-1.31	33,767.05	41,584.92

Source: Bloomberg, Estimation: Veles Capital

## Information disclosure

### The statement of an analyst and confirmation of the responsibility withdrawal

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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.

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

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