

# Daily results

September 22, 2008

## Stocks

**Market today.** Today the market is rising for two days in a row, backed by low turnovers, MICEX and RTS have added +1.5% and +1.2% respectively. Above the market were stocks of banking and utilities (energy) sector, VTB has added +14%, WGC-6 expanded +13.9%. It seems that the measures taken by the government: on freezing diesel fuel and black oil price, delaying tax payments and providing the banks with unlimited cash liquidity in the form of credits have all supported the market. The oil sector seemed below the market, despite of growth of oil price.

**Market tomorrow.** There is some chance of market correction tomorrow.

## Bonds

**Market yesterday.** Today the market continued conducting REPO deals. Whilst the list of issuers with securities under which one could get rubles was melting away each hour. REPO was available virtually to the first tier bonds of some large banks exclusively. We must also point out that Gazprombank's cash failed reaching the market, sinking in the deal on support of KIT-Finance. Spot-market witnessed no deals at all. Some occasional bids were set, hoping for some with bad patience and were tens of p.p.'s below the nominal.

**Market tomorrow.** Tomorrow's picture is not likely to change. In despite of declaration of new protection measures, the real situation is still tense and cash is barely enough for everyone.

## No comment

*According to RAS 8 months financial report, Sberbank's net income increased by +40% – to 92.7bn RUR (Interfax)*

*Vnesheconombank will acquire a share in the capital of Inter RAO during this year (Interfax)*

*Vimpelcom is looking for an opportunity to liquidate Golden Telecom as holding company (Interfax)*

*RusAl plans to conduct annual investments of 2.5-3 bn USD in greenfield and natural growth (Interfax)*

*Ministry of Finance offered to implement quarter VAT payments for 3 months from October 1st 2008 (Kudrin)*

## Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
12:00	EC	PMI Manufacturing	SEP A	47,3	47,6
12:00	EC	PMI Services	SEP A	48	48,5
12:00	EC	PMI Composite	SEP A	47,8	48,2
12:30	UK	BBA Loans for House Purchase	AUG	--	22448
13:00	EC	Industrial New Orders SA MoM	JUL	-0,60%	-0,30%
18:00	US	Richmond Fed Manufact. Index	SEP	-12	-16
18:00	US	House Price Index MoM	JUL	-0,20%	0,00%
18:00	US	, Bernanke Testify on Credit Turmoil at Sen	SEP 23		

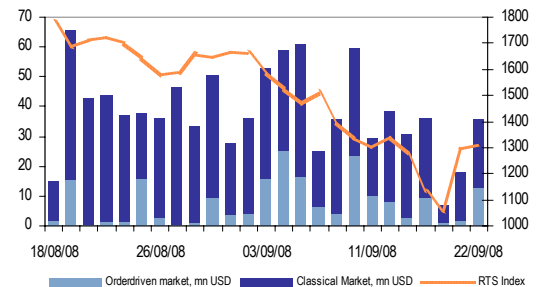
## Market data

### Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	▲ 1,309.50	13.59	1.05	2.50	-23.04	-35.37
MICEX Index	▲ 1,105.73	6.78	0.62	3.59	-19.57	-35.90
USD / RUR	▼ 25.1677	-0.18	-0.73	-1.55	3.29	0.45
EUR / RUR	▲ 36.7994	0.26	0.72	1.41	1.98	4.29
EUR / USD	▲ 1.4622	0.02	1.50	2.96	-1.26	3.84
Dow Jones Index	▼ 11,275.34	-113.10	-0.99	3.28	-3.03	-18.41
NASDAQ	▼ 2,246.18	-27.72	-1.22	3.04	-6.98	-15.91
FTSE 100	▲ 5,314.00	2.70	0.05	2.11	-3.48	-17.70
Nikkei 225	▲ 12,090.59	169.73	1.42	-1.02	-4.54	-25.88
MSCI EM	- 845.56	-	-	2.45	-11.57	-27.18

Source: Bloomberg, Estimation: Veles Capital

### RTS index vs. trade volume

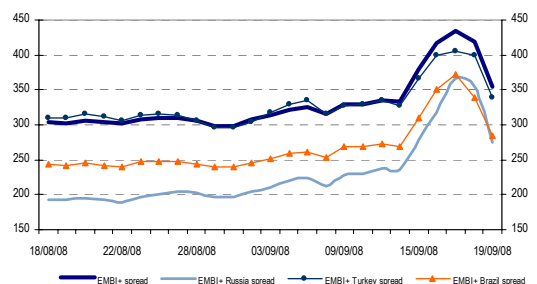


### Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	▼ 101.12	-0.41	-0.40	-3.79	0.08	0.12
UST 30	▼ 100.95	-0.97	-0.95	-6.70	0.42	-0.80
German 10	▼ 96.66	-0.41	-0.42	-1.72	-0.31	1.07
Russia 30	▼ 104.81	-0.54	-0.51	-2.77	-6.43	-6.18
Spread Russia 30	▲ 285.00	2.30	0.81	-1.11	58.42	136.71
Turkey 34	▼ 102.30	-0.06	-0.05	0.76	-2.97	-6.42
Brazil 40	▲ 128.24	0.02	0.02	0.13	-2.77	-3.86
Colombia 37	▼ 104.32	-1.30	-1.23	-0.68	-4.41	-6.33
Venezuela 34	▲ 77.51	0.58	0.76	6.67	-10.38	-26.63

Source: Bloomberg, Estimation: Veles Capital

### Emerging markets spread dynamics



### Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	▲ 102.17	4.27	4.36	13.75	-9.56	29.51
Urals, USD / bbl	▲ 99.33	2.21	2.28	12.31	-9.10	31.84
Gold, USD / ounce	▲ 919.08	23.69	2.65	13.85	8.90	19.61
Palladium, USD / ounce	▲ 260.98	18.50	7.63	7.40	-11.50	-26.94
Copper, USD / ton	- 7,060	-	-	1.88	-7.83	-10.46
Nickel, USD / ton	- 16,950	-	-	-6.38	-18.71	-47.52

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

*Paul Zhuravlyev*  
Interpreter  
PZhuravlov@veles-capital.ru

---

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

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

*Sergey Vetoshkin*  
Corporate 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 Labeled*  
Investor relations  
VLabeled@veles-capital.ru

*Stanislav Brodsky*  
Investment products  
SBrodsky@veles-capital.ru