

# Daily results

September 23, 2008

## Stocks

**Market today.** Today was a slow day, turnover was light, and the market is slowly drowning. Evidently above the market were stocks of Polyus Gold and Polymetal, which spiked upwards following the precious metals prices. Some really decent demand during the second half hit Rosneft, after Goldman Sachs published a recommendation on given security.

**Market tomorrow.** The situation around liquidity is still tense. Everybody is watching the events in the USA economy. Tomorrow we do not expect to see any strong movements. The general mood is moderately-negative.

## Bonds

**Market yesterday.** Tuesday's situation at secondary debt has failed to improve. Bids were non-existent today. REPO market brought credits only from Sberbank and VTB under 12% per annum rate and only by a very limited list of securities, mostly consisting of first tier bonds, whilst Gazprombank was absent from the market once more. The market expected the situation around Svyazbank to solve itself as well. During the second half of day a purchase of 98% stocks of company was announced by VEB.

**Market tomorrow.** The measures taken by the CB and ministry of finance are clearly inefficient in rejuvenating the market. The liquidity provided by primary large state and state-affiliated banks still failed to reach to market. And Wednesday's situation is unlikely to change. The whole deal is further worsened by starting payments of mineral extraction tax and excises.

## No comment

*Raspadskaya IAS 1H 2008 net income up +2.8 times (Interfax)*

*Three JSCs got 45% stocks of SIBUR, share of Gazprombank dropped -17% (Interfax)*

*VEB approved the deal on purchase of 98% stocks of Svyaz-bank with Central Bank, and financial help plan (Interfax)*

## Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
0:00	RU	Weekly CPI Year-to-Date	SEP 22	--	10,00%
0:00	RU	Weekly CPI (WoW)	SEP 22	--	0,10%
1:00	US	ABC Consumer Confidence	SEP 22	--	-41
12:00	GE	IFO - Business Climate	SEP	94,3	94,8
12:00	GE	IFO - Current Assessment	SEP	101,9	103,2
12:00	GE	IFO - Expectations	SEP	87,3	87
12:00	EC	ECB Euro-Zone Current Account SA	JUL	--	-8.2B
12:00	EC	Euro-Zone Current Account nsa	JUL	--	-1.0B
15:00	US	MBA Mortgage Applications	SEP 20	--	33,40%
18:00	US	Existing Home Sales	AUG	4,94M	5,00M
18:00	US	Existing Home Sales MoM	AUG	-1,20%	3,10%
18:00	US	Bernanke Testifies at Congress's Joint Economic Committee	SEP 24		
22:30	US	Paulson, Bernanke Testify on Financial Crisis at House Panel	SEP 24		

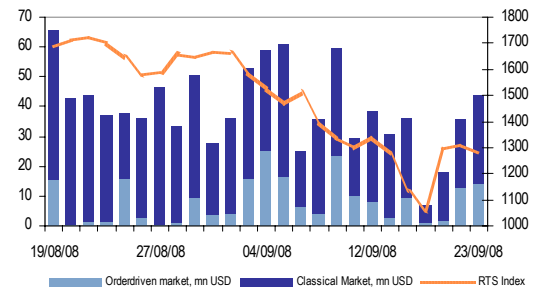
## Market data

### Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	1,272.13	-37.37	-2.85	12.47	-25.24	-37.71
MICEX Index	1,071.18	-34.55	-3.12	21.56	-22.08	-38.31
USD / RUR	24,9992	-0.06	-0.25	-2.33	2.60	-0.05
EUR / RUR	36,8920	-0.05	-0.14	1.83	2.24	4.67
EUR / USD	1.4757	0.00	0.16	4.28	-0.35	4.76
Dow Jones Index	11,111.27	95.58	0.87	0.47	-4.44	-19.24
NASDAQ	2,199.07	20.09	0.92	-0.40	-8.93	-17.57
FTSE 100	5,164.54	-71.72	-1.37	2.76	-6.19	-20.13
Nikkei 225	12,090.59	-	-	4.14	-4.54	-25.88
MSCI EM	854.48	-	-	8.91	-10.64	-27.26

Source: Bloomberg, Estimation: Veles Capital

### RTS index vs. trade volume

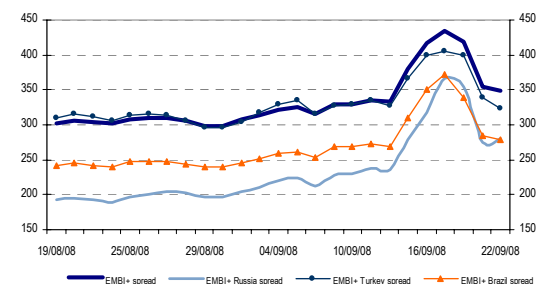


### Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	101.62	0.30	0.29	-2.93	0.57	0.68
UST 30	101.70	0.42	0.42	-4.92	1.17	-0.11
German 10	96.89	0.21	0.22	-1.83	-0.07	1.36
Russia 30	103.33	-1.22	-1.17	-1.52	-7.75	-7.74
Spread Russia 30	314.40	21.70	7.41	-3.82	74.76	171.27
Turkey 34	101.55	-0.92	-0.90	3.24	-3.68	-7.21
Brazil 40	127.81	-0.37	-0.29	1.81	-3.09	-4.19
Colombia 37	104.84	-0.67	-0.63	2.30	-3.94	-5.48
Venezuela 34	75.25	-0.55	-0.73	9.26	-12.99	-28.76

Source: Bloomberg, Estimation: Veles Capital

### Emerging markets spread dynamics



### Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	103.47	-0.64	-0.61	15.57	-8.41	32.08
Urals, USD / bbl	102.69	-	-	18.21	-6.02	36.18
Gold, USD / ounce	928.89	3.19	0.34	16.45	10.06	21.02
Palladium, USD / ounce	257.65	-6.94	-2.62	11.44	-12.63	-28.20
Copper, USD / ton	7,250	-	-	5.53	-5.35	-9.83
Nickel, USD / ton	17,475	-	-	0.43	-16.19	-47.21

Source: Bloomberg, Estimation: Veles Capital

## Information disclosure

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The investment recommendations are given based on the evaluation of the company's share yield. The basis for the calculation of the expected company's cost is the evaluation by the discounted cash flows method (DCF). In some estimations the method of comparable coefficients, and also the mixed estimation (by DCF method and by comparable coefficients method) are applied. All recommendations are assigned based on the determined by us the fair cost of the shares within the nearest 12 months.

At the present moment the investment scale of the Investment Company Veles Capital is the following:

**BUY** – corresponds to the growth potential of the shares within the nearest 12 months by 15% or more.

**ACCUMULATE** – corresponds to the growth potential of the shares within the nearest 12 months for 5-15%.

**HOLD** – corresponds to the growth (reduction) potential of the shares within the nearest 12 months from -5% to 5%.

**REDUCE** – corresponds to the reduction potential of the shares within the nearest 12 months from 15% to 5%.

**SELL** – corresponds to the reduction potential of the shares within the nearest 12 months by 15% or more.

In some cases the deviations from the evaluation scale given above, based on which the recommendations are assigned, are possible. That fact relates to the high volatility of some securities in particular, and market in the whole, and also to the individual characteristics of one or another issuer.

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