

Daily results

September 29, 2008

Stocks

Market today. Monday's results demonstrated a fall of MICEX and RTS of 5.5% and 7% respectively. Due to the fact that implementation of stabilizing measures for USA banking sector was conducted in unexpected manner, negative dynamics can be seen at all global grounds. A fall of oil prices strengthened a negative effect on Russian stock market. As usual, the stocks of Polyus Gold have boosted Russian stock market with a growth, forming about 20%.

Market tomorrow. The further situation at Russian stock market will depend on dynamics at global grounds.

Bonds

Market yesterday. Today Moscow interbank bid rate increased due to taxes, paid late this month. However, it has a slight effect on repo market – Sberbank and VTB continued to conduct repo deals of 1st tier securities under 12% per annum. A possibility of funding under 2-3 tiers bonds was very temporarily – under 15-22% per annum. The major participants at secondary market were sellers, who looked for free liquidity. The buyers can be seen very rarely in deals with 1st tier securities. A slight growth of activity can be seen in state papers sector, where occurred buy orders.

Market tomorrow. We think that an activity at federal loan bond could take place on Tuesday. Regarding the return of buyers to corporate and municipal bonds and creditors to repo market, we can say that it can be at least in the middle of this week.

No comment

Transneft's net income under IAS 1Q 2008 formed 40.4% (Interfax)

LUKOIL consolidated 95.4% of TGC-8's shares (Interfax)

According to IAS 1H 2008 financial report, Mosenergo's revenue formed 764 mn RUR vs last year results (Interfax)

Shares buyback: Norilsk Nickel's subsidiaries purchase 8.7% of company's shares. Severstal's subsidiary bought GDR of the head company for 1.8 mn USD (Interfax)

Polyus Gold offered 7.95 USD and 0.298 of Polyus Gold's share per 1 share of KazakhGold (Interfax)

Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
0:00	RU	Current Account (USD)	2Q	31.0B	37.68B
3:01	UK	GfK Consumer Confidence Survey	SEP	-40	-36
3:30	JN	Jobless Rate	AUG	4,10%	4,00%
3:50	JN	Industrial Production (MoM)	AUG P	-2,40%	1,30%
10:00	GE	ILO Unemployment Rate	AUG	7,30%	7,30%
11:55	GE	Unemployment Change (000's)	SEP	-15K	-40K
11:55	GE	Unemployment Rate (s.a)	SEP	7,60%	7,60%
12:30	UK	GDP (QoQ)	2Q F	0,00%	0,00%
12:30	UK	Current Account (BP)	2Q	-9.7B	-8.4B
13:00	EC	Euro-Zone CPI Estimate (YoY)	SEP	3,60%	3,80%
17:00	US	S&P/CaseShiller Home Price Ind	JUL	166,9	167,7
17:00	US	S&P/CS Composite-20 YoY	JUL	-16,00%	-15,90%
17:45	US	Chicago Purchasing Manager	SEP	53	57,9
18:00	US	Consumer Confidence	SEP	55	56,9
20:00	GE	ECB's Trichet Speaks in Frankfurt	SEP 30		

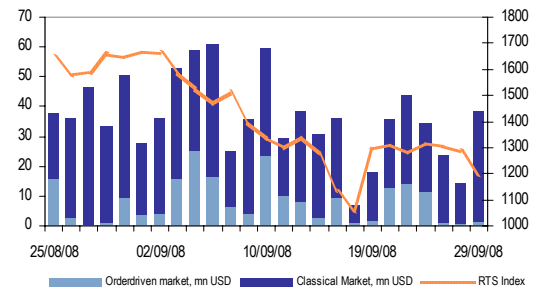
Market data

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	1,194.11	-91.36	-7.11	-8.81	-27.46	-42.36
MICEX Index	1,019.64	-59.40	-5.50	-7.79	-24.41	-42.05
USD / RUR	25.3165	0.27	1.07	1.01	2.65	1.76
EUR / RUR	36.5168	-0.08	-0.21	-1.15	1.14	3.11
EUR / USD	1.4411	-0.02	-1.34	-2.19	-1.57	1.24
Dow Jones Index	10,837.60	-305.53	-2.74	-1.62	-6.12	-22.01
NASDAQ	2,102.79	-80.55	-3.69	-3.50	-11.18	-22.16
FTSE 100	4,910.62	-177.85	-3.50	-6.22	-12.88	-24.06
Nikkei 225	11,743.61	-149.55	-1.26	-2.87	-10.17	-30.04
MSCI EM	823.69	-	-	-3.60	-13.86	-31.64

Source: Bloomberg, Estimation: Veles Capital

RTS index vs. trade volume

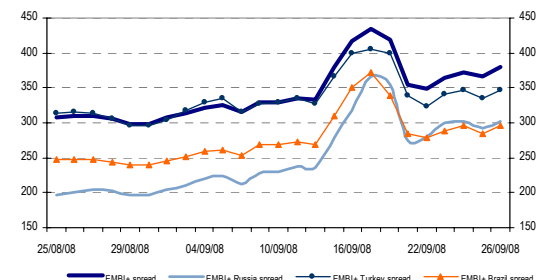


Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	102.39	1.20	1.19	1.05	0.85	1.11
UST 30	104.08	1.95	1.91	2.76	2.79	1.49
German 10	98.51	1.11	1.14	1.89	1.37	2.75
Russia 30	102.83	-0.58	-0.56	-1.64	-7.84	-8.19
Spread Russia 30	331.80	22.60	7.31	13.36	73.17	175.12
Turkey 34	100.43	-1.41	-1.39	-1.99	-5.87	-7.91
Brazil 40	126.66	-0.81	-0.64	-1.19	-4.16	-5.34
Colombia 37	101.63	-0.87	-0.84	-3.67	-7.53	-7.71
Venezuela 34	74.00	-0.85	-1.14	-2.37	-15.85	-29.35

Source: Bloomberg, Estimation: Veles Capital

Emerging markets spread dynamics



Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	96.40	-5.63	-5.52	-7.41	-13.91	21.41
Urals, USD / bbl	100.19	-	-	-2.43	-8.48	32.28
Gold, USD / ounce	930.18	24.02	2.65	0.48	9.15	19.12
Palladium, USD / ounce	225.02	-7.19	-3.10	-14.95	-28.55	-38.64
Copper, USD / ton	6.775	-	-	-6.55	-9.79	-15.52
Nickel, USD / ton	17,000	-	-	-2.72	-15.95	-44.26

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.

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