

Daily results

February 27, 2009

Stocks

Market today. The shares of FGC UES made large volume of deals – more than 5 mn USD. At the same time the quotes climbed by almost 15%. Against the background of rumor recommencement on merger of Rosneft and Surgutneftegas some deals were made with those shares. Selling mostly included the shares of Gazprom.

Market tomorrow. Negative mood prevails on the market. Dynamics at the foreign markets and reduction at the raw material sector speak for that. Due to that the beginning of next week will be marked by minus.

Bonds

Market yesterday. Purchases at the ruble market continued, which was supported by rather low funding cost and stability of ruble basket. Primarily the second “firm” echelon was demanded: STC (3rd, 4th and 5th issues), TGC-1, TGC-10 (1st and 2nd issues), Ursa Bank-7, {5-1. Investors’ activity was less significant at the currency bonds market, though purchases have continued also, on both: ruble and currency issues: Gazprombank 2010, VTB 2009, Norilsk nickel 2009, Alfa Bank 2009, etc.

Market tomorrow. Activity of ruble section of the debt market might increase by the beginning of the month. Stocks of banks, telecommunication and energy companies still are most interesting.

No comment

VEB intends to place currency bonds for 5 bn USD under LIBOR+1%. (Dmitriev)

Adding of proved supplies of TNK-BP according to PRMS exceeded extraction by 46%. (Interfax)

Sberbank provided 500 mn USD and 17 bn RUR to LUKOIL for one year. (Interfax)

Governor of Sverdlovsk region forecasts the enterprises of Evraz Group in the region to be loaded by 80-90% in March comparing to 50% in January and 65% in February. (Interfax)

Severstal has temporary suspended operation of zinc coating line at Severstal Warren. (Interfax)

UAZ will keep three day working week for two more months. (Interfax)

Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
0:00	RU	Weekly CPI Year-to-Date	OCT 6	--	10,50%
0:00	RU	Weekly CPI (WoW)	OCT 6	--	0,30%
1:00	US	ABC Consumer Confidence	OCT 6	--	-41
3:01	UK	Nationwide Consumer Confidence	SEP	49	52
9:00	JN	BOJ Monthly Report	OCT 7		
9:00	JN	Eco Watchers Survey: Current	SEP	27,8	28,3
9:00	JN	Eco Watchers Survey: Outlook	SEP	--	32
13:00	EC	Euro-Zone GDP s.a. (QoQ)	2Q F	-0,20%	-0,20%
13:00	EC	Euro-Zone Household Cons (QoQ)	2Q F	-0,20%	-0,20%
14:00	GE	Industrial Production MoM (sa)	AUG	-0,30%	-1,80%
15:00	US	MBA Mortgage Applications	OCT 4	--	-23,00%
18:00	US	Pending Home Sales MoM	AUG	-1,10%	-3,20%

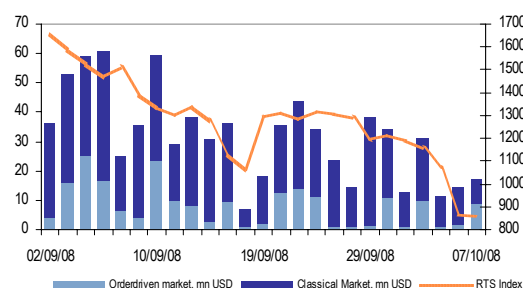
Market data

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	859.50	-6.89	-0.80	-29.07	-41.50	-59.65
MICEX Index	746.49	-5.51	-0.73	-27.36	-39.54	-58.72
USD / RUR	26.0910	-0.14	-0.55	1.62	2.37	4.18
EUR / RUR	35.6740	0.16	0.45	-1.23	-1.84	1.37
EUR / USD	1.3672	0.01	1.04	-2.79	-4.12	-2.72
Dow Jones Index	9,918.15	-37.35	-0.38	-8.59	-11.61	-29.38
NASDAQ	1,847.45	-15.51	-0.83	-11.68	-18.11	-33.72
FTSE 100	4,714.75	125.56	2.74	-3.83	-10.04	-27.92
Nikkei 225	10,155.90	-317.19	-3.03	-9.80	-16.84	-40.49
MSCI EM	671.18	-	-	-14.71	-23.18	-46.31

Source: Bloomberg, Estimation: Veles Capital

RTS index vs. trade volume

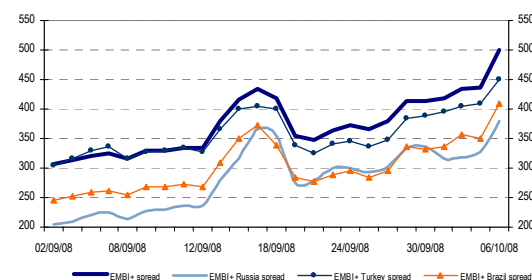


Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	104.11	-0.41	-0.39	2.65	1.60	3.21
UST 30	108.59	-0.53	-0.49	5.30	5.14	6.38
German 10	100.09	-0.10	-0.10	1.71	1.63	4.60
Russia 30	100.31	0.36	0.36	-1.56	-9.34	-10.58
Spread Russia 30	393.30	-11.90	-2.94	16.98	82.25	248.36
Turkey 34	95.87	0.39	0.41	-3.76	-8.32	-13.67
Brazil 40	122.66	0.17	0.14	-2.25	-7.02	-8.55
Colombia 37	92.50	-0.63	-0.68	-7.98	-15.34	-16.23
Venezuela 34	56.95	-0.52	-0.91	-18.33	-32.98	-45.88

Source: Bloomberg, Estimation: Veles Capital

Emerging markets spread dynamics



Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	84.42	1.03	1.24	-13.36	-17.87	9.66
Urals, USD / bbl	83.20	1.12	1.36	-13.19	-17.33	12.97
Gold, USD / ounce	892.57	8.31	0.94	-0.80	8.52	20.26
Palladium, USD / ounce	208.33	5.14	2.53	1.63	-26.47	-45.28
Copper, USD / ton	5,560	-	-	-12.58	-19.42	-30.15
Nickel, USD / ton	14,300	-	-	-9.78	-23.12	-52.57

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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