

Daily results

March 23, 2009

Stocks

Market today. Price growth of oil and non-ferrous metals warmed up the demand of shares of oil-and gas and metallurgy sector. Gazprom, LUKOIL and Norilsk Nickel were of most demand. Due to expectations of Timothy Gaytner's statement relating buyback of problem assets from banks, the purchases were indicated on shares of Sberbank. RBC share went up by 50% due to possible buyback of 65% shares of the media holding by Oneksim group.

Market tomorrow. Tomorrow we suppose local correction might occur due to continuous growth of RTS index within 4 days. However the external factors remain rather strong. Due to that it is quite possible that the bulls' spirit might prevail again over the technical factors.

Bonds

Market today. Trade turnover reduced on Monday versus the rush of the previous week. Nevertheless, the activity of ruble bonds remained rather high, which was partially due to the rather cheap REPO (9.0-10.0% annually). Once again among the leaders on the turnover volumes were the issues of MGor-45 and MGor-47. Besides, banks were good also (VTB-6, Petrokom-6, URSA-bank-3, DeltaKr-2), and also X5 Finance, STC-4, Gazprom-6. At the market of Russian Eurobonds the down trend was indicated on cost of short-term currency issues, which on one hand is due to dynamics of dollar rate, on the other – the investors intend to transfer to longer term issues, the yield of which has greater reduction potential. Ruble notes sector, overheated significantly within the past two weeks, entered the phase of consolidation.

Market tomorrow. Price growth at the domestic market will likely continue, though within the previous week the notes added significantly due to the exceeding liquidity. Likely soon the companies of the 1st and 2nd echelons will enter the market. Possible premiums at placements might affect the secondary market negatively.

No comment

Gazproms current extraction dropped more than 25%. (CDO FEC)

Rosneft directed offer on redemption of 5.5% VChNG shares for 1.5 bn RUR. (Interfax)

Fitch confirmed long-term rating of TNK-BP at the level "BBB-" with "negative" forecast. (Fitch)

Polimetall purchases gold mine Sopka Kwartsevaya from Lavaev group for 70 mn USD. (Commersant)

MMC reduced RAS net profit by more than 5 times in 2008, in 4Q 2008 gained 23.4 bn RUR of net loss. (Company)

Belon upped IAS net profit in 1H 2008 by 5.3 times to 1.135 bn RUR. (Company)

Oneksim offers to buyback 65% of RBC within the frames of restructuring debt of the media holding. (Interfax)

Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
2:00	EC	Trichet Speaks at Conference in Mexico City	-		
2:50	JN	BoJ Monetary Policy Meeting Minutes	FEB		
2:50	JN	BOJ to Publish Minutes of Board Meeting	-		
12:00	EC	ECB Euro-Zone Current Account SA	JAN	--	-7.3B
12:00	EC	PMI Composite	MAR	36,2	36,2
12:30	UK	CPI (MoM)	FEB	0,30%	-0,70%
17:00	US	House Price Index MoM	JAN	-0,90%	0,10%
17:00	US	Richmond Fed Manufact. Index	MAR	-51	-51
17:00	US	Bernanke, Geithner Testify on AIG	-		

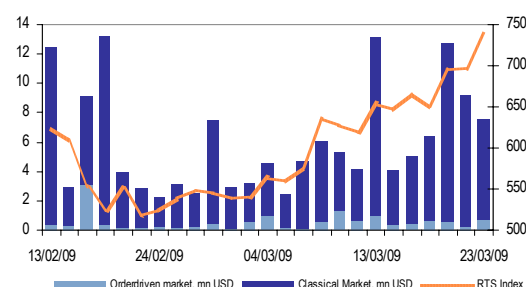
Market results

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	▲ 737.19	40.26	5.78	13.84	42.53	-62.48
MICEX Index	▲ 849.61	57.56	7.27	11.39	34.50	-46.11
USD / RUR	▼ 33.3809	-0.11	-0.32	-3.67	-7.30	40.30
EUR / RUR	▼ 45.1230	-0.39	-0.85	0.22	-1.82	22.80
EUR / USD	▼ 1.3548	-0.00	-0.24	4.23	6.15	-12.33
Dow Jones Index	▲ 7,552.05	273.67	3.76	4.64	2.53	-38.91
NASDAQ	▲ 1,508.07	50.80	3.49	7.41	4.64	-33.22
FTSE 100	▲ 3,974.44	131.59	3.42	2.86	2.20	-27.67
Nikkei 225	▲ 8,215.53	269.57	3.39	6.64	10.78	-34.18
MSCI EM	▼ 552.99	-4.47	-0.80	4.74	10.05	-47.43

Source: market data, estimation: Veles Capital

RTS index vs. trade volume



Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	▲ 101.05	0.06	0.06	2.85	1.40	-0.32
UST 30	▲ 97.27	0.19	0.19	1.98	-1.50	-6.15
German 10	▼ 106.36	-0.22	-0.21	0.83	-0.14	6.23
Russia 30	▲ 94.36	0.44	0.47	1.18	5.42	-18.11
Spread Russia 30	▼ 587.60	-10.60	-1.77	1.54	-12.22	198.73
Turkey 34	▲ 92.25	1.38	1.52	4.67	9.71	-12.36
Brazil 40	▲ 127.03	0.45	0.35	3.11	2.99	-5.15
Colombia 37	▼ 91.75	-0.66	-0.72	2.81	1.00	-13.66
Venezuela 34	▼ 51.75	-0.99	-1.88	-0.20	7.04	-45.48

Source: market data, estimation: Veles Capital

Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	▲ 51.78	1.78	3.56	16.05	25.83	-48.61
Urals, USD / bbl	- 47.84	-	-	10.56	16.94	-50.36
Gold, USD / ounce	▼ 960.87	-1.61	-0.17	2.91	-4.11	2.05
Palladium, USD / ounce	▲ 211.87	2.28	1.09	5.54	-2.67	-52.71
Copper, USD / ton	▼ 3,955	-44	-1.10	7.77	25.56	-49.55
Nickel, USD / ton	▼ 9,975	-30	-0.30	3.91	5.00	-65.06

Source: market data, 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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