

Daily results

March 30, 2009

Stocks

Market today. The market was all into selling due to negative background. Under the conditions of overheated market it did not take much – oil price drop pulled the whole market down. AvtoVAZ was in positive zone due to news on state bail, along with Sistema and Bashneft, which climbed due to news on Sistema purchasing Bashkir FEC.

Market tomorrow. Looks like the market turned around within the past two days and for the close coming future the negative trends are likely to remain.

Bonds

Market today. On Monday the trade activity reduced slightly. The favorable conditions from the point of ruble liquidity were worsened by ruble rate weakening versus dollar. Due to that negative quotes dynamics prevailed at the Russian bond market. Particularly a slight correction took place on the issues of Moscow and Moscow region, VTB, and also companies of second echelon. Eurobond market conjuncture did not go through changes. Still profit fixation was indicated on several short-term currency bonds and the stable demand of long-term issues (Severstal 2013, Bank of Moscow 2013, Promsvyazbank 2012, Mezhprombank 2012-2, Tatfondbank 2010).

Market tomorrow. Dollar strengthening should cease in a couple of days and that will return interest to ruble notes at the domestic market. At the same ruble Eurobonds still look rather over-bought.

No comment

Surgutneftegas purchased shares of MOL twice higher than the market. (Interfax)

RusHydro doubled net profit in 2008. (Company)

Mechel-Mining reduced extraction of coking coal in February by 4.3 times. (Interfax)

NWT reduced RAS net profit of 2008 by 3 times. (Interfax)

AFK Sistema became owner of Bashkir FEC. Deal amount – 2.5 bn USD. (Melamed)

AFK Sistema does not plan changing MTS' dividend policy. (Evtushenkov)

Minpromtorg offers to grant a loan to AvtoVAZ via deposit in Rostechology with the possibility of converting into AvtoVAZ' shares. The banks are ready to sign memorandum on financing the investment program of AvtoVAZ in the amount of 90 bn RUR. (Aleshin)

Sollers asks for state warranties for bonds amounting 5 bn RUR for the project at the Far East. (Shvetsov)

Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
3:30	JN	Jobless Rate	FEB	4,30%	4,10%
5:30	JN	Labor Cash Earnings YoY	FEB	-1,50%	-1,30%
9:00	JN	Annualized Housing Starts	FEB	0.950M	0.957M
10:00	GE	ILO Unemployment Rate	FEB	7,40%	7,30%
11:55	GE	Unemployment Change (000's)	MAR	52K	40K
13:00	EC	Euro-Zone CPI Estimate (YoY)	MAR	0,70%	1,20%
17:45	US	Chicago Purchasing Manager	MAR	34,4	34,2
18:00	US	Consumer Confidence	MAR	28	25

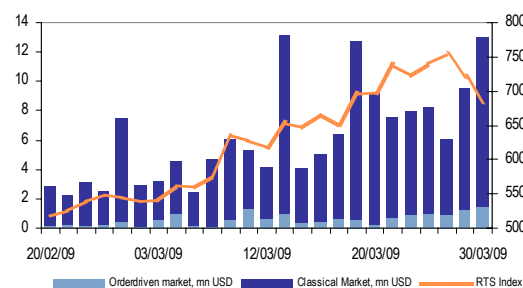
Market results

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	682.91	-38.25	-5.30	-7.36	25.40	-66.68
MICEX Index	770.38	-44.89	-5.51	-9.35	15.66	-52.68
USD / RUR	34.0713	0.28	0.84	2.58	-4.95	45.00
EUR / RUR	44.7509	-0.17	-0.38	-1.05	-1.88	20.77
EUR / USD	1.3138	-0.02	-1.22	-3.52	3.32	-16.69
Dow Jones Index	7,529.59	-246.59	-3.17	-3.17	6.61	-38.36
NASDAQ	1,493.64	-51.56	-3.34	-3.99	8.40	-33.94
FTSE 100	3,793.19	-105.66	-2.71	-4.04	-0.96	-33.37
Nikkei 225	8,236.08	-390.89	-4.53	0.25	8.82	-35.76
MSCI EM	591.32	-8.41	-1.40	6.93	18.43	-46.86

Source: market data, estimation: Veles Capital

RTS index vs. trade volume



Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	100.48	0.56	0.56	-0.34	2.81	0.02
UST 30	99.17	1.23	1.26	2.74	3.05	-1.75
German 10	106.37	0.48	0.45	0.07	0.55	7.84
Russia 30	94.24	-0.96	-1.01	-0.34	6.55	-18.22
Spread Russia 30	582.90	23.30	4.16	-0.19	-12.99	212.71
Turkey 34	91.30	-0.76	-0.83	-1.66	5.68	-12.24
Brazil 40	126.35	-0.64	-0.50	-0.68	2.62	-5.64
Colombia 37	91.38	-0.75	-0.81	-1.19	-0.50	-14.87
Venezuela 34	50.86	-0.34	-0.67	-1.90	2.45	-45.30

Source: market data, estimation: Veles Capital

Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	49.23	-1.55	-3.05	-5.56	9.62	-52.72
Urals, USD / bbl	48.86	-1.52	-3.02	-2.44	9.45	-51.20
Gold, USD / ounce	937.80	4.50	0.48	-1.24	-1.50	-1.97
Palladium, USD / ounce	218.95	-4.05	-1.82	3.35	10.33	-52.15
Copper, USD / ton	4,050	-35	-0.86	2.40	17.43	-51.81
Nickel, USD / ton	9,700	-25	-0.26	-2.76	-3.00	-68.20

Source: market data, estimation: Veles Capital

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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.

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