

Daily results

May 20, 2009

Stocks

Market today. Rally continued being headed by the oil-and-gas sector and Sberbank. Demand for the shares of oil-and-gas sector was supported by oil price growth to 60 USD. The interests are still the same – Gazprom, LUKOIL and Rosneft. Along with that the leader on turnover volumes and adding was Sberbank at the background of statements by Ulyukaev that the bank does not need additional emission. Activity was indicated in the shares of VTB. Demand for Norilsk Nickel was provided by nickel price growth, and telecommunication companies added in price due to another rumor on reorganization of Svyazinvest.

Market tomorrow. The correction is technically possible, however the external background stays positive, which might support new purchases.

Bonds

Market today. At the domestic market the buyers dominated, though the volumes of trades were rather not high. Primarily the 50th, 56th and 5th issues of Moscow were of the most interest. Also active demand was for Sistema-1, Uralsibleasing (1st and 2nd issues), OZM-5. In the third echelon a significant amount of deals for the second day in a row was indicated in Kamskaya valley, Seventh Continent and 36.6. At the Eurobond market things are still calm – prices of the notes varied within the range of 1-10 b.p. without any visible volumes.

Market tomorrow. Ruble strengthening and high liquidity level are the only factors that might explain building up interest to ruble notes, which is equally fair for both: bonds and shares. At the same time, such intensive ruble growth is hard to be explained in reasonable terms.

No comment

Capital outflow from RF in April – the lowest since September, about 2 bn USD. (CB)

CB RF within the former 4 months purchased 20 bn USD, having emitted 700 bn RUR. (CB)

CB believes the buyback of VTB to be not such a timely mechanism and it's execution to be remote. (First deputy chairman of CB RF Alexei Ulyukaev)

Novoship upped dividends for 2008 by 37% (Interfax)

Diksi completed 2008 with IAS loss of 324 mn RUR, worse than forecasted. (Interfax)

MCTN might direct 483.127 mn RUR to dividends. (Interfax)

Belon gained 731 mn RUR of RAS net loss in 1Q 2009 versus profit a year before. (Interfax)

Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
8:00	JN	BoJ Monetary Policy Meeting	MAY 21		
12:00	EC	PMI Manufacturing	MAY A	38.4	36.7
12:30	UK	Total Business Investment(QoQ)	1Q P	-4.00%	-1.50%
12:30	UK	Retail Sales (MoM)	APR	0.50%	0.30%
16:30	US	Initial Jobless Claims	MAY 17	625K	637K
16:30	US	Continuing Claims	MAY 10	6610K	6660K
18:00	US	Leading Indicators	APR	0.70%	-0.30%
18:00	US	Philadelphia Fed.	MAY	-19	-24.4

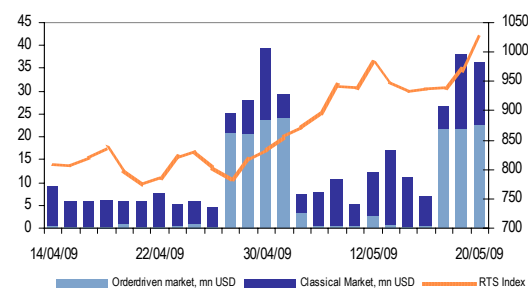
Market results

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	▲ 1,023.98	55.10	5.69	8.07	27.96	-58.26
MICEX Index	▲ 1,084.43	42.59	4.09	7.60	22.88	-43.83
USD / RUR	▼ 31.5410	-0.31	-0.98	-1.50	-6.98	33.20
EUR / RUR	▲ 43.4476	0.11	0.26	-0.29	-0.91	17.05
EUR / USD	▲ 1.3775	0.02	1.26	1.21	6.54	-12.13
Dow Jones Index	▲ 8,564.45	89.60	1.06	3.37	9.22	-33.24
NASDAQ	▲ 1,759.02	24.48	1.41	5.70	9.38	-29.42
FTSE 100	▼ 4,474.32	-7.93	-0.18	3.30	12.11	-27.74
Nikkei 225	▲ 9,344.64	54.35	0.59	0.04	4.70	-34.01
MSCI EM	▲ 745.82	17.33	2.38	3.42	15.92	-40.32

Source: market data, estimation: Veles Capital

RTS index vs. trade volume



Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	▲ 99.00	0.02	0.02	-1.03	-0.25	-1.80
UST 30	▼ 100.56	-0.12	-0.12	-1.96	4.13	3.17
German 10	▼ 103.52	-0.03	-0.03	-0.60	-1.69	6.97
Russia 30	▲ 101.76	0.29	0.28	1.21	3.73	-12.04
Spread Russia 30	▼ 393.20	-6.80	-1.70	-8.20	-23.53	172.30
Turkey 34	▲ 104.17	0.31	0.30	1.96	6.44	-1.33
Brazil 40	▲ 131.96	0.46	0.35	1.71	3.46	-3.65
Colombia 37	▲ 102.33	0.44	0.43	1.90	6.59	-9.68
Venezuela 34	▼ 59.90	-0.19	-0.31	0.25	1.03	-31.67

Source: market data, estimation: Veles Capital

Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	▲ 59.62	1.30	2.23	4.61	22.00	-52.55
Urals, USD / bbl	▼ 57.89	-0.08	-0.14	2.84	21.54	-52.35
Gold, USD / ounce	▲ 945.07	13.36	1.43	1.12	5.92	0.48
Palladium, USD / ounce	▲ 236.78	1.26	0.53	6.33	4.79	-48.19
Copper, USD / ton	▲ 4,530	10	0.22	-1.41	-5.72	-45.52
Nickel, USD / ton	▲ 12,480	130	1.05	-4.37	-2.69	-52.18

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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