

# Daily results

May 25, 2009

## Stocks

**Market today.** The market traded flabbily due to absence of foreign players – today was a holidays in the U.S. and UK. The market is overheated and the investors are slowly getting rid of the expensive papers, primarily from the oil-and-gas companies' shares. Norilsk Nickel was also sold due to loss for the previous year. The shares of Sberbank were in the favor – both: common and preferred pones.

**Market tomorrow.** The overheating will remain and from the technical point of view, there is good background for the market's further dropping.

## Bonds

**Market today.** At the domestic market the day turned out to be active. The main volume of deals was indicated in the first and second echelons. On the threshold of RZD's placement active demand was for issues of Moscow (45th, 58th and 59th). Besides, interest was in Gazprom-4, AIZK (3,4,6), WGC-5, FNC-5. In the non-liquid sector the leaders on the amount of deals remained 36.6 and Kamskaya Dolina-3. After the meeting with the investors the bonds of Nikoshim continued climbing. At the Eurobond market things were very calm due to holidays in the U.S. and UK.

**Market tomorrow.** Active trades on ruble bonds will continue, though many liquid issues reached their fair levels. Due to that much attention should be given to primal placements – unsatisfied demand might provoke additional and rather alarming growth of the secondary.

## No comment

*Drop of RF's GDP in 2009 will be deeper than expected earlier. (Medvedev)*

*Bashneft might payoff all-time high dividends for 2008 – almost 10 bn RUR. (Company)*

*Net profit of Mosenergo by IAS in 2008 grew by 26% to 2.055 bn RUR. (Company)*

*Norilsk Nickel closed 2008 with net loss by IAS of 555 mn USD versus profit a year before. The company corrected the forecast of nickel production for 2009 towards reduction. (Company)*

*TMK might reduce dividends for 2008 by one third and plans to refuse from intermediate dividends for 2009. (Company)*

*Novoship will payoff 2.05 RUR per common and preferred share for 2008. (Company)*

## Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
3:50	JN	All Industry Activity Index (MoM)	MAR	-2.30%	-2.00%
9:00	JN	BOJ Monthly Report	MAY 22	-	-
-	-	-	-	-	-
12:00	GE	IFO - Business Climate	MAY	84,8	83,7
12:00	GE	IFO - Current Assessment	MAY	84,3	83,6
12:00	GE	IFO - Expectations	MAY	85,5	83,9
14:00	EC	ECB's Weber Holds Speech at Event in Helsinki	MAY 25	-	-

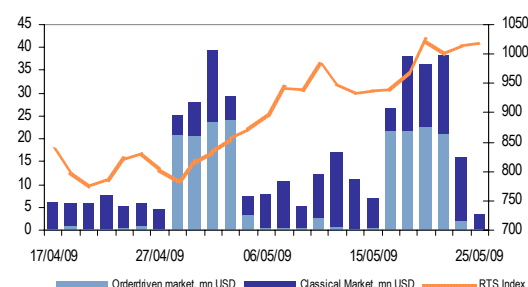
## Market results

### Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	▲ 1,017.92	4.55	0.45	8.33	22.43	-58.20
MICEX Index	▼ 1,053.11	-0.92	-0.09	3.97	14.10	-44.85
USD / RUR	▼ 31.0341	-0.02	-0.05	-3.21	-6.35	31.89
EUR / RUR	▼ 43.4270	-0.10	-0.23	0.00	-1.35	17.03
EUR / USD	▼ 1.3995	-0.00	-0.17	3.32	5.43	-11.37
Dow Jones Index	- 8,277.32	-	-	-2.67	2.49	-33.67
NASDAQ	- 1,692.01	-	-	-2.33	-0.13	-30.79
FTSE 100	- 4,365.29	-	-	-1.83	5.04	-28.29
Nikkei 225	▲ 9,347.00	121.19	1.31	3.41	7.34	-33.29
MSCI EM	▲ 746.42	5.46	0.74	5.44	15.22	-38.21

Source: market data, estimation: Veles Capital

### RTS index vs. trade volume



### Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	- 97.27	-	-	-1.84	-0.70	-2.98
UST 30	- 97.77	-	-	-3.07	4.81	0.94
German 10	▼ 102.83	-0.48	-0.47	-1.26	-2.01	6.75
Russia 30	▲ 100.56	0.05	0.05	-0.40	4.38	-12.52
Spread Russia 30	▼ 392.80	-2.90	-0.73	-4.20	-23.85	167.21
Turkey 34	▼ 103.00	-0.67	-0.64	0.31	4.00	-1.53
Brazil 40	▼ 130.25	-0.25	-0.19	-0.79	2.01	-4.26
Colombia 37	▼ 100.99	-1.20	-1.18	-0.31	4.25	-10.27
Venezuela 34	▼ 57.06	-0.33	-0.58	-4.56	-4.74	-35.67

Source: market data, estimation: Veles Capital

### Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	▼ 59.05	-0.79	-1.32	2.16	16.03	-54.63
Urals, USD / bbl	▲ 59.89	0.21	0.35	5.16	19.68	-52.43
Gold, USD / ounce	▼ 962.22	-1.16	-0.12	4.04	4.41	1.58
Palladium, USD / ounce	▲ 236.02	0.75	0.32	2.40	-0.11	-49.13
Copper, USD / ton	▲ 4,610	140	3.13	3.60	3.13	-43.64
Nickel, USD / ton	▲ 12,790	665	5.48	2.73	10.74	-46.93

Source: market data, estimation: Veles Capital

## Information disclosure

### The statement of an analyst and confirmation of the responsibility withdrawal

The given report is prepared by the analyst (-s) of the Investment Company Veles Capital. The given estimations in the present report reflect personal opinion of the analyst (-s). The award of the analysts does not depend, never depended and will not depend upon the specific recommendations or estimations, provided in the present report. The award of the analysts depends upon the general efficiency of the business of the Investment Company Veles Capital, determined by the investment benefit of the company's clients and also upon the incomes from other types of activity of the Investment Company Veles Capital.

The given report, prepared by the Research Department of the Investment Company Veles Capital, is basing on the public information. The present review was prepared independently from other Departments of the Investment Company Veles Capital, and any recommendations and judgments, presented in the given report reflect only the view point of the analyst (-s), participated in making of the present review. Due to that consideration, the Investment Company Veles Capital considers being necessary to state that the analysts and the Company are not responsible for the content of the given report. The analysts of the Investment Company Veles Capital do not take overall responsibility to regularly up-date the information, contained in the present report, and also to announce about all changes, introduced to the present review.

Provided analytical material of the Investment Company Veles Capital could be used only with information aims. The company does not guarantee the completeness and preciousness of provided information in the given report and its reliability, and also is not responsible for direct and indirect losses from using of the given materials. This document cannot serve as a basis for purchase and selling any securities, and cannot also be considered as an offer from the part of the Investment Company Veles Capital. The Investment Company Veles Capital and (or) its subsidiaries along with the staff, directors and analysts of the Investment Company Veles Capital have the right to purchase and sell any securities, mentioned in the given review.

The Investment Company Veles Capital and (or) its subsidiaries can serve as a market-maker or have the liabilities for underwriting of companies' securities, mentioned in the given review, can purchase or sell them for clients, and also make any actions, which do not contradict the Russian law. The Investment Company Veles Capital and (or) its subsidiaries can also be interested in the possibility of providing the companies, mentioned in the present review, with the investments and bank or any other services.

All rights for the given bulletin belong to the Investment Company Veles Capital. The reproduction and/or distribution of the analytical materials of the Investment Company Veles Capital are prohibited without the written permission of the Company. © Veles Capital 2009.

### The principle of recommendation assignment

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

---

**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