

Daily results

June 4, 2009

Stocks

Market today. The trades were highly volatile. Activity of the players reduced, however the interests remained the same. Most demand was for Sberbank, less active trades were on Gazprom, LUKOIL, Norilsk Nickel and Sberbank's preferred shares. The quotes were mainly lowering, except for LUKOIL. VTB was sold after the results for 5 months.

Market tomorrow. The end of the week will likely be positive. The market needs to win back two-days decrease. More to that the oil and American indices are positive, and that might add optimism to the players.

Bonds

Market today. On Thursday the correction continued at the domestic market. The issues lost 50-100 b.p. average. Among the interesting events we might outline the placement of the new loan of Karelia. The coupon turned out to be at the level of 19.05%, which is rather high. As a result in the forwards the note went by higher price. Interest was for FBL 25064 and VK-Invest. At the Eurobond market the situation was stably passive: rare deals in the non-liquid sector and neutral price dynamics in the liquid issues. At the same time the former pressure in the currency issues was felt no more.

Market tomorrow. Friday will likely be characterized by low players' activity. The market participants having no reference points in the space at least need definiteness at the currency market.

No comment

International reserves of RF as of May 29 grew 401.1 bn USD. (CB)

CB RF is reducing the key rates of the monetary market from June 5, refinancing rate was reduced by 1 p.p. from 12.5%, CB does not exclude further decrease of refinancing rate in the current year, tolerates revision of inflation forecast for 2009 lower than 12%. (CB, Ulyukaev)

In 2009 LUKOIL saves 2 bn USD from changing the taxation base. (Alekperov)

Sberbank does not plan remaining the strategic investor of Opel, Sberbank and Magna will provide Opel with 500 mn USD. (Gref)

VTB within 5 months gained 24.2 bn RUR of net loss versus 11.1 bn RUR of net profit a year before. (Interfax)

Power energy production in RF dropped in May by 8.3%, consumption – by 8.6%. (Interfax)

Uralsvyazinform in 2009 plans to up the sales by 6%. (Interfax)

NWT reduced the net profit by IAS in 2008 to 2.6 bn RUR. (Company)

Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
12:30	UK	PPI Output n.s.a. (MoM)	MAY	0.40%	0.60%
16:30	US	Change in Nonfarm Payrolls	MAY	-530K	-539K
16:30	US	Unemployment Rate	MAY	9,20%	8,90%
16:30	US	Change in Manufact. Payrolls	MAY	-150K	-149K
16:30	US	Average Hourly Earnings MoM	MAY	0,20%	0,10%
16:30	US	Average Hourly Earnings YoY	MAY	3,00%	3,20%
16:30	US	Average Weekly Hours	MAY	33,2	33,2
23:00	US	Consumer Credit	APR	-\$6.0B	-\$11.1B

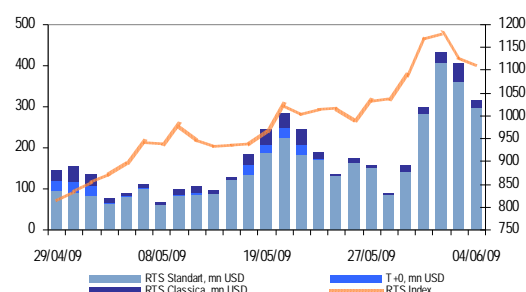
Market results

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	1,108.73	-18.84	-1.67	5.22	27.21	-52.89
MICEX Index	1,110.23	1.02	0.09	3.28	16.01	-39.75
USD / RUR	30.8883	-0.03	-0.10	-0.82	-5.85	29.81
EUR / RUR	43.6598	-0.03	-0.07	0.69	-0.37	18.71
EUR / USD	1.4142	0.00	0.11	1.60	5.88	-8.51
Dow Jones Index	8,648.59	-26.69	-0.31	2.91	2.83	-30.20
NASDAQ	1,828.62	2.70	0.15	4.39	4.25	-26.95
FTSE 100	4,372.52	-10.90	-0.25	-0.34	0.82	-26.76
Nikkei 225	9,668.96	-72.71	-0.75	2.30	7.70	-33.02
MSCI EM	784.22	-11.37	-1.43	3.98	11.87	-34.13

Source: market data, estimation: Veles Capital

RTS index vs. trade volume



Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	95.84	-0.69	-0.71	-0.10	-0.74	-3.34
UST 30	95.81	-0.95	-0.98	-0.29	6.15	1.04
German 10	102.55	-0.46	-0.44	0.14	-2.18	7.40
Russia 30	99.69	-0.34	-0.34	0.06	0.89	-12.61
Spread Russia 30	390.30	-4.70	-1.19	-1.16	-14.11	169.73
Turkey 34	104.13	-0.46	-0.44	1.38	1.39	-0.07
Brazil 40	129.74	-0.14	-0.11	-0.46	-0.02	-4.73
Colombia 37	100.88	0.09	0.09	-0.56	-1.64	-11.18
Venezuela 34	63.01	-0.25	-0.40	9.69	-0.57	-28.96

Source: market data, estimation: Veles Capital

Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	67.14	1.50	2.29	6.00	24.06	-44.93
Urals, USD / bbl	65.42	0.10	0.15	3.09	24.00	-43.94
Gold, USD / ounce	976.46	7.61	0.79	1.11	7.87	8.17
Palladium, USD / ounce	248.74	3.09	1.26	5.72	12.33	-43.22
Copper, USD / ton	4,920	-130	-2.57	5.47	6.96	-37.80
Nickel, USD / ton	14,205	-415	-2.84	6.05	19.37	-36.31

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 Labed
Investor relations
VLabed@veles-capital.ru

Stanislav Brodsky
Investment products
SBrodsky@veles-capital.ru