

Daily results

June 18, 2009

Stocks

Market today. The market participants were emotionally getting rid of everything. Despite the likely weak negative background, the market dropped 4%. Possibly, the sale was caused by fixing the profit in expectations of some event. Note the news on possible upping of taxes for gas companies caused the additional selling in the shares of Gazprom and NOVATEK.

Market tomorrow. Situation is still indefinite. However, from the technical point of view, the market might meet support at the level of 980 points.

Bonds

Market today. On Thursday the ruble bonds cost reduction continued, though via lower turnover. The activity was outlined in the new issue X5-Finance, TGC-6, RZD-3, various issues of Moscow (45, 58, and 59) and Seventh Continent. At the Eurobond market the prices reduced also, though almost without deals. We might outline interest to the issues of Gazprom 2015, TNK-BP 2013, VTB-2018 (with the offer in 2013) and Bank of Moscow 2013.

Market tomorrow. On Friday the correction continued at the bond market will likely continue, which will be supported by rather tense situation with liquidity and the oppressing external background.

No comment

International reserves of RF as of June 12 reduced to 406.6 bn USD. (CB)

MEDT of RF forecast inflation in June at the level of 0.5-0.6% (Klepach, Interfax)

Net profit of Gazprom Neft according to US GAAP in 1Q 2009 reduced by 76% to 335 mn USD. (Interfax)

WGC-6 in 2008 gained loss in the amount of 829 mn USD versus profit a year before. (Interfax)

FAS approved the claim of MTS on purchasing Comstar-UTS. (Interfax)

Net profit of Megafon by US GAAP in 1Q upped by 20.2% to 11.1 bn RUR. (Company)

Volgatelecom in 2009 plans to up the net profit by IAS by 11.5% to 3.3 bn RUR. (Interfax)

Wimm-Bill-Dann in 1Q 2009 reduced the net profit by US GAAP by 70% to 12.6mn, better than forecasted. (Interfax)

Tomorrow

Moscow Time	Country	Event	Period	Survey	Prior
3:50	JN	BoJ Monetary Policy Meeting Minutes for May	-	-	-
10:00	GE	Producer Prices (MoM)	MAY	-	-1.40%

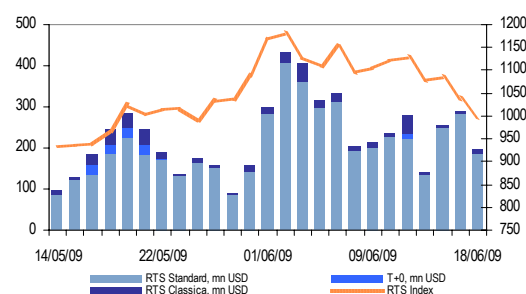
Market results

Main indicators and indices

	Close	Change, pt.	Change, %			
			day	week	month	year
RTS Index	997.68	-40.73	-3.92	-11.49	2.97	-58.48
MICEX Index	1,008.56	-30.87	-2.97	-11.41	-3.19	-45.52
USD / RUR	31.1123	-0.14	-0.45	0.85	-2.32	31.61
EUR / RUR	43.5306	0.19	0.44	0.09	0.45	18.68
EUR / USD	1.3987	0.01	0.85	-0.77	2.82	-9.85
Dow Jones Index	8,571.63	74.45	0.88	-2.27	1.14	-28.74
NASDAQ	1,814.45	6.39	0.35	-2.57	4.61	-25.32
FTSE 100	4,281.42	2.96	0.07	-4.04	-4.48	-25.63
Nikkei 225	9,703.72	-137.13	-1.39	-2.78	4.45	-32.86
MSCI EM	749.02	-15.61	-2.04	-5.08	2.82	-34.52

Source: market data, estimation: Veles Capital

RTS index vs. trade volume



Debt market

	Close	Change, pt.	Change, %			
			day	week	month	year
UST 10	94.69	-0.66	-0.69	0.71	-4.34	-3.26
UST 30	94.75	-0.98	-1.03	2.05	-5.90	0.15
German 10	102.74	-0.45	-0.43	0.97	-0.78	9.53
Russia 30	98.21	-0.34	-0.35	-1.32	-3.21	-13.58
Spread Russia 30	402.20	-4.10	-1.01	8.00	0.55	200.37
Turkey 34	105.17	-0.01	-0.01	0.23	1.26	5.52
Brazil 40	126.61	-1.03	-0.81	-1.55	-3.72	-4.91
Colombia 37	99.45	-0.45	-0.45	-0.71	-2.39	-10.59
Venezuela 34	64.28	-0.13	-0.20	-4.86	6.98	-30.83

Source: market data, estimation: Veles Capital

Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	69.97	0.37	0.53	-2.04	19.98	-48.37
Urals, USD / bbl	70.00	0.52	0.75	-1.45	20.75	-46.51
Gold, USD / ounce	944.93	0.80	0.09	-1.54	1.42	2.98
Palladium, USD / ounce	244.58	-0.62	-0.25	-5.40	3.85	-49.41
Copper, USD / ton	4,960	-20	-0.40	-4.06	9.73	-38.67
Nickel, USD / ton	14,850	-250	-1.66	-0.50	20.24	-38.62

Source: market data, estimation: Veles Capital

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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.

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