

**COMMENT**

Global equity markets ended last week on a negative side due to growing concerns that global economic may grow below expectations, which had rendered the markets support in the first half of the year. July retail sales in the USA increased below forecasts, thus confirming weakness of labor market. As a result, last week turned out to be the worst for equities since July. Meanwhile, investors' activity remains sluggish.

Today Japan GDP reading has added gloomy sentiments to the equity market – it rose only 0.4% vs. expected 2.3%. GDP growth in real terms is attributable to deflationary developments in Japan's economy only, while nominal figure lost 0.9%. Some support to the Russian market may come from growing oil prices, however rally is unlikely.

**MAIN HEADLINES**

- **Novatek's (NVTK) 2Q10 IFRS results – in line with consensus**
- **Ulan-Ude Aviation Plant (UUAZ) and Kazan Helicopters (KHEL) posted strong 2Q10**
- **MSZ (MASZ) and NCCP (NZHK) released weak 2Q10 financials**
- **Bank Vozrozhdenie (VZRZ): 2Q10 IFRS results preview**

**NEWS**

- **Lukoil (LKOH) released 1H10 production statistics, updated on debt raising**
- **MRSK Holding (MRKH): inclusion into MSCI Index is under question**

**SMALL CAPS NEWS**

- **Buryatoloto (brzl): strong financial performance in 1H10**

**CALENDAR**

Time	Event	Month	Expectations
13:00	<b>EU statistics:</b>		
	Euro-Zone CPI (MoM)	July	-0.4% (0.0% in June)
	Euro-Zone CPI (YoY)	July	1.7% (1.4% in June)
	Euro-Zone CPI - Core (YoY)	July	1.0% (0.9% in June)
	<b>US statistics:</b>		
16:30	Empire Manufacturing	Aug	8.30 (5.08 in July)
17:00	Net Long-term TIC Flows	June	\$45.7B (\$35.4B in May)
17:00	Total Net TIC Flows	June	\$40.0B (\$17.5B in May)
18:00	NAHB Housing Market Index	Aug	15 (14 in July)

Indicator	Value	Change	
		1 day	1 week
<b>16.08.2010</b>			
Nikkei 225	9,177	-0.8%	-4.1%
Hang Seng	21,118	0.2%	-3.1%
Shanghai Composite	2,641	1.3%	-1.2%
<b>13.08.2010</b>			
DJIA	10,303	-0.2%	-3.3%
S&P 500	1,079	-0.4%	-3.8%
NA SDAQ	2,173	-0.8%	-5.0%
Bovespa	66,264	0.5%	-2.7%
FTSE 100	5,275	0.2%	-1.1%
DAX	6,110	-0.4%	-2.4%
CAC 40	3,611	-0.3%	-2.8%
RTS	1,445	-0.2%	-4.3%
MICEX	1,371	-0.3%	-2.3%
MSCI BRIC	318	0.2%	-3.2%
MSCI Russia	768	-0.3%	-4.8%
Brent	75.1	-0.5%	-6.3%
WTI	75.4	-0.5%	-6.6%
Gold	1,214.9	0.0%	1.0%
Silver	18.1	0.2%	-2.0%
Nickel	21,209	-0.7%	-3.8%
Corn	411.8	-1.5%	-3.2%
Wheat	702.5	-0.5%	-0.7%
Soybean	1,052.0	0.9%	3.7%
LIBOR 3 month	0.37	-0.01	-0.04
EURIBOR 3 month	0.90	0.00	-0.01
MosPrime 1 week	2.98	-0.01	-0.01
MosPrime 1 month	3.29	-0.01	0.01
USD/RUR	30.56	0.0%	2.4%
EUR/USD	1.279	-0.4%	-3.6%
GBP/USD	1.560	0.1%	-2.3%
USD/JPY	86.20	0.3%	1.1%
1 month	1.60	-0.56	1.19
3 months	3.10	0.22	0.72
6 months	3.49	-0.11	0.47
UST 10	2.67	-0.07	-0.15
Russia 30	4.51	-0.01	-0.02

Source: Bloomberg, TKB Capital estimates

**OIL & GAS**
**Lukoil (LKOH) released 1H10 production statistics, updated on debt raising. NEUTRAL**

**Weak crude oil production compensated by higher gas output and refining throughput.** On Friday, Lukoil released 1H10 operating results. The company's crude oil production was down by 1% y-o-y at 1,961 Kbpd. Domestic crude oil production decreased by 1.7% y-o-y at 1,834 Kbpd. Contribution of international projects remained quite marginal: they accounted for roughly 6% of Lukoil's aggregate crude oil output. The dynamics of gas production was much better: gas output rose by 26% y-o-y to 300 Kboepd, of which 27% (81 Kboepd) was contributed by international projects. Lukoil's refining cover (incl. JVs and affiliates) increased from 62% in 1H09 to 67% in 1H10 due to acquisition of ISAB and TRN refineries. Refining throughput increased by 8.2% y-o-y to 1,320 Kbpd in 1H10. Lukoil's 1H10 operating results are generally in line with our expectations. We forecast the company's hydrocarbon production growth at 3.5% y-o-y in 2010, assuming flat crude oil output. We expect that the company's Yury Korchagin offshore field in Northern Caspian, launched earlier this year, will be increasingly contributing to the production.

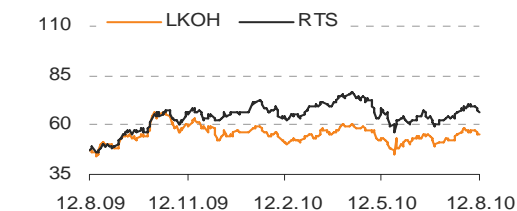
**Increasing leverage.** On a separate note, Lukoil reported that it attracted a one-year loan of \$1.5 bn from international banks. Also, the company plans to place ruble bonds for a total consideration of RUR 100 bn (\$3.3 bn). We believe the proceeds may be used to finance the purchase of Lukoil's shares from ConocoPhillips. As of 1Q10, Lukoil's cash position was \$3.3 bn (enough to finance the purchase of its 7.6% stake from ConocoPhillips valued at \$3.4 bn). Yet, during 1H10 Lukoil made a \$5 bn loan to its subsidiary to finance West Kurna-2 project in Iraq and is facing further significant investment obligations there (the total capex of West-Kurna-2 is estimated at \$30 bn). Thus, the company may need to borrow \$5.5 bn to exercise the option for the purchase of the remaining 11.6% from ConocoPhillips. Currently, Lukoil's debt level is quite moderate: total debt was \$10.4 bn as of 1Q10 (2010E debt-to-EBITDA of 0.7). However, higher leverage will make Lukoil more vulnerable to economic downturns and volatility of oil price.

**Novatek's (NVTK) 2Q10 IFRS results – in line with consensus. NEUTRAL**

**Production growth and higher hydrocarbon prices support the performance.** On Friday, Novatek reported 2Q10 IFRS results, which were in line with the market expectations. The revenue increased by 11% y-o-y to RUR25,706 mn, driven by production growth and higher hydrocarbon prices. In 2Q10, Novatek's natural gas production was up by 10% y-o-y at 8.4 bcm and liquids production – up by 16% y-o-y at 881 K tons. The company's average realized natural gas price to end customers rose by 18% y-o-y to RUR2,289/mcm (\$75/mcm). While the price increase was to a large degree offset by higher transportation expense (on average, up by 34% y-o-y at RUR1,091/mcm (\$36/mcm)), the netback was still up y-o-y (by 7% y-o-y at RUR1,198/mcm or around \$40/mcm). Sales to end customers accounted for 66% of Novatek's total natural gas sales in volume terms. Higher Urals price (up by 31% y-o-y at \$77/bbl) supported the top-line growth: sales of liquids accounted for roughly 40% of the total revenue. Novatek's EBITDA increased by 21% y-o-y to RUR11,283 mn in 2Q10, while net income was down by 1% y-o-y at RUR7,139 mn, affected by a large (non-cash) currency loss (RUR1,118 mn). In our view, Novatek's 2Q10 IFRS results are neutral for the stock performance. Further growth of transportation tariffs and possible hikes of the mineral extraction tax remain the main concern for Novatek's financials going forward.

LUKOIL		LKOH		
Price, \$		<b>54.2</b>		
Recommendation		<b>BUY</b>		
Target, \$		<b>74.0</b>		
Upside		<b>37%</b>		
MC, \$ mn	45,881	EV, \$ mn	53,640	
	2009	2010E	2011E	
P/E	6.5	5.4	5.9	
EV/EBITDA	3.8	3.7	4.0	

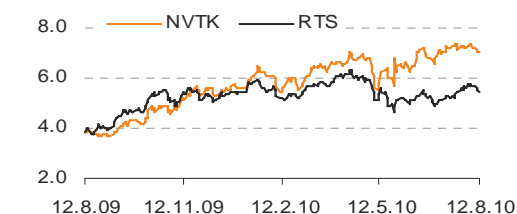
Source: MICEX, TKB Capital estimates



Source: MICEX, RTS, TKB Capital estimates

NOVATEK		NVTK		
Price, \$		<b>6.93</b>		
Recommendation		<b>UR</b>		
Target, \$		-		
Upside		-		
MC, \$ mn	21,014	EV, \$ mn	21,767	
	2009	2010E	2011E	
P/E	25.6	16.2	13.2	
EV/EBITDA	17.4	11.5	9.6	

Source: MICEX, Bloomberg consensus estimates



Source: MICEX, RTS, TKB Capital estimates

**MONDAY AUGUST 16, 2010**
*Evgenia Dyshlyuk e.dyshlyuk@tkbc.ru*
**OIL & GAS**
**Novatek 2Q10 IFRS results, RUR mn**

	2Q09	2Q10	y-o-y, %	1Q10	q-o-q, %	2Q10E (cons.)	diff, %
Natural gas production, bcm	7.67	8.41	10%	9.98	-16%		
Liquids production, K tons	762	881	16%	866	2%		
Average natural gas netback, RUR/mcm:							
Average price to end-customers	1,932	2,289	18%	2,304	-1%		
Transportation expense	(813)	(1,091)	34%	(1,099)	-1%		
Average netback	1,119	1,198	7%	1,205	-1%		
Average natural gas price ex-field, RUR/mcm:							
Average Urals price, \$/bbl	1,027	1,223	19%	1,211	1%		
	58.6	76.7	31%	75.2	2%		
<b>Revenue</b>	<b>23,148</b>	<b>25,706</b>	<b>11%</b>	<b>27,742</b>	<b>-7%</b>	<b>25,717</b>	<b>0%</b>
<b>EBITDA</b>	<b>9,334</b>	<b>11,283</b>	<b>21%</b>	<b>13,075</b>	<b>-14%</b>	<b>11,623</b>	<b>-3%</b>
EBITDA margin, %	40%	44%		47%		45%	
<b>Net income</b>	<b>7,178</b>	<b>7,139</b>	<b>-1%</b>	<b>11,182</b>	<b>-36%</b>	<b>7,125</b>	<b>0%</b>

*Source: Interfax, Bloomberg, company data, TKB Capital*
**UTILITIES**
**MRSK Holding (MRKH): inclusion into MSCI Index is under question. NEUTRAL**

**MRSK Holding is a potential candidate for inclusion into the MSCI Index.** MSCI Barra is set to publish the results of the quarterly index review this week. According to our estimates, one of the most likely candidates for inclusion into the MSCI index is MRSK Holding. Despite the fact that the holding meets all the requirements for full capitalization (minimum is \$ 2.9 bn, in a case of MRSK Holding – \$6 bn) and for free-float adjusted market capitalization (minimum is \$1.5 bn, in the case of the MRSK Holding – \$2.1 bn), we expect that MRSK Holding will not be included into the index this time, because in addition to the requirements for capitalization the company has to have the 12-month annual traded value ratio, which is the ratio of the average turnover to free float for 12 months, not less than 50%, whereas by our estimates, in the case of MRSK Holding this ratio is about 40%. In our calculations we assumed that the company's free-float is 35%.

**The premium may decline.** At present time, MRSK Holding's shares are traded with a premium to the sum of its parts exceeding 20%. In our view, in the case of a negative decision on the inclusion of the company's shares into MSCI index, the premium is likely to decline significantly.

**CONFERENCE CALL DETAILS:**
**DATE: Tuesday, 17 August 2010**
**TIME:**
**2:00 pm – London**
**5:00 pm – Moscow**
**09:00 am – New York**
**TELEPHONE:**
**Russia Call-in Number: +7 495 789 8156**
**UK and European Call-in Number:**
**+44 (0)20 7136 6283**
**UK Toll-Free 0800 028 1243**
**US Toll-Free Call-in Number: 1 888 935 4575**
**PASSWORD: 4562188**
*Alexey Serov a.serov@tkbc.ru*

MONDAY AUGUST 16, 2010

Artem Lavrishev a.lavrishev@tkbc.ru

## MACHINERY

**Ulan-Ude Aviation Plant (UUAZ) and Kazan Helicopters (KHEL) posted strong 2Q10. POSITIVE**

**Russian helicopter producers gain from industry growth.** Last Friday Ulan-Ude Aviation Plant (U-UAZ) and Kazan Helicopters released their 2Q10 RAS financials, which came strongly positive. In particular, U-UAZ boosted revenue by 43% y-o-y to \$191 mn which is the best company's quarterly result since 2006. Kazan Helicopters' revenue amounted to \$165 mn that implies 5 times y-o-y increase, which is mostly explained by low base of 2Q09. Both Russian helicopter producers improved their efficiency over the reporting period – U-UAZ operating margin amounted to 28.3% vs. 28.1% in 2Q09, while Kazan Helicopters' operating margin totaled 16.3% vs. negative in 2Q09. The biggest Russian helicopter producers raised net income of \$69 mn and \$47 mn, respectively over 1H10, which provide 86% and 96% of U-UAZ and Kazan Helicopters' net income for the whole 2009.

**We maintain our positive view on U-UAZ and Kazan Helicopters, target prices are under review.** Better than we expected financials confirm investment attractiveness of both companies. Currently U-UAZ and Kazan Helicopters trade with a 60% discount to foreign peers on a basis of 2011E P/E of 4.9 and 5.3, respectively. We put both companies under review and plan to release our updated forecasts in the nearest future. Our current end-2010 target prices for U-UAZ and Kazan Helicopters amounted to \$1.8/share and \$2.2/share, respectively.

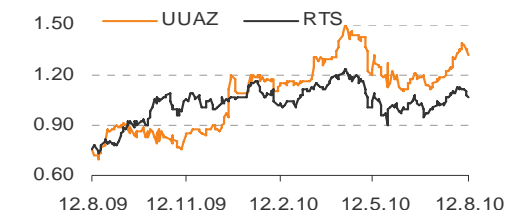
**U-UAZ**

\$ mn	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	y-o-y	1H09	1H10	y-o-y
Sales, \$ mn	98.7	134.0	71.4	82.7	82.3	191.4	43%	232.8	273.7	18%
COGS	-61.7	-87.0	-50.2	-75.1	-56.0	-120.2	38%	-148.7	-176.2	19%
Gross profit	37.0	47.1	21.1	7.5	26.3	71.2	51%	84.1	97.5	16%
gross margin	37.5%	35.1%	29.6%	9.1%	31.9%	37.2%		36.1%	35.6%	
SG&A	-3.0	-9.4	-1.9	7.6	-2.1	-17.0	81%	-12.4	-19.1	55%
Operating income	34.0	37.7	19.3	15.2	24.1	54.2	44%	71.7	78.4	9%
operating margin, %	34.5%	28.1%	27.0%	18.3%	29.3%	28.3%		30.8%	28.6%	
Interest income	0.2	0.3	0.2	1.6	1.1	1.7	523%	0.5	2.8	465%
Interest expense	-0.6	-0.6	-0.9	-1.0	-0.3	-0.1	-90%	-1.2	-0.3	-71%
Other income	81.5	39.8	3.6	-9.1	73.5	11.7	-71%	121.3	85.1	-30%
Other expense	-79.3	-41.9	-4.1	6.5	-75.1	-10.8	-74%	-121.2	-85.8	-29%
Net profit	29.5	24.4	13.7	10.3	18.5	50.0	105%	53.9	68.5	27%
net margin, %	29.9%	18.2%	19.1%	12.5%	22.5%	26.1%		23.2%	25.0%	

Source: company data, TKB Capital estimates

Ulan-Ude Avia Plant		UUAZ	
Price, \$			1.34
Recommendation			UR
Target, \$			-
Upside			-
MC, \$ mn	358	EV, \$ mn	196
	2009	2010E	2011E
P/E	4.5	4.7	4.9
EV/EBITDA	1.8	1.7	1.7

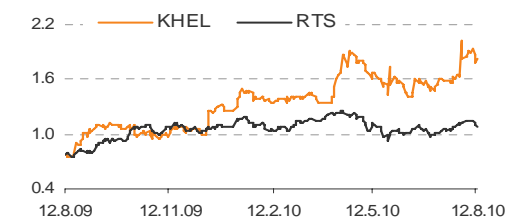
Source: RTS, Bloomberg consensus estimates



Source: RTS, TKB Capital estimates

Kazan Helicopters		KHEL	
Price, \$			1.83
Recommendation			UR
Target, \$			-
Upside			-
MC, \$ mn	282	EV, \$ mn	439
	2009	2010E	2011E
P/E	5.8	5.8	5.3
EV/EBITDA	6.6	5.8	5.3

Source: RTS, Bloomberg consensus estimates



Source: RTS, TKB Capital estimates

**MACHINERY**
**Kazan Helicopters**

\$ mn	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	y-o-y	1H09	1H10	y-o-y
Sales, \$ mn	81.1	33.5	198.8	169.6	164.5	164.7	391%	114.6	329.1	187%
COGS	-43.4	-37.9	-125.4	-125.7	-99.4	-109.3	188%	-81.3	-208.6	157%
Gross profit	37.7	-4.4	73.4	44.0	65.1	55.4	n/a	33.3	120.5	261%
gross margin	46.5%	neg.	36.9%	25.9%	39.6%	33.6%		29.1%	36.6%	
SG&A	-42.5	-6.4	-20.8	-14.8	-18.0	-28.6	347%	-48.9	-46.6	-5%
Operating income	-4.7	-10.8	52.6	29.1	47.1	26.8	n/a	-15.5	73.9	n/a
operating margin, %	neg.	neg.	26.4%	17.2%	28.6%	16.3%		neg.	22.4%	
Interest income	0.3	0.4	1.7	2.1	0.8	0.6	38%	0.7	1.4	103%
Interest expense	-4.3	-4.3	-5.7	-6.8	-5.7	-6.1	41%	-8.6	-11.9	38%
Other income	77.9	23.7	27.4	29.6	14.5	178.2	653%	101.6	192.8	90%
Other expense	-60.6	-25.0	-33.0	-39.6	-21.8	-187.6	650%	-85.7	-209.4	144%
Net profit	8.6	-16.1	42.9	14.4	34.9	11.9	n/a	-7.5	46.7	n/a
net margin, %	10.6%	neg.	21.6%	8.5%	21.2%	7.2%		neg.	14.2%	

Source: company data, TKB Capital estimates

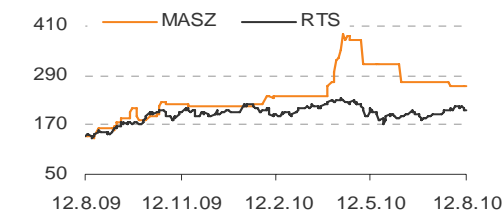
**MSZ (MASZ) and NCCP (NZHK) released weak 2Q10 financials. NEGATIVE**

**Less optimism on their margin prospects.** Last Friday TVEL' nuclear fuel fabrication subsidiaries – Mashinostroitelny Zavod (MSZ) and Novosibirsk Chemical Concentrates Plant (NCCP) – published their financials for 2Q10 under RAS. We rate these results as moderately negative for their margin prospects. In particular, MSZ' revenue for 2Q10 stayed almost flat y-o-y at \$106.9 mn (decrease of 1% y-o-y), while NCCP showed a decline of 25% y-o-y to \$36.4 mn. At the same time, both companies reduced their operating incomes over the reporting period – a decrease of 6% y-o-y to \$32.3 mn for MSZ and a sharp drop of 54% y-o-y to \$7.7 mn for NCCP. TVEL's nuclear fuel fabrication subsidiaries showed the same dynamic on net income figures in 2Q10 – MSZ' net income decreased by 19% y-o-y to \$22.7 mn, NCCP – by 62% y-o-y to \$4.2 mn.

**We put MSZ and NCCP under review.** Thereby, the whole 1H10 companies' financials provide downside risks for our full year forecasts, in a lesser degree for MSZ and in a greater degree for NCCP. We put both companies under review and plan to release updated forecasts soon. Our current end-2010 target prices for MSZ and NCCP amounted to \$325/share and \$11/share, respectively. At the same time, we note that both MSZ and NCCP trade with a 50–70% discount to foreign peers on a basis of 2011E P/E of 4.4 and 6.5, respectively.

Mashinostroitelny Zavod		MASZ	
Price, \$			<b>265</b>
Recommendation			<b>UR</b>
Target, \$			-
Upside			-
MC, \$ mn	369	EV, \$ mn	352
	2009	2010E	2010F
P/E	4.6	4.6	4.4
EV/EBITDA	2.8	2.5	2.4

Source: RTS, Bloomberg consensus estimates



Source: RTS, TKB Capital estimates

**MONDAY AUGUST 16, 2010**
**MACHINERY**
**MSZ**

\$ mn	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	y-o-y	1H09	1H10	y-o-y
Sales, \$ mn	58.4	107.5	80.1	134.1	65.0	106.9	-1%	165.9	171.9	4%
COGS	-34.6	-59.9	-48.1	-82.4	-35.9	-59.8	0%	-94.4	-95.7	1%
Gross profit	23.9	47.6	32.0	51.7	29.1	47.1	-1%	71.5	76.2	7%
gross margin	40.8%	44.3%	40.0%	38.6%	44.8%	44.0%		43.1%	44.3%	
Selling expenses	-0.7	-1.2	-0.9	-1.2	-1.5	-1.5	23%	-1.9	-3.1	58%
G&A expenses	-9.7	-12.0	-11.9	-13.7	-10.0	-13.2	11%	-21.6	-23.2	7%
Operating income	13.5	34.4	19.2	36.8	17.6	32.3	-6%	47.9	49.9	4%
operating margin, %	23.1%	32.0%	24.0%	27.4%	27.1%	30.2%		28.9%	29.0%	
Interest income	0.9	1.0	2.0	1.1	0.2	0.9	-10%	2.0	1.1	-44%
Interest expense	0.0	0.0	0.0	0.0	0.0	0.0	0%	0.0	0.0	0%
Income from related parties	0.0	0.1	0.0	0.0	0.0	0.1	-11%	0.1	0.1	-11%
Other income	25.7	68.9	18.3	62.2	7.3	94.4	37%	94.6	101.7	8%
Other expense	-25.1	-70.4	-38.6	-48.0	-15.1	-99.0	41%	-95.5	-114.1	19%
Net profit	11.2	28.0	1.3	40.7	8.7	22.7	-19%	39.2	31.3	-20%
net margin, %	19.2%	26.0%	1.6%	30.4%	13.3%	21.2%		23.6%	18.2%	

Source: company data, TKB Capital estimates

**NCCP**

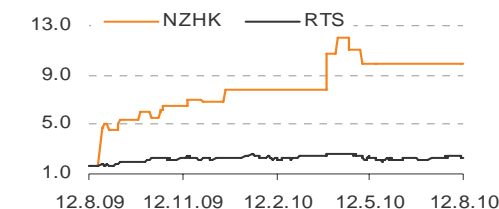
\$ mn	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	y-o-y	1H09	1H10	y-o-y
Sales, \$ mn	30.3	48.7	72.0	35.8	38.9	36.4	-25%	79.0	75.3	-5%
COGS	-12.5	-24.1	-26.0	-25.6	-23.1	-19.1	-21%	-36.6	-42.2	15%
Gross profit	17.8	24.6	46.0	10.2	15.8	17.2	-30%	42.4	33.1	-22%
gross margin	58.9%	50.4%	63.9%	28.5%	40.7%	47.4%		53.7%	43.9%	
Selling expenses	-1.0	-0.9	-1.1	-1.4	-1.1	-1.1	20%	-1.9	-2.2	16%
G&A expenses	-7.8	-7.0	-7.5	-8.2	-9.1	-8.4	21%	-14.8	-17.5	18%
Operating income	9.0	16.7	37.4	0.6	5.6	7.7	-54%	25.7	13.3	-48%
operating margin, %	29.8%	34.2%	52.0%	1.6%	14.4%	21.2%		32.5%	17.7%	
Interest income	0.5	0.2	0.3	0.2	0.2	0.2	13%	0.7	0.4	-44%
Interest expense	0.0	0.0	0.0	0.0	0.0	0.0	7%	0.0	0.0	-34%
Income from related parties	0.0	0.3	0.0	0.0	0.0	0.0	n/a	0.3	0.0	n/a
Other income	3.7	2.2	4.9	11.1	5.8	3.0	34%	5.9	8.7	47%
Other expense	-4.0	-5.1	-6.1	-15.5	-7.1	-5.2	1%	-9.1	-12.2	34%
Net profit	7.1	11.1	28.9	-3.9	3.3	4.2	-62%	18.1	7.5	-58%
net margin, %	23.3%	22.7%	40.2%	neg.	8.5%	11.6%		22.9%	10.0%	

Source: company data, TKB Capital estimates

**Artem Lavrishev a.lavrishev@tkbc.ru**

NCCP	NZHK	NZHKP	
Price, \$	<b>10.00</b>	<b>2.75</b>	
Recommendation	<b>UR</b>	<b>UR</b>	
Target, \$	-	-	
Upside	-	-	
MC, \$ mn	265	EV, \$ mn	246
	2009	2010E	2010F
P/E	6.1	6.5	6.5
EV/EBITDA	3.1	3.0	3.0

Source: RTS, Bloomberg consensus estimates



Source: RTS, TKB Capital estimates



MONDAY AUGUST 16, 2010

Maria Kalvaraskaia m.kalvaraskaia@tkbc.ru

**BANKING SECTOR**
**Bank Vozrozhdenie (VZRZ):2Q10 IFRS results preview. NEUTRAL**

Bank Vozrozhdenie will publish its 2Q10 IFRS results on 18 August. We expect further decline of net interest margin on the back of lower interest rates and relatively expensive funding. This together with loan loss provisions and higher operating expenses will determine y-o-y decline in bottom-line to RUR215 mn over 1H10. Comments on reprising of liabilities, loan portfolio quality and earnings forecast will be in focus during the conference call with the bank's management scheduled on the same day at 5 pm Moscow time.

**Loan portfolio to grow in 2Q10.** We expect total loan portfolio to grow by 3.2% q-o-q in 2Q10. According to the previous guideline from the management, loan portfolio was expected to grow by RUR3-5 bn in 2Q10. This growth will be partly offset by provisioning.

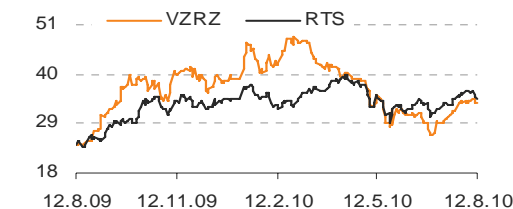
**NIM compressed in 2Q10, improvement is likely to be achieved in 2H10.** Lower yield on new loans was explained by declining interest rates and high competition on the market determined weaker NIM (decline by 20 bps) as reprising of deposits is going slower.

**The highest cost-to-income ratio in the universe.** We expect operating costs to grow by 10% q-o-q in 2Q10 that determined cost-to-income ratio at 66% over 1H2010 that is the highest ratio in the banking names traded on the market. Higher efficiency in 2H10 will help to improve cost-to-income ratio, but wide retail branch network and growing competition in the key segments of the bank's business will put pressure on the bank performance.

**Loan portfolio quality and earnings forecast to be in focus.** We expect provisions to amount to 10.8% of the total loans as of the end of 2Q10, while coverage ratio will be close to 100%. The bank continues creating reserves taking into account existing risks. Earlier the bank's management forecasted net earnings in 2010 at RUR500 mn, and we think that this number may be revised up backed by assets and liabilities reprising and growing demand for loans.

Vozrozhdenie Bank	VZRZ	VZRZP
Price, \$	33.46	11.59
Recommendation	BUY	BUY
Target, \$	45.90	17.20
Upside	37%	48%
MC, \$ mn	810	
	2009	2010E
P/E	25.6	23.5
P/BV	1.5	1.4
		2011E
		7.6
		1.2

Source: MICEX, TKB Capital estimates



Source: MICEX, RTS, TKB Capital estimates

**CONFERENCE CALL DETAILS:**
**DATE: 18 August, 2010**
**TIME:**
**5:00 pm (Moscow)**
**2:00 pm (London)**
**10:00 am (East Coast)**
**TELEPHONE: + 44 (0)203 003 2649**

IFRS, RUR mn	2Q10E	1Q10	q-o-q, %	2Q09	y-o-y, %	1H10E	1H09	y-o-y, %
Assets	148 217	148 217	0	137 014	8	148 217	137 014	8
Net loans	87 867	85 387	3	90 177	-3	87 867	90 177	-3
Equity capital	16 542	16 385	1	15 705	5	16 542	15 705	5
Net interest income	1 402	1 458	-4	2 052	-32	2 860	4 387	-35
Provisions for loan impairment	(575)	(625)	-8	(1 249)	-54	(1 200)	(2 895)	-59
Net commission income	949	827	15	925	3	1 776	1 803	-1
Operating income	1 961	1 719	14	1 976	-1	3 680	3 947	-7
Operating expenses	(1 684)	(1 531)	10	(1 522)	11	(3 215)	(2 912)	10
Net income (loss)	118	97	21	256	-54	215	642	-67

Source: Company data, TKB Capital estimates

## SMALL CAPS

**Buryatzoloto (brzl): strong financial performance in 1H10. POSITIVE**

High gold prices, production growth and ruble depreciation helped the company to increase net income in 2Q10 by 44% q-o-q. Over 1H10 net income amounted to RUR992 mn (\$33 mn) that represents 45% growth y-o-y. Gold production in 2Q10 grew by 8.1% on a quarterly basis and by 1.8% comparing to 2Q09 and reached 36.5 Koz. At the same time, weak production numbers in 1Q10 determined a 0.6% y-o-y decline in gold output in 1H10.

	1H10	1H09	y-o-y	2Q10	1Q10	q-o-q
Revenue	2749	2356	16.7%	1436	1313	9.4%
Operational income	1122	1016	10.4%	585	537	8.9%
Net Income	992	686	44.6%	585	407	43.7%
Gold production	70.2	70.6	-0.6%	36.5	33.7	8.1%

Source: Company data

Operating costs per oz of gold grew by 1.4% q-o-q and amounted to RUR23,300 (\$786/oz), while in dollar terms costs slightly declined due to ruble weakness by 2%. Strong operating cash flow over the last two years helped Buryatzoloto to repay interest bearing debt and accumulate cash on its balance. Thus, the company finished 2Q10 with net cash position of RUR1,653 mn (\$55 mn) or RUR228 (\$7.5) per share (in 2Q10 cash position increased by RUR603 mn or \$55 mn).

We positively view the published numbers and consider the shares of Buryatzoloto as one of the most attractive among gold mining companies on the world market.



**RECOMMENDATIONS**
**Oil & Gas**

Ticker	Company	Current price, \$	TP, \$	Recom.*	Upside, %	Mkt Cap, \$ mn	EV, \$ mn	P/E			EV/EBITDA			EV/S	P/BV	N.Debt/EBITDA
								2009	2010E	2011E	2009	2010E	2011E			
GAZP	* Gazprom	5.30	UR	UR	UR	124,456	168,368	4.7	4.4	4.2	4.8	3.8	3.5	1.5	0.7	1.0
ROSN	** Rosneft	6.57	8.5	BUY	29%	63,067	78,169	9.7	6.4	9.5	5.8	4.5	5.7	1.3	1.3	0.9
LKOH	** LUKOIL	54.2	74.0	BUY	37%	45,881	53,640	6.5	5.4	5.9	3.8	3.7	4.0	0.6	0.8	0.5
SNGS	* Surgutneftegas	0.94	UR	UR	UR	37,001	23,397	10.3	7.4	7.8	5.8	3.2	3.2	1.0	0.9	neg
SNGSP	* Surgutneftegas, Pref	0.43	UR	UR	UR											
SIBN	** Gazprom Neft	3.93	4.50	HOLD	14%	18,545	22,027	6.2	6.2	6.1	4.4	3.9	3.7	0.8	1.1	0.6
tnbp	** TNK-BP Holding	2.08	2.80	BUY	35%	31,924	33,666	6.2	5.2	5.5	4.1	3.5	3.6	0.8	1.6	0.2
tnbpp	** TNK-BP Holding, Pref	1.79	2.50	BUY	40%											
TATN	* Tatneft	4.71	UR	UR	UR	10,288	11,882	6.0	6.0	4.8	4.6	4.4	3.5	0.9	1.0	0.6
TATNP	* Tatneft, Pref	2.29	UR	UR	UR											
BANE	* Bashneft	36.35	UR	UR	UR	7,159	8,589	22.4	6.1	5.3	12.6	3.5	3.4	0.7	2.6	0.6
BANEP	* Bashneft, Pref	28.10	UR	UR	UR											
NVTK	* NOVATEK	6.93	UR	UR	UR	21,014	21,767	25.6	16.2	13.2	17.4	11.5	9.6	5.5	4.9	0.4

**Metals & Mining**

Ticker	Company	Current price, \$	TP, \$	Recom.*	Upside, %	Mkt Cap, \$ mn	EV, \$ mn	P/E			EV/EBITDA			EV/S	P/BV	N.Debt/EBITDA
								2009	2010E	2011E	2009	2010E	2011E			
GMKN	* NorNickel	164.5	UR	UR	UR	31,365	33,097	12.1	7.7	7.2	7.5	5.0	4.7	2.4	2.1	0.3
CHMF	Severstal	11.63	15.50	BUY	33%	11,719	16,090	neg	12.5	8.2	19.8	5.2	4.4	1.0	1.5	1.4
NLMK	NLMK	2.90	3.21	HOLD	11%	17,399	18,603	80.9	12.3	10.5	12.9	6.1	5.3	2.2	2.2	0.4
MAGN	MMK	0.83	1.06	BUY	28%	9,248	11,475	42.2	12.5	8.2	11.5	6.1	4.9	1.6	1.0	1.2
MTL	Mechel, ADR	21.68	29.50	BUY	36%	9,025	14,608	118.2	9.5	7.1	14.6	7.1	5.0	1.6	2.2	2.7
EVR	* Evraz Group, GDR	24.90	UR	UR	UR	9,880	17,684	neg	10.7	7.2	14.3	6.5	5.4	1.5	1.0	2.9
PLZL	* Polyus Gold	45.16	UR	UR	UR	8,608	8,634	26.8	18.1	14.2	16.2	9.7	8.5	5.2	2.7	0.0
PMTL	* Polymetal	12.12	UR	UR	UR	3,817	4,237	39.8	19.2	11.7	17.9	11.3	8.0	5.0	4.2	1.1
TRMK	* TMK	4.14	UR	UR	UR	3,613	7,120	neg	10.7	6.8	22.2	7.8	6.6	1.3	2.4	3.8
RASP	Raspadsкая	4.79	8.50	BUY	78%	3,739	4,042	31.9	13.5	8.6	15.6	8.7	5.8	5.3	3.0	0.7
BLNG	Belon	0.82	1.29	BUY	56%	948	1,264	60.8	10.6	9.8	11.3	6.5	6.2	1.6	2.0	1.6
unkl	Yuzhuralnickel	282.0	472.0	BUY	67%	169	17	249.7	11.1	7.3	neg	0.6	0.4	0.1	0.1	0.1
AMEZ	Ashinskiy Steel Works	0.385	0.579	BUY	50%	192	265	11.4	4.4	7.8	5.3	3.0	3.9	0.8	0.5	0.8
VSMZ	Vyksa Steel Works	1396	1740	BUY	25%	2,398	2,468	9.8	5.6	4.0	4.8	3.7	2.9	0.8	1.0	0.8
CHZN	Chelyabinsk Zinc Plant	3.68	4.64	HOLD	26%	199	186	10.0	5.6	4.2	2.9	2.5	2.2	0.4	0.7	neg

TABLE CONTINUED ON THE NEXT PAGE

**RECOMMENDATIONS** (CONTINUED)

**Utilities**

Ticker	Company	Current price, \$	TP, \$	Recom.	Upside, %	Mkt Cap, \$ mn	EV, \$ mn	P/E			EV/EBITDA			EV/S	P/BV	N.Debt/EBITDA
								2009	2010E	2011E	2009	2010E	2011E			
FEES	Federal Grid Company	0.0112	0.0155	BUY	38%	13,815	11,108	22.1	17.6	9.1	9.9	5.8	3.4	2.7	0.5	neg
HYDR	RusHydro	0.055	0.072	BUY	30%	14,818	15,845	15.0	9.9	8.2	9.8	7.1	5.4	1.2	0.9	0.5
IRAO	* INTER RAO UES	0.0014	UR	UR	UR	3,085	3,826	neg	19.6	18.8	neg.	8.0	6.2	1.4	1.7	1.5
OGKA	* OGK-1	0.035	UR	UR	UR	1,576	1,621	15.9	15.7	8.4	10.8	6.4	4.0	0.9	1.3	0.2
OGKB	* OGK-2	0.053	UR	UR	UR	1,735	2,002	50.1	30.2	16.2	19.6	12.1	6.6	1.3	1.4	1.6
OGKC	* OGK-3	0.054	UR	UR	UR	2,542	839	18.7	28.5	20.2	6.5	7.9	5.1	0.7	0.7	neg
OGKD	OGK-4	0.078	0.118	BUY	51%	4,928	4,362	24.0	19.6	12.6	18.8	11.7	6.8	2.5	1.8	neg
OGKE	* EneI OGK-5	0.083	UR	UR	UR	2,939	3,519	29.0	22.6	9.8	14.4	11.2	6.2	2.0	1.4	1.8
OGKF	* OGK-6	0.037	UR	UR	UR	1,185	1,311	15.3	229.3	47.8	7.8	11.0	6.8	0.9	0.6	1.1
TGKA	* TGC-1	0.00071	UR	UR	UR	2,722	3,203	10.2	16.4	7.8	13.1	8.0	4.7	2.0	1.2	1.2
TGKB	* TGC-2	0.00026	UR	UR	UR	383	649	neg	17.0	8.0	9.7	4.2	3.0	0.6	0.6	1.7
TGKBP	* TGC-2, Pref	0.00027	UR	UR	UR											
MSNG	* Mosenergo	0.104	UR	UR	UR	4,125	4,674	78.7	27.2	13.4	10.4	7.1	5.4	1.0	0.7	0.8
TGKD	* TGC-4	0.00046	UR	UR	UR	899	863	neg	9.4	7.3	neg.	4.3	2.9	0.6	1.0	neg
TGKDP	* TGC-4, Pref	0.00027	UR	UR	UR											
TGKE	* TGC-5	0.00056	UR	UR	UR	695	734	23.5	15.3	10.4	15.9	8.2	5.1	1.0	0.7	0.4
TGKF	* TGC-6	0.00046	UR	UR	UR	863	1,127	51.9	8.8	6.7	15.0	6.1	5.4	1.1	n/a	1.4
TGKG	* Volga TGC (TGC-7)	0.081	UR	UR	UR	2,438	2,459	25.0	18.4	11.0	11.9	8.2	6.8	1.1	1.6	0.1
TGKI	* TGC-9	0.00016	UR	UR	UR	1,235	1,625	9.3	11.9	6.7	8.3	6.9	5.2	0.8	0.9	1.6
TGKJ	* Fortum, TGC-10	1.37	UR	UR	UR	1,209	1,205	10.3	10.8	10.0	12.8	10.0	5.2	1.2	0.5	neg
TGKK	TGC-11	0.00058	0.00113	BUY	93%	300	297	5.2	5.5	4.0	3.8	4.4	3.0	0.6	0.7	neg
KZBE	* Kusbassenergo	0.0120	UR	UR	UR	847	938	78.2	9.5	40.3	10.4	3.5	3.8	0.8	0.9	0.3
TGKM	* Yenisei TGC (TGC-13)	0.0041	UR	UR	UR	657	749	99.1	54.1	13.6	11.5	6.2	3.9	1.1	0.6	0.8
TGKN	* TGC-14	0.00014	UR	UR	UR	187	125	neg	neg	9.4	neg.	27.4	3.8	0.6	0.7	neg
MRKH	* Holding MRSK	0.141	UR	UR	UR	5,982	10,039	13.7	10.0	18.2	3.7	4.7	4.2	0.9	0.5	1.9
MRKHP	* Holding MRSK, Pref	0.090	UR	UR	UR											
LSNG	* Lenenergo	0.73	UR	UR	UR	754	1,211	9.2	11.0	14.1	4.6	4.0	4.0	1.3	0.5	1.5
LSNGP	* Lenenergo, Pref	0.85	UR	UR	UR											
MRKC	* IDGC of Centre	0.040	UR	UR	UR	1,679	2,111	25.2	11.7	5.3	7.1	4.9	3.3	1.2	1.8	1.0
MRKK	* IDGC of Northern Caucasus	4.97	UR	UR	UR	147	193	neg	neg	32.4	5.6	4.4	3.2	0.5	0.3	1.1
MRKP	* IDGC of Center and Volga Region	0.0071	UR	UR	UR	805	1,147	59.6	9.8	4.7	5.7	5.0	2.9	0.7	0.6	1.5
MRKS	* IDGC of Siberia	0.0092	UR	UR	UR	825	1,043	neg	18.5	6.8	9.2	8.2	3.8	0.7	0.9	1.7
MRKU	* IDGC of of Urals	0.0089	UR	UR	UR	782	933	23.5	6.8	4.6	4.4	3.4	2.8	0.5	0.8	0.6
MRKV	* IDGC of Volga	0.0034	UR	UR	UR	607	793	14.7	9.3	5.6	5.2	4.6	3.1	0.6	0.9	1.1
MRKY	* IDGC of South	0.0050	UR	UR	UR	248	640	neg	13.5	4.9	5.3	4.5	3.3	0.9	0.4	2.8
MRKZ	* IDGC of North-West	0.0070	UR	UR	UR	673	813	445.2	34.3	13.0	8.1	6.0	5.0	0.8	1.0	1.0
MSRS	* MOESK	0.046	UR	UR	UR	2,252	3,767	6.6	7.0	4.0	3.9	3.7	3.1	1.3	0.8	1.5

TABLE CONTINUED ON THE NEXT PAGE

**RECOMMENDATIONS** (CONTINUED)

**Transport**

Ticker	Company	Current price, \$	TP, \$	Recom.*	Upside, %	Mkt Cap, \$ mn	EV, \$ mn	P/E			EV/EBITDA			EV/S	P/BV	N.Debt/EBITDA
								2009	2010E	2011E	2009	2010E	2011E			
GLTR	** Globaltrans	14.00	18.80	BUY	34%	2,214	2,503	18.4	11.7	8.2	8.9	7.6	5.8	3.1	3.6	0.9
AFLT	* Aeroflot	1.99	UR	UR	UR	2,207	3,796	24.7	13.1	9.6	9.0	6.0	4.5	0.9	2.2	2.5
UTAR	* Utair Aviation	0.36	UR	UR	UR	207	930	32.1	14.2	5.9	5.6	4.3	3.3	0.6	0.7	3.4
NCSP	* NCSP, GDR	11.00	UR	UR	UR	2,825	3,120	11.3	10.9	10.1	7.2	7.2	6.7	4.3	3.5	0.7
FESH	* FESCO	0.4	UR	UR	UR	1,221	1,935	neg	neg	17.8	neg.	12.6	10.1	2.5	0.9	4.6

**Telecoms**

Ticker	Company	Current price, \$	TP, \$	Recom.*	Upside, %	Mkt Cap, \$ mn	EV, \$ mn	P/E			EV/EBITDA			EV/S	P/BV	Net Debt/EBITDA'09
								2009	2010E	2011E	2009	2010E	2011E			
MBT	MTS, ADR	21.51	28.00	BUY	30%	21,438	24,808	18.6	10.4	8.5	6.1	5.0	4.4	2.5	6.0	0.7
VIP	VimpelCom, ADR	15.76	29.10	BUY	85%	22,943	28,850	20.5	8.3	9.6	6.8	4.4	4.5	2.2	5.1	0.9
CMST	Comstar, GDR	6.50	7.70	HOLD	18%	2,717	3,540	neg	10.5	9.2	71.3	5.3	4.6	2.2	1.3	1.2
URSI	Uralsvyazinform	0.0324	0.033	HOLD	2%	1,269	2,217	8.9	7.1	6.1	3.6	3.3	3.2	1.3	1.4	1.4
URSIP	Uralsvyazinform, Pref	0.0282	0.026	HOLD	-8%											
NNSI	VolgaTelecom	3.13	5.15	BUY	65%	986	1,560	5.5	4.5	3.6	3.2	2.9	2.6	1.1	0.9	1.1
NNSIP	VolgaTelecom, Pref	2.63	3.94	BUY	50%											
ENCO	Sibirtelekom	0.0600	0.091	BUY	52%	924	1,722	9.9	5.7	4.5	2.9	2.8	2.6	1.1	1.2	1.3
ENCOP	Sibirtelekom, Pref	0.0521	0.073	BUY	40%											
KUBN	* UTK	0.1437	UR	UR	UR	546	1,155	7.7	8.1	5.8	3.8	3.8	3.6	1.4	1.5	2.0
KUBNP	* UTK, Pref	0.1238	UR	UR	UR											
SPTL	N.W. Telecom	0.700	0.79	HOLD	13%	760	1,286	9.3	8.0	7.4	3.5	3.2	3.2	1.4	0.7	1.3
SPTLP	N.W. Telecom, Pref	0.575	0.64	HOLD	11%											
ESMO	CenterTelecom	0.723	0.758	HOLD	5%	1,477	2,286	6.9	5.2	4.5	3.9	3.5	3.2	1.3	2.0	1.2
ESMOP	CenterTelecom, Pref	0.640	0.606	HOLD	-5%											
ESPK	Far East Telecom	2.99	5.76	BUY	93%	370	565	4.1	3.5	3.7	2.3	1.9	1.8	0.7	1.1	0.7
ESPKP	Far East Telecom, Pref	2.71	4.85	BUY	79%											
RTKM	* Rostelecom	3.58	UR	UR	UR	3,178	2,928	27.4	22.9	23.6	7.4	7.2	7.9	1.3	1.5	neg
RTKMP	* Rostelecom, Pref	2.36	UR	UR	UR											

**Consumer & Retail**

Ticker	Company	Current price, \$	TP, \$	Recom.*	Upside, %	Mkt Cap, \$ mn	EV, \$ mn	P/E			EV/EBITDA			EV/S	P/BV	N.Debt/EBITDA
								2009	2010E	2011E	2009	2010E	2011E			
FIVE	X5 Retail Group	36.0	50.0	BUY	39%	9,782	11,321	59.2	29.0	17.1	15.4	11.9	8.6	0.9	5.5	1.6
MGNT LI	Magnit, GDR	21.7	24.4	BUY	13%	9,632	9,673	35.0	27.8	19.2	19.5	14.3	9.8	1.3	6.8	0.1
MGNT	Magnit, Common	102.5	122.0	BUY	19%	9,117	9,158	33.1	26.3	18.1	18.4	13.6	9.2	1.2	6.4	0.1
DIXY	Dixy Group	10.2	10.3	HOLD	1%	879	1,137	neg	25.5	13.7	12.4	8.9	6.6	0.5	4.6	2.0
SCON	Seventh Continent	8.0	9.6	BUY	21%	597	1,011	24.8	16.8	10.6	8.9	7.9	6.6	0.6	1.0	3.2
MVID	* M.video	6.3	UR	UR	UR	1,139	925	46.0	20.3	14.6	9.0	6.7	5.1	0.3	3.9	neg
APTK	* Pharmacy Chain 36.6	2.6	UR	UR	UR	246	503	neg	neg	neg	11.2	7.0	5.1	0.5	1.6	3.6
WBD US	Wimm-Bill-Dann, ADR	19.1	27.0	BUY	41%	3,367	3,617	28.9	20.3	15.3	11.8	9.3	7.6	1.3	4.8	0.6
WBDF	Wimm-Bill-Dann, Common	46.5	108.0	BUY	132%	2,045	2,295	17.5	12.3	9.3	7.5	5.9	4.8	0.8	2.9	0.6
PKBA	* Baltika Breweries	31.4	UR	UR	UR	5,131	5,163	6.9	7.4	8.2	4.8	4.9	4.5	1.6	3.0	0.0
PKBAP	* Baltika Breweries, Pref	30.2	UR	UR	UR											
PHST LI	Pharmstandard, GDR	24.5	33.5	BUY	37%	3,696	3,592	17.1	16.2	13.1	12.3	11.5	9.4	4.4	5.8	neg
PHST	Pharmstandard, Common	82.1	134.0	BUY	63%	3,103	2,999	14.4	13.6	11.0	10.2	9.6	7.9	3.6	4.9	neg
VRPH	Veropharm	34.8	47.0	BUY	35%	348	370	10.0	8.9	6.9	8.5	6.4	5.2	2.0	2.1	0.4
KLNA	* Kalina	19.1	UR	UR	UR	187	301	14.3	6.7	5.7	6.2	5.0	4.6	0.5	1.4	1.9

TABLE CONTINUED ON THE NEXT PAGE

**RECOMMENDATIONS** (CONTINUED)

**Banks**

Ticker	Company	Current price, \$	TP, \$	Recom.*	Upside, %	Mkt Cap, \$ mn	P/E			P/BV		
							2009	2010E	2011E	2009	2010E	2011E
SBER	Sberbank	2.65	3.50	BUY	32%	59,123	70.0	14.5	7.7	2.41	1.94	1.62
SBERP	Sberbank, Pref	1.90	2.90	BUY	52%							
VTBR	VTB Bank	0.0026	0.0026	HOLD	-2%	27,621	neg	13.8	10.3	1.59	1.59	1.41
MMBM *	Bank of Moscow	31.66	UR	UR	UR	5,699	253.4	22.1	11.9	1.74	1.48	1.28
VZRZ	Vozrozhdenie Bank, Common	33.14	45.9	BUY	39%	802	25.4	23.3	7.5	1.44	1.38	1.15
VZRZP	Vozrozhdenie Bank, Pref	11.54	17.2	BUY	49%							
STBK	Bank Saint-Petersburg, Common	3.54	4.20	HOLD	19%	1,263	62.5	14.4	8.1	1.44	1.38	1.13
STBKPA *	Bank Saint-Petersburg, Pref	4.06	UR	UR	UR							

**Machinery**

Ticker	Company	Current price, \$	TP, \$	Recom.*	Upside, %	Mkt Cap, \$ mn	EV, \$ mn	P/E			EV/EBITDA			EV/S	P/BV	N.Debt/EBITDA
								2009	2010E	2011E	2009	2010E	2011E			
GAZA *	GAZ	26.00	UR	UR	UR	499	1,401	neg	neg	neg	neg.	13.3	4.4	0.4	0.5	8.6
GAZAP *	GAZ, Pref	12.00	UR	UR	UR											
SVAV *	Sollers	15.24	UR	UR	UR	522	1,280	neg	neg	19.5	30.5	9.9	5.6	0.7	1.0	5.8
KMAZ *	KAMAZ	2.27	UR	UR	UR	1,603	2,186	neg	neg	23.3	69.0	16.7	8.2	0.8	1.6	4.5
SILM *	Power machines	0.23	UR	UR	UR	2,039	1,941	10.6	10.2	9.4	7.1	6.0	5.3	1.0	7.3	neg
MASZ *	Mashinostroitelny Zavod	265	UR	UR	UR	369	352	4.6	4.6	4.4	2.8	2.5	2.4	0.8	0.6	neg
NZHK *	NCCP	10.0	UR	UR	UR	265	246	6.1	6.5	6.5	3.1	3.0	3.0	1.2	0.6	neg
NZHKP *	NCCP, Pref	2.8	UR	UR	UR											
KHEL *	Kazan Helicopters	1.83	UR	UR	UR	282	439	5.8	5.8	5.3	6.6	5.8	5.3	0.8	1.4	2.1
uuaz *	Ulan-Ude Avia Plant	1.34	UR	UR	UR	358	196	4.5	4.7	4.9	1.8	1.7	1.7	0.4	1.7	neg
rtvl	Rostvertol	0.055	0.030	SELL	-45%	127	216	8.2	7.9	7.4	5.3	5.4	4.9	0.7	0.7	2.2

**Real Estate & Infrastructure**

Ticker	Company	Current price, \$	TP, \$	Recom.*	Upside, %	Mkt Cap, \$ mn	EV, \$ mn	P/E			EV/EBITDA			EV/S	P/BV	N.Debt/EBITDA
								2009	2010E	2011E	2009	2010E	2011E			
LSRG	LSR Group, Common	27.5	57.0	BUY	107%	2,575	3,786	17.8	12.6	9.8	8.2	8.0	7.0	2.2	2.0	2.6
LSRG LI	LSR Group, GDR	8.7	11.4	BUY	32%	4,051	5,263	28.0	19.8	15.4	11.4	11.1	9.7	3.0	3.1	2.6
PIK LI	Pik Group, GDR	3.6	7.2	BUY	103%	1,751	3,077	neg	neg	48.5	18.0	14.1	12.1	2.5	3.1	6.1
AFID	AFI Development, GDR	0.87	1.50	BUY	72%	911	1,117	neg	neg	64.0	42.8	33.1	13.3	10.4	0.5	6.1
MLD	MirLand Development, GDR	2.89	5.00	BUY	73%	300	514	neg	116.6	8.2	neg.	25.1	8.1	12.0	0.9	10.5
MSTT	Mostotrest	977	1070	BUY	10%	1,212	1,285	35.2	24.1	19.2	8.5	6.8	6.0	0.9	6.0	0.4

\* - multiples for companies Under Review based on Bloomberg consensus estimates

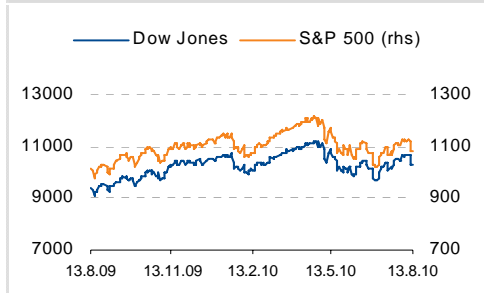
\*\* - Target price for 12 months. For other companies target price calculated at the end of 2010

**MODEL PORTFOLIO**

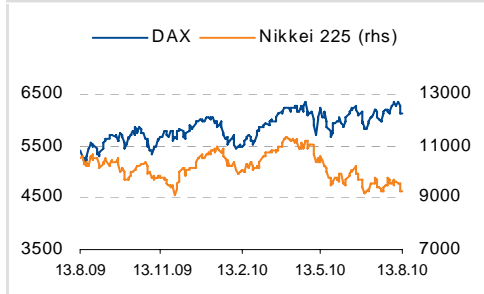
Company name and ticker	Price of purchase (22/04/2010), \$	Current Price, \$	Upside Potential			Market Cap (\$ mn)	Free float (\$ mn)	Share in RTSI	Share in Portfolio	
			1M	6M	12M					
Model Portfolio performance since last update			3.5%			since 21/04/2010		-7.4%		
<b>Cash</b>									<b>10.00%</b>	
<b>Oil &amp; Gas</b>									<b>30.00%</b>	
ROSN	Rosneft	7.53	6.57	n/a	26%	52%	63,074	9,461	7.39%	5.00%
TNBP	TNK-BP Holding	2.06	2.08	n/a	8%	16%	32,882	1,644	0.00%	10.00%
BANE	Bashneft	36.25	36.35	n/a	19%	38%	6,186	1,522	0.41%	15.00%
<b>Metals &amp; Mining</b>									<b>13.00%</b>	
RASP	Raspadskaya	4.875	4.788	7%	25%	46%	3,739	748	0.48%	5.00%
MTLR	Mechel	25.06	21.97	0%	41%	59%	0	0	0.94%	5.00%
CHMF	Severstal	12.43	11.63	0%	29%	46%	11,719	2,051	1.26%	3.00%
<b>Consumer and Retail</b>									<b>10.00%</b>	
MGNT	Magnit	88.93	102.47	1%	9%	17%	9,112	2,734	1.51%	5.00%
PHST	Pharmstandard	70.81	82.10	2%	13%	25%	3,103	310	0.31%	5.00%
<b>Machinery</b>									<b>6.00%</b>	
SVAV	Sollers	15.91	15.24	31%	51%	71%	522	183	0.11%	3.00%
SILM	Power Machines	0.209	0.234	11%	20%	32%	2,039	102	0.00%	3.00%
<b>Banks</b>									<b>10.00%</b>	
SBER	Sberbank OS	2.70	2.65	17%	32%	47%	57,219	17,166	14.60%	6.00%
STBK	Bank St-Petersburg OS	3.28	3.54	19%	27%	38%	999	175	0.00%	4.00%
<b>Utilities</b>									<b>15.00%</b>	
HYDR	RusHydro	0.0539	0.0549	4%	24%	31%	13,462	4,994	2.33%	6.00%
TGKG	TGK-7	0.0472	0.0812	1%	7%	10%	2,438	1,131	0.00%	4.00%
TGKK	TGK-11	0.000705	0.000585	12%	70%	93%	300	119	0.00%	2.00%
TGKM	TGK-13	0.00359	0.00413	5%	30%	40%	657	219	0.00%	3.00%
<b>Telecoms</b>									<b>3.00%</b>	
ENCO	Sibirtelecom OS	0.058	0.060	28%	n/a	n/a	721	72	0.19%	1.00%
KUBN	South Telecom OS	0.140	0.144	32%	n/a	n/a	425	43	0.00%	1.00%
SPTL	North-West Telecom OS	0.654	0.700	29%	n/a	n/a	616	62	0.15%	1.00%
<b>Real Estate / Development</b>									<b>3.00%</b>	
LSRG	LSR Group	29.64	26.86	56%	94%	142%	2,516	453	0.00%	3.00%

**STOCK INDEXES**

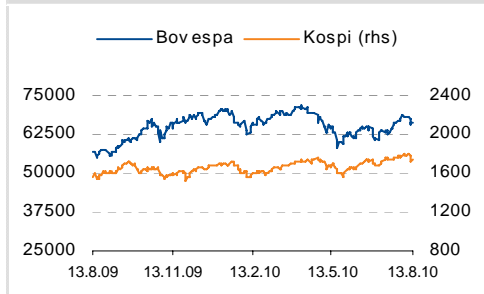
Dow Jones	10,303	-0.16%
S&P 500	1,079	-0.40%



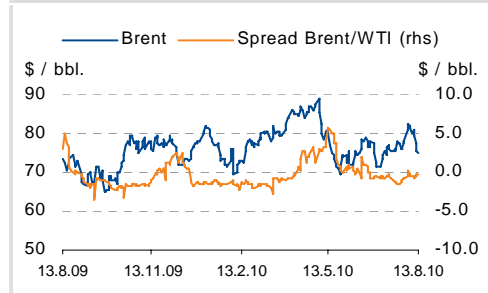
DAX	6,110	-0.40%
Nikkei 225	9,253	0.44%



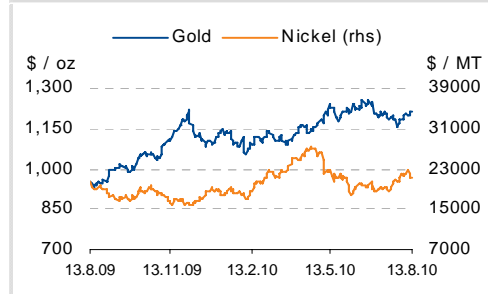
Bovespa	66,264	0.45%
Kospi	1,746	1.42%


**COMMODITY FUTURES**

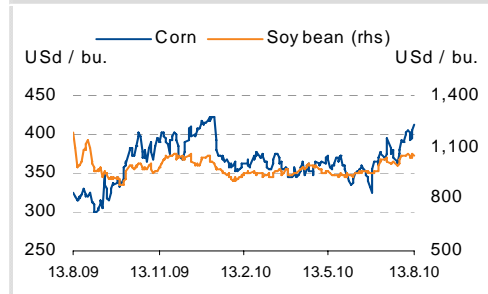
Brent	75.11	-0.54%
Spread Brent/WTI	-0.28	-0.06



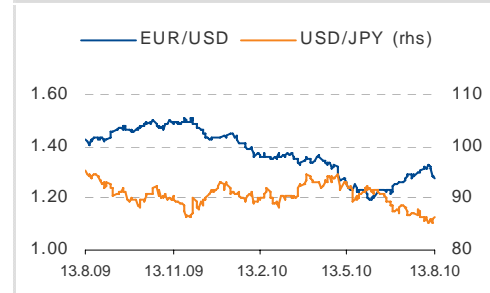
Gold	1,215	0.0%
Nickel	21,209	-0.7%



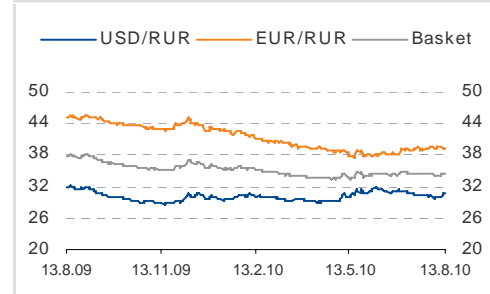
Corn	411.8	1.35%
Soybean	1,052.0	-0.47%


**CURRENCIES**

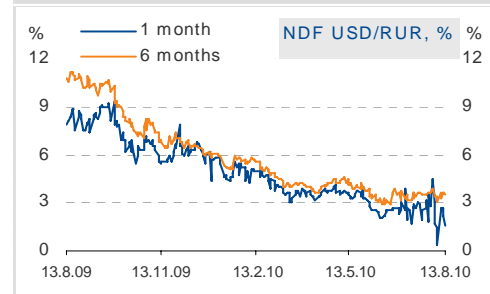
EUR/USD	1.279	-0.44%
USD/JPY	86.2	0.30%



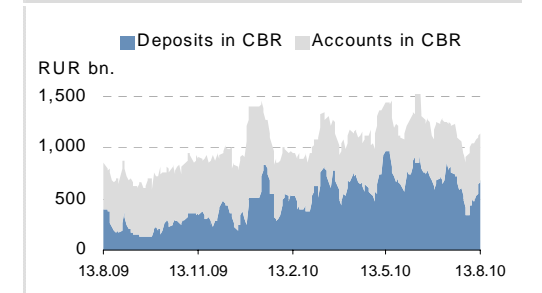
USD/RUR	30.56	-0.01%
EUR/RUR	39.13	-0.31%



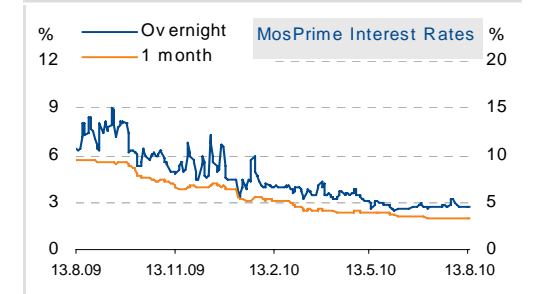
NDF USD/RUR 1m, %	1.60	-0.56
NDF USD/RUR 6m, %	3.49	-0.11


**LIQUIDITY AND INTEREST RATES**

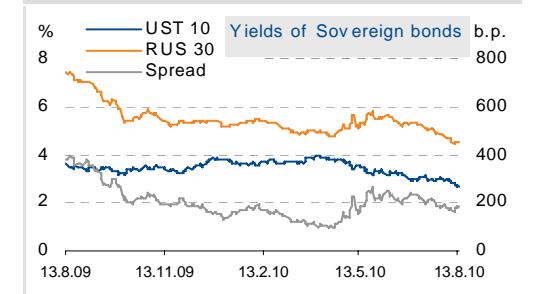
Deposits in CBR, RUR bn	678	1.6%
Accounts in CBR, RUR bn	470	-1.8%



MosPrime O/N, %	2.8	-0.01
MosPrime 1m, %	3.3	-0.01



UST 10Y, %	2.67	-0.07
Russia 30Y, %	4.51	-0.01



Source: Bloomberg, Central Bank of Russia, TKB Capital estimates



**RUSSIAN ADRS & GDRS ON FOREIGN EXCHANGES**

Bloomberg Code	Issuer	Exchange	Shares per ADR/GDR	Volume in ADRs/GDRs	Price per ADR/GDR, \$	Change, %	Local ticker	Price per local share, \$	Premium / discount to local,
OGZD LI	Gazprom	LSE	4	4,518,322	21.12	-0.38%	GAZP RX	21.18	-0.30%
ROSN LI	Rosneft	LSE	1	4,334,280	6.53	-0.15%	ROSN RX	6.57	-0.63%
LKOD LI	LUKOIL	LSE	1	1,118,122	54.20	-0.37%	LKOH RX	54.19	0.02%
SGGD LI	Surgutneftegas, Common	LSE	10	1,572,878	9.31	-1.69%	SNGS RX	9.43	-1.23%
ATAD LI	Tatneft, Common	LSE	6	328,829	31.20	0.74%	TATN3 RX	28.27	10.38%
GAZ LI	Gazprom Neft	LSE	5	53,360	19.50	-0.66%	SIBN RX	19.65	-0.78%
NVTK LI	NOVATEK	LSE	10	251,099	72.50	0.28%	NVTK RX	69.31	4.61%
AOIL SS	Alliance Oil	OMXS	1	565,433	12.26	0.16%			
EDCL LI	Eurasia Drilling	LSE	1	123,672	20.29	-1.22%			
INTE LI	Integra	LSE	0.05	542,285	2.24	-0.44%			
O2C GR	CAT Oil	XETRA	1	19,799	9.36	-0.53%			
VGAS LN	Volga Gas	LSE	1	-	3.17	0.39%			
SSA LI	Sistema	LSE	20	404,225	26.75	0.98%	AFKC RX	17.65	51.57%
MBT US	Mobile TeleSystems	NYSE	2	2,129,487	21.51	-2.54%	CMST RX	15.99	34.49%
VIP US	VimpelCom	NYSE	0.05	2,917,556	15.76	1.94%			
CMST LI	Comstar-UTS	LSE	1	200,475	6.50	0.15%	MTSI RX	6.56	-0.92%
RKMD LI	Rostelecom, Common	LSE	6	-	21.22	0.00%	RTKM RX	21.46	-1.12%
CTCM US	CTC Media	NASDAQ	1	160,774	17.61	-0.79%			
SITR LI	SITRONICS	LSE	50	-	0.88	0.00%	SITR RU	1.13	-21.78%
VTBR LI	VTB Bank	LSE	2000	1,146,304	5.33	0.57%	VTBR RX	5.28	0.93%
VZY GR	Vozrozhdenie Bank, Common	XETRA	3/4	250	25.00	0.00%	VZRZ RX	24.85	0.59%
FIVE LI	X5 Retail Group	LSE	0.25	183,649	36.02	-0.94%			
MGNT LI	Magnit	LSE	0.20	270,655	21.65	2.12%	MGNT RX	20.49	5.65%
PHST LI	Pharmstandard	LSE	0.25	69,071	24.45	4.58%	PHST RX	20.53	19.12%
WBD US	Wimm-Bill-Dann Foods	NYSE	0.25	122,582	19.13	-0.21%	WBDF RX	11.62	64.67%
CHE LI	Cherkizovo Group	LSE	2/3	-	15.80	0.00%	GCHE RX	15.75	0.32%
URKA LI	Uralkali	LSE	5	680,847	23.00	1.05%	URKA RX	22.96	0.19%
RUSAL FP	RUSAL	Euronext	20	12,217	19.83	-4.15%			
MNOD LI	Norilsk Nickel	LSE	0.1	2,685,893	16.39	0.55%	GMKN RX	16.45	-0.39%
SVST LI	Severstal	LSE	1	1,065,343	11.38	-1.04%	CHMF RX	11.63	-2.15%
NLMK LI	NLMK	LSE	10	442,918	28.60	-0.80%	NLMK RX	29.03	-1.49%
MMK LI	MMK	LSE	13	215,683	10.83	1.21%	MAGN RX	10.76	0.67%
MTL US	Mechel, Common	NYSE	1	1,051,747	21.68	-0.46%	MTLR RX	21.97	-1.32%
EVR LI	Eurasia Group	LSE	1/3	1,300,439	24.90	0.61%			
PLZL LI	Polyus Gold	LSE	0.5	98,951	23.83	0.13%	PLZL RX	22.58	5.55%
PMTL LI	Polymetal	LSE	1	34,335	11.80	-4.84%	PMTL RX	12.12	-2.63%
HGM LN	Highland Gold	LSE	1	313,747	1.90	0.97%			
HRG CN	High River Gold	TSX	1	662,719	0.74	0.36%			
TMKS LI	TMK	LSE	4	292,014	16.51	-1.20%	TRMK RX	16.55	-0.25%
CHZN LI	Chelyabinsk Zinc Plant	LSE	1	-	3.66	0.00%	CHZN RX	3.68	-0.50%
LSRG LI	LSR Group	LSE	0.20	189,924	8.65	-0.57%	LSRG RX	5.50	57.34%
PIK LI	PIK Group	LSE	1	398,090	3.55	2.60%	PIKK RX	3.60	-1.45%
AFID LI	AFI Development	LSE	1	88,232	0.87	-3.60%			
MLD LN	MirLand Development	LSE	1	995	2.89	-0.93%			
HALS LI	Sistema Hals	LSE	0.05	60,930	1.35	-2.17%	HALS RX	1.35	0.02%
RUS LN	Raven Russia	LSE	1	1,603,324	0.74	-0.38%			
RGI LN	RGI International	LSE	1	-	2.05	0.00%			
GLTR LI	Globaltrans	LSE	1	-	14.00	0.00%			
NCSP LI	NCSP	LSE	75	182,667	11.00	0.27%	NMTP RX	10.97	0.29%

Source: Bloomberg, TKB Capital estimates

**WORLD EQUITY INDICES**

Index	Country	Value	Daily change, %	Weekly change, %	Monthly change, %	YTD change, %	Change of 52 week,
<b>Asia</b>							
Nikkei 225	Japan	9,253.46	0.44%	-4.03%	-5.53%	-12.26%	-12.02%
Hang Seng	Hong Kong	21,071.57	-0.16%	-2.80%	2.48%	-3.66%	1.01%
Straits Times	Singapore	2,939.97	0.44%	-1.84%	-0.43%	1.46%	12.46%
Seoul Composite	South Korea	1,746.24	1.42%	-2.11%	-0.67%	3.77%	11.61%
Shanghai Composite	China	2,606.70	1.21%	-1.94%	5.52%	-20.46%	-17.00%
Taiwan Weighted	Taiwan	7,891.58	0.79%	-0.90%	2.30%	-3.62%	12.18%
SENSEX	India	18,167.03	0.52%	0.13%	1.28%	4.02%	17.07%
<b>Europe</b>							
FTSE 100	Great Britain	5,275.44	0.18%	-1.07%	0.42%	-2.54%	10.93%
DAX	Germany	6,110.41	-0.40%	-2.38%	-1.60%	2.57%	13.13%
CAC 40	France	3,610.91	-0.28%	-2.83%	-0.61%	-8.27%	2.45%
Budapest SE Index	Hungary	22,074.46	-0.85%	-3.60%	-3.64%	3.99%	19.19%
PX50	Czech Republic	1,173.50	0.56%	-2.13%	-0.11%	5.03%	0.57%
WIG 20 TR	Poland	2,452.05	-0.59%	-3.79%	2.66%	2.65%	15.67%
ISE 100	Turkey	58,479.86	0.16%	-2.13%	0.31%	10.70%	31.46%
RTS	Russia	1,445.37	-0.16%	-4.27%	2.35%	0.05%	37.06%
MICEX	Russia	1,371.46	-0.30%	-2.25%	0.95%	0.11%	24.61%
<b>Africa</b>							
FTSE/JSE Top 40	South Africa	24,424.34	0.20%	-2.97%	0.00%	-2.29%	7.93%
Egypt CMA GENL	Egypt	591.57	0.00%	-0.68%	4.40%	3.16%	-1.98%
<b>America</b>							
DJIA	USA	10,303.15	-0.16%	-3.29%	-0.61%	-1.20%	9.63%
S&P 500	USA	1,079.25	-0.40%	-3.78%	-1.45%	-3.21%	6.57%
NASDAQ	USA	2,173.48	-0.77%	-5.02%	-3.39%	-4.22%	8.17%
Bovespa	Brazil	66,264.43	0.45%	-2.69%	4.39%	-3.39%	16.16%
BUSE Merval	Argentina	2,367.98	0.06%	-2.36%	2.52%	2.04%	31.88%
IBC	Venezuela	64,738.01	0.27%	0.04%	-0.17%	17.54%	34.36%
<b>Emerging markets indexes</b>							
MSCI BRIC		317.74	0.22%	-3.18%	1.94%	-4.38%	11.28%
FTSE Russia IOB Index		829.22	-0.39%	-5.87%	2.08%	-5.67%	19.25%
MSCI Russia		768.10	-0.34%	-4.80%	1.63%	-3.42%	21.95%

Source: Bloomberg, TKB Capital estimates

**COMMODITY MARKETS**
**Spot-market**

Bloomberg code	Commodity	Value	Daily change, %	Weekly change, %	Monthly change, %	YTD change, %	Change of 52 week, %
EUCRBRDT	Brent	74.57	-0.71%	-7.00%	-1.27%	-3.41%	1.77%
EUCRURMD	Urals	72.94	0.08%	-6.67%	-2.55%	-4.94%	-0.52%
USCRWTIC	WTI	75.39	-0.46%	-6.58%	-2.14%	-5.00%	6.91%
GOLDLNPM	Gold	1,214.25	0.10%	0.54%	0.60%	11.66%	27.35%
SLVRLN	Silver	18.06	0.78%	-1.31%	-1.26%	6.30%	19.84%
PLAT	Platinum	1,524.25	-0.39%	-3.16%	-0.05%	4.01%	20.21%
PALL	Palladium	478.25	1.86%	-2.79%	2.57%	17.28%	73.12%
LMAHDY	Aluminium	2,101.25	-2.53%	-3.69%	5.55%	-4.36%	3.65%
LMCADY	Copper	7,132.25	-1.36%	-2.89%	6.37%	-2.86%	11.74%
LMNIDY	Nickel	21,207.50	-0.70%	-3.76%	9.66%	14.93%	3.28%
LMZSDY	Zinc	2,018.25	-0.43%	-3.90%	10.62%	-20.20%	7.17%
MBSTCIHR	Steel HRC (FOB Black Sea)	567.50	0.00%	1.79%	3.65%	11.82%	3.65%
MBSTUSHR	Steel HRC (USA)	545.00	0.00%	0.00%	-12.80%	7.92%	17.20%
LMSNDY	Tin	21,000.00	2.05%	1.47%	16.91%	24.49%	34.47%
LMPBDY	Lead	2,031.00	-2.07%	-4.89%	12.29%	-15.45%	5.92%

**Futures**

Bloomberg code	Commodity	Value	Daily change, %	Weekly change, %	Monthly change, %	YTD change, %	Change of 52 week, %
CO1	Brent	75.11	-0.54%	-6.30%	-2.16%	-3.62%	2.22%
CL1	WTI	75.39	-0.46%	-6.58%	-2.14%	-5.00%	6.91%
HO1	Heating Oil	199.56	-0.29%	-7.06%	-1.99%	-5.81%	4.88%
PG1	Gasoline	193.96	-0.78%	-8.19%	-6.14%	-5.52%	-3.94%
NG1	Natural Gas	4.33	0.74%	-3.11%	0.51%	-22.33%	29.74%
GC1	Gold	1,214.90	0.01%	0.96%	0.65%	10.83%	27.25%
SI1	Silver	18.11	0.24%	-1.97%	-0.90%	7.65%	20.83%
PL1	Platinum	1,526.20	-0.35%	-2.84%	0.62%	4.53%	19.92%
PA1	Palladium	477.25	1.32%	-2.12%	2.46%	16.73%	71.58%
LY1	Aluminium	2,191.00	-2.01%	-1.88%	10.10%	13.26%	21.91%
LP1	Copper	7,132.75	-1.36%	-2.94%	6.36%	-2.98%	11.72%
LN1	Nickel	21,209.00	-0.70%	-3.79%	9.66%	14.85%	3.28%
LX1	Zinc	2,018.75	-0.46%	-4.04%	10.56%	-20.36%	7.14%
LT1	Tin	21,000.00	2.04%	1.43%	16.89%	24.31%	34.46%
LL1	Lead	2,031.50	-2.10%	-5.01%	12.21%	-15.67%	5.95%
API21MON	Steam Coal	91.00	-0.80%	-3.96%	-2.47%	10.57%	28.48%
CCKPTAIY Index	Coking Coal	1,610.00	0.00%	1.90%	1.90%	-5.29%	-8.00%
MBFOFO01 Index	Iron Ore	153.00	2.68%	2.68%	18.60%	37.22%	37.84%
SB1	Sugar	19.42	2.37%	6.47%	14.44%	-27.94%	-12.56%
CC1	Cocoa	2,854.00	-0.76%	-5.06%	-8.93%	-13.23%	-1.55%
KC1	Coffee	175.50	-0.03%	4.84%	7.93%	29.09%	32.20%
C 1	Corn	411.75	1.35%	1.67%	9.73%	-0.66%	26.89%
W 1	Wheat	702.50	-1.47%	-3.20%	28.13%	29.73%	45.90%
S 1	Soybean	1,052.00	-0.47%	-0.66%	1.54%	1.18%	-11.39%
CT1	Cotton	87.49	0.85%	3.66%	13.26%	15.73%	40.64%

**MONEY MARKET**
**FOREX**

Bloomberg code	Currency	Value	Daily change, %	Weekly change, %	Monthly change, %	YTD change, %	Change of 52 week, %
RUB Curncy	Dollar USD (rubles per \$1)	30.56	-0.01%	2.40%	0.08%	1.75%	-3.77%
EURRUB Curncy	Euro (rubles per 1 euro)	39.13	-0.31%	-1.16%	0.48%	-9.13%	-13.68%
RUBBASK Curncy	Basket \$0.55/0.45€ (rubles)	34.42	-0.16%	0.56%	0.29%	-4.28%	-9.07%
EUR Curncy	Euro (\$ per 1 euro)	1.279	-0.44%	-3.57%	0.29%	-10.74%	-10.40%
GBP Curncy	British Pound Sterling (\$ per 1 pound)	1.560	0.14%	-2.28%	2.23%	-3.40%	-5.86%
JPY Curncy	Japanese Yen (yen per \$1)	86.20	0.30%	1.11%	-2.52%	-7.45%	-9.62%
CHF Curncy	Swiss Franc (francs per \$1)	1.051	0.03%	1.32%	-0.35%	1.55%	-1.88%
CNY Curncy	Chinese Yuan (yuan per \$1)	6.796	0.16%	0.34%	0.32%	-0.46%	-0.55%
BRL Curncy	Brazilian Real (reals per \$1)	1.771	0.07%	0.60%	0.53%	1.66%	-3.25%
MXN Curncy	Mexican Peso (pesos per \$1)	12.72	0.04%	0.10%	0.11%	-2.77%	-1.21%
TRY Curncy	Turkish Lira (liras per \$1)	1.517	-0.03%	1.49%	-1.47%	1.57%	2.51%
INR Curncy	Indian Rupee (rupee per \$1)	46.77	-0.01%	1.33%	0.14%	0.51%	-2.80%
KRW Curncy	S.Korean Won (won per \$1)	1,189.3	0.21%	2.66%	-0.63%	2.69%	-3.51%

**Interest rates**




Bloomberg code	Indicator	Rate, %	Daily change, p.p.	Weekly change, p.p.	Monthly change, p.p.	YTD change, p.p.	Change of 52 week, p.p.
US000/N Index	LIBOR Overnight	0.229	-0.002	-0.008	-0.042	0.061	-0.003
US0001M Index	LIBOR 1Month	0.272	-0.004	-0.022	-0.069	0.041	-0.001
US0003M Index	LIBOR 3Months	0.369	-0.007	-0.042	-0.156	0.119	-0.071
EUR001M Index	EURIBOR 1Month	0.647	0.000	-0.002	0.079	0.194	0.130
EUR003M Index	EURIBOR 3Months	0.898	-0.001	-0.007	0.058	0.198	0.025
MOSKON Index	MosPrime Overnight	2.770	-0.010	0.010	0.030	-1.680	-3.620
MOSK1W Index	MosPrime 1Week	2.980	-0.010	-0.010	0.070	-1.620	-4.230
MOSK2W Index	MosPrime 2Weeks	3.080	-0.010	0.010	-0.040	-1.870	-4.880
MOSKP1 Index	MosPrime 1Month	3.290	-0.010	0.010	-0.070	-3.030	-6.250
MOSKP3 Index	MosPrime 3Months	3.760	0.000	-0.010	-0.100	-3.290	-7.760

**NDF RUR**

Bloomberg code	Maturity	Rate, %	Daily change, p.p.	Weekly change, p.p.	Monthly change, p.p.	YTD change, p.p.	Change of 52 week, p.p.
RRN1M Curncy	1 Month	1.60	-0.56	1.19	-1.07	-4.14	-6.33
RRN3M Curncy	3 Months	3.10	0.22	0.72	0.05	-4.42	-6.54
RRN6M Curncy	6 Months	3.49	-0.11	0.47	0.20	-2.56	-7.24
RRN12M Curncy	1 Year	4.23	-0.03	0.07	0.06	-2.23	-7.18

Source: Bloomberg, TKB Capital estimates

**MACROECONOMICS: STATISTICS & EVENTS CALENDAR**

Date	Time	Indicator	Period	Survey	Actual	Prior	Revised
<b>16.08.2010</b> MONDAY		UK 3:01 Rightmove House Prices (MoM)	AUG	--	-1.70%	-0.60%	--
		UK 3:01 Rightmove House Prices (YoY)	AUG	--	4.30%	3.70%	--
		EC 13:00 Euro-Zone CPI (MoM)	JUL	-0.40%	--	0.00%	--
		EC 13:00 Euro-Zone CPI (YoY)	JUL	1.70%	--	1.40%	--
		EC 13:00 Euro-Zone CPI - Core (YoY)	JUL	1.00%	--	0.90%	--
		US 16:30 Empire Manufacturing	AUG	8.30	--	5.08	--
		US 17:00 Net Long-term TIC Flows	JUN	\$45.7B	--	\$35.4B	--
		US 17:00 Total Net TIC Flows	JUN	\$40.0B	--	\$17.5B	--
		US 18:00 NAHB Housing Market Index	AUG	15	--	14	--
<b>17.08.2010</b> TUESDAY		EC 12:00 ECB Euro-Zone Current Account SA	JUN	--	--	-5.8B	--
		EC 12:00 Euro-Zone Current Account nsa	JUN	--	--	-16.7B	--
		UK 12:30 CPI (MoM)	JUL	-0.2%	--	0.1%	--
		UK 12:30 CPI (YoY)	JUL	3.1%	--	3.2%	--
		UK 12:30 Core CPI YOY	JUL	3.0%	--	3.1%	--
		UK 12:30 Retail Price Index	JUL	223.6	--	224.1	--
		UK 12:30 RPI (MoM)	JUL	-0.2%	--	0.2%	--
		UK 12:30 RPI (YoY)	JUL	4.9%	--	5.0%	--
		UK 12:30 RPI Ex Mort Int.Payments (YoY)	JUL	4.8%	--	5.0%	--
		EC 13:00 ZEW Survey (Econ. Sentiment)	AUG	9.3	--	10.7	--
		US 16:30 Producer Price Index (MoM)	JUL	0.20%	--	-0.50%	--
		US 16:30 PPI Ex Food & Energy (MoM)	JUL	0.20%	--	0.10%	--
		US 16:30 Producer Price Index (YoY)	JUL	4.20%	--	2.80%	--
		US 16:30 PPI Ex Food & Energy (YoY)	JUL	1.30%	--	1.10%	--
		US 16:30 Housing Starts	JUL	560K	--	549K	--
		US 16:30 Housing Starts MOM%	JUL	2.00%	--	-5.00%	--
		US 16:30 Building Permits	JUL	579K	--	586K	583K
		US 16:30 Building Permits MOM%	JUL	-0.70%	--	2.10%	--
		US 17:15 Industrial Production	JUL	0.50%	--	0.10%	--
		US 17:15 Capacity Utilization	JUL	74.50%	--	74.10%	--
<b>18.08.2010</b> WEDNESDAY		US 1:00 ABC Consumer Confidence	AUG 15	--	--	-47	--
		EC 13:00 Construction Output SA MoM	JUN	--	--	-1.00%	--
		EC 13:00 Construction Output WDA YoY	JUN	--	--	-6.30%	--
		US 15:00 MBA Mortgage Applications	AUG 13	--	--	0.60%	--
<b>19.08.2010</b> THURSDAY		UK 12:30 Retail Sales Ex Auto Fuel(MoM)	JUL	0.20%	--	1.00%	--
		UK 12:30 Retail Sales Ex Auto Fuel(YoY)	JUL	1.80%	--	3.10%	--
		UK 12:30 Public Finances (PSNCR)	JUL	0.9B	--	20.9B	--
		UK 12:30 Public Sector Net Borrowing	JUL	4.8B	--	14.5B	--
		UK 12:30 M4 Money Supply (MoM)	JUL	0.30%	--	0.00%	--
		UK 12:30 M4 Money Supply (YoY)	JUL	2.00%	--	3.00%	--
		UK 12:30 Major Banks Mortgage Approvals	JUL	--	--	48K	--
		UK 14:00 CBI Trends Total Orders	AUG	-14.0	--	-16.0	--
		US 16:30 Initial Jobless Claims	AUG 14	478K	--	484K	--
		US 16:30 Continuing Claims	AUG 7	4465K	--	4452K	--
		US 18:00 Philadelphia Fed.	AUG	7.0	--	5.1	--
		US 18:00 Leading Indicators	JUL	0.10%	--	-0.20%	--

**CORPORATE EVENTS CALENDAR**

Date	Company	Ticker	Sector	Event
mid-August	Novatek	NVTK	Oil and gas	6M10 results under IFRS
2nd week of August			Machinery	July car and LCV sales in Russia according to AEB
August, 13	OGK-2	OGKB	Utilities	1H10 results under RAS
August, 14	FGC	FEES	Utilities	1H10 results under RAS
first half of August	Bashneft	BANE	Oil and gas	6M results under RAS
first half of August	Ufaneftekhim	UFNC	Oil and gas	6M10 results under RAS
first half of August	Ufa refinery	UNPZ	Oil and gas	6M10 results under RAS
first half of August	Novo-Ufa refinery (Novoil)	NUNZ	Oil and gas	6M results under RAS
first half of August	Ufaorgsintez	UFOS	Oil and gas	6M10 results under RAS
first half of August	Bashkitnefteprodukt	BANP	Oil and gas	6M results under RAS
first half of August	Sibneftegeophysika	SNGF	Oil and gas	6M results under RAS
first half of August	Bashneftegeophysika	BNGF	Oil and gas	6M results under RAS
first half of August	Saratovneftegeophysika	SRGF	Oil and gas	6M results under RAS
first half of August	Bugulminsky Electric Pump Plant	BUNZ	Oil and gas	6M results under RAS
first half of August	Gazprom нефт-NNGGF	SNNG	Oil and gas	6M results under RAS
first half of August	Volgogradneftegeophysika	VNGF	Oil and gas	6M results under RAS
first half of August	Volgaburmash	VBUM	Oil and gas	6M results under RAS
August, 16	OGK-4	OGKD	Utilities	1H10 results under RAS
August, 13-17	AVTOVAZ	AVAZ	Machinery	6M10 results under RAS
August, 13-17	KAMAZ	KMAZ	Machinery	6M10 results under RAS
August, 13-17	Power Machines	SILM	Machinery	6M10 results under RAS
August, 13-17	Ulan-Ude Avia Plant	UUAZ	Machinery	6M10 results under RAS
August, 13-17	Kazan Helicopters	KHEL	Machinery	6M10 results under RAS
August, 13-17	Rostvertol	RTVL	Machinery	6M10 results under RAS
August, 13-17	Mashinostroitelny Zavod	MASZ	Machinery	6M10 results under RAS
August, 13-17	NCCP	NZHK	Machinery	6M10 results under RAS
August, 18	Bank Vozrozhdenie	VZRZ	Banks	6M10 results under RAS
August, 19	AFI Development	AFID LI	Real Estate	6M10 results under IFRS
last week of August	Alliance Oil	AOIL SS	Oil and gas	6M10 results under IFRS
August, 26	X5 Retail Group	FIVE	Consumer & Retail	2Q10 and 1H10 results under IFRS (audited)

Source: TKB Capital estimates



## Research Department

---

Equity Research + 7 (495) 981 3430

**Maria Kalvaraskaia**  
Head of Equity Research  
Banking  
m.kalvaraskaia@tkbc.ru

**Alexander Kovalev, PhD**  
Commodity markets  
aa.kovalev@tkbc.ru

**Natasha Kolupaeva**  
Consumer & Retail  
n.kolupaeva@tkbc.ru

**Evgenia Dyshlyuk**  
Oil & Gas  
e.dyshlyuk@tkbc.ru

**Artem Lavrishev**  
Machinery, Database  
Management, Dividends  
a.lavrishev@tkbc.ru

**Alexey Serov**  
Utilities Sector  
a.serov@tkbc.ru

**Anatoly Vysotsky**  
Real Estate, Infrastructure  
a.vysotsky@tkbc.ru

**Evgeny Ryabkov**  
Metals & Mining  
e.ryabkov@tkbc.ru

**Natasha Yanakaeva**  
Small Caps  
n.yanakaeva@tkbc.ru

**Tatiana Zadorozhnaya**  
Transport  
t.zadorozhnaya@tkbc.ru

**Julia Kryuchkova**  
Translator/Editor  
y.kryuchkova@tkbc.ru

## Structured Product, Equity & Derivative Department

---

Moscow + 7 (495) 981 3430

**Dmitry Romanov**  
d.romanov@tkbc.ru

**Vladimir Kurov**  
v.kurov@tkbc.ru

**Vadim Guglenko**  
v.guglenko@tkbc.ru

**Denis Piskunov**  
d.piskunov@tkbc.ru

**Pavel Shlyk**  
p.shlyk@tkbc.ru

**Artem Ananyan**  
a.ananyan@tkbc.ru

**Danil Olimov**  
d.olimov@tkbc.ru

7, bld 3, Znamenka Street,  
Moscow 119019  
Tel. +7 (495) 981 3430  
Fax +7 (495) 783 3170

[www.tkbc.ru](http://www.tkbc.ru)

This document is provided to you for informational purposes only and does not constitute an offer to buy, sell or subscribe to investment products described herein. The sources used for this report are believed to be reliable, but TKB Capital makes no representation as to their accuracy or completeness. The views, advice and recommendations contained within represent the analyst's view as of the publication date. Such views may change without notice and may contradict previously expressed views and recommendations. TKB Capital is under no obligation to bring such previously held views to the attention of the reader.

This report is intended for market professionals and institutional investors capable of assessing the risks associated with the securities mentioned herein. TKB Capital shall not be held liable for any losses or other damages which may occur as a result of using this information or investment decisions made on the basis of opinions and recommendations contained in this report. Some Russian equities experience volatility which increases their investment risk, as their value may fall causing losses if the investment is realized. Many Russian equities are illiquid, and some investments are not readily or quickly realizable in good markets, and in times of market duress they may be impossible to realize. Many Russian equities do not trade on a daily basis and thus do not have a daily price quote, giving rise to questions concerning their true value. TKB Capital can give no representation as to the absolute volatility or liquidity of any Russian equity, nor can it give any representation as to the true value of an illiquid security. The value of all ruble-denominated Russian equities is also dependent on currency fluctuations in addition to equity market conditions. Investors should conduct their own investigation and research into a given investment and make their own assessment as to the risks involved with a particular investment in Russian equities.

TKB Capital may trade for its own account based on any short-term or long-term recommendations or trade ideas. It may also trade in recommended securities in a manner that is contrary to any trade idea or recommendation.

This report may not be reproduced, distributed or published without the written agreement of TKB Capital.