

**COMMENT**

The US indices closed up yesterday supported by upgraded forecasts of corporate earnings. However, macroeconomic newsflow has not encouraged buyers. This morning the US futures are trading slightly down, while bullish sentiments are prevailing on Asian markets. Oil price weakened yesterday due to the increase in US inventories.

We expect the local market to open on a positive note amid moderate pessimism of foreign markets. At the same time, we do not rule out negative trends to resume and still advice selective buyings. Unchanged mix of MSCI Russia Index prompted some stocks to correction. Higher trading activity remains in telecoms ahead of closing of shares buy-back period and coming 9-month dividend cut-off date. Corporate reports would also weigh on demand on selective names.

Indicator	Value	Change	
		1 day	1 week
<b>19.08.2010</b>			
Nikkei 225	▲ 9,344	1.1%	1.4%
Hang Seng	▲ 21,279	1.2%	0.8%
Shanghai Composite	▲ 2,677	0.4%	4.0%
<b>18.08.2010</b>			
DJIA	▲ 10,416	0.1%	0.4%
S&P 500	▲ 1,094	0.1%	0.4%
NASDAQ	▲ 2,216	0.3%	0.3%
Bovespa	▲ 67,638	0.1%	2.8%
FTSE 100	▼ 5,303	-0.9%	1.1%
DAX	▼ 6,186	-0.3%	0.5%
CAC 40	▼ 3,648	-0.4%	0.5%
RTS	▼ 1,458	-0.4%	-0.2%
MICEX	▼ 1,387	-0.3%	0.7%
MSCI BRIC	▲ 323	0.0%	1.5%
MSCI Russia	▼ 780	-0.5%	0.7%
Brent	▼ 76.5	-0.6%	-1.5%
WTI	▼ 75.4	-0.5%	-3.3%
Gold	▲ 1,229.7	0.3%	2.7%
Silver	▼ 18.4	-1.1%	2.8%
Nickel	▼ 21,853	-0.2%	1.0%
Corn	▲ 418.5	0.8%	-5.6%
Wheat	▼ 656.0	-1.0%	-0.9%
Soybean	▼ 1,035.3	-0.4%	3.8%
LIBOR 3 month	▼ 0.35	-0.01	-0.04
EURIBOR 3 month	▼ 0.89	0.00	-0.01
MosPrime 1 week	▲ 2.99	0.01	0.01
MosPrime 1 month	3.29	0.00	0.01
USD/RUR	▲ 30.41	0.1%	0.0%
EUR/USD	▲ 1.288	0.0%	-0.1%
GBP/USD	▲ 1.562	0.3%	-0.2%
USD/JPY	▼ 85.35	-0.2%	0.1%
1 month	▼ 2.48	-0.12	-0.22
3 months	▼ 2.99	-0.07	-0.03
6 months	▼ 3.31	-0.13	-0.30
UST 10	2.63	0.00	-0.05
Russia 30	▼ 4.40	-0.02	-0.16

**MAIN HEADLINES**

- **Gazprom neft (SIBN) 2Q10 US GAAP financials: under pressure of costs**
- **Vozrozhdenie Bank (VZRZ) 2Q10 IFRS results: in line with expectations, forecasts sound more optimistic**

**NEWS**

- **The Russian Railway freight transportation still outperforms the market in 7M10**
- **Core shareholder of LSR Group (LSRG LI) raised his stake**

**CALENDAR**

Time	Event	Month	Expectations
<b>UK statistics:</b>			
12:30	Retail Sales Ex Auto Fuel (MoM)	July	0.2% (1.0% in June)
12:30	Retail Sales Ex Auto Fuel (YoY)	July	1.8% (3.1% in June)
12:30	Public Finances (PSNCR)	July	0.9B (20.9B in June)
12:30	Public Sector Net Borrowing	July	4.8B (14.5B in June)
12:30	M4 Money Supply (MoM)	July	0.3% (0.0% in June)
12:30	M4 Money Supply (YoY)	July	2.0% (3.0% in June)
12:30	Major Banks Mortgage Approvals	July	- (48K in June)
14:00	CBI Trends Total Orders	Aug	-14 (-16 in July)
<b>US statistics:</b>			
16:30	Initial Jobless Claims	Aug 14	478K (484K for previous)
16:30	Continuing Claims	Aug 7	4500K (4452K for previous)
18:00	Philadelphia Fed.	Aug	7.2 (5.1 in July)
18:00	Leading Indicators	July	0.1% (-0.2% in June)

Source: Bloomberg, TKB Capital estimates

THURSDAY AUGUST 19, 2010

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## OIL &amp; GAS

**Gazprom нефт (SIBN) 2Q10 US GAAP financials: under pressure of costs. NEGATIVE**

**Weaker than expected EBITDA.** Yesterday, Gazprom нефт released 2Q10 US GAAP results. The revenue at \$8,026 mn was 9% above our estimate (6% above the market consensus) due to higher than expected CIS sales. EBITDA at \$1,344 mn was 5% below our estimate (4% below the market consensus). EBITDA margin was down at 17% vs. 19% in 1Q10. Among the cost items, in particular, third-party hydrocarbon purchases (up by 14% q-o-q), transportation costs (up by 9% q-o-q) and SG&A (up by 18% q-o-q) surpassed our estimates. SG&A growth was somewhat driven by one-off increase in employee salaries and compensation to the board of directors for 2009 performance and is unlikely to repeat in the subsequent quarters. Lower other income and income tax offset weakness in EBITDA and the bottom-line of \$747 mn was in line with our forecast (4% above the market consensus).

**Capex in line with forecast.** Upstream capex at roughly \$600 mn (\$9.4/boe) was in line with our forecast. The significant q-o-q increase in upstream capex (34%) is attributable to the lower base of the previous quarter when operations slowed down due to cold weather. Net debt remained unchanged y-o-y at \$5.4 bn. In 2Q10, Gazprom нефт acquired the remaining 50% stake in Bennfield Ltd holding 25.66% stake in Sibir Energy for \$741 mn, of which \$525 mn was paid in cash and \$216 mn – related to the forgiveness of a loan between the company and the former holder of the shares acquired. For comparison, last year Gazprom нефт paid \$741 mn for the same stake, of which roughly \$100 mn in cash.

**SG&A and capex in focus.** In our view, Gazprom нефт's q-o-q costs dynamic raises some concerns. In our report *Gazprom нефт vs. TNK-BP Holding: Upstream Is Not King* from 26 July, 2010, we concluded that Gazprom нефт posts above-average SG&A per unit expense and brownfield capex, which makes the company's upstream cashflows more vulnerable to increases in transportation tariffs and taxes. Thus, we advise investors to pay special attention to Gazprom нефт's SG&A and capex growth in the subsequent quarters.

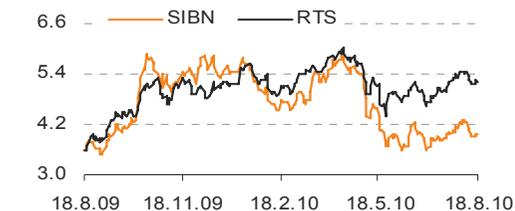
**Gazprom нефт: 2Q10 US GAAP results, \$ mn**

	2Q09	2Q10	y-o-y, %	1Q10	q-o-q, %	2Q10E (TKB Capital)	diff, %	2Q10E (cons.)	diff, %
<b>Liquids production, Kbpd</b>									
by consolidated subs	612	617	0.8%	611	0.9%				
NoyabrskNG	301	271	-10.1%	272	-0.3%				
Sibneft-Yugra	161	187	16.1%	180	3.5%				
incl. JV and affiliates	903	966	7.0%	944	2.4%				
<b>Liquids production - JVs (aggregate), Kbpd</b>									
Slavneft	378	370	-2.1%	367	0.9%				
Tomskneft	215	206	-4.3%	205	0.5%				
Salym Petroleum Development	160	155	-3.3%	165	-6.0%				
Refining throughput (incl. JV and affiliates), Kbpd	605	685	13.2%	709	-3.5%				
Natural gas production, Kboepd									
by consolidated subs	77	81	5.6%	82	-1.2%				
incl. JV and affiliates	96	99	3.3%	101	-1.7%				
Urals price, \$/bbl	58.6	76.7	30.9%	75.2	2.0%				
Crude oil export duty, \$/bbl	18.2	38.4	111.0%	36.0	6.8%				
Crude oil MET, \$/bbl	8.1	13.5	66.5%	13.0	3.5%				
<b>Revenue</b>	<b>5,180</b>	<b>8,026</b>	<b>54.9%</b>	<b>7,296</b>	<b>10.0%</b>	<b>7,380</b>	9%	<b>7,590</b>	6%
<b>EBITDA</b>	<b>1,249</b>	<b>1,344</b>	<b>7.6%</b>	<b>1,356</b>	<b>-0.9%</b>	<b>1,417</b>	-5%	<b>1,403</b>	-4%
EBITDA margin, %	24%	17%		19%		19%		18%	
<b>Net income</b>	<b>1,199</b>	<b>747</b>	<b>-37.7%</b>	<b>727</b>	<b>2.8%</b>	<b>742</b>	1%	<b>716</b>	4%

Source: Bloomberg, company data, TKB Capital estimates

Gazprom Neft		SIBN	
Price, \$			<b>3.94</b>
Recommendation			<b>HOLD</b>
Target, \$			<b>4.5</b>
Upside			<b>14%</b>
MC, \$ mn	18,602	EV, \$ mn	24,019
	2009	2010E	2011E
P/E	6.2	6.3	6.1
EV/EBITDA	4.8	4.3	4.1

Source: MICEX, TKB Capital estimates



Source: MICEX, RTS, TKB Capital estimates

THURSDAY AUGUST 19, 2010

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## BANKING SECTOR

**Vozrozhdenie Bank (VZRZ) 2Q10 IFRS results: in line with expectations, forecasts sound more optimistic. POSITIVE**

**Vozrozhdenie Bank published 2Q10 and 1H10 IFRS results** that beat market expectations on bottom-line supported by lower effective tax-rate. Loan portfolio growth outperformed the market, while NIM contracted by 26 bps reflecting loans reprising. Improvement of the credit quality, further growth of loans and interest rates stabilization will help to improve results in 2H10. Management comments sounded more positive than before, net income forecast at RUR500 mn for 2010 was reiterated.

**Loan portfolio grew by 7.4% in 2Q10 outperforming the market.** The bank increased its loan portfolio on the back of growing demand in SME segment expanding its share in the key region. The bank's management targets growth of gross loan portfolio at 15% for 2010 and expects to see stronger numbers in October-November after slower rates in summer. The key segment is SME, where the bank sees improvement of credit quality and attractive pricing.

**NIM compression in 2Q10 will change with stronger rates in 2H10.** In 2Q10 NIM compressed by 26 bps on the back of loans reprising and declined to 3.7%. In 2010, according to the management expectations, NIM will be close to 4% on average supported in 2H10 by liabilities reprising and loan portfolio growth.

**Lower effective tax rate improved bottom-line.** In 2Q10 effective tax rate declined to 29% from 48% in 1Q10 due to recognition of deferred tax assets related to the interest income on NPLs. In 2010 effective tax rate is expected at 30-40% (we use 35% in our model) vs. 37% in 2009.

**Stabilization of loan portfolio quality as a positive sign.** In 2Q10 the bank declared lower share of overdue loans to the gross loans first time since 2008. Thus, the share of overdue loans declined from 11.1% to 10.6% due to lower volume of loans overdue by 1-30 days. Reserves amounted to 10.4% with coverage ratio of 99% due to smaller amount of overdue loans. The bank follows its conservative policy in provisioning, but management considers that the worst time has passed in 2Q10.

**High operating costs and low margins limit performance.** Cost-to-income ratio amounted to 68.1% in 2Q10 vs. 65.3% in 1Q10 on the back of high expenses on retail network and relatively weak core incomes. 2H10 is expected to be better that will improve efficiency of the bank, but with targeted NIM at 4% in 2010 performance of the bank will be weak over the year.

**Positive signs to support the stock.** Now Vozrozhdenie Bank trades with a 15-30% discount to VTB and Sberbank on P/BV 2010E and in line with St. Petersburg Bank. Comments from the management sounded more positive comparing to the previous telephone call. Loan portfolio growth and better efficiency will support the stock. We keep our BUY recommendation, but stay cautious in terms of operating costs growth and low margins.

Vozrozhdenie Bank	VZRZ	VZRZP
Price, \$	34.25	11.43
Recommendation	BUY	BUY
Target, \$	45.90	17.20
Upside	34%	51%
MC, \$ mn	828	
	2009	2010E
P/E	26.2	24.1
P/BV	1.5	1.4
		2011E
		7.7
		1.2

Source: MICEX, TKB Capital estimates



Source: MICEX, RTS, TKB Capital estimates

**BANKING SECTOR**
**Vozrozhdenie Bank: 2Q IFRS results**

IFRS, RUR mn	2Q10E	1Q10	Change q-o-q	2Q09	Change y-o-y	1H10E	1H09	Change y-o-y	Consensus 1H10E	TKB Capital	Actual vs Consensus	Actual vs. TKB Capital
Assets	146 967	148 217	-1%	137 014	7%	146 967	137 014	7%	149 148	148 217	-1.5%	-0.8%
Net loans	91 780	85 387	7%	90 177	2%	91 780	90 177	2%		87 867		4.5%
Equity capital	16 466	16 385	0%	15 705	5%	16 466	15 705	5%		16 542		-0.5%
Net interest income	1 379	1 458	-5%	2 052	-33%	2 837	4 387	-35%	2 889	2 860	-1.8%	-0.8%
Loan loss provisions	(667)	(625)	7%	(1 249)	-47%	(1 292)	(2 895)	-55%	(1 251)	(1 200)	3.3%	7.7%
Net commission income	975	827	18%	925	5%	1 802	1 803	0%		1 776		1.4%
Operating income	1 800	1 719	5%	1 976	-9%	3 519	3 947	-11%	3 512	3 680	0.2%	-4.4%
Operating expenses	(1 679)	(1 531)	10%	(1 522)	10%	(3 210)	(2 912)	10%		(3 215)		-0.2%
Net income (loss)	121	97	25%	256	-53%	218	642	-66%	205	215	6.3%	1.6%

Source: Company data, TKB Capital estimates

**TRANSPORT**
**The Russian Railway freight transportation still outperforms the market in 7M10. NEUTRAL**

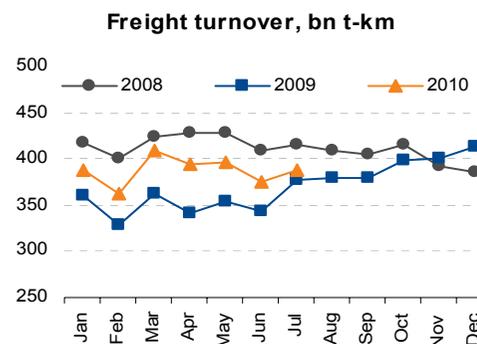
The growth rate of Russian freight turnover slow down in July. The Russian freight transportation continues recovering in 7M10 and grew by 10.1% y-o-y to 2714 bn t-km. In spite of positive trend, as we expected the total turnover volume of freight transportation demonstrated slowdown, so over 1H10 this figure amounted to 11.4% y-o-y. At the same time, due to the high base in July, 2009 (recovery of Russian carriage started this month), the volume of transportation in July, 2010 increased only by 2.6% y-o-y. Predictably, for 7M10 railways transportation (discounting air transportation, which share in total freight turnover is minor) showed the fastest growth of 12.3% y-o-y. However, due to the seasonal factor, the highest monthly dynamic was at sea and road transport (12% and 10%, respectively). We believe that the volume of transportation also has shown positive performance due to the recovery in consumer demand. But subsequently we expect to see the slowdown of freight traffic as a result of high base and slower growth rate of Russian industrial production due to drought.

**Russian freight turnover by type of transportation, bn t-km**

	7M10	7M09	y-o-y	July'10	July'09	y-o-y	June'10	m-o-m
Cargo turnover, total	2714	2465.2	10.1%	387.8	377.8	2.6%	374.9	3.4%
Railway	1139	1014.1	12.3%	169	161.5	5%	162.9	3.7%
Road	106	97.2	8.8%	17.2	15.6	10%	16.2	6.2%
Marine	59	54.6	8.8%	9.5	8.5	12%	9.2	3.3%
Riverine	28	25.8	7.8%	9.4	9.2	2%	8.8	6.8%
Air	2.6	1.9	36.8%	0.4	0.3	33%	0.4	0.0%
Pipeline	1380	1271.6	8.5%	182.4	182.7	-0.2%	177.4	2.8%

Source: Rosstat

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Source: Federal State Statistical Service

**THURSDAY AUGUST 19, 2010**
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**REAL ESTATE & DEVELOPMENT**
**Core shareholder of LSR Group (LSRG LI) raised his stake. NEUTRAL**

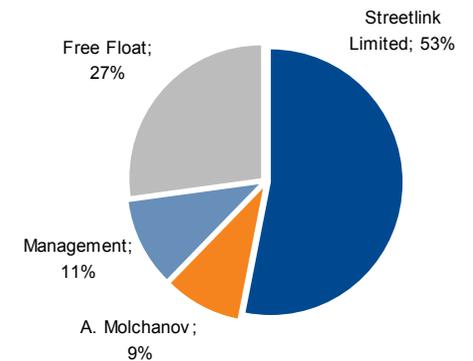
**The shares were registered.** Yesterday Federal financial market service (FFMS) of Russia registered the results of LSR Group's additional share issue in amount of 9,366,383 shares. Total number of the company's shares grew by 10% to 103,030,215 shares. LSR Group offered the swap ratio of 1 share for 5 GDRs.

**The stake of major shareholder reached 62%.** Let us remind that in the course of SPO this May, LSR Group raised \$398 mn (\$385 mn excluding expenses for SPO). The placement price was set at \$8.5 per GDR. The seller and the sole participant of this placement was Streetlink Ltd., which is 100% owned by the core shareholder of LSR Group – Andrey Molchanov. Thereby, he reinvested the proceeds from SPO into LSR Group. Following SPO, Andrey Molchanov's stake in LSR Group grew by 3.79% to 62.2%, his direct share declined by 0.91%, while the share of Streetlink Ltd. rose 4.7%.

**Expected news.** Given SPO details, which were announced earlier in June, we do not expect considerable changes in the shareholder structure of LSR Group. In our view, news is neutral and will not have any impact on the share performance. We keep our BUY recommendation for LSR Group with the target price \$11.4 per GDR and \$57 per share.

LSR Group, Common		LSRG	
Price, \$			<b>27.6</b>
Recommendation			<b>BUY</b>
Target, \$			<b>57.0</b>
Upside			<b>107%</b>
MC, \$ mn	2,584	EV, \$ mn	3,795
	2009	2010E	2011E
P/E	17.9	12.6	9.8
EV/EBITDA	8.2	8.0	7.0

Source: MICEX, TKB Capital estimates



**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	5.33	UR	UR	UR	125,328	169,240	4.8	4.5	4.2	4.8	3.8	3.5	1.5	0.7	1.0
ROSN	** Rosneft	6.63	8.5	BUY	28%	63,624	78,726	9.8	6.5	9.6	5.8	4.5	5.7	1.3	1.3	0.9
LKOH	** LUKOIL	54.2	74.0	BUY	37%	45,875	53,634	6.5	5.4	5.9	3.8	3.7	4.0	0.6	0.8	0.5
SNGS	* Surgutneftegas	0.93	UR	UR	UR	36,561	23,749	10.2	7.3	7.8	5.8	3.2	3.3	1.1	1.0	neg
SNGSP	* Surgutneftegas, Pref	0.43	UR	UR	UR											
SIBN	** Gazprom Neft	3.94	4.50	HOLD	14%	18,602	24,019	6.2	6.3	6.1	4.8	4.3	4.1	0.8	1.1	1.0
tnbp	** TNK-BP Holding	2.08	2.80	BUY	35%	32,004	33,746	6.2	5.2	5.5	4.2	3.5	3.6	0.8	1.6	0.2
tnbpp	** TNK-BP Holding, Pref	1.80	2.50	BUY	39%											
TATN	* Tatneft	4.80	UR	UR	UR	10,477	12,071	6.1	6.1	4.9	4.7	4.5	3.5	0.9	1.0	0.6
TATNP	* Tatneft, Pref	2.30	UR	UR												
BANE	* Bashneft	36.35	UR	UR	UR	7,174	9,054	22.4	6.1	4.7	13.3	3.7	3.2	0.8	n/a	0.8
BANEP	* Bashneft, Pref	28.55	UR	UR	UR											
NVTK	* NOVATEK	7.18	UR	UR	UR	21,761	22,622	26.6	16.7	13.6	18.1	11.9	9.6	5.7	4.5	0.5

**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	171.7	UR	UR	UR	32,728	34,460	12.6	8.0	7.5	7.8	5.3	4.9	2.5	2.2	0.3
CHMF	Severstal	12.20	15.50	BUY	27%	12,293	16,664	neg	13.2	8.6	20.5	5.4	4.6	1.0	1.6	1.4
NLMK	NLMK	3.12	3.21	HOLD	3%	18,676	19,879	86.8	13.2	11.3	13.8	6.5	5.6	2.3	2.3	0.4
MAGN	MMK	0.87	1.06	BUY	22%	9,722	11,949	44.4	13.1	8.6	12.0	6.3	5.1	1.7	1.0	1.2
MTL	Mechel, ADR	23.32	29.50	BUY	27%	9,707	15,290	127.2	10.2	7.6	15.3	7.4	5.2	1.7	2.4	2.7
EVR	* Evraz Group, GDR	26.51	UR	UR	UR	10,519	18,323	neg	11.4	7.6	14.8	6.7	5.6	1.5	1.1	2.9
PLZL	* Polyus Gold	45.68	UR	UR	UR	8,707	8,734	27.1	16.7	13.7	16.4	9.8	8.7	5.1	2.8	0.0
PMTL	* Polymetal	12.48	UR	UR	UR	3,931	4,350	41.0	19.7	12.1	18.4	11.6	8.3	5.2	4.3	1.1
TRMK	* TMK	4.13	UR	UR	UR	3,609	7,117	neg	10.7	6.8	22.2	6.6	5.9	1.3	2.4	3.3
RASP	Raspadskaya	5.19	8.50	BUY	64%	4,050	4,354	34.6	14.6	9.3	16.8	9.3	6.2	5.7	3.2	0.7
BLNG	Belon	0.86	1.29	BUY	49%	993	1,309	63.7	11.1	10.3	11.7	6.7	6.5	1.7	2.1	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	3.74	4.64	HOLD	24%	203	189	10.1	5.7	4.3	2.9	2.6	2.2	0.4	0.7	neg

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**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	0.0111	0.0155	BUY	40%	13,692	10,986	21.9	17.5	9.0	9.8	5.8	3.4	2.6	0.5	neg
HYDR	RusHydro	0.054	0.072	BUY	33%	14,569	15,595	14.8	9.7	8.0	9.6	7.0	5.3	1.2	0.9	0.5
IRAO	* INTER RAO UES	0.0013	UR	UR	UR	3,047	3,788	neg	19.4	16.8	neg.	7.9	6.2	1.3	1.6	1.5
OGKA	* OGK-1	0.035	UR	UR	UR	1,572	1,617	15.9	14.5	7.5	10.8	6.4	4.0	0.9	1.3	0.2
OGKB	* OGK-2	0.053	UR	UR	UR	1,725	1,992	49.9	31.3	12.9	19.5	12.3	6.6	1.3	1.4	1.6
OGKC	* OGK-3	0.053	UR	UR	UR	2,537	834	18.7	28.5	20.2	6.5	7.8	5.0	0.7	0.7	neg
OGKD	OGK-4	0.079	0.118	BUY	50%	4,950	4,385	24.1	19.7	12.7	18.9	11.7	6.8	2.5	1.8	neg
OGKE	* EneI OGK-5	0.086	UR	UR	UR	3,043	3,624	30.1	26.9	10.3	14.8	11.5	6.4	2.2	1.5	1.8
OGKF	* OGK-6	0.038	UR	UR	UR	1,220	1,346	15.8	236.0	49.2	8.0	11.3	7.0	0.9	0.7	1.1
TGKA	* TGC-1	0.00072	UR	UR	UR	2,785	3,266	10.5	16.9	8.0	13.3	8.2	4.9	2.0	1.2	1.2
TGKB	* TGC-2	0.00026	UR	UR	UR	378	644	neg	16.9	8.0	9.7	4.2	2.9	0.6	0.6	1.7
TGKBP	* TGC-2, Pref	0.00027	UR	UR	UR											
MSNG	* Mosenergo	0.105	UR	UR	UR	4,156	4,705	79.3	27.1	13.7	10.5	7.2	5.4	1.0	0.7	0.8
TGKD	* TGC-4	0.00048	UR	UR	UR	943	907	neg	10.0	9.8	neg.	4.5	3.3	0.7	1.0	neg
TGKDP	* TGC-4, Pref	0.00027	UR	UR	UR											
TGKE	* TGC-5	0.00055	UR	UR	UR	675	713	22.8	15.1	10.2	15.5	8.0	5.0	1.0	0.7	0.4
TGKF	* TGC-6	0.00048	UR	UR	UR	887	1,151	53.3	9.2	9.2	15.4	6.3	7.1	1.2	n/a	1.4
TGKG	* Volga TGC (TGC-7)	0.080	UR	UR	UR	2,415	2,435	24.8	18.5	12.9	11.7	8.3	7.2	1.1	1.6	0.1
TGKI	* TGC-9	0.00016	UR	UR	UR	1,287	1,676	9.7	12.6	7.0	8.6	7.1	5.4	0.9	1.0	1.6
TGKJ	* Fortum, TGC-10	1.37	UR	UR	UR	1,208	1,202	10.3	10.8	10.0	12.8	9.9	5.2	1.2	0.5	neg
TGKK	TGC-11	0.00060	0.00113	BUY	88%	308	305	5.4	5.7	4.1	3.9	4.5	3.1	0.6	0.7	neg
KZBE	* Kusbassenergo	0.0124	UR	UR	UR	875	966	80.8	9.8	41.6	10.7	3.6	3.9	0.8	0.9	0.3
TGKM	* Yenisei TGC (TGC-13)	0.0041	UR	UR	UR	653	745	98.4	103.9	13.5	11.5	6.3	3.4	1.1	0.6	0.8
TGKN	* TGC-14	0.00014	UR	UR	UR	187	125	neg	9.4	4.7	neg.	3.8	2.1	0.5	0.7	neg
MRKH	* Holding MRSK	0.133	UR	UR	UR	5,627	9,684	12.9	9.4	17.2	3.5	4.5	4.0	0.9	0.5	1.9
MRKHP	* Holding MRSK, Pref	0.089	UR	UR	UR											
LSNG	* Lenenergo	0.74	UR	UR	UR	764	1,222	9.4	7.9	14.1	4.6	4.1	4.1	1.2	0.5	1.5
LSNGP	* Lenenergo, Pref	0.86	UR	UR	UR											
MRKC	* IDGC of Centre	0.039	UR	UR	UR	1,664	2,095	25.0	10.0	4.8	7.0	4.9	3.3	1.2	1.8	1.0
MRKK	* IDGC of Northern Caucasus	4.85	UR	UR	UR	143	177	neg	neg	31.6	6.4	4.0	2.9	0.5	0.3	0.8
MRKP	* IDGC of Center and Volga Region	0.0072	UR	UR	UR	810	1,153	60.0	15.5	4.7	5.7	5.0	3.0	0.7	0.6	1.5
MRKS	* IDGC of Siberia	0.0091	UR	UR	UR	813	1,031	neg	neg	6.8	9.1	8.1	3.7	0.7	0.9	1.7
MRKU	* IDGC of of Urals	0.0088	UR	UR	UR	772	923	23.2	6.3	4.5	4.3	3.4	2.8	0.6	0.8	0.6
MRKV	* IDGC of Volga	0.0035	UR	UR	UR	622	809	15.1	9.5	5.7	5.3	4.7	3.2	0.7	0.9	1.1
MRKY	* IDGC of South	0.0050	UR	UR	UR	248	640	neg	24.7	4.6	5.3	4.5	3.3	1.0	0.4	2.8
MRKZ	* IDGC of North-West	0.0069	UR	UR	UR	661	801	437.1	33.7	12.8	7.9	5.9	4.9	0.8	0.9	1.0
MSRS	* MOESK	0.048	UR	UR	UR	2,326	3,841	6.8	6.3	4.5	4.0	3.8	3.1	1.2	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	13.75	18.80	BUY	37%	2,174	2,463	18.1	11.5	8.1	8.8	7.5	5.7	3.1	3.6	0.9
AFLT	* Aeroflot	2.00	UR	UR	UR	2,225	3,814	24.9	13.2	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	11.19	UR	UR	UR	2,874	3,169	11.5	11.1	10.3	7.3	7.3	6.8	4.4	3.5	0.7
FESH	* FESCO	0.4	UR	UR	UR	1,182	1,896	neg	neg	17.2	neg.	12.3	9.9	2.4	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	22.00	28.00	BUY	27%	21,927	25,297	19.1	10.6	8.7	6.3	5.1	4.5	2.6	6.1	0.7
VIP	VimpelCom, ADR	15.61	29.10	BUY	86%	22,725	28,631	20.3	8.2	9.6	6.7	4.4	4.5	2.2	5.0	0.9
CMST	Comstar, GDR	6.60	7.70	HOLD	17%	2,758	3,582	neg	10.7	9.3	72.1	5.4	4.6	2.2	1.3	1.2
URSI	Uralsvyazinform	0.0330	0.033	HOLD	0%	1,299	2,246	9.1	7.3	6.2	3.6	3.3	3.2	1.3	1.5	1.4
URSIP	Uralsvyazinform, Pref	0.0299	0.026	SELL	-13%											
NNSI	VolgaTelecom	3.18	5.15	BUY	62%	1,010	1,584	5.6	4.6	3.7	3.2	2.9	2.6	1.1	1.0	1.1
NNSIP	VolgaTelecom, Pref	2.79	3.94	BUY	41%											
ENCO	Sibirtelekom	0.0607	0.091	BUY	50%	935	1,733	10.1	5.8	4.6	3.0	2.8	2.6	1.1	1.2	1.3
ENCOP	Sibirtelekom, Pref	0.0527	0.073	BUY	39%											
KUBN	* UTK	0.1456	UR	UR	UR	556	1,165	7.8	7.9	5.5	3.8	3.8	3.5	1.5	1.6	2.0
KUBNP	* UTK, Pref	0.1280	UR	UR	UR											
SPTL	N.W. Telecom	0.696	0.79	HOLD	13%	760	1,286	9.3	7.9	7.2	3.5	3.2	3.2	1.4	0.7	1.3
SPTLP	N.W. Telecom, Pref	0.587	0.64	HOLD	8%											
ESMO	CenterTelecom	0.724	0.758	HOLD	5%	1,468	2,277	6.8	5.1	4.5	3.9	3.4	3.2	1.3	2.0	1.2
ESMOP	CenterTelecom, Pref	0.620	0.606	HOLD	-2%											
ESPK	Far East Telecom	3.03	5.76	BUY	90%	373	568	4.1	3.5	3.7	2.3	2.0	1.8	0.7	1.1	0.7
ESPKP	Far East Telecom, Pref	2.69	4.85	BUY	80%											
RTKM	* Rostelecom	3.64	UR	UR	UR	3,284	3,034	28.3	23.4	24.8	7.7	8.0	8.3	1.4	1.6	neg
RTKMP	* Rostelecom, Pref	2.60	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	36.8	50.0	BUY	36%	10,002	11,541	60.5	29.7	17.4	15.7	12.1	8.7	0.9	5.6	1.6
MGNT LI	Magnit, GDR	22.5	24.4	BUY	8%	10,005	10,046	36.4	28.8	19.9	20.2	14.9	10.1	1.3	7.0	0.1
MGNT	Magnit, Common	104.7	122.0	BUY	16%	9,318	9,359	33.9	26.8	18.5	18.8	13.8	9.4	1.2	6.5	0.1
DIXY	Dixy Group	10.0	10.3	HOLD	3%	863	1,120	neg	25.0	13.5	12.2	8.8	6.5	0.5	4.5	2.0
SCON	Seventh Continent	8.0	9.6	BUY	20%	600	1,014	24.9	16.9	10.6	8.9	7.9	6.6	0.6	1.0	3.2
MVID	* M.video	6.3	UR	UR	UR	1,137	923	45.9	20.2	14.6	9.0	6.7	5.1	0.3	3.9	neg
APTK	* Pharmacy Chain 36.6	2.6	UR	UR	UR	251	509	neg	neg	neg	11.3	7.0	5.5	0.6	1.7	3.5
WBD US	Wimm-Bill-Dann, ADR	19.7	27.0	BUY	37%	3,460	3,710	29.7	20.8	15.7	12.1	9.5	7.7	1.4	4.9	0.6
WBDF	Wimm-Bill-Dann, Common	45.6	108.0	BUY	137%	2,008	2,259	17.2	12.1	9.1	7.4	5.8	4.7	0.8	2.9	0.6
PKBA	* Baltika Breweries	33.0	UR	UR	UR	5,380	5,412	7.3	7.8	8.6	5.0	5.2	4.8	1.7	3.2	0.0
PKBAP	* Baltika Breweries, Pref	30.9	UR	UR	UR											
PHST LI	Pharmstandard, GDR	23.4	33.5	BUY	43%	3,530	3,426	16.4	15.5	12.5	11.7	10.9	9.0	4.1	5.5	neg
PHST	Pharmstandard, Common	79.5	134.0	BUY	69%	3,003	2,900	13.9	13.2	10.7	9.9	9.2	7.6	3.5	4.7	neg
VRPH	Veropharm	38.9	47.0	BUY	21%	389	411	11.1	9.9	7.7	9.4	7.2	5.8	2.2	2.3	0.4
KLNA	* Kalina	19.3	UR	UR	UR	188	302	14.4	6.8	5.8	6.2	5.0	4.6	0.5	1.5	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%	59,001	69.9	14.5	7.7	2.40	1.93	1.62
SBERP	Sberbank, Pref	1.86	2.90	BUY	56%							
VTBR	VTB Bank	0.0027	0.0026	HOLD	-3%	27,928	neg	14.0	10.4	1.61	1.60	1.43
MMBM *	Bank of Moscow	32.15	UR	UR	UR	5,787	257.3	22.4	12.1	1.77	1.51	1.30
VZRZ	Vozrozhdenie Bank, Common	34.25	45.9	BUY	34%	828	26.2	24.1	7.7	1.49	1.43	1.18
VZRZP	Vozrozhdenie Bank, Pref	11.43	17.2	BUY	51%							
STBK	Bank Saint-Petersburg, Common	3.51	4.20	HOLD	20%	1,242	61.4	14.1	7.9	1.42	1.36	1.11
STBKPA *	Bank Saint-Petersburg, Pref	3.88	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	15.14	UR	UR	UR	519	1,277	neg	neg	19.4	30.5	9.8	5.6	0.7	1.0	5.8
KMAZ *	KAMAZ	2.26	UR	UR	UR	1,596	2,179	neg	neg	23.2	68.8	16.7	8.2	0.8	1.6	4.5
SILM *	Power machines	0.23	UR	UR	UR	2,016	1,763	10.8	10.1	9.2	6.0	5.4	4.8	0.9	4.7	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	1.81	UR	UR	UR	278	435	5.7	5.8	5.3	6.6	5.8	5.3	0.8	1.3	2.1
uuaz *	Ulan-Ude Avia Plant	1.35	UR	UR	UR	360	198	4.5	4.7	5.0	1.8	1.7	1.7	0.4	1.7	neg
rtvl *	Rostvertol	0.059	UR	UR	UR	135	224	8.8	8.4	7.8	5.5	5.6	5.1	0.8	0.8	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	27.6	57.0	BUY	107%	2,584	3,795	17.9	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	100%	1,776	3,102	neg	neg	49.2	18.2	14.2	12.2	2.5	3.2	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	2.96	5.00	BUY	69%	306	521	neg	119.3	8.4	neg.	25.4	8.2	12.2	1.0	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

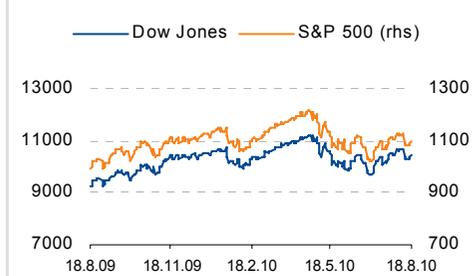
\*\* - Target price for 12 months. For other companies target price calculated at the end of 2010

**MODEL PORTFOLIO**

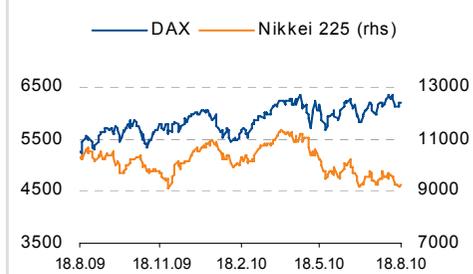
Company name and ticker	Price of purchase (22/04/2010), \$	Current Price, \$	Upside Potential			Market Cap (\$ mn)	Free float (\$ mn)	Share in RTSI	Share in Portfolio	
			1M	6M	12M					
Model Portfolio performance since last update			4.2%			since 21/04/2010		-6.9%		
<b>Cash</b>									10.00%	
<b>Oil &amp; Gas</b>									30.00%	
ROSN	Rosneft	7.53	6.63	n/a	25%	51%	63,631	9,545	7.34%	5.00%
TNBP	TNK-BP Holding	2.06	2.08	n/a	8%	15%	32,961	1,648	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>									13.00%	
RASP	Raspadskaya	4.875	5.188	-2%	16%	35%	4,050	810	0.52%	5.00%
MTLR	Mechel	25.06	23.09	0%	34%	52%	0	0	0.93%	5.00%
CHMF	Severstal	12.43	12.20	0%	23%	39%	12,293	2,151	1.26%	3.00%
<b>Consumer and Retail</b>									10.00%	
MGNT	Magnit	88.93	104.72	1%	7%	15%	9,313	2,794	1.52%	5.00%
PHST	Pharmstandard	70.81	79.47	2%	15%	30%	3,003	300	0.31%	5.00%
<b>Machinery</b>									6.00%	
SVAV	Sollers	15.91	15.14	32%	52%	72%	519	182	0.11%	3.00%
SILM	Pow er Machines	0.209	0.232	12%	21%	34%	2,016	101	0.00%	3.00%
<b>Banks</b>									10.00%	
SBER	Sberbank OS	2.70	2.65	17%	32%	47%	57,137	17,141	14.60%	6.00%
STBK	Bank St-Petersburg OS	3.28	3.51	20%	28%	40%	989	173	0.00%	4.00%
<b>Utilities</b>									15.00%	
HYDR	RusHydro	0.0539	0.0540	4%	25%	34%	13,236	4,910	2.33%	6.00%
TGKG	TGK-7	0.0472	0.0805	1%	8%	11%	2,415	1,120	0.00%	4.00%
TGKK	TGK-11	0.000705	0.000601	11%	66%	88%	308	123	0.00%	2.00%
TGKM	TGK-13	0.00359	0.00410	5%	30%	40%	653	217	0.00%	3.00%
<b>Telecoms</b>									3.00%	
ENCO	Sibirtelecom OS	0.058	0.061	27%	n/a	n/a	729	73	0.19%	1.00%
KUBN	South Telecom OS	0.140	0.146	30%	n/a	n/a	431	43	0.00%	1.00%
SPTL	North-West Telecom OS	0.654	0.696	29%	n/a	n/a	613	61	0.15%	1.00%
<b>Real Estate / Development</b>									3.00%	
LSRG	LSR Group	29.64	27.95	50%	86%	133%	2,618	471	0.00%	3.00%

**STOCK INDEXES**

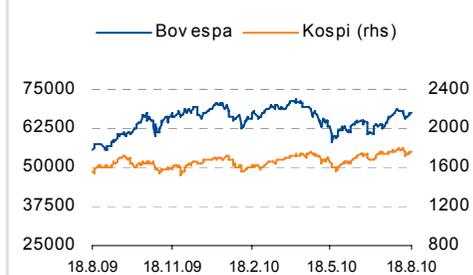
Dow Jones	10,416	0.09%
S&P 500	1,094	0.15%



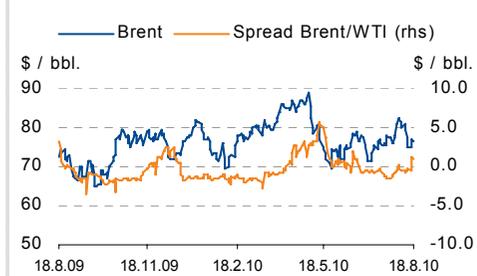
DAX	6,186	-0.32%
Nikkei 225	9,241	0.86%



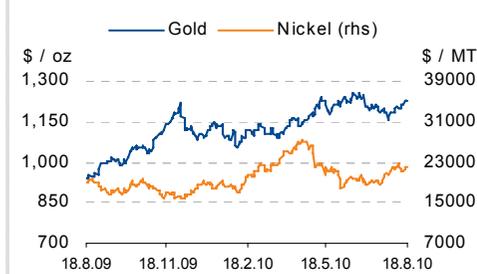
Bovespa	67,638	0.08%
Kospi	1,762	0.40%


**COMMODITY FUTURES**

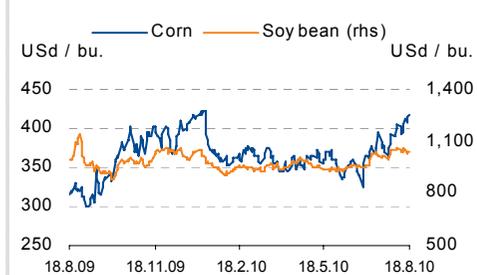
Brent	76.47	-0.60%
Spread Brent/WTI	1.05	-0.11



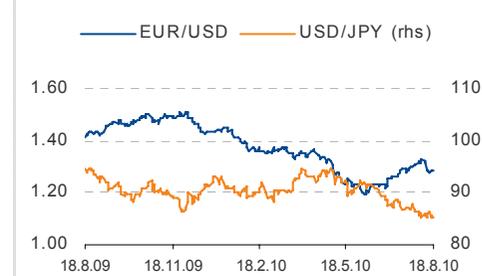
Gold	1,230	0.3%
Nickel	21,853	-0.2%



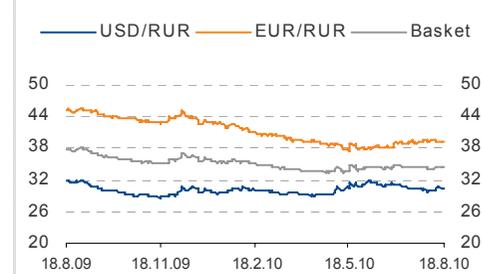
Corn	418.5	0.90%
Soybean	1,035.3	-0.96%


**CURRENCIES**

EUR/USD	1.288	0.01%
USD/JPY	85.4	-0.19%



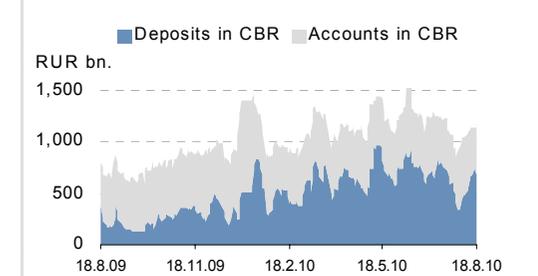
USD/RUR	30.41	0.11%
EUR/RUR	39.15	0.03%



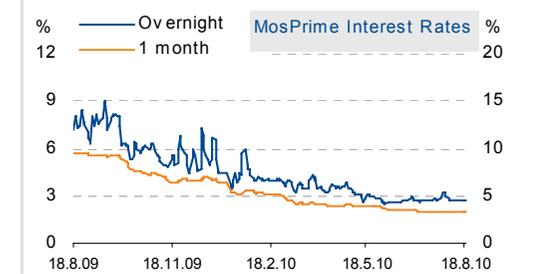
NDF USD/RUR 1m, %	2.48	-0.12
NDF USD/RUR 6m, %	3.31	-0.13


**LIQUIDITY AND INTEREST RATES**

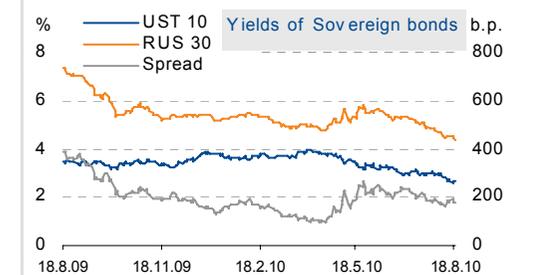
Deposits in CBR, RUR bn	667	-1.2%
Accounts in CBR, RUR bn	506	11.0%



MosPrime O/N, %	2.7	0.00
MosPrime 1m, %	3.3	0.00



UST 10Y, %	2.63	0.00
Russia 30Y, %	4.40	-0.02



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	4,605,605	21.45	-0.69%	GAZP RX	21.33	0.55%
ROSN LI	Rosneft	LSE	1	6,491,143	6.63	-0.60%	ROSN RX	6.63	0.01%
LKOD LI	LUKOIL	LSE	1	1,367,672	54.10	0.00%	LKOH RX	54.18	-0.16%
SGGD LI	Surgutneftegas, Common	LSE	10	676,518	9.34	0.00%	SNGS RX	9.31	0.33%
ATAD LI	Tatneft, Common	LSE	6	144,812	31.48	-0.82%	TATN3 RX	28.80	9.32%
GAZ LI	Gazprom Neft	LSE	5	30,490	19.80	-0.25%	SIBN RX	19.71	0.44%
NVTK LI	NOVATEK	LSE	10	190,985	75.50	1.07%	NVTK RX	71.77	5.20%
AOIL SS	Alliance Oil	OMXS	1	807,969	12.29	-2.67%			
EDCL LI	Eurasia Drilling	LSE	1	4,283	20.25	0.00%			
INTE LI	Integra	LSE	0.05	284,928	2.20	0.00%			
O2C GR	CAT Oil	XETRA	1	34,273	9.47	1.09%			
VGAS LN	Volga Gas	LSE	1	-	3.14	0.25%			
SSA LI	Sistema	LSE	20	71,213	26.87	0.19%	AFKC RX	17.57	52.91%
MBT US	Mobile TeleSystems	NYSE	2	1,628,122	22.00	-0.95%	CMST RX	16.04	37.20%
VIP US	VimpelCom	NYSE	0.05	2,178,215	15.61	0.71%			
CMST LI	Comstar-UTS	LSE	1	498,038	6.60	0.00%	MTSI RX	6.63	-0.46%
RKMD LI	Rostelecom, Common	LSE	6	5,185	21.70	2.36%	RTKM RX	21.85	-0.68%
CTCM US	CTC Media	NASDAQ	1	348,214	18.06	0.22%			
SITR LI	SITRONICS	LSE	50	-	0.88	0.00%	SITR RU	1.13	-21.78%
VTBR LI	VTB Bank	LSE	2000	2,200,852	5.36	-0.56%	VTBR RX	5.34	0.38%
VZY GR	Vozrozhdenie Bank, Common	XETRA	3/4	-	25.00	-0.99%	VZRZ RX	25.69	-2.68%
FIVE LI	X5 Retail Group	LSE	0.25	71,395	36.83	1.18%			
MGNT LI	Magnit	LSE	0.20	847,704	22.49	2.93%	MGNT RX	20.94	7.38%
PHST LI	Pharmstandard	LSE	0.25	33,554	23.35	-1.06%	PHST RX	19.87	17.53%
WBD US	Wimm-Bill-Dann Foods	NYSE	0.25	113,891	19.66	1.03%	WBDF RX	11.41	72.28%
CHE LI	Cherkizovo Group	LSE	2/3	200	16.30	1.88%	GCHE RX	15.50	5.16%
URKA LI	Uralkali	LSE	5	1,477,067	24.10	-1.63%	URKA RX	24.13	-0.13%
RUSAL FP	RUSAL	Euronext	20	6,024	19.85	-0.86%			
MNOD LI	Norilsk Nickel	LSE	0.1	4,932,492	17.20	1.12%	GMKN RX	17.17	0.18%
SVST LI	Severstal	LSE	1	769,258	12.20	0.41%	CHMF RX	12.20	0.01%
NLMK LI	NLMK	LSE	10	288,286	31.24	1.20%	NLMK RX	31.16	0.25%
MMK LI	MMK	LSE	13	189,886	11.42	0.79%	MAGN RX	11.31	0.97%
MTL US	Mechel, Common	NYSE	1	2,174,985	23.32	1.35%	MTLR RX	23.09	1.01%
EVR LI	Evrax Group	LSE	1/3	1,276,854	26.51	1.96%			
PLZL LI	Polyus Gold	LSE	0.5	27,530	24.10	0.04%	PLZL RX	22.84	5.53%
PMTL LI	Polymetal	LSE	1	49,090	12.20	-0.41%	PMTL RX	12.48	-2.23%
HGM LN	Highland Gold	LSE	1	19,214	1.95	-0.35%			
HRG CN	High River Gold	TSX	1	573,473	0.84	-0.79%			
TMKS LI	TMK	LSE	4	225,233	16.64	0.24%	TRMK RX	16.54	0.63%
CHZN LI	Chelyabinsk Zinc Plant	LSE	1	31,345	3.66	1.67%	CHZN RX	3.74	-2.11%
LSRG LI	LSR Group	LSE	0.20	88,758	8.65	1.17%	LSRG RX	5.52	56.79%
PIK LI	PIK Group	LSE	1	81,187	3.60	0.00%	PIKK RX	3.59	0.23%
AFID LI	AFI Development	LSE	1	409,678	0.87	-0.29%			
MLD LN	MirLand Development	LSE	1	53,000	2.96	2.41%			
HALS LI	Sistema Hals	LSE	0.05	-	1.38	0.00%	HALS RX	1.35	1.91%
RUS LN	Raven Russia	LSE	1	467,621	0.75	0.77%			
RGI LN	RGI International	LSE	1	-	1.97	-0.51%			
GLTR LI	Globaltrans	LSE	1	49,760	13.75	-2.48%			
NCSP LI	NCSP	LSE	75	27,557	11.19	0.81%	NMTP RX	11.07	1.08%

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	9,240.54	0.86%	-0.56%	-1.78%	-12.38%	-10.15%
Hang Seng	Hong Kong	21,022.73	-0.54%	-1.28%	4.64%	-3.89%	3.53%
Straits Times	Singapore	2,919.37	-0.14%	-1.01%	-0.88%	0.75%	13.70%
Seoul Composite	South Korea	1,761.99	0.40%	0.22%	1.73%	4.71%	13.66%
Shanghai Composite	China	2,666.30	-0.21%	2.26%	7.71%	-18.64%	-8.40%
Taiwan Weighted	Taiwan	7,924.10	-0.09%	0.37%	3.59%	-3.22%	16.71%
SENSEX	India	18,257.12	1.15%	1.03%	1.83%	4.54%	21.43%
<b>Europe</b>							
FTSE 100	Great Britain	5,302.87	-0.89%	1.10%	3.00%	-2.03%	13.17%
DAX	Germany	6,186.31	-0.32%	0.52%	2.95%	3.84%	17.82%
CAC 40	France	3,647.93	-0.41%	0.54%	4.64%	-7.33%	5.72%
Budapest SE Index	Hungary	22,160.20	-0.69%	-0.39%	1.45%	4.40%	22.70%
PX50	Czech Republic	1,184.60	-1.01%	0.94%	3.23%	6.02%	3.79%
WIG 20 TR	Poland	2,479.64	-0.54%	0.99%	4.10%	3.81%	20.71%
ISE 100	Turkey	59,443.43	-0.03%	2.22%	2.29%	12.53%	34.39%
RTS	Russia	1,458.36	-0.42%	-0.16%	4.55%	0.95%	45.61%
MICEX	Russia	1,386.80	-0.34%	0.72%	3.76%	1.23%	33.93%
<b>Africa</b>							
FTSE/JSE Top 40	South Africa	24,205.87	-1.54%	-0.67%	-0.24%	-3.16%	10.78%
Egypt CMA GENL	Egypt	592.08	-0.24%	-0.46%	5.26%	3.25%	0.82%
<b>America</b>							
DJIA	USA	10,415.54	0.09%	0.35%	2.57%	-0.12%	12.99%
S&P 500	USA	1,094.16	0.15%	0.43%	2.14%	-1.88%	10.56%
NASDAQ	USA	2,215.70	0.28%	0.32%	0.79%	-2.36%	13.28%
Bovespa	Brazil	67,638.38	0.08%	2.81%	6.86%	-1.39%	21.33%
BUSE MERVAL	Argentina	2,466.70	1.27%	5.00%	7.11%	6.29%	42.77%
IBC	Venezuela	64,987.77	0.23%	0.66%	1.68%	18.00%	35.50%
<b>Emerging markets indexes</b>							
MSCI BRIC		322.59	0.03%	1.47%	5.26%	-2.92%	18.49%
FTSE Russia IOB Index		841.95	-0.11%	0.21%	5.07%	-4.22%	30.84%
MSCI Russia		779.88	-0.45%	0.74%	4.47%	-1.94%	33.58%

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	75.52	-0.59%	-1.46%	1.19%	-2.18%	4.29%
EUCRURMD	Urals	74.36	-0.76%	-0.39%	0.08%	-3.09%	4.22%
USCRWTIC	WTI	75.42	-0.46%	-3.33%	-1.46%	-4.96%	9.00%
GOLDLNPM	Gold	1,218.00	-0.65%	1.04%	3.13%	12.00%	30.27%
SLVRLN	Silver	18.36	-0.97%	1.32%	3.26%	8.06%	30.31%
PLAT	Platinum	1,534.25	-0.62%	1.05%	1.47%	4.69%	24.61%
PALL	Palladium	490.00	-1.21%	5.21%	10.17%	20.16%	79.00%
LMAHDY	Aluminium	2,103.25	-1.30%	-1.33%	7.83%	-4.27%	6.74%
LMCADY	Copper	7,368.75	0.13%	2.73%	13.46%	0.36%	21.10%
LMNIDY	Nickel	21,831.00	-0.22%	0.96%	16.56%	18.31%	16.22%
LMZSDY	Zinc	2,105.75	0.59%	4.97%	18.20%	-16.74%	19.10%
MBSTCIHR	Steel HRC (FOB Black Sea)	607.50	0.00%	7.05%	10.96%	19.70%	10.96%
MBSTUSHR	Steel HRC (USA)	545.00	0.00%	0.00%	-12.80%	7.92%	17.20%
LMSNDY	Tin	21,070.00	-1.73%	6.17%	17.55%	24.90%	47.34%
LMPBDY	Lead	2,095.75	-0.30%	2.83%	19.42%	-12.75%	17.11%

**Futures**

Bloomberg code	Commodity	Value	Daily change, %	Weekly change, %	Monthly change, %	YTD change, %	Change of 52 week, %
CO1	Brent	76.47	-0.60%	-1.51%	1.12%	-1.87%	5.67%
CL1	WTI	75.42	-0.46%	-3.33%	-1.46%	-4.96%	9.00%
HO1	Heating Oil	202.49	-0.05%	-2.42%	0.39%	-4.43%	8.57%
PG1	Gasoline	196.12	0.41%	-1.82%	-4.75%	-4.47%	-1.95%
NG1	Natural Gas	4.24	-0.66%	-2.01%	-6.01%	-23.92%	36.92%
GC1	Gold	1,229.70	0.25%	2.69%	4.04%	12.18%	31.14%
SI1	Silver	18.40	-1.05%	2.78%	4.93%	9.37%	31.80%
PL1	Platinum	1,536.50	-0.65%	1.05%	1.80%	5.24%	24.71%
PA1	Palladium	490.40	-1.39%	5.53%	10.48%	19.95%	80.06%
LY1	Aluminium	2,228.00	0.45%	1.32%	10.63%	15.17%	25.77%
LP1	Copper	7,377.50	0.12%	2.82%	13.59%	0.35%	21.18%
LN1	Nickel	21,853.00	-0.23%	1.03%	16.67%	18.34%	16.21%
LX1	Zinc	2,115.50	0.57%	5.34%	18.75%	-16.54%	19.08%
LT1	Tin	21,070.00	-1.61%	6.15%	17.55%	24.73%	47.14%
LL1	Lead	2,105.00	-0.31%	3.17%	19.94%	-12.62%	17.24%
API21MON	Steam Coal	91.72	0.63%	-0.68%	-1.81%	11.45%	29.15%
CCKPTAIY Index	Coking Coal	1,640.00	1.86%	1.86%	3.80%	-3.53%	-6.29%
MBFOFO01 Index	Iron Ore	153.00	0.00%	2.68%	23.39%	37.22%	38.46%
SB1	Sugar	19.60	1.14%	7.34%	11.30%	-27.27%	-10.01%
CC1	Cocoa	2,839.00	0.04%	-0.53%	-4.76%	-13.68%	3.46%
KC1	Coffee	175.15	-0.20%	2.67%	8.12%	28.83%	40.40%
C 1	Corn	418.50	0.90%	5.82%	9.70%	0.97%	33.07%
W 1	Wheat	656.00	0.77%	-5.58%	12.67%	21.14%	39.43%
S 1	Soybean	1,035.25	-0.96%	-0.89%	2.70%	-0.43%	3.99%
CT1	Cotton	87.42	-0.35%	3.80%	10.98%	15.63%	54.15%

**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)	30.41	0.11%	0.02%	-0.31%	1.26%	-4.74%
EURRUB Curncy	Euro (rubles per 1 euro)	39.15	0.03%	-0.06%	-0.95%	-9.09%	-13.27%
RUBBASK Curncy	Basket \$0.55/0.45€ (rubles)	34.35	0.07%	-0.01%	-0.64%	-4.48%	-9.23%
EUR Curncy	Euro (\$ per 1 euro)	1.288	0.01%	-0.07%	-0.64%	-10.16%	-8.84%
GBP Curncy	British Pound Sterling (\$ per 1 pound)	1.562	0.25%	-0.25%	2.53%	-3.29%	-5.66%
JPY Curncy	Japanese Yen (yen per \$1)	85.35	-0.19%	0.07%	-1.73%	-8.36%	-9.93%
CHF Curncy	Swiss Franc (francs per \$1)	1.040	-0.25%	-1.65%	-1.14%	0.55%	-3.35%
CNY Curncy	Chinese Yuan (yuan per \$1)	6.792	-0.01%	0.25%	0.20%	-0.52%	-0.62%
BRL Curncy	Brazilian Real (reals per \$1)	1.750	-0.15%	-1.07%	-1.95%	0.47%	-5.64%
MXN Curncy	Mexican Peso (pesos per \$1)	12.59	-0.02%	-1.21%	-2.36%	-3.72%	-2.83%
TRY Curncy	Turkish Lira (liras per \$1)	1.499	-0.02%	-1.35%	-2.50%	0.39%	0.22%
INR Curncy	Indian Rupee (rupee per \$1)	46.58	-0.18%	-0.26%	-1.15%	0.11%	-4.56%
KRW Curncy	S.Korean Won (won per \$1)	1,171.3	-0.22%	-1.68%	-3.51%	1.15%	-6.59%

**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	0.226	-0.001	-0.007	-0.038	0.057	-0.009
US0001M Index	LIBOR 1Month	0.266	0.000	-0.013	-0.071	0.035	-0.006
US0003M Index	LIBOR 3Months	0.345	-0.007	-0.039	-0.172	0.095	-0.080
EUR001M Index	EURIBOR 1Month	0.641	-0.001	-0.008	0.030	0.188	0.133
EUR003M Index	EURIBOR 3Months	0.894	-0.001	-0.009	0.024	0.194	0.035
MOSKON Index	MosPrime Overnight	2.740	0.000	-0.010	0.020	-1.710	-4.390
MOSK1W Index	MosPrime 1Week	2.990	0.010	0.010	0.060	-1.610	-4.410
MOSK2W Index	MosPrime 2Weeks	3.090	0.020	0.020	-0.030	-1.860	-4.790
MOSKP1 Index	MosPrime 1Month	3.290	0.000	0.010	-0.090	-3.030	-6.210
MOSKP3 Index	MosPrime 3Months	3.750	0.000	-0.020	-0.140	-3.300	-7.660

**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	2.48	-0.12	-0.22	-0.49	-3.26	-6.35
RRN3M Curncy	3 Months	2.99	-0.07	-0.03	-0.36	-4.53	-6.78
RRN6M Curncy	6 Months	3.31	-0.13	-0.30	-0.28	-2.74	-7.83
RRN12M Curncy	1 Year	4.13	-0.05	-0.07	-0.21	-2.33	-7.62

Source: Bloomberg, TKB Capital estimates

## MACROECONOMICS: STATISTICS &amp; 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%	-0.30%	0.00%	--
		EC 13:00 Euro-Zone CPI (YoY)	JUL	1.70%	1.70%	1.40%	--
		EC 13:00 Euro-Zone CPI - Core (YoY)	JUL	1.00%	1.00%	0.90%	--
		US 16:30 Empire Manufacturing	AUG	8.00	7.10	5.08	--
		US 17:00 Net Long-term TIC Flows	JUN	\$45.7B	\$44.4B	\$35.4B	\$35.3B
		US 17:00 Total Net TIC Flows	JUN	\$40.0B	-\$6.7B	\$17.5B	\$17.1B
		US 18:00 NAHB Housing Market Index	AUG	15	13	14	--
<b>17.08.2010</b> TUESDAY		EC 12:00 ECB Euro-Zone Current Account SA	JUN	--	-4.6B	-5.8B	-7.4B
		EC 12:00 Euro-Zone Current Account nsa	JUN	--	1.0B	-16.7B	-17.9B
		UK 12:30 CPI (MoM)	JUL	-0.2%	-0.2%	0.1%	--
		UK 12:30 CPI (YoY)	JUL	3.1%	3.1%	3.2%	--
		UK 12:30 Core CPI YOY	JUL	3.0%	2.6%	3.1%	--
		UK 12:30 Retail Price Index	JUL	223.6	223.6	224.1	--
		UK 12:30 RPI (MoM)	JUL	-0.2%	-0.2%	0.2%	--
		UK 12:30 RPI (YoY)	JUL	4.9%	4.8%	5.0%	--
		UK 12:30 RPI Ex Mort Int.Payments (YoY)	JUL	4.8%	4.8%	5.0%	--
		EC 13:00 ZEW Survey (Econ. Sentiment)	AUG	9.3	15.8	10.7	--
		US 16:30 Producer Price Index (MoM)	JUL	0.20%	0.20%	-0.50%	--
		US 16:30 PPI Ex Food & Energy (MoM)	JUL	0.10%	0.30%	0.10%	--
		US 16:30 Producer Price Index (YoY)	JUL	4.20%	4.20%	2.80%	--
		US 16:30 PPI Ex Food & Energy (YoY)	JUL	1.30%	1.50%	1.10%	--
		US 16:30 Housing Starts	JUL	560K	546K	549K	537K
		US 16:30 Housing Starts MOM%	JUL	2.00%	1.70%	-5.00%	-8.70%
		US 16:30 Building Permits	JUL	580K	565K	586K	583K
		US 16:30 Building Permits MOM%	JUL	-0.50%	-3.10%	2.10%	1.60%
		US 17:15 Industrial Production	JUL	0.50%	1.00%	0.10%	-0.10%
		US 17:15 Capacity Utilization	JUL	74.60%	74.80%	74.10%	--
<b>18.08.2010</b> WEDNESDAY		US 1:00 ABC Consumer Confidence	AUG 15	-48	-45	-47	--
		EC 13:00 Construction Output SA MoM	JUN	--	2.70%	-1.00%	-0.70%
		EC 13:00 Construction Output WDA YoY	JUN	--	3.10%	-6.30%	-6.20%
		US 15:00 MBA Mortgage Applications	AUG 13	--	13.00%	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	4500K	--	4452K	--
		US 18:00 Philadelphia Fed.	AUG	7.2	--	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)
last week of August	Lukoil	LKOH	Oil and gas	6M10 GAAP under US GAAP
last week of August	CAT Oil	O2C GR	Oil and gas	6M results under IFRS
last week of August	Integra	INTE LI	Oil and gas	6M results under IFRS
August	Enel OGK-5	OGKE	Utilities	Publication of 1H10 RUSGAAP financial statements
August	Enel OGK-5	OGKE	Utilities	Publication of 2Q10 quarterly issuer's report
August	TNK-BP Holding	TNBP	Oil and gas	6M10 results under US GAAP
31 August	OGK-2	OGKB	Utilities	1H10 results under IFRS
first week of September	Rosneft	ROSN	Oil and gas	6M10 results under US GAAP
September, 2	Evrax Group	EVR LI	Metals & Mining	1H10 results under IFRS
September, 6	Severstal	SVST LI	Metals & Mining	6M results under IFRS
September, 6	Sberbank	SBER	Banks	6M results under IFRS
first week of September	Eurasia Drilling	EDCL LI	Oil and gas	6M results under US GAAP

Source: TKB Capital estimates

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