

**COMMENT**

The US indices closed up yesterday backed by positive economic updates in China and better forecasts of economic growth in Europe. But today futures are trading in red figures. Stricter reserves requirement marginally affected the market as banks have enough time to meet new rule. Asian indices are performing mixed today with mining names taking the lead. Oil price continues climbing pricing in positive expectations.

The local market should open near yesterday's close in the absence of concerted market moves. Stronger commodities prices would support equities in oil and metal sectors, however there is still a lack of buyers on the market. Heightened demand for VTB shares may remain on the back of interest expressed by a foreign investor towards the Russian bank that is likely to spur rally in financial stocks.

Indicator	Value	Change	
		1 day	1 week
<b>14.09.2010</b>			
Nikkei 225	9,296	-0.3%	0.8%
Hang Seng	21,712	0.2%	1.5%
Shanghai Composite	2,688	0.0%	-0.4%
<b>13.09.2010</b>			
DJIA	10,544	0.8%	0.9%
S&P 500	1,122	1.1%	1.6%
NASDAQ	2,286	1.9%	2.3%
Bovespa	68,031	1.8%	1.9%
FTSE 100	5,566	1.2%	2.3%
DAX	6,262	0.8%	1.7%
CAC 40	3,767	1.1%	2.2%
RTS	1,503	1.1%	2.3%
MICEX	1,442	0.5%	2.3%
MSCI BRIC	333	2.1%	1.9%
MSCI Russia	802	1.4%	2.5%
Brent	79.0	1.1%	2.8%
WTI	77.2	1.0%	3.5%
Gold	1,245.6	0.0%	-0.3%
Silver	20.1	1.6%	1.0%
Nickel	22,844	1.5%	3.3%
Corn	469.3	1.3%	0.8%
Wheat	713.8	0.2%	-0.4%
Soybean	1,025.3	1.0%	0.9%
LIBOR 3 month	0.29	0.00	0.00
EURIBOR 3 month	0.88	0.00	0.00
MosPrime 1 week	2.92	0.00	-0.05
MosPrime 1 month	3.26	0.01	-0.01
USD/RUR	30.68	-0.6%	0.2%
EUR/USD	1.286	1.1%	-0.1%
GBP/USD	1.544	0.5%	0.2%
USD/JPY	83.67	-0.6%	-0.6%
1 month	2.44	-0.08	-0.12
3 months	2.95	0.00	-0.07
6 months	3.41	0.03	-0.01
UST 10	2.75	-0.04	0.05
Russia 30	4.41	0.00	0.08

**MAIN HEADLINES**

- Bank St Petersburg (STBK) 2Q10 IFRS results – less conservative than expected
- OGK-4 (OGKD) posted solid 1H10 IFRS numbers

**NEWS**

- Bashneft (BANE) 2Q10 IFRS results: leaving room for some questions
- RusHydro (HYDR) plans to issue additional 1.86 bn shares
- Mechel (MTL) raised the \$2 bn pre-export facility
- Severstal (SVST LI) to purchase 43% of Crew Gold within next 2 days
- X5 Retail Group (FIVE LI) is ready for early refinancing of \$1.1 bn syndicated loan
- NCSP's (NCSP LI) cargo turnover slightly decreased over 8M10

**SMALL CAPS NEWS**

- NPO Saturn (satr) to increase charter capital by 4.2 times and to sell the stakes in PAO Inkar (inka) and UMPO (UFMO)

**CALENDAR**

Time	Event	Period	Estimate	Prior
<b>UK statistics:</b>				
3:01	RICS House Price Balance	AUG	-12%	-8%
3:01	Nationwide Consumer Confidence	AUG	60	56
12:30	DCLG UK House Prices (YoY)	JUL	8.40%	9.90%
12:30	CPI (MoM)	AUG	0.30%	-0.20%
12:30	CPI (YoY)	AUG	3.00%	3.10%
12:30	Core CPI YOY	AUG	2.50%	2.60%
12:30	Retail Price Index	AUG	224.3	223.6
12:30	RPI (MoM)	AUG	0.30%	-0.20%
12:30	RPI (YoY)	AUG	4.60%	4.80%
12:30	RPI Ex Mort Int. Payments (YoY)	AUG	4.60%	4.80%
<b>US statistics:</b>				
15:30	NFIB Small Business Optimism	AUG	89.0	88.1
16:30	Advance Retail Sales	AUG	0.30%	0.40%
16:30	Retail Sales Less Autos	AUG	0.30%	0.20%
16:30	Retail Sales Ex Auto & Gas	AUG	0.40%	-0.10%
18:00	IBD/TIPP Economic Optimism	SEP	44.0	43.6
18:00	Business Inventories	JUL	0.70%	0.30%
<b>EU statistics:</b>				
13:00	Euro-Zone Labour Costs (YoY)	2Q10	--	2.10%
13:00	ZEW Survey (Econ. Sentiment)	SEP	14.5	15.8
13:00	Euro-Zone Ind. Prod. wda (YoY)	JUL	8.00%	8.20%
13:00	Euro-Zone Ind. Prod. sa (MoM)	JUL	0.10%	-0.10%

TUESDAY SEPTEMBER 14, 2010

Evgenia Dyshlyuk e.dyshlyuk@tkbc.ru

## OIL &amp; GAS

**Bashneft (BANE) 2Q10 IFRS results: leaving room for some questions. NEUTRAL**

**Revenue and EBITDA in line with expectations.** Yesterday, Bashneft released 2Q10 IFRS financials, which were in line with the market consensus on revenue and EBITDA and above the forecast on net income. The revenue increased by 14% q-o-q to \$3,328 mn, driven by higher refining volumes (up by 15% q-o-q) and sales of oil products. In value terms, crude oil exports were down by 4% q-o-q, exports of oil products were up by roughly 50% and domestic sales of oil products – up by roughly 30%. The EBITDA increased generally in line with the revenue – by 13% q-o-q to \$696 mn – and EBITDA margin remained practically unchanged q-o-q at 21%. The net income increased by 27% q-o-q to \$376 mn, 9% above the consensus estimate, affected by non-operating items.

**Re-assessment of operating costs.** The main intrigue in Bashneft's 2Q10 results is re-assessment of operating costs. In the 1Q10 presentation Bashneft disclosed one set of costs. In the 2Q10 presentation the company disclosed another, substantially different set of costs for 1Q10, much lower than the original version (see the table below). According to Bashneft, there has been re-classification of costs that is meant to close the gap to IFRS methodology. According to the new version, the company's upstream production cost averaged \$7.2/bbl in 1Q10 vs. \$9.0/bbl estimated previously and refining cost – \$5.6/bbl vs. \$6.1/bbl previously. In 2Q10, Bashneft estimates its upstream production cost at around \$8/bbl vs. industry average of around \$5-7/bbl and refining production cost – at around \$5/bbl vs. industry average of around \$2-3/bbl.

**Bashneft's production costs, \$/bbl**

	1Q10 (original presentation)	2Q10	q-o-q, %	1Q10 (new presentation)	2Q10	q-o-q, %
Upstream	9.0	8.2	-10%	7.2	8.2	13%
Refining	6.1	4.8	-21%	5.6	4.8	-15%

Source: Company data, TKB Capital estimates

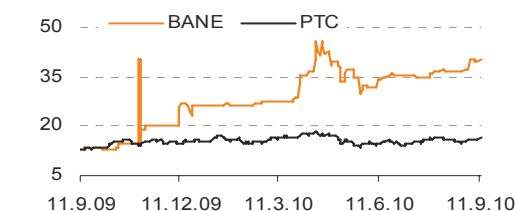
**Third-party crude oil purchases and transportation costs on the rise.** In absolute terms, Bashneft's upstream production costs rose 17% q-o-q to \$203 mn, reflecting higher volumes. The third-party crude oil purchases also increased significantly q-o-q – by roughly 30% to \$672 mn, indicating higher refining volumes. Interestingly, refining production costs were flat q-o-q in absolute terms, in spite of a significant increase in throughput. Transportation costs were on the rise – up by 44% q-o-q to \$171 mn, perhaps reflecting higher volumes of exports of oil products. The most notable decrease was in the SG&A costs – they were down by 23% q-o-q at \$105 mn.

**Capex down, debt – up.** In 2Q10, Bashneft substantially decreased capex spending. Upstream capex was down by 70% q-o-q at \$20 mn (\$0.8/bbl – perhaps, the lowest level among oil majors) and there was practically no spending on refining (\$3 mn). Bashneft's net debt stood at \$1.6 bn as of 2Q10 (vs. \$1.0 bn as of 1Q10), which is mainly due beyond 2013. In 2Q10, the company's interest expense was \$63 mn.

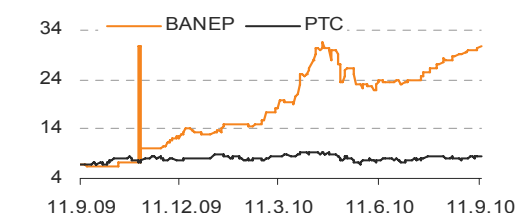
**2Q10 results leave room for some questions.** We expect Bashneft's to clarify the issues around costs during the conference call scheduled for September 15 at 5 pm Moscow time. High production costs (attributable to Bashneft's depleted upstream asset base), third-party purchases (Bashneft is crude-short with refining cover at 160%) and transportation costs (the company's refineries are on a far distance to the export markets) are the main factors pressuring Bashneft's profit margins. We expect Bashneft also to clarify how the company plans to achieve 10% y-o-y crude oil production growth next year, given such low current capex level.

Bashneft	BANE	BANEP	
Price, \$	40.00	30.95	
Recommendation	UR	UR	
Target, \$	-	-	
Upside	-	-	
MC, \$ mn	7,878	EV, \$ mn	9,758
	2009	2010E	2011E
P/E	24.6	6.7	5.3
EV/EBITDA	14.3	4.0	3.4

Source: RTS, Bloomberg consensus estimates



Source: RTS, TKB Capital estimates



Source: RTS, TKB Capital estimates

**OIL & GAS**
**Bashneft: 2Q10 IFRS results, \$ mn**

	1Q10	2Q10	q-o-q, %
Crude oil production, Kbpd	267	273	2%
Refining throughput, Kbpd	380	436	15%
Average Urals price, \$/bbl	75.2	76.7	2.0%
Average crude oil export duty, \$/bbl	36.0	38.4	6.8%
Average crude oil MET, \$/bbl	13.0	13.5	3.5%
<b>Revenue</b>	<b>2,912</b>	<b>3,328</b>	<b>14%</b>
Crude oil exports	425	406	-4%
Exports of oil products	805	1,184	47%
Domestic sales of oil products	1,036	1,317	27%
Other	646	421	-35%
Cost of crude oil purchased	519	672	29%
Upstream production costs	174	203	17%
Refining production costs	193	191	-1%
Transportation costs	119	171	44%
SG&A	136	105	-23%
DD&A	174	185	6%
Taxes other than income	845	1,045	24%
Other costs	313	246	-21%
<b>Total costs</b>	<b>2,473</b>	<b>2,818</b>	<b>14%</b>
<b>EBITDA</b>	<b>613</b>	<b>695</b>	<b>13%</b>
<i>EBTIDA margin, %</i>	21%	21%	
<b>Net income</b>	<b>296</b>	<b>376</b>	<b>27%</b>
<b>Capex</b>	<b>103</b>	<b>63</b>	<b>-39%</b>
Upstream	67	20	-70%
Refining	18	3	-83%
Other	19	40	116%
Net debt	1,008	1,619	61%
Total debt	1,783	2,178	22%

Source: Company data, TKB Capital estimates

TUESDAY SEPTEMBER 14, 2010

Alexey Serov a.serov@tkbc.ru

**UTILITIES**
**OGK-4 (OGKD) posted solid 1H10 IFRS numbers. POSITIVE**

**Market liberalization and efficiency – key factors for financial improvement.** 1H10 IFRS revenue increased by 26% y-o-y to RUR25.04 bn, according to the company's press release. The revenue growth is attributable to the increase in electricity and capacity output, as well as higher prices in all segments of the wholesale electricity market. Expenses were up by 14% up to RUR19.86 bn. The increase in operating expenses is due primarily to fuel costs growth from RUR10.7 bn to RUR12.84 bn (up by 20%). Gross profit amounted to RUR5.48 bn, y-o-y increase of more than 2 times. Profit before tax surged by 1.7 times to RUR5.63 bn.

**Top-class profitability.** 1H10 IFRS EBITDA was RUR6.256 bn that is 67% higher than a year before. EBITDA margin came at 25%, which is the best 1H10 result among all the OGKs. Net profit rose by .8 times y-o-y to RUR4.5 bn. Net income margin is 18%, an increase of 5.5 ppt.

**Negative net debt – a hallmark of OGK-4.** The current net debt of OGK-4 is negative at -RUR12.046 bn. By our estimates, over the next two years the company will spend these funds on its investment program, which envisages the construction of several power units and an increase in total installed capacity from 8.3 GW to 11 GW. Some power units may be put into operation before the end of 2010 and in 2011, and would help improve the financial performance.

**OGK-4 is still out top-pick.** Our financial model of OGK-4 implies 2010 EBITDA margin at 22%, which is less than the company's 1H10 result. We see no reasons to revise our DCF-model. We regard OGK-4 1H10 IFRS numbers as very strong and reiterate our BUY recommendation with a target price of \$0.118/share implying a 44% upside potential. We believe OGK-4 is one of the most attractive bets in the wholesale thermal generation, even though it trades at an EV/Installed capacity of \$504/kW vs. the sector average of \$270/kW.

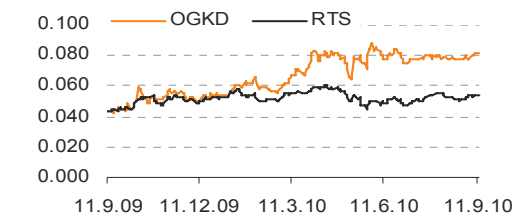
**OGK-4: 1H10 IFRS financials**

Statements, RUR mn	1H10	1H09	y-o-y	2010E, TKB Capital
Revenue	25,038	19,848	26%	50,765
EBITDA	6,256	3,744	67%	11,015
- EBITDA margin, %	25%	19%	6 ppt.	22%
Net Income	4,499	2,488	81%	7,389
- net margin, %	18%	12.5%	5.5 ppt	14.6%

Source: Company data, TKB Capital estimates

OGK-4		OGKD	
Price, \$			<b>0.082</b>
Recommendation			<b>BUY</b>
Target, \$			<b>0.118</b>
Upside			<b>44%</b>
MC, \$ mn	5,184	EV, \$ mn	4,618
	2009	2010E	2011E
P/E	25.2	20.6	13.3
EV/EBITDA	19.9	12.3	7.2

Source: MICEX, TKB Capital estimates



Source: MICEX, TKB Capital estimates

**TUESDAY SEPTEMBER 14, 2010**
*Alexey Serov a.serov@tkbc.ru*
**UTILITIES**
**RusHydro (HYDR) plans to issue additional 1.86 bn shares. NEUTRAL**

**Another additional share issue.** RusHydro plans an additional share issue of 1.86 bn shares, representing 0.644% of the company's current authorized capital to finance the restoration of Baksanskaya HPP, Interfax reported. Additional share issue will be placed through open subscription. Cut-off date is today, 14 September. The placement will be considered by RusHydro's Board of Directors with subsequent approval at the EGM, scheduled for October 22. According to the company, the cost of repairing Baksanskaya HPP that was damaged by rebels' attack is estimated at RUR1.5 bn (\$50 mn). Costs may be partly covered by insurance benefits.

**We believe that the news is neutral for the stock performance** due to the small volume of issue. We remind that recently the company completed the allocation of additional issue worth of RUR21.85 bn (19 bn ordinary shares, placement price was RUR1.15/share), during which a significant portion of shares has been repurchased by the company, resulting in the increase in treasury shares stake to over 5%. The share placement was accompanied by comments of RusHydro's representatives stating that in such a way the company had avoided the dilution of minorities. In this case the most reasonable scenario would be a partial sell of treasury share rather than another additional issue, especially if we take into account that current market price is well above the placement price. We reiterate our BUY recommendation on RusHydro's shares with the target price of \$0.0717/share, which implies a 34% upside potential.

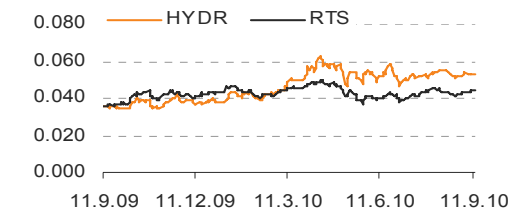
**METALS & MINING**
**Mechel (MTL) raised the \$2 bn pre-export facility. POSITIVE**

**New money for the company.** According to Mechel, the company raised the \$2 bn pre-export facility. The new facility is split between the borrowers in mining (\$857 mn for Yakutugol and Southern Kuzbass each), steel (\$95 mn for Chelyabinsk Steel) and ferroalloy (\$190 mn for Yuzhuralnickel) Mechel's divisions and is drawn in two tranches, a 3-year and a 5-year one. According to Vedomosti, the interest rate on a 3-year credit is LIBOR + 5%, while on a 5-year credit is LIBOR + 6%. Repayment will be done by monthly installments after 9 and 15 months grace periods, respectively. The facility is structured as a secured dual tranche pre-export facility.

**Mechel refinances its existing obligations.** The proceeds raised under the new \$2 bn facility have been used for refinancing Mechel's remaining debt obligations under the two syndicated pre-export facilities. It should be noted that the original \$2 bn and the \$1 bn facilities were raised for the acquisition of Yakutugol and Oriel Resources respectively. We positively regard this news for Mechel. New facility should help decrease the company's short-term liabilities (about \$2 bn at the end of 1Q10). Meanwhile, we note that Mechel's leverage remains high: net debt/EBITDA is nearly 2.9. We recommend to HOLD Mechel's common shares and ADRs with the fair price of \$29.5.

RusHydro		HYDR	
Price, \$		<b>0.053</b>	
Recommendation		<b>BUY</b>	
Target, \$		<b>0.0717</b>	
Upside		<b>34%</b>	
MC, \$ mn	14,387	EV, \$ mn	15,413
	2009	2010E	2011E
P/E	14.6	9.6	7.9
EV/EBITDA	9.5	6.9	5.2

Source: MICEX, TKB Capital estimates

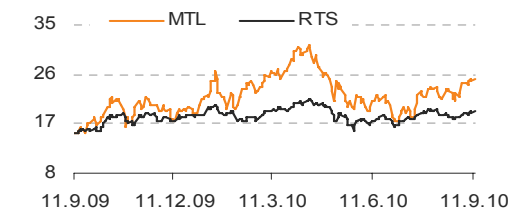


Source: MICEX, TKB Capital estimates

*Evgeny Ryabkov e.ryabkov@tkbc.ru*

Mechel, ADR		MTL	
Price, \$		<b>24.83</b>	
Recommendation		<b>HOLD</b>	
Target, \$		<b>29.5</b>	
Upside		<b>19%</b>	
MC, \$ mn	10,336	EV, \$ mn	15,919
	2009	2010E	2011E
P/E	135.4	10.9	8.1
EV/EBITDA	16.0	7.7	5.4

Source: NYSE, TKB Capital estimates



Source: Bloomberg, TKB Capital estimates

**TUESDAY SEPTEMBER 14, 2010**
*Evgeny Ryabkov e.ryabkov@tkbc.ru*
**METALS & MINING**
**Severstal (SVST LI) to purchase 43% of Crew Gold within next 2 days. POSITIVE**

**Severstal to get a control over Crew Gold.** According to Interfax, Canadian fund "Endeavor" should sell 43.21% of Crew Gold to Severstal within the next two days. The sum of the deal amounts \$215 mn that is about 11% higher than the current market price. As a result, Severstal will own about 93% of Crew Gold.

**Strengthening gold mining segment.** We regard this news as positive for Severstal. We welcome the company's steps towards strengthening its gold mining segment consider them as the main growth drivers for the Russian steelmaker. Crew Gold has a gold deposit in Guinea with reserves of 3 mn Oz and annual production of about 180 Koz. Cash costs were \$713 per ounce of gold over 1H10. We recommend to HOLD Severstal with the fair price of \$15.5/GDR.

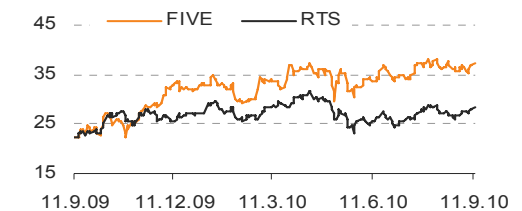
**CONSUMER & RETAIL**
**X5 Retail Group (FIVE LI) is ready for early refinancing of \$1.1 bn syndicated loan. POSITIVE**

**The funds for loan refinancing will be raised via new club loan.** Yesterday, X5 Retail Group reported that it is ready for early refinancing of its \$1.1 bn syndicated loan, which is due in December 2010. The funds of \$800 mn will be raised via a new club loan with 10 international banks. The rest of the syndicated loan will be refinanced through other facilities, including the forward start facility provided by Sberbank. We remind that at the end-2009 X5 managed to obtain a 5-year committed credit line from Sberbank for \$1.1 bn nominated in rubles that assumes 4.0-6.5% plus MosPrime. The new club loan is due in 3 years, envisages no collateral and is 50/50 nominated in dollar and ruble currencies. The interest rate of the new loan is set at 2.5% + MosPrime/LIBOR, for ruble-based part and dollar-based part respectively and this is more attractive than Sberbank's loan. We consider that post refinancing, the company's debt structure will be more balanced in terms of currency exposure and maturity. Thus, the total debt is expected to remain at \$1.9 bn (roughly 21% will be nominated in dollar terms vs. 60% previously and almost 60% will be LT vs. 1% previously). X5's Debt/EBITDA (trailing 12M) is at 2.4 (vs. less than 1.0 for Magnit). We also remind that after receiving a green light from FAS, X5 and Kopeyka are now able to continue to discuss the terms of the M&A deal. According to the independent appraisal, Kopeyka's equity value is more than RUR34 bn (about \$1.1 bn) or about 12 in terms of 2009 EV/EBITDA (X5 Retail Group trades at 15.9 based on 2009 EV/EBITDA). However, Kopeyka's beneficiary, Nikolay Tsvetkov, also considers the possibility to place the company's shares via IPO or sell them to Walmart and according to media is expected to make a final decision in late September – early October.

Severstal	CHMF	SVST	
Price, \$	<b>13.52</b>	<b>13.75</b>	
Recommendation	<b>HOLD</b>	<b>HOLD</b>	
Target, \$	<b>15.50</b>	<b>15.50</b>	
Upside	<b>15%</b>	<b>13%</b>	
MC, \$ mn	13,629	EV, \$ mn	17,999
	2009	2010E	2011E
P/E	her	her	9.9
EV/EBITDA	22.2	6.8	5.1

*Source: MICEX, TKB Capital estimates*
*Natasha Kolupaeva n.kolupaeva@tkbc.ru*

X5 Retail Group, GDR	FIVE		
Price, \$	<b>37.00</b>		
Recommendation	<b>BUY</b>		
Target, \$	<b>50.00</b>		
Upside	<b>35%</b>		
MC, \$ mn	10,048	EV, \$ mn	11,587
	2009	2010E	2011E
P/E	60.8	28.8	17.1
EV/EBITDA	15.7	12.0	8.6

*Source: LSE, TKB Capital estimates*

*Source: Bloomberg, TKB Capital estimates*



**BANKING SECTOR**
**Bank St Petersburg (STBK) 2Q10 IFRS results – less conservative than expected. POSITIVE**

**2Q10 financials – better than the trend.** Bank St Petersburg published 2Q10 financials, which mainly corresponded to expectations and previous forecasts. Improvement of the loan portfolio quality helped boost profit to RUR778 mn in 2Q10, but slow growth of loan portfolio and higher operating expenses are the main issues. During the conference call management provided more details regarding 2H10, which is expected to bring loan portfolio expansion and further stabilization of loans quality.

**Loan portfolio was flat q-o-q, in 3Q10 to grow by 5-6%.** In 2Q10 demand for loans remained weak that determined contraction of loan portfolio by 0.5% in 2Q10. In 3Q10 the bank's management expects improvement of the situation on financial market that will allow portfolio expanding at 5-6%, and in 2010 growth rate is estimated at 10-15%. We expect loan portfolio growth at 10-12% in 2010.

**NIM at sustainable level.** NIM was flat at 5.5% in 2Q10 that proved the bank's ability in liabilities reprising on the back of falling interest rates. NIM stood at 5.6%, while NII declined by 6% q-o-q in 2Q10. Comparing to 1H09, NII grew by 32% thanks to lower funding costs. Management of the bank considers NIM at 5.5% as sustainable in a longer term as so far average interest rates on liabilities and assets side have declined to the 2008 year level.

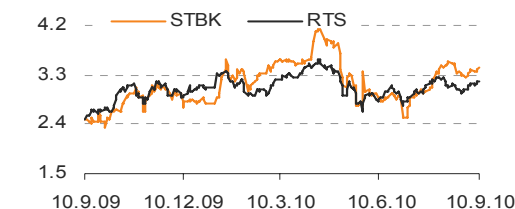
**Higher operating expenses, but still strong efficiency ratios.** Operating expenses grew by 26% q-o-q and by 17% y-o-y over the whole 1H10. Cost-to-income ratio was at 25.4% (vs. 25.1% in 2009). In 2Q10 this ratio grew to 32.4%. Earlier management guided operating costs growth in 2010 at 10% y-o-y, and now the forecast was changed to 10-15% growth in 2010 (which is close to our expectation). In a longer term, the bank sees its cost-to-income ratio at 30-35% that is a strong level comparing to its peers. In 2Q10 higher numbers were determined by additional expenses on the business development and return to normal hiring of the staff.

**Better loans quality supported bottom-line and the effect will be in the future periods.** Overdue loans reduced in 2Q10 to 7.1% vs. 8.6% as of 1 April 2010. Better loans quality determined lower loan loss provisions (at RUR1.2 bn in 2Q10 vs. RUR2.8 bn in 1Q10). In the coming quarters management expects further improvement of the loan portfolio quality with more significant effect coming from corporate segment, but provisions will still be meaningful due to portfolio expansion. In a longer term, the management foresees provisions to stabilize at 3% of the total loans, this year forecasts are still conservative reflecting market uncertainty. Net operating income before provisions over 1H10 grew marginally by 5.3% y-o-y.

**Market conditions will determine development, peak risks have passed.** The published numbers are generally in line with expectations. The management of the bank refrained from providing any guidance on 2010 earnings, but estimated ROAE level at 10-15% with further improvement in the coming years. As the peak in provisioning has passed, better loans quality will support bottom-line. The published numbers and the guidance look stronger than those of its peers that increases attractiveness of the stock. We keep our BUY recommendation for the bank St Petersburg's ordinary shares.

Bank St-Petersburg	STBK		
Price, \$	<b>3.43</b>		
Recommendation	<b>BUY</b>		
Target, \$	<b>4.20</b>		
Upside	<b>22%</b>		
MC, \$ mn	1,234		
	2009	2010E	2011E
P/E	61.0	14.0	7.9
P/BV	1.4	1.4	1.1

Source: MICEX, TKB Capital estimates



Source: MICEX, RTS, TKB Capital estimates

IFRS, RUR mn	2Q10E	1Q10	Change q-o-q	2Q09	Change y-o-y	1H10	1H09	Change y-o-y	Consensus 1H10E	Actual vs Consensus	TKB Capital 1H10E	Actual vs TKB Capital
Assets	239 460	232 076	3%	214 035	12%	239 460	214 035	12%	239 808	-0.1%	239 038	0.2%
Net Loans	157 625	159 606	-1%	143 907	10%	157 625	143 907	10%	158 954	-0.8%	161 696	-2.5%
Equity Capital	25 577	25 635	0%	18 608	37%	25 577	18 608	37%			25 998	-1.6%
Net Interest Income	2 993	3 085	-3%	2 283	31%	6 078	4 588	32%	6 259	-2.9%	6 171	-1.5%
Provisions for Loan Impairment	(1 185)	(2 780)	-57%	(2 383)	-50%	(3 965)	(5 469)	-28%	(4 968)	-20.2%	(4 690)	-15.5%
Net Commission Income	427	337	27%	373	14%	764	699	9%			749	1.9%
Net Operating Income	2 164	1 343	61%	502	331%	3 507	1 629	115%			2 781	26.1%
Operating Expenses	(1 086)	(859)	26%	(847)	28%	(1 945)	(1 669)	17%			(1 804)	7.8%
Net income (loss)	778	349	123%	(292)	H3	1 127	(52)	H3	690	63.3%	713	58.0%

Source: Company data, TKB Capital estimates

**TRANSPORT**
**NCSP's (NCSP LI) cargo turnover slightly decreased over 8M10. NEUTRAL**

**The cargo turnover declined in August.** Overall cargo turnover of Novorossiysk Commercial Sea Port (NCSP) showed stable results over 8M10 and lost only 1.7% y-o-y, however the monthly decline of transshipment was 11% (7.5 mn tons) vs. 26% m-o-m growth in July 2010. Prior to the ban on grain exports, NCSP loaded nearly 528,400 tons of grain that is 27% below the July level, although the decline in 8M10 was only 2.4%. Thus, if the company fails to receive the transit volumes of grain from Kazakhstan and other regions (currently being negotiated), grain transshipment could decline by about 36% y-o-y, however we estimate the decrease in revenue from the ban to be about 8-10%.

**Both high-margin cargoes and mineral fertilizers supported Group's y-o-y results.** Due to ongoing low base effect, as well as high rates of recovery in Russian consumer demand, the segment of container transportation continues demonstrating the most robust growth. In particular, the volume of container turnover increased by 82% y-o-y and amounted 284,000 TEU (2.4 mn tons). Handling of iron ore and ore concentrate over 8M10 decreased by 54.5% to 977,300 tons (vs 2.15 mn tons in 2009). Meanwhile, in the second half of 2010 volumes of this cargo were growing (up by 108% m-o-m) on the back of recently signed contracts. According to those contracts, monthly shipment of iron ore will amount to 300,000 tons and in August 2010 the numbers were close to those targets. Taking into account the expansion of iron ore deliveries in 2H10, we expect them to drop to 20% y-o-y by the year-end (vs. down by 54% over 8M10). Mineral fertilizers continued to show positive growth rate and increased by 47% y-o-y (up by 42% m-o-m). The total numbers over 8M10 are flat, while growth in handling volumes of certain types of goods is driven mainly by recovery in domestic demand.

**NCSP: 8M10 operating results (key segments), '000 tons**

	8M10	8M09	y-o-y	Aug10	Aug09	y-o-y	July10	m-o-m
<b>Cargo turnover, total</b>	<b>57,132.10</b>	<b>58,142.50</b>	<b>-2%</b>	<b>7,042.00</b>	<b>7,540.60</b>	<b>-7%</b>	<b>7,941.60</b>	<b>-11%</b>
Crude oil	28,640.30	29,680.20	-4%	3,769.60	3,853.20	-2%	4,375.80	-14%
Oil products	8,686.00	8,915.90	-2.6%	998.80	1,192.90	-16%	1,013.50	-1%
Grain	5,736.80	5,877.60	-2.4%	528.40	867.00	-39%	726.20	-27%
Ferrous metals	5,688.80	6,011.20	-5%	561.00	774.90	-28%	715.40	-22%
Iron ore	977.30	2,145.80	-54%	301.90	276.00	9%	145.40	108%
Sugar	1,311.70	1,069.70	23%	73.90	102.60	-28%	195.40	-62%
Mineral fertilizers	1,399.90	949.60	47%	212.60	82.10	159%	149.30	42%
Containers	2,390.30	1,475.60	62%	327.70	181.90	80%	301.40	9%
Containers '000 TEU	284.30	155.80	82%	42.40	17.50	142%	38.00	12%
Other	2,301.00	2,016.90	14%	268.10	210.00	28%	319.20	-16%

Source: Company data



## SMALL CAPS

**NPO Saturn (satr) to increase charter capital by 4.2 times and to sell the stakes in PAO Inkar (inka) and UMPO (UFMO).**

**New share issue's placement price is by 2.6 times higher than the market one.** NPO Saturn's Board recommended shareholders to approve at EGM on 14 October, 2010 the increase of its charter capital by placing 13 bn ordinary shares. Placement price is RUR1 (\$0.03) that is 2.6 times higher than the company's current market price. The way of placement is private subscription in favor of United Industrial Corporation Oboronprom (is allowed to buy out no more than 12 bn shares of NPO Saturn) and Russian Federation, presented by Rosimuschestvo (no more than 1 bn shares). Cut off date was 7 September.

**The stakes in subsidiaries to be sold for expensive.** NPO Saturn's Board also recommended shareholders to approve selling to UIC Oboronprom of 22.9 mn shares of PAO Inkar for RUR1.1 bn (\$35 mn) or RUR48 (\$1.6) per share, and 74.5 mn shares of UMPO for RUR2.5 bn (\$82 mn) or RUR34 (\$1.1) per share. That means that the stakes' price significantly exceeds the current market ones – by 5.3 and 2.1 times correspondingly.

**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	5.34	UR	UR	UR	125,511	169,423	4.8	4.5	4.2	4.8	3.9	3.5	1.5	0.7	1.0
ROSN	** Rosneft	6.65	8.5	BUY	28%	63,841	78,943	9.8	6.5	9.6	5.8	4.5	5.7	1.3	1.3	0.9
LKOH	** LUKOIL	55.5	74.0	BUY	33%	46,959	54,718	6.7	5.6	6.1	3.9	3.7	4.0	0.6	0.8	0.5
SNGS	* Surgutneftegas	1.00	UR	UR	UR	39,313	26,501	11.0	7.9	8.4	6.5	3.6	3.7	1.2	1.0	neg
SNGSP	* Surgutneftegas, Pref	0.47	UR	UR	UR											
SIBN	** Gazprom Neft	3.99	4.50	HOLD	13%	18,832	24,249	6.3	6.3	6.2	4.8	4.3	4.1	0.8	1.1	1.0
tnbp	** TNK-BP Holding	2.15	2.80	BUY	30%	33,058	34,800	6.4	5.4	5.7	4.3	3.6	3.8	0.8	1.7	0.2
tnbpp	** TNK-BP Holding, Pref	1.81	2.50	BUY	38%											
TATN	* Tatneft	4.74	UR	UR	UR	10,356	11,950	6.1	5.9	4.8	4.6	4.4	3.4	0.9	1.0	0.6
TATNP	* Tatneft, Pref	2.35	UR	UR												
BANE	* Bashneft	40.00	UR	UR	UR	7,878	9,758	24.6	6.7	5.3	14.3	4.0	3.4	0.8	n/a	0.8
BANEP	* Bashneft, Pref	30.95	UR	UR	UR											
NVTK	* NOVATEK	7.45	UR	UR	UR	22,575	23,436	27.5	17.4	14.2	18.7	12.4	10.1	5.9	4.7	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	168.7	UR	UR	UR	32,160	33,892	12.4	7.5	7.2	7.7	5.1	4.7	2.4	2.2	0.3
CHMF	Severstal	13.52	15.50	HOLD	15%	13,629	17,999	neg	neg	9.9	22.2	6.8	5.1	1.2	1.7	1.7
NLMK	NLMK	3.21	3.21	HOLD	0%	19,252	20,456	89.5	13.7	11.6	14.2	6.7	5.8	2.4	2.4	0.4
MAGN	MMK	0.89	1.06	HOLD	19%	9,972	12,199	45.5	13.4	8.8	12.2	6.4	5.2	1.7	1.1	1.2
MTL	Mechel, ADR	24.83	29.50	HOLD	19%	10,336	15,919	135.4	10.9	8.1	16.0	7.7	5.4	1.8	2.6	2.7
EVR	Evrz Group, GDR	28.35	32.10	HOLD	13%	11,249	19,053	neg	104.4	6.3	15.4	8.7	5.1	1.4	1.1	3.6
PLZL	* Polyus Gold	45.48	UR	UR	UR	8,670	8,696	27.0	16.3	12.5	16.3	9.8	8.4	5.1	2.8	0.0
PMTL	* Polymetal	14.50	UR	UR	UR	4,567	4,987	47.6	22.1	13.4	21.1	12.7	8.9	5.6	5.0	1.1
TRMK	* TMK	4.21	UR	UR	UR	3,674	7,181	neg	66.8	7.7	22.4	20.4	6.7	1.6	2.4	10.0
RASP	Raspads kaya	4.98	8.50	BUY	71%	3,892	4,196	33.2	14.0	8.9	16.2	9.0	6.0	5.5	3.1	0.7
BLNG	Belon	0.90	1.29	BUY	43%	1,034	1,350	66.3	11.6	10.7	12.0	6.9	6.7	1.7	2.2	1.6
unkl	Yuzhuralnickel	289.0	472.0	BUY	63%	173	21	255.9	11.4	7.4	neg	0.7	0.5	0.1	0.1	0.1
AMEZ	Ashinskiy Steel Works	0.490	0.579	HOLD	18%	244	317	14.6	5.6	9.9	6.3	3.6	4.7	1.0	0.7	0.8
VSMZ	Vyksa Steel Works	1400	1740	BUY	24%	2,404	2,475	9.8	5.6	4.0	4.8	3.7	2.9	0.8	1.0	0.8
CHZN	Chelyabinsk Zinc Plant	3.86	4.64	HOLD	20%	209	195	10.4	5.9	4.4	3.0	2.7	2.3	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	0.0117	0.0155	BUY	32%	14,494	11,788	23.1	18.5	9.5	10.5	6.2	3.6	2.8	0.5	neg
HYDR	RusHydro	0.053	0.072	BUY	34%	14,387	15,413	14.6	9.6	7.9	9.5	6.9	5.2	1.2	0.9	0.5
IRAO	* INTER RAO UES	0.0016	UR	UR	UR	3,577	4,319	neg	20.0	18.9	neg.	9.2	7.0	1.7	1.9	1.6
OGKA	* OGK-1	0.036	UR	UR	UR	1,588	1,633	16.0	14.6	7.8	10.9	6.3	4.1	0.9	1.3	0.2
OGKB	* OGK-2	0.053	UR	UR	UR	1,744	2,011	50.4	30.6	12.7	19.7	12.3	6.6	1.3	1.4	1.6
OGKC	* OGK-3	0.052	UR	UR	UR	2,458	755	18.1	26.7	21.1	5.9	7.1	4.9	0.6	0.7	neg
OGKD	OGK-4	0.082	0.118	BUY	44%	5,184	4,618	25.2	20.6	13.3	19.9	12.3	7.2	2.7	1.9	neg
OGKE	* EneI OGK-5	0.085	UR	UR	UR	3,019	3,599	29.8	25.6	10.2	14.7	11.6	6.5	2.1	1.5	1.9
OGKF	* OGK-6	0.041	UR	UR	UR	1,322	1,448	17.1	242.8	47.3	8.6	12.2	7.5	1.0	0.7	1.1
TGKA	* TGC-1	0.00075	UR	UR	UR	2,894	3,376	10.9	17.4	8.2	13.8	8.5	4.9	2.1	1.3	1.2
TGKB	* TGC-2	0.00028	UR	UR	UR	406	672	neg	18.2	9.7	10.1	4.5	3.4	0.7	0.6	1.8
TGKBP	* TGC-2, Pref	0.00028	UR	UR	UR											
MSNG	* Mosenergo	0.106	UR	UR	UR	4,220	4,770	80.5	28.8	14.0	10.6	7.3	5.6	1.1	0.7	0.8
TGKD	* TGC-4	0.00051	UR	UR	UR	1,000	963	neg	19.4	18.4	neg.	4.9	3.6	0.7	1.1	neg
TGKDP	* TGC-4, Pref	0.00029	UR	UR	UR											
TGKE	* TGC-5	0.00055	UR	UR	UR	677	716	22.9	15.2	10.3	15.6	8.2	5.1	1.0	0.7	0.4
TGKF	* TGC-6	0.00051	UR	UR	UR	947	1,211	56.9	9.9	9.9	16.1	6.7	7.5	1.2	n/a	1.5
TGKG	* Volga TGC (TGC-7)	0.078	UR	UR	UR	2,331	2,352	23.9	25.7	16.5	11.3	8.8	7.6	1.1	1.6	0.1
TGKI	* TGC-9	0.00017	UR	UR	UR	1,370	1,759	10.3	13.5	9.3	9.0	7.6	6.5	0.9	1.0	1.7
TGKJ	* Fortum, TGC-10	1.47	UR	UR	UR	1,297	1,290	11.1	11.6	10.7	13.7	10.7	5.6	1.3	0.6	neg
TGKK	TGC-11	0.00064	0.00113	BUY	76%	329	326	5.7	6.1	4.3	4.1	4.8	3.3	0.7	0.7	neg
KZBE	* Kusbassenergo	0.0121	UR	UR	UR	858	949	79.2	11.3	28.0	10.5	4.0	4.8	0.8	0.9	0.4
TGKM	* Yenisei TGC (TGC-13)	0.0039	UR	UR	UR	617	671	93.1	98.2	18.5	21.3	5.7	4.1	0.9	1.1	0.5
TGKN	* TGC-14	0.00014	UR	UR	UR	193	131	neg	9.7	4.9	neg.	3.9	2.2	0.5	0.7	neg
MRKH	* Holding MRSK	0.142	UR	UR	UR	6,032	10,088	13.8	10.1	18.4	3.7	4.7	4.2	0.9	0.5	1.9
MRKHP	* Holding MRSK, Pref	0.096	UR	UR	UR											
LSNG	* Lenenergo	0.77	UR	UR	UR	799	1,257	9.8	8.8	11.9	4.8	3.8	4.0	1.3	0.5	1.4
LSNGP	* Lenenergo, Pref	0.97	UR	UR	UR											
MRKC	* IDGC of Centre	0.038	UR	UR	UR	1,618	2,050	24.3	9.8	4.5	6.9	4.7	3.1	1.1	1.7	1.0
MRKK	* IDGC of Northern Caucasus	5.05	UR	UR	UR	149	183	neg	neg	39.3	6.7	3.8	3.1	0.5	0.3	0.7
MRKP	* IDGC of Center and Volga Region	0.0071	UR	UR	UR	803	1,145	59.4	24.1	4.4	5.7	5.0	2.8	0.7	0.6	1.5
MRKS	* IDGC of Siberia	0.0097	UR	UR	UR	865	1,082	neg	neg	11.0	9.6	7.6	4.4	0.7	1.0	1.5
MRKU	* IDGC of of Urals	0.0098	UR	UR	UR	853	1,004	25.6	6.6	5.0	4.7	3.5	3.0	0.6	0.9	0.5
MRKV	* IDGC of Volga	0.0036	UR	UR	UR	638	824	15.5	12.6	7.5	5.4	4.7	3.6	0.7	0.9	1.1
MRKY	* IDGC of South	0.0054	UR	UR	UR	271	663	neg	16.0	4.1	5.4	4.6	3.1	0.9	0.4	2.7
MRKZ	* IDGC of North-West	0.0068	UR	UR	UR	656	796	433.9	neg	15.0	7.9	6.6	5.1	0.8	0.9	1.2
MSRS	* MOESK	0.047	UR	UR	UR	2,267	3,782	6.7	5.7	4.4	3.9	3.6	3.1	1.2	0.8	1.4

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	13.95	18.80	BUY	35%	2,206	2,495	18.4	11.7	8.2	8.9	7.6	5.8	3.1	3.6	0.9
AFLT	* Aeroflot	2.06	UR	UR	UR	2,292	3,881	25.7	13.6	9.6	9.2	6.2	4.5	0.9	2.3	2.5
UTAR	* Utair Aviation	0.37	UR	UR	UR	213	937	33.1	26.0	6.3	5.5	4.5	3.4	0.7	0.7	3.5
NCSP	* NCSP, GDR	11.80	UR	UR	UR	3,030	3,326	12.1	11.7	10.9	7.7	7.6	7.2	4.6	3.7	0.7
FESH	* FESCO	0.4	UR	UR	UR	1,204	1,918	neg	neg	16.4	neg.	12.6	10.5	2.4	0.9	4.7

**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	21.15	28.00	BUY	32%	21,079	24,450	18.3	10.2	8.4	6.1	5.0	4.3	2.5	5.9	0.7
VIP	VimpelCom, ADR	14.87	29.10	BUY	96%	21,648	27,554	19.4	7.8	9.6	6.4	4.2	4.5	2.1	4.8	0.9
CMST	Comstar, GDR	6.56	7.70	HOLD	17%	2,742	3,565	neg	10.9	8.9	71.8	5.3	4.6	2.1	1.3	1.2
URSI	Uralsvyazinform	0.0359	0.033	HOLD	-8%	1,402	2,349	9.9	7.8	6.7	3.8	3.5	3.4	1.4	1.6	1.4
URSIP	Uralsvyazinform, Pref	0.0310	0.026	SELL	-16%											
NNSI	VolgaTelecom	3.47	5.15	BUY	49%	1,094	1,669	6.1	5.0	4.0	3.4	3.1	2.8	1.2	1.0	1.1
NNSIP	VolgaTelecom, Pref	2.94	3.94	BUY	34%											
ENCO	Sibirtelekom	0.0659	0.091	BUY	38%	1,004	1,802	10.8	6.2	4.9	3.1	2.9	2.7	1.1	1.3	1.3
ENCOP	Sibirtelekom, Pref	0.0545	0.073	BUY	34%											
KUBN	* UTK	0.1623	UR	UR	UR	616	1,224	8.6	8.5	6.2	4.0	4.0	3.8	1.6	1.7	2.0
KUBNP	* UTK, Pref	0.1390	UR	UR	UR											
SPTL	N.W. Telecom	0.761	0.79	HOLD	4%	832	1,358	10.2	8.8	8.0	3.7	3.4	3.4	1.5	0.7	1.3
SPTLP	N.W. Telecom, Pref	0.648	0.64	HOLD	-2%											
ESMO	CenterTelecom	0.795	0.758	HOLD	-5%	1,607	2,416	7.5	5.6	4.9	4.1	3.7	3.4	1.4	2.2	1.2
ESMOP	CenterTelecom, Pref	0.670	0.606	HOLD	-10%											
ESPK	Far East Telecom	3.32	5.76	BUY	73%	408	603	4.5	3.8	4.1	2.5	2.1	1.9	0.8	1.2	0.7
ESPKP	Far East Telecom, Pref	2.90	4.85	BUY	67%											
RTKM	* Rostelecom	4.26	UR	UR	UR	3,851	3,600	33.2	33.5	34.5	9.1	11.2	11.8	1.7	1.8	neg
RTKMP	* Rostelecom, Pref	3.08	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	37.0	50.0	BUY	35%	10,048	11,587	60.8	28.8	17.1	15.7	12.0	8.6	0.9	5.7	1.6
MGNT LI	Magnit, GDR	23.8	24.4	HOLD	3%	10,566	10,607	38.4	30.4	21.0	21.3	15.7	10.7	1.4	7.4	0.1
MGNT	Magnit, Common	117.9	122.0	HOLD	4%	10,486	10,527	38.1	30.2	20.9	21.2	15.6	10.6	1.4	7.4	0.1
DIXY	Dixy Group	10.3	10.3	HOLD	0%	888	1,146	202.1	25.4	13.7	13.0	9.2	6.8	0.5	4.6	2.1
SCON	Seventh Continent	8.2	9.6	HOLD	17%	615	1,029	25.5	17.3	10.9	9.0	8.0	6.7	0.6	1.0	3.2
MVID	* M.video	6.5	UR	UR	UR	1,170	1,161	47.2	22.3	16.3	11.3	8.9	6.8	0.4	4.1	neg
APTK	* Pharmacy Chain 36.6	3.5	UR	UR	UR	329	586	neg	neg	neg	13.1	8.1	6.3	0.7	2.2	3.5
WBD US	Wimm-Bill-Dann, ADR	20.2	27.0	BUY	34%	3,548	3,798	30.4	31.4	23.7	12.4	10.0	8.5	1.4	5.0	0.7
WBDF	Wimm-Bill-Dann, Common	48.6	108.0	BUY	122%	2,139	2,389	18.4	18.9	14.3	7.8	6.3	5.3	0.9	3.0	0.7
PKBA	* Baltika Breweries	33.0	UR	UR	UR	5,407	5,439	7.3	7.8	8.6	5.0	5.2	4.8	1.7	3.2	0.0
PKBAP	* Baltika Breweries, Pref	32.5	UR	UR	UR											
PHST LI	Pharmstandard, GDR	23.1	33.5	BUY	45%	3,484	3,381	16.2	15.5	12.6	11.5	10.8	8.9	4.1	5.5	neg
PHST	Pharmstandard, Common	77.8	134.0	BUY	72%	2,942	2,838	13.6	13.1	10.7	9.7	9.1	7.4	3.4	4.6	neg
VRPH	Veropharm	36.6	47.0	BUY	28%	366	388	10.5	9.3	7.3	8.9	6.8	5.5	2.1	2.2	0.4
KLNA	* Kalina	19.3	UR	UR	UR	188	281	14.4	7.6	6.4	5.8	4.8	4.6	0.5	1.6	1.6

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	2.74	3.50	BUY	28%	61,079	72.3	15.0	8.0	2.49	2.00	1.68
SBERP	Sberbank, Pref	1.97	2.90	BUY	47%							
VTBR	VTB Bank	0.0029	0.0030	HOLD	3%	30,440	neg	15.2	11.4	1.75	1.75	1.55
MMBM *	Bank of Moscow	31.40	UR	UR	UR	5,652	251.3	22.0	11.8	1.73	1.47	1.27
VZRZ	Vozrozhdenie Bank, Common	37.06	45.9	BUY	24%	896	28.3	26.0	8.4	1.61	1.55	1.28
VZRZP	Vozrozhdenie Bank, Pref	12.06	17.2	BUY	43%							
STBK	Bank Saint-Petersburg, Common	3.61	4.20	HOLD	16%	1,284	63.5	14.6	8.2	1.47	1.41	1.15
STBKPA *	Bank Saint-Petersburg, Pref	4.08	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	32.00	UR	UR	UR	610	1,512	neg	neg	neg	neg.	14.4	4.8	0.4	0.7	8.6
GAZAP *	GAZ, Pref	12.00	UR	UR	UR											
SVAV *	Sollers	16.54	UR	UR	UR	567	1,325	neg	neg	12.5	158.7	10.1	5.5	0.8	1.1	5.8
KMAZ *	KAMAZ	2.44	UR	UR	UR	1,724	2,306	neg	neg	25.1	72.9	17.6	8.7	0.9	1.7	4.5
SILM *	Power machines	0.23	UR	UR	UR	2,029	1,776	10.9	10.2	9.2	6.1	5.5	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	3.0	3.0	3.0	1.2	0.6	neg
NZHKP *	NCCP, Pref	2.7	UR	UR	UR											
KHEL *	Kazan Helicopters	1.89	UR	UR	UR	292	449	6.0	6.0	5.5	6.8	5.9	5.4	0.8	1.4	2.1
uuaz *	Ulan-Ude Avia Plant	1.33	UR	UR	UR	356	194	4.5	4.7	4.9	1.7	1.6	1.7	0.4	1.6	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	28.3	57.0	BUY	101%	2,918	3,744	20.2	14.2	11.1	8.1	7.9	6.9	2.1	2.2	1.7
LSRG LI	LSR Group, GDR	7.8	11.4	BUY	46%	4,018	4,845	27.8	19.6	15.3	10.5	10.2	9.0	2.8	3.1	1.7
PIK LI	Pik Group, GDR	4.1	7.2	BUY	77%	2,003	3,329	neg	neg	55.5	19.5	15.2	13.1	2.7	3.6	6.1
AFID	AFI Development, GDR	0.85	1.50	BUY	76%	891	1,096	neg	neg	62.5	42.0	32.4	13.1	10.2	0.5	6.1
MLD	MirLand Development, GDR	2.79	5.00	BUY	79%	289	503	neg	112.4	7.9	neg.	24.6	7.9	11.8	0.9	10.5

\* - 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

Source: RTS, MICEX, Bloomberg, TKB Capital estimates

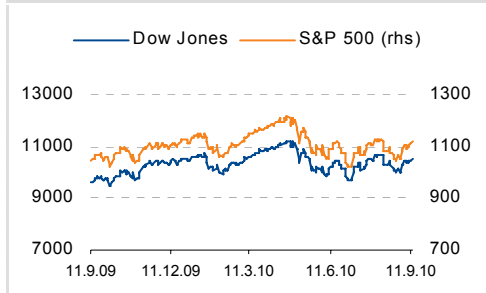
**MODEL PORTFOLIO**

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			7.8%			since 21/04/2010		-3.6%		
<b>Cash</b>									<b>10.00%</b>	
<b>Oil &amp; Gas</b>									<b>30.00%</b>	
ROSN	Rosneft	7.53	6.65	n/a	25%	50%	63,847	9,577	6.87%	5.00%
TNBP	TNK-BP Holding	2.06	2.15	n/a	6%	12%	34,071	1,704	0.00%	10.00%
BANE	Bashneft	36.25	40.00	n/a	13%	25%	6,807	1,674	0.44%	15.00%
<b>Metals &amp; Mining</b>									<b>13.00%</b>	
RASP	Raspadskaya	4.875	4.985	2%	20%	40%	3,892	778	0.51%	5.00%
MTLR	Mechel	25.06	25.09	0%	24%	40%	0	0	1.01%	5.00%
CHMF	Severstal	12.43	13.52	0%	11%	26%	13,629	2,385	1.33%	3.00%
<b>Consumer and Retail</b>									<b>10.00%</b>	
MGNT	Magnit	88.93	117.86	0%	1%	2%	10,480	3,144	1.68%	5.00%
PHST	Pharmstandard	70.81	77.85	3%	16%	32%	2,942	294	0.29%	5.00%
<b>Machinery</b>									<b>6.00%</b>	
SVAV	Sollers	15.91	16.54	21%	39%	57%	567	198	0.10%	3.00%
SILM	Pow er Machines	0.209	0.233	12%	20%	33%	2,029	101	0.00%	3.00%
<b>Banks</b>									<b>10.00%</b>	
SBER	Sberbank OS	2.70	2.74	13%	28%	42%	59,107	17,732	14.60%	6.00%
STBK	Bank St-Petersburg OS	3.28	3.61	16%	25%	36%	1,019	178	0.00%	4.00%
<b>Utilities</b>									<b>15.00%</b>	
HYDR	RusHydro	0.0539	0.0533	4%	27%	35%	13,070	4,849	2.33%	6.00%
TGKG	TGK-7	0.0472	0.0777	2%	11%	15%	2,331	1,081	0.00%	4.00%
TGKK	TGK-11	0.000705	0.000641	10%	57%	76%	329	131	0.00%	2.00%
TGKM	TGK-13	0.00359	0.00388	6%	36%	49%	617	205	0.00%	3.00%
<b>Telecoms</b>									<b>3.00%</b>	
ENCO	Sibirtelecom OS	0.058	0.066	17%	n/a	n/a	791	79	0.20%	1.00%
KUBN	South Telecom OS	0.140	0.162	17%	n/a	n/a	480	48	0.00%	1.00%
SPTL	North-West Telecom OS	0.654	0.761	18%	n/a	n/a	670	67	0.15%	1.00%
<b>Real Estate / Development</b>									<b>3.00%</b>	
LSRG	LSR Group	29.64	28.50	47%	82%	128%	2,669	480	0.00%	3.00%

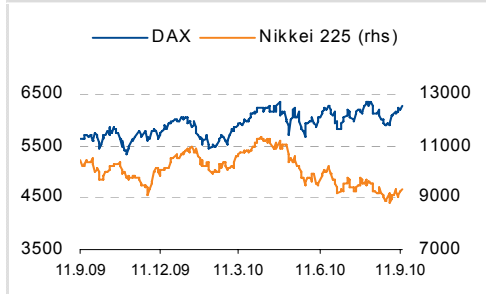


**STOCK INDEXES**

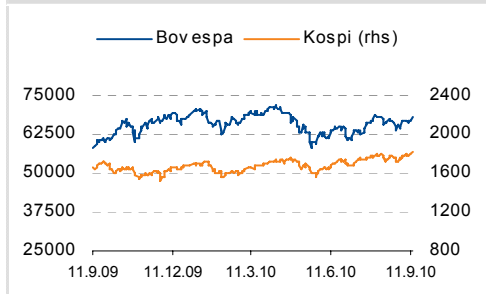
Dow Jones	10,544	0.78%
S&P 500	1,122	1.11%



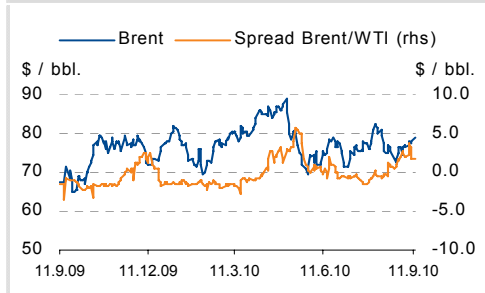
DAX	6,262	0.75%
Nikkei 225	9,322	0.89%



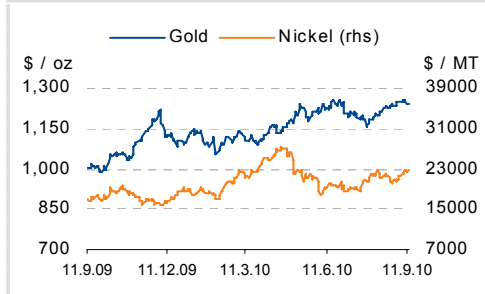
Bovespa	68,031	1.83%
Kospi	1,819	0.90%


**COMMODITY FUTURES**

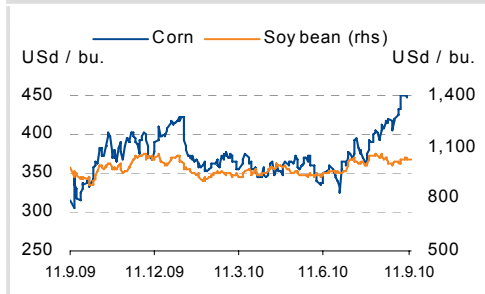
Brent	79.03	1.11%
Spread Brent/WTI	1.84	0.13



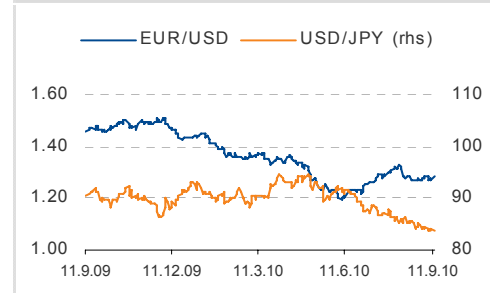
Gold	1,246	0.0%
Nickel	22,844	1.5%



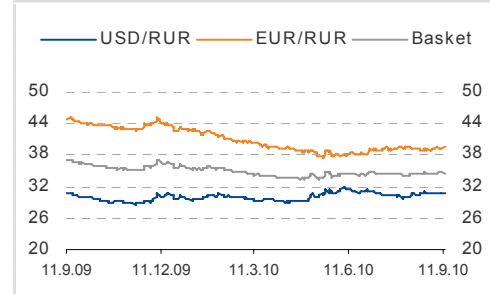
Corn	469.3	1.13%
Soybean	1,025.3	0.17%


**CURRENCIES**

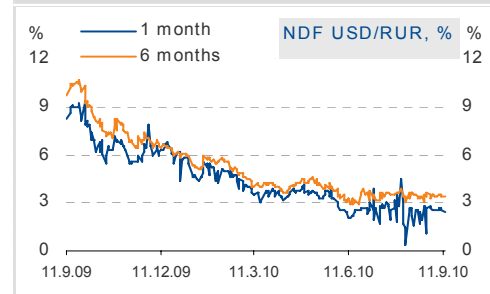
EUR/USD	1.286	1.12%
USD/JPY	83.7	-0.64%



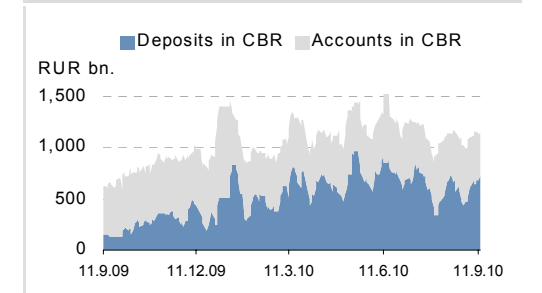
USD/RUR	30.68	-0.63%
EUR/RUR	39.46	0.47%



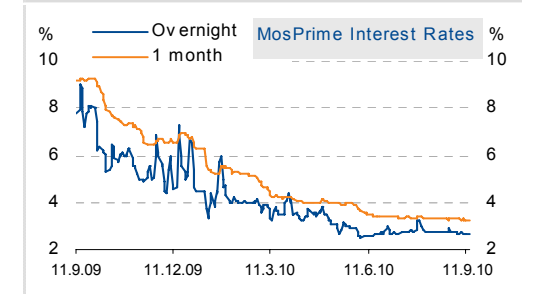
NDF USD/RUR 1m, %	2.44	-0.08
NDF USD/RUR 6m, %	3.41	0.03


**LIQUIDITY AND INTEREST RATES**

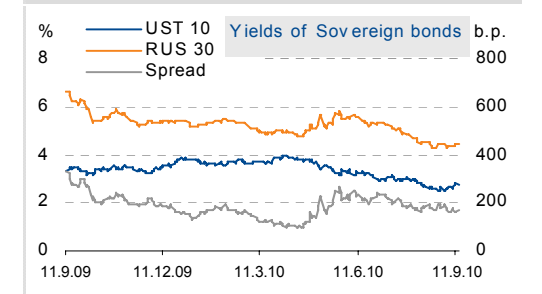
Deposits in CBR, RUR bn	717	4.6%
Accounts in CBR, RUR bn	417	-7.3%



MosPrime O/N, %	2.7	0.00
MosPrime 1m, %	3.3	0.01



UST 10Y, %	2.75	-0.04
Russia 30Y, %	4.41	0.00



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	11,565,857	21.44	0.66%	GAZP RX	21.36	0.36%
ROSN LI	Rosneft	LSE	1	9,712,483	6.67	0.60%	ROSN RX	6.65	0.27%
LKOD LI	LUKOIL	LSE	1	2,609,499	55.70	0.54%	LKOH RX	55.46	0.42%
SGGD LI	Surgutneftegas, Common	LSE	10	1,150,041	10.04	1.41%	SNGS RX	9.99	0.50%
ATAD LI	Tatneft, Common	LSE	6	283,917	31.00	2.65%	TATN3 RX	28.43	9.04%
GAZ LI	Gazprom Neft	LSE	5	62,990	20.03	0.15%	SIBN RX	19.96	0.37%
NVTK LI	NOVATEK	LSE	10	764,629	84.40	2.55%	NVTK RX	74.45	13.36%
AOIL SS	Alliance Oil	OMXS	1	470,832	13.04	2.66%			
EDCL LI	Eurasia Drilling	LSE	1	246,197	22.42	8.78%			
INTE LI	Integra	LSE	0.05	60,445	2.59	-1.52%			
O2C GR	CAT Oil	XETRA	1	80,157	8.36	-0.72%			
VGAS LN	Volga Gas	LSE	1	-	2.97	1.01%			
SSA LI	Sistema	LSE	20	669,649	25.70	1.34%	AFKC RX	17.23	49.13%
MBT US	Mobile TeleSystems	NYSE	2	3,309,351	21.56	1.94%	CMST RX	16.71	29.06%
VIP US	VimpelCom	NYSE	0.05	2,980,061	15.01	0.94%			
CMST LI	Comstar-UTS	LSE	1	235,868	6.60	0.61%	MTSI RX	6.57	0.39%
RKMD LI	Rostelecom, Common	LSE	6	20,600	25.70	0.39%	RTKM RX	25.55	0.59%
CTCM US	CTC Media	NASDAQ	1	479,532	20.25	1.61%			
SITR LI	SITRONICS	LSE	50	-	0.85	0.00%	SITR RU	1.13	-24.44%
VTBR LI	VTB Bank	LSE	2000	13,239,906	5.86	1.21%	VTBR RX	5.82	0.69%
VZY GR	Vozrozhdenie Bank, Common	XETRA	3/4	-	26.55	-5.18%	VZRZ RX	27.80	-4.49%
FIVE LI	X5 Retail Group	LSE	0.25	808,886	37.49	1.32%			
MGNT LI	Magnit	LSE	0.20	1,091,038	25.18	6.02%	MGNT RX	23.57	6.83%
PHST LI	Pharmstandard	LSE	0.25	196,454	22.65	-1.74%	PHST RX	19.46	16.38%
WBD US	Wimm-Bill-Dann Foods	NYSE	0.25	441,915	20.62	2.28%	WBDF RX	12.15	69.65%
CHE LI	Cherkizovo Group	LSE	2/3	-	16.00	0.00%	GCHE RX	15.83	1.08%
URKA LI	Uralkali	LSE	5	884,752	24.00	0.59%	URKA RX	23.77	0.98%
RUSAL FP	RUSAL	Euronext	20	1,194	21.16	0.05%			
MNOD LI	Norilsk Nickel	LSE	0.1	4,389,230	16.88	0.30%	GMKN RX	16.87	0.06%
SVST LI	Severstal	LSE	1	1,675,299	14.00	1.82%	CHMF RX	13.52	3.52%
NLMK LI	NLMK	LSE	10	258,427	32.74	-0.40%	NLMK RX	32.12	1.92%
MMK LI	MMK	LSE	13	102,947	11.76	2.26%	MAGN RX	11.60	1.37%
MTL US	Mechel, Common	NYSE	1	1,572,358	25.23	1.61%	MTLR RX	25.09	0.57%
EVR LI	Evrax Group	LSE	1/3	1,200,396	28.90	1.94%			
PLZL LI	Polyus Gold	LSE	0.5	72,393	25.44	0.24%	PLZL RX	22.74	11.88%
PMTL LI	Polymetal	LSE	1	162,928	14.60	3.47%	PMTL RX	14.50	0.69%
HGM LN	Highland Gold	LSE	1	239,228	2.12	2.34%			
HRG CN	High River Gold	TSX	1	751,053	0.92	-2.25%			
TMKS LI	TMK	LSE	4	226,943	16.86	-0.65%	TRMK RX	16.83	0.17%
CHZN LI	Chelyabinsk Zinc Plant	LSE	1	-	3.70	0.00%	CHZN RX	3.86	-4.02%
LSRG LI	LSR Group	LSE	0.20	341,270	8.10	3.85%	LSRG RX	5.66	42.99%
PIK LI	PIK Group	LSE	1	141,347	4.12	1.48%	PIKK RX	4.10	0.60%
AFID LI	AFI Development	LSE	1	826,499	0.87	1.76%			
MLD LN	MirLand Development	LSE	1	-	2.88	3.25%			
HALS LI	Sistema Hals	LSE	0.05	14,500	1.30	-8.45%	HALS RX	1.38	-5.50%
RUS LN	Raven Russia	LSE	1	7,601,501	0.81	0.96%			
RGI LN	RGI International	LSE	1	10,000	2.03	0.00%			
GLTR LI	Globaltrans	LSE	1	115,354	14.25	2.15%			
NCSP LI	NCSP	LSE	75	1,110,097	12.01	1.78%	NMTP RX	11.92	0.76%

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	9,321.82	0.89%	0.22%	0.74%	-11.61%	-10.75%
Hang Seng	Hong Kong	21,658.35	1.89%	1.42%	2.78%	-0.98%	2.35%
Straits Times	Singapore	3,066.81	1.47%	1.06%	4.31%	5.84%	14.39%
Seoul Composite	South Korea	1,818.86	0.90%	1.48%	4.16%	8.09%	10.12%
Shanghai Composite	China	2,688.32	0.94%	-0.29%	3.13%	-17.97%	-10.08%
Taiwan Weighted	Taiwan	8,091.30	2.55%	2.54%	2.53%	-1.18%	10.28%
SENSEX	India	19,208.33	2.17%	3.49%	5.73%	9.98%	18.10%
<b>Europe</b>							
FTSE 100	Great Britain	5,565.53	1.16%	2.32%	5.50%	2.82%	11.06%
DAX	Germany	6,261.68	0.75%	1.73%	2.48%	5.11%	11.34%
CAC 40	France	3,767.15	1.11%	2.24%	4.33%	-4.30%	0.86%
Budapest SE Index	Hungary	23,415.34	1.60%	1.03%	6.07%	10.31%	21.28%
PX50	Czech Republic	1,149.40	0.93%	-1.08%	-2.05%	2.87%	0.70%
WIG 20 TR	Poland	2,559.89	1.40%	2.90%	4.40%	7.17%	19.13%
ISE 100	Turkey	62,260.11	2.73%	1.90%	6.46%	17.86%	33.65%
RTS	Russia	1,503.22	1.08%	2.28%	4.00%	4.06%	25.63%
MICEX	Russia	1,441.58	0.54%	2.34%	5.11%	5.22%	22.67%
<b>Africa</b>							
FTSE/JSE Top 40	South Africa	25,355.17	1.56%	1.97%	3.81%	1.43%	10.22%
Egypt CMA GENL	Egypt	612.25	1.83%	1.64%	3.50%	6.77%	-2.46%
<b>America</b>							
DJIA	USA	10,544.13	0.78%	0.92%	2.34%	1.11%	9.77%
S&P 500	USA	1,121.90	1.11%	1.57%	3.95%	0.61%	7.59%
NASDAQ	USA	2,285.71	1.93%	2.33%	5.16%	0.73%	9.84%
Bovespa	Brazil	68,030.58	1.83%	1.92%	2.67%	-0.81%	16.56%
BUSE MERVAL	Argentina	2,457.92	0.87%	0.82%	3.80%	5.91%	29.35%
IBC	Venezuela	65,270.64	0.00%	0.36%	0.82%	18.51%	25.16%
<b>Emerging markets indexes</b>							
MSCI BRIC		332.74	2.05%	1.85%	4.72%	0.13%	12.86%
FTSE Russia IOB Index		864.95	0.95%	2.05%	4.31%	-1.60%	13.86%
MSCI Russia		802.25	1.42%	2.53%	4.45%	0.87%	15.53%

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	78.44	1.10%	3.05%	5.19%	1.61%	16.38%
EUCRURMD	Urals	78.54	1.00%	3.14%	7.68%	2.36%	17.35%
USCRWTIC	WTI	77.19	0.97%	3.47%	2.39%	-2.73%	11.40%
GOLDLNPM	Gold	1,243.75	-0.22%	-0.42%	2.43%	14.37%	23.36%
SLVRLN	Silver	19.93	0.15%	0.35%	10.35%	17.30%	18.00%
PLAT	Platinum	1,554.75	0.71%	-0.37%	2.00%	6.09%	17.96%
PALL	Palladium	532.00	2.31%	0.89%	11.24%	30.46%	82.19%
LMAHDY	Aluminium	2,098.75	1.30%	-3.06%	-0.12%	-4.47%	15.78%
LMCADY	Copper	7,617.75	1.95%	-0.98%	6.81%	3.76%	22.17%
LMNIDY	Nickel	22,844.00	1.55%	3.34%	7.72%	23.80%	35.05%
LMZSDY	Zinc	2,121.00	1.84%	-2.09%	5.09%	-16.13%	15.22%
MBSTCIHR	Steel HRC (FOB Black Sea)	632.50	5.42%	5.42%	11.45%	24.63%	15.53%
MBSTUSHR	Steel HRC (USA)	545.00	0.00%	0.00%	0.00%	7.92%	-1.80%
LMSNDY	Tin	22,265.00	1.95%	6.91%	6.02%	31.99%	49.33%
LMPBDY	Lead	2,220.75	3.06%	2.42%	9.34%	-7.55%	8.73%

**Futures**

Bloomberg code	Commodity	Value	Daily change, %	Weekly change, %	Monthly change, %	YTD change, %	Change of 52 week, %
CO1	Brent	79.03	1.11%	2.81%	5.22%	1.41%	16.75%
CL1	WTI	77.19	0.97%	3.47%	2.39%	-2.73%	11.40%
HO1	Heating Oil	212.27	0.87%	3.18%	6.37%	0.18%	22.64%
PG1	Gasoline	198.06	0.38%	3.76%	2.11%	-3.52%	12.55%
NG1	Natural Gas	3.94	1.42%	-0.03%	-9.01%	-29.33%	33.04%
GC1	Gold	1,245.60	0.05%	-0.34%	2.53%	13.63%	23.92%
SI1	Silver	20.11	1.56%	0.98%	11.05%	19.55%	20.59%
PL1	Platinum	1,549.90	0.48%	-0.72%	1.55%	6.16%	17.35%
PA1	Palladium	527.80	1.98%	-0.24%	10.59%	29.09%	80.08%
LY1	Aluminium	2,219.00	1.65%	-2.59%	1.28%	14.71%	32.40%
LP1	Copper	7,617.75	1.96%	-1.01%	6.80%	3.62%	22.17%
LN1	Nickel	22,844.00	1.54%	3.31%	7.71%	23.70%	35.07%
LX1	Zinc	2,121.00	1.84%	-2.24%	5.07%	-16.32%	15.21%
LT1	Tin	22,265.00	1.95%	6.89%	6.02%	31.80%	49.33%
LL1	Lead	2,220.75	3.04%	2.28%	9.32%	-7.81%	8.73%
API21MON	Steam Coal	91.30	0.88%	-0.76%	0.33%	9.67%	32.99%
CCKPTAIY Index	Coking Coal	1,660.00	0.00%	0.00%	3.11%	-2.35%	-1.19%
MBFOFO01 Index	Iron Ore	147.50	0.00%	-1.99%	-3.59%	32.29%	77.71%
SB1	Sugar	23.34	2.68%	13.30%	20.19%	-13.40%	10.04%
CC1	Cocoa	2,562.00	-1.27%	-6.05%	-10.23%	-22.10%	-16.14%
KC1	Coffee	187.50	-0.40%	1.32%	6.84%	37.92%	49.64%
C 1	Corn	469.25	1.13%	4.34%	13.96%	13.21%	49.21%
W 1	Wheat	713.75	1.28%	0.78%	1.60%	31.81%	61.57%
S 1	Soybean	1,025.25	0.17%	-0.44%	-2.54%	-1.39%	4.14%
CT1	Cotton	91.80	1.02%	0.93%	4.93%	21.43%	54.78%

**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)	30.68	-0.63%	0.17%	0.38%	2.13%	0.06%
EURRUB Curncy	Euro (rubles per 1 euro)	39.46	0.47%	0.02%	0.82%	-8.39%	-11.71%
RUBBASK Curncy	Basket \$0.55/0.45€ (rubles)	34.63	-0.07%	0.09%	0.60%	-3.70%	-6.40%
EUR Curncy	Euro (\$ per 1 euro)	1.286	1.12%	-0.12%	0.54%	-10.26%	-11.77%
GBP Curncy	British Pound Sterling (\$ per 1 pound)	1.544	0.48%	0.17%	-1.01%	-4.38%	-7.38%
JPY Curncy	Japanese Yen (yen per \$1)	83.67	-0.64%	-0.62%	-2.94%	-10.17%	-7.53%
CHF Curncy	Swiss Franc (francs per \$1)	1.009	-0.96%	-0.29%	-3.98%	-2.49%	-2.80%
CNY Curncy	Chinese Yuan (yuan per \$1)	6.762	-0.13%	-0.39%	-0.50%	-0.96%	-0.98%
BRL Curncy	Brazilian Real (reals per \$1)	1.717	-0.03%	-0.56%	-3.04%	-1.43%	-5.49%
MXN Curncy	Mexican Peso (pesos per \$1)	12.90	-0.44%	-0.38%	1.41%	-1.40%	-3.54%
TRY Curncy	Turkish Lira (liras per \$1)	1.497	-0.65%	-0.40%	-1.31%	0.24%	0.22%
INR Curncy	Indian Rupee (rupee per \$1)	46.40	-0.15%	-0.31%	-0.78%	-0.27%	-4.28%
KRW Curncy	S.Korean Won (won per \$1)	1,159.3	-0.38%	-1.02%	-2.52%	0.11%	-5.12%

**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	0.227	0.000	0.001	-0.003	0.058	0.008
US0001M Index	LIBOR 1Month	0.257	0.000	0.000	-0.015	0.026	0.014
US0003M Index	LIBOR 3Months	0.292	0.000	0.000	-0.077	0.042	-0.007
EUR001M Index	EURIBOR 1Month	0.616	0.000	-0.002	-0.031	0.163	0.162
EUR003M Index	EURIBOR 3Months	0.879	0.001	-0.003	-0.019	0.179	0.106
MOSKON Index	MosPrime Overnight	2.660	0.000	-0.050	-0.110	-1.790	-5.120
MOSK1W Index	MosPrime 1Week	2.920	0.000	-0.050	-0.060	-1.680	-5.080
MOSK2W Index	MosPrime 2Weeks	3.080	0.010	-0.010	0.000	-1.870	-5.170
MOSKP1 Index	MosPrime 1Month	3.260	0.010	-0.010	-0.030	-3.060	-5.940
MOSKP3 Index	MosPrime 3Months	3.750	0.000	0.000	-0.010	-3.300	-7.220

**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	2.44	-0.08	-0.12	0.84	-3.30	-5.80
RRN3M Curncy	3 Months	2.95	0.00	-0.07	-0.15	-4.57	-5.99
RRN6M Curncy	6 Months	3.41	0.03	-0.01	-0.08	-2.64	-6.26
RRN12M Curncy	1 Year	4.18	-0.12	0.01	-0.05	-2.28	-6.06






























Source: Bloomberg, TKB Capital estimates

**MACROECONOMICS: STATISTICS & EVENTS CALENDAR**

Date	Time	Indicator	Period	Survey	Actual	Prior	Revised
<b>13.09.2010</b> MONDAY		US 22:00 Monthly Budget Statement	AUG	-\$95.0B	-\$90.5B	-\$103.6B	--
<b>14.09.2010</b> THUESDAY		UK 3:01 RICS House Price Balance	AUG	-12%	-32%	-8%	--
		UK 3:01 Nationwide Consumer Confidence	AUG	60	61	56	--
		UK 12:30 DCLG UK House Prices (YoY)	JUL	8.40%	--	9.90%	--
		UK 12:30 CPI (MoM)	AUG	0.30%	--	-0.20%	--
		UK 12:30 CPI (YoY)	AUG	3.00%	--	3.10%	--
		UK 12:30 Core CPI YOY	AUG	2.50%	--	2.60%	--
		UK 12:30 Retail Price Index	AUG	224.3	--	223.6	--
		UK 12:30 RPI (MoM)	AUG	0.30%	--	-0.20%	--
		UK 12:30 RPI (YoY)	AUG	4.60%	--	4.80%	--
		UK 12:30 RPI Ex Mort Int.Payments (YoY)	AUG	4.60%	--	4.80%	--
		EC 13:00 Euro-Zone Labour Costs (YoY)	2Q10	--	--	2.10%	--
		EC 13:00 ZEW Survey (Econ. Sentiment)	SEP	14.5	--	15.8	--
		EC 13:00 Euro-Zone Ind. Prod. wda (YoY)	JUL	8.00%	--	8.20%	8.30%
		EC 13:00 Euro-Zone Ind. Prod. sa (MoM)	JUL	0.10%	--	-0.10%	-0.10%
		US 15:30 NFIB Small Business Optimism	AUG	89.0	--	88.1	--
		US 16:30 Advance Retail Sales	AUG	0.30%	--	0.40%	--
		US 16:30 Retail Sales Less Autos	AUG	0.30%	--	0.20%	--
		US 16:30 Retail Sales Ex Auto & Gas	AUG	0.40%	--	-0.10%	--
		US 18:00 IBD/TIPP Economic Optimism	SEP	44.0	--	43.6	--
		US 18:00 Business Inventories	JUL	0.70%	--	0.30%	--
<b>15.09.2010</b> WEDNESDAY		US 1:00 ABC Consumer Confidence	SEP 12	--	--	-43	--
		UK 12:30 Claimant Count Rate	AUG	4.50%	--	4.50%	--
		UK 12:30 Jobless Claims Change	AUG	-3.0K	--	-3.8K	--
		UK 12:30 Average Weekly Earnings 3M/YoY	JUL	1.70%	--	1.30%	--
		UK 12:30 Weekly Earnings exBonus 3M/YoY	JUL	1.70%	--	1.60%	--
		UK 12:30 ILO Unemployment Rate (3mths)	JUL	7.80%	--	7.80%	--
		EC 13:00 Euro-Zone CPI (MoM)	AUG	0.20%	--	-0.30%	--
		EC 13:00 Euro-Zone CPI (YoY)	AUG	1.60%	--	1.60%	--
		EC 13:00 Euro-Zone CPI - Core (YoY)	AUG	0.90%	--	1.00%	--
		EC 13:00 Eurozone Employment (QoQ)	2Q10	--	--	0.00%	--
		EC 13:00 Eurozone Employment (YoY)	2Q10	--	--	-1.20%	--
		US 15:00 MBA Mortgage Applications	SEP 10	--	--	-1.50%	--
		US 16:30 Import Price Index (MoM)	AUG	0.20%	--	0.20%	--
		US 16:30 Import Price Index (YoY)	AUG	3.70%	--	4.90%	--
		US 16:30 Empire Manufacturing	SEP	8.0	--	7.1	--
		US 17:15 Industrial Production	AUG	0.20%	--	1.00%	--
		US 17:15 Capacity Utilization	AUG	75.0%	--	74.8%	--



**MACROECONOMICS: STATISTICS & EVENTS CALENDAR**

Date		Time	Indicator	Period	Survey	Actual	Prior	Revised
<b>16.09.2010</b> THURSDAY		EC	10:00 EU 25 New Car Registrations	AUG	--	--	--	--
		EC	10:00 EU 25 New Car Registrations	JUL	--	--	-6.90%	--
		UK	12:30 Retail Sales Ex Auto Fuel(MoM)	AUG	0.20%	--	0.90%	--
		UK	12:30 Retail Sales Ex Auto Fuel(YoY)	AUG	2.80%	--	2.40%	--
		UK	12:30 Retail Sales w/Auto Fuel (MoM)	AUG	0.30%	--	1.10%	--
		UK	12:30 Retail Sales w/Auto Fuel (YoY)	AUG	1.90%	--	1.30%	--
		EC	13:00 Euro-Zone Trade Balance sa	JUL	-0.5B	--	-1.6B	-1.6B
		EC	13:00 Euro-Zone Trade Balance	JUL	1.3B	--	2.4B	2.4B
		UK	14:00 CBI Trends Total Orders	SEP	--	--	-14.0	--
		US	16:30 Producer Price Index (MoM)	AUG	0.30%	--	0.20%	--
		US	16:30 PPI Ex Food & Energy (MoM)	AUG	0.10%	--	0.30%	--
		US	16:30 Producer Price Index (YoY)	AUG	3.00%	--	4.20%	--
		US	16:30 PPI Ex Food & Energy (YoY)	AUG	1.30%	--	1.50%	--
		US	16:30 Initial Jobless Claims	SEP 11	458K	--	451K	--
		US	16:30 Continuing Claims	SEP 4	4468K	--	4478K	--
		US	16:30 Current Account Balance	2Q10	-\$125.0B	--	-\$109.0B	--
		US	17:00 Net Long-term TIC Flows	JUL	\$42.0B	--	\$44.4B	--
		US	17:00 Total Net TIC Flows	JUL	--	--	-\$6.7B	--
		US	18:00 Philadelphia Fed.	SEP	0.0	--	-7.7	--
<b>17.09.2010</b> FRIDAY		EC	12:00 ECB Euro-Zone Current Account SA	JUL	--	--	-4.6B	--
		EC	12:00 Euro-Zone Current Account nsa	JUL	--	--	1.0B	--
		EC	13:00 Construction Output SA MoM	JUL	--	--	2.70%	--
		EC	13:00 Construction Output WDA YoY	JUL	--	--	3.10%	--
		US	16:30 Consumer Price Index (MoM)	AUG	0.30%	--	0.30%	--
		US	16:30 CPI Ex Food & Energy (MoM)	AUG	0.10%	--	0.10%	--
		US	16:30 Consumer Price Index (YoY)	AUG	1.10%	--	1.20%	--
		US	16:30 CPI Ex Food & Energy (YoY)	AUG	1.00%	--	0.90%	--
		US	16:30 CPI Core Index SA	AUG	--	--	221.676	--
		US	16:30 Consumer Price Index NSA	AUG	218.362	--	218.011	--
		US	17:55 U. of Michigan Confidence	SEP	70.0	--	68.9	--

**CORPORATE EVENTS CALENDAR**

Date	Company	Ticker	Sector	Event
early September	Bank st-Petersburg	STBK	Banks	6M results under IFRS
mid-September	Bashneft	BANE	Oil and gas	6M10 results under US GAAP of AFK Sistema (estimate of Bashneft's financials)
mid-September	Sollers	SVAV	Machinery	6M10 results under IFRS
mid-September	Transneft	TRNF	Oil and gas	6M10 results under IFRS
September	TNK-BP Holding	TNBP	Oil and gas	6M10 results under US GAAP
last week of September	PIK Group	PIKK	Real Estate	6M10 results under IFRS
2nd week of October			Machinery	September car and LCV sales in Russia according to AEB
October, 11	X5 Retail Group	FIVE	Consumer & Retail	Operating results for 3Q10 and 9M10
mid-October	Novatek	NVTK	Oil and gas	9M10 operating update
mid-October	Alliance Oil	AOIL SS	Oil and gas	9M10 operating update
mid-October	Tatneft	TATN	Oil and gas	9M10 operating update
First half of October	Power Machines	SILM	Machinery	6M10 results under IFRS
mid-October	AVTOVAZ	AVAZ	Machinery	6M10 results under IFRS
October, 19	NLMK	NLMK	Metals & Mining	9M operating update
end of October	Tatneft	TATN	Oil and gas	6M10 results under US GAAP
last week of October	TNK-BP Holding	TNBP	Oil and gas	BP 9M10 results (estimate of TNK-BP net income)
last week of October	Lukoil	LKOH	Oil and gas	ConocoPhillips 9M10 results (estimate of Lukoil's net income)
2nd half of November	KAMAZ	KMAZ	Machinery	6M10 results under IFRS
2nd half of November	GAZ Group	GAZA	Machinery	6M10 results under IFRS
last week of October	TNK-BP Holding	TNBP	Oil and gas	TNK-BP 9M10 results (estimate of TNK-BP Holding's financials)
last week of October	Eurasia Drilling	EDCL LI	Oil and gas	9M results under US GAAP
October	Gazprom	GAZP	Oil and gas	6M10 results under IFRS
October	OGK-1	OGKA	Utilities	1H10 results under IFRS
November, 1	OGK-2	OGKB	Utilities	9M10 results under RAS
November, 2	FGC	FEES	Utilities	9M10 results under RAS
2nd week of November			Machinery	October car and LCV sales in Russia according to AEB
mid-November	Novatek	NVTK	Oil and gas	9M10 results under IFRS
first half of November	SurgutNG	SNGS	Oil and gas	9M11 results under RAS
first half of November	Bashneft	BANE	Oil and gas	9M results under RAS
first half of November	Novo-Ufa refinery (Novoil)	NUNZ	Oil and gas	9M results under RAS
first half of November	Bashkitnefteprodukt	BANP	Oil and gas	9M results under RAS
first half of November	Sibneftegeophysika	SNGF	Oil and gas	9M results under RAS
first half of November	Bashneftegeophysika	BNGF	Oil and gas	9M results under RAS
first half of November	Saratovneftegeophysika	SRGF	Oil and gas	9M results under RAS

Source: TKB Capital estimates

## Research Department

---

Equity Research + 7 (495) 981 3430

**Maria Kalvaraskaia**  
Head of Equity Research  
Banking, Transport  
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.googlenko@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.