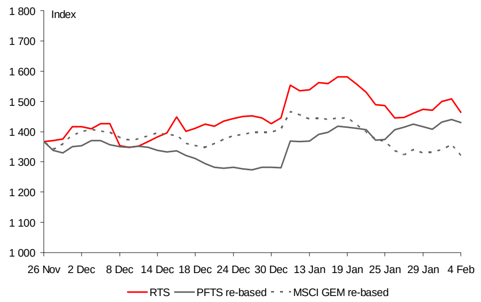
Alfa-Bank

Morning Brief: February 5, 2010

Desk Notes Published

Inter RAO (O/W): Unlocking M&A Value

Equity markets



Source: RTS, PFTS, Bloomberg

Russian equity market chart, see p. 2

Ukrainian equity market chart, see p. 7

Equity indices, currencies, commodities

	Close	Change %	YTD %
Russian			
RTS	1 463	-2.9 ↓	1.3 ↑
RTS-2	1 548	-0.8 ↓	8.5 ↑
RTX	2 139	-3.1 ↓	1.5 ↑
MICEX	1 396	-2.5 ↓	1.9 ↑
Ukrainian			
PFTS	639	-0.7 ↓	11.6 ↑
International			
MSCI Russia	803	-3.6 ↓	1.0 ↑
MSCI GEM	926	-2.7 ↓	-6.4 ↓
DJIA	10 002	-2.6 ↓	-4.1 ↓
S&P 500	1 063	-3.1 ↓	-4.7 ↓
Shanghai Comp	2 927	-2.3 ↓	-10.7 ↓
FTSE 100	5 139	-2.2 ↓	-5.1 ↓
NIKKEI 225	10 057	-2.9 ↓	-4.6 ↓
ISE 100	53 464	-2.9 ↓	1.2 ↑
Bovespa	63 934	-4.7 ↓	-6.8 ↓
R/$ Exchange Rates			
CBR	30.0054	0.4 ↑	-0.6 ↓
SELT tomorrow	30.0776	0.6 ↑	-0.5 ↓
UAH Exchange Rates			
UAH/$	8.00	0.0	0.2 ↑
$/Euro Exchange Rate			
$/Euro	1.3723	0.0	-4.2 ↓
Commodities			
Brent, $/bbl	71.24	-5.5 ↓	-7.1 ↓
Urals, $/bbl	70.38	-6.4 ↓	-8.1 ↓
WTI, $/bbl	73.14	-5.0 ↓	-7.8 ↓
Nickel, $/ton *	17 725	-3.4 ↓	-4.3 ↓
Copper, $/ton *	6 390	-3.0 ↓	-13.4 ↓
Gold, $/oz	1 067	0.4 ↑	-2.7 ↓
Palladium, $/oz	399	-2.4 ↓	-2.2 ↓

* - 3 months forward

Top 6 Gainers:	UNPZP	$0.50	↑5.3%	MLD	$3.26	↑4.2%	TGKN	$0.0001	↑1.0%
	TGKI	$0.0001	↑1.0%	PMTL	$9.30	↑0.3%	SILM	$0.21	↑0.3%
Top 6 Losers:	MTL	$20.0	↓-10.6%	KAZ	$18.9	↓-10.3%	CTCM	$13.3	↓-8.9%
	FXPO	$3.22	↓-8.4%	HALS	$1.99	↓-8.3%	BEGY	$1.26	↓-8.2%

Russian Market

Equity Market Comment, p. 2

Stronger dollar, falling markets

Yesterday, the Russian market tumbled to its lowest level in over a week (RTS -2.9%, MICEX -2.5%) as the dollar strengthened and oil lost more than $3/bbl. The market was disappointed by higher-than-expected US jobless claims, and positive data on factory orders did nothing to improve sentiment. With US markets down sharply overnight and Asian markets dropping this morning, we expect Russia to open down 1.5%. We also see the ruble weakening significantly in response to falling oil. Today's main event will be the release of US unemployment data for January. The jobless rate is expected to have remained steady at 10.0%, but any deviation from that number could move the market substantially in either direction.

Top Stories

Macroeconomics: January inflation reported at 1.6%, or 8.1% y-o-y; POSITIVE

We expect inflation to decline to 6-7% by 2Q10 but see a risk it will accelerate by the end of this year.

CBR chairman forecasts loan growth of up to 20% in 2010; POSITIVE

We anticipate a 10% increase in loan book and expect the CBR to raise reserve requirements.

Banking: Russian banks cut deposit rates to protect margins; POSITIVE

Banks are lowering deposit rates in response to weak demand from borrowers despite the decline in lending rates.

Utilities: IES plans to adopt RAB-based tariffs for the heating networks of some TGKs in 2011; POSITIVE

We view the news as POSITIVE for all TGKs in general, and IES's TGKs in particular (TGK-5, TGK-6, TGK-7 and TGK-9).

MRSK Holding may attract foreign investors; POSITIVE

We see this news as slightly POSITIVE for the company.

FGC releases 1H09 IFRS results; NEUTRAL

All in all, we view the results as NEUTRAL for FGC's shares, as the market is no longer paying attention to 2009 results.

Metals & Mining: TMK plans to place convertible bonds; NEGATIVE

We believe the convertible issue is NEGATIVE because of dilution and indications that further state financial support may not be available.

Real Estate: PIK Group to appoint new CFO; NEUTRAL

We think investors will regard the change in senior management as NEUTRAL.

Ukrainian Market

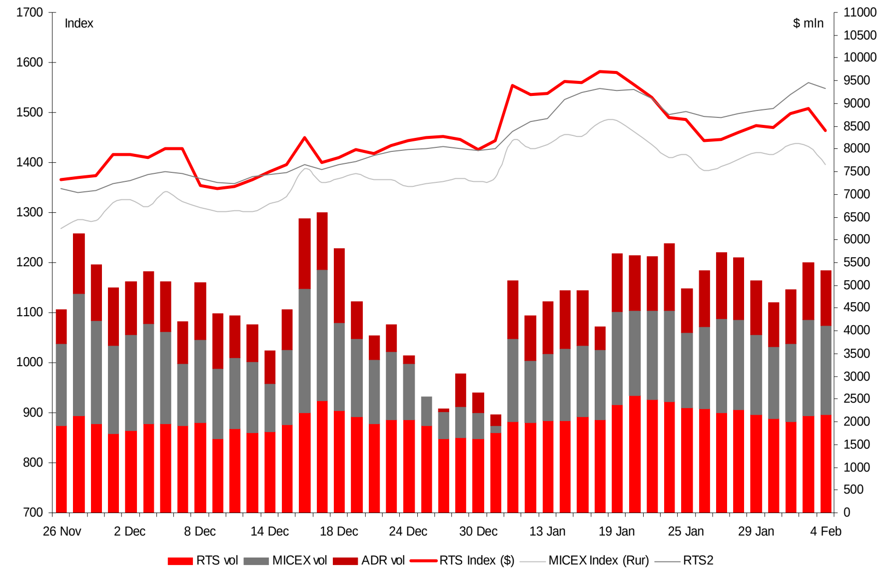
Market Comment, p. 7

Good news arrives too late

Motor Sich's 2009 financials, released after yesterday's close, may have come too late to support stocks today, as rising political tension has spooked investors, bringing to a halt the pre-election rally on Tuesday and Wednesday.

Russian Market

Russian equity market



Source: RTS, MICEX, Bloomberg

Equity Market Comment

Stronger dollar, falling markets

Yesterday, the Russian market tumbled to its lowest level in over a week (RTS -2.9%, MICEX -2.5%) as the dollar strengthened and oil lost more than $3/bbl. The dollar gained in particular vs. the euro, which fell to its lowest level since May on concern that some European countries will default on their sovereign debt. The market was disappointed by higher-than-expected US jobless claims, and positive data on factory orders did nothing to improve sentiment. With US markets down sharply overnight – the Dow tested the psychologically important level of 10,000 – and Asian markets dropping this morning, we expect Russia to open down 1.5%. We also see the ruble weakening significantly in response to falling oil.

Today's main event will be the release of US unemployment data for January. The jobless rate is expected to have remained steady at 10.0%, but any deviation from that number could move the market substantially in either direction.

At $1,710 mln, volumes for the large stocks on MICEX were 22% above the 30-day average. London volumes, at $910 mln, were some 11% above their 30-day average.

Among the super-blue chips in London trading, Gazprom fell 4.6%, LUKoil fell 3.2%, Rosneft fell 3.8%, and Norilsk Nickel fell 4.4%, while Sberbank fell 5.4% in dollar terms in local trading. Among the blue chips, Wimm-Bill-Dann (+0.7%) was the only gainer, while Mechel (-10.6%), MTS (-7.7%), VimpelCom (-7.6%), Evraz (-7.6%), and TMK (-6.5%) were the biggest losers.

US markets were down overnight, as the Dow dropped 2.6%, or 268 points, to 10,002, and the S&P 500 fell 3.1%. Asian markets are generally losing this morning, with Japan off 2.9%, Hong Kong down 2.9%, China down 1.9%, and Australia off 2.3%.

Among global sectors that we follow, oil & gas fell 3%, US financials were down 4%, gold companies lost 5% and steel companies dropped 7%.

In Asia this morning, steel companies are down 3.1%, while oil & gas companies are down 4.4%. Brazilian trading overnight saw Petrobras fall some 6.2%.

Nymex crude fell $3.8 in overnight US trading to $73.1/bbl, though in morning trading in Asia oil has added $0.2 to trade at the $73.3/bbl level. Nickel prices fell 3.4%, or $625, in London trading yesterday to $17,725/ton, while copper fell 4.1% to $6,571/ton.

In currencies, the dollar rose 1.1% vs. the euro yesterday to $1.376 from $1.391, while the ruble weakened 0.7% vs. the basket to 35.569 after falling 1.5% vs. the dollar to 30.452. Gold rose $1 to $1,065 per oz.

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Macroeconomics

January inflation reported at 1.6%, or 8.1% y-o-y; POSITIVE

Rosstat reports that inflation fell to 8.1% y-o-y in January from the 8.8% reported for FY09. Russian officials are guiding for inflation to drop to 7% this year, though we are concerned that price growth will accelerate by the year-end.

About 0.5 ppts of the January price growth came from an increase in excise taxes on alcohol products. As this was a one-off, we are positive on the inflationary trend and expect inflation to fall to 6-7% by 2Q10. We also believe the lack of lending growth is a powerful factor keeping inflation in check. However, we view the official guidance with caution and worry that price growth may accelerate by the end of this year in response to an economic recovery.

CBR chairman forecasts loan growth of up to 20% in 2010; POSITIVE

Yesterday, CBR Chairman Sergei Ignatiev said the total loan book may increase by 15-20% this year. He sees excess ruble liquidity as the principal sign that lending should soon start to recover.

The excess ruble liquidity of close to RUB1 trln (money in correspondent accounts and on deposit with the CBR) is a direct result of the budget deficit at the very end of last year. In December, the federal budget deficit totaled RUB570 bln vs. the monthly average of RUB158 bln for 11M09. We agree that this liquidity will contribute to a lending recovery, though we expect growth of only 10%. We also agree that the liquidity overhang will put pressure on interest rates, which could fall below inflation, i.e. real interest rates will return to negative territory. We therefore believe that in 2010, the CBR will have to again focus on sterilizing excess liquidity, compelling it to increase reserve requirements. Weak demand for loans owing to poor domestic demand and a lack of investment in infrastructure projects is the main reason we remain cautious.

Natalia Orlova, Ph.D. *Chief Economist (+7 495) 795-3677*

Banking

Russian banks cut deposit rates to protect margins; POSITIVE

According to *Vedomosti*, this week 10 of Russia's 50 largest retail banks lowered their deposit rates by an average of 1-2 ppts for ruble-denominated deposits and 0.5-1 ppts for foreign-currency-denominated deposits. Some of these banks lowered their deposit rates for the second time this year.

We see this as a response to downward pressure on margins. In the last months of 2009, lending rates started to decline, though this trend was not combined with any sizeable growth in demand. Despite the recent decline in deposit rates, we expect banks' NIM to fall going forward. We view this more rapid decline in deposit rates as a temporary phenomena and confirm our view that banks' NIM will decline in the medium and long term.

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Utilities

IES plans to adopt RAB-based tariffs for the heating networks of some TGKs in 2011; POSITIVE

The adoption of RAB-based heating regulation for TGKs would be a strong boost to the valuation of these names. The current "cost-plus" tariff regulation does not provide adequate returns on investments in heating networks. As a result, the heating business becomes loss-making and needs to be subsidized by TGKs' electricity operations. We view the news as POSITIVE for all TGKs in general, and IES's TGKs in particular (TGK-5, TGK-6, TGK-7 and TGK-9).

According to Interfax, Integrated Energy Systems (IES) CEO Mikhail Slobodin has stated that the company plans to ask the regulators to introduce the RAB-based framework for heating networks in some of the regions where IES's TGKs operate; however he did not say which regions in particular. He also said that according to the Russian energy efficiency law, RAB-based tariff regulation on the heating networks must be introduced in 2012. He expects the final decision will be made on October 1, 2010.

RAB-based tariff regulation means that tariffs are set based on the fair rate-of-return on the regulatory asset base (RAB), which is determined by a regulator. Unlike the "cost-plus" system, RAB-based tariffs encourage companies to optimize their operating costs, making its operations more predictable and reducing its cost of capital. The Federal Grid Company adopted this tariff system at the beginning of this year and all MRSKs must follow suit by January 1, 2011.

MRSK Holding may attract foreign investors; POSITIVE

MRKH RU	N/R
Closing Price:	$0.137
Market Cap:	$5.8 bln

Kommersant reports that the Russian government has asked MRSK Holding to plan to attract foreign strategic investors into the holding's and the underlying MRSK's equities. Overall, we view this news as slightly POSITIVE for MRSK Holding and its underlying MRSKs. However, it looks as though this is a very long-term goal, as plans to attract foreign strategic investors could only come into force once MRSK Holding has been reorganized to enable foreign investors to participate in MRSK's equity structure.

Nevertheless, plans to attract foreign investors would be a good trigger for MRSKs, as it would increase efficiency and improve corporate governance practices. MRSK stocks are currently driven by progress in RAB-based tariffs implementation.

FGC releases 1H09 IFRS results; NEUTRAL

FEES RU	E/W
Closing Price:	$0.0113
Target Price:	$0.0127
Return to TP:	12%
2009 EV/EBITDA:	11.3x
2010 EV/EBITDA:	7.0x
Market Cap:	$13.0 bln

The Federal Grid Company has released 1H09 IFRS results. The key numbers are presented below:

Figure 1: FGC 1H09 IFRS results (net of paper one-offs), RUB mln

RUB mln	1H09	1H08	*Change, y-o-y*
Total revenues	**42,247**	**33,579**	***26%***
Total operating expenses	35,526	30,676	*16%*
Operating income	8,743	5,326	*64%*
EBITDA	**18,164**	**13,396**	***36%***
EBT	14,185	4,625	*207%*
Net income	**10,651**	**3,546**	***200%***
Margins, %			
EBITDA margin	*43%*	*40%*	
Operating margin	*21%*	*16%*	
Pre-tax margin	*34%*	*14%*	
Net margin	*25%*	*11%*	

Source: Company data, Alfa Research

On the operating side, EBITDA was RUB18.2 bln (36% higher than in 1H08) and the EBITDA margin was 43%. The adjusted bottom line (to take into account one-off paper charges, such as the impairment of FGC's equity investments) was three times higher than in 1H08.

All in all, we view the results as NEUTRAL for FGC, as the market is no longer paying attention to 2009 results. The company adopted the RAB-based regulatory framework on January 1, 2010, meaning 1H09 financials give a poor indication of the company's future earnings.

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Metals & Mining

TMK plans to place convertible bonds; NEGATIVE

TMKS LI	E/W
Closing Price:	$17.75
Target Price:	$12.00
Return to TP:	-32%
2009 EV/EBITDA:	11.7
2010 EV/EBITDA:	9.7
Market Cap:	$3.9 bln

Yesterday TMK announced plans to place five-year convertible bonds totaling $412 mln. The bonds will be sold at par and carry a 5.25% coupon. They will be convertible into TMK's shares with a 30% premium to the current share price. Holders of convertible bonds are able to convert within 41 days after placement or during last the seven days before maturity.

The bonds are callable by the company if the GDR price is more than 30% above the when-issued stock price for 20 out of 30 consecutive trading days. The bonds can be put back to the company after the third anniversary at par plus accrued interest.

We estimate equity dilution from the convertible issue is approximately 71.2 mln ordinary shares or 6.9%. TMK sold approximately 14 mln shares yesterday in an equity placement at $17.75/GDR (sold by pre-emptive rights offering to minorities). Total dilution, assuming full conversion, is just under 10%.

TMK has a very high historical volume (52% 60-day historical, and it was much higher last year). We estimate that the Black-Scholes value of the embedded call is around $5-6/GDR.

As of YE09, TMK had $3.7 bln gross debt, including approximately $3 bln of long-term and $0.7 bln short-term coming due in 2010. Post-convertible issuance, the company will have around $300 mln coming due in 2010.

TMK reported in its prospectus that two thirds of the majority owner's 75% ownership stake have been pledged as collateral to Gazprombank and VTB to secure $1.1 bln and $0.75 bln of loans respectively. This may explain why a convertible bond issue to the market was required instead of some other form of financing, as opportunities for state bank support may have been fully exhausted. Earlier, the company had stated it would definitely not sell equity at current prices.

As a result, we treat this convertible issue as NEGATIVE for the company owing to dilution and also because it indicates that state financing is not likely available for any further financing without onerous collateral and covenant terms.

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Real Estate

PIK Group to appoint new CFO; NEUTRAL

PIK LI	U/R
Closing Price:	$4.85
Market Cap:	$2.4 bln

According to *Vedomosti*, Andrey Rodionov will be appointed as CFO of PIK on February 8. Mr. Rodionov is to join the company from Nafta- Moskva, where he served as a managing director; he is also a member of PIK's Board. The current CFO of PIK, Anna Kolonchina, has been working for the company since January 2009. She will reportedly move on to a role at Nafta-Moskva. Over the last year, PIK negotiated debt-restructuring terms with most of its creditors, received government guarantees and agreed on additional project financing.

We think investors will regard the change in senior management as NEUTRAL.

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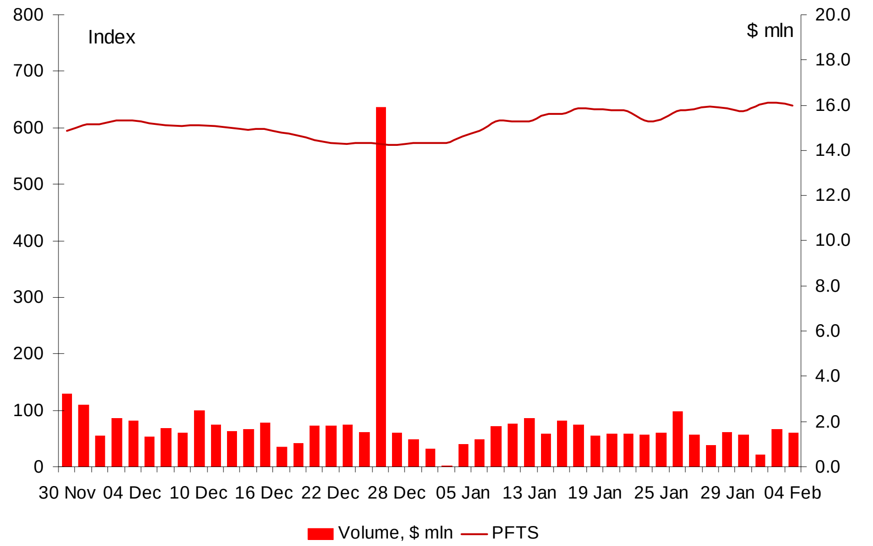
UKRAINIAN MARKET

Ukrainian equity market



Source: Bloomberg, PFTS

Market Comment

Good news arrives too late

Motor Sich's 2009 financials, released after yesterday's close, may have come too late to support stocks today, as rising political tension has spooked investors, bringing to a halt the pre-election rally on Tuesday and Wednesday. Global bourses fell after the release of declining oil inventories from the US and increasing concerns about the economic stability of Greece, Spain, and Portugal. Even if international markets rebound today, we expect the Ukrainian market will fail to recover as there may be more concerns over the elections legitimacy. We believe profit-fixing after the pre-election rally will continue on the Ukrainian stock market today.

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RUSSIAN MARKET TABLES

Figure 2: Most liquid stocks performance

	Main ticker	Close	Change	YTD	100d Avg Daily Volume	MCap	Free-float estimate		Annual Free-float churn*	12 M TP	Upside	Rating
		$	%	%	$ mln	$ mln	%	$ mln	x	$	%	
Gazprom	OGZD LI	24.6	-4.6	-4	1 090.7	145 592	37	53 228	5.1	u/r	n/a	u/r
Rosneft	ROSN LI	7.6	-3.8	-12	303.1	80 652	15	12 420	5.7	8.2	8	E/W
LUKoil	LKOD LI	55	-3.2	-5	376.1	46 441	47	21 980	4.0	57.7	6	U/W
Surgutneftegaz	SGGD LI	8.3	-3.8	-7	57.8	29 688	20	5 937	2.2	11.2	35	O/W
Gazpromneft	GAZ LI	24.8	-3.9	-10	11.0	23 469	4	1 009	2.6	u/r	n/a	u/r
Novatek	NVTK LI	69	-2.7	4	28.5	20 829	47	9 789	0.8	u/r	n/a	u/r
Tatneft	ATAD LI	31	-3.1	6	28.9	11 257	21	2 363	3.3	29.4	-5	U/W
Transneft pref.	TRNFP RX	825	-5.0	5	28.7	7 000	75	961	7.5	u/r	n/a	u/r
Sberbank	SBER03 RX	2.78	-5.4	0	986.4	60 049	27	16 213	17.7	u/r	n/a	u/r
VTB Group	VTBR LI	5	-1.6	7	276.8	26 308	14	3 804	21.0	u/r	n/a	u/r
Norilsk Nickel	MNOD LI	15.1	-4.4	5	318.6	28 823	40	11 529	7.5	13.3	-12	O/W
UC Rusal	486 HK	1.21	-1.2	n/a	n/a	18 335	11	1 982	n/a	u/r	n/a	u/r
Novolipetsk Steel	NLMK LI	29	-5.8	-6	13.5	17 338	13	2 254	1.5	17.5	-40	U/W
Evraz Group	EVR LI	30.2	-7.6	7	32.3	12 515	15	1 877	4.5	22.8	-25	U/W
Severstal	SVST LI	12.2	-6.4	28	26.5	12 294	18	2 212	3.9	5.2	-57	U/W
MMK	MMK LI	12.3	-2.9	8	8.1	10 530	12	1 263	1.8	5.8	-53	U/W
Polyus Gold	PLZL LI	27.4	-0.4	-1	56.2	10 530	33	3 475	4.2	30.65	12	O/W
Mechel Steel Group	MTL US	20	-10.6	6	66.2	9 485	25	2 371	7.1	18.6	-7	E/W
MTS	MBT US	45.7	-7.7	-7	81.0	18 199	46	8 371	2.6	60	31	O/W
VimpelCom	VIP US	17.5	-7.6	-6	70.2	17 938	24	4 359	3.7	23	32	O/W
Sistema	SSA LI	24.5	-0.4	17	9.3	11 821	19	2 246	1.3	u/r	n/a	u/r
Rostelecom	RTKM RX	4.93	-3.9	-0	21.6	3 589	12	430	10.2	u/r	n/a	u/r
FGC	FEES RX	0.0109	-4.1	3	31.0	12 573	17	2 137	3.4	0.0127	17	E/W
RusHydro	HYDR RX	0.042	-2.9	11	37.3	11 308	21	2 318	4.4	0.049	17	O/W
Uralkali	URKA LI	22.2	-3.6	6	38.7	9 415	35	3 295	2.7	21.92	-1	E/W

Source: RTS, MICEX, Bloomberg, Alfa Research;
** Annual Free-float Churn = aggregate annualized trading volume / free-float (stock); the higher the number, the more actively the stock trades in relative terms*

Figure 3: Most liquid preferred stocks performance

	Main ticker	Close	Change	YTD	100d Avg Daily Volume	Discount to commons	Free-float estimate		Annual Free-float churn*	12 M TP	Upside	Rating
		$	%	%	$ mln	%	%	$ mln	x	$	%	
Sberbank	SBERP03 RX	2.3	-5.0	-0	302.3	-18	100	2 290	42.1	u/r	n/a	u/r
Rostelecom	RTKMP RX	2.34	-3.9	10	33.9	-52	100	569	16.3	u/r	n/a	u/r
Surgutneftegaz	SNGSP RX	0.474	-2.2	-2	54.4	-43	70	2 557	5.6	0.7	48	E/W
Tatneft	TATNP3 RX	2.43	-4.9	-5	0.7	-53	41	147	1.3	2.88	19	U/W
North-West Telecom	SPTLP RX	0.59	-5.8	11	0.5	-22	100	147	1.1	u/r	n/a	u/r
South Telecom	UTELP RX	0.117	-5.5	12	0.3	-20	100	114	1	u/r	n/a	u/r
Volga telecom	VTELP RX	2.6	-6.4	18	0.5	-18	100	213	0.8	u/r	n/a	u/r
Sibir Telecom	STKMP RX	0.046	-4.8	22	0.4	-18	100	180	0.7	u/r	n/a	u/r
Center Telecom	CTLKP RX	0.62	-6.0	34	0.6	-16	100	328	0.7	u/r	n/a	u/r

Source: RTS, MICEX, Bloomberg, Alfa Research;
** Annual Free-float Churn = aggregate annualized trading volume / free-float (stock); the higher the number, the more actively the stock trades in relative terms*

Figure 4: Local share price performance

	Main ticker	Close	Change	YTD	100d Avg Daily Volume	MCap	Free-float estimate		Annual Free-float churn*	12 M TP	Upside	Rating
		$	%	%	$ mln	$ mln	%	$ mln	x	$	%	
TNK-BP	TNBP RU	1.85	-1.1	7	0.3	29 317	3	967.4	0.1	u/r	n/a	u/r
Bashneft	BANE RU	26.5	n/t	2	0.1	4 509	10	460.0	0	u/r	n/a	u/r
Megionneftegaz	MFGS RX	16.7	-3.0	10	0	1 666	6	100.0	0.1	u/r	n/a	u/r
Salavatnefteorgsyntez	SNOZ RU	70	n/t	0	0	1 299	25	324.6	0	u/r	n/a	u/r
RITEK	RITK RX	6.9	n/t	-3	0	995	25	248.6	0	u/r	n/a	u/r
Nizhnekamskneftekhim	NKNC RX	0.54	-4.9	14	0	868	11	95.5	0.2	u/r	n/a	u/r
Ufaneftekhim	UFNC RU	3	n/t	2	0.1	826	25	206.5	0.1	u/r	n/a	u/r
Novoil	NUNZ RU	0.87	-2.2	-3	0	691	5	31.8	0.1	u/r	n/a	u/r
Ufa Refinery	UNPZ RU	0.94	n/t	-6	0.1	510	15	76.4	0.2	u/r	n/a	u/r
KazanOrgsyntez	KZOS RU	0.165	n/t	-7	0	295	13	38.3	0.1	u/r	n/a	u/r
Yaroslavnefteorgsintez	JNOS RX	0.45	-0.4	83	0	233	10	23.3	0	u/r	n/a	u/r
Bank of Moscow	MMBM RX	29	-1.0	7	0.1	3 994	22	878.6	0	u/r	n/a	u/r
Rosbank	ROSB RX	3.48	-3.2	-4	0	2 599	3	70.2	0.1	u/r	n/a	u/r
IngosStrakh	INGS RU	0.53	n/t	0	0	1 313	5	65.6	0	u/r	n/a	u/r
Uralsib	USBN RU	0.0057	n/t	4	0	1 164	4	46.6	0	u/r	n/a	u/r
Vozrozhdenie	VZRZ RX	43	-1.7	10	0.6	1 026	34	348.9	0.5	u/r	n/a	u/r
Bank St.-Petersburg	BSPB RX	3.25	-4.1	16	0.2	917	21	190.8	0.3	u/r	n/a	u/r
Raspadskaya Mine	RASP RX	5.6	-2.5	15	3.2	4 362	18	785.1	1.3	5.8	4	O/W
TMK	TRMK RX	4.43	-4.6	3	5.8	3 874	23	891.0	1.6	3	-32	E/W
Polymetal	PMTL RX	9.3	0.5	-1	4.6	3 235	25	808.6	1.4	11.15	20	O/W
Kuzbassrazrezugol	KZRU RU	0.45	n/t	19	0.1	2 763	6	165.8	0.2	0.5	11	E/W
Vyksa Pipes	VSMZ RX	1208	-2.7	8	0.2	2 061	5	103.0	0.5	u/r	n/a	u/r
Southern Kuzbass Coal	UKUZ RX	44.3	-5.1	25	0.1	1 300	7	91.0	0.2	u/r	n/a	u/r
Chelyabinsk Pipes	CHEP RU	2.5	n/t	20	0	1 181	15	177.1	0	u/r	n/a	u/r
VSMPO	VSMO RX	83	-3.1	19	2.2	962	31	298.2	2.2	98	17	O/W
Belon	BELO RX	0.72	-5.8	15	1	831	17	141.2	1.9	0.78	8	E/W
SibirCement	SCEM RU	22	-3.5	13	0.2	668	5	33.4	1.4	u/r	n/a	u/r
PGHO	PGHO RU	230	n/t	0	0	402	15	60.3	0	u/r	n/a	u/r
Chelyabinsk Zinc	CHZN RX	3.96	-4.3	14	0.3	216	48	103.5	1.1	u/r	n/a	u/r
Vorkutaugol	VOUG RU	50	n/t	0	0	123	7	8.6	0	u/r	n/a	u/r
Comstar-UTS	CMST RX	6	-1.2	8	4.1	2 466	34	848.3	1.3	7.8	31	O/W
Center Telecom	CTLK RX	0.74	-7.7	21	1.5	1 166	24	279.8	2	u/r	n/a	u/r
MGTS	MGTS RX	13.6	-2.6	-2	0	1 087	5	54.3	0	u/r	n/a	u/r
Uralsvyazinform	URSI RX	0.0298	-1.9	14	11.1	962	25	240.5	13.3	u/r	n/a	u/r
Volga telecom	VTEL RX	3.2	-5.8	8	2.8	784	32	250.9	3.7	u/r	n/a	u/r
Sibir Telecom	STKM RX	0.056	-1.9	16	1.3	678	30	203.4	2.1	u/r	n/a	u/r
North-West Telecom	SPTL RX	0.76	-5.1	7	0.9	666	25	166.4	1.8	u/r	n/a	u/r
South Telecom	UTEL RX	0.146	-4.0	12	1	433	33	142.9	2.6	u/r	n/a	u/r
Dalsvyaz	DLSV RX	3.4	-3.2	10	0.4	326	30	97.9	1.1	u/r	n/a	u/r
Sitronics	SITR RU	0.03	n/t	-10	0.2	286	17	48.7	1.1	u/r	n/a	u/r
RBC	RBCI RX	1.23	-2.5	-12	2.4	172	30	51.5	9.7	u/r	n/a	u/r
MRSK Holding	MRKH RX	0.134	-4.3	22	6.5	5 516	33	1 820.4	1	u/r	n/a	u/r
Mosenergo	MSNG RX	0.114	-6.1	5	3.5	4 550	6	250.7	3.8	0.138	21	O/W
Inter RAO	IUES RX	0.00155	-1.9	-3	7	3 525	20	705.0	3.3	0.00196	26	O/W
Enel OGK-5	OGKE RX	0.087	-0.9	22	0.7	3 072	6	196.6	1	0.055	-37	U/W
OGK-4	OGK4 RX	0.064	-2.5	20	2.3	2 486	5	119.3	3.6	0.068	5	O/W
TGK-1	TGKA RX	0.00062	-2.1	14	2.3	2 399	8	194.4	3.6	0.00051	-18	U/W
MOESK	MSRS RX	0.0485	-6.5	36	1	2 361	10	236.1	0.9	u/r	n/a	u/r
OGK-3	OGKC RX	0.0463	-1.8	-5	2.2	2 199	9	199.9	2.6	0.041	-11	U/W
Irkutskenergo	IRGZ RX	0.426	-3.4	-4	0.2	2 029	13	253.6	0.2	u/r	n/a	u/r
TGK-7 (Volzhskaya TGK)	VTGK RX	0.044	-1.8	-3	0.8	1 317	22	289.7	0.7	u/r	n/a	u/r
Bashkirenergo	BEGY RX	1.26	-8.2	14	0.1	1 309	16	209.4	0.1	u/r	n/a	u/r
OGK-1	OGK1 RX	0.028	-6.8	14	2.5	1 249	8	103.9	6.7	0.013	-54	U/W
TGK-10	TGKJ RX	1.32	-3.6	8	0.1	1 165	7	79.7	0.2	u/r	n/a	u/r
MRSK Center	MRKC RX	0.027	-5.6	1	1.3	1 144	30	343.1	1	u/r	n/a	u/r
OGK-2	OGK2 RX	0.0325	-5.9	7	3	1 065	19	201.5	3.9	0.008	-75	U/W
TGK-9	TGKI RX	0.000124	1.0	21	0.3	971	16	158.2	0.5	u/r	n/a	u/r
MRSK Siberia	MRKS RX	0.0104	-6.6	27	0.1	927	11	101.9	0.4	u/r	n/a	u/r
MRSK Center-Volga	MRKP RX	0.0075	-4.5	23	0.9	840	29	243.5	1	u/r	n/a	u/r
MRSK Ural	MRKU RX	0.0095	-4.7	12	0.8	833	22	183.3	1.2	u/r	n/a	u/r
OGK-6	OGK6 RX	0.0253	-4.5	2	2.2	817	5	44.3	12	0.021	-17	U/W
MRSK Northwest	MRKZ RX	0.0082	-2.2	6	0.4	782	37	289.2	0.4	u/r	n/a	u/r
MRSK Volga	MRKV RX	0.00424	-4.1	-2	0.5	757	31	234.7	0.6	u/r	n/a	u/r
TGK-4	TGKD RX	0.000355	-3.5	-2	0.3	679	18	120.1	0.5	u/r	n/a	u/r
Lenenergo	LSNG RX	0.96	-2.3	15	0.1	661	25	165.3	0.1	u/r	n/a	u/r
Kuzbassenergo	KZBN RX	0.009	-2.9	2	1.8	633	20	129.7	0.4	u/r	n/a	u/r
TGK-6	TGKF RX	0.00033	-2.9	2	0.2	617	8	49.4	1	u/r	n/a	u/r
RAO ES of Far East	VRAO RX	0.0123	-2.5	-0	0.7	504	33	166.5	1.5	u/r	n/a	u/r
TGK-5	TGKE RX	0.0004	-2.1	3	0.4	494	24	116.6	0.8	u/r	n/a	u/r
Yeniseyskaya TGK	TGK13 RX	0.00292	-3.3	-1	0.2	465	11	53.0	1	u/r	n/a	u/r
Novosibirskenergo	NVNG RX	27.3	-0.9	-4	0	368	5	20.0	0	u/r	n/a	u/r
TGK-11	TGKK RX	0.0007	-5.3	22	0	360	38	137.0	0.1	u/r	n/a	u/r
TGK-2	TGKB RX	0.000238	-0.4	9	0.4	347	19	67.3	1.5	u/r	n/a	u/r
MRSK South	MRKA RX	0.006	-3.2	0	0.2	298	27	80.6	0.6	u/r	n/a	u/r

MRSK North Caucasus	MRKK RX	6.2	-2.6	39	0.8	183	n/a	n/a	n/a	u/r	n/a	**u/r**
TGK-14	TGKN RX	0.00012	1.0	4	0.2	164	23	37.1	1.2	u/r	n/a	**u/r**
Magnit	MGNT RX	68	-2.6	-5	11.8	6 368	32	2 037.9	1.6	66.5	-2	**E/W**
Baltika	PKBA RX	32.7	-6.4	16	0.1	4 964	5	248.2	0.1	u/r	n/a	**u/r**
Wimm-Bill-Dann	WBDF RX	47.3	-0.8	4	9	3 592	34	1 221.3	1.4	u/r	n/a	**U/W**
Pharmstandard	PHST RX	58	-3.1	-8	2	2 698	43	1 160.3	0.4	u/r	n/a	**u/r**
Cherkizovo	GCHE RX	24	-5.2	64	0.6	1 001	32	320.4	0.8	u/r	n/a	**u/r**
M-Video	MVID RX	5	-4.9	30	0.4	900	29	261.1	0.4	u/r	n/a	**u/r**
Dixy	DIXY RX	8.1	-3.5	11	0.2	695	47	326.7	0.2	6.3	-22	**E/W**
Seventh Continent	SCOH RX	8.4	-6.6	10	0.7	631	5	31.5	6.8	n/r	n/a	**n/r**
Synergy	SYNG RX	29.5	-0.7	12	0.9	422	19	80.3	3.8	u/r	n/a	**u/r**
Veropharm	VFRM RX	28.3	-3.5	-1	0.3	283	47	133.0	0.6	u/r	n/a	**u/r**
Razguliay Group	GRAZ RX	1.77	-3.4	12	0.4	280	25	70.0	1.5	u/r	n/a	**u/r**
Kalina	KLNA RX	16.8	-3.8	6	0.1	164	74	121.6	0.2	u/r	n/a	**u/r**
Rosinter	ROST RX	11.4	-5.3	41	0.1	137	26	35.6	0.7	u/r	n/a	**u/r**
Nutritek	NTRI RX	3.1	-2.4	-9	0.2	49	27	13.3	3.6	u/r	n/a	**u/r**
36.6	APTK RX	4.9	-2.5	-31	2.4	47	33	15.4	23.6	u/r	n/a	**u/r**
LSR Group	LSRG RX	24.8	-7.7	29	4	4 028	11	443.0	4.2	u/r	n/a	**u/r**
PIK Group	PIKK RX	4.84	-5.8	18	7.8	2 392	16	382.8	6.2	u/r	n/a	**u/r**
Open Investments	OPIN RX	44	-5.5	8	0.2	672	25	168.1	0.3	u/r	n/a	**u/r**
Sistema Hals	HALS RX	40	-6.6	41	1	446	22	98.2	3.4	u/r	n/a	**u/r**
Silvinit	SILV RX	741	-3.8	-6	0.4	5 797	15	869.5	0.1	791	7	**E/W**
Apatit	APAT RU	325	n/t	13	0	2 027	5	101.4	0.1	u/r	n/a	**u/r**
Acron	AKRN RX	32.2	-5.1	13	1.3	1 441	17	245.0	1.4	43.72	36	**O/W**
NCSP	NMTP RX	0.155	-2.9	-4	1.8	3 102	30	930.6	0.5	u/r	n/a	**u/r**
Aeroflot	AFLT RX	1.79	-4.9	2	1.4	1 984	5	99.2	4.1	u/r	n/a	**u/r**
FESCO	FESH RX	0.35	-3.5	-2	0.4	1 070	12	128.4	0.7	u/r	n/a	**u/r**
UTair	UTAR RX	0.36	-3.2	4	0	208	5	10.4	1	u/r	n/a	**u/r**
S7	AVSI RU	1000	n/t	27	0	102	5	5.1	0	u/r	n/a	**u/r**
Power Machines	SILM RX	0.205	0.3	2	0.1	1 787	10	178.7	0.1	u/r	n/a	**u/r**
KamAZ	KMAZ RX	2.3	-6.0	8	1.3	1 626	15	243.9	1.3	u/r	n/a	**u/r**
AvtoVAZ	AVAZ RX	0.467	-4.2	-5	1.3	648	20	129.6	2.2	u/r	n/a	**u/r**
Sollers	SVAV RX	13.8	-4.5	-2	0.7	472	37	174.7	0.9	u/r	n/a	**u/r**
GAZ	GAZA RU	20.8	-1.0	-10	0	385	20	77.0	0.1	u/r	n/a	**u/r**
OMZ	OMZZ RX	2.88	-3.9	46	0.1	102	10	10.2	2.1	u/r	n/a	**u/r**

Source: RTS, MICEX, Bloomberg, Alfa Research;
** Annual Free-float Churn = aggregate annualized trading volume / free-float (stock); the higher the number, the more actively the stock trades in relative terms*

Figure 5: ADR/GDR performance

		Europe				United States							
	Ratio	Close $	Change %	Volume $/1000	YTD %	Close $	Change %	Volume $/1000	YTD %	MCap $ mln	12 M TP $	Upside %	Rating
Gazprom	4 in 1	24.6	-4.6	314 837	-4	24.1	-6.7	6 283	-4	145 592	u/r	n/a	u/r
LUKoil	1 in 1	54.6	-3.2	149 709	-5	53.5	-5.5	3 604	-5	46 441	57.7	6	U/W
Gazpromneft	5 in 1	24.8	-3.9	1 438	-10	24.7	-3.1	95	-10	23 469	u/r	n/a	u/r
Rosneft	1 in 1	7.6	-3.8	105 976	-12	n/t	n/t	n/a	n/a	80 652	8.20	8	E/W
Surgutneftegaz	10 in 1	8.3	-3.8	11 841	-7	8.3	-3.9	241	-7	29 688	11.2	35	O/W
Tatneft	6 in 1	31.0	-3.1	7 709	6	n/t	n/t	n/a	n/a	11 257	29.4	-5	E/W
Novatek	10 in 1	68.6	-2.7	18 920	4	n/t	n/t	n/a	n/a	20 829	u/r	n/a	u/r
Alliance Oil	1 in 1	14.9	-2.6	12 939	8	n/t	n/t	n/a	n/a	2 574	u/r	n/a	u/r
Integra	1 in 20	3.2	-2.7	4 152	8	n/t	n/t	n/a	n/a	608	4.4	36	U/W
Eurasia Drilling	1 in 1	15.2	-1.0	1 562	-11	n/t	n/t	n/a	n/a	2 072	18.7	23	E/W
RusHydro	100 in 1	4.25	-2.7	4 277	11	n/t	n/t	n/a	n/a	11 462	4.9	15	O/W
Mosenergo	100 in 1	12.1	0.0	229	11	11.8	-1.3	4	12	4 810	13.8	14	O/W
Irkutskenergo	50 in 1	20.6	0.0	n/a	0	21.0	0.0	n/a	3	1 967	u/r	n/a	u/r
OGK-2	100 in 1	3.1	0.0	n/a	2	n/t	n/t	n/a	n/a	998	0.8	-74	U/W
MTS	5 in 1	n/t	n/t	n/a	n/a	45.7	-7.7	103 781	-7	18 199	60.0	31	O/W
VimpelCom	1 in 20	17.4	-10.1	113	-3	17.5	-7.6	88 832	-6	17 938	23.0	32	O/W
Comstar UTS	1 in 1	5.9	-4.2	9 249	7	n/t	n/t	n/a	n/a	2 466	7.80	32	O/W
Sitronics	50 in 1	1.5	0.0	n/a	-3	n/t	n/t	n/a	n/a	286	n/r	n/a	n/r
Sistema	1 in 50	24.5	-0.4	4 818	17	n/t	n/t	n/a	n/a	11 821	u/r	n/a	u/r
Rostelecom	6 in 1	29.8	n/t	108	6	27.4	0.0	n/a	n/a	n/t	u/r	n/a	u/r
MGTS	1 in 1	12.4	0.0	n/a	29	n/t	n/t	n/a	n/a	988	u/r	n/a	u/r
Center Telecom	25 in 1	17.2	17.9	n/a	23	15.5	0.0	n/a	266	1 085	u/r	n/a	u/r
NW Telecom	10 in 1	7.3	3.3	n/a	21	6.5	0.0	n/a	144	642	u/r	n/a	u/r
South Telecom	50 in 1	6.2	0.0	n/a	0	n/t	n/t	n/a	n/a	367	u/r	n/a	u/r
Volga Telecom	2 in 1	6.3	1.1	n/a	1	6.5	62.5	38	7	799	u/r	n/a	u/r
Siberia Telecom	200 in 1	10.6	8.5	n/a	4	11.7	0.0	n/a	17	636	u/r	n/a	u/r
Uralsvyazinform	200 in 1	5.9	3.6	n/a	16	n/t	n/t	n/a	n/a	961	u/r	n/a	u/r
Far East Telecom	5 in 1	13.9	0.0	n/a	3	15.8	0.0	n/a	0	267	u/r	n/a	u/r
CTC Media	1 in 1	n/t	n/t	n/a	n/a	13.3	-8.9	7 351	-11	2 019	u/r	n/a	u/r
Rambler	1 in 1	n/t	n/t	n/a	n/a	n/t	n/t	n/a	n/a	n/t	n/r	n/a	n/r
Norilsk Nickel	1 in 10	15.1	-4.4	84 327	5	14.8	-7.1	1 371	3	28 823	13.3	-12	O/W
NLMK	10 in 1	28.9	-5.8	13 351	-6	n/t	n/t	n/a	n/a	17 338	17.5	-40	U/W
Severstal	1 in 1	12.2	-6.4	8 880	28	n/t	n/t	n/a	n/a	12 294	5.2	-57	U/W
MMK	13 in 1	12.3	-2.9	6 328	8	n/t	n/t	n/a	n/a	10 530	5.8	-53	U/W
Polymetal	1 in 1	9.3	0.3	118	1	n/t	n/t	n/a	n/a	3 235	11.15	20	O/W
TMK	4 in 1	17.8	-6.5	38 165	-1	n/t	n/t	n/a	n/a	3 874	12.00	-32	E/W
Polyus	1 in 2	27.4	-0.4	11 329	-1	26.9	-2.7	459	-2	10 530	30.65	12	O/W
Highland Gold Mining	-	1.4	-3.3	411	-2	n/t	n/t	n/a	n/a	456	u/r	n/a	u/r
Petropavlovsk	-	14.0	-4.9	21 573	-13	n/t	n/t	n/a	n/a	2 527	23.74	70	O/W
Trans-Siberian Gold	-	0.5	0.0	0	-6	n/t	n/t	n/a	n/a	39	n/r	n/a	n/r
Mechel	1 in 1	n/t	n/t	n/a	n/a	20.0	-10.6	104 164	6	9 485	18.6	-7	E/W
Evraz	1 in 3	30.2	-7.6	40 415	7	n/t	n/t	n/a	n/a	12 515	22.8	-25	U/W
Chelyabinsk Zinc	1 in 1	4.0	-4.1	12	19	n/t	n/t	n/a	n/a	216	u/r	n/a	u/r
Uralkali	5 in 1	22.2	-3.6	15 774	6	n/t	n/t	n/a	n/a	9 415	21.92	-1	E/W
Globaltrans	1 in 1	11.1	-3.1	545	12	n/t	n/t	n/a	n/a	1 757	16.6	49	O/W
NCSP	75 in 1	12.1	-2.6	466	5	n/t	n/t	n/a	n/a	3 102	u/r	n/a	u/r
PIK Group	1 in 1	4.9	-4.9	2 058	17	n/t	n/t	n/a	n/a	2 392	u/r	n/a	u/r
AFI Development	1 in 1	2.1	-6.8	89	8	n/t	n/t	n/a	n/a	1 074	u/r	n/a	u/r
Sistema-Hals	1 in 20	2.0	-8.3	591	37	n/t	n/t	n/a	n/a	446	u/r	n/a	u/r
LSR Group	1 in 5	8.6	-1.1	738	-5	n/t	n/t	n/a	n/a	4 028	u/r	n/a	u/r
RGI International	-	1.3	-5.5	79	-17	n/t	n/t	n/a	n/a	164	u/r	n/a	u/r
MirLand	-	3.2	5.1	28	29	n/t	n/t	n/a	n/a	325	u/r	n/a	u/r
Wimm-Bill-Dann	1 in 4	n/t	n/t	n/a	n/a	20.4	-5.4	5 517	-14	3 592	16.5	-19	U/W
X5 Retail Group	1 in 4	31.8	-4.5	19 585	0	n/t	n/t	n/a	n/a	8 636	27.0	-15	E/W
Magnit	1 in 5	15.3	-1.3	3 430	-3	n/t	n/t	n/a	n/a	6 807	13.3	-13	E/W
Efes Breweries	5 in 1	13.0	0.0	n/a	13	n/t	n/t	n/a	n/a	550	n/r	n/a	n/r
Cherkizovo Group	1 in 150	15.5	-6.1	354	48	n/t	n/t	n/a	n/a	1 001	u/r	n/a	u/r
Black Earth Farming	1 in 1	3.5	-1.9	399	13	n/t	n/t	n/a	n/a	433	u/r	n/a	u/r
Pharmstandard	4 in 1	17.9	0.2	2 399	-13	n/t	n/t	n/a	n/a	2 698	u/r	n/a	u/r
VTB	2000 in 1	5.0	-1.6	29 126	7	n/t	n/t	n/a	n/a	26 308	u/r	n/a	u/r

Source: Bloomberg, Alfa Research; Notes: N/T – not traded, price reflects previous day

Figure 6: RTS Index futures performance

	Close $	Change %	Maturity
VEH0	142 255	-2.41	Mar 10
VEM0	142 100	-2.40	Jun 10

Source: Bloomberg

Figure 7: Equity futures performance

	Close $	Change %	Volume $/1000	Delivery
GAZP-03.10	614	-1.69	9 399.88	15.03.2010
LKOH-03.10	545	-1.95	4 034.40	15.03.2010
SBER-03.10	228	-2.19	583.62	15.03.2010
RTKM-03.10	503	0.00	13.50	15.03.2010

Source: Bloomberg

Figure 8: Major macroeconomic parameters

	Unit	Current	YTD, %
Hard currency reserves	$ bln	439.0	0.0
Monetary base (M0)	R bln	6 467.3	0.0
R/$ exchange rate	R/$	30.0054	-0.6
Inflation, M-o-M	%	0.0	0.0

Source: Reuters

Figure 9: Major commodity prices

Oil, $/barrel (IPE CIF Prices)	Close $	Previous close $	Change %	Change 3 months %	Metals	Close $	Previous close $	Change %	Change 3 months %
Brent, spot	71.24	75.37	-5.5	-7.5	Gold, $/oz	1 067.5	1 063.7	0.4	-2.1
1-month	72.13	75.92	-5.0	-7.4	Platinum, $/oz	1 482	1 506	-1.6	9.2
3-month	73.08	77.02	-5.1	-8.1	Palladium, $/oz	399.0	409.0	-2.4	20.6
Urals	70.38	75.20	-6.4	-8.9	Nickel, $/ton*	17 725	18 350	-3.4	-1.0
WTI	73.14	76.98	-5.0	-9.0	Copper, $/ton*	6 390	6 590	-3.0	-2.8
REBCO	70.48	74.27	-5.1	-8.8	Zinc, $/ton	2 010	2 081	-3.4	-8.8

*Source: Bloomberg, NYMEX; Note: N/A – not available; * - 3 months forward*

Figure 10: Russian debt market

	Maturity	Next coupon payment	Coupon rate %	Closing price %	Change %	YTM %	Current yield %	Duration Years	Spread over RFR bpts	Issue volume mln	Currency
Sovereigns											
Russia-10	03/31/10	03/31/10	8.3	101.1	-0.06	2.3	8.2	0.2	141.4	328	USD
Russia-18	07/24/18	07/24/10	11.0	140.8	0.09	5.0	7.8	6.2	187.5	3 466	USD
Russia-28	06/24/28	06/24/10	12.8	172.7	0.02	6.1	7.4	9.7	240.9	2 500	USD
Russia-30	03/31/30	03/31/10	7.5	112.8	0.34	5.4	6.7	11.5	166.8	1 995	USD
MinFins											
MinFin-11	05/14/11	05/14/10	3.0	100.6	-0.02	2.5	3.0	1.2	164.3	1 750	USD

Source: Reuters; Note: N/A – not applicable

Figure 11: Comparative valuation table

	ticker	Recc	TP $	MCap $ mln	EV $ mln	EV/ EBITDA 2009F	EV/ EBITDA 2010F	P/E 2009F	P/E 2010F	EBITDA margin 2009F	EBITDA margin 2010F	EV/ Sales 2009F	EV/ Sales 2010F	EV/ Rsvs	EV/ Prdtn
Oil & Gas															
Gazprom	OGZD LI			145 592	183 600	5.1	4.6	6.9	6.0	35.9%	35.7%	1.8	1.6	0.8	51
Novatek	NVTK LI			20 829	21 515	18.5	12.5	27.8	18.2	42.5%	44.3%	7.9	5.5	4.3	98
Russia gas wght avg						*6.8*	*5.6*	*9.5*	*7.5*	*36.7%*	*36.8%*	*2.6*	*2.1*	*1.3*	*57*
Rosneft*	ROSN LI	E/W	8.2	80 652	99 645	7.3	6.3	11.7	9.4	29.5%	32.3%	2.2	2.0	4.6	132
Lukoil*	LKOD LI	U/W	57.7	46 441	54 791	3.8	4.6	6.1	8.4	17.7%	13.4%	0.7	0.6	2.8	69
Surgutneftegaz*	SGGD LI	O/W	11.2	29 688	18 166	2.9	2.6	8.3	6.3	39.8%	39.6%	1.1	1.0	1.9	31
TNK-BP	TNBP RU			29 317	31 066	3.8	3.4	5.7	5.3	26.0%	23.3%	1.0	0.8	4.6	56
Gazpromneft	GAZ LI			23 469	25 790	5.1	4.3	7.3	6.5	21.8%	22.4%	1.1	1.0	3.9	78
Tatneft*	TATN RX	U/W	4.9	10 066	10 652	3.6	4.9	4.9	7.9	24.1%	18.2%	0.9	0.9	1.8	54
Alliance Oil	AOIL SS			2 563	2 883	7.4	5.5	12.8	9.0	24.5%	25.9%	1.8	1.4	9.6	144
Russia oil wght avg						*5.1*	*4.8*	*8.5*	*7.9*	*26.8%*	*26.4%*	*1.4*	*1.3*	*3.7*	*86*
EM o&g wght avg						*7.9*	*6.8*	*15.9*	*13.0*	*29.5%*	*29.4%*	*2.3*	*2.0*	*19.1*	*308*
DM o&g wght avg						*6.0*	*4.6*	*16.5*	*11.3*	*25.9%*	*27.7%*	*1.7*	*1.4*	*14.8*	*192*
KazMunaiGaz*	KMG LI	O/W	27.5	10 455	6 521	4.6	3.8	7.2	8.5	38.6%	41.1%	2.0	1.7	8.6	87
OFS															
Integra*	INTE LI	U/W	4.4	608	755	6.6	4.4	neg	22.1	13.9%	15.9%	0.9	0.7		
Eurasia Driling Company*	EDCL LI	E/W	18.7	2 072	1 899	6.7	5.0	14.6	10.3	20.7%	22.2%	1.4	1.1		
C.A.T. Oil*	O2C GR	O/W	€ 8.9	€ 325	€ 305	6.4	3.5	26.4	7.6	20.7%	28.0%	1.3	1.0		
Russia ofs wght avg						*6.6*	*4.8*	*16.2*	*12.4*	*19.3%*	*21.5%*	*1.3*	*1.0*		
Intl ofs wght avg						*9.0*	*8.3*	*19.7*	*18.7*	*30.3%*	*29.4%*	*2.5*	*2.3*		
Banking						P/BV									
Sberbank	SBER RX			60 049	-	2.5	2.1	109.0	13.1	-	-	-	-		
VTB	VTBR LI			26 308	-	1.6	1.5	neg	44.7	-	-	-	-		
Russia banking wght avg						*2.2*	*1.9*	*108.8*	*22.4*						
EM banking wght avg						*2.2*	*2.0*	*14.3*	*11.8*						
Steel															
Evraz*	EVR LI	U/W	22.8	12 515	20 270	13.9	7.8	neg	47.3	15.9%	23.5%	2.2	1.8		
NLMK*	NLMK LI	U/W	17.5	17 338	18 810	14.6	8.3	46.9	16.8	22.2%	28.7%	3.3	2.4		
Severstal*	SVST LI	U/W	5.2	12 294	16 390	28.2	9.7	neg	nm	5.2%	12.4%	1.5	1.2		
Mechel*	MTL US	E/W	18.6	9 485	13 890	16.6	7.2	neg	17.3	16.7%	26.9%	2.8	1.9		
MMK*	MMK LI	U/W	5.8	10 530	10 147	10.0	6.9	nm	25.4	23.4%	23.2%	2.3	1.6		
Russia steel wght avg						*16.7*	*8.1*	*46.9*	*26.4*	*17.0%*	*23.2%*	*2.5*	*1.8*		
EM steel wght avg						*11.8*	*7.2*	*22.5*	*12.6*	*17.0%*	*22.8%*	*1.9*	*1.6*		
DM steel wght avg						*12.6*	*8.4*	*17.7*	*24.9*	*9.3%*	*11.5%*	*1.0*	*0.9*		
Base Metals															
Norilsk Nickel*	MNOD LI	O/W	13.3	28 823	31 502	9.5	8.5	18.0	16.3	35.4%	35.9%	3.4	3.0		
ENRC*	ENRC LN	E/W	850p	17 937	16 716	11.0	7.6	15.8	12.6	39.9%	41.4%	4.4	3.2		
Kazakhmys*	KAZ LN	U/W	572p	10 100	11 480	24.4	15.2	50.3	21.7	16.2%	21.2%	3.9	3.2		
Intl Base metals wght avg						*8.7*	*5.6*	*18.5*	*11.2*	*41.7%*	*47.4%*	*3.3*	*2.5*		
Intl PGM wght avg						*21.1*	*13.8*	*83.9*	*29.1*	*19.4%*	*26.6%*	*4.3*	*3.7*		
Intl Aluminium wght avg						*43.4*	*9.7*	*n/a*	*22.0*	*5.5%*	*18.1%*	*2.5*	*1.8*		
Intl Diversified wght avg						*10.0*	*7.3*	*20.3*	*13.7*	*38.0%*	*43.5%*	*3.8*	*3.2*		
Gold & Silver														$/oz	$/oz
Polyus Gold*	PLZL LI	O/W	30.65	10 530	10 562	19.1	14.5	35.1	25.8	45.6%	44.3%	8.7	6.4	136.7	8290.5
Polymetal*	PMTL LI	O/W	11.15	4 101	4 372	15.8	13.2	23.8	20.5	49.4%	47.8%	7.8	6.3	434.8	8000.6
Petropavlovsk*	POG LN	O/W	1509p	2 692	2 846	12.8	7.7	17.9	10.8	51.0%	56.0%	6.6	4.3	835.3	7720.8
Highland Gold	HGM LN			454	304	4.8	3.2	8.8	7.8	40.5%	43.4%	1.9	1.4	87.7	1547.2
Russia gold&silver wght avg						*17.0*	*12.9*	*29.2*	*21.9*	*47.2%*	*46.8%*	*8.0*	*5.9*	*310.0*	*7965.0*
Intl gold&silver wght avg						*10.9*	*7.7*	*51.4*	*17.3*	*43.6%*	*48.4%*	*4.9*	*3.8*	*255.7*	*5239.1*
Mobiles															
VimpelCom*	VIP US	O/W	23	17 938	23 502	5.3	5.6	12.5	11.0	243.9%	222.6%	4.7	2.3		
MTS*	MBT US	O/W	60	18 199	23 468	4.2	5.8	11.5	10.3	248.8%	234.4%	5.2	2.1		
Russia mobiles wght avg						*4.8*	*5.7*	*12.0*	*10.6*	*246.4%*	*228.5%*	*4.9*	*2.2*		
EM mobiles wght avg						*5.7*	*5.2*	*12.0*	*11.1*	*47.3%*	*46.2%*	*2.6*	*2.3*		
DM mobiles wght avg						*5.6*	*5.5*	*11.1*	*10.2*	*35.0%*	*34.6%*	*2.0*	*1.9*		
Thermal generation														EV/IC, $/kW	$/MWh
OGK-1*	OGK1 RX	U/W	0.013	1 249	1 261	16.3	12.0	neg	neg	5.9%	7.1%	1.0	0.9	132.3	25.2
OGK-2*	OGK2 RX	U/W	0.008	1 065	1 191	66.7	16.8	neg	neg	1.6%	5.5%	1.1	0.9	136.9	24.8
OGK-3*	OGKC RX	U/W	0.041	2 199	444	11.8	neg	neg	nm	4.3%	n/a	0.5	0.5	53.2	13.8
OGK-4*	OGK4 RX	O/W	0.068	2 486	1 718	12.1	3.9	19.6	6.9	11.0%	23.9%	1.3	0.9	199.1	31.7
Enel OGK-5*	OGKE RX	U/W	0.055	3 072	3 446	19.1	10.8	56.1	24.0	16.0%	21.8%	3.0	2.4	397.4	89.8
OGK-6*	OGK6 RX	U/W	0.021	817	1 037	13.8	7.4	neg	neg	6.9%	10.8%	0.9	0.8	114.6	30.5
Mosenergo*	MSNG RX	O/W	0.138	4 550	4 616	12.0	6.9	217.6	26.0	11.6%	16.5%	1.4	1.1	415.2	72.5
TGK-1*	TGKA RX	U/W	0.00051	2 399	2 533	17.6	7.8	166.3	21.5	12.4%	20.6%	2.2	1.6	403.5	97.2
Russia Thermal gencos wght avg						*17.6*	*8.4*	*128.7*	*20.8*	*10.3%*	*17.6%*	*1.6*	*1.3*	*285.6*	*57.8*
EM Thermal gencos wght avg						*13.1*	*11.8*	*22.0*	*19.7*	*34.1%*	*33.2%*	*4.3*	*3.8*	*1525.1*	*285.0*
DM Thermal gencos wght avg						*11.5*	*8.1*	*19.0*	*16.2*	*19.0%*	*25.9%*	*2.1*	*2.1*	*1417.5*	*327.2*
Hydro generation															
RusHydro*	HYDR RX	O/W	0.049	11 308	10 468	8.2	5.7	20.9	12.8	36.6%	42.9%	3.0	2.5	413.2	130.6
EM Hydro gencos wght avg						*12.8*	*8.3*	*44.8*	*12.6*	*50.8%*	*53.6%*	*7.7*	*5.0*	*1624.2*	*290.3*
DM Hydro gencos wght avg						*8.7*	*7.4*	*14.4*	*15.5*	*23.8%*	*25.9%*	*2.0*	*1.9*	*1680.3*	*461.8*

Retail and Consumer														
X5 Retail Group*	FIVE LI	E/W	27.0	8 636	10 539	14.1	10.3	33.0	20.5	8.6%	8.7%	1.2	0.9	
7th Continent	SCOH RX			631	1 071	8.7	7.2	33.6	13.7	8.9%	8.9%	0.8	0.6	
Magnit*	MGNT LI	E/W	13.3	6 368	7 555	14.6	10.7	24.4	18.7	9.2%	9.2%	1.4	1.0	
Dixy*	DIXY RX	E/W	6.3	695	954	8.8	6.6	25.4	15.6	5.9%	6.4%	0.5	0.4	
Russia Retail wght avg						*11.1*	*8.2*	*27.1*	*17.2*	*7.2%*	*7.4%*	*0.8*	*0.6*	
EM Retail wght avg						*13.3*	*11.2*	*23.5*	*22.0*	*9.0%*	*9.0%*	*1.2*	*1.0*	
DM Retail wght avg						*7.9*	*7.3*	*15.7*	*14.2*	*6.9%*	*7.2%*	*0.6*	*0.5*	
Wimm-Bill-Dann*	WBD US	U/W	16.5	3 592	3 882	12.7	10.9	26.5	19.1	14.1%	14.4%	1.8	1.6	
EM Dairy wght avg						*11.6*	*10.2*	*20.3*	*16.7*	*13.8%*	*14.3%*	*1.5*	*1.4*	
DM Dairy wght avg						*10.6*	*10.8*	*17.2*	*13.3*	*17.3%*	*16.9%*	*1.9*	*1.8*	
Fertilizers														
Uralkali*	URKA LI	E/W	21.92	9 415	9 616	17.2	14.4	29.3	24.7	54.5%	52.6%	9.6	7.9	
Silvinit*	SILV RX	O/W	908	5 797	8 201	8.9	10.6	11.3	14.2	66.5%	61.3%	6.2	6.2	
Acron*	AKRN RX	O/W	43.72	1 441	1 810	6.8	4.7	9.7	6.2	23.1%	26.2%	1.7	1.3	
Russia Fertilizers wght avg						*12.6*	*11.2*	*19.9*	*17.8*	*53.0%*	*51.8%*	*7.1*	*6.1*	
Asian Fertilizers wght avg						*16.2*	*11.2*	*27.8*	*17.8*	*23.4%*	*22.7%*	*2.2*	*1.8*	
Global Fertilizers wght avg						*15.9*	*11.7*	*28.7*	*19.1*	*28.4%*	*30.3%*	*4.7*	*3.7*	

**Alfa forecasts*

Source: Alfa Research, company data, Bloomberg Consensus Estimates

CALENDAR

Figure 12: International macroeconomic calendar

February 5	**US** January Change in Nonfarm Payrolls January Unemployment Rate December Consumer Credit
February 9	**US** January Small Business Optimism December Wholesales Inventories February IBD/TIPP Economic Optimism
February 10	**US** MBA Mortgage Applications December Trade Balance January Monthly Budget Statement
February 11	**US** January Advance Retail Sales Initial and Continuing Jobless Claims December Business Inventories **Eurozone** ECB publishes February Monthly Report
February 12	**US** University of Michigan Confidence **Eurozone** December Industrial Production GDP
February 16	**US** February Empire Manufacturing December Net Long-term and Total TIC Flows February NAHB Housing Market Index

Source: Bloomberg, Alfa Research

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