

Desk Notes Published

Comstar (O/W): 4Q09 Results Preview:

Looking for Signs of a Pick-up

VimpelCom (O/W): 4Q09 Results Preview:

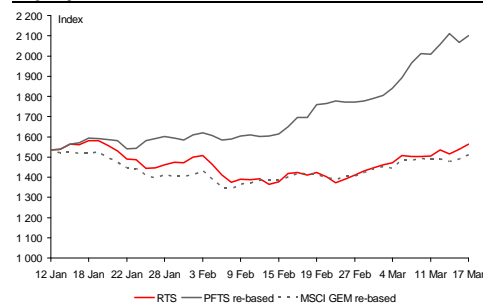
Focus on Cash

Inter RAO and GenCos: Stellar Performance, Reshuffling Our Top Picks

Key Upcoming Events

March 18	VimpelCom FY09 and 4Q09 IFRS Comstar FY09 and 4Q09 US GAAP Sberbank FY09 financials
March 23	Ferrexpo FY09 IFRS
March 24	ENRC FY09 UK GAAP LUKoil 2009 US GAAP
March 25	Petropavlovsk FY09 IFRS

Equity markets



Source: RTS, PFTS, Bloomberg

Russian equity market chart, see p. 2

Ukrainian equity market chart, see p. 8

Equity indices, currencies, commodities

	Close	Change %	YTD %
Russian			
RTS	1 563	1.7 ↑	8.2 ↑
RTS-2	1 742	1.1 ↑	22.0 ↑
RTX	2 259	1.2 ↑	7.3 ↑
MICEX	1 435	1.0 ↑	4.8 ↑
Ukrainian			
PFTS	836	1.5 ↑	45.9 ↑
International			
MSCI Russia	850	1.1 ↑	6.9 ↑
MSCI GEM	1 006	1.4 ↑	1.6 ↑
DJIA	10 734	0.4 ↑	2.9 ↑
S&P 500	1 166	0.6 ↑	4.6 ↑
Shanghai Comp	3 048	-0.1 ↓	-7.0 ↓
FTSE 100	5 645	0.4 ↑	4.3 ↑
NIKKEI 225	10 744	-0.9 ↓	1.9 ↑
ISE 100	54 304	2.0 ↑	2.8 ↑
Bovespa	69 723	-0.3 ↓	1.7 ↑
R/\$ Exchange Rates			
CBR	29.1927	-0.8 ↓	-3.3 ↓
SELT tomorrow	29.1752	-0.7 ↓	-3.5 ↓
UAH Exchange Rates			
UAH/\$	7.98	0.0 ↓	-0.1 ↓
\$/Euro Exchange Rate			
\$/Euro	1.3677	-0.6 ↓	-4.6 ↓
Commodities			
Brent, \$/bbl	81.08	1.3 ↑	4.2 ↑
Urals, \$/bbl	78.28	1.4 ↑	2.3 ↑
WTI, \$/bbl	82.93	1.5 ↑	4.5 ↑
Nickel, \$/ton *	22 250	1.6 ↑	20.1 ↑
Copper, \$/ton *	7 534	1.7 ↑	2.2 ↑
Gold, \$/oz	1 122	0.2 ↑	2.3 ↑
Palladium, \$/oz	472	-1.5 ↓	15.7 ↑

* - 3 months forward

Top 6 Gainers:	BEGY \$1.68 ↑11.8%	UTAR \$0.43 ↑8.9%	OGKC \$0.057 ↑7.1%
	TGKE\$0.0005 ↑7.0%	FEES \$0.012 ↑6.5%	OGK6 \$0.036 ↑6.4%
Top 6 Losers:	HALS \$1.70 ↓6.6%	UTEL \$0.15 ↓5.4%	VIP \$18.0 ↓3.2%
	MTL \$26.1 ↓2.8%	WBD \$20.4 ↓2.3%	PHST \$22.2 ↓2.0%

Russian Market

Equity Market Comment, p. 2

Caution as top-down risks may reemerge

As was to be expected given short-term sentiment, the Russian market posted a strong performance yesterday, with the RTS rising 1.74% to 1,563 and MICEX rising 1.0% to the 1,435 level. We are more cautious on today's market, particularly with Germany remaining evasive on financial support for Greece, and we expect the Russian indices to open flat or slightly negative.

Top Stories

Oil & Gas: YUKOS Capital just won't quit, but Rosneft's potential liability is limited; NEUTRAL

Yesterday's drop in the share price was an overreaction: the potential damage is limited, and Rosneft has already set aside provisions for it.

Metals & Mining: Polyus CEO mentions 2H10 share issue as a possibility; NEGATIVE

The possibility of a share sale in 2H10 is NEGATIVE, as it introduces a potential share overhang and raises the possibility of higher CAPEX or further acquisitions.

News and Commentary

Macroeconomics: February industrial output reported at 1.9% y-o-y vs. consensus 7.2%; NEGATIVE

February's weak industrial output dispels the illusion of rapid growth created by the abnormally high January statistics.

Oil & Gas: Rumors on the sale of LUKoil's stake by Conoco resurface; NEUTRAL

Strategically, this divestiture is irrelevant to LUKoil and should be viewed as NEUTRAL in the broader context.

Telecoms: Ukraine's anti-monopoly service approves VimpelCom + Kyivstar deal; POSITIVE

We view this news as POSITIVE (although expected), as it fulfills one of the conditions of the proposed transaction.

Real Estate: MirLand Development reports FY09 financial results and portfolio revaluation; NEUTRAL

Adjusted NAV increased 6.5% in 2H09 to \$472 mln (NAV/share of \$4.6). The results are generally in line with our expectations and therefore NEUTRAL for the stock.

Also: Comstar, TGK-2, TGK-11

Ukrainian Market

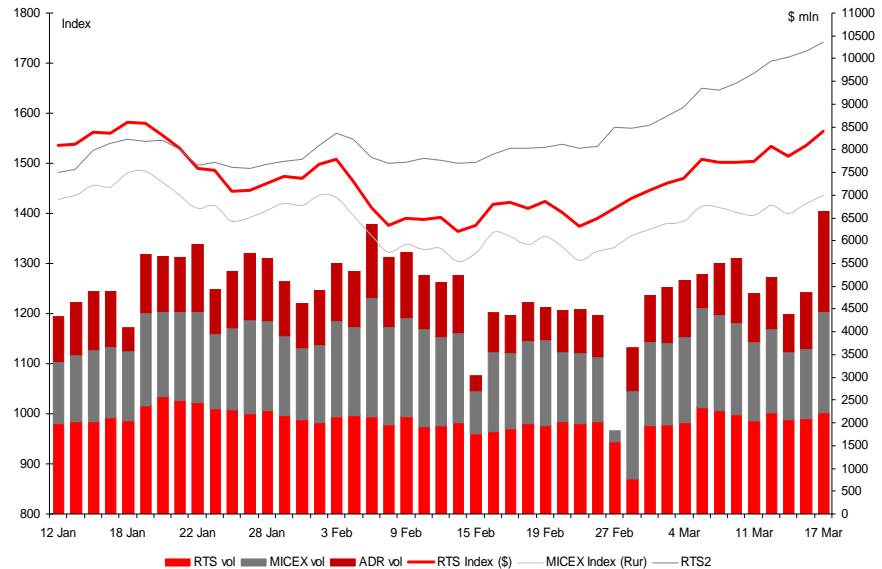
Market Comment, p. 8

Profit taking likely sooner rather than later

The publication of industrial output data for February and EBT by sector for January will likely push investors to begin taking 1Q10 profits sooner rather than later.

RUSSIAN MARKET

Russian equity market



Source: RTS, MICEX, Bloomberg

Equity Market Comment

Caution as top-down risks may reemerge

As was to be expected given short-term sentiment, the Russian market posted a strong performance yesterday, with the RTS rising 1.74% to 1,563 and MICEX rising 1.0% to the 1,435 level. We are more cautious on today's market, particularly with Germany remaining evasive on financial support for Greece, and we expect the Russian indices to open flat or slightly negative.

At \$2,030 mln, volumes for the large stocks on MICEX were 14% above the 30-day average. London volumes, at \$1,630 mln, were some 64% above their 30-day average.

Among the super-blue chips in London trading, Gazprom rose 0.8%, LUKoil rose 3.6%, Rosneft fell 1.1%, and Norilsk Nickel rose 2.3%. Sberbank rose 1.3% in dollar terms in local trading.

Among the blue chips, Transneft pref (+4.7%), Federal Grid Company (+4.0%), TMK (+3.7%) and Evraz (+3.2%) rose, while VimpelCom (-3.2%) was the biggest loser in response to the announcement that the stock will be dropped from the MSCI Russia index. Other losers included Mechel (-2.8%), X5 Retail Group (-1.8%) and Wimm-Bill-Dann (-0.9%). Gainers in local trading included a number of utilities (most notably TGK-13, which advanced 14.5%).

Among ADRs, Polymetal (+5.7%), Gazpromneft (+5.0%), Globaltrans (+5%) and AFI Development (+4.7%) were the most notable gainers.

US markets were up overnight, as the Dow added 0.4%, or 48 points, to 10,734, and the S&P 500 rose 0.6%. Asian markets are generally rising this morning, with Japan off 0.8% but Hong Kong up 0.2%, China up 0.1%, and Australia up 0.2%.

Among global sectors that we follow, the US financials and oilfield service companies led the way, rising 2%, while gold companies and steel companies were flat.

In Asia this morning, steel companies are down 0.1%, while oil & gas companies are up 0.2%. Brazilian trading overnight saw Petrobras fall some 0.3%.

Nymex crude rose \$1.2 in overnight US trading to \$82.9/bbl, and in morning trading in Asia oil has dropped \$0.6 to trade at the \$82.3/bbl level. Nickel prices rose 1.6%, or \$350, in London trading yesterday to \$22,250/ton, while copper rose 2.0% to \$7,488/ton.

In currencies, the dollar fell 0.3% vs. the euro yesterday to \$1.378 from \$1.373, while the ruble strengthened 0.5% vs. the basket to 34.104 after rising 0.8% vs. the dollar to 29.129. Gold rose \$3 to \$1,123 per oz.

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Top Stories

Oil & Gas

ROSN LI	E/W
Target Price:	\$8.2
Closing Price:	\$7.99
Return to TP:	2.5%
2010 EV/EBITDA:	6.0x
2011 EV/EBITDA:	6.5x
Market Cap:	\$76.6 bln

YUKOS Capital just won't quit, but Rosneft's potential liability is limited; NEUTRAL

Yesterday, Reuters reported that Rosneft could encounter problems with sales of crude oil to the US and UK markets. Investors have been souring towards the company's stock since January, when the Ministry of Finance called into question its export duty breaks. Yesterday's sharp drop in the share price, however, was an overreaction: the potential damage to Rosneft is limited, and the company has already set aside provisions for it.

YUKOS Capital S.a.r.l. (controlled by YUKOS's former management) managed to obtain an injunction freezing Rosneft's assets in New York State, which total \$419 mln. Following this announcement, Rosneft's stock fell by around 3%. Nonetheless, we think the effect of this court ruling will be limited for the following reasons: 1) The underlying amount of \$419 mln (4¢/share) is immaterial for a company of Rosneft's size, so we do not expect any significant disruptions to its business; 2) According to information from Rosneft, the company has an option to provide payment guarantees, and no assets will be frozen; 3) Rosneft has set aside provisions for this potential liability on its balance sheet; 4) There are many ways of getting around the court's decision: sales inside Russia to traders and payments in jurisdictions other than the US and UK. Oil is difficult to track: it is a commodity, and Rosneft's crude is no different from anyone else's.

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Metals & Mining

PLZL LI	E/W
Closing Price:	\$27.59
Target Price:	\$32.24
Return to TP:	15%
2009 EV/EBITDA:	35.2
2010 EV/EBITDA:	23.3
Market Cap:	\$10.6 bln

Polyus CEO mentions 2H10 share issue as a possibility; NEGATIVE

In an interview with Interfax, CEO Evgeny Ivanov indicated the company may sell shares in 2H10. We interpret this news as NEGATIVE, as it introduces the possibility of a second share overhang in addition to a possible share sale by the current majority owners of Polyus after their failure to complete a share sale earlier in the year.

According to our estimates, Polyus should be able to fully fund the CAPEX requirement for the first stage of Nataalka without moving into a positive net debt position. We estimate a cumulative \$2.1bln of CAPEX against \$2.7 bln (\$2.9 bln consensus) EBITDA in the 2010-2012 period and the company has a current net cash position of over \$200 mln. A capital increase in this financial position raises the possibility that the CAPEX requirement for Nataalka might be revised upwards. Alternatively, Polyus may be preparing a stronger balance sheet to make further acquisitions or fund additional long-dated projects.

In separate news yesterday, KazakhGold provided an estimate of reserves reaching approximately 10m oz. by YE11 from a current level of 4m oz. This is slightly disappointing, as the latest reserve level under Kazakh standards was 31m oz., suggesting a relatively slow confirmation of reserves under JORC. The presentation indicates that Polyus will fully fund a \$100 mln capital increase at KazakhGold, as per an agreement reached at the time of Polyus' acquisition of the company, without specifying the timing.

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News and Commentary

Macroeconomics**February industrial output reported at 1.9% y-o-y vs. consensus 7.2%; NEGATIVE**

According to Rosstat, industrial output grew 1.9% y-o-y in February, well below the market expectation of 7.2% y-o-y. The weak growth figure suggests that despite the low-base effect, this year's economic recovery will be fragile.

Last month's disappointing growth was due to the paltry 0.8% y-o-y recovery in manufacturing compared with 7.6% y-o-y in January. The latter figure was abnormally high because of the large amount of budget spending at the end of December 2009.

Manufacturing remains the weakest component of industrial production. After plummeting by 16.0% y-o-y in 2009, it remained virtually flat in February of this year, confirming that local demand remains weak. The recovery of industrial output in 2M09 was driven by surprisingly strong commodities extraction, making economic growth more dependent on foreign demand.

We initially expected only a 1% y-o-y increase in commodities extraction this year. If the sector continues its strong performance, we will have to upgrade our annual growth forecast; however, we believe the strong commodity output

reflects higher production of regulated goods, i.e. more fuel was needed to meet higher demand for electricity resulting from the cold winter.

Figure 1: Industrial output growth, % y-o-y

	2009	Jan-10	Feb-10
Industrial output	-10.8%	7.8%	1.9%
...commodities extraction	-1.2%	6.9%	6.6%
...manufacturing	-16.0%	7.6%	0.8%
...regulated goods	-4.8%	8.4%	7.2%

Source: Rosstat, Alfa Research

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Oil & Gas

Rumors on the sale of LUKoil's stake by Conoco resurface; NEUTRAL

There are numerous reports in the media on an impending announcement by Conoco on its intention to sell half of its 20% stake in LUKoil over the next three-year period. Strategically, this divestiture is irrelevant to LUKoil and should be viewed as NEUTRAL in the broader context. Conoco has its own set of problems that are likely a driving force for such a move. We think it is unlikely that 10% of the float will be dumped in the market. A more likely scenario is a pre-negotiated placement with institutional investors at an opportune moment in the future. LUKoil faces increasing financial commitments in Iraq and therefore is unlikely to want to acquire this stake itself.

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Telecoms

Ukraine's anti-monopoly service approves VimpelCom + Kyivstar deal; POSITIVE

According to *Vedomosti*, the Ukraine Anti-monopoly Service has approved a deal whereby Kyivstar and VimpelCom shares would be contributed to VimpelCom Ltd. with no conditions, citing unidentified sources. We view this news as POSITIVE (although expected) as it fulfills one of the conditions of the proposed transaction. According to the article, the official decision of the anti-monopoly authority has not yet been made public. Until full documentation of the official decision is available, it is unclear whether the Ukraine anti-monopoly authority has approved full operational integration of the two operators. We expect more detail on the status of the decision on today's VIP conference call.

LKOD LI U/W
 Target Price: \$57.7
 Closing Price: \$57.6
 Return to TP: 0%
 2010 EV/EBITDA: 4.8x
 2011 EV/EBITDA: 4.9x
 Market Cap: \$49 bln

VIP US O/W
 Closing Price: \$18.04
 2009 EV/EBITDA: 5.2x
 2010 EV/EBITDA: 4.8x
 Market Cap: \$18.5 bln

Comstar's RUB26 bln Sberbank credit line first payment postponed to September 27; NEUTRAL

CMST LI O/W
 Closing Price: \$6.29
 2009 EV/EBITDA: 5.2x
 2010 EV/EBITDA: 4.8x
 Market Cap: \$2.6 bln

According to *Vedomosti*, Comstar has again renegotiated the payment terms of its RUB26 bln Sberbank credit line. Because forgiveness of the Sberbank loan is one of the terms of the proposed Svyazinvest asset swap deal, on which negotiations are still pending, it is not surprising that the payments on the loan have been postponed. We therefore qualify this news as NEUTRAL.

The first payment has been postponed from March 27 to September 27. In March, CMST will pay interest on the loan at 10.5%. The new interest rate of 10.5% will be effective until 27 September, when the rate will change to 11.75%.

If the Svyazinvest asset swap proceeds, Sberbank may offer CMST a new credit line for general financing purposes on better terms (e.g., RUB6 bln at 10.5% for five years).

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Utilities
Joint Venture on the cards between TGK-2 and China's Huadian; NEUTRAL

TGKB RU N/R
 Closing Price: \$0.00022
 Market Cap: \$323 mln

TGK-2, which is controlled by Sintez Group, might create a JV with Chinese electricity company Huadian Power, to jointly build a new 450 MW CHP in the Yaroslav region (the value of this project is around RUB20 bln), *Kommersant* reported, citing Sintez chief executive Andrey Korolev. This JV could help TGK-2 to cover the company's investment needs, as the company is one of the worst performers among its peers in terms of mandatory CAPEX implementation. It would cover 30% of the project's CAPEX, while the remaining cash is planned to be attracted via loans. We believe that this scenario of a possible JV with a Chinese company might have a positive influence on the company's operational performance in the future. However, until we learn more details on the terms of this JV project, we see no immediate implications for TGK-2 shares and view the news as NEUTRAL.

TGK-2 was acquired by Sintez Group. The company was supposed to be acquired jointly with German RWE, but the latter pulled out, leaving Sintez Group alone with the acquisition and a huge loan from Sberbank to finance the investment. TGK-2's main shareholder's financial troubles explain the company's poor performance in terms of its CAPEX program.

Inter RAO's buyout price for TGK-11 RUB0.0167/share; NEUTRAL for TGK-11

TGKK RU E/W
 Closing Price: \$0.00075
 Target Price: \$0.00085
 Return to TP: 13%
 2009 EV/EBITDA: 7.0x
 2010 EV/EBITDA: 5.2x
 Market Cap: \$385 mln

Inter RAO, which has already accumulated around 33% in TGK-11 has announced a mandatory tender offer to TGK-11's minorities. The buyout price was determined based on the six-month average market price, i.e. RUB0.0167/share (\$0.00057/share), which is 24% below the current market price (\$0.00075/share). We do not believe this offer is attractive for minorities, and we do not recommend tendering the shares, especially given the benefits from the ongoing takeover of TGK-11 by Inter RAO. We treat this news as NEUTRAL for TGK-11 as the price is fully in line with our previous estimates.

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Real Estate**MirLand Development reports FY09 financial results and portfolio revaluation; NEUTRAL**

MLD LN U/R
Closing Price: £2.38
Market Cap: £237mln

Yesterday, MirLand Development reported 4Q09 financial results and a portfolio valuation as of December 31. The results are generally in line with our expectations and we qualify them as NEUTRAL for the stock.

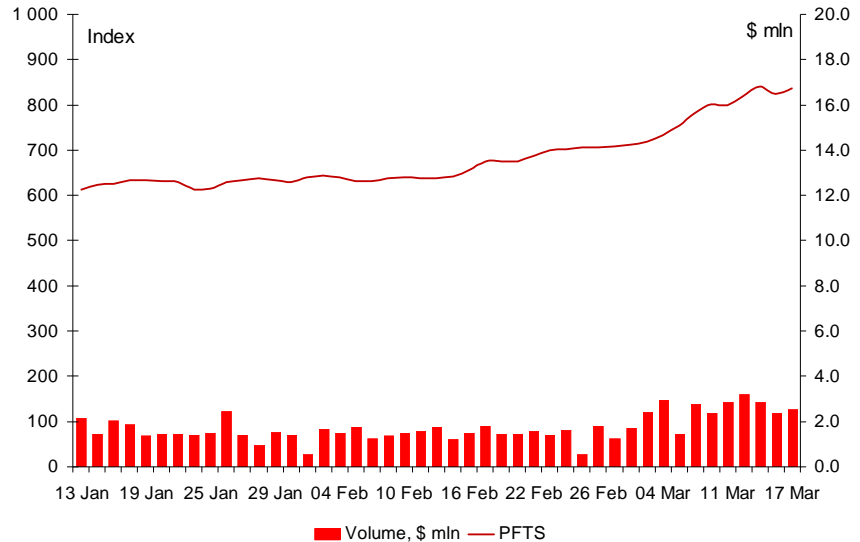
According to Cushman valuation as of YE09, MirLand's adjusted NAV increased 6.5% from June 30, 2009 to \$472 mln (NAV/share of \$4.6). Total revenue for the quarter declined 16% y-o-y to \$4.2 mln, with rental income down 17% y-o-y on lower occupancy levels and rental rates. G&A expenses declined 36% y-o-y to \$5.3 mln. The company booked a revaluation loss of \$1.0 mln in the quarter (after \$15. mln in 9M09) on investment properties and projects under construction. Operating loss for the quarter was \$3.5 mln, while pre-tax loss was \$1.5 mln on \$2.1 net financial income that came from favorable currency movements.

Total assets were \$616 mln on December 31, up 4% q-o-q, suggesting further stabilization of the real estate market. Net debt rose \$22 mln during the quarter to \$235 mln, as MirLand attracted new financing for the Triumph Mall in Saratov and loans from shareholders to continue development of its key portfolio assets. MirLand's balance sheet remains solid, with total debt at only 38% of assets.

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UKRAINIAN MARKET

Ukrainian equity market



Source: Bloomberg, PFTS

Market Comment

Profit taking likely sooner rather than later

The publication of industrial output data for February and EBT by sector for January will likely push investors to begin taking 1Q10 profits sooner rather than later. Yesterday's trading session confirms this trend, as the ultra-bullish sentiments at the beginning of the session were more than offset by a profit-taking supply of stocks throughout the rest of the day, decreasing the daily return from 2.5% to 1% by the closing bell.

1Q10 financial results are expected to be fairly weak, which will put pressure on stock market liquidity. It remains to be seen if the excess liquidity will flow into the bond or deposits markets; however, it is looking increasingly obvious that the above-average returns of the post-crisis recovery are being confined to history. Therefore, we may see further deterioration in Ukrainian stock market liquidity over the next few days and we expect a mixed performance from major stock market names.

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RUSSIAN MARKET TABLES

Figure 2: Most liquid stocks performance

	Main ticker	Close	Change	YTD	100d Avg	MCap	Free-float		Annual	12 M TP	Upside	Rating
		\$	%	%	Daily Volume		\$ mln	%	\$ mln			
Gazprom	OGZD LI	23.6	0.8	-8	972.5	139 555	37	51 021	4.7	u/r	n/a	u/r
Rosneft	ROSN LI	8	-1.1	-7	285.6	76 683	15	11 809	6.0	8.2	3	E/W
LUKoil	LKOD LI	58	3.6	1	352.6	48 992	47	23 188	3.9	57.7	0	U/W
Surgutneftegaz	SGGD LI	8.9	1.3	-1	51.6	31 618	20	6 323	2.0	11.2	27	O/W
Gazpromneft	GAZ LI	26.1	5.0	-5	9.0	24 788	4	1 065	2.1	u/r	n/a	u/r
Novatek	NVTK LI	74	-0.5	12	31.8	22 499	47	10 574	0.9	u/r	n/a	u/r
Tatneft	ATAD LI	32	0.9	10	26.8	11 591	21	2 434	3.0	29.4	-8	U/W
Transneft pref.	TRNFP RX	886	1.7	13	27.0	7 523	75	1 033	7.2	u/r	n/a	u/r
Sberbank	SBER03 RX	3.07	1.3	11	917.0	66 275	27	17 894	15.1	u/r	n/a	u/r
VTB Group	VTBR LI	5.6	1.8	19	245.4	29 394	14	4 250	17.5	u/r	n/a	u/r
Norilsk Nickel	MNOD LI	17.4	2.3	21	286.4	30 432	40	12 172	6.9	16.9	-3	E/W
Novolipetsk Steel	NLMK LI	33.5	-0.1	9	12.5	20 047	13	2 606	1.3	17.5	-48	U/W
UC Rusal	486 HK	1.12	2.2	n/a	n/a	17 006	11	1 838	n/a	u/r	n/a	u/r
Evraz Group	EVR LI	38	3.2	34	34.0	15 728	15	2 359	4.5	22.8	-40	U/W
Severstal	SVST LI	13.6	2.4	43	36.0	13 675	18	2 461	4.6	5.2	-62	U/W
Mechel Steel Group	MTL US	26	-2.8	39	63.8	12 362	25	3 090	6.3	18.6	-29	E/W
MMK	MMK LI	13.5	1.5	19	7.1	11 561	12	1 387	1.5	5.8	-57	U/W
Polyus Gold	PLZL LI	27.6	0.9	-1	50.3	10 611	33	3 501	3.7	32.24	17	E/W
MTS	MBT US	58	0.1	19	78.5	23 154	46	10 651	2.5	68	17	O/W
VimpelCom	VIP US	18	-3.2	-3	63.2	18 502	24	4 496	3.3	23	27	O/W
Sistema	SSA LI	27	2.9	29	10.3	13 028	19	2 475	1.3	u/r	n/a	u/r
Rostelecom	RTKM RX	5.3	0.1	8	24.1	3 875	12	465	12.1	u/r	n/a	u/r
FGC	FEES RX	0.0119	6.5	12	33.9	13 738	17	2 335	3.8	0.0127	7	O/W
RusHydro	HYDR RX	0.0497	-0.4	31	41.1	13 407	21	2 748	4.6	0.062	25	O/W
Uralkali	URKA LI	21.8	0.7	4	33.4	9 271	35	3 244	2.5	21.92	0	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	Discount	Free-float		Annual	12 M TP	Upside	Rating
		\$	%	%	Daily Volume	to commons	%	\$ mln	Free-float churn*			
Sberbank	SBERP03 RX	2.45	1.2	7	315.7	-20	100	2 451	38.1	u/r	n/a	u/r
Rostelecom	RTKMP RX	2.6	2.2	22	36.8	-51	100	631	16.4	u/r	n/a	u/r
Surgutneftegaz	SNGSP RX	0.56	1.9	14	53	-37	70	2 998	5.1	0.7	25	E/W
Tatneft	TATNP3 RX	3	1.9	17	0.6	-44	41	181	1.1	2.88	-4	U/W
North-West Telecom	SPTLP RX	0.67	2.1	25	0.5	-20	100	167	1	u/r	n/a	u/r
South Telecom	UTELP RX	0.128	2.0	23	0.3	-15	100	124	0.8	u/r	n/a	u/r
Volga telecom	VTLP RX	2.96	2.6	35	0.6	-18	100	243	0.8	u/r	n/a	u/r
Sibir Telecom	STKMP RX	0.052	1.6	38	0.4	-15	100	203	0.7	u/r	n/a	u/r
Uralsvyazinform	URSIP RX	0.0296	-1.9	44	0.4	-8	100	232	0.6	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	%	
TNK-BP	TNBP RU	1.86	n/t	8	0.3	29 475	3	972.7	0.1		u/r	n/a	u/r
Bashneft	BANE RU	27.6	-0.5	6	0.1	4 688	10	478.2	0.1		u/r	n/a	u/r
Magionneftegaz	MFGS RX	20	0.8	31	0	1 980	6	118.8	0.1		u/r	n/a	u/r
Salavatnefteorgsintez	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		995	25	248.6	0		u/r	n/a	u/r
Nizhnekamskneftekhim	NKNC RX	0.56	-0.4	19	0	907	11	99.8	0.1		u/r	n/a	u/r
Ufaneftekhim	UFNC RU	3.05	n/t	4	0	840	25	209.9	0		u/r	n/a	u/r
Novoil	NUNZ RU	0.91	n/t	1	0	723	5	33.3	0.1		u/r	n/a	u/r
Ufa Refinery	UNPZ RU	0.99	n/t	-1	0	540	15	80.9	0		u/r	n/a	u/r
Yaroslavlnefteorgsintez	JNOS RX	0.57	1.0	133	0	233	10	23.3	0		u/r	n/a	u/r
KazanOrgsintez	KZOS RU	0.128	n/t	-28	0	228	13	29.6	0.1		u/r	n/a	u/r
Bank of Moscow	MMBM RX	33.2	0.3	23	0.1	4 560	22	1 003.3	0		u/r	n/a	u/r
Rosbank	ROSB RX	4.3	0.8	18	0.4	3 195	3	86.3	1.2		u/r	n/a	u/r
IngosStrakh	INGS RU	0.7	n/t	33	0	1 750	5	87.5	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	43.8	-0.4	11	0.5	1 040	34	353.4	0.4		u/r	n/a	u/r
Bank St.-Petersburg	BSPB RX	3.58	0.9	28	0.3	1 010	21	210.2	0.4		u/r	n/a	u/r
Raspadskaya Mine	RASP RX	6.9	5.0	41	3.4	5 358	18	964.4	1.2	5.8	-15	E/W	
TMK	TRMK RX	5.1	3.5	19	6.2	4 491	23	1 032.8	1.7	4.75	-6	E/W	
Polymetal	PMTL RX	11	2.6	17	4.6	3 936	25	984.0	1.4	12.09	10	O/W	
Kuzbassrazrezugol	KZRU RU	0.446	0.5	17	0.1	2 727	6	163.6	0.2	0.5	12	E/W	
Vykasa Pipes	VSMZ RX	1434	3.0	29	0.1	2 061	5	103.0	0.4	u/r	n/a	u/r	
VSMPO	VSMO RX	119	0.0	70	2.2	1 373	31	425.8	2.1	98	-18	U/W	
Southern Kuzbass Coal	UKUZ RX	44.6	2.7	26	0.1	1 300	7	91.0	0.2	u/r	n/a	u/r	
Chelyabinsk Pipes	CHEP RU	2.42	n/t	16	0	1 143	15	171.5	0	u/r	n/a	u/r	
Belon	BELO RX	0.9	3.9	43	0.7	1 032	17	175.4	1.2	0.78	-13	E/W	
SibirCement	SCEM RU	20.5	-2.4	5	0.1	622	5	31.1	0.7	u/r	n/a	u/r	
PGHO	PGHO RU	215	n/t	-7	0	376	15	56.4	0	u/r	n/a	u/r	
Chelyabinsk Zinc	CHZN RX	4.4	1.6	27	0.2	230	48	110.6	0.5	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	6.4	2.3	16	4.5	2 629	34	904.3	1.4	7.8	21	O/W	
Center Telecom	CTLK RX	0.77	1.7	26	1.2	1 208	24	289.9	1.4	u/r	n/a	u/r	
MGTS	MGTS RX	14	0.3	1	0	1 118	5	55.9	0	u/r	n/a	u/r	
Uralsvyazinform	URSI RX	0.032	1.8	23	12.3	1 035	25	258.9	14	u/r	n/a	u/r	
Volga telecom	VTCL RX	3.63	0.2	23	2.2	894	32	285.9	2.7	u/r	n/a	u/r	
Sibir Telecom	STKM RX	0.061	0.5	26	1.3	737	30	221.2	2	u/r	n/a	u/r	
North-West Telecom	SFTL RX	0.83	-0.2	18	0.9	729	25	182.3	1.7	u/r	n/a	u/r	
South Telecom	UTEL RX	0.151	-5.4	16	0.8	447	33	147.5	1.8	u/r	n/a	u/r	
Dalsvyaz	DLSV RX	3.8	1.2	23	0.4	364	30	109.2	1	u/r	n/a	u/r	
Sitronics	SITR RU	0.0285	n/t	-15	0.2	183	17	31.2	1.1	u/r	n/a	u/r	
RBC	RBCI RX	1.27	0.6	-8	1.9	178	30	53.4	8.1	u/r	n/a	u/r	
MRSK Holding	MRKH RX	0.165	1.3	50	6.7	6 780	33	2 237.4	0.9	u/r	n/a	u/r	
Mosenergo	MSNG RX	0.129	-0.3	18	2.9	5 112	6	281.7	3.1	0.181	41	O/W	
OGK-4	OGK4 RX	0.072	1.1	33	2.1	4 539	5	119.3	3.1	0.076	6	E/W	
Inter RAO	IJES RX	0.00181	1.1	13	7.1	4 116	20	823.2	2.7	0.00196	8	E/W	
Enel OGK-5	OGKE RX	0.093	2.7	30	0.7	3 278	6	209.8	0.7	0.065	-30	U/W	
TGK-1	TGKA RX	0.00081	1.0	48	2.3	3 118	8	252.5	3.4	0.00084	4	E/W	
MOESK	MSRS RX	0.057	1.2	61	0.9	2 792	10	279.2	0.8	u/r	n/a	u/r	
OGK-3	OGKC RX	0.057	7.1	16	2.1	2 690	9	244.5	2.4	0.061	8	O/W	
Irkutskenergo	IRGZ RX	0.56	1.3	26	0.2	2 673	13	334.1	0.2	u/r	n/a	u/r	
Bashkirenergo	BEGY RX	1.68	11.8	53	0.1	1 754	16	280.6	0.1	u/r	n/a	u/r	
MRSK Center	MRKC RX	0.0403	3.0	51	2	1 703	30	510.9	0.9	u/r	n/a	u/r	
OGK-1	OGK1 RX	0.0373	2.4	52	2.3	1 664	8	138.5	5.6	0.036	-3	E/W	
OGK-2	OGK2 RX	0.049	4.3	61	3	1 612	19	304.9	3.6	0.043	-13	E/W	
TGK-10	TGKJ RX	1.66	3.9	35	0.1	1 462	7	100.0	0.2	u/r	n/a	u/r	
TGK-7 (Volzhskaya TGK)	VTGK RX	0.048	3.2	6	0.3	1 445	22	318.0	0.2	u/r	n/a	u/r	
TGK-9	TGKI RX	0.00018	5.7	76	0.3	1 412	16	230.1	0.5	u/r	n/a	u/r	
MRSK Siberia	MRKS RX	0.0132	3.7	61	0.1	1 175	11	129.3	0.3	u/r	n/a	u/r	
OGK-6	OGK6 RX	0.0358	6.4	44	2.1	1 156	5	62.7	11.2	0.015	-58	U/W	
MRSK Ural	MRKU RX	0.0113	5.8	33	0.7	990	22	217.7	1.1	u/r	n/a	u/r	
MRSK Center-Volga	MRKP RX	0.0087	1.4	44	0.7	982	29	284.7	0.8	u/r	n/a	u/r	
TGK-4	TGKD RX	0.000476	1.1	31	0.3	910	18	161.1	0.6	u/r	n/a	u/r	
TGK-6	TGKF RX	0.00048	4.1	48	0.2	893	8	71.4	1.1	u/r	n/a	u/r	
MRSK Northwest	MRKZ RX	0.0092	0.3	19	0.3	881	37	326.1	0.2	u/r	n/a	u/r	
MRSK Volga	MRKV RX	0.0046	0.0	6	0.3	821	31	254.7	0.3	u/r	n/a	u/r	
Kuzbassenergo	KZBN RX	0.0114	-0.2	29	0.3	803	20	164.4	0.6	u/r	n/a	u/r	
Lenenergo	LSNG RX	1.15	2.1	38	0.1	796	25	199.1	0.1	u/r	n/a	u/r	
RAO ES of Far East	VRAO RX	0.0156	0.5	26	0.6	638	33	210.6	1	u/r	n/a	u/r	
Yeniseyskaya TGK	TGK13 RX	0.00394	1.0	34	1.2	627	11	71.5	6.1	u/r	n/a	u/r	
TGK-5	TGKE RX	0.0005	7.0	28	0.4	614	24	145.0	0.7	u/r	n/a	u/r	
TGK-2	TGKB RX	0.00031	-0.3	42	0.5	451	19	87.5	1.6	u/r	n/a	u/r	
TGK-11	TGKK RX	0.00081	-2.0	41	0.1	415	38	157.6	0.1	0.00085	5	E/W	
Novosibirskenergo	NVNG RX	29.6	-0.3	4	0	400	5	21.7	0	u/r	n/a	u/r	
MRSK South	MRKA RX	0.0066	2.0	10	0.4	327	27	88.4	1.2	u/r	n/a	u/r	

TGK-14	TGKN RX	0.000177	-0.3	53	0.3	240	23.0	54.4	1.6	u/r	n/a	u/r
MRSK North Caucasus	MRKK RX	6.7	0.4	51	0.7	199	n/a	n/a	n/a	u/r	n/a	u/r
Magnit	MGNT RX	76	2.0	6	11.9	7 523	47	3 535.7	1	66.5	-13	E/W
Baltika	PKBA RX	32.6	1.9	15	0.1	4 948	5	247.4	0.1	u/r	n/a	u/r
Wimm-Bill-Dann	WBDF RX	53	-0.2	17	7.9	3 585	34	1 218.9	1.5	u/r	n/a	U/W
Pharmstandard	PHST RX	68	-1.2	9	2.2	3 356	43	1 443.1	0.5	u/r	n/a	u/r
Cherkizovo	GCHE RX	24.2	-1.9	65	0.7	1 050	32	335.9	0.7	u/r	n/a	u/r
M-Video	MVID RX	5.4	2.2	40	0.4	969	29	280.9	0.4	u/r	n/a	u/r
Dixy	DIXY RX	9.4	-0.5	29	0.2	808	39	314.9	0.2	7.4	-21	E/W
Seventh Continent	SCOH RX	9.3	2.6	22	0.6	695	5	34.8	6.4	n/r	n/a	n/r
Synergy	SYNG RX	28.5	-0.1	8	0.5	408	19	77.5	1.7	u/r	n/a	u/r
Veropharm	VFRM RX	37.8	-0.5	32	0.3	378	47	177.6	0.5	u/r	n/a	u/r
Razguliyat Group	GRAZ RX	1.87	0.5	18	0.4	296	25	74.0	1.4	u/r	n/a	u/r
Kalina	KLNA RX	23.2	1.2	46	0.1	227	74	167.7	0.2	u/r	n/a	u/r
Rosinter	ROST RX	11.8	-0.6	46	0.1	142	26	36.9	0.8	u/r	n/a	u/r
36.6	APTK RX	5.9	0.0	-17	2.5	56	33	18.5	32.8	u/r	n/a	u/r
Nutritek	NTRI RX	2.98	0.4	-12	0.2	47	27	12.8	2.7	u/r	n/a	u/r
LSR Group	LSRG RX	33	-1.2	72	2.9	3 887	11	427.6	2.9	u/r	n/a	u/r
PIK Group	PIKK RX	5.2	2.4	27	5.2	2 540	16	406.4	3.5	u/r	n/a	u/r
Open Investments	OPIN RX	44.4	0.7	9	0.1	678	25	169.4	0.2	u/r	n/a	u/r
Sistema Hals	HALS RX	35.5	-0.7	25	0.6	381	22	83.9	1.8	u/r	n/a	u/r
Silvinit	SILV RX	714	0.8	-9	0.3	5 588	15	838.2	0.1	791	11	E/W
Apatit	APAT RU	330	n/t	15	0	2 058	5	102.9	0.1	u/r	n/a	u/r
Acron	AKRN RX	39	1.2	36	1.3	1 747	17	297.0	1.3	43.72	12	O/W
NCSP	NMTP RX	0.163	2.4	1	1.4	3 133	30	939.9	0.4	u/r	n/a	u/r
Aeroflot	AFLT RX	1.96	2.2	12	1.6	2 178	5	108.9	4.1	u/r	n/a	u/r
FESCO	FESH RX	0.352	4.1	-1	0.3	1 070	12	128.4	0.5	u/r	n/a	u/r
UTair	UTAR RX	0.43	8.9	24	0	248	5	12.4	0.7	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
KamAZ	KMAZ RX	2.7	2.0	26	1	1 909	15	286.4	1	u/r	n/a	u/r
Power Machines	SILM RX	0.216	1.4	7	0.1	1 884	5	94.2	0.3	0.301	39	O/W
AvtoVAZ	AVAZ RX	0.52	4.1	7	0.9	729	20	145.8	1.5	u/r	n/a	u/r
Sollers	SVAV RX	19	2.4	34	0.8	649	37	240.0	1	u/r	n/a	u/r
GAZ	GAZA RU	35	4.5	52	0	648	20	129.6	0	u/r	n/a	u/r
OMZ	OMZZ RX	3.35	2.6	69	0.1	119	10	11.9	2.2	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

	Ratio	Europe				United States				MCap \$ mln	12 M T P \$	Upside %	Rating
		Close \$	Change %	Volume \$/1000	YTD %	Close \$	Change %	Volume \$/1000	YTD %				
Gazprom	4 in 1	23.6	0.8	233 285	-8	23.5	-0.8	4 697	-6	139 555	u/r	n/a	u/r
LUKoil	1 in 1	57.6	3.6	723 960	1	57.9	3.4	66 674	3	48 992	57.7	0	U/W
Gazpromneft	5 in 1	26.1	5.0	5 783	-5	26.0	4.8	164	-5	24 788	u/r	n/a	u/r
Rosneft	1 in 1	8.0	-1.1	316 006	-7	n/t	n/t	n/a	n/a	76 683	8.20	3	E/W
Surgutneftegaz	10 in 1	8.9	1.3	16 700	-1	8.9	2.0	162	0	31 618	11.2	27	O/W
Tatneft	6 in 1	31.9	0.9	12 149	10	n/t	n/t	n/a	n/a	11 591	29.4	-8	E/W
Novatek	10 in 1	74.1	-0.5	17 874	12	n/t	n/t	n/a	n/a	22 499	u/r	n/a	u/r
Alliance Oil	1 in 1	16.4	-0.2	61 243	14	n/t	n/t	n/a	n/a	2 834	u/r	n/a	u/r
KazMunaiGaz	1 in 6	3.3	1.1	3 630	-6	n/t	n/t	n/a	n/a	9 845	27.5	736	O/W
Integra	1 in 20	3.2	2.3	641	6	n/t	n/t	n/a	n/a	598	4.4	38	U/W
Eurasia Drilling	1 in 1	17.5	4.5	360	3	n/t	n/t	n/a	n/a	2 394	18.7	7	E/W
C.A.T. Oil	-	10.2	1.6	821	6	n/t	n/t	n/a	n/a	501	12.2	20	O/W
RusHydro	100 in 1	5.00	-0.8	5 185	31	n/t	n/t	n/a	n/a	13 485	6.2	24	O/W
Mosenergo	100 in 1	12.9	0.0	981	18	10.0	0.0	n/a	-5	5 128	18.1	40	O/W
Irkutskenergo	50 in 1	27.4	2.6	19	33	29.0	26.1	256	43	2 627	u/r	n/a	u/r
OGK-2	100 in 1	4.9	2.3	40	64	n/t	n/t	n/a	n/a	1 607	4.3	-12	E/W
MTS	5 in 1	n/t	n/t	n/a	n/a	58.1	0.1	89 441	19	23 154	68.0	17	O/W
VimpelCom	1 in 20	17.9	-2.4	378	0	18.0	-3.2	310 911	-3	18 502	23.0	27	O/W
Comstar UTS	1 in 1	6.3	3.1	2 063	14	n/t	n/t	n/a	n/a	2 629	7.80	24	O/W
Sitronics	50 in 1	1.0	1.1	303	-38	n/t	n/t	n/a	n/a	183	n/r	n/a	n/r
Sistema	1 in 50	27.0	2.9	13 824	29	n/t	n/t	n/a	n/a	13 028	u/r	n/a	u/r
Rostelecom	6 in 1	31.9	n/t	255	14	n/t	n/t	n/a	n/a	n/t	u/r	n/a	u/r
MGTS	1 in 1	12.2	0.0	n/a	27	n/t	n/t	n/a	n/a	979	u/r	n/a	u/r
Center Telecom	25 in 1	17.2	-0.2	n/a	24	n/t	n/t	n/a	n/a	1 096	u/r	n/a	u/r
NW Telecom	10 in 1	7.1	-6.8	n/a	19	n/t	n/t	n/a	n/a	634	u/r	n/a	u/r
South Telecom	50 in 1	6.4	0.0	n/a	3	n/t	n/t	n/a	n/a	379	u/r	n/a	u/r
Volga Telecom	2 in 1	6.8	0.0	11	10	7.4	5.7	33	21	910	u/r	n/a	u/r
Siberia Telecom	200 in 1	12.4	0.0	n/a	23	12.0	1500.0	5	20	750	u/r	n/a	u/r
Uralsvyazinform	200 in 1	6.2	1.1	18	20	n/t	n/t	n/a	n/a	1 001	u/r	n/a	u/r
Far East Telecom	5 in 1	15.6	-1.0	n/a	16	n/t	n/t	n/a	n/a	300	u/r	n/a	u/r
CTC Media	1 in 1	n/t	n/t	n/a	n/a	16.1	-1.2	5 314	8	2 480	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
Noriisk Nickel	1 in 10	17.4	2.3	86 768	21	17.3	2.1	1 187	21	30 432	16.9	-3	E/W
UC Rusal	20 in 1	22.2	-0.3	496	n/a	n/t	n/t	n/a	n/a	16 890	n/r	n/a	n/r
NLMK	10 in 1	33.5	-0.1	17 259	9	n/t	n/t	n/a	n/a	20 047	17.5	-48	U/W
Severstal	1 in 1	13.6	2.4	19 332	43	n/t	n/t	n/a	n/a	13 675	5.2	-62	U/W
MMK	13 in 1	13.5	1.5	11 683	19	n/t	n/t	n/a	n/a	11 561	5.8	-57	U/W
Polymetal	1 in 1	11.0	5.7	3 168	20	n/t	n/t	n/a	n/a	3 936	12.09	10	O/W
TMK	4 in 1	20.3	3.7	10 022	13	n/t	n/t	n/a	n/a	4 491	19.00	-6	E/W
Polyus	1 in 2	27.6	0.9	5 183	-1	27.3	1.1	16	-1	10 611	32.24	17	E/W
Highland Gold Mining	-	1.9	4.3	997	34	n/t	n/t	n/a	n/a	604	u/r	n/a	u/r
Petropavlovsk	-	17.2	4.1	25 814	10	n/t	n/t	n/a	n/a	2 942	22.17	29	O/W
Trans-Siberian Gold	-	0.4	1.9	0	-13	n/t	n/t	n/a	n/a	35	n/r	n/a	n/r
Mechel	1 in 1	n/t	n/t	n/a	n/a	26.1	-2.8	78 558	39	12 362	18.6	-29	E/W
Evraz	1 in 3	38.0	3.2	82 117	34	n/t	n/t	n/a	n/a	15 728	22.8	-40	U/W
Chelyabinsk Zinc	1 in 1	4.3	0.0	5	27	n/t	n/t	n/a	n/a	230	u/r	n/a	u/r
ENRC	-	18.0	0.9	28 183	29	n/t	n/t	n/a	n/a	23 278	18.2	1	O/W
Kazakhmys	-	23.4	2.4	32 940	15	n/t	n/t	n/a	n/a	12 593	17.7	-24	U/W
Ferrexpo	-	4.6	2.0	8 188	52	n/t	n/t	n/a	n/a	2 721	2.4	-48	E/W
Uralkali	5 in 1	21.8	0.7	13 862	4	n/t	n/t	n/a	n/a	9 271	21.92	0	E/W
Globaltrans	1 in 1	13.6	4.8	1 900	38	n/t	n/t	n/a	n/a	2 155	16.6	21	O/W
NCSP	75 in 1	12.2	1.7	7 293	6	n/t	n/t	n/a	n/a	3 133	u/r	n/a	u/r
PIK Group	1 in 1	5.2	2.6	5 566	24	n/t	n/t	n/a	n/a	2 540	u/r	n/a	u/r
AFI Development	1 in 1	2.3	4.7	1 599	18	n/t	n/t	n/a	n/a	1 179	u/r	n/a	u/r
Sistema-Hals	1 in 20	1.7	-6.6	75	17	n/t	n/t	n/a	n/a	381	u/r	n/a	u/r
LSR Group	1 in 5	8.3	1.8	1 440	-9	n/t	n/t	n/a	n/a	3 887	u/r	n/a	u/r
RGI International	-	1.4	3.0	51	-13	n/t	n/t	n/a	n/a	173	u/r	n/a	u/r
MirLand	-	3.6	-0.2	13	48	n/t	n/t	n/a	n/a	364	u/r	n/a	u/r
Wimm-Bill-Dann	1 in 4	n/t	n/t	n/a	n/a	20.4	-2.3	6 525	-15	3 585	16.5	-19	U/W
X5 Retail Group	1 in 4	33.0	-1.8	5 520	3	n/t	n/t	n/a	n/a	8 962	27.0	-18	E/W
Magnit	1 in 5	16.9	2.1	69 133	7	n/t	n/t	n/a	n/a	7 523	13.3	-21	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	16.3	0.0	98	55	n/t	n/t	n/a	n/a	1 050	u/r	n/a	u/r
Black Earth Farming	1 in 1	3.7	1.9	1 789	15	n/t	n/t	n/a	n/a	463	u/r	n/a	u/r
Pharmstandard	4 in 1	22.2	-2.0	1 045	8	n/t	n/t	n/a	n/a	3 356	u/r	n/a	u/r
VTB	2000 in 1	5.6	1.8	25 847	19	n/t	n/t	n/a	n/a	29 394	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
VEM0	155 855	0.24	Jun 10
VEU0	156 495	0.97	Sep 10

Source: Bloomberg

Figure 7: Equity futures performance

	Close \$	Change %	Volume \$/1000	Delivery
GAZP-06.10	589	0.20	5 555.30	15.06.2010
LKOH-06.10	570	0.19	1 606.01	15.06.2010

Source: Bloomberg

Figure 8: Major macroeconomic parameters

	Unit	Current	YTD, %
Hard currency reserves	\$ bln	436.9	-0.5
Monetary base (M0)	R bln	6 467.3	0.0
R/\$ exchange rate	R/\$	29.1927	-3.3
Inflation, M-o-M	%	0.9	2.5

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	81.08	80.05	1.3	10.0	Gold, \$/oz	1 122.4	1 120.4	0.2	0.8
1-month	81.96	80.53	1.8	10.3	Platinum, \$/oz	1 629	1 631	-0.1	14.0
3-month	82.51	81.22	1.6	8.9	Palladium, \$/oz	471.7	478.8	-1.5	29.6
Urals	78.28	77.17	1.4	9.8	Nickel, \$/ton*	22 250	21 900	1.6	30.3
WTI	82.93	81.70	1.5	14.2	Copper, \$/ton*	7 534	7 405	1.7	9.7
REBCO	80.31	78.88	1.8	12.0	Zinc, \$/ton	2 318	2 277	1.8	-1.8

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	Spread over RFR	Issue volume	Currency
			%	%	%	%	%	Years	bpts	mln	
Sovereigns											
Russia-10	03/31/10	03/31/10	8.3	100.3	0.00	1.0	8.2	0.0	8.4	328	USD
Russia-18	07/24/18	07/24/10	11.0	142.5	0.20	4.8	7.7	6.1	167.4	3 466	USD
Russia-28	06/24/28	06/24/10	12.8	176.4	-0.03	5.9	7.2	9.7	222.3	2 500	USD
Russia-30	03/31/30	03/31/10	7.5	115.8	0.03	4.9	6.5	11.6	125.0	1 995	USD
MinFins											
MinFin-11	05/14/11	05/14/10	3.0	100.5	-0.01	2.5	3.0	1.1	159.6	1 750	USD

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

Figure 11: Comparative valuation table

ticker	Recc	TP \$	MCap \$ mln	EV \$ mln	EV/ EBITDA		P/E		EBITDA margin		EV/ Sales		EV/ Rsvs	EV/ Prdtn	
					2009F	2010F	2009F	2010F	2009F	2010F	2009F	2010F			
Oil & Gas															
Gazprom	OGZD LI		139 555	180 135	4.9	4.1	6.2	5.0	35.0%	37.0%	1.7	1.5	0.8	49	
Novatek	NVTK LI		22 499	23 439	18.8	13.1	27.8	19.1	43.8%	45.1%	8.2	5.9	4.6	106	
Russia gas wght avg					6.9	5.3	9.2	7.0	36.2%	38.1%	2.6	2.7	1.3	57	
Rosneft*	ROSN LI	E/W	8.2	76 683	95 676	7.0	6.0	11.1	9.0	29.5%	32.3%	2.1	1.9	4.4	127
Lukoil*	LKOD LI	U/W	57.7	48 992	57 342	4.0	4.8	6.4	8.9	17.7%	13.4%	0.7	0.6	2.9	72
Surgutneftegaz*	SGGD LI	O/W	11.2	31 618	20 096	3.2	2.9	8.8	6.7	39.8%	39.6%	1.3	1.2	2.1	34
TNK-BP	TNBP RU			29 475	31 154	3.8	3.3	5.8	5.2	26.0%	23.9%	1.0	0.8	4.6	56
Gazpromneft	GAZ LI			24 788	27 184	5.4	4.5	7.8	6.9	21.4%	22.5%	1.2	1.0	4.1	82
Tatneft*	TATN RX	U/W	4.9	11 010	11 596	3.9	5.3	5.4	8.7	24.1%	18.2%	0.9	1.0	1.9	59
Alliance Oil	AOIL SS			2 811	3 160	7.6	6.2	13.6	10.0	25.1%	25.2%	1.9	1.6	10.6	158
Russia oil wght avg					5.1	4.8	8.5	7.9	26.7%	26.3%	1.4	1.2	3.7	85	
EM o&g wght avg					8.3	7.2	16.6	13.6	29.2%	29.2%	2.4	2.7	20.1	327	
DM o&g wght avg					6.4	5.0	17.5	12.5	26.1%	27.8%	1.8	1.5	15.7	205	
KazMunaiGaz*	KMG LI	O/W	27.5	9 845	5 911	4.2	3.4	6.7	8.0	38.6%	41.1%	1.8	1.6	7.8	78
OFS															
Integra*	INTE LI	U/W	4.4	598	746	6.5	4.4	neg	21.8	13.9%	15.9%	0.9	0.7		
Eurasia Drilling Company*	EDCL LI	E/W	18.7	2 394	2 221	7.8	5.9	16.9	11.9	20.7%	22.2%	1.6	1.3		
C.A.T. Oil*	O2C GR	O/W	€ 8.9	€ 364	€ 344	7.2	4.1	29.5	8.5	20.7%	28.0%	1.5	1.1		
Russia ofs wght avg					7.5	5.4	18.6	13.3	19.5%	21.7%	1.5	1.2			
Intl ofs wght avg					9.9	9.4	22.8	21.6	29.7%	28.5%	2.7	2.5			
Banking															
Sberbank	SBER RX			66 275	-	2.6	2.2	105.3	14.0	-	-	-	-		
VTB	VTBR LI			29 394	-	1.7	1.7	neg	39.2	-	-	-	-		
Russia banking wght avg						2.3	2.0	104.7	21.7						
EM banking wght avg						2.3	2.1	15.2	12.7						
Steel															
Evrast*	EVR LI	U/W	22.8	15 728	23 483	16.1	9.0	neg	59.5	15.9%	23.5%	2.6	2.1		
NLMK*	NLMK LI	U/W	17.5	20 047	21 519	16.8	9.6	54.3	19.5	22.2%	28.7%	3.7	2.7		
Severstal*	SVST LI	U/W	5.2	13 675	17 771	30.6	10.5	neg	nm	5.2%	12.4%	1.6	1.3		
Mechel*	MTL US	E/W	18.6	12 362	16 767	20.0	8.7	neg	22.5	16.7%	26.9%	3.3	2.4		
MMK*	MMK LI	U/W	5.8	11 561	11 178	11.0	7.6	nm	27.9	23.4%	23.2%	2.6	1.8		
Russia steel wght avg					18.8	9.2	54.3	32.3	17.0%	23.4%	2.8	2.1			
EM steel wght avg					12.9	8.1	25.1	13.9	17.5%	23.1%	2.2	1.8			
DM steel wght avg					14.6	9.5	21.1	29.3	9.1%	11.0%	1.1	1.0			
Base Metals															
Norilsk Nickel*	MNOD LI	E/W	16.9	30 432	32 317	8.5	6.0	15.3	9.9	40.6%	45.1%	3.4	2.7		
ENRC*	ENRC LN	O/W	1190p	23 179	21 907	12.9	8.5	18.1	13.3	41.2%	43.3%	5.3	3.7		
Kazakhmys*	KAZ LN	U/W	1160p	12 541	13 530	12.4	11.1	13.7	11.2	30.6%	28.0%	3.8	3.1		
Intl Base metals wght avg					8.2	5.3	18.8	11.5	40.0%	43.9%	2.8	2.0			
Intl PGM wght avg					24.6	14.7	22.7	31.8	19.3%	26.8%	4.9	4.0			
Intl Aluminium wght avg					39.2	9.9	n/a	23.3	6.1%	18.0%	2.5	1.8			
Intl Diversified wght avg					11.7	8.2	24.2	14.6	38.2%	44.0%	4.5	3.6			
Gold & Silver															
Polyus Gold*	PLZ LI	E/W	32.24	10 611	10 345	19.5	14.2	35.8	23.8	43.7%	45.3%	8.5	6.4	\$/oz	\$/oz
Polymetal*	PMTL LI	O/W	12.09	3 936	4 291	17.7	12.4	27.0	18.4	43.1%	42.4%	7.6	5.3	418.6	7701.2
Petropavlovsk*	POG LN	O/W	1450p	2 942	2 993	13.9	7.7	19.2	11.1	49.2%	56.1%	6.8	4.3	904.0	8356.1
Highland Gold	HGM LN			602	520	8.5	5.8	10.6	8.8	37.9%	43.7%	3.2	2.5	140.3	2475.2
Russia gold&silver wght avg					17.8	12.5	30.4	20.1	44.3%	46.3%	7.9	5.7	323.6	8018.4	
Intl gold&silver wght avg					12.8	9.1	33.8	20.4	43.4%	48.1%	5.7	4.5	300.5	6173.8	
Mobiles															
VimpelCom*	VIP US	O/W	23	18 502	24 061	5.2	4.8	11.2	10.1	48.3%	48.6%	2.5	2.4		
MTS*	MBT US	O/W	68	23 154	28 343	6.9	6.2	12.8	10.6	45.6%	47.6%	3.2	2.9		
Russia mobiles wght avg					6.2	5.6	12.1	10.4	46.8%	48.1%	2.9	2.7			
EM mobiles wght avg					6.1	5.6	12.9	11.9	47.1%	46.0%	2.7	2.5			
DM mobiles wght avg					5.9	5.8	11.9	11.0	34.9%	34.6%	2.1	2.0			
Thermal generation															
OGK-1*	OGK1 RX	E/W	0.036	1 664	1 676	12.0	7.6	78.6	223.9	9.8%	13.6%	1.2	1.0	EV/IC, \$/kW	\$/MWh
OGK-2*	OGK2 RX	E/W	0.043	1 612	1 763	19.7	11.7	neg	neg	7.2%	10.7%	1.4	1.2	169.9	36.3
OGK-3*	OGK3 RX	O/W	0.061	2 690	918	12.2	72.8	120.4	neg	7.9%	1.3%	1.0	0.9	202.7	37.4
OGK-4*	OGK4 RX	E/W	0.076	4 539	1 831	13.8	5.4	39.1	15.3	10.3%	20.3%	1.4	1.1	109.8	31.3
Enel OGK-5*	OGKE RX	U/W	0.065	3 278	3 858	19.2	12.7	52.2	29.2	16.4%	20.5%	3.2	2.6	212.1	33.9
OGK-6*	OGK6 RX	U/W	0.015	1 156	1 376	11.1	10.8	36.0	161.5	10.7%	10.2%	1.2	1.1	444.9	105.8
Mosenergo*	MSNG RX	O/W	0.181	5 112	5 178	11.5	6.5	129.3	20.2	12.5%	18.1%	1.4	1.2	152.1	47.5
TGK-1*	TGKA RX	E/W	0.00084	3 118	3 455	17.7	7.9	69.9	16.0	12.5%	18.1%	1.4	1.2	423.4	80.8
Russia Thermal gencos wght avg					14.5	15.7	80.0	46.5	11.8%	16.7%	1.8	1.4	316.6	68.3	
EM Thermal gencos wght avg					15.7	11.9	25.6	20.2	33.9%	33.4%	4.4	3.9	1566.2	297.5	
DM Thermal gencos wght avg					11.6	8.3	21.3	16.6	19.2%	25.8%	2.1	2.1	1429.4	329.1	
Hydro generation															
RusHydro*	HYDR RX	O/W	0.062	13 407	12 429	8.9	6.1	22.4	12.7	37.4%	45.0%	3.3	2.7	490.6	155.1
EM Hydro gencos wght avg					12.8	8.4	16.5	13.1	50.4%	52.7%	7.6	4.9	1640.5	289.7	
DM Hydro gencos wght avg					8.8	7.5	14.3	15.8	23.9%	26.0%	2.0	2.0	1710.4	478.8	

Retail and Consumer													
X5 Retail Group*	FIVE LI	E/W	27.0	8 962	10 866	14.6	10.7	32.2	20.6	8.6%	8.7%	1.3	0.9
7th Continent	SCOH RX			695	1 165	9.2	7.6	44.3	15.6	9.1%	9.1%	0.8	0.7
Magnit*	MGNT LI	E/W	13.3	7 523	7 707	15.5	11.3	26.7	21.7	9.2%	9.2%	1.4	1.0
Dixy*	DIXY RX	E/W	7.4	808	1 097	10.5	7.6	73.5	20.1	5.6%	6.4%	0.6	0.5
Russia Retail wght avg						12.3	9.0	55.3	20.4	7.0%	7.4%	0.9	0.7
EM Retail wght avg						16.1	12.9	28.3	24.6	9.1%	9.1%	1.5	1.2
DM Retail wght avg						8.2	7.6	16.7	15.1	6.9%	7.2%	0.6	0.6
Wimm-Bill-Dann*	WBD US	U/W	16.5	3 585	3 875	12.7	10.9	26.5	19.1	14.1%	14.4%	1.8	1.6
EM Dairy wght avg						12.6	10.9	21.9	18.0	13.9%	14.5%	1.7	1.5
DM Dairy wght avg						11.3	11.4	18.4	17.0	17.2%	16.7%	2.0	1.9
Fertilizers													
Uralkali*	URKA LI	E/W	21.92	9 271	9 472	16.9	14.2	28.9	24.4	53.7%	52.1%	9.5	7.7
Silvinit*	SILV RX	O/W	908	5 588	8 028	8.7	10.4	10.9	13.7	68.1%	61.8%	6.1	6.0
Acron*	AKRN RX	O/W	43.72	1 747	2 162	8.2	5.6	11.7	7.5	22.1%	25.2%	2.0	1.6
Russia Fertilizers wght avg						12.3	11.0	19.3	17.2	51.2%	49.6%	6.7	5.8
Asian Fertilizers wght avg						15.5	10.9	29.5	17.4	23.8%	23.9%	2.4	2.0
Global Fertilizers wght avg						18.5	13.2	34.3	21.2	28.2%	30.1%	5.5	4.2

*Alfa forecasts

Source: Alfa Research, company data, Bloomberg Consensus Estimates

CALENDAR

Figure 12: Russian corporate events calendar

March 18	Telecoms	VimpelCom FY09 and 4Q09 IFRS financials Comstar FY09 and 4Q09 US GAAP financials
	Banking	Sberbank FY09 financials
March 23	Metals & Mining	Ferrexpo FY09 IFRS results
March 24	Metals & Mining	ENRC FY09 UK GAAP financials
	Oil & Gas	LUKoil 2009 US GAAP financials
March 25	Metals & Mining	Petropavlovsk FY09 IFRS results
March 30	Banking	VTB FY2009 IFRS financials
March 31	Banking	Vozrozhdenie FY09 IFRS financials (estimated)
April 7	Banking	Sberbank FY09 IFRS financials
April 9	Consumer & Retail	X5 1Q10 trading update
April 12	Consumer & Retail	Magnit FY09 financial results
April 15	Consumer & Retail	X5 4Q09 and FY09 financials
April 28	Oil & Gas	C.A.T.oil 2009 IFRS financials

Source: Bloomberg, Alfa Research

Figure 13: International macroeconomic calendar

March 18	US February CPI Initial and Continuing Jobless Claims March Philadelphia Fed February Leading Indicators Eurozone January current account January Trade Balance
March 22	US February Chicago Fed Nat Activity Index
March 23	US February Existing Home Sales January House Price Index March Richmond Fed Manufact. Index
March 24	US DOE Crude Oil Inventories MBA Mortgage Applications February Durable Goods Orders February New Home Sales Eurozone PMI Services, Manufacturing and Composite January Industrial New Orders
March 25	US Initial and Continuing Jobless Claims Eurozone February M3
March 26	US GDP Personal Consumption University of Michigan Confidence
March 29	US February Personal Income February Personal Spending February PCE March Dallas Fed Manf. Activity Eurozone March Business Climate Indicator

Source: Bloomberg, Alfa Research

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