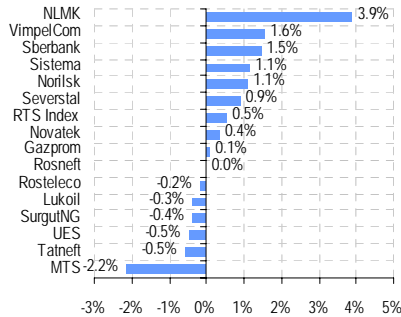
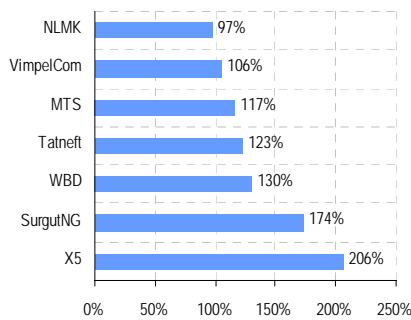


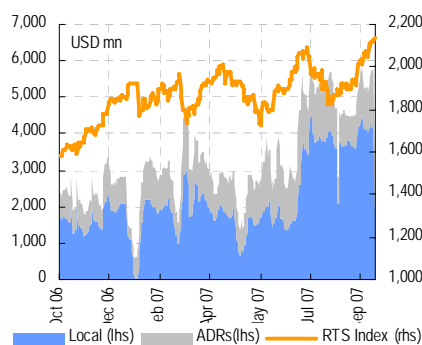
### Blue chips: advancers and decliners



### Volume monitor: daily/3M avg. volume



### RTS index and weekly trading volumes



### Upcoming events

Early Oct	Aeroflot 1H07 IFRS results
Early Oct	NLMK 3Q07 trading update
Early Oct	MMK 3Q07 trading update
Mid October	UralKali 1H07 IFRS results
Mid October	Cherkizovo 1H07 U.S.GAAP results
Mid October	Acron 1H07 IFRS results
29 Oct	CTC Media 3Q07 U.S.GAAP results
08 Nov	Baltika 9M07

### Market

Another positive session for Russian stocks yesterday with the RTS climbing 0.5% to 2142 and the MICEX rising by 1.1% to 1828. Most metals and oil names advanced with Gazpromneft showing its best performance in the last two years (up 8.5%). Stronger US markets last night on positive Fed minutes could lift the markets even further at today's opening.

### Top news and ideas

- Gazprom: Deal signed with Ukraine.** Gazprom has emerged from its dispute with Ukraine with an unmitigated triumph. The company will receive payment in full for the debt it is owed and may take control of Ukrainian underground gas.
- Transneft: Nikolay Tokarev to fill vacant CEO seat.** Tokarev, former KGB colleague of President Putin currently running state oil export company Zarubezhneft, will soon be confirmed as Transneft's CEO. In our view, his experience in foreign energy markets bodes well, but we see no great change in future Transneft strategy.
- Economics: Trade surplus shrinking further.** Seemingly insatiable consumer spending has fueled a y-o-y surge of 48% in imports, according to data released by the Russian Federal Customs Service yesterday. Although exports are also up, we view import growth figures as portents of inflationary struggles in the coming months.

### Other highlights

- Brief - Alitalia could be sold by the end of next month and Aeroflot is again in the short list of possible bidders** (Bloomberg). This time, though, the list includes six parties with Air France and Lufthansa being the strong favorites. Aeroflot's chances seem lower than in early summer, which, in our view, is good news for the company as turning around the problematic Italian airline would take a long time.
- Brief - TGK-9 offers a buy out to shareholders who voted against reorganization or did not participate in the vote** (Interfax). TGK-9 set the buy out price at RUB0.00665/share. IES recently offered a buy out to minorities at RUB0.007244/share so we do not expect any shareholders to sell their stakes to TGK-9.

>>> More news on page 5

### Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,142	0.5%	1.6%	12.8%	8.3%	35.2%
MSCI EM Europe Index	759	1.1%	5.9%	16.6%	10.3%	37.7%
MSCI EM Index	1,261	0.8%	2.2%	17.2%	12.9%	60.3%
S&P500 Index	1,565	0.8%	1.2%	7.8%	3.6%	15.6%
OIX (Oil majors) Index	808	1.9%	1.0%	7.8%	2.2%	38.4%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	80.3	-1.2%	1.0%	4.6%	11.2%	33.9%
Nickel, USD/ton	30,258	0.8%	1.5%	10.8%	-13.2%	-7.6%
Steel (HR), USD/ton	588	4.0%	4.0%	4.9%	6.8%	21.1%
LT U.S. Treasury YTM	4.9%	4.9%	4.8%	4.7%	5.3%	4.9%
EMBI-Russia spread, bp	114	119	119	124	145	110
RUB/USD	24.98	24.98	24.88	25.66	25.73	26.81

Source: Datastream, Bloomberg

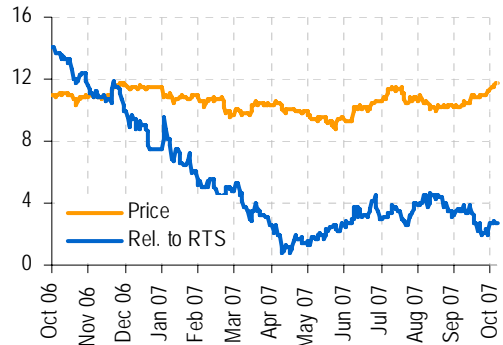
## Gazprom: Deal signed with Ukraine

George Lilis, CFA, e-mail: George.Lilis@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
GAZP RU	11.70	n/a	Not Rated	11.8/8.75	14.7%	10.1%	7.1%

Financials, USD mn	2006E	2007E	2008E
Revenue	85,549	92,727	100,098
EBITDA	36,582	41,247	44,877
Net income	22,318	25,003	27,468
Revenue growth	56%	8%	8%
EBITDA growth	53%	13%	9%
Net income growth	81%	12%	10%
EBITDA margin	43%	44%	45%
Net margin	26%	27%	27%
EV/Revenue	3.7	3.4	3.2
EV/EBITDA	8.7	7.7	7.1
P/E	11.9	10.7	9.7
MCAP, USD mn	266,391	Com., mn	22,749
EV, USD mn	316,743	Pref., mn	
Free float	39%	Total, mn	22,749

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**Ukrainian dispute settled.** Gazprom issued a statement yesterday that signaled the end to the recent dispute with Ukraine over the USD1.3 bn debt the Russian gas company is owed by the Former Soviet Republic. Apparently, Ukraine recognized the debt claim in full and signed a deal to pay the entire amount by the end of this month. It had already paid USD100 mn last week and it will pay another USD200 mn next week. The final deal was sealed in a meeting between Ukraine Energy Minister Yuri Boiko and Gazprom CEO Alexei Miller. Nevertheless, Russian prime minister Viktor Zubkov surprised us after a meeting with his Ukrainian counterpart by claiming that Gazprom may take ownership of close to USD1.2 bn worth of underground stored gas in Ukraine and then resell it to Europe as indirect debt repayment.

**Gazpromneft to buy Serbian refiner.** In separate news, Serbian news media reported over the weekend that Gazpromneft officials had talks with Serbian political leaders regarding the purchase of the Serbian state owned refiner NIS. Gazpromneft's executives are also expected to meet directly with the president and prime minister of the country this week. Serbia has been in the process of selling a 51% stake in its oil monopoly and is targeting a sale by the end of this year. It seems, however, that the process could be delayed and the final deal could be closed next year.

**Gazprom-Ukraine settlement an unmitigated triumph.** We view positively the final closing of the Gazprom-Ukraine saga as it removes one of the potential risks for Gazprom's stock. We also view positively Zubkov's statement. If true, it means that not only is Gazprom paid back the debt it is owed but has been able to put further pressure on Ukraine and take control of gas volumes. This could mean even higher proceeds for Gazprom if the final selling price achieved is higher than that implied in the deal. As for Gazpromneft's negotiations with Serbian authorities, the rumor that a Russian company is interested has been circulated for a long time but we viewed Lukoil as a more likely candidate. We do not know at this point what the possible price would be for a 51% stake but a range around USD2 bn would seem reasonable to us. While this could be a good strategic move from Gazpromneft's point of view, we believe it could take a long time for it to turn around NIS and reap the benefits of the deal.

## Transneft: Putin's friend to fill vacant CEO seat

George Lilis, CFA, e-mail: [George.Lilis@mdmbank.com](mailto:George.Lilis@mdmbank.com)

Bloomberg ticker	Company name	Price, USD	Rating	12M High/Low	2007 P/E	2007 EV/EBITDA	MCAP, USD mn
TRNFP RU	Transneft	1920.00	Not Rated	2540/1435	6.6	n/a	13,270

Source: IBES consensus, Data Stream

**Former KGB man lands top job at Transneft.** Russian news media have reported in recent days that the Economy Ministry has proposed Nikolai Tokarev, currently running state controlled oil export company Zarubezhneft, for the vacant CEO position at Transneft. Tokarev – almost certain to be confirmed as new Transneft CEO – will replace Semyon Vainshtok who resigned last month to take over the new Olympic State Corporation in charge of the 2014 Sochi Olympics. Mr. Tokarev is a loyal friend of president Putin and *Kommersant* reported yesterday that he is said to have served in the KGB's foreign units, partially in East Germany where he spent time with President Putin. Interestingly enough, Mr. Tokarev worked for Transneft for a few months in 1999 as the vice president for security and foreign economic relations before moving to run Zarubezhneft in 2000.

**New CEO unlikely to change Transneft policy.** Tokarev was selected from a long list of candidates that, according to media reports, included former Economy Minister German Gref, Energy and Industry Minister Viktor Khristenko and Gazprom deputy CEO Valery Gobilev. Although, it is likely that his close ties with President Putin made him a strong candidate for the job, he also has a great deal of experience dealing foreign oil markets from his tenure at Zarubezhneft – an attribute crucial for the large projects Transneft is currently undertaking (particularly the oil pipeline to China). Transneft's stock price has rallied by close to 30% from early September when rumors of the Vainshtok's departure first emerged, aided, of course, by bullish market trends in September and so far this month. Nevertheless, we are not big believers of the argument that Transneft's strategy or operating performance will change, transparency will increase or the treatment of minority shareholders will be improved. In our view, the company will continue its role as supervisor of the domestic oil industry and for energy related policies abroad. We do not officially cover the stock.

## Economics: Trade surplus shrinking further

George Lilis, CFA, e-mail: [George.Lilis@mdmbank.com](mailto:George.Lilis@mdmbank.com)

**Surging imports decreases trade surplus.** The Russian Federal Customs Service released its data yesterday for the country's trade surplus in the first eight months of the year. The surplus continued to decrease in size, following the trend of recent months. The total surplus stood at USD95.9 bn for the January-August period which was 17% lower y-o-y from the same period in 2006. Total foreign trade, though, rose by 21% to reach USD336 bn. Total exports reached USD216 bn, an increase of 9.8% from last year with exports to CIS (only 15% of total exports) rising by 20% and non-CIS exports advancing by 8% paced by crude oil and natural gas, which constitute 67% of non-CIS exports. Total imports stood at USD120 bn, an impressive y-o-y increase of 48% with imports from CIS countries going up by 40% and imports from non-CIS countries rising by even more (50%). Cars and machinery were the largest import items from non-CIS countries (53%). In separate news, the number of foreign vehicles sold in the first nine months of the year in Russia reached 1.14 mn, 63% higher than last year.

**Figures highlight voracious consumer spending.** The Customs Service data differs from Economy Ministry's USD82 bn surplus figure for the same period but the two organizations use different methodology. Either way, the trend of further deterioration in the trade surplus is clear. A slight decrease in exports of natural gas this year due to milder winter weather at the beginning of the year has affected the export side, although higher commodity prices continue driving exports to ever-higher y-o-y increases. The big difference, however, is on the import side. Supercharged consumer spending, as also indicated by the astounding increase in foreign car sales in Russia this year, has led to y-o-y increase of 48%. The wealth effect coming from the increases in commodity prices since the beginning of this decade has now spread to the entire economy and consumers' disposable income and confidence have reached unprecedented levels, fueling a seemingly insatiable appetite for imported goods. This trend, however, is one of the main contributory factors to inflation and is likely to provide the entire government with headaches over the coming months and years.

## News Briefs

### Utilities

**IES will participate in the auction for UES's stake in OAO RCS, a Russian public utility operating in 12 regions, an IES representative said** (Interfax). The value of the stake is to be set by the UES appraisal committee and board but an unnamed source said that it is likely to be close to USD2 bn.

**OGK-2 GDRs are traded on LSE at USD15.8/GDR** (Interfax). The first transaction was carried out after the official listing date yesterday. Despite the fact that we do not know the size of this deal, the price, which is below the placement price (USD16/GDR), and the low volume of transactions reflect low investor interest in our view.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	11.71	0.1%	3.4%	14.7%	10.1%	7.1%	1.8%	11.8/8.75
	Novatek	57.20	0.4%	6.1%	15.6%	8.1%	3.1%	-9.9%	66/46.5
	Rosneft	8.51	0.0%	-2.1%	2.8%	3.3%	7.7%	-7.0%	9.49/7.66
	Lukoil	87.00	-0.3%	2.8%	16.4%	8.5%	14.0%	-1.1%	91.8/71.9
	TNK-BP Holding	2.07	-0.2%	0.8%	6.2%	-1.6%	-12.1%	-20.4%	2.6/1.67
	Surgutneftegaz	1.35	-0.4%	-1.8%	9.4%	15.5%	3.5%	-12.1%	1.53/1.07
	Gazprom Neft	4.48	5.4%	4.9%	19.8%	6.7%	8.7%	-1.8%	4.72/3.7
	Tatneft	4.97	-0.6%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	5.61/2.24
	Bashneft	14.75	0.0%	9.7%	9.3%	5.4%	2.4%	-7.8%	17.65/12
	Transneft pref	1,920.00	-2.5%	3.2%	20.0%	18.2%	-12.7%	-16.3%	2540/1435
	Integra	15.50	0.8%	1.3%	-1.0%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	19.22	0.8%	4.3%	-4.8%	-12.2%	7.8%	-3.9%	25.56/16.59
West Siberian Resources	0.89	3.6%	8.4%	16.0%	-4.1%	-10.8%	-21.1%	1.16/0.66	
Utilities	UES	1.19	-0.5%	-2.4%	-1.0%	-14.8%	62.7%	10.5%	1.46/0.73
	OGK-1	0.10	n/a	n/a	n/a	n/a	n/a	n/a	0.12/0.1
	OGK-2	0.16	n/a	n/a	n/a	n/a	n/a	n/a	0.18/0.09
	OGK-3	0.15	0.0%	0.0%	9.6%	-12.9%	78.9%	21.2%	0.18/0.08
	OGK-4	0.13	0.0%	-0.1%	6.3%	1.2%	125.5%	58.1%	0.13/0.06
	OGK 5	0.16	1.5%	1.7%	0.9%	-2.0%	59.0%	21.2%	0.16/0.09
	OGK-6	0.14	n/a	n/a	n/a	n/a	n/a	n/a	0.17/0.09
Telecoms and technology	MTS	73.87	-2.2%	2.6%	20.4%	14.5%	95.0%	47.2%	76.09/37.5
	Sistema	35.50	1.1%	2.3%	24.6%	15.6%	26.6%	10.9%	35.5/25.85
	VimpelCom	29.45	1.6%	6.8%	17.0%	36.1%	141.3%	86.5%	29.45/12.06
	Comstar	12.99	0.7%	-3.8%	26.1%	32.6%	106.2%	54.6%	13.71/6.3
	Rostelecom	10.68	-0.2%	0.8%	7.6%	10.7%	113.6%	39.6%	10.7/4.9
	Golden Telecom	80.75	-1.5%	-3.4%	20.1%	26.4%	153.0%	72.4%	83.57/31.92
	MGTS	30.19	-0.6%	0.7%	-1.6%	-10.0%	38.6%	16.2%	34.29/19.66
	Uralsvyazinform	0.06	-24.1%	-26.6%	-17.9%	-25.4%	13.0%	-30.0%	0.07/0.04
	Volga Telecom	5.45	0.0%	0.9%	18.0%	-0.9%	37.3%	-9.9%	6.6/3.75
	Sibirtelecom	0.11	0.7%	0.0%	19.6%	-2.1%	23.6%	-2.2%	0.13/0.08
	Northwest Telecom	1.73	1.8%	1.9%	17.2%	-4.4%	32.9%	3.3%	1.84/1.12
	Center Telecom	0.96	0.0%	0.0%	6.7%	0.5%	53.8%	28.0%	1/0.56
	Southern Telecom	0.19	-1.0%	-2.6%	11.8%	-7.8%	49.0%	5.6%	0.23/0.12
	Dalsvyaz	5.05	0.0%	-2.9%	9.8%	1.0%	70.0%	21.4%	5.2/2.97
	Bashinformsvyaz	0.18	-0.6%	-0.6%	-0.6%	-0.6%	-2.2%	-22.6%	0.23/0.17
	RBC	8.96	-0.4%	10.6%	10.9%	-3.5%	-16.7%	-25.3%	12.1/7.53
	Metals and mining	Sitronics	6.70	3.1%	1.8%	7.2%	0.0%	n/a	n/a
CTC Media		23.51	1.3%	9.5%	-2.6%	-16.7%	0.9%	-2.1%	28.77/19.59
Rambler Media		37.83	0.2%	2.2%	-8.8%	-10.8%	41.4%	12.1%	55/26.75
Norilsk Nickel		273.40	1.1%	2.4%	23.3%	29.9%	111.9%	74.1%	273.4/129
Polyus Gold		43.00	0.0%	-1.1%	4.2%	-3.9%	-3.9%	-12.8%	55.25/38.3
Severstal		22.60	0.9%	1.8%	32.9%	39.9%	80.5%	101.8%	22.6/10.84
Evraz Group		63.80	-0.3%	-0.2%	24.1%	33.3%	181.1%	148.3%	64.6/22.55
Mechel		66.46	11.7%	19.3%	49.9%	56.9%	202.8%	160.8%	66.46/21.79
NLMK		41.50	3.9%	12.2%	27.7%	27.1%	115.6%	78.5%	41.5/19.08
MMK		1.21	4.8%	1.7%	7.6%	5.7%	74.0%	38.5%	1.21/0.69
TMK		44.75	0.6%	6.8%	12.6%	15.4%	n/a	27.9%	44.75/21.6
VSMPO		288.00	0.0%	-0.3%	1.4%	-7.4%	22.6%	-1.7%	330/221.5
Industrials, consumer, banks	Sberbank	4.23	1.4%	0.5%	13.6%	4.5%	82.9%	22.5%	4.42/2.2
	Rosbank	7.13	0.2%	-4.3%	3.1%	-6.8%	13.3%	-6.1%	7.67/5.51
	X5	35.20	-2.6%	-2.0%	2.0%	11.2%	75.1%	35.4%	37.5/20.1
	Seventh Continent	25.40	0.0%	-2.3%	0.4%	-0.4%	12.9%	-4.9%	29.3/22.5
	Dixy Group	14.15	0.0%	0.0%	-1.4%	-9.3%	26.9%	16.8%	15.6/13.95
	Magnit	41.70	-0.1%	-0.3%	-1.4%	-9.3%	26.9%	16.8%	47.6/32.25
	Wimm-Bill-Dann	108.05	-1.8%	-0.2%	-4.2%	5.9%	145.6%	62.4%	117.31/41.2
	Lebedyansky	86.77	-0.8%	-0.8%	-3.9%	-1.4%	24.0%	8.5%	99/69.75
	Nutritek	50.50	0.0%	5.2%	7.4%	2.1%	21.5%	8.5%	53.8/44.9
	Baltika (euro)	33.91	0.0%	0.0%	-0.9%	2.1%	21.5%	8.5%	36.96/31.12
	Razgulay	4.10	0.4%	0.4%	0.2%	3.5%	-18.8%	2.5%	5.05/3.6
	Severstal Auto	48.00	-1.5%	-1.5%	15.0%	29.7%	120.2%	58.7%	48.75/21.8
	AvtoVAZ	1.60	-2.3%	-2.3%	10.9%	1.7%	32.2%	38.8%	1.74/0.65
	Aeroflot	3.04	-2.3%	-2.3%	10.9%	1.7%	32.2%	38.8%	3.11/2.17
	Veropharm	41.80	0.0%	-1.1%	-5.9%	-1.5%	60.8%	31.7%	48.65/26
	Apteka 36.6	73.10	-2.5%	-1.2%	-5.9%	-19.0%	66.1%	25.5%	96.1/44
	Pharmstandard	20.48	2.4%	4.5%	19.2%	24.5%	n/a	n/a	20.48/13.6
Kalina	35.40	-1.7%	-0.3%	-2.2%	-14.2%	-24.8%	-31.3%	51.5/34.25	
Oriflame (euro)	42.06	-0.4%	4.0%	2.8%	14.1%	55.4%	36.7%	43.99/26.75	
Cherkizovo	13.23	-1.3%	-0.2%	9.1%	3.9%	5.0%	-2.7%	16.1/11.05	
Sistema Hals	9.90	2.5%	4.8%	-3.4%	-19.7%	n/a	-25.6%	15.05/9.1	
RTS Index	2,141.79	0.5%	1.6%	12.8%	8.3%	35.2%	11.4%	2141.79/1581.63	

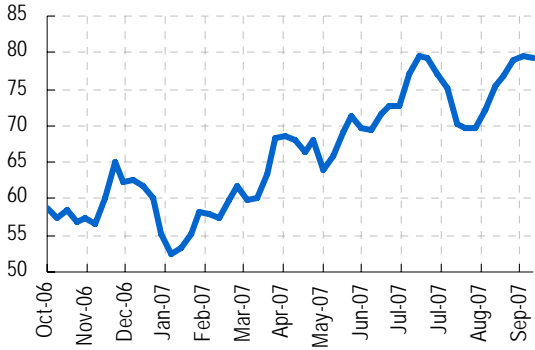
Source: Bloomberg

Stock valuation summary													
	Company name	MCAP,			P/E			EV/EBITDA			EV/Revenue		
		USD mn	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E		
Oil and gas	Gazprom	266,391	11.9	10.7	9.7	8.7	7.7	7.1	3.7	3.4	3.2		
	Novatek	17,366	25.2	18.6	14.1	15.8	12.0	9.4	7.5	5.8	4.3		
	Lukoil	74,037	10.0	10.6	10.6	6.6	6.9	6.8	1.2	1.2	1.2		
	Rosneft	90,197	21.8	18.4	16.9	12.0	10.6	8.9	2.9	2.6	2.5		
	Surгутneftegaz	53,481	12.8	13.1	15.7	6.3	6.5	7.3	2.3	2.2	2.3		
	Gazprom Neft	21,240	6.4	7.6	7.8	4.2	4.8	5.3	1.1	1.1	1.2		
	Tatneft	11,283	8.9	9.6	10.1	5.6	6.3	7.1	1.0	1.1	1.1		
	Bashneft	2,508	5.4	6.1	6.5	3.1	3.5	3.7	0.6	0.7	0.8		
	Transneft pref	13,270	5.9	5.1	4.6	4.0	3.4	2.9	2.2	1.9	1.7		
	West Siberian Resources	1,051	31.8	26.5	10.0	10.0	7.5	4.6	3.7	2.7	1.9		
	<b>Aggregate - oil and gas</b>	<b>549,773</b>	<b>12.0</b>	<b>11.1</b>	<b>10.7</b>	<b>7.4</b>	<b>6.9</b>	<b>6.5</b>	<b>2.5</b>	<b>2.2</b>	<b>2.0</b>		
Utilities	UES	48,984	32.5	28.6	19.2	17.1	13.9	10.0	3.3	2.9	2.6		
	Mosenergo	7,067	74.3	29.7	19.4	16.6	11.5	7.6	2.3	2.0	1.6		
	OGK-1	4,554	n/a	50.0	34.2	37.6	24.6	17.6	4.1	3.7	3.0		
	OGK-2	4,157	n/a	52.0	29.3	226.9	25.7	15.3	4.6	3.8	3.1		
	OGK-3	7,052	n/a	83.0	50.4	102.1	40.1	36.1	9.3	7.6	6.6		
	OGK-4	6,215	n/a	98.7	51.4	77.4	46.5	25.6	6.4	5.9	4.6		
	OGK 5	5,571	47.2	58.0	41.3	59.4	27.0	19.9	5.8	4.5	3.7		
	<b>Aggregate - utilities</b>	<b>87,208</b>	<b>24.2</b>	<b>31.6</b>	<b>20.8</b>	<b>36.2</b>	<b>15.4</b>	<b>11.5</b>	<b>3.3</b>	<b>2.9</b>	<b>2.5</b>		
Telecoms and technology	MTS	29,474	23.7	16.6	14.8	10.0	8.5	7.7	5.1	4.2	3.9		
	Sistema	17,147	19.0	14.2	13.0	8.8	7.3	6.7	3.3	2.9	2.7		
	VimpelCom	30,204	37.2	25.2	22.3	13.1	10.7	9.8	6.6	5.4	5.0		
		<b>Aggregate - mobile telecoms</b>	<b>76,825</b>	<b>26.6</b>	<b>18.7</b>	<b>16.7</b>	<b>10.6</b>	<b>8.8</b>	<b>8.1</b>	<b>5.0</b>	<b>4.2</b>	<b>3.8</b>	
	Comstar	5,429	66.2	18.8	16.3	18.1	10.4	9.4	5.9	4.5	4.0		
	Rostelecom	8,411	n/a	73.1	61.4	21.5	19.2	17.1	3.6	3.6	3.4		
	Golden Telecom	2,959	34.6	25.3	18.8	13.1	9.2	7.0	3.5	2.6	2.0		
	MGTS	2,838	16.4	11.7	10.5	10.0	7.4	6.7	4.1	3.3	3.1		
	Uralsvyazinform	2,347	75.7	17.1	13.2	9.5	6.4	5.6	2.6	2.3	2.1		
	Volga Telecom	1,656	21.2	12.5	10.4	6.7	5.1	4.5	2.3	2.0	1.8		
	Sibirtelecom	1,601	37.6	7.7	6.0	8.2	4.7	4.0	2.0	1.6	1.5		
	Northwest Telecom	1,817	38.7	15.4	14.8	8.9	6.0	5.5	2.9	2.3	2.0		
	Center Telecom	1,817	26.9	28.4	16.5	6.6	6.0	5.1	2.4	2.1	1.9		
	Southern Telecom	689	53.0	17.2	15.3	6.4	5.9	5.4	2.2	2.0	1.8		
	Dalsvyaz	617	47.4	12.8	8.8	8.5	5.0	4.0	2.2	1.6	1.4		
	Bashinformsvyaz	172	7.5	8.1	4.6	3.3	3.2	n/a	1.1	1.0	0.8		
	Sitronics	1,280	29.6	13.9	10.1	8.3	5.7	4.6	0.7	0.6	0.5		
		<b>Aggregate - fixed line telecoms</b>	<b>30,354</b>	<b>38.7</b>	<b>20.7</b>	<b>16.4</b>	<b>10.1</b>	<b>7.4</b>	<b>6.7</b>	<b>2.9</b>	<b>2.4</b>	<b>2.2</b>	
	RBC	1,030	26.1	26.9	12.8	15.5	10.6	7.7	4.6	3.6	2.8		
	CTC Media	3,562	24.1	18.5	14.5	14.4	11.2	9.0	6.8	5.3	4.2		
Rambler Media	568	46.9	23.5	15.3	28.6	13.0	9.0	7.1	4.1	3.2			
	<b>Aggregate - media</b>	<b>5,160</b>	<b>32.3</b>	<b>23.0</b>	<b>14.2</b>	<b>19.5</b>	<b>11.6</b>	<b>8.6</b>	<b>6.2</b>	<b>4.3</b>	<b>3.4</b>		
Metals and mining	Norilsk Nickel	50,032	6.7	8.1	10.8	4.3	5.4	7.3	3.1	3.5	4.1		
	Polyus Gold	8,213	39.2	51.0	58.5	18.4	22.0	21.9	7.9	8.3	8.3		
	Severstal	22,774	13.2	12.2	11.7	7.0	6.5	6.3	1.8	1.7	1.6		
	Evraz Group	22,375	12.4	12.4	11.9	7.7	7.4	8.1	2.5	2.3	2.2		
	Mechel	8,970	11.2	11.9	13.5	6.8	7.0	7.0	1.7	1.6	1.6		
	NLMK	24,871	11.9	12.5	12.4	7.4	7.6	7.4	3.4	3.3	3.1		
	MMK	12,246	7.6	7.5	6.8	5.3	5.1	4.8	1.6	1.5	1.4		
	TMK	9,756	14.7	10.2	12.9	8.9	6.6	8.4	2.7	2.2	2.1		
	VSMPO	3,456	13.6	10.7	8.5	8.7	7.1	5.6	3.4	2.8	2.2		
		<b>Aggregate - metals and mining</b>	<b>162,693</b>	<b>16.3</b>	<b>15.9</b>	<b>16.1</b>	<b>9.4</b>	<b>8.6</b>	<b>8.5</b>	<b>3.4</b>	<b>3.2</b>	<b>3.0</b>	
Industrials, consumer, banks	Sberbank *	231	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
		<b>Aggregate - banks</b>	<b>231</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>		
	X5	7,620	37.5	27.3	19.7	16.9	12.5	10.0	1.8	1.2	1.0		
	Magnit	3,002	36.8	26.7	18.1	15.8	11.0	8.2	0.9	0.6	0.5		
	Seventh Continent	1,905	29.3	22.9	16.2	14.0	10.0	7.5	1.4	1.0	0.8		
	Lebedyansky	1,771	17.5	14.9	13.1	11.3	9.4	8.2	2.1	1.8	1.5		
	Baltika (euro)	5,773	12.5	11.2	9.3	7.6	6.9	5.6	2.4	2.1	1.8		
	Wimm-Bill-Dann	4,754	30.3	22.3	18.4	15.6	12.1	9.9	2.2	1.8	1.6		
		<b>Aggregate - FMCG</b>	<b>24,826</b>	<b>27.3</b>	<b>20.9</b>	<b>15.8</b>	<b>13.5</b>	<b>10.3</b>	<b>8.2</b>	<b>1.8</b>	<b>1.4</b>	<b>1.2</b>	
	Razgulay	435	20.5	9.9	9.1	7.6	5.3	5.0	1.0	0.8	0.8		
	Severstal Auto	1,632	26.0	16.5	14.9	13.4	9.2	7.5	1.9	1.3	1.0		
	AvtoVAZ	293	2.3	2.0	1.1	1.8	1.7	n/a	0.2	0.2	0.2		
	Aeroflot	3,377	11.6	13.2	10.5	8.3	7.4	6.0	1.2	1.1	0.9		
	Veropharm	418	17.0	12.7	9.9	10.9	8.3	6.3	3.7	2.8	2.3		
	Kalina	345	11.8	9.7	9.4	7.4	6.4	6.1	1.1	1.0	0.9		
Oriflame (euro)	2,343	23.4	18.7	14.3	15.6	13.3	11.0	2.4	2.2	1.9			
	<b>Aggregate valuation</b>	<b>945,913</b>	<b>12.7</b>	<b>11.7</b>	<b>10.9</b>	<b>8.2</b>	<b>7.7</b>	<b>7.2</b>	<b>2.5</b>	<b>2.3</b>	<b>2.2</b>		
	<b>FF-adj. MCAP W.A. valuation</b>	<b>270,930</b>	<b>15.1</b>	<b>14.6</b>	<b>13.4</b>	<b>9.9</b>	<b>8.3</b>	<b>7.8</b>	<b>3.4</b>	<b>3.1</b>	<b>2.9</b>		

Source: MDM estimates, IBES consensus

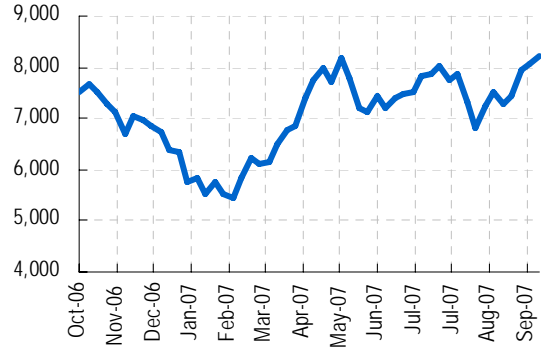
## Key commodities

London WTI Crude Oil Index – PRICE INDEX, USD/bbl



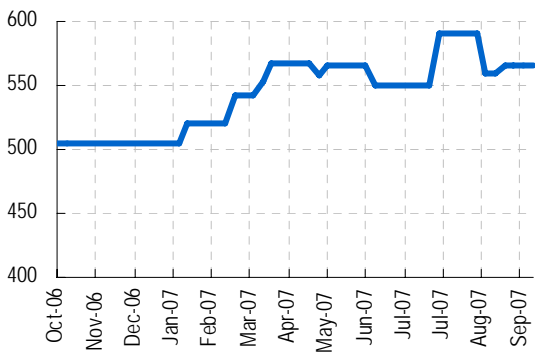
Source: Bloomberg

LME-Copper, Grade A Cash – A.M. OFFICIAL, USD/ton



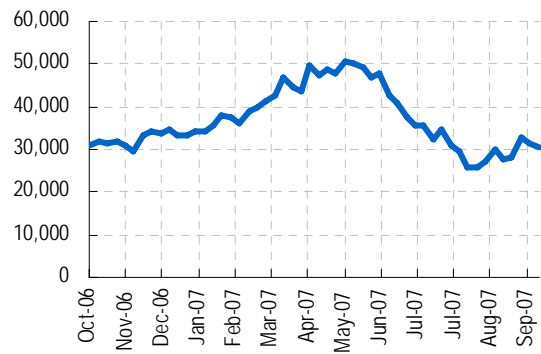
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



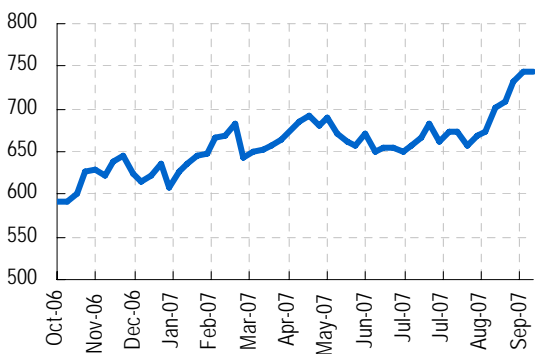
Source: Bloomberg

LME-Nickel Cash – A.M. OFFICIAL, USD/ton



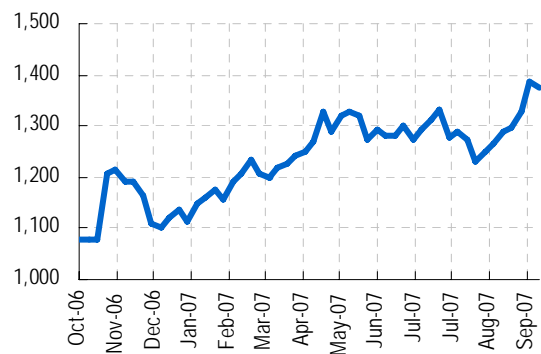
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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