

RUB was flat vs. basket	USD/RUB	28.05	▲
Liquidity is waiting for taxes	EUR/RUB	40.12	▼
Rates are stable	RUB basket	33.48	▼

Hot News

- CPI rose 0.1% w/w in the week June 15-20, mainly driven by meat, wheat and potato prices. Thus, the consumer prices rose 0.2% since the start of the month. /Rosstat
- Following the positive results in H1 Sberbank, Russia's largest state bank, will revise up household lending forecast for this year, said the head of household lending department Karaseva. Instead of the present forecast for 20% growth the household loan portfolio will more likely growth close to 25%, she said. /Vedomosti
- Head of Rosstat Surinov expressed his doubts over official Rosstat statistics on household income. "I am sure that real income in Russia are higher than we estimate them now" - he said. According to him, this is evident when looking at retail sales. Rosstat will make a new research on household income in Q2 2012. /Interfax

Money Market

Central Bank's correspondent accounts and deposits increased by RUB 45 bn. and totaled RUB 1292 bn. Comfortable level of liquidity keep interbank interest rates near the lowest possible levels and overnight rates trade slightly above Central Bank's DEPO rate. Tax payments on next week will deteriorate liquidity but we don't expect severe liquidity squeeze that we saw last month. However interest rates can increase slightly. Next CBR meeting will be on July 30. No key rates changes are expected. Inflation is going to decelerate during coming few months and Central Bank will probably wait till the end of the summer.

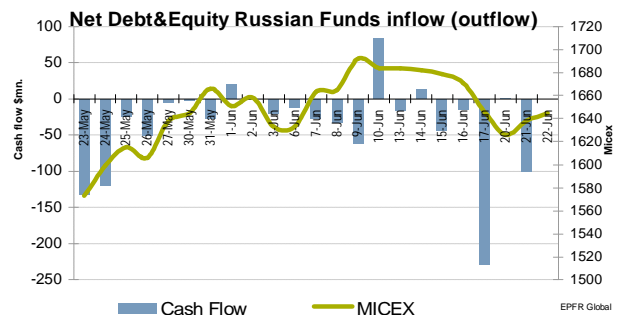
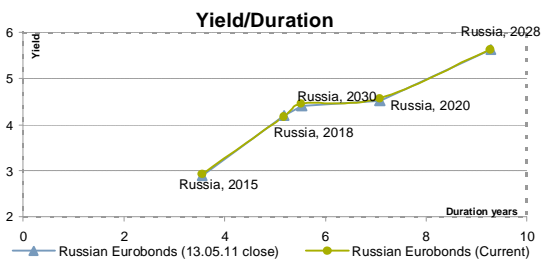
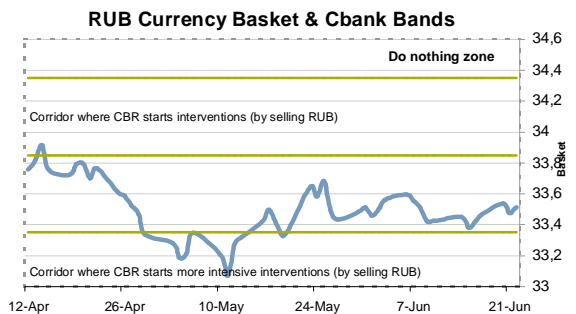
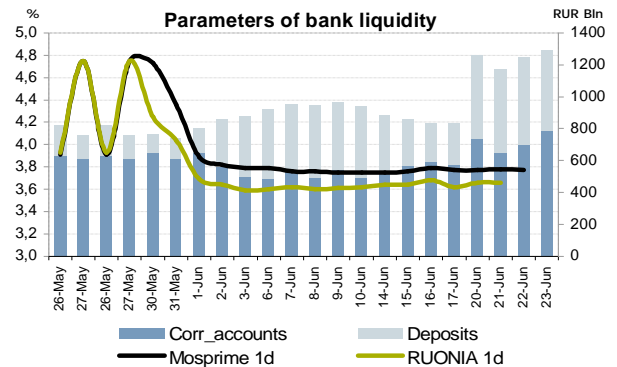
Currency market

The RUB basket closed yesterday 2.7 kopeck higher, at 33.50, although during the session the basket reached 33.41 in the first part of the day. But the Greece-related "relief rally" was short in the global markets, so RUB also reacted to worsening global sentiment. Tonight Asian markets were directionless. Yesterday's Rosstat's comment about underestimation of activity in Russia is in line with what we have pointed out many times before - the recovery in Russia is actually faster than the official data shows, so we might get some positive surprises down the road, which will help RUB. The strong credit and retail sales growth will make the CBR to continue the monetary policy tightening. They have repeated many times that the interest rate level is comfortable for the coming months, but even if they make a pause this time (June 30), they will definitely have to raise the interest rates more in the coming months, which will be RUB-positive. The front month Brent is trading again higher more comfortably above USD 110/bbl - at just above USD 113/bbl. The RUB basket opened a few kopeck lower.

Debt and Equity Markets

Russian stock market was flat yesterday in anticipation of FOMC. Trading volume was moderate. We expect continuation of flat dynamics but the volatility can rise. Bond market is stable. Secondary market shows low volume of trade.

Forwards	1m.	3m.	6m.	
USD/RUB	28,086	28,261	28,536	
EUR/RUB	40,222	40,412	40,697	
Money Market	Close	Change	Max 12m	Min 12m
MosPrime 1M (%)	4,05	0	4,26	3,23
MIBOR 1m (%)	4,38	-0,01	4,49	3,81
RUONIA 1d (%)	3,66	0		
Implied NDF yield 6m%	4,15	-0,04	4,39	3,17
Debt	Close	Change	Max 12m	Min 12m
Russia CDS 5yr	144	3	218	119
Eurobond Russia 30Y	4,495	0,016	5,45	3,914
EMBI +	575,7	2,29	582,02	516,81
Stock Indexes	Close	Change	Max 12m	Min 12m
RTSI	1866,94	-0,29	2123,56	1288,72
Micex	1640,13	0,29	1859,99	1254,65
S&P 500	1287,14	-0,65	1363,61	1022,58
DJIA	12109,67	-0,66	12810,54	9686,48
Brent	113,05	1,98	129,43	67,20



Dmitry Savchenko +7 495 7773477 Dmitry.Savchenko@nordea.ru
 Aurelija Augulyte +45 3333 6437 Aurelija.Augulyte@nordea.com

Nordea Markets is the name of the Markets departments of Nordea Bank Norge ASA, Nordea Bank AB (publ), Nordea Bank Finland Plc and Nordea Bank Danmark A/S. The information provided herein is intended for background information only and for the sole use of the intended recipient. The views and other information provided herein are the current views of Nordea Markets as of the date of this document and are subject to change without notice. This notice is not an exhaustive description of the described product or the risks related to it, and it should not be relied on as such, nor is it a substitute for the judgement of the recipient. The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision. It is important to note that past performance is not indicative of future results. Nordea Markets is not and does not purport to be an adviser as to legal, taxation, accounting or regulatory matters in any jurisdiction. This document may not be reproduced, distributed or published for any purpose without the prior written consent from Nordea Markets.