

RUB decreased vs. basket	USD/RUB	28.34	▲
Liquidity will face taxes	EUR/RUB	40.15	▲
MM rates are stable	RUB basket	33.66	▲

Hot News

- Presidential aide A. Dvorkovich believes that the decision of the International Energy Agency (IEA) to release oil reserves will not hurt the Russian economy. "Prices are high, even such a reduction is not dangerous. A greater openness - it's good for the market. The market will become more stable," - he said. /Interfax Russia will likely move to a new system for calculating export duties on oil and oil products in August, said Deputy Finance Minister S. Shatalov. A new formula for calculating export duties, the so-called system of "60-66", implies a reduction to the export duty on crude correction factor to 0.60 from 0.65 and at the same time bringing the export rates on petroleum of both light and dark petroleum products up to 65% of the duty for crude oil. /RIA
- China's sovereign fund - China Investment Corp (CIC) received an offer to buy a 5% stake in Russia's largest state bank, Sberbank, and both parties have already had preliminary negotiations on the deal. CIC possesses around USD 200bn and the stake in Sberbank would cost around USD 4bn. Earlier this year CIC participated in the privatization of VTB, buying just below 1% of the stock. /Interfax

Money Market

Central Bank's correspondent accounts and deposits decreased by RUB 25.5 bn. and totaled RUB 1273 bn. Liquidity is ample and overnight rates are slightly above Central Bank's DEPO rate. This week tax payments will deteriorate liquidity but we don't expect usual liquidity squeeze in the end of June. Today tax payments will total -RUB170 bn.

Next Central Bank's meeting will be on July 30. Key rates are expected to stay unchanged as long as Central Bank is waiting for deflation in the second half of the year. However relative high liquidity can lead to the discussion concerning reserve requirements.

Currency market

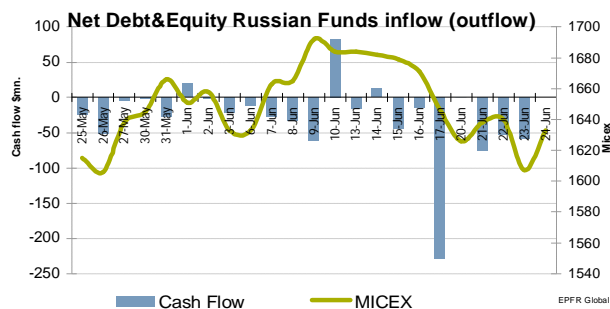
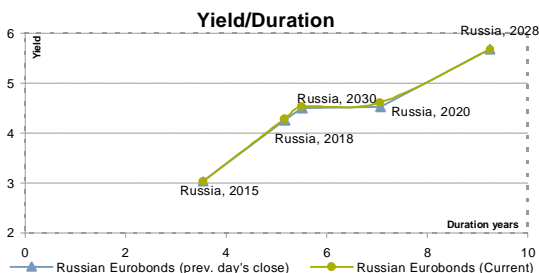
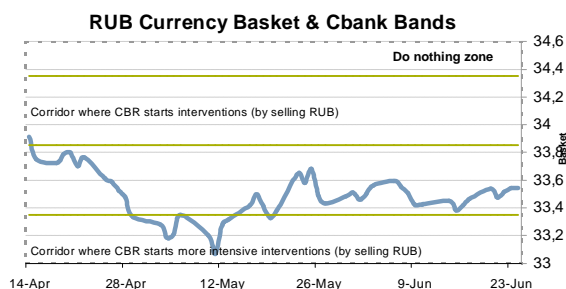
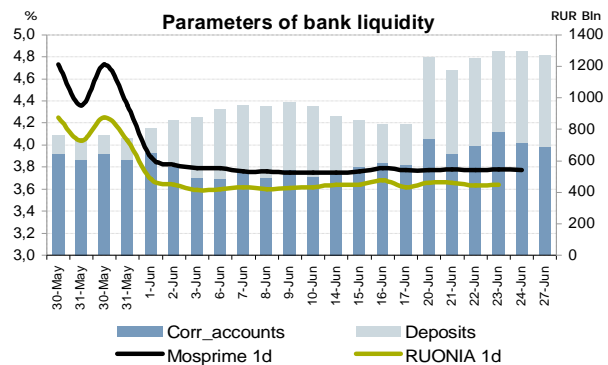
The RUB basket finished 7 kopeck higher to the previous day's close, at 33.62. RUB lost 11 kopeck against the USD, but was relative stable against EUR. Oil price's slump is RUB-negative, but this factor is partially offset by exporters RUB purchases in anticipation of tax payments. Today tax payments will total -RUB170 bn. this week.

Today the RUB basket opened even lower vs. the currency basket. Oil prices continue to fall which makes RUB very vulnerable. CBR interventions don't play any sizable role and increased liquidity also do not support Russian currency. So RUB can approach 34 if commodity market keeps current direction.

Debt and Equity Markets

Russian stock market rebounded on Friday's session in spite of weak commodity market. However if oil pressure continue Russian market won't have opportunity to show healthy growth and flat dynamics will be more likely. Today's opening was lower.

Forwards	1m.	3m.	6m.	
USD/RUB	28,44	28,623	28,9	
EUR/RUB	40,1375	40,33	40,6275	
Money Market	Close	Change	Max 12m	Min 12m
MosPrime 1M (%)	4,07	0,01	4,26	3,23
MIBOR 1m (%)	4,39	0,01	4,49	3,81
RUONIA 1d (%)	3,64	0,01		
Implied NDF yield 6m%	4,25	-0,11	4,39	3,17
Debt	Close	Change	Max 12m	Min 12m
Russia CDS 5yr	144	-12,17	218	119
Eurobond Russia 30Y	4,549	4,549	5,45	3,914
EMBI +	574,31	574,31	582,02	517,02
Stock Indexes	Close	Change	Max 12m	Min 12m
RTSI	1850,00	-2,58	2123,56	1288,72
Micex	1633,00	1,56	1859,99	1254,65
S&P 500	1268,45	-1,17	1363,61	1022,58
DJIA	11934,58	-0,96	12810,54	9686,48
Brent	103,84	-4,32	129,43	67,20



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