

# Nordea

## Russian Markets - Daily

July 01, 2011

<b>RUB is stable</b>	USD/RUB	27.83	▼
<b>Liquidity is comfortable</b>	EUR/RUB	40.46	▲
<b>CBR leaved rates unchanged</b>	RUB basket	33.52	▼

### Hot News

- The Central Bank of Russia decided to leave the parameters of monetary policy unchanged in a monthly meeting yesterday. Global "uncertainty" and decreasing headline inflation cited among reasons, but inflationary pressures from credit growth and slowdown in savings were also pointed out. /CBR
- The international reserves increased to USD 520.3bn - by USD 4bn in the week June 17-24. /CBR
- Gazprom's CEO A. Miller said that Gazprom is studying a number of opportunities to enter into projects which will create additional demand for gas and get extra income from the sale of electricity. Miller noted that the most attractive is the German market, where Gazprom intends to participate in the construction of new gas power generation facilities. /Intertax

### Money Market

Central Bank's correspondent accounts and deposits increased by RUB 60 and totaled RUB 1271 bn. Yesterday the Central Bank of Russia decided to leave the parameters of monetary policy unchanged. As a result interbank rates were stable, all CBR expectations have already priced in. Liquidity is comfortable in spite of the recent taxes. Overnight rates are near Central Bank's DEPO rate.

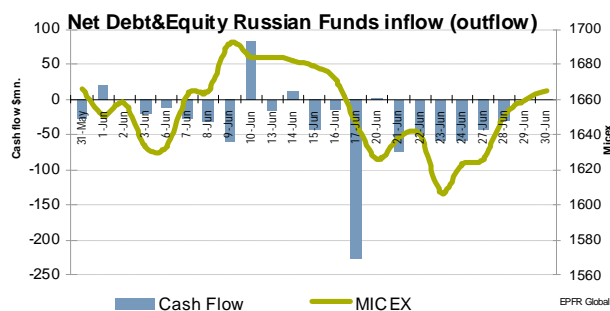
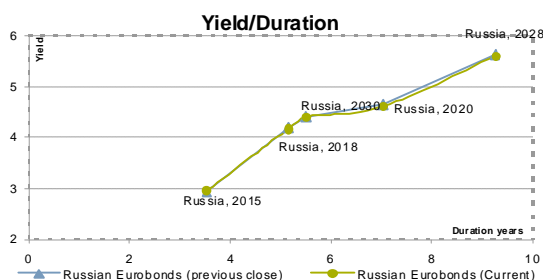
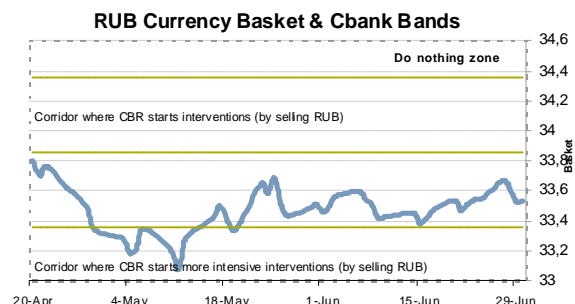
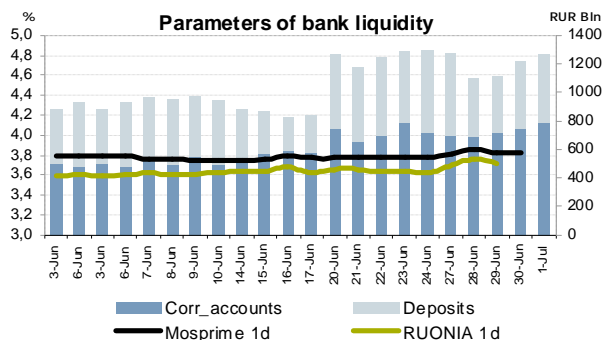
### Currency market

The RUB remained nearly unchanged for the day, closing just 1 kopeck higher to the previous day's close, at 33.53. The "risk on" mood was in tack yesterday, as the Greek debt plan was voted for the second time in the parliament. The Asian stock markets remained in the green over the night as the USD weakened broadly. The CBR decided not to change any monetary policy parameters yesterday, as was widely expected in the markets. They noted, however, the increasing core inflation risks, thus we still believe further tightening will come after the summer holiday break. We believe the CBR relies on fiscal authorities to absorb excess liquidity in the markets in the coming months. Today the RUB basket opened at around yesterday's levels. The global markets may take profits after a successful weak ahead of the weekend, thus resulting in a range bound action. The oil prices settled around USD 112/bbl here in the morning, which is a sufficiently comfortable level for RUB.

### Debt and Equity Markets

Russian stock market was stable yesterday. Technical factors began to play against the markets. However relative high oil prices and ample internal liquidity will support the Russian market. Today's opening was slightly lower. We expect flat dynamics. In the end of the trading session US ISM stats can influence the local closing.

Forwards	1m.	3m.	6m.	
USD/RUB	27,897	28,077	28,375	
EUR/RUB	40,525	40,715	41,03	
Money Market	Close	Change	Max 12m	Min 12m
MosPrime 1M (%)	4,09	0	4,26	3,23
MIBOR 1m (%)	4,36	0	4,49	3,81
RUONIA 1d (%)	3,72	-0,04		
Implied NDF yield 6m%	4,23	0,005	4,39	3,17
Debt	Close	Change	Max 12m	Min 12m
Russia CDS 5yr	142	-6	218	119
Eurobond Russia 30Y	4,449	0,028	5,45	3,914
EMBI +	579,14	1,84	582,02	517,45
Stock Indexes	Close	Change	Max 12m	Min 12m
RTSI	1907,00	0,66	2123,56	1288,72
Micex	1666,00	0,36	1859,99	1254,65
S&P 500	1320,64	1,01	1363,61	1022,58
DJIA	12414,34	1,25	12810,54	9686,48
Brent	111,69	-0,77	129,43	67,20



Dmitry Savchenko +7 495 7773477  
Aurelija Augulyte +45 3333 6437

[Dmitry.Savchenko@nordea.ru](mailto:Dmitry.Savchenko@nordea.ru)  
[Aurelija.Augulyte@nordea.com](mailto:Aurelija.Augulyte@nordea.com)

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