

# Nordea

## Russian Markets - Daily

August 17, 2011

<b>RUB was stable</b>	USD/RUB	28.78	▲
<b>Taxes will increase MM rates</b>	EUR/RUB	41.28	▼
<b>Liquidity is higher due to CBR</b>	RUB basket	34.40	

### Hot News

- Russia's top lender Sberbank hopes to line up Asian and Arab wealth funds next week as core investors in its 7.6 percent stake sale. A team set to meet the funds will be headed by Chief Executive German Gref, with Alexei Ulyukayev, a first deputy chairman at Russia's central bank and a member of Sberbank's supervisory board, joining the trip.
- Russia's producer price index fell 1.0 percent month-on-month in July, recording its second monthly decline in a row, the Federal Statistics Service said on Tuesday. Analysts had forecast a month-on-month rise of 0.5 percent.
- Russia harvested 48.5 million tonnes of grain by bunker weight by Aug. 16 from 17.2 million hectares, or 39 percent of the sown area, the agriculture ministry said on Tuesday.
- Finance Ministry to auction 25 billion rubles of six-year OFZ treasury bonds

### Money Market

Situation is relatively stable with some worries concerning the end of the month. Interest rates were slightly up, but current amount of liquidity is enough to keep rates lower. Central Bank DEPO auction improved liquidity yesterday. CBR tries to avoid usual liquidity squeeze in the end of the month.

However we expect interbank interest rate to rise due to higher RUB demand during tax paying period. First big tax payment will be on August 22 (VAT). Overnight interbank rates can move towards Central Bank Repo rate (5.5%) in the end of the month.

### Currency Market

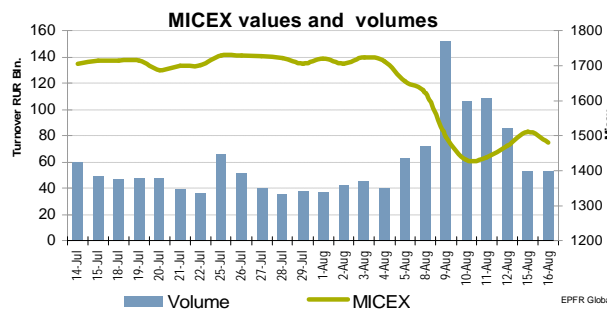
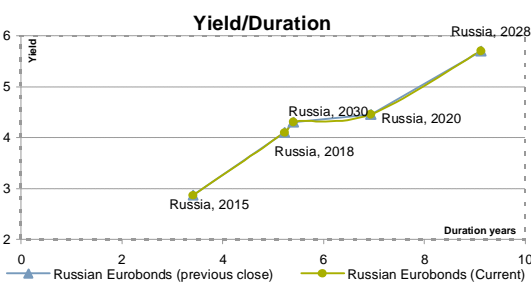
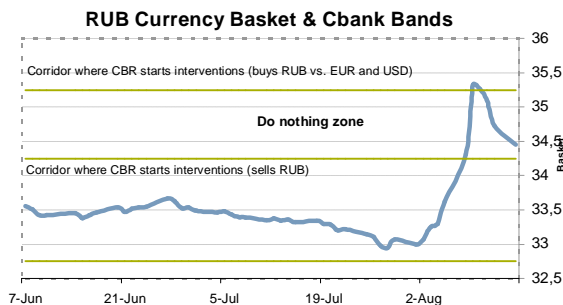
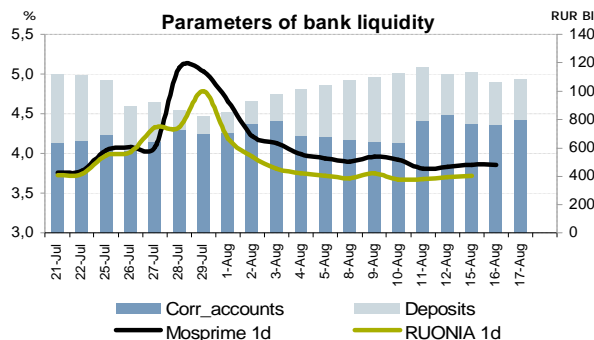
The RUB basket was volatile but finished yesterday's session on the previous level. Today's opening was slightly negative for the ruble and basket is gaining 5 kopecks. Considering current oil prices, basket is relatively in equilibrium. Central Bank doesn't intervene within RUB 34.25-35.25 for currency basket and currently RUB trades within «do nothing zone». During coming few days we expect exporters to accelerate RUB purchases in anticipation of tax payments, which will support Russian currency. Locally basket can approach RUB34.

### Debt and Equity Markets

Russian market lost 2% yesterday following negative dynamics in Europe. Technical rebound is over and market participants are waiting for any signals but get nothing. Oil market is stuck under resistance at \$100 (brent). We expect flat dynamics in coming few days.

Debt market was unchanged. The Russian Finance Ministry plans to offer no premium on 6-year OFZ treasury bonds at Wednesday's top-up auction, judging demand in the local bond market has revived following an unsuccessful sale last week. The ministry said on Tuesday it will offer 25 billion roubles (\$882 million) in OFZ bonds maturing on June 14, 2017,

Forwards	1m.	3m.	6m.	
USD/RUB	28,8	29,01	29,306	
EUR/RUB	41,464	41,721	42,131	
Money Market	Close	Change	Max 12m	Min 12m
MosPrime 1M (%)	4,48	-0,02	4,55	3,23
MIBOR 1m (%)	4,63	0,03	4,64	3,81
RUONIA 1d (%)	3,7	0,02		
Implied NDF yield 6m%	4,58	0,02	5,38	3,17
Debt	Close	Change	Max 12m	Min 12m
Russia CDS 5yr	184,5	-30,5	218	119
Eurobond Russia 30Y	4,253	0,017	5,083	3,914
EMBI +	589,19	1,06	598,99	542,64
Stock Indexes	Close	Change	Max 12m	Min 12m
RTSI	1632,31	-1,37	2123,56	1385,81
Micex	1481,18	-1,95	1859,99	1334,66
S&P 500	1192,76	-0,97	1363,61	1047,22
DJIA	11405,93	-0,67	12810,54	9985,81
Brent	109,67	0,23	129,43	67,20



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