

Nordea

Russian Markets - Daily

September 30, 2011

RUB under pressure	USD/RUB	32.15	▲
Liquidity has grown	EUR/RUB	43.39	▲
Rates stabilized	RUB basket	37.21	▲

Hot News

- CBR international reserves declined by USD 6bn to USD 526bn over the week of Sept 17-23. /CBR
- Alexei Kudrin, who resigned from his post as finance minister of Russia, will continue to engage in the creation of the country's international financial center, stated Deputy Finance Minister S. Storchak. As explained by Storchak, Kudrin will retain the post of chairman of the National Banking Council (NBS) and Chairman of the Board for Financial Markets at the president. /Lenta
- The resignation of Finance Minister Alexei Kudrin will not cause trouble in the financial markets, announced First Deputy Prime Minister Igor Shuvalov. "The main budget decisions are made, government and Mr Putin has approved all the decisions. Do not expect any surprises. The work should take place in a stable, normal vein, and financial markets will be provided with liquidity, there will be no nasty surprises", - said Mr Shuvalov. /Interfax
- VTB completed the consolidation of 80% of Bank of Moscow. The consolidation is needed for starting the bank recapitalization program. /Interfax

Money Market

Interbank lending and Repo deals rates decreased yesterday. Tax payment period is over, but money market is still feeling liquidity deficit, another CBR auction gave the system more than 158bln RUB. Liquidity surge in the end of the previous day gave us some signals of money market stabilization.

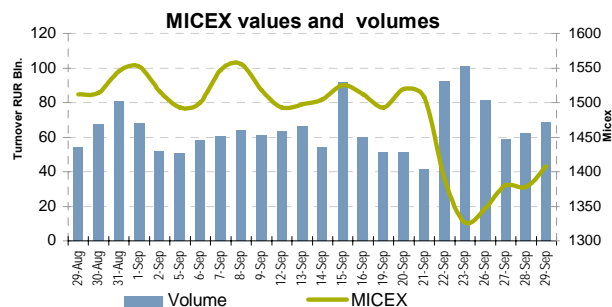
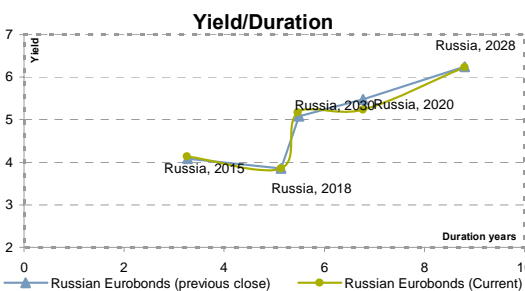
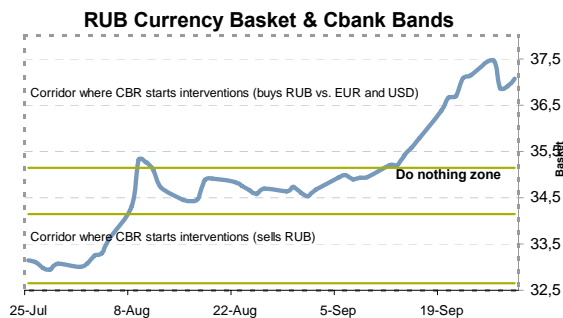
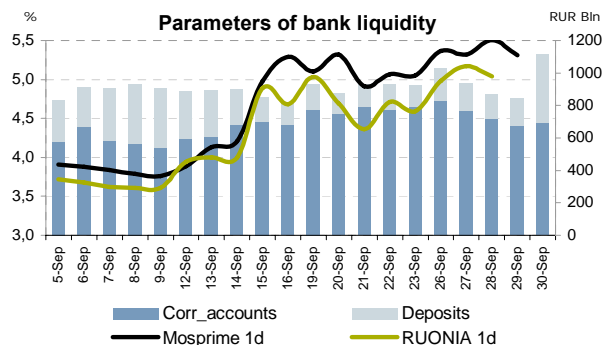
Currency Market

The RUB retreated 15 kopeck against the EUR and USD basket yesterday, closing at 37.06. The basket rose to 37.20-37.35 during the session, but then declined as the global market risk sentiment improved following the positive news from the US labour market and the positive vote from the German parliament on the Greek bailout. Yesterday's optimism sizzled out here in the morning as the Asian equities dropped over 1%, extending the worst monthly performance since October 2008. The last day of the month and the quarter ahead - we may see some volatility and potentially stronger USD on closing the positions, which does not bode well for the risky assets. The USD index turned stronger here in the morning. The RUB basket opened around 10 kopeck higher.

Debt and Equity Markets

MICEX Index increase of +2.2% illustrated Russian stock market growth on Thursday. News regarding EFSF and USA statistics was positively met by the markets. RTS and MICEX indexes moved in the different directions on the stock exchanges opening today. USA recession risk and the EU debt troubles as well as China statistic figures are pushing the markets down.

Forwards	1m.	3m.	6m.	
USD/RUB	32,136	32,466	32,956	
EUR/RUB	43,539	44,037	44,64	
Money Market	Close	Change	Max 12m	Min 12m
MosPrime 1M (%)	6,21	0,05	6,33	3,23
MIBOR 1m (%)	6,03	0,06	6,03	3,81
RUONIA 1d (%)	5,17	0,19		
Implied NDF yield 6m%	6,67	0,1	8,48	3,17
Debt	Close	Change	Max 12m	Min 12m
Russia CDS 5yr	285,5	-8,5	294	119
Eurobond Russia 30Y	5,121	-0,041	5,298	3,914
EMBI +	573,51	3,06	598,99	542,64
Stock Indexes	Close	Change	Max 12m	Min 12m
RTSI	1389,14	1,59	2123,56	1315,25
Micex	1407,71	2,17	1859,99	1327,19
S&P 500	1160,40	0,81	1363,61	1119,46
DJIA	11153,98	1,30	12810,54	10719,94
Brent	104,33	0,40	129,43	67,20



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