

RUB retreated	USD/RUB	30.10
Tax payments are over	EUR/RUB	42.23
Money Market will stabilize	RUB basket	35.56

Hot News

- The "final document" on the terms of Russia's accession to the WTO is being discussed with Georgia. According to Russia's presidential aide A. Dvorkovich, if all necessary procedures are completed the working group will meet on November 11, and if the decision of the working group is positive, on December 15 the ministerial meeting can complete the process of Russia joining the WTO. /Interfax
- Russian presidential aide Arkady Dvorkovich believes that Russia can use the scheme with the issuance of bonds in the privatization of state companies, proposed last week at a meeting of the International Advisory Board to create a MFC in Russia. Chief Executive Officer Stephen Schwarzman Blackstone Group announced a proposal on the issue of foreign investors in government bonds, which were converted to shares in privatized companies. Investors who know they will never lose their investments, will also receive psychological support - this is a "fun" way to privatization, Mr. Schwarzman said. /Kommersant

Money Market

Liquidity level increased slightly as long as tax paying period is over. Today in banks have 803 billion rubles (-157 bn.) on deposit and in correspondent accounts with the Central Bank. Demand for the ruble liquidity on CBR REPO auctions is relative high but we expect stabilization on the Money Market. Rates can decrease slightly. Acceleration of budget spending during November-December will help market to avoid reiteration of liquidity squeeze in the end of the year.

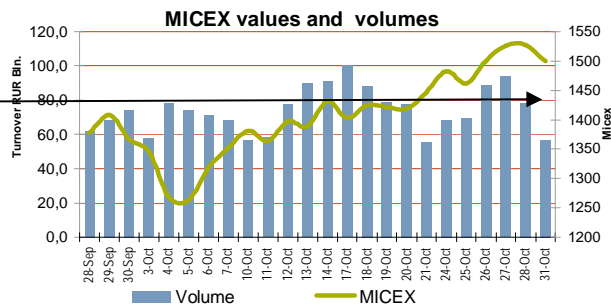
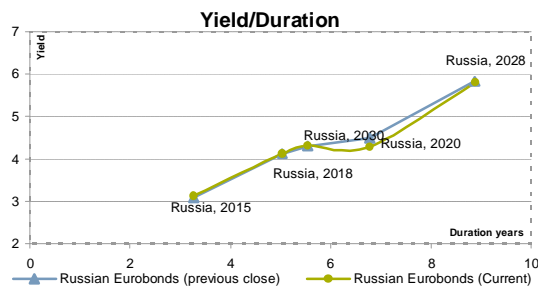
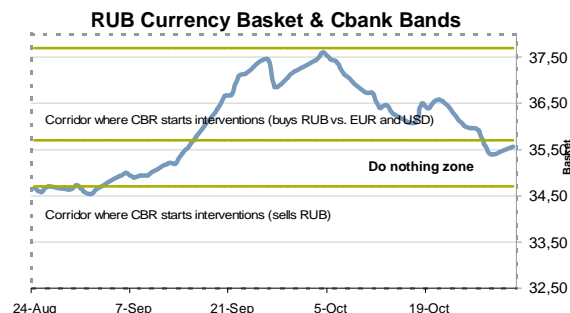
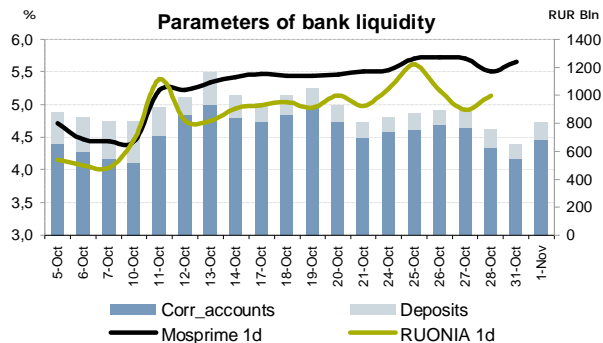
Currency Market

The RUB retreated against the EUR and USD basket yesterday, losing 27 kopeck for the day and closing at 35.57. The weakening was broadly in line with the rest of the markets as the risk sentiment kept worsening during the day and the USD kept strengthening broadly following the BoJ decision to intervene in the FX markets. ECB's comments on that the crisis is not over yet, reflected in the Italian government bond yields rising further, just worsened the picture. Lastly, the default of the MF Global, coupled with the Greek announcement they will vote on the euro zone membership here in the morning and the largely disappointing Chinese PMIs increased the risk aversion much further sending the USD index to stronger levels. The Asian equities dropped in excess of 1% and the Brent oil prices retreated to just under USD 108/bbl. The commodity currencies retreated – e.g. the Australian dollar weakened over 2% since Friday's peaks. For now RUB, as the high beta commodity currency, is a victim of the global markets – the RUB basket opens higher, trading at 35.85 in the first minutes of the session. The US' ISM remains the big hope for oil – and thus for RUB – but for now the risk is just off.

Debt and Equity Markets

MICEX Index slumped yesterday (-2%) and today market opened lower. Technical drawdown coincided with external market's negative dynamics. Current target for the Micex index is 1450.

Forwards	1m.	3m.	6m.	
USD/RUB	30,499	30,791	31,215	
EUR/RUB	42,1105	42,5038	43,088	
Money Market	Close	Change	Max 12m	Min 12m
MosPrime 1M (%)	6,3	0,01	6,38	3,23
MIBOR 1m (%)	6,24	0,02	6,24	3,86
RUONIA 1d (%)	4,92	-0,29		
Implied NDF yield 6m%	6,21	0,15	8,48	3,42
Debt	Close	Change	Max 12m	Min 12m
Russia CDS 5yr	197,5	-32,5	306,75	119
Eurobond Russia 30Y	4,21	-0,077	5,48	3,914
EMBI +	597,97	0	598,99	542,64
Stock Indexes	Close	Change	Max 12m	Min 12m
RTSI	1563,28	-2,92	2123,56	1217,21
Micex	1498,60	-1,83	1859,99	1265,67
S&P 500	1253,30	-2,47	1363,61	1099,23
DJIA	11955,01	-2,26	12810,54	10655,30
Brent	108,86	-0,09	129,43	67,20



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