



**MOSCOW  
EXCHANGE**

**Updates  
to the Methodology of  
the MICEX/RTS Indices Calculation**

**20 July 2017**

# RTS Index and MICEX Index. Current methodology

## MOEX EQUITY MARKET (300+ stocks)

*Selection by criteria of liquidity, capitalization, free-float (FF)*

FF	Trading days	Liquidity factor*
At least 5%	At least 70%	At least 1%

## Top 100 stocks by FF capitalisation (Index Universe)

Selection criteria	Inclusion condition	Exclusion condition
Top 50 stocks By FF capitalisation	Ranking by FF capitalisation 45 and above	Ranking by FF capitalisation 55 and below

## MICEX Index/RTS Index

$$* LC_i = \frac{Median(V_i)}{Average(MC_i)} \cdot 247, \text{ where}$$

*Median (Vi)* – the median value of the daily trading volume in RUB as calculated for three months,  
*Average (MCi)* – the average daily market capitalisation over three months,  
247 – the number of trading days in the year.

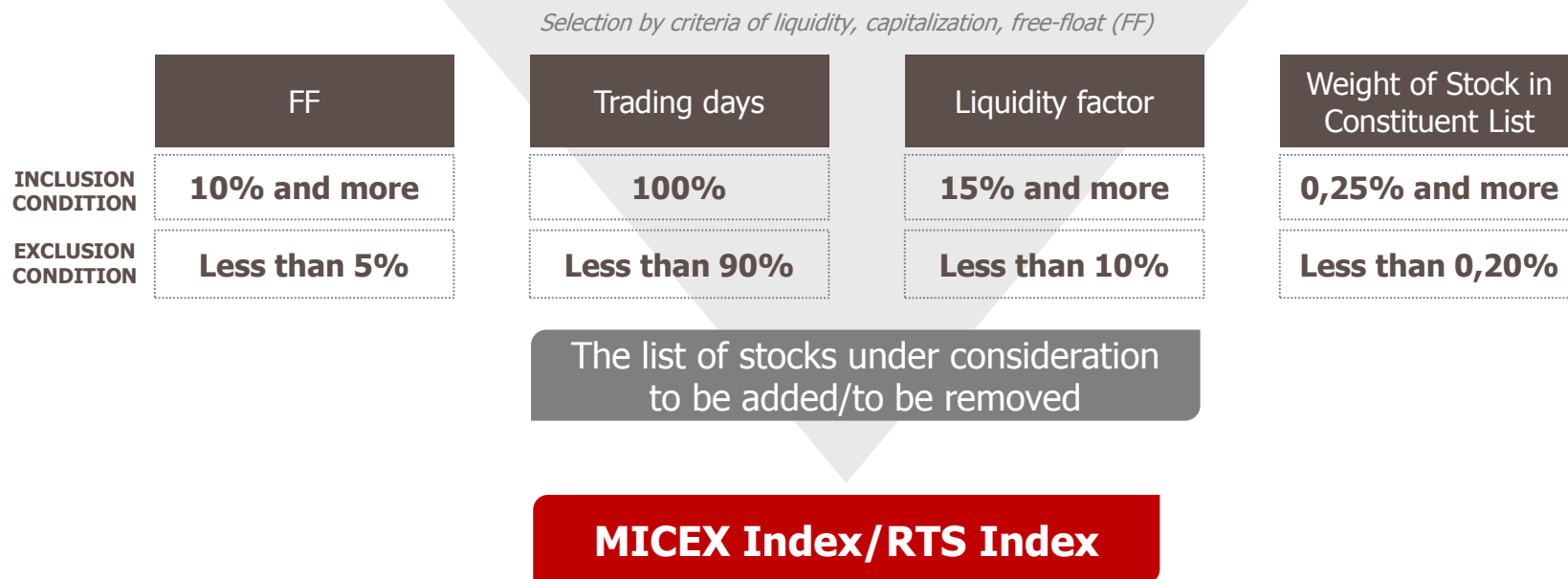


# RTS Index and MICEX Index. Updated methodology

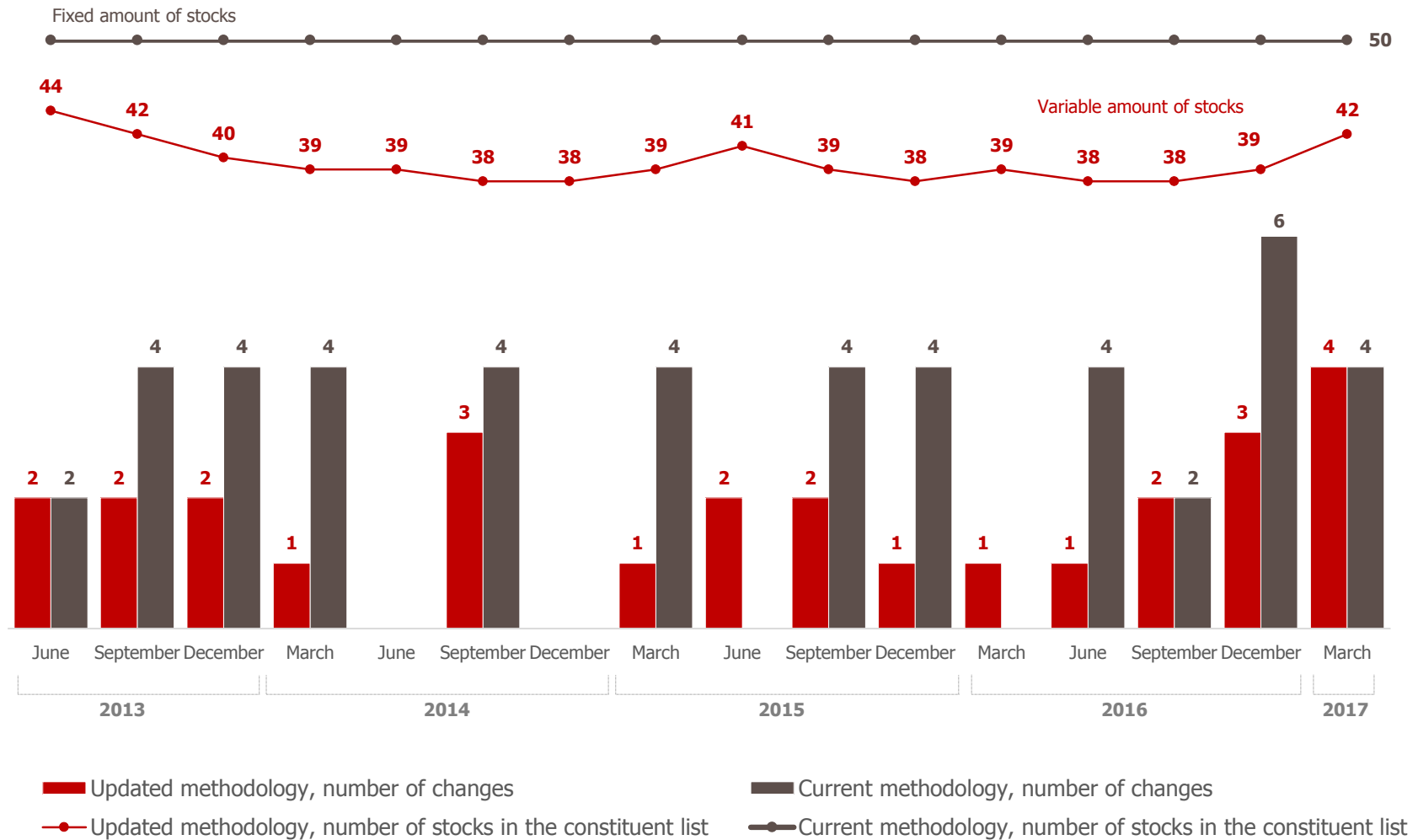
## Updates

- Refusal of a fixed number of stocks;
- Increased liquidity requirements;
- Introduction of the minimum weight of the issuer;
- Reducing the variability of the constituent list upon Index reviews.

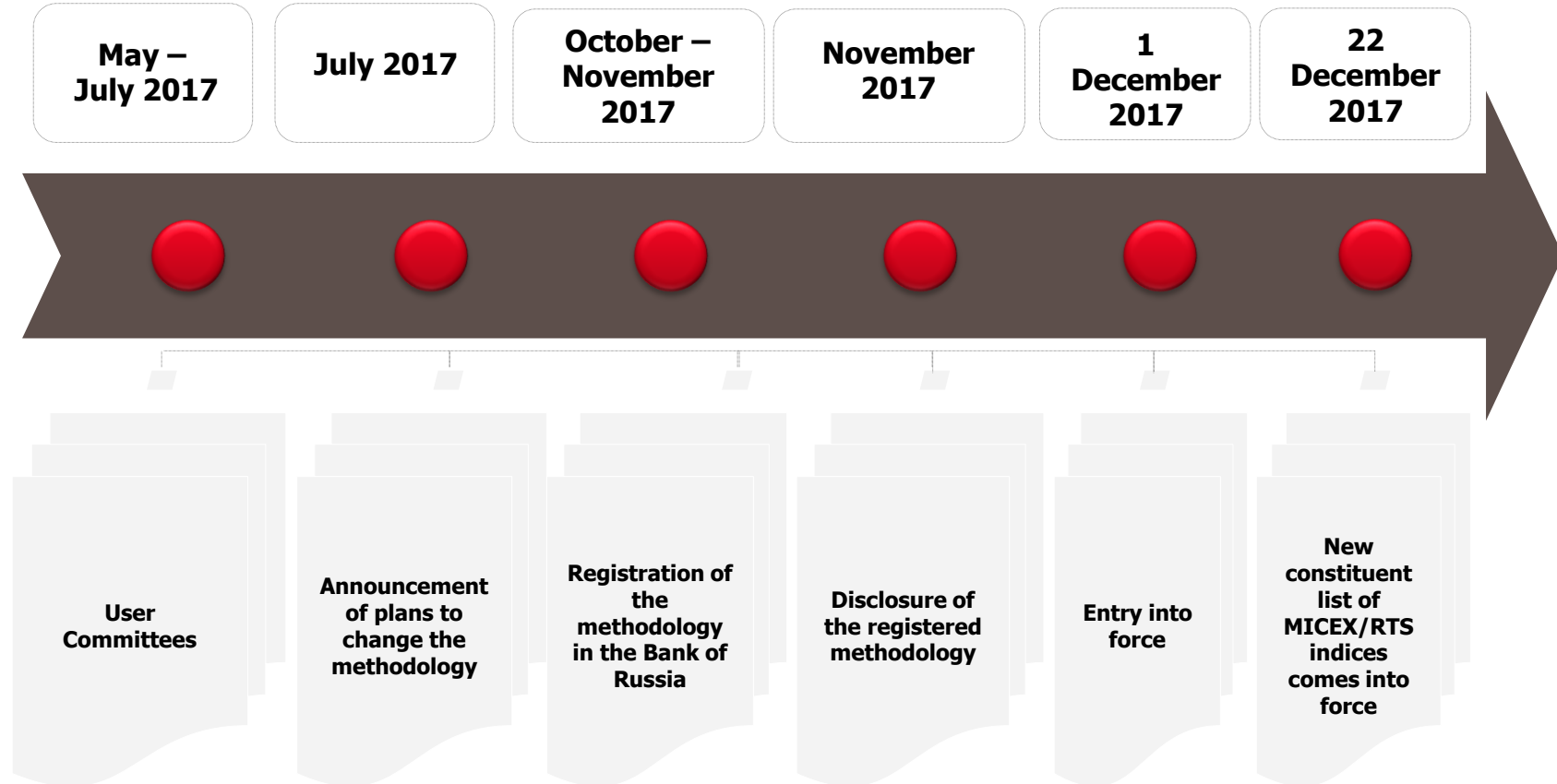
### MOEX EQUITY MARKET (300+ stocks)



# Updated vs. Current methodology (historic modelling)



# Road Map of changes in the calculation methodology



# Appendix

## New MICEX Index and RTS Index Constituents Algorithm (1/2)

- 3.3.1.** Unless otherwise specified by the Exchange, MICEX Index and RTS Index Constituents consist of 50 Stocks. The Indices may include less than 50 Stocks if some Stocks fail to comply with criteria set forth herein. To this effect, MICEX Index and RTS Index Constituents shall include stocks of at least 10 Issuers.
- 3.3.2.** Stocks listed on the Exchange or included to one of the following lists are eligible to be included into the MICEX Index and RTS Index:
- Then current list of constituents of the Broad Market Index;
  - Then current list of stocks under consideration to be added to the indices;
  - Stocks tradable after recent initial or secondary public offerings.
- 3.3.3.** To be included into the MICEX Index or RTS Index or the list of stocks under consideration to be added to the indices, a Stock must meet the following requirements:
- Its Free Float Factor is at least 10%;
  - Trading days in which at least one trade is made in the Stock accounts for 100% of the total number of trading days over six months preceding the Index Review Date;
  - $LC_i$  is at least 15% (1% for foreign stocks and depositary receipts representing stocks provided the liquidity factor is at least 15% as calculated by trading volume at the entity of primary listing);
  - The Issuer discloses its latest financial statements under international standards within maximum eight months of the reporting date.
- 3.3.4.** To be excluded from the MICEX Index or RTS Index or included into the list of stocks under consideration to be removed from the indices, a Stock must meet one of the following requirements:
- Its Free Float Factor is less than 5%;
  - Trading days in which at least one trade is made in the Stock accounts for less than 90% of the total number of trading days over six months preceding the Index Review Date;
  - $LC_i$  is less than 10% (1% for foreign stocks and depositary receipts representing stocks);
  - The Issuer disclose its latest financial statements under international standards in more than eight months after the reporting date.

# Appendix

## New MICEX Index and RTS Index Constituents Algorithm (2/2)

**3.3.5.** The MICEX Index and RTS Index are reviewed as follows:

- A Stock is removed if its Free Float Factor is less than 5% or it has been removed from the Broad Market Index;
- A Stock is removed if it has been in the list of stocks under consideration to be removed from the indices and its parameters meet criteria set forth in Clause 3.3.4.
- Weighting Factors  $W_i$  and Weights as per Clause 2.8 are calculated for all other Stocks in the MICEX Index and RTS Index and Stocks in the lists mentioned in Clause 3.3.2 that meet parameters specified in Clause 3.3.3.
- A Stock is included into the indices if its Weight is more than 0.25% and it has been already in the indices or the list of stocks under consideration to be included therein.
- A Stock is removed from the indices if its Weight is less than 0.2% and it has been in the list of stocks under consideration to be removed from the indices.

**3.3.6.** The list of stocks under consideration to be removed from the indices is updated to include Stocks that are already in the indices and either meet criteria stated in Clause 3.3.4 or has Weight less than 0.2%.

**3.3.7.** The list of stocks under consideration to be removed from the indices is updated to include Stocks that have not been in the indices up to date and meet criteria stated in Clause 3.3.3. Maximum ten such Stocks sorted by the descending order by the Average Market Cap subject to then current Free Float Factor and additional weighting factor LW, are included into the list.

## Updates to Index Constituents Revision

**3.9.2.** The Index Constituents are revised at most on a quarterly basis except where this Methodology provides otherwise. Revised Index Constituents become effective from the main trading session on the third Friday of March, June, September or December, respectively. Where such third Friday is a non-trading day, revised Index Constituents become effective from the main trading session on the trading day immediately following such third Friday. The Exchange may establish other effective dates of revised Index Constituents.



## Contacts:

Indices and Market Data Department

[index@moex.com](mailto:index@moex.com)

+7 (495) 363 32 32



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