

# RUSSIAN EQUITY AND BOND INDICES

July 2014

Index	Value 31.07.14	Return over the period, %		
		Month	Quarter	Year
Composite Indices				
MICEX Index	1,379.61	-6.55%	5.64%	0.28%
RTS Index	1,219.36	-10.74%	5.51%	-7.16%
Blue-Chip Index	9,256.28	-6.86%	5.30%	-0.41%
Second-Tier Index	2,991.61	-1.39%	2.43%	0.41%
Broad Market Index	975.91	-6.48%	5.59%	0.18%
Sectoral Indices (in RUB)				
Oil & Gas	3,295.69	-7.77%	2.45%	3.31%
Electric Utilities	909.07	-7.66%	6.42%	-24.31%
Consumer goods & Retail	5,999.57	-2.75%	11.56%	4.23%
Telecommunication	2,018.75	-7.22%	7.95%	-6.42%
Industrials	1,367.50	-7.35%	-0.79%	-23.80%
Financials	4,387.06	-11.47%	4.55%	-2.64%
Chemicals	6,395.25	-4.38%	-5.57%	7.64%
Metals & Mining	2,479.99	4.40%	13.14%	19.96%
Transport	918.60	-7.40%	-3.80%	-20.27%
Thematic indices				
MICEX-10 Index	3,000.17	-7.25%	5.20%	-0.36%
Russian Volatility Index	36.39	20.94%	-8.66%	43.89%
MICEX Innovation Index	306.66	-4.41%	1.11%	-32.02%
RTS Siberia Index	446.45	0.53%	8.42%	-2.30%
Currency (CBR)				
USD / RUB	35.73	6.23%	0.08%	8.63%

In July 2014, Moscow Exchange's indices reflected the negative trend on the Russian stock market. The MICEX Index was down 6.55% to 1,379.61 (from 1,476.38 on 30 June), while the dollar-denominated RTS Index fell 10.74% to 1,219.36 (from 1,366.08).

The dollar appreciated 6.23% against the rouble.

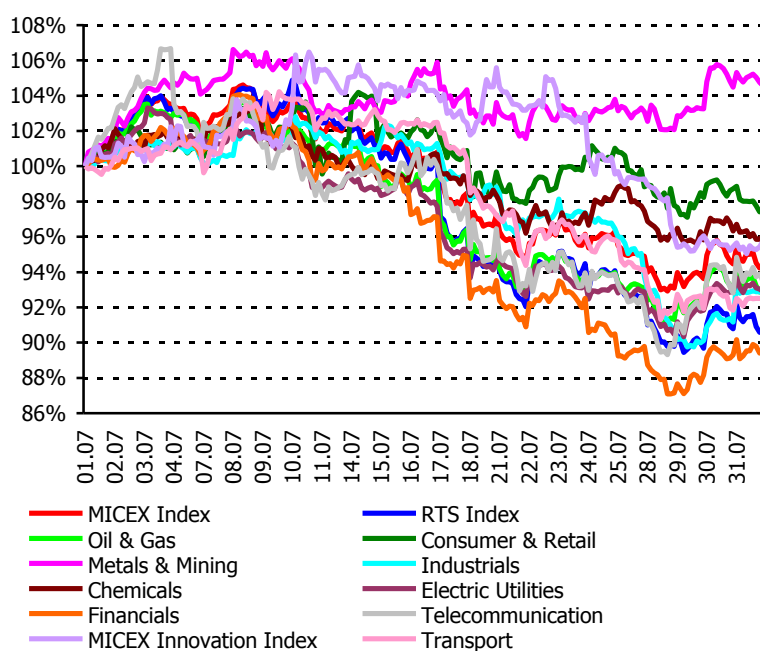
Volatility increased, with the Russian Volatility Index rising 20.94% to 36.39 (from 30.09).

Most key sectors made losses. The largest downturn was in Financials, the sector index of which fell 11.47%. Oil and gas and Electric Utilities climbed down a respective 7.77% and 7.66%. The gain in Metals and Mining is 4.40%

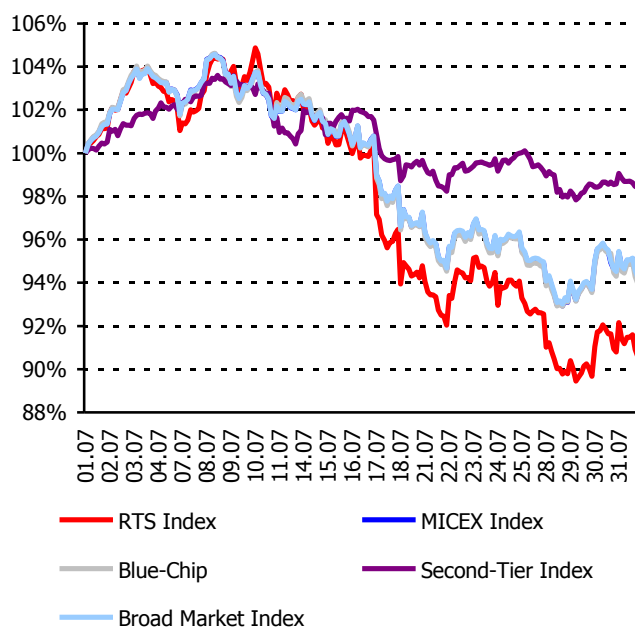
The Blue Chip Index decreased 6.86% to 9,256.28 (from 9,938.21).

The Second Tier Index depreciated 1.39% to 2,991.61 (from 3,033.85). The Broad Market Index lost 6.48% to 975.91 (from 1,043.57).

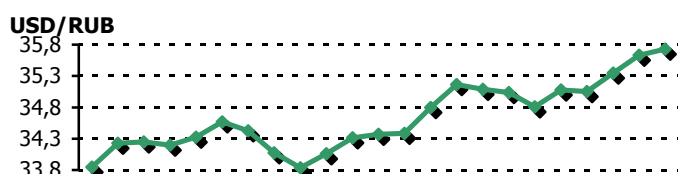
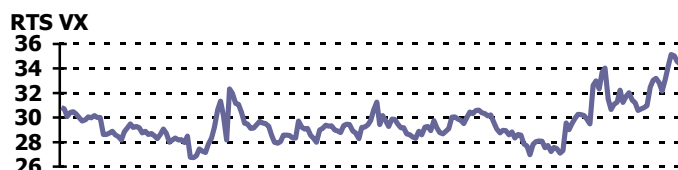
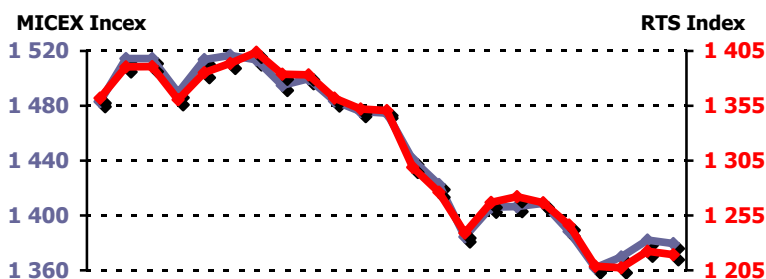
## KEY SECTORS



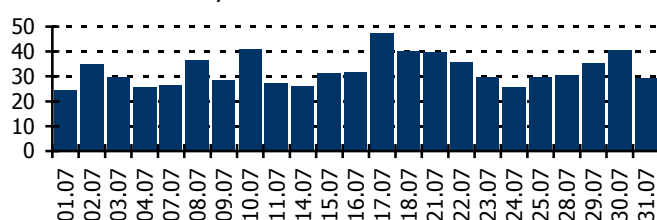
## COMPOSITE INDICES



### MICEX & RTS Indices: Moscow Exchange's main indices



Constituents volume\*, bln.



\* for the constituent stocks

In July 2014, Moscow Exchange's indices reflected the negative trend on the Russian stock market. The MICEX Index was down 6.55% to 1,379.61 (from 1,476.38 on 30 June), while the dollar-denominated RTS Index fell 10.74% to 1,219.36 (from 1,366.08).

The MICEX Index on 31 July was up 0.28% YoY (from 1,375.79). The RTS Index was down 7.16% YoY (from 1,313.38).

The RTS Index's decrease last month was accompanied by an increase in volatility, with the Russian Volatility Index (RTSVX) up 20.94%.

The turnover of securities included in Moscow Exchange's indices was RUB 744.82 bln, and their market cap totalled RUB 19,675.93 bln.

Of the 50 MICEX Index constituents, 39 constituents of the Index list pulled the index down (falling a total 7.35%), while 11 incurred gains (totaling 0.80%).

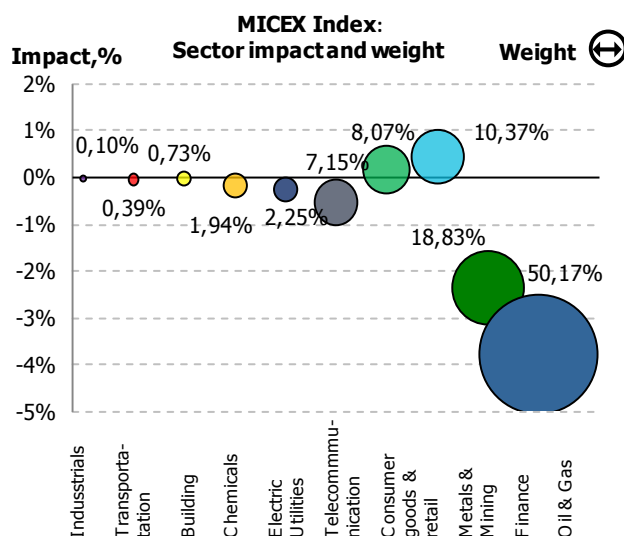
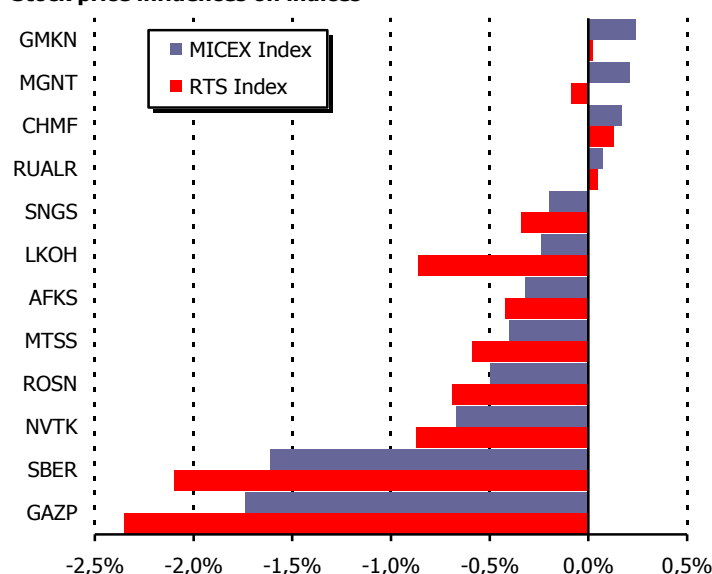
On the sector level, the major negative impact was from oil and gas (down 3.79%) and financials (falling 2.35%).

The largest negative impact on the MICEX Index was from prices falling for ords of JSC «GAZPROM» (down 1.74%), Sberbank (off 1.61%) and JSC "NOVATEK" (down 0.67%). The largest positive impact was from price gains by ords of "OJSC "MMC "NORILSK NICKEL" (up 0.24%) and OJSC "Magnit" (up 0.21%).

The largest negative impact on the RTS Index was from prices falling for ords of JSC «GAZPROM» (down 2.35%), Sberbank (off 2.10%) and JSC "NOVATEK" (down 0.87%). The largest positive impact was from price gains by ords of OAO Severstal (up 0.13%) and RDR of Rusal (up 0.05%).

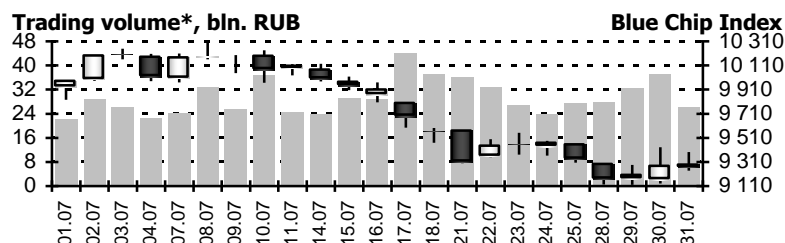
Oil & gas accounted for 50.17% of the MICEX Index's total capitalization. The other heavily weighted sectors were financials (18.83%) and metals and mining (10.37%).

### Stock price influences on indices



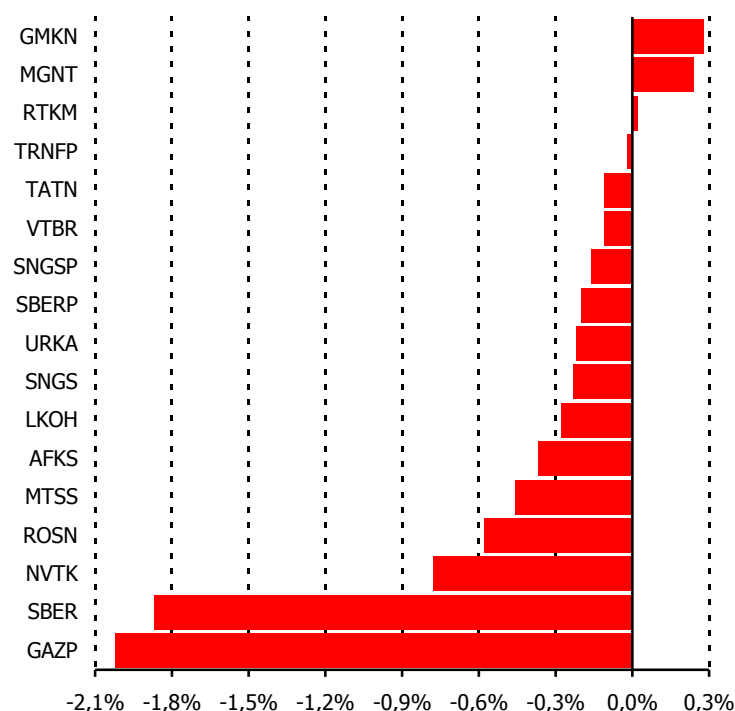
Monthly impact on indices	Up	Down	Unchanged	Total influence, %
MICEX Index	+0.80%	-7.35%	0	-6.55%
RTS Index	+0.20%	-10.94%	0	-10.74%

### Blue Chip Index

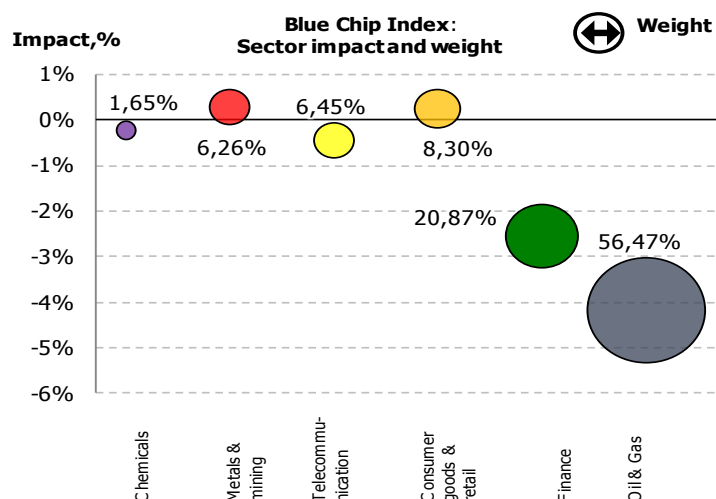


\* for the constituent stocks

### Stock price influences on Blue Chip Index



Monthly impact on indices	Up	Down	Unchanged	Total influence, %
Number of constituents	3	14	0	17
Influence, %	+0.55%	-7.41%	0	-6.86%



The Blue Chip Index fell in July.

It was down 6.86% MoM to 9,256.28 (from 9,938.21), and off 0.41% YoY (from 9,294.64).

Of the seventeen securities included in the Index list, fourteen were pulling the Blue Chip Index down at the end of the month (falling a total 7.41%), while three made gains (totaling 0.55%).

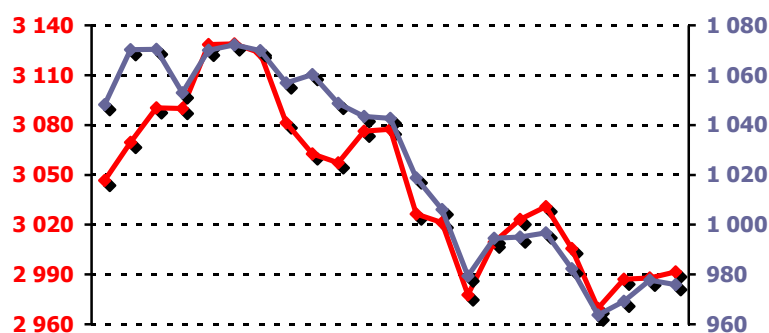
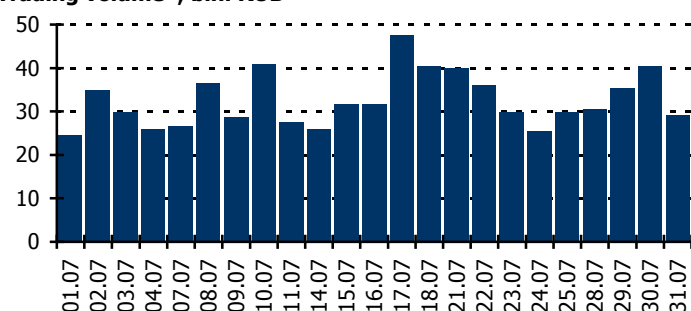
The largest negative impact on the index was from prices falling for ords of JSC «GAZPROM» (down 2.02%) and Sberbank (off 1.87%).

The largest positive impact was from price gains by ords of "OJSC "MMC "NORILSK NICKEL" (up 0.28%) and OJSC "Magnit" (up 0.24%).

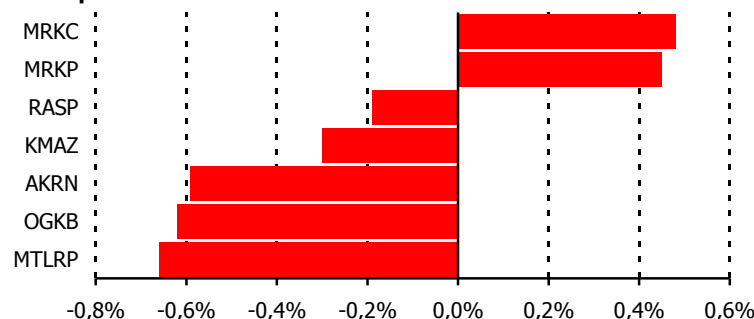
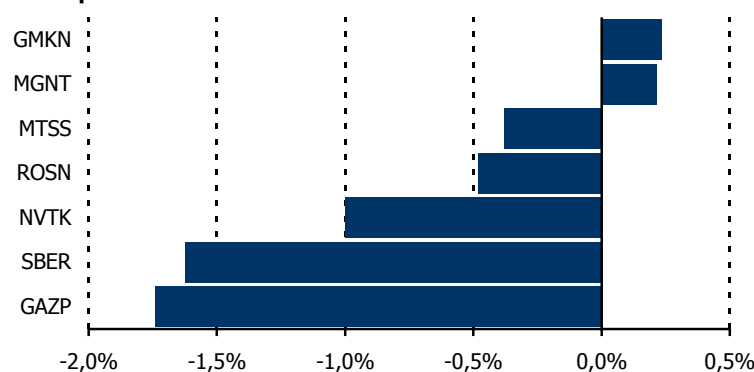
The oil & gas sector accounted for 56.47% of the Blue Chip Index's total capitalization. The other large weight sectors were financials (20.87%) and consumer goods and retail (8.30%).

Code	Security name	Weight in Blue Chip Index	Weight in MICEX Index
AFKS	AFK SISTEMA, ord	2.56%	2.20%
GAZP	Gazprom, ord	16.86%	14.50%
GMKN	Norilsk Nickel, ord	6.26%	5.39%
LKOI	Lukoil, ord	17.22%	14.82%
MGNT	Magnit, ord	8.30%	7.14%
MTSS	MTS, ord	5.22%	4.49%
NVTK	Novatek, ord	5.60%	4.82%
ROSN	Rosneft, ord	5.30%	4.56%
RTKM	Rostelecom, ord	1.23%	1.05%
SBER	Sberbank, ord	13.54%	11.65%
SBERP	Sberbank, pref	1.01%	0.87%
SNGS	Surgutneftegas, ord	3.94%	3.39%
SNGSP	Transneft, pref	2.63%	2.26%
TATN	Tatneft, ord	2.77%	2.39%
TRNFP	Transneft, pref	2.14%	1.84%
URKA	Uralkali, ord	1.65%	1.42%
VTBR	VTB, ordinary	3.76%	3.23%
<b>Total</b>		<b>100.00%</b>	<b>86.02%</b>

### Broad Market and Second-Tier Indices

**Second-Tier Index**
**Broad Market Index**

**Trading volume\*, bln. RUB**


\* for the constituent stocks

**Stock price influences on Second Tier Index**

**Stock price influences on Broad Market Index**


Monthly impact on indices	Up	Down	Total influence, %
Second Tier Index	+2.48%	-3.88%	-1.39%
Broad Market Index	+0.81%	-7.29%	-6.48%

The Second Tier Index fell 1.39% during the month to 2,991.61 (from 3,033.85). The Broad Market Index fell 6.48% MoM to 975.91 (from 1,043.57).

The Second Tier Index was up 0.41% YoY (from 2,979.30). The Broad Market Index was up 0.18% YoY (from 974.20).

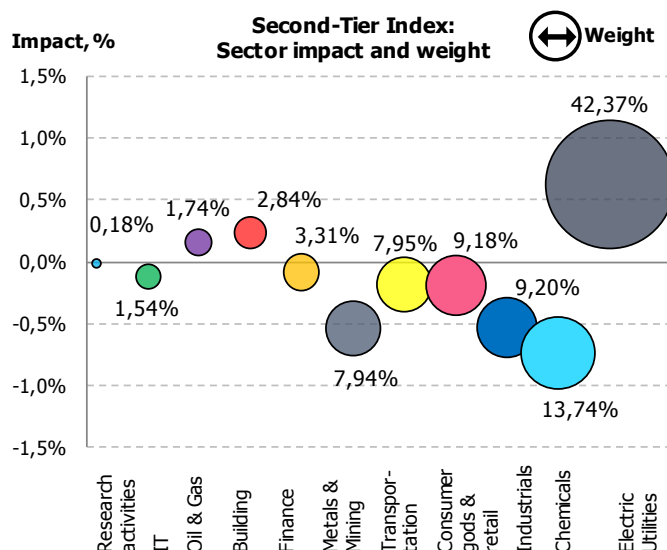
Of the fifty securities included in the Second Tier Index list, thirty were pulling the index down (with losses totaling 3.88%), while twenty made gains (totaling 2.49%).

The largest negative impact on the Second Tier Index was from losses by prefs of Mechel OAO (down 0.66%) and JSC "OGK-2" (off 0.62%).

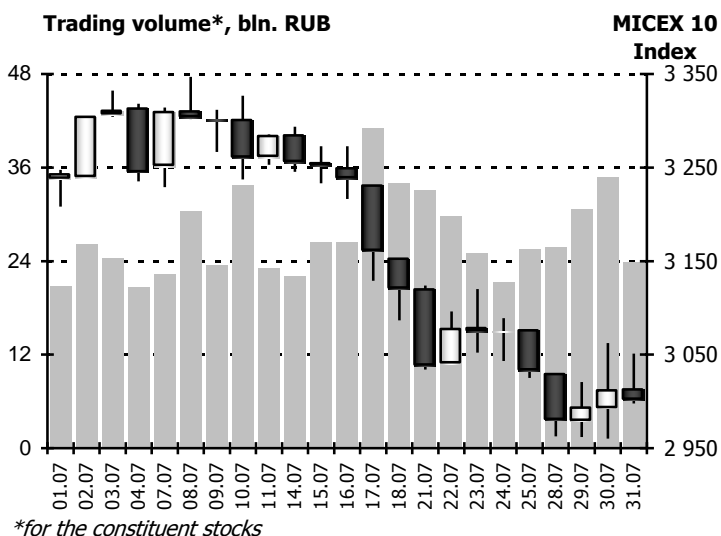
The heaviest negative impact on the Broad Market Index was from ords of JSC «GAZPROM» (down 1.74%) and Sberbank (off 1.63%).

The largest negative impact on the Second Tier Index was from chemicals (down 0.74%) and metals and mining (off 0.54%).

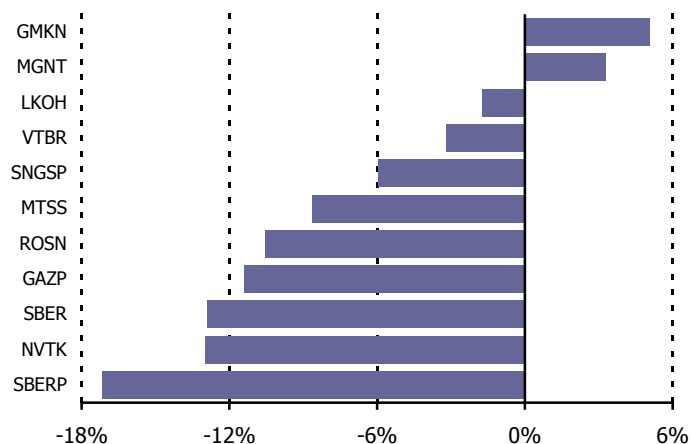
Electric utilities accounted for 42.37% of the Second Tier Index's total capitalization. The other heavily weighted sectors were chemicals (13.74%) and industrials (9.20%).



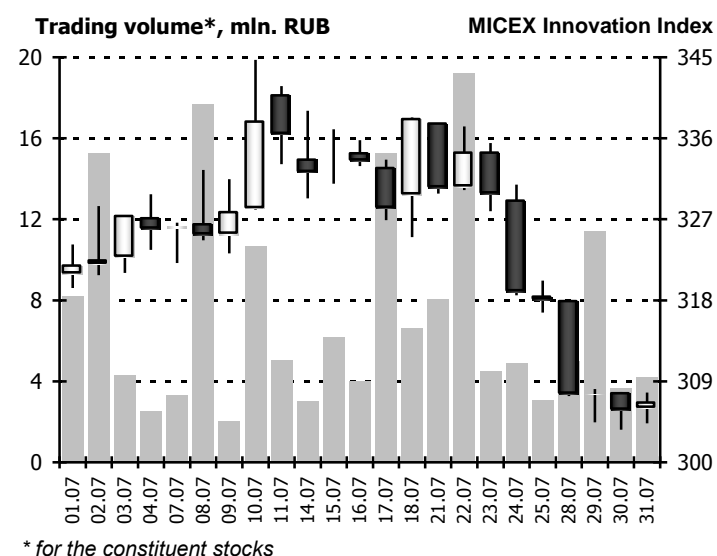
### MICEX 10 Index



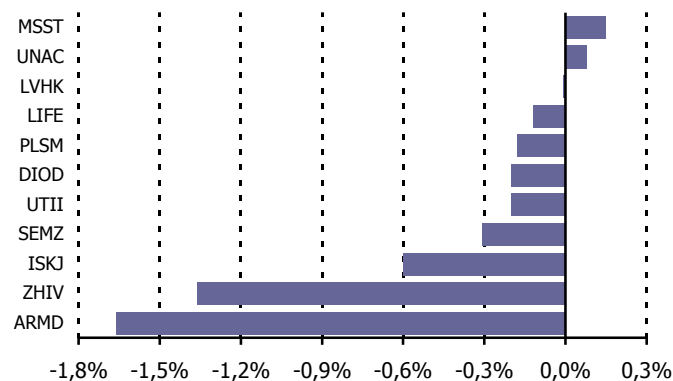
#### MICEX 10 stock price changes



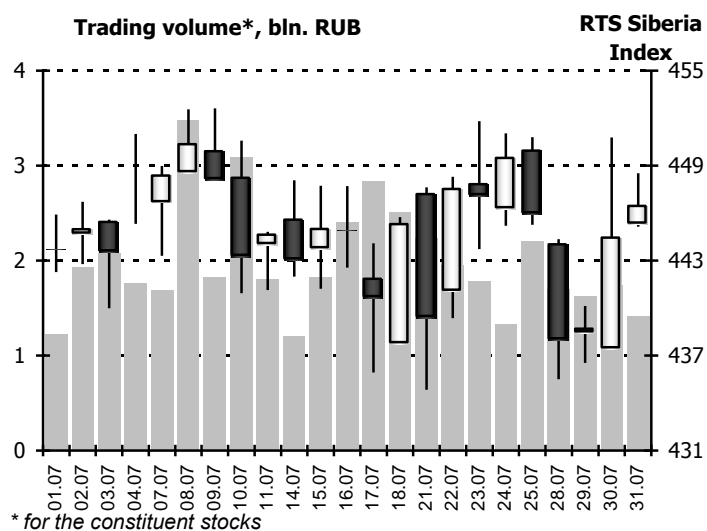
### MICEX Innovation Index



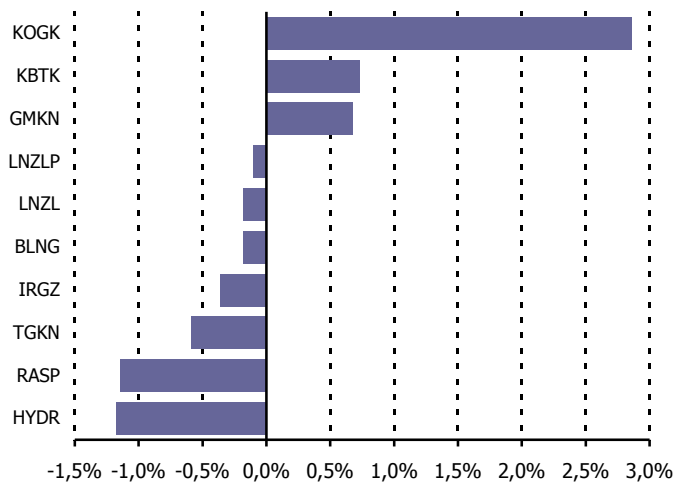
#### Stock price influences on MICEX Innovation Index



### RTS Siberia Index



#### Stock price influences on RTS Siberia Index



### Debt market

Index	Value	YTM, %	Return over the period, %		
	31.07.2014	31.07.2014	Month	Quarter	Year
Aggregate bond index					
RUABITR	125.68	9.14	-1.82%	1.94%	1.19%
Government bond indices					
RGBITR	317.06	9.01	-2.39%	2.05%	-0.30%
RUGBITR3Y	318.58	8.74	-0.64%	1.12%	2.65%
RUGBITR5Y	320.30	9.03	-2.46%	1.47%	-0.91%
RUGBITR5+	329.83	9.25	-3.84%	3.22%	-2.88%
Corporate bond indices					
MICEXCBITR	248.34	9.8	0.13%	1.67%	5.16%
MICEXCBITR3Y	247.57	9.83	0.22%	1.82%	5.55%
MICEXCBITR5Y	279.49	9.7	-0.22%	1.24%	3.59%
BBB Segment					
RUCBITRBBB	251.48	9.28	0.16%	1.42%	5.20%
RUCBITRBBB3Y	249.89	9.29	0.26%	1.38%	5.74%
RUCBITRBBB5Y	285.63	9.25	-0.14%	1.59%	3.48%
RUCBITRBBB3+	287.29	9.25	-0.14%	1.43%	3.41%
BB Segment					
RUCBITRBB	260.83	9.88	0.14%	1.37%	6.52%
RUCBITRBB3Y	258.26	9.86	0.20%	1.42%	6.58%
RUCBITRBB3+	301.42	9.98	-0.19%	1.35%	6.55%
B Segment					
RUCBITRB	255.71	12.53	-0.05%	3.44%	5.69%
RUCBITRB3Y	257.83	12.10	0.12%	3.99%	6.32%
Municipal indices					
MICEXMBITR	182.43	8.93	0.30%	1.80%	4.62%
RUMBITR3Y	192.47	8.41	0.17%	1.57%	6.23%
RUMBITRBBB	190.37	8.41	0.36%	2.84%	5.49%
RUMBITRBBB3Y	190.56	7.67	0.26%	1.82%	6.40%
RUMBITRBBB3+	191.06	9.69	0.57%	4.50%	4.74%
RUMBITRBB	193.64	10.07	0.15%	1.52%	5.65%
RUMBITRBB3Y	195.50	10.00	-0.03%	1.36%	5.93%

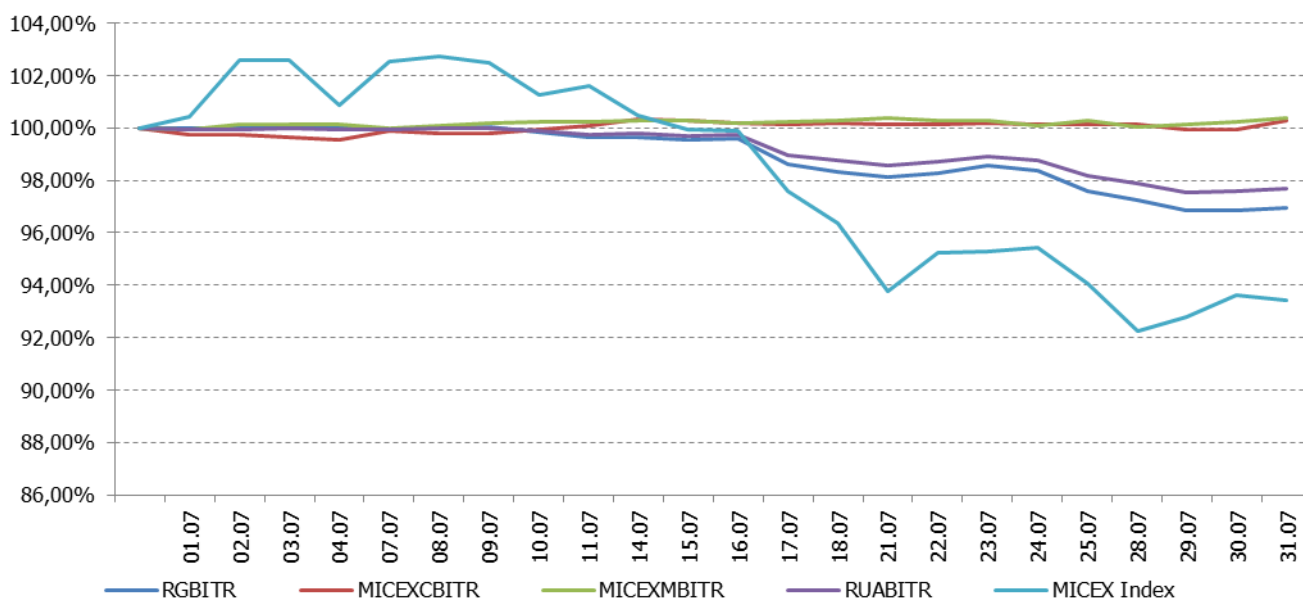
Aggregate bond index RUABITR (total return), comprised of Government, corporate and municipal bonds traded on Moscow Exchange was down 1.82%.

Russian Government Bond Index RGBITR was down 2.39% to 317.06 points. The YTM of securities included in the index was 9.01%. The lowest fall among government bond indices, segmented by duration, showed RUGBITR3Y that includes government bonds with duration from 1 to 3 years. It fell down by 0.64%.

Municipal bond index MICEXMBITR was up 0.30% in July and equaled 182.43 points. The highest growth among municipal bond indices segmented by duration and credit quality showed RUMBITRBBB+ that includes bonds with duration more than 3 years and credit rating from BBB- to BBB+. It grew up by 0.64% in July.

The MICEX Corporate Bond Index MICEXCBITR total return value was up 0.13% to 248.38 points. The YTM of securities included in the calculation formula was 9.80%.

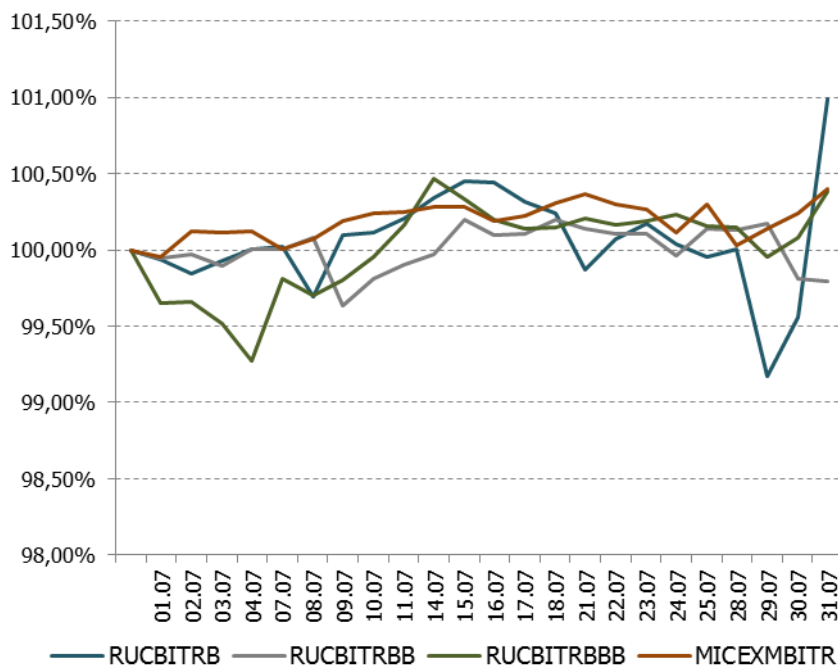
### Bond indices & MICEX Index dynamics





### Debt market

Bond indices by credit quality



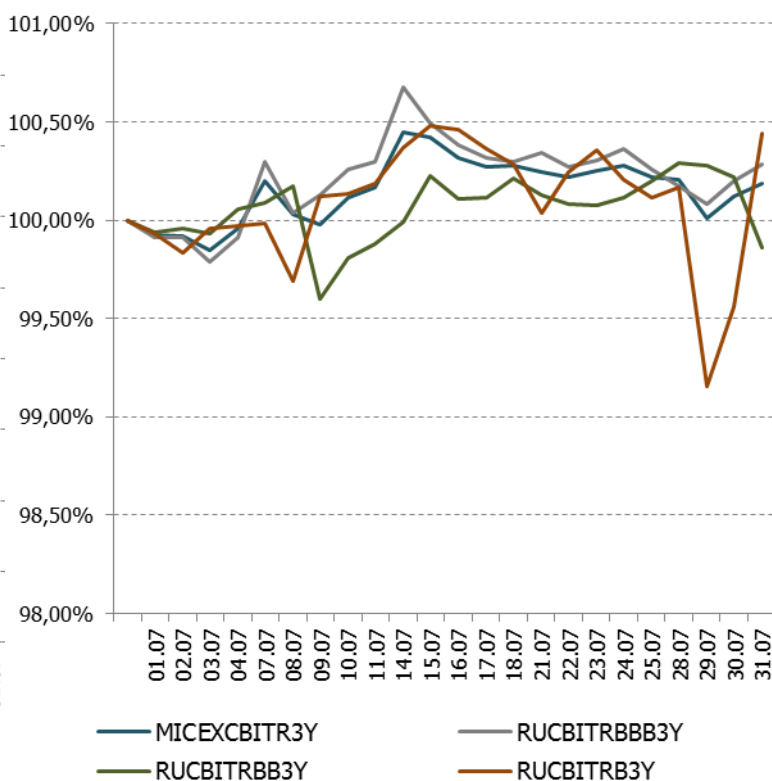
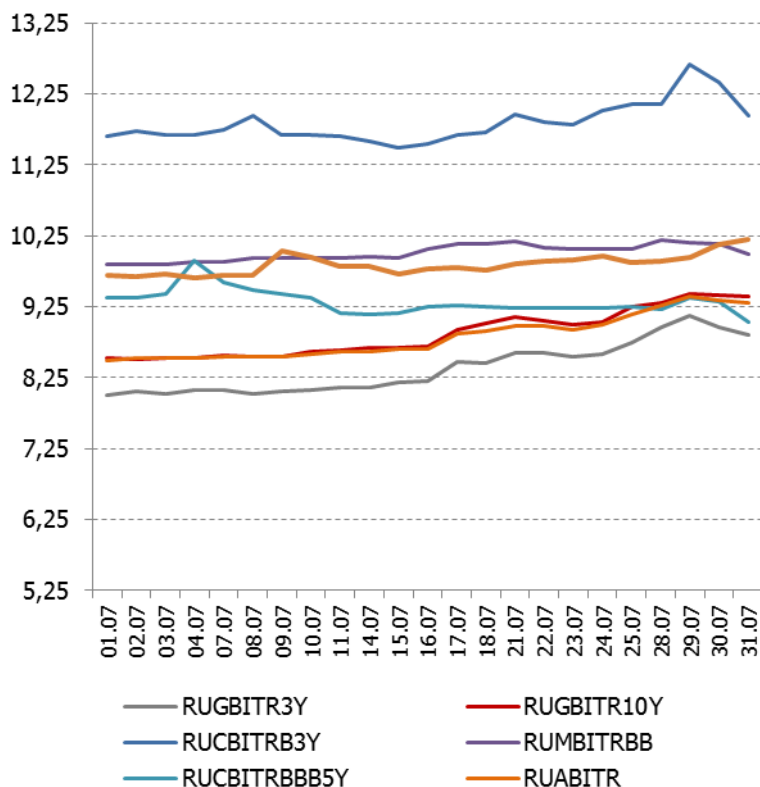
Among all corporate bond indices highest growth showed RUCBITRBBB3Y – 0.26%, that includes corporate bonds with credit quality from BBB- to BBB+ and duration more from 1 to 3 years.

High credit quality corporate bond index RUCBITRBBB was up 0.16%. «BB segment» bond index RUCBITRBB was up 0.14%. «B segment» bond index RUCBITRB was down 0.05%.

The highest yield to maturity (YTM) on 31.07.2014 showed RCBITRB3 index. It was 12.53%.

Bond indices with Duration equal 1 - 3 year

YTM of bond indices

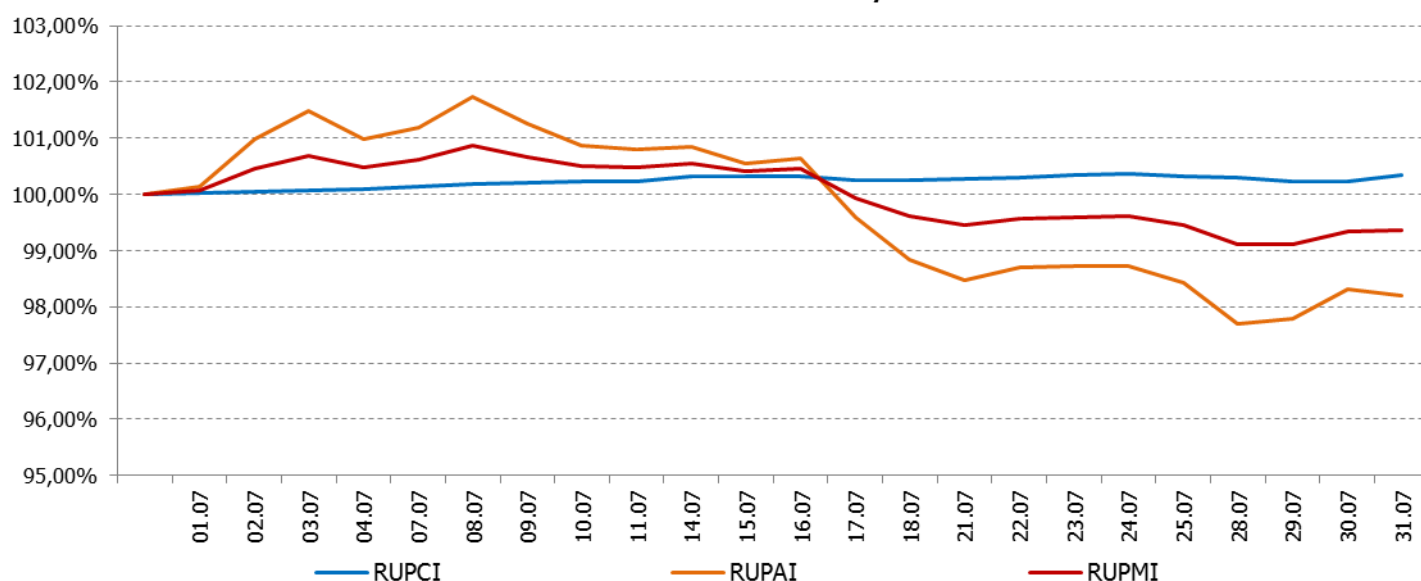


### Debt market

Index	Value	Return over the period, %		
	31.07.2014	Month	Quarter	Year
Pension indices				
Conservate index	1656.12	0.32%	1.47%	5.06%
Moderate index	1422.20	-0.54%	2.98%	3.86%
Aggressive index	1197.88	-1.58%	4.71%	2.18%

A conservative pension investment strategy tracking RUPCI index could have resulted in 0.32 gain. The aggressive investment strategy could have brought a loss of 1.52%. Moderate Pension index was down 0.54%.

### Pension indices dynamics

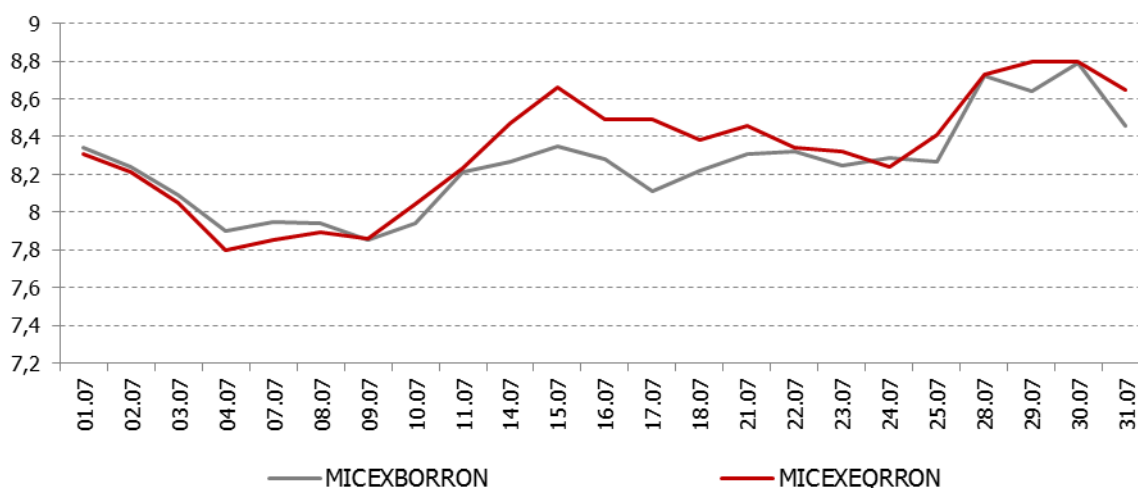


The bond overnight repo rate indicator was up 8 bps (from 8.19% to 8.27%).

The equity overnight repo rate indicator was 8.41%.

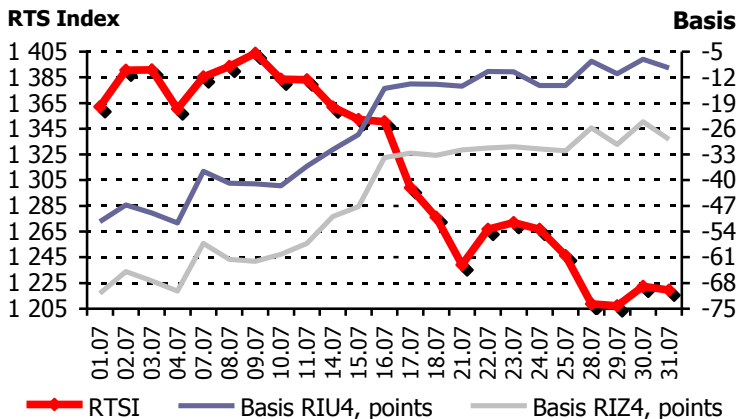
Index	Value 31.07.2014	Return over the period, %		
		Month	Quarter	Year
Bond Repo rate Indicator				
Overnight	8.27	8	-15	209
1 week	8.34	-46	17	230
2 week	10	142	127	332
Equity Repo rate Indicator				
Overnight	8.41	12	3	230
1 week	6.91	-74	17	75
2 week	9.50	0	-20	270

### Overnight REPO Rates indicators





### Index Derivatives



The total trading volume in index futures and options on Moscow Exchange's Derivatives Market in the July 2014 was RUB 2,021.51 bln, or 22.51 mln contracts.

Last month's trading volume in RTS Index futures, which is the most liquid contract on FORTS, was RUB 1,714.75 bln, or 19.17 mln contracts.

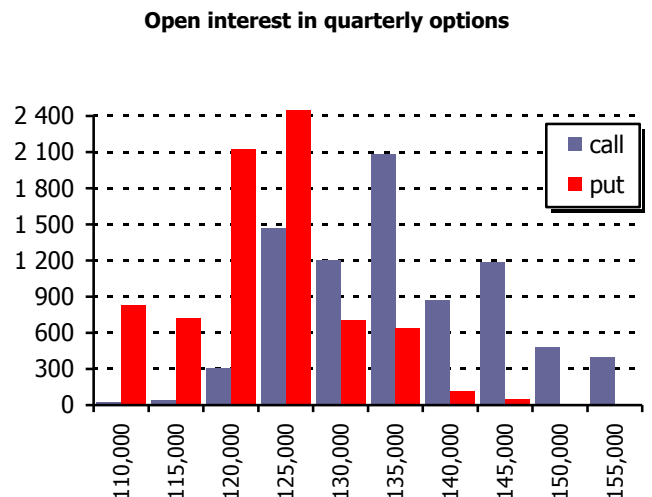
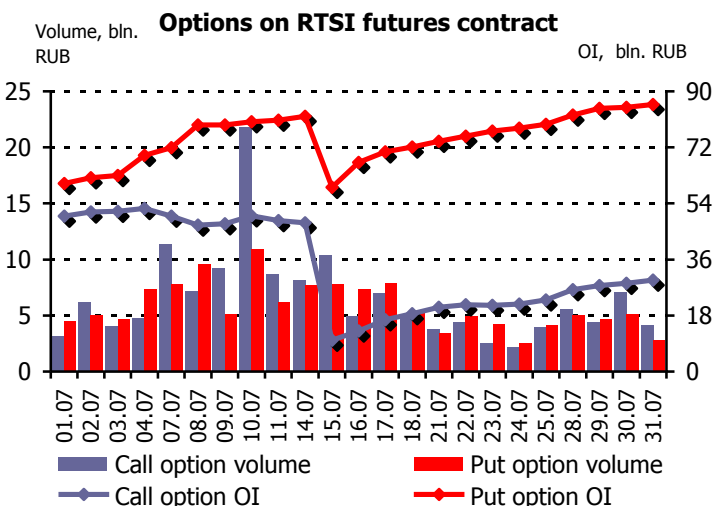
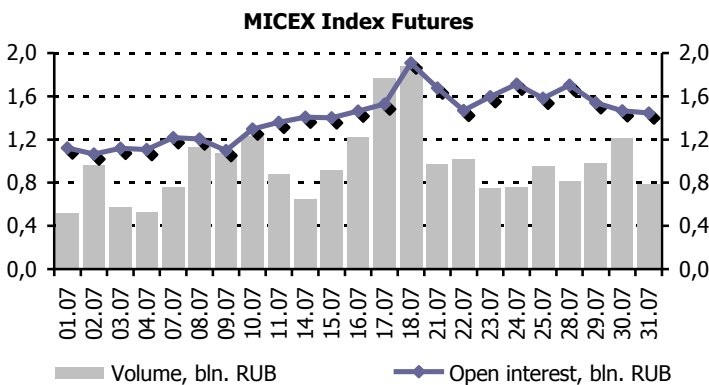
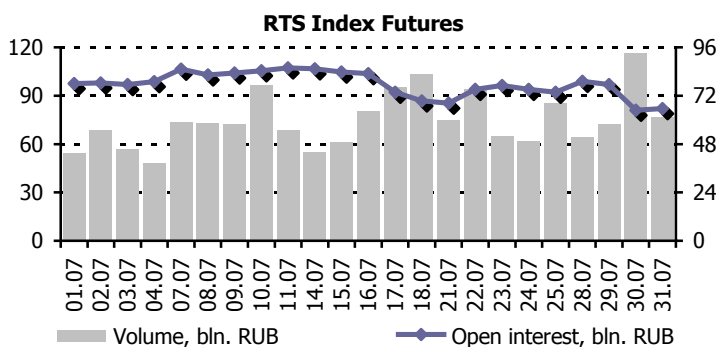
The RTS Index futures contract traded in backwardation last month. The RTS Index fell 10.74% MoM, while the September and the December futures were down a respective 7.54% and 7.86%.

Open interest in RTS Index futures decreased 13.42%.

Turnover in MICEX Index futures was RUB 22.30 bln, or 154.68 thousand contracts. Open interest in MICEX Index futures increased 47.06%.

The trading volume in options on RTS Index futures totaled RUB 284.40 bln, or 3.18 mln contracts. Open interest was RUB 115.10 bln, or 1.31 mln contracts. Puts made up 74.51% of the total open interest. The 135,000 strike calls and 125,000 strike puts had the highest open interest.

The open interest in options on RTS index futures rose 10.25%.



**Moscow Exchange's indices** are key indicators of the Russian organized securities and derivatives market. The indices are capitalization-weighted. The calculation formula is based on the ratio of the total market cap of stocks included in the index to the same indicator as of the index inception date.

**The MICEX and RTS Indices** are Russian stock market composite indices that include the 50 most liquid stocks of the largest and most dynamically developing Russian issuers. The MICEX Index is calculated based on the stock prices denominated in RUB. The RTS Index is calculated based on the stock prices denominated in USD.

**Sectoral indices** are capitalisation weighted indices calculated based on prices of the most liquid local sector shares. Moscow Exchange has indices for nine sectors:

- MICEX O&G (RTSog) comprises stocks of oil & gas companies.
- MICEX PWR (RTSeu) comprises stocks of utilities companies.
- MICEX TLC (RTStl) comprises stocks of telecoms companies.
- MICEX M&M (RTSmm) comprises stocks of metals & mining companies.
- MICEX MNF (RTSin) comprises stocks of manufacturing companies.
- MICEX FNL (RTSfn) comprises stocks of banks and financial companies.
- MICEX CGS (RTScr) comprises stocks of consumer & retail companies.
- MICEX CHM (RTSch) comprises stocks of chemicals companies.
- MICEX TRN (RTStn) - comprises stocks of transport companies.

Values of the sectoral indices are presented in RUB and USD. MICEX sectoral indices' historical values provide historical values for rouble denominated indices, while the RTS indices' historical values provide them for dollar-denominated indices.

**The Blue Chip Index** is an indicator that tracks blue chips' performances. It is calculated from rouble denominated prices and bids for the 15 most liquid Russian stocks.

**The MICEX10** is an unweighted price index calculated as the average of price fluctuations of 10 most liquid stocks admitted to trading on the exchange. The index tracks the increase in the value of a portfolio comprising 10 stocks with the same initial weights.

**The Second-Tier Index** is an indicator that tracks the performance of stocks issued by small and mid cap companies. The index includes 50 securities with free floats ranked by market cap behind the stocks in the MICEX Index and RTS Index's unified constituent list. The Index is calculated based on USD and RUB denominated stock prices.

**The Broad Market Index** includes the top 100 shares by liquidity, market cap, and the proportion of shares in free float. The Index's list of securities is used as the basis for the constituent list of other Moscow Exchange indices. The top 50 stocks in the Broad Market Index list are used to calculate the MICEX Index and RTS Index, and the bottom 50 to calculate the Second Tier Index. Sectoral indices baskets comprise relevant names in the Broad Market Index.

**The MICEX Innovation Index** is a capitalization weighted price index comprising Russian stocks traded on the Innovations and Investments Market.

**Regional Indices** are equity indices designed to include stocks admitted to trading on Moscow Exchange, selected based on liquidity and capitalization, with issuers operating primarily in a specific region of Russia. Information on the RTS Siberia Index, comprising stocks of companies from the Siberian federal district, is currently available.

**The Russian Volatility Index** is an aggregated indicator which reflects the average value of implied volatility of options on RTS Index futures. The Black Scholes model is used to calculate the index's values,.

**The Bond Indices** are Corporate, Government and Municipal Bond Indices segmented by bonds duration and credit quality. The Bond Indices are calculated concurrently by total return and clean price methods. In addition, duration and YTM are calculated based on the index constituent lists.

**The repo rate indicators** are calculated to evaluate Russian organized repo market conditions. They are calculated separately for the stock and bond repo markets. Trades in shares in the MICEX Index and in bonds included on the CBR's Lombard list are used to calculate the indicators. There are overnight, one-week, and two-week repo rate indicators.

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# RUSSIAN EQUITY AND BOND INDICES

## July 2014

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This report includes forward-looking statements. All statements other than statements of historical fact included in this report, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, achievements or industry results to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance, achievements or industry results to differ materially from those in the forward-looking statements include, among other factors:

- Perception of market services offered by the Company and its subsidiaries
- Volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate
- Changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets
- Competition increase from new players on the Russian market
- The ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers
- The ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness
- The ability to attract new customers on the domestic market and in foreign jurisdictions
- The ability to increase the offer of products in foreign jurisdictions

Forward-looking statements speak only as of the date of this report and we expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this report as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.