

# TRADER'S FLASHNOTE - November 2014



**MOSCOW  
EXCHANGE**

Securities markets  
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## MAIN NEWS

- A fully automated e-proxy shareholding voting procedure will be implemented by NSD by May 2015
- From 1 December 2014, Moscow Exchange is setting price ticks for ten most liquid equities
- Russian Market Participants to Be Able to Report OTC Transactions with European Counterparties via NSD
- Moscow Exchange to launch MOEX Board indicative quotation system in December 2014

## BENEFITS OF LOCAL SHARES VS. DRS - KEY MESSAGES

### Main points

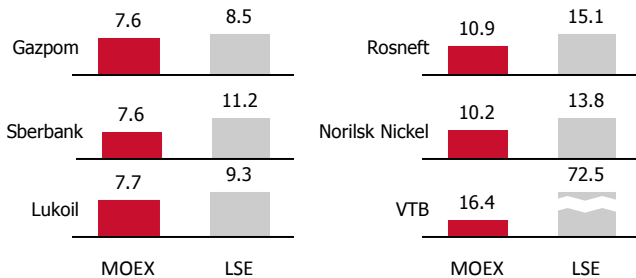
### Comments

- Higher liquidity**
  - MOEX has greater and improving liquidity vs. LSE across dual listed equity instruments supported by strong local demand
- Tighter spreads**
  - MOEX has tighter spreads compared to LSE across different ticket sizes
- Lower cost of ownership**
  - Extra fees for holding DRs of up to 80 bps of turnover compared to Locals
- Majority of investors can hold Locals**
  - 90% of international investors with Russian exposure hold Locals
- Wider shareholding rights**
  - Locals provide full scope of shareholding rights, including: Receipt of dividends, Voting at GSM, Preemptive rights, Nomination of a candidate for the Board, Adding items to the agenda of the AGSM, Extraordinary SM convocation. DRs provide basic only Dividend payments receipt and proxy GSM voting (via depositary bank).
- Local share discount to DRs**
  - Discount of Locals vs. DRs is constantly compressing, but still high

## TRADING DETAILS

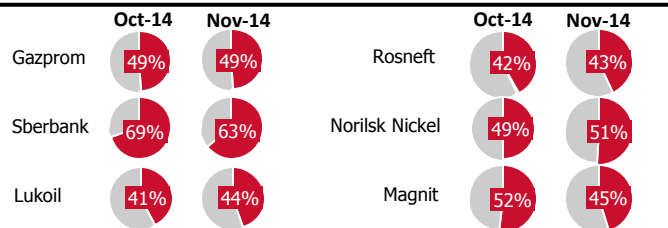
### Spreads 50kEUR deals Nov-14 (bps)

MOEX LSE



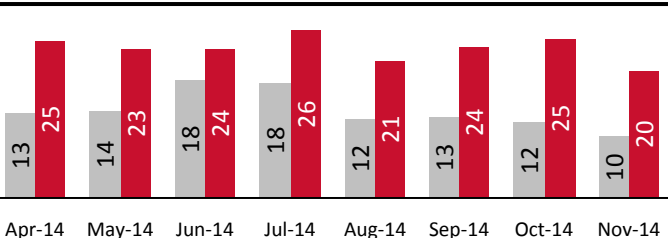
### Trading volumes by issuers

MOEX LSE



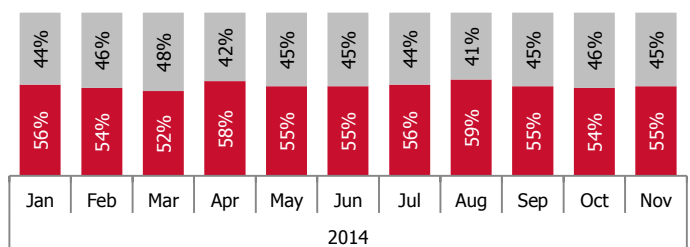
### Visible Liquidity, USD m

MOEX LSE



### Trading volumes, dual listed stocks

MOEX LSE



### TOP10 stocks Average daily trading volumes Nov-14

| Name           | Ticker | USD m | Name           | Ticker | USD m |
|----------------|--------|-------|----------------|--------|-------|
| Sberbank       | SBER   | 175   | Magnit         | MGNT   | 37    |
| Gazprom        | GAZP   | 115   | Sberbank p     | SBERP  | 30    |
| Lukoil         | LKOH   | 66    | Rosneft        | ROSN   | 23    |
| VTB            | VTBR   | 62    | Surgutneftegas | SNGSP  | 17    |
| Norilsk Nickel | GMKN   | 45    | MTS            | MTSS   | 14    |

### Local shares prices discount to DRs

