

RUSSIAN EQUITY AND BOND INDICES

December 2016

Index	Value	Return over the period, %		
	30.12.16	Month	Quarter	Year
Composite Indices				
MICEX Index	2,232.72	6.07%	12.88%	26.76%
RTS Index	1,152.33	11.98%	16.29%	52.22%
Blue-Chip Index	14,736.86	6.85%	14.02%	26.63%
Second-Tier Index	6,087.67	5.26%	26.65%	73.24%
Broad Market Index	1,588.33	6.07%	13.23%	27.70%
Sectoral Indices (in RUB)				
Oil & Gas	5,690.32	8.46%	17.61%	23.46%
Electric Utilities	1,984.16	2.30%	18.21%	110.07%
Consumer goods & Retail	6,781.37	-0.09%	-1.25%	-0.33%
Telecommunication	1,754.08	8.00%	9.14%	4.32%
Industrials	1,648.94	1.31%	-2.14%	12.58%
Financials	8,347.87	7.20%	8.13%	31.44%
Chemicals	14,423.84	-1.09%	0.52%	5.83%
Metals & Mining	5,536.89	0.42%	14.66%	46.33%
Transport	1,878.16	8.33%	25.04%	117.31%
Thematic indices				
MICEX 10 Index	4,918.92	5.50%	9.85%	24.20%
Russian Volatility Index	26.47	11.97%	2.48%	-26.94%
MICEX Innovation Index	386.92	-3.35%	6.31%	25.56%
MICEX Siberia Index	849.63	-0.58%	9.87%	65.77%
MICEX SMID Index	1,908.50	3.67%	16.20%	52.03%
Currency (CBR)				
RUB / USD	60.27	-7.19%	-4.57%	-16.87%

In December, Moscow Exchange's Indices reflected the positive trend on the Russian stock market. The MICEX Index was up 6.07% to 2,232.72 (from 2,104.91 on 30 November), while the dollar-denominated RTS Index rose 11.98% to 1,152.33 (from 1,029.05).

The dollar depreciated 7.19% against the rouble.

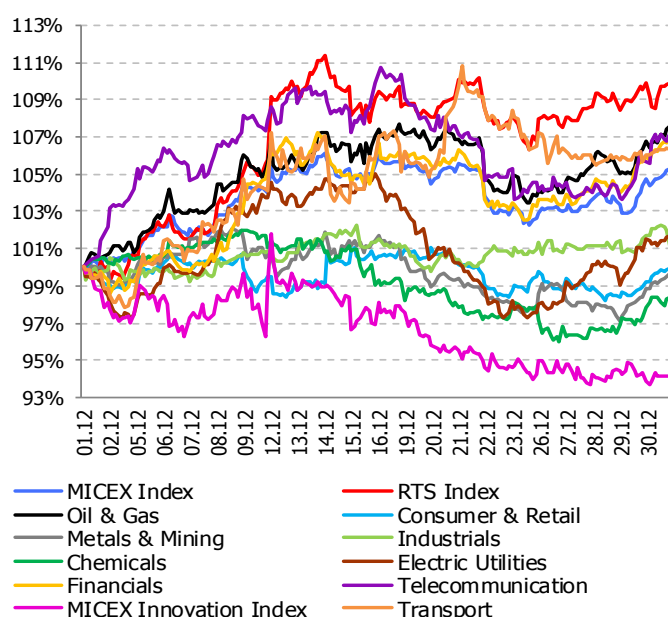
Volatility increased, with the Russian Volatility Index rising 11.97% to 26.47 (from 23.64).

Most of the key sectors made gains. The largest upturn was in Oil & gas, the sector index of which rose 8.46%. Transport and Telecommunication climbed a respective 8.33% and 8.00%. The largest fall in chemicals is 1.09%.

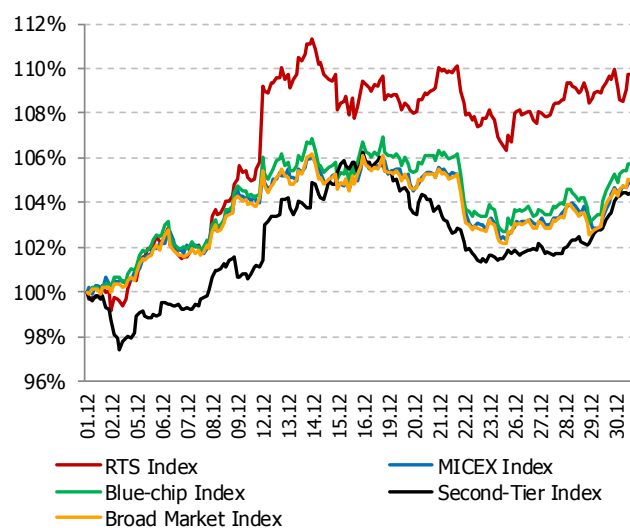
The Blue Chip Index increased 6.85% to 14,736.86 (from 13,791.86).

The Second Tier Index appreciated 5.26% to 6,087.67 (from 5,783.19). The Broad Market Index gained 6.07% to 1,588.33 (from 1,497.49).

KEY SECTORS

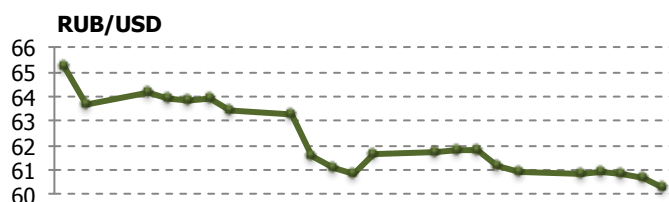
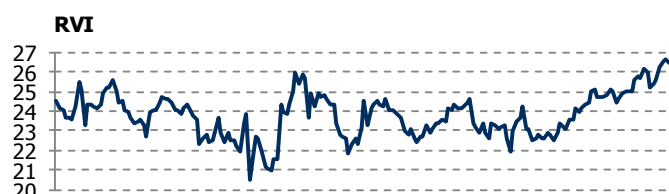
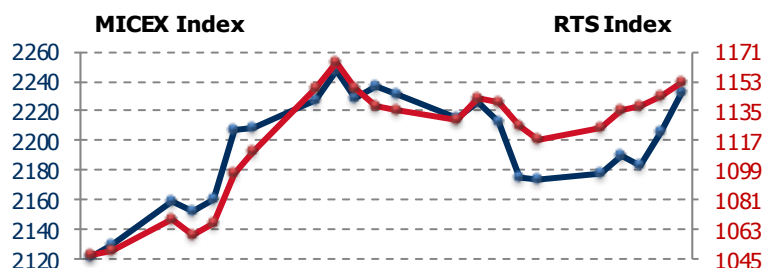


COMPOSITE INDICES

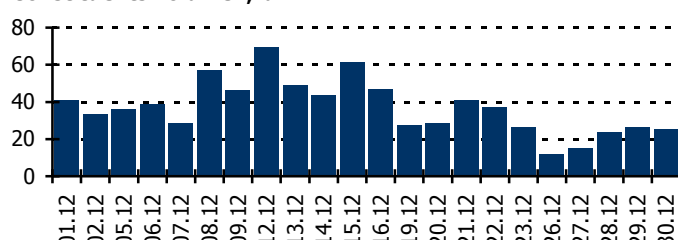


December 2016

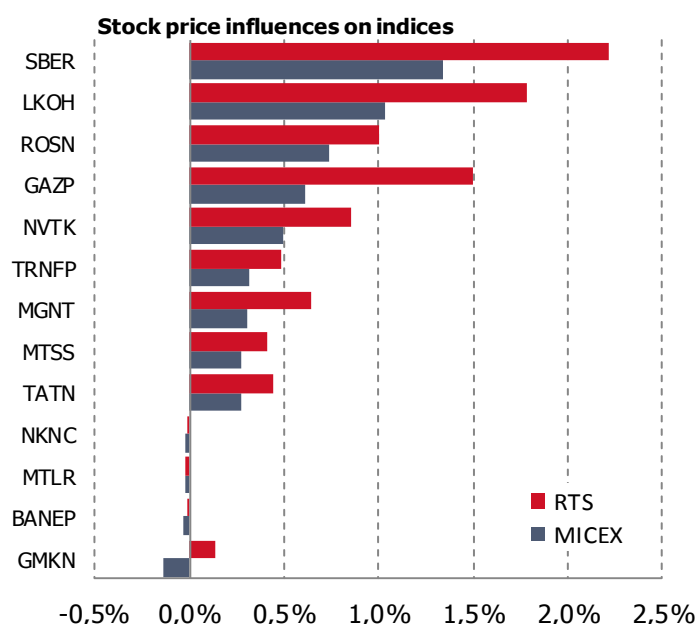
MICEX & RTS Indices: Moscow Exchange's main indices



Constituents volume*, bln.



* for the constituent stocks



In December, Moscow Exchange's Indices reflected the positive trend on the Russian stock market. The MICEX Index was up 6.07% to 2,232.72 (from 2,104.91 on 30 November), while the dollar-denominated RTS Index rose 11.98% to 1,152.33 (from 1,029.05).

The MICEX Index on 30 December was up 26.76% YoY (from 1,761.36). The RTS Index was up 52.22% YoY (from 757.04).

The RTS Index's increase last month was accompanied by an increase in volatility, with the Russian Volatility Index (RVI) up 11.97%.

The turnover of securities included in Moscow Exchanges' indices was RUB 813.90 bln, and their market cap totaled RUB 33,687.86 bln.

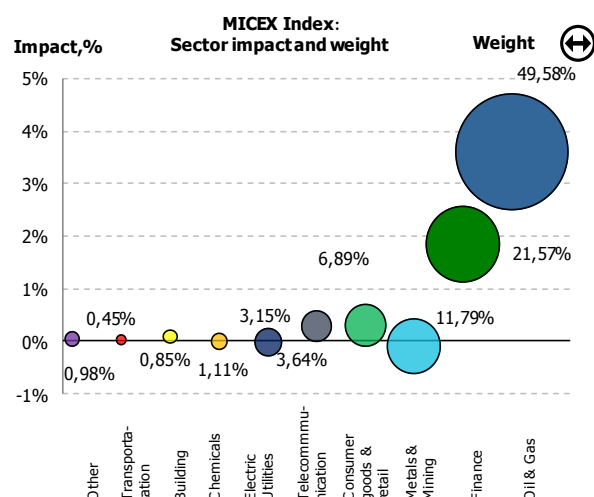
Of the 53 MICEX Index constituents, included in the new and the reviewed Index list, 35 pulled the index up (rising a total 6.43%), while 18 incurred losses (totaling 0.36%).

On the sector level, the major positive impact was from oil & gas (up 3.61%) and financials (up 1.84%).

The largest positive impact on the MICEX Index was from prices rising for ords of Sberbank (up 1.34%), PJSC "LUKOIL" (up 1.03%) and Rosneft (up 0.73%). The largest negative impact was from price losses by ords of PJSC "MMC "NORILSK NICKEL" (down 0.14%) and prefs of PJSC Bashneft (off 0.03%).

The largest positive impact on the RTS Index was from prices rising for ords of Sberbank (up 2.21%), PJSC "LUKOIL" (up 1.79%) and PJSC "GAZPROM" (up 1.50%). The largest negative impact was from price losses by ords of Mechel (down 0.02%) and prefs of PJSC Bashneft (off 0.02%).

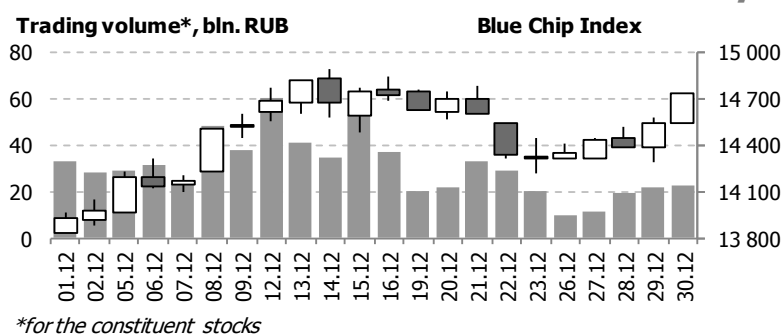
Oil & gas accounted for 49.58% of the MICEX Index's total capitalization. The other heavily weighted sectors were financials (21.57%) and metals and mining (11.79%).



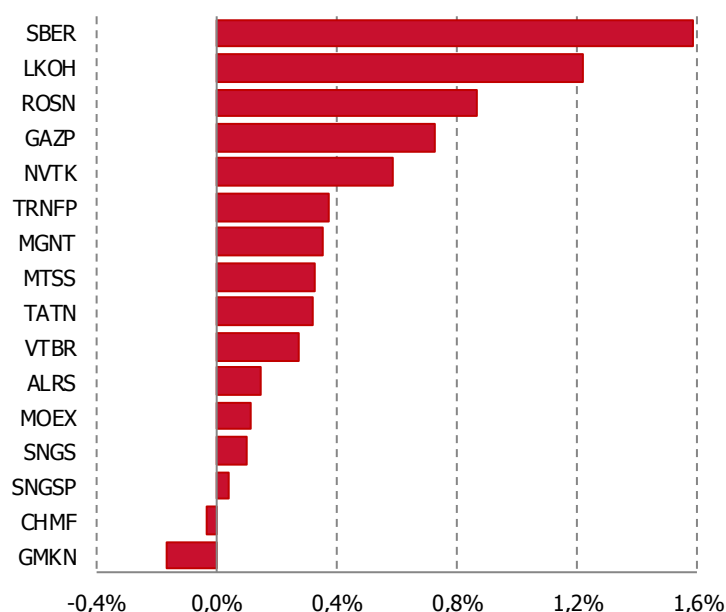
Monthly impact on indices	Up	Down	Unchanged	Total influence, %
MICEX Index	+6.43%	-0.36%	0	+6.07%
RTS Index	+12.04%	-0.06%	0	+11.98%

December 2016

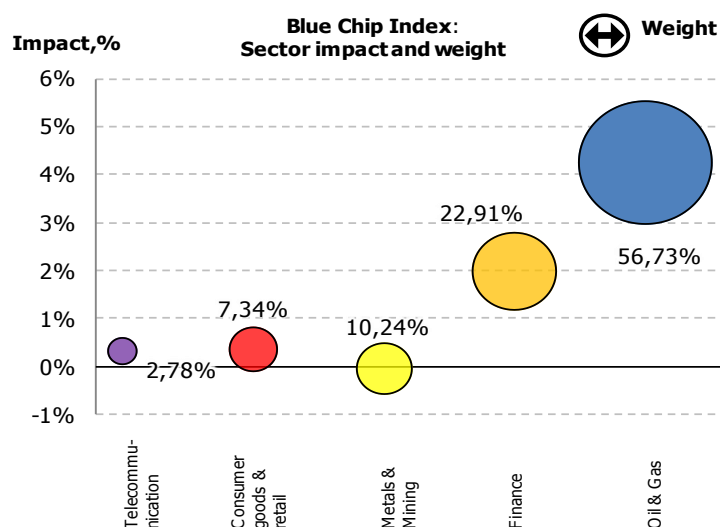
Blue Chip Index



Stock price influences on Blue Chip Index



Monthly impact on indices	Up	Down	Unchanged	Total influence, %
Number of constituents	14	2	0	16
Influence, %	+7.05%	-0.20%	0	+6.85%



The Blue Chip Index rose in December.

It was up 6.85% MoM to 14,736.86 (from 13,791.86), and up 26.63% YoY (from 11,637.91).

Of the sixteen securities, included in the new and the reviewed Blue Chip Index list, fourteen pulling the Blue Chip Index up at the end of the month (rising a total 7.05%), while two made losses (totaling 0.20%).

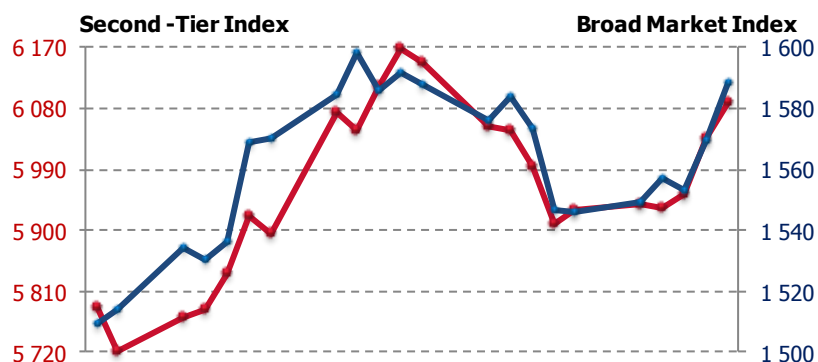
The largest positive impact was from price gains by orders of Sberbank (up 1.59%), PJSC "LUKOIL" (up 1.22%) and Rosneft (up 0.87%).

The largest negative impact on the index was from price losses by orders of PJSC "MMC "NORILSK NICKEL" (down 0.16%) and Severstal (off 0.03%).

The oil & gas sector accounted for 56.73% of the Blue Chip Index's total capitalization. The other large weight sectors were financials (22.91%) and metals and mining (10.24%).

Code	Security name	Weight in Blue Chip Index	Weight in MICEX Index
GAZP	Gazprom, ord	17.21%	14.68%
SBER	Sberbank, ord	16.89%	14.42%
LKOH	Lukoil, ord	15.11%	12.90%
MGNT	Magnit, ord	7.34%	6.26%
NVTK	Novatek, ord	7.27%	6.20%
GMKN	Norilsk Nickel, ord	5.92%	5.05%
ROSN	Rosneft, ord	5.26%	4.49%
VTBR	VTB, ord	4.19%	3.57%
TRNFP	Transneft, pref	3.45%	2.94%
TATN	Tatneft, ord	3.33%	2.84%
SNGS	Surgutneftegas, ord	3.10%	2.64%
MTSS	MTS, ord	2.78%	2.37%
ALRS	Alrosa, ord	2.73%	2.33%
SNGSP	Surgutneftegas, prefs	2.02%	1.72%
MOEX	Moscow Exchange, ord	1.83%	1.56%
CHMF	Severstal, ord	1.59%	1.36%
Total		100.00%	85.35%

Broad Market and Second-Tier Indices



In December, the Second Tier Index appreciated 5.26% to 6,087.67 (from 5,783.19). The Broad Market Index gained 6.07% to 1,588.33 (from 1,497.49).

The Second Tier Index was up 73.24% YoY (from 3,513.99). The Broad Market Index was up 27.70% YoY (from 1,243.84).

Of the fifty five securities, included in the new and the reviewed Second Tier Index list, thirty one pulling the index up (rising a total 6.96%), while twenty four made losses (1.70%).

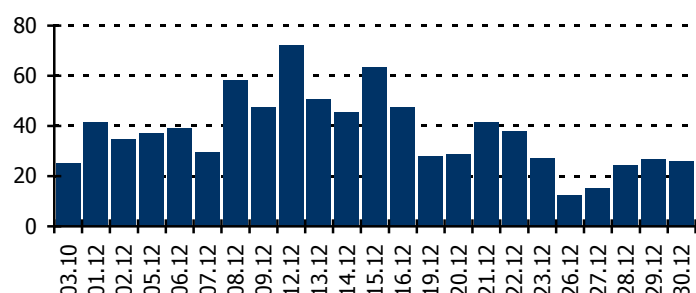
The largest positive impact on the Second Tier Index was from ords of TGC-1 (up 1.70%) and Mechel (up 0.90%).

The heaviest positive impact on the Broad Market Index was from ords of Sberbank (up 1.33%) and PJSC "LUKOIL" (up 1.00%).

The largest positive impact on the Second Tier Index was from electric utilities (up 1.79%) and metals and mining (up 1.28%).

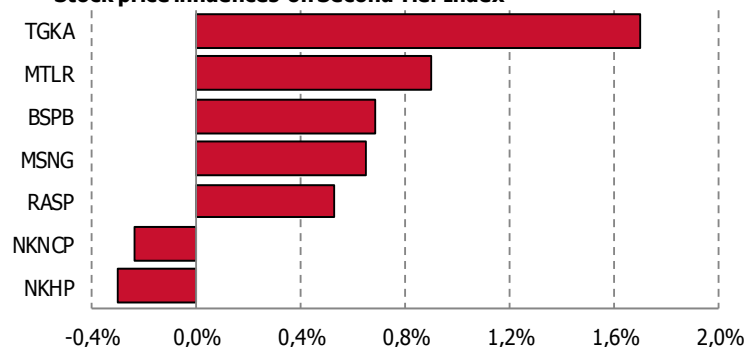
Electric utilities accounted for 33.40% of the Second Tier Index's total capitalization. The other heavily weighted sectors were metals and mining (25.81%) and chemicals (9.84%).

Trading volume*, bln. RUB

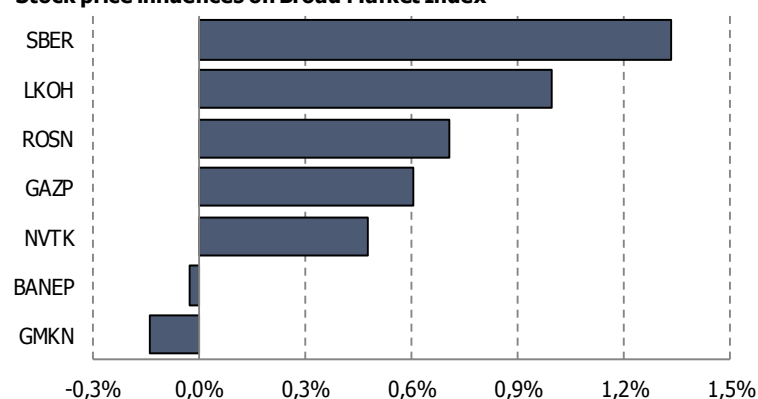


* for the constituent stocks

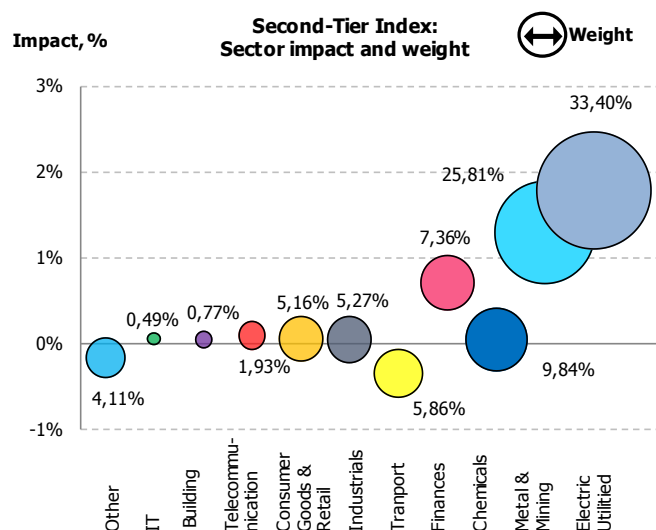
Stock price influences on Second Tier Index



Stock price influences on Broad Market Index



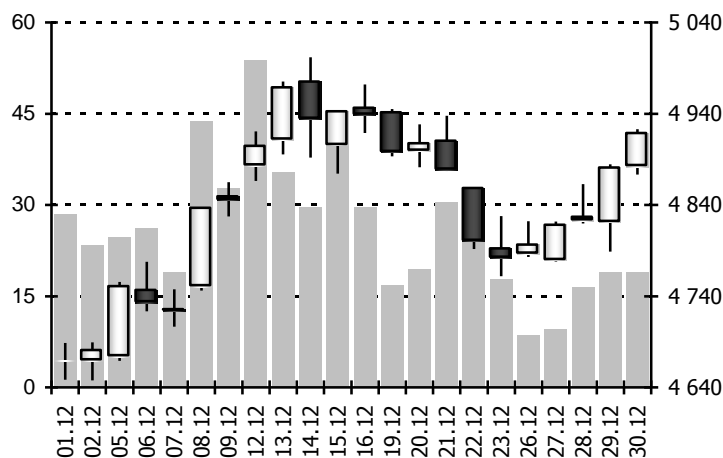
Monthly impact on indices	Up	Down	Total influence, %
Second Tier Index	+6.96%	-1.70%	+5.26%
Broad Market Index	+6.43%	-0.36%	+6.07%



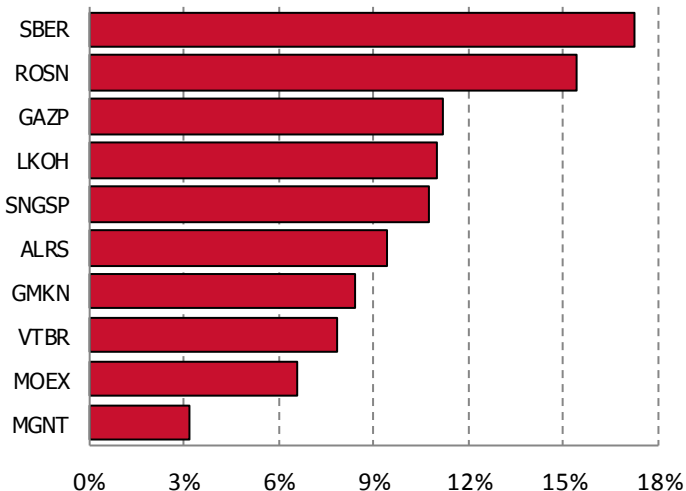
December 2016

MICEX 10 Index

Trading volume*, bln. RUB

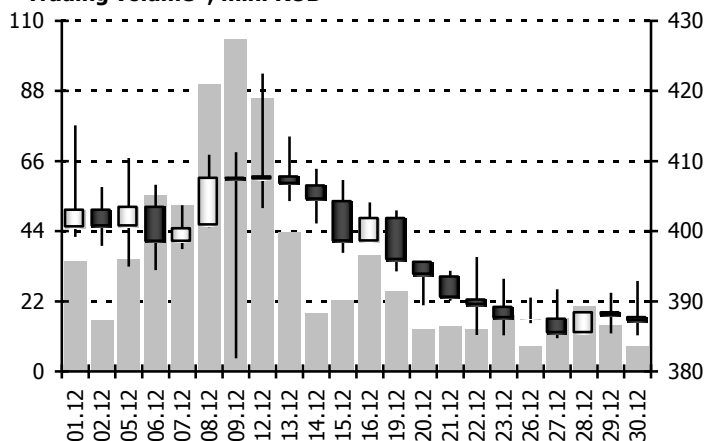


MICEX 10 stock price changes

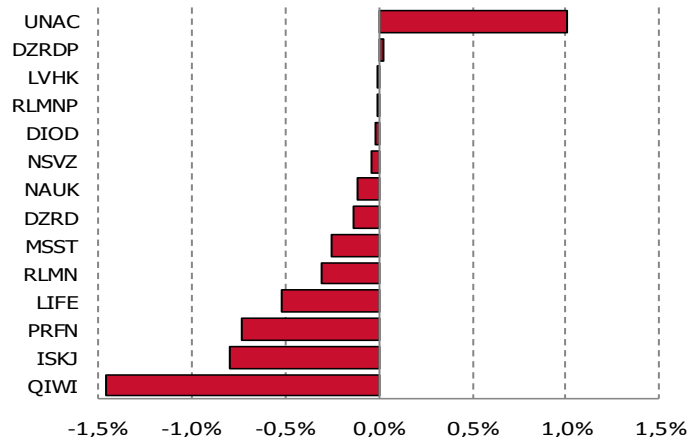


MICEX Innovation Index

Trading volume*, mln. RUB

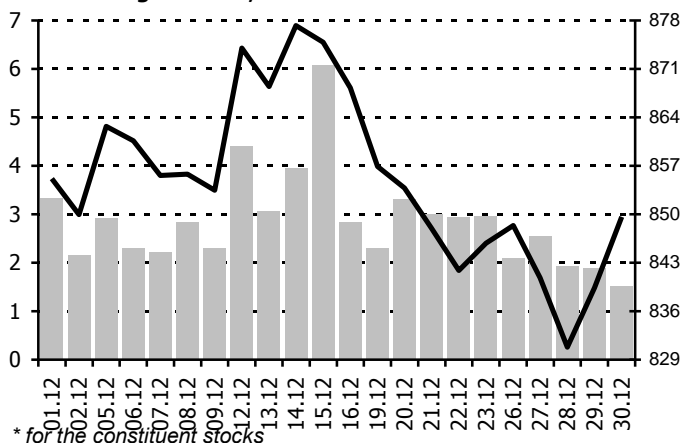


Stock price influences on MICEX Innovation Index

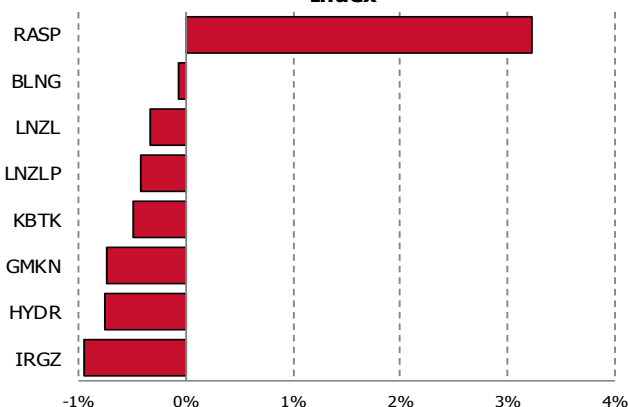


MICEX Siberia Index

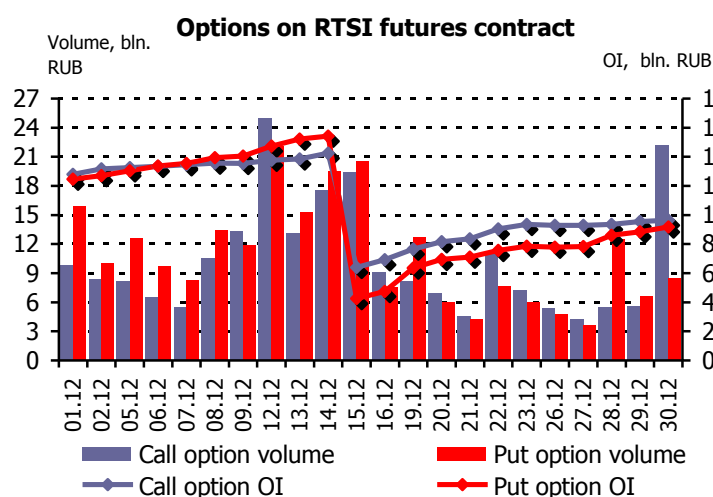
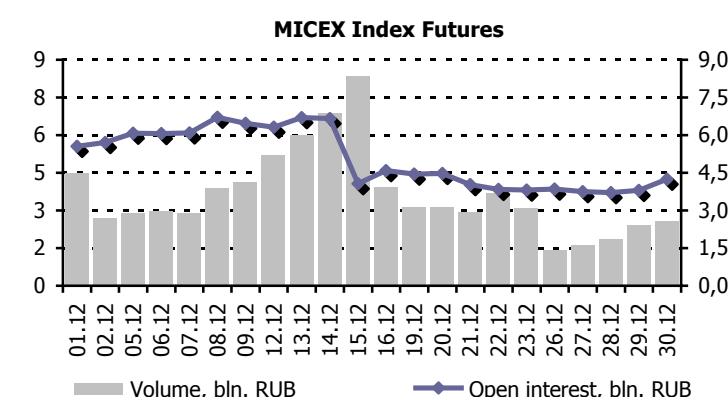
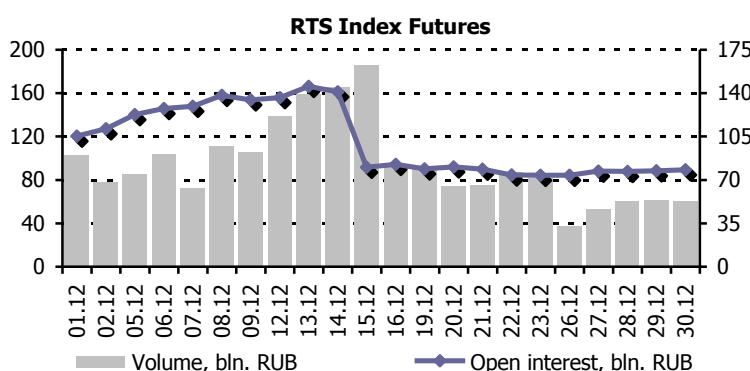
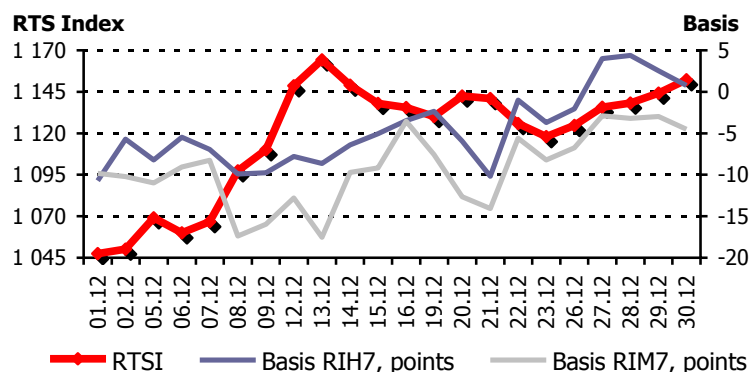
Trading volume*, bln. RUB



Stock price influences on MICEX Siberia Index



Index Derivatives



The total trading volume in index futures and options on Moscow Exchange's Derivatives Market in December 2016 was RUB 2,672.73 bln, or 20.86 mln contracts.

Last month's trading volume in RTS Index futures, which is one of the most liquid contract on FORTS, was RUB 2,084.33 bln, or 15.09 mln contracts.

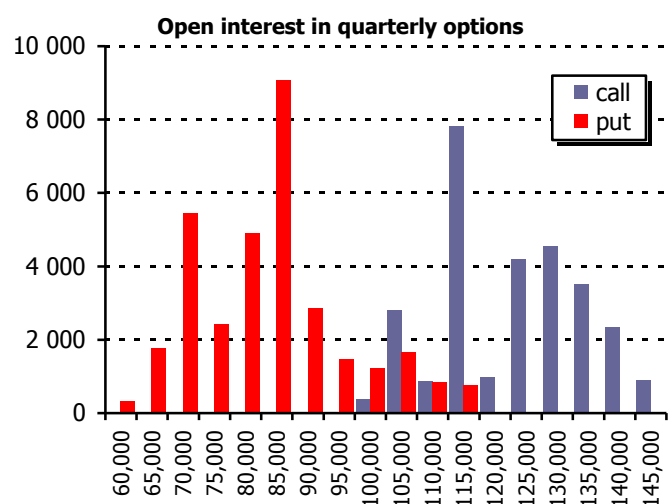
The RTS Index futures contract traded in backwardation last month. The RTS Index rose 11.98% MoM, while the March and the June futures were up a respective 12.77% and 12.53%. On December 15, the RTS Index December futures contracts were settled. The settlement price equaled 113,433 points.

Open interest in RTS Index futures decreased 24.54%.

Turnover in MICEX Index futures was RUB 80.05 bln, or 361.64 thousand contracts. Open interest in MICEX Index futures decreased 26.73%.

The trading volume in options on RTS Index futures totaled RUB 467.63 bln, or 3.56 mln contracts. Open interest was RUB 188.22 bln, or 1.54 mln contracts. Puts made up 48.73% of the total open interest. The 115,000 strike calls and 85,000 strike puts had the highest open interest.

The open interest in options on RTS index futures fell 25.33%.



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Moscow Exchanges Indices are key indicators of the Russian organized securities and derivatives market. Moscow Exchange Indices responds with the Principles for Financial Benchmarks (the IOSCO Principles), published by the International Organization of Securities Commissions (IOSCO) in July 2013. The compliance was confirmed by the Ernst & Young company during the audit.

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 MICEX 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 MICEX Siberia Index, comprising stocks of companies from the Siberian federal district, is currently available.

Moscow Exchange SMID Indices are free float-adjusted cap-weighted composite indices calculated based on the prices of the small and medium capitalization stocks listed in Russia.

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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- 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.