

YOUR GUIDE TO THE RUSSIAN STOCK AND DERIVATIVES MARKET

Inside the Market

Moscow Exchange and RVC established Russian Innovation IPO Club

On July 04, 2012 the kick-off meeting of Russian Innovation IPO Club was held. Russian Innovation IPO Club is being established with the support of the Moscow Exchange Innovation and Investment Market (the IIM) and OJSC RVC. Ongoing development of the Russian economy innovation sector entails building the innovation sector of the Russian public stock market that is being formed also within the Innovation and Investment Market of Moscow Exchange. However, at the moment there is no any official or unofficial public association representing this development. The establishment of Russian Innovation IPO

Club is aimed at promotion of Russian technological companies conducting IPOs, discussion of common issues and sharing experience in a casual environment. Anatoly Chubais (RUSNANO), Alexander Afanasiev (Moscow Exchange), Igor Agamirzian (RVC), Ivan Rodionov (Higher School of Economics), Alexander Egorov (Reksoft), Alexey Kalinin (Baring Vostok Capital Partners), and Sergey Nedoroslev (Kaskol) participated in the meeting. In addition, top managers and owners of innovative companies which have already floated to the public market, first of all to the IIM, and of those that are preparing to float as well as leading

In this Issue:

Valuable information for your business including:

- The latest news from the Russian market
- Market data for July 2012
- Moscow Exchange International projects
- Professional opinion of market specialists

experts of investment and innovation community were among the meeting's participants.

In his address to the meeting, Alexander Afanasiev, CEO of Moscow Exchange, stressed: "The Innovation and Investment Market embodies an opportunity to buy the future. This is the market for competitive ideas, feasible breakthroughs, and new demand. We aim not only to attract investments for Russian innovative companies but together with the partners to maintain the innovation sector of the economy by creating new venues for communication between investors and owners of businesses. Russian Innovation IPO Club is designed to become such platform. The Club's concept, its goals and key tasks, membership and rules and procedures were considered

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NEWS IN BRIEF...

Russian FX market – what it takes to get to the top

Read the interview with Igor Marich, Managing Director, FX&Money Market business division at Moscow Exchange, on [page 17](#)



Moscow Exchange announces H1 net profit of over RUB1.5 billion under Russian Accounting Standards

For more information please visit the [website](#)

The Moscow Exchange Committee for Development of the Innovation and Investment Market selects most promising companies of IPOboard

For more information please visit the [website](#)

by the meeting's participants. One of the Club's key tasks is sharing experience in investment generation, including on global markets, as well as promoting the corporate governance best practices and standards among innovative companies. These and other tasks should be solved through com-

munication between all involved parties. In addition, the participants discussed IPOs of high technology companies and drew conclusions on what conditions were necessary for successful IPO of this type of companies, whether the IIM would become "the Russian NAS-

DAQ" and what proactive steps are needed to achieve this goal, whether "the Russian NASDAQ" could facilitate creating the innovative economy, etc. The next regular meeting of the Club is scheduled for autumn 2012.

Moscow Exchange's market data and index values are now available to Google Finance users

In July 2012, market data of Moscow Exchange, including index values, were made available to users of the Google Finance service (google.com/finance). Now real-time information on

trades executed on the Exchange's Securities Market and MICEX Index values are published at www.google.com/finance. This service also allows users to receive archive market data for several years.

Moscow Exchange's market data is published alongside with information from the leading global exchanges, such as NYSE, LSE, Tokyo Stock Exchange, NASDAQ and others.

Moscow Exchange to introduce new swap transactions on its currency market

In order to give impetus to the swaps trading, the Currency Market Committee of Moscow Exchange recommended that the Exchange launches trading in the 9-month and 1-year USD/RUB FX swaps.

It is planned that the swaps with new settlement periods will be introduced in August 2012. Procedure for registration of trades and margin requirements for USD_TOM9M and USDTOM_1Y

swaps will be similar to those used for swaps with shorter settlement periods and will be applied for consolidated positions of the FX market participants.

XV Annual Report Competition open for entries

On July 23, 2012 Moscow Exchange started accepting applications for participation in the XV Annual Report Competition. Over the last fifteen years the Annual Report Competition has become an established event for the IR community. From year to year it has been attracting more and more participants. A record number of Russian and foreign companies from almost all sectors of economy, i.e. oil & gas, power, metallurgy,

telecommunication, consumer etc. took part in the competition in 2011. Any Russian or foreign company compiling report in Russian can participate in the Competition. To enter, please fill out the entry form on the Annual Report Competition's website and send company's 2011 annual report in any format. The Annual Report Competition is a unique venue for companies to present their annual reports. The Competition is aimed at maintaining

the high level of companies' transparency and facilitating effective disclosure for both investors and clients. It is one of the most significant annual IR events in Russia. You can submit applications to participate in the competition from July 23 through till October 12, 2012. We invite you to take part in the 15th Annual Report Competition!

Corporate News

Moscow Exchange announces new appointment

Moscow Exchange is pleased to announce the appointment of Roman Sulzhik as Managing Director of the Exchange's Derivatives market. The appointment is in effect from July 30, 2012.

Roman will be responsible for developing the futures and options market, broadening the range of

the Moscow Exchange derivatives instruments, as well as an interaction with Russian and foreign clients and partners. Roman has considerable experience in derivatives financial instruments. From 2000 to 2008 he worked for JP Morgan Chase in New York and London where he

was engaged in creating the risk management system and trading in derivatives. From 2008 to 2011 Roman was in charge of derivatives trading at Deutsche Bank in Moscow. Roman joined Moscow Exchange in April 2012 as Managing Director responsible for economic risk management.

26.07.2012

Moscow Exchange Committee on fixed income securities holds a meeting

On July 23, 2012 the Committee on fixed income securities of CJSC MICEX Stock Exchange (member of Moscow Exchange Group) held a meeting. The main topics for discussion were Exchange's initiatives for developing the fixed income market and enhancing its transparency as well as the listing reformation.

The Committee members discussed the main ideas of developing listing on the Exchange aimed at optimization of the quotation list structure and elaboration of effective criteria for inclusion and maintenance of securities to be

listed. The Exchange was advised to take into account ratings of issuers and certain bonds issues given by both international and Russian rating agencies. It was also recommended to include specific features of the fixed income market (early redemption of some bonds in the issue, amortization) while evaluating the issue volume and other parameters of bond issues. The Committee also advised the Exchange to separate the trading volume of the Russian Federation government bonds which were transferred to MICEX Stock Exchange from the Moscow

Exchange Government Securities Market in March this year, to other ratings of trading members activity and exclude these figures from the current bond ratings. Furthermore, it was suggested that ratings of the trading modes "Bonds: main trading mode" and "Bonds: negotiated trades mode" should be aggregated. In this connection, during August 2012, trading members will receive an offer to send a letter to the Exchange with their consent to take part in the above-mentioned ratings that will allow launching the ratings publication from September 2012.

25.07.2012

New trading record on OFZ futures contracts set on the Moscow Exchange derivatives market

On July 25, 2012 on the Moscow Exchange derivatives market, turnover of the futures contracts on baskets of Russian Federation government bonds exceeded RUB3.3 billion, setting a record since the launch of trading in these instruments.

The OFZ baskets contracts have been developing with impressive dynamics. The liquidity and market capacity for the contracts have boosted with an average daily turnover doubling from RUB600 million in February 2012 to RUB1.3

billion in June 2012. Such liquid instruments that allow flexible response to fluctuating interest rates have been attracting more and more participants.

11.07.2012

FX market of Moscow Exchange welcomes 1000th client

More than 1,000 clients are now registered on the FX market of Moscow Exchange. Already 20 banks and brokerage firms provide direct access to trading on the Exchange's currency market for their clients, Russian and foreign legal entities

and individuals. So far this year, the FX market average daily trading volume has reached RUB438.5 billion, up almost 50% compared with the same period last year. Volume of clients' transactions has made up over RUB5 trillion. Such the increase in

the trading volume is the evidence of successful implementation of the direct access project on the FX market. In the first six months of 2012 turnover of the FX market was up 55% to RUB127.2 trillion (RUB82.3 trillion in the same period last year).

05.07.2012

FX market of Moscow Exchange to introduce additional commission fee

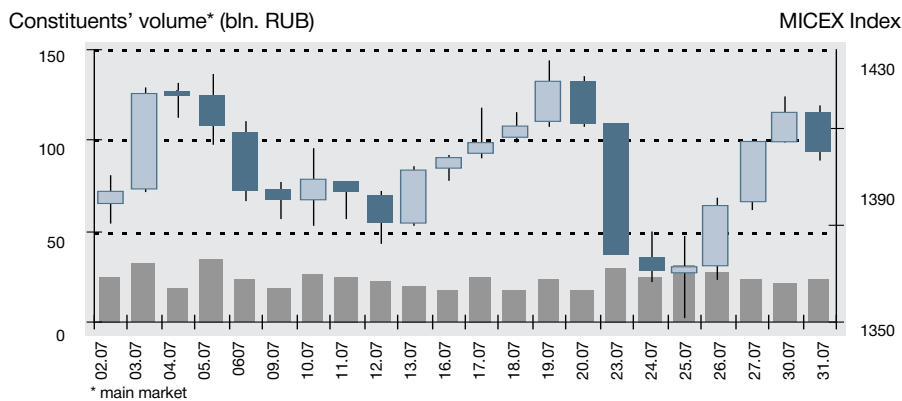
Please be advised that in August 2012 Moscow Exchange is imposing additional commission fee (the fee) for unproductive load of its trading system. The fee will be introduced in order to regulate operations made by high frequency trading systems (HFT) of the UTS market participants and within the

framework of the tariff harmonization aimed at all markets of the Moscow Exchange. In order to prepare for the introduction of the fee and charging procedure thereof, starting from July 06, 2012, the UTS market participants with clients submitting orders in the amount exceeding

fixed threshold of 30,000 orders per trading session will receive information reports containing the fee amount. For the period from 6 July until the launch of the fee, the fee will not be charged. The fee launch day is to be announced later.

The MICEX Index Monthly Wrap-Up: July 2012

Pic 1 MICEX Index Dynamics

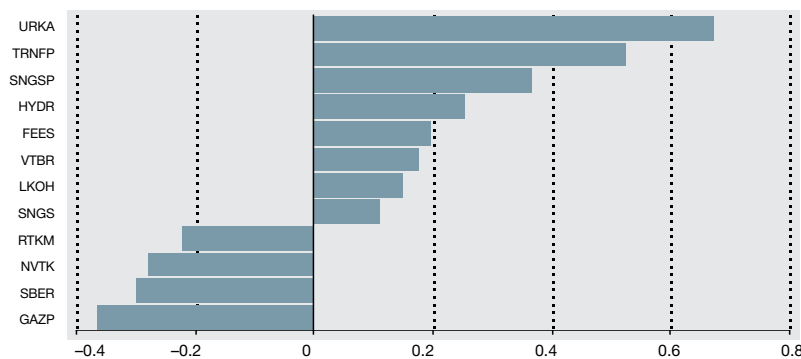


In July 2012 the Russian stock market demonstrated positive dynamics. For the last month the MICEX Index went up 1.41% to reach 1,407.02 index points (1,387.52 as of June 29, 2012). **(Pic 1)**

By the end of the month the MICEX Index was 17.49% lower compared to its closing level a year ago (1,705.18 points as of July 29, 2011).

In July the trading volume of the securities, MICEX Index constituents, in the Main market sector totaled RUB681.87 billion, and the total capitalization of the Index constituents made up RUB18,601.01 billion.

Pic 2 Stocks Prices Impact on MICEX Index (%)



In July 19 out of MICEX Index's total 30 constituents had positive impact on the MICEX Index's dynamics (up 2.86%), 11 securities moved negatively (down 1.45%).

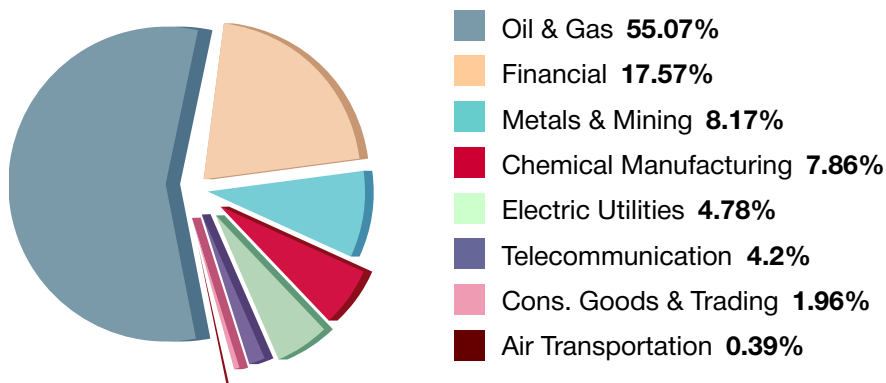
The largest positive impact was coming from the rising prices of ordinary shares of Uralkali (up 0.67%), Sberbank (up 0.53%) and NOVATEK (up 0.36%). **(Pic 2)**

The largest negative impact was coming from the falling prices of MMC NORILSK NICKEL ordinary shares (down 0.36%).

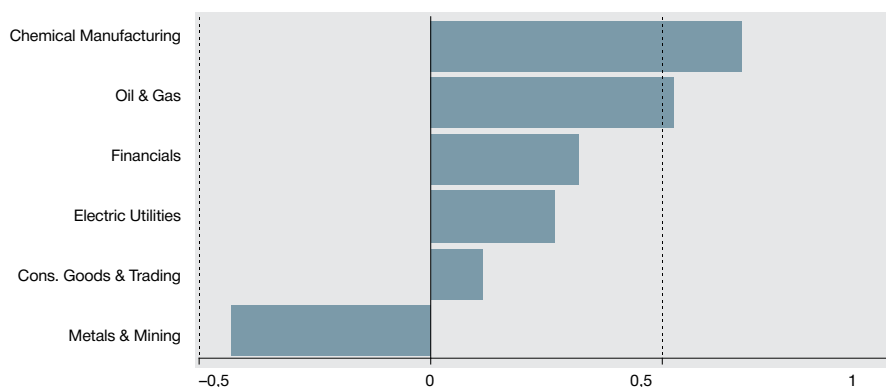
55.1% of the MICEX Index total capitalization concentrated in Oil & Gas sector. The other large-weighted sectors were Finance (17.6%) and Metals & Mining (8.2%). **(Pic 3)**

In July the major contributors were the companies of Chemical Manufacturing sector (up 0.67%) and Oil & Gas (up 0.53%) **(Pic 4)**.

Pic 3 MICEX Index Sectoral Structure

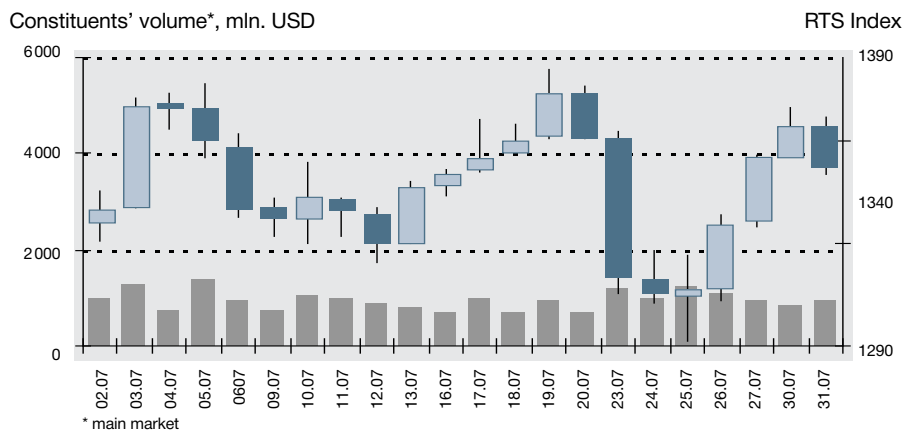


Pic 4 Sectoral Contribution to Index Dynamics (%)



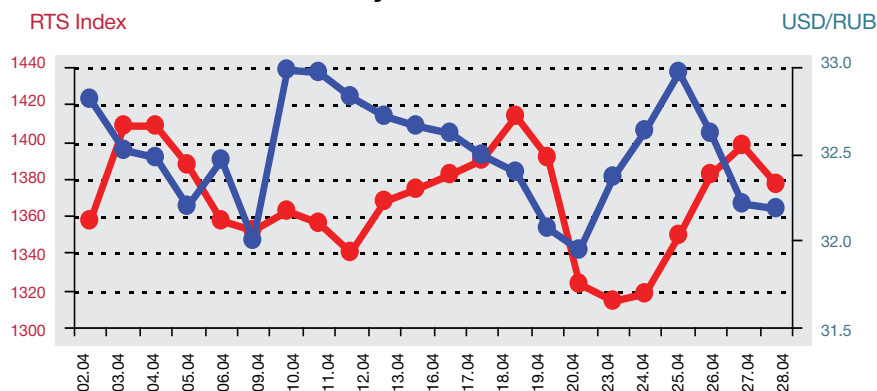
The RTS Index Monthly Wrap-Up: July 2012

Pic 1 RTS Index Dynamics



In July 2012 RTS Index went up by 1.99% to reach 1,377.35 index points (1,350.51 points as of June 29, 2012). **(Pic 1)** By the end of May RTSI was 29.91 % lower compared to its closing level a year ago (1,965.02 as of July 29, 2011). The US dollar went down 1.91% against the Ruble in July 2012 **(Pic 2)**.

Pic 2 RTS Index vs US Dollar Dynamics



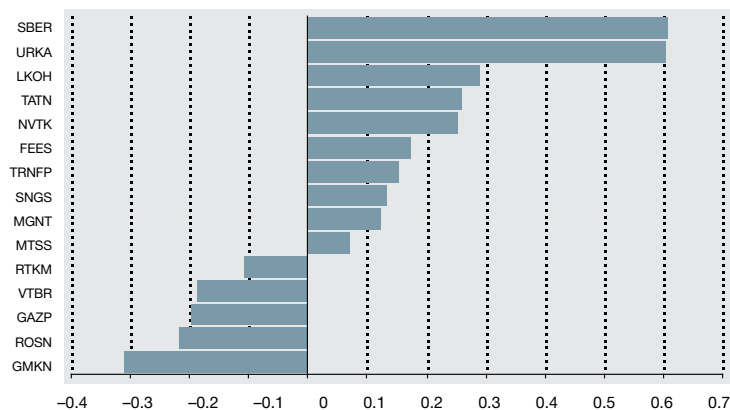
Last month volatility went up: the Russian Volatility Index RTSVX grew by 4.36%. In July 2012 31 out of RTSI's total 50 constituents had positive impact of the RTS Index's dynamics (up 3.23%). 19 securities moved negatively (down 1.24%).

The largest positive impact was coming from the growing prices of ordinary shares of Sberbank (up 0.61%), Uralkali (up 0.60%) and Lukoil (up 0.29%). **(Pic 3)**

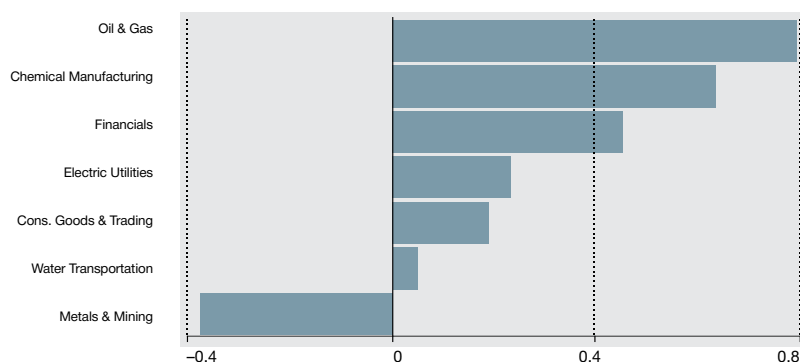
The largest negative impact was coming from the falling prices of ordinary shares MMC NORILSK NICKEL (down 0.31%).

In July the major contributors were the companies of Oil & Gas sector (up 0.8%) and Chemical Manufacturing (down 0.63%). **(Pic 4)**

Pic 3 Stocks prices impact on RTS Index (%)



Pic 4 Sectoral Contribution to Index Dynamics (%)



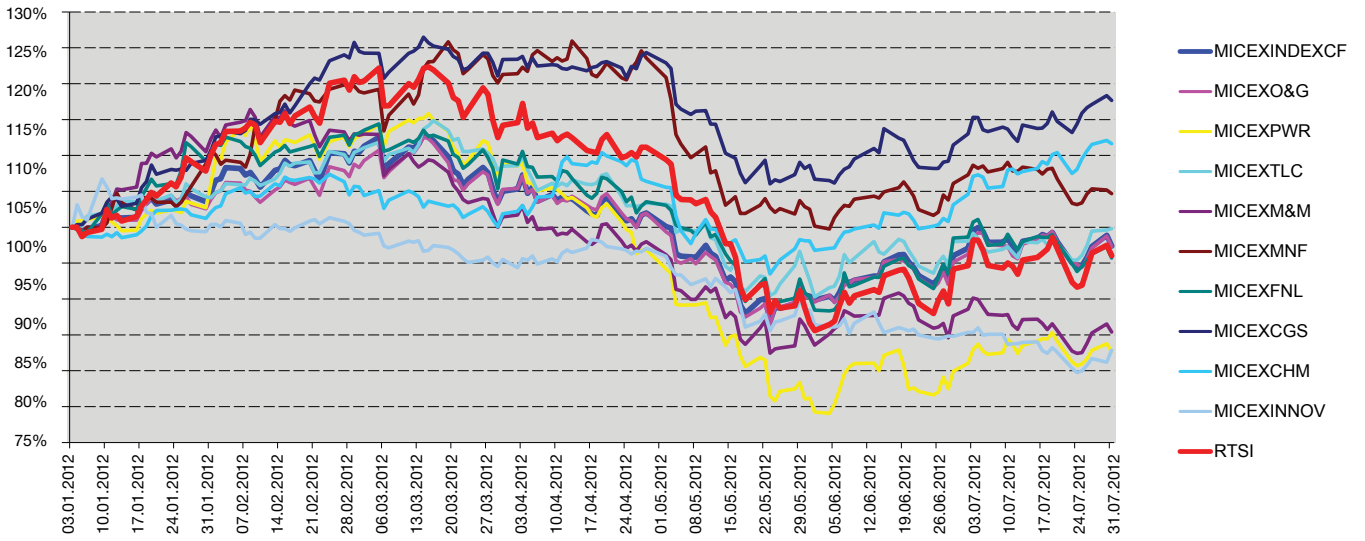
Indices

Indices performance

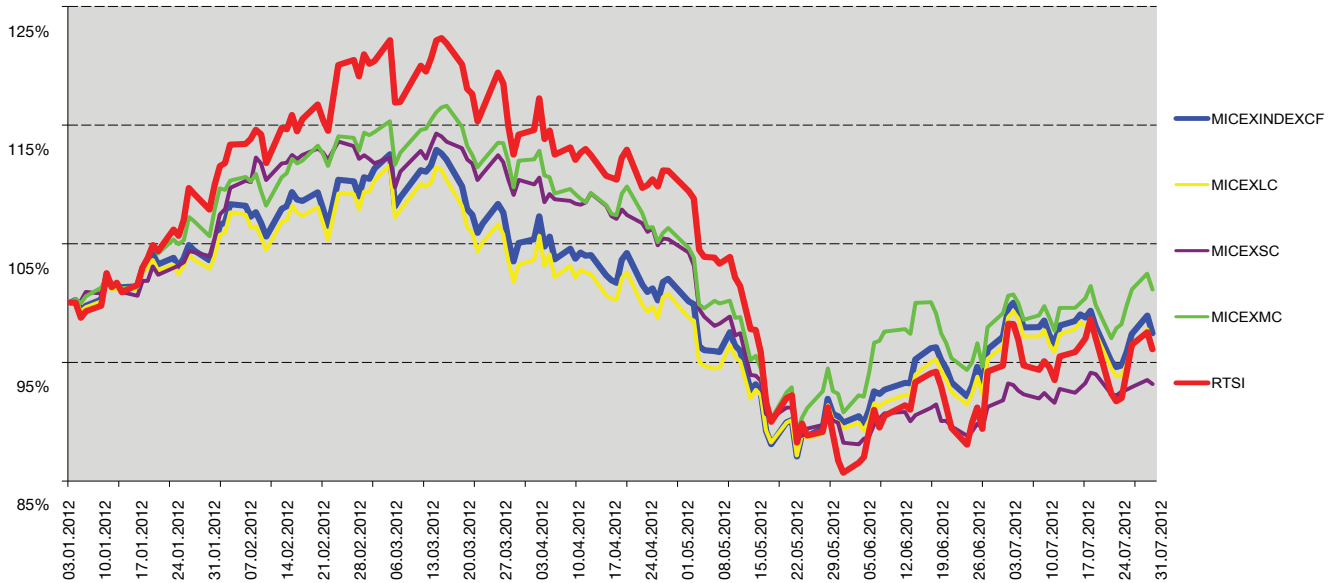
Index	Last Value	Max	Min	Return over the period (%)		
				Month	Quarter	Year
Composite Indices						
MICEX Index	1,407.02	1,444.31	1,365.75	1.41%	-4.51%	-17.49%
RTS Index	1,377.35	1,413.97	1,314.27	1.99%	-13.59%	-29.91%
RTS Standard Index	9,609.77	9,933.58	9,342.53	0.52%	-4.73%	-16.76%
Sectoral Indices (in RUB)						
Oil & Gas	2,987.96	3,051.44	2,897.29	2.32%	-4.51%	-6.63%
Electric Utilities	1,764.05	1,821.02	1,721.91	3.45%	-14.64%	-37.86%
Consumer & Retail	4,663.09	4,689.97	4,437.56	5.56%	-5.38%	-13.93%
Telecommunication	2,099.09	2,099.09	2,006.64	1.84%	-3.43%	-19.96%
Industrials	1,826.36	1,902.44	1,799.92	-1.35%	-15.30%	-22.67%
Financials	4,720.88	4,985.61	4,628.52	-2.81%	-7.58%	-20.80%
Chemicals	7,902.27	7,935.07	7,404.83	8.24%	4.93%	3.47%
Metals & Mining	2,736.22	2,887.67	2,640.94	-2.58%	-12.85%	-46.12%
Cap Indices						
Large Cap	2,252.31	2,321.07	2,192.71	1.12%	-4.37%	-17.66%
Mid Cap	2,379.87	2,411.80	2,283.13	3.25%	-4.91%	-22.56%
Small Cap	3,282.06	3,315.93	3,226.27	2.12%	-11.63%	-33.76%
Thematic indices						
Russian Volatility Index	34.7	36.22	28.73	4.36%	19.37%	50.74%
RTS Siberia Index	673.07	702.58	660.70	1.57%	-9.34%	-27.39%
MICEX Innovation Index	635.71	659.82	612.01	-2.32%	-14.66%	-34.57%
Bond Indices						
Russian Government Bond Index	289.34	289.99	283.77	2.63%	1.72%	6.21%
Corporate Bond Index	215.01	215.01	212.81	1.13%	0.82%	4.29%
Municipal Bond Index	159.7	159.73	158.25	0.95%	0.66%	3.63%
Currency (CBR)						
USD / RUB	32.19	32.99	31.95	-2.28%	9.42%	16.67%

Indices

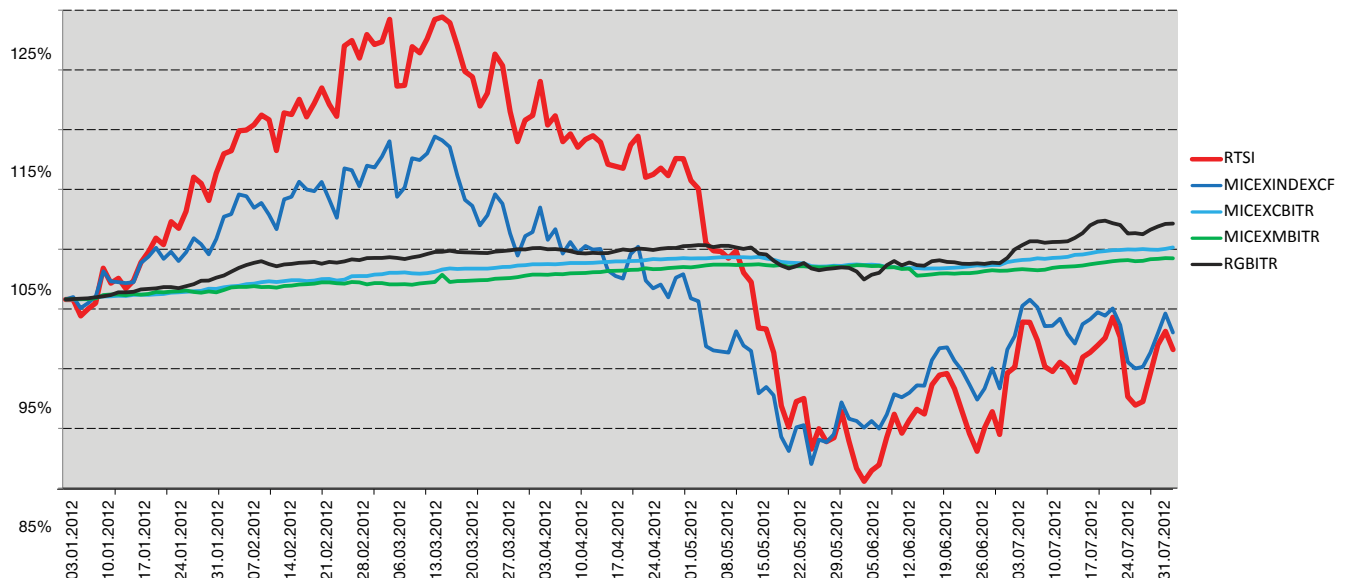
MICEX Index, RTS Index and Sector Indices historical performance: January – July 2012



Capitalization Indices historical performance: January – July 2012



MICEX Index, RTS Index and Corporate and Municipal Bond Indices historical performance: January – July 2012



Market Data: July 2012

Trading Results: July 2012

Securities (stocks, fund units, receipts) on Main Trading Mode and Negotiated Deals Mode	July	June	Change (%)
Trading volume, mln USD	23,478	24,415	-4
Number of trades	7,668,408	7,512,459	2
Bonds (Main Trading Mode and Negotiated Deals Mode)	July	June	Change (%)
Trading volume, mln USD	31,031	20,889	49
Number of trades	40,914	32,435	26
REPO (stocks)	July	June	Change (%)
Trading volume, mln USD	108,024	83,391	30
Number of trades	92,715	78,106	19
REPO (bonds)	July	June	Change (%)
Trading volume, mln USD	453,371	386,841	17
Number of trades	69,753	64,647	8
FX market	July	June	Change (%)
Trading volume, mln USD	327,559	323,728	1.2
Number of trades	449,132	465,839	-3.6

Top 5 MICEX Stock Market Best Sellers: July 2012

Company name	Trading volume (USD)	Share in MICEX (%)
"Troika Dialog"	49,040,502,586	18
Renaissance Capital	29,970,252,502	11
Brokerage Company REGION	25,546,901,048	9
OTKRITIE Brokerage house JSC	16,272,537,121	6
OJSC Promsvyazbank	13,389,618,880	5

Securities Market Data: July 2012

Top 10 MICEX Main Trading Mode Leading Operators

Company name	Rating position	
	July	June
BCS Ltd.	1	2
OTKRITIE Brokerage house JSC	2	1
Investment Company FINAM Ltd.	3	3
"ALOR Plus Corp"	4	6
Renaissance Capital	5	5
"Troika Dialog"	6	4
VTB 24 (JSC)	7	7
OJSC "ZERICH Capital Management"	8	9
Sberbank of Russia	9	10
ALFA-BANK	10	11

Top 10 MICEX Negotiated Deals Mode Leading Operators

Company name	Rating position	
	July	June
"Troika Dialog"	1	1
ALFA-BANK	2	3
IC Financial Bridge	3	6
"ALOR Plus Corp"	4	13
IC Financial System	5	58
Credit Suisse	6	11
IC VELES Capital	7	8
INTERPROMBANK	8	7
Deutsche Bank	9	16
Sberbank of Russia	10	2

Top 10 MICEX REPO Stocks Market Leading Operators

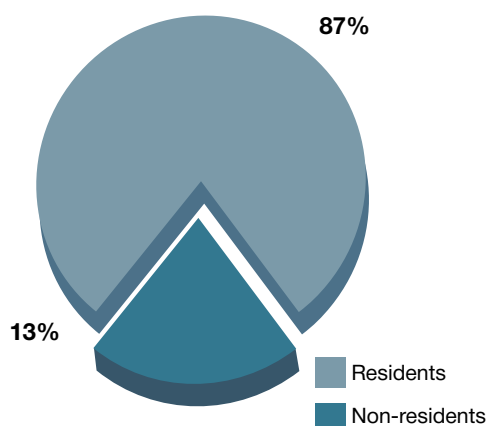
Company name	Rating position	
	July	June
Renaissance Capital	1	1
Sberbank of Russia	2	2
"Troika Dialog"	3	6
CJSC «VTB Capital»	4	3
OJSC Promsvyazbank	5	5
GPB (OJSC)	6	4
ALFA-BANK	7	7
ING BANK (EURASIA) ZAO	8	8
Investment Company FINAM Ltd.	9	11
NOMOS BANK	10	10

Top 10 MICEX REPO Bonds Market Leading Operators

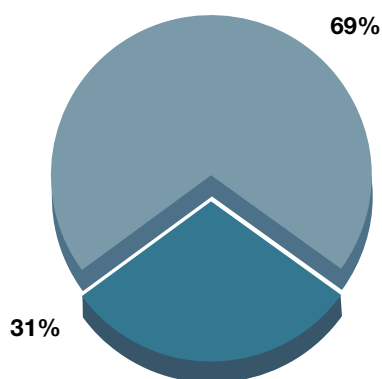
Company name	Rating position	
	July	June
Sberbank of Russia	1	1
Bank of Moscow	2	2
Brokerage Company REGION	3	10
JSC VTB Bank	4	4
"Troika Dialog"	5	5
ZAO UniCredit Bank	6	3
ING BANK (EURASIA) ZAO	7	8
Raiffeisenbank	8	7
CentroCredit Bank	9	6
GPB (OJSC)	10	9

Residents and non-residents share in the market turnover: July 2012

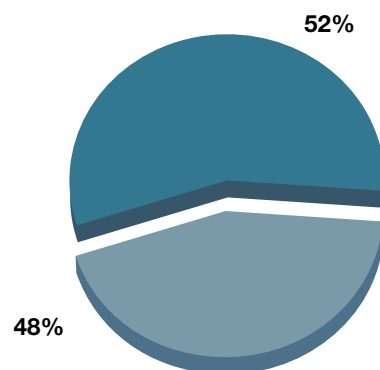
Main market



FORTS market



Standard sector



Securities Market Data: July 2012

Top 10 Standard Leading Operators: July 2012

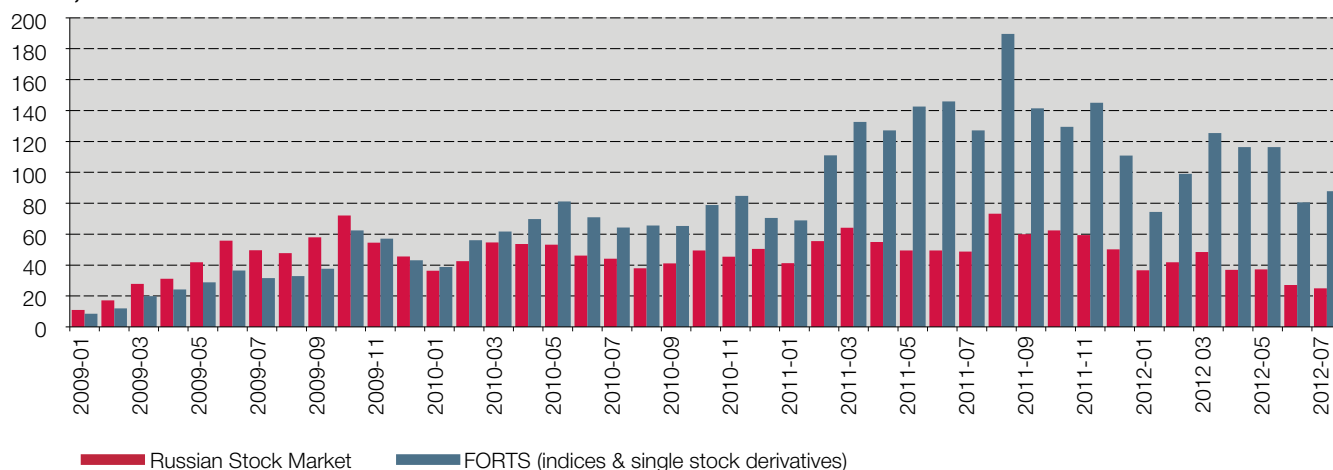
Company name	Rating position	
	July 2012	June 2012
Troika Dialog	1	1
OTKRITIE Brokerage house JSC	2	2
Solid	3	7
KIT Finance Ltd.	4	6
JSC "Investment Company "ITInvest"	5	3
ALOR Plus Corporation	6	11
JSC "Piter Trust Investment Company"	7	15
ABH	8	8
OLMA Investment Firm	9	5
"IJS BANK"	10	13

Top 5 Classica & Standard & T+0 (RTS) Stock Market Best Sellers: July 2012

Company name	Trading volume (USD)
Sberbank, ordinary	1,073,706,077
GAZPROM, ordinary	726,748,493
OAO "LUKOIL", ordinary	603,115,385
OJSC "MMC "NORILSK NICKEL"	150,559,501
Rosneft, ordinary	144,768,343

FORTS and Russian stock market turnover

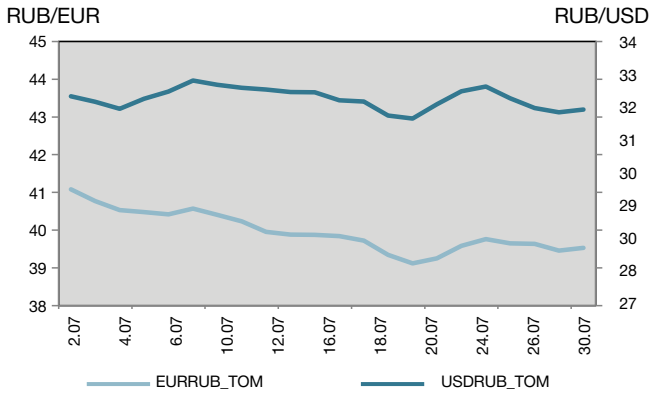
Turnover, bln USD



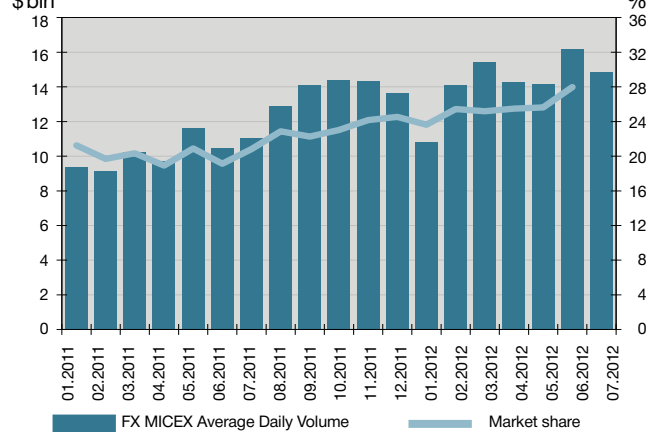
FX Market

Against the background of the debt crisis and further weakening of the EU economic activity, the Euro was still under pressure in July and fell on FOREX from 1.26 to 1.23 US dollars per euro. Reflecting the major trend of the global markets, the Euro with tomorrow settlement fell in July by RUB1.81 (down 4.4%) to reach 39.53 rubles per euro. Due to the oil prices fixation at 105–106 dollars per barrel (Brent), US dollar with tomorrow settlement fell by 59 kopecks (down 1.8%) to reach 32.196 rubles per dollar. In July 2012 the ruble value grew by 3.3% against the dollar/euro b-currency basket to reach RUB35.50.

Exchange rate



MICEX FX trading turnover and market share in the total volume of Russian FX operations



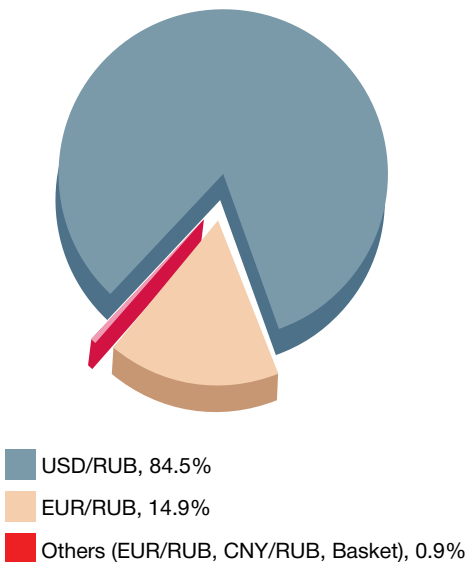
Trading Results: July 2012

FX market	July	June	Change (%)
Number of trades	449,132	465,839	-3.6
Trading volume (mln USD)	327,559	323,728	1.2
Spot	186,624	186,177	0.2
Swap	140,934	137,551	2.5

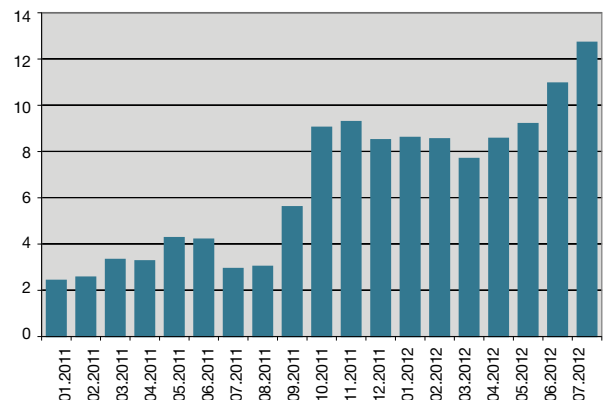
Top 10 FX Market Leading Operators (spot USD/RUB)

Company name	Rating position	
	July	June
OTKRITIE Bank (JSC)	1	1
OJSC SCB "Metallinvestbank"	2	2
CJSC "BANK CREDIT SUISSE (MOSCOW)"	3	4
CB "OBRAZOVANIE"	4	3
"NOMOS-BANK" (Open Joint-Stock Company)	5	5
OOO HSBC Bank (RR)	6	8
GPB (OJSC)	7	-
ALFA-BANK	8	6
Sberbank	9	7
OJSC "OTP Bank"	10	-

FX Market Turnover Structure, July 2012



Clients' share in the total FX trading volume (%)



Derivatives market FORTS

Top clearing members of futures and options trading volumes: July 2012

Company name	Rating position	
	July 2012	June 2012
OTKRITIE Corporation	1	1
JSC "Investment Company "ITInvest"	2	2
Brokercreditservice Ltd.	3	4
ZERHM	4	3
Investment Company FINAM CJSC	5	5
Troika Dialog	6	6
ALOR Plus Corporation	7	11
ALFA-BANK	8	8
VTB 24 (JSC)	9	12
KIT Finance Ltd.	10	10

FORTS Trading results: July 2012

	June 2012	July 2012	Change (%)
Futures contracts			
Trading volume (mln USD)	127,601	124,521	2.47%
Trading volume, contracts	101,026,294	91,786,052	10.07%
Number of trades	16,176,122	15,948,025	1.43%
Total open interest (mln USD)	5,782	7,382	-21.67%
Total open interest, contracts	5,618,828	7,231,704	-22.30%
Options contracts			
Trading volume (mln USD)	6,661	8,736	-23.75%
Trading volume, contracts	3,025,321	3,592,642	-15.79%
Number of trades	244,645	286,161	-14.51%
Total open interest (mln USD)	1,756	2,946	-40.40%
Total open interest, contracts	853,888	1,562,018	-45.33%
Total			
Trading volume (mln USD)	134,262	133,258	0.75%
Trading volume, contracts	104,051,615	95,378,694	9.09%
Number of trades	16,420,767	16,234,186	1.15%
Total open interest (mln USD)	7,538	10,328	-27.01%
Total open interest, contracts	6,472,716	8,793,722	-26.39%

Top 5 Traded Futures: July 2012

Contract	Rating	Trading volumes	
		Mln USD	Contracts
RTS Index Futures	1	72,161	26,585,862
USD/RUB exchange rate futures	2	38,043	37,663,802
Sberbank futures	3	3,503	12,647,968
EUR/USD futures	4	3,257	2,648,342
Gazprom futures	5	1,670	3,504,475

RUSSIAN Commodities market: July 2012

The total trading volume of MICEX-RTS Commodities Market in July 2012 totaled 2,171,286 contracts or RUB 89,257,762,949.

The trading volume on the OJSC "Saint Petersburg Exchange" in soft commodities and oil products sectors stood at RUB 766,860,000 (up 250% as of June 2012) or 68,111 contracts (up 220%).

The trading volume of the electricity market at the OJSC Moscow Energy Exchange totaled RUB 976,441,012 or 13,029 contracts.

Over 15,000 traders participated in derivatives trading.

Agroindustry In July 2012 the trading volume in futures contracts on soft-commodities totaled RUB 709,110,000 or 66,105 contracts.

Underlying asset	Trading volume (contracts)	Trading volume (RUB)
Wheat	54,745	570,640,000
Corn	9,400	92,150,000
Soybeans	917	18,130,000
Cotton	1,043	28,190,000
Sugar	24,592	414,833,450
Total	90,697	750,593,345

Metals In July 2012 the trading volume in futures and option contracts on metals reached RUB 42 bln.

Underlying asset	Trading volume (contracts)	Trading volume (RUB)
Gold	644,391	33,487,703,605
Palladium	374	71,024,300
Platinum	4,812	223,472,362
Silver	95,090	8,544,114,473
Copper	1,516	37,420,400
Total	746 183	42,363,735,140

Oil and oil products In July 2012, trading volume in futures contracts on oil and oil products made up RUB 46 billion or 1,400,543 contracts.

Underlying asset	Trading volume (contracts)	Trading volume (RUB)
Diesel fuel and Gasoil	2,006	57,750,000
Brent and Urals (futures and options)	1,398,537	46,445,968,129
Total	1,400,543	46,503,718,129

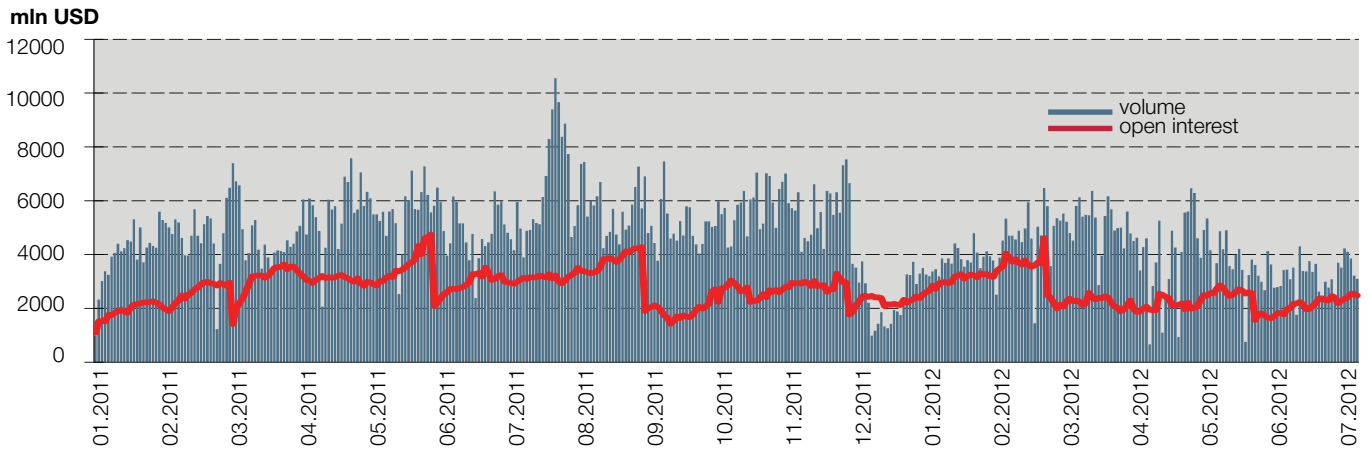
Power In July 2012, trading volume in futures contracts on the average power price index made up RUB 976,441,012 or 13,029 contracts.

Underlying asset	Trading volume (contracts)	Trading volume (RUB)
Power in Center hub	7,156	537,836,676
Power in Ural hub	5,873	438,604,336
Power in West Siberia hub	0	0
Power in East Siberia hub	0	0
Total	13,029	976,441,012

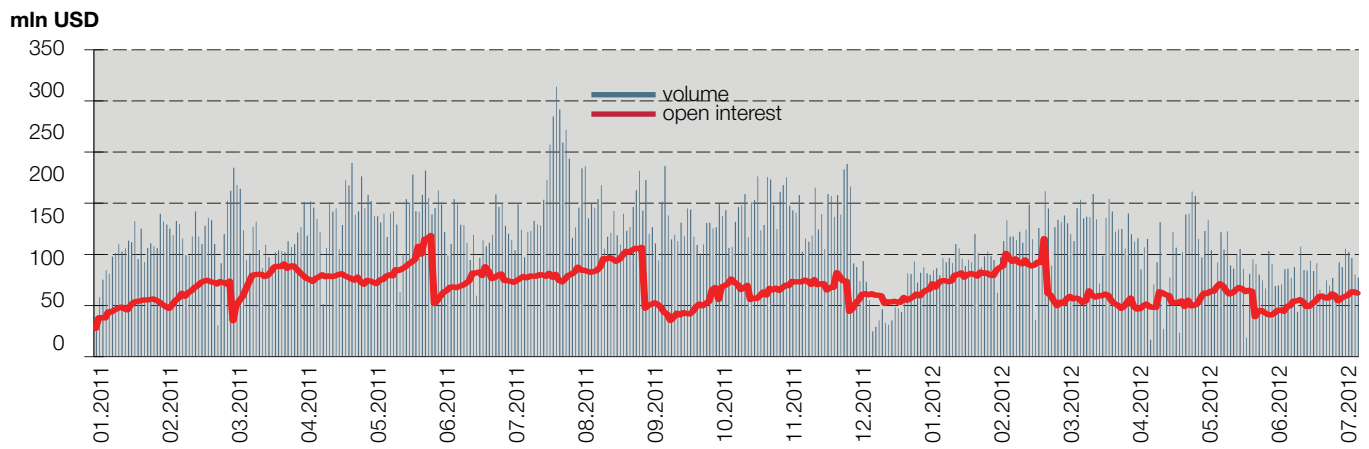
USD 1 = RUB 32,1881 as of July 31, 2012.

Derivatives market FORTS

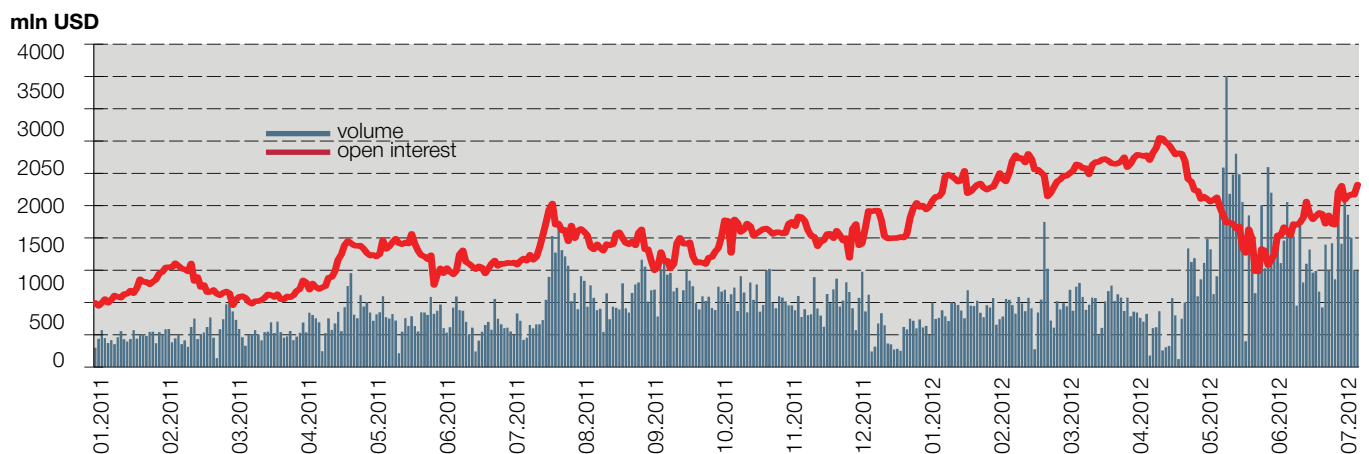
RTS Index futures: January 2011 – July 2012



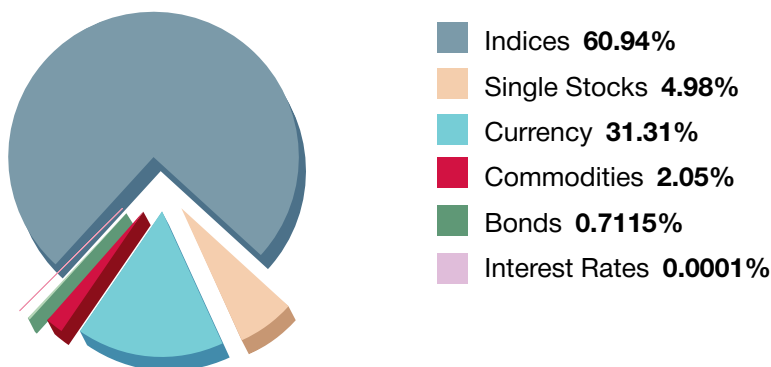
RTS Standard Index futures: January 2011 – July 2012



USD/RUB rate futures: January 2011 – July 2012



FORTS turnover breakdown. Trading volume in USD by contracts: July 2012



Moscow Exchange Group International Projects: Ukrainian Exchange

The Ukrainian Exchange is **the liquidity center of stocks and derivatives trading in Ukraine**. Securities market was launched in March 2009 and trading on the derivatives market started in May 2010. Both markets meet the best international practices.

Trading results: July 2012

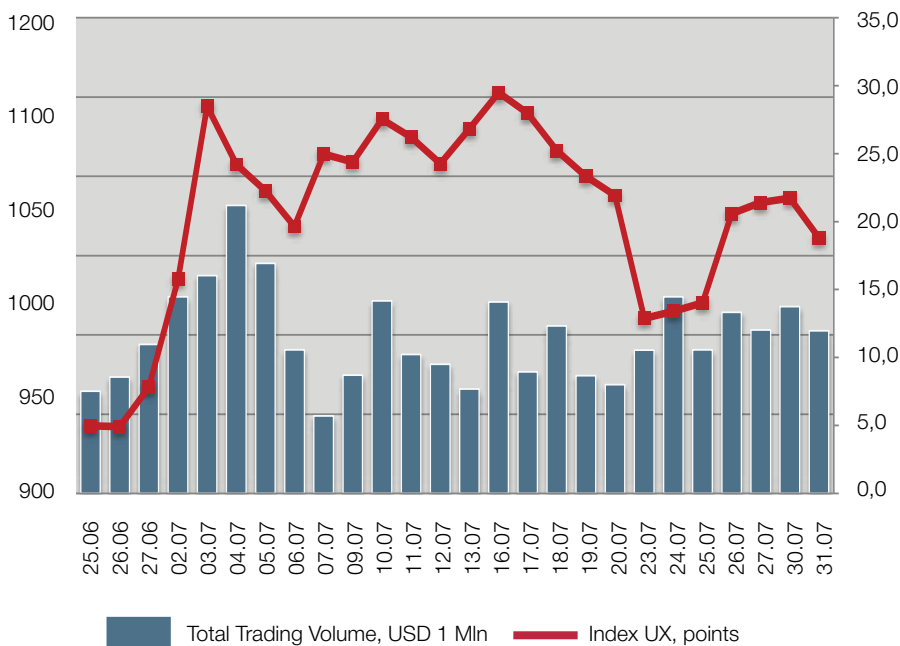
	July	June	Change (%)
STOCK MARKET			
Trading Volume (USD)	109,435,350	93,743,431	16.74
Number of trades	72,306	62,309	16.04
DERIVATIVES MARKET			
Trading Volume (USD)	164,400,120	137,714,697	19.38
Trading Volume, contracts	1,216,120	1,231,545	-1.25
Number of trades	168,856	147,644	14.37
Total open interest (USD)	16,741,379	11,876,776	40.96
Total open interest, contracts	131,052	102,048	28.42
TOTAL (USD)	273,835,470	231,458,128	18.31

The UX Index Monthly Wrap-Up: July 2012

The Ukrainian Equities Index is an indicator calculated by the Ukrainian Exchange. The Index is calculated during the trading session every 15 seconds. Index constituents are the most liquid stocks of Ukrainian companies.

In July the UX Index calculated by the Ukrainian Exchange rose by 9.47% to reach 1,061.23 points (967.00 points as of June 27, 2012).

The most impact was coming from prices of ordinary shares of Centrenergo (CEEN) – up 29.93 points, Donbasenergo (DOEN) – up 18.02 points and Motor Sich (MSICH) – up 17.29 points.



Top 5 Stock Market Best Sellers: July 2012

Ticker	Company name	Trading volume (USD)	Closing price (USD)	Change (%)
MSICH	Motor Sich	7,895,278	282.96	12.00
CEEN	Centrenergo	7,754,881	0.842	16.94
ALMK	Alchevsk Metallurgical Plant	4,502,425	0.007	2.27
AVDK	Avdiivka Cokery Plant	3,317,875	0.437	26.89
ENMZ	Enakievo Metallurgical Plant	2,320,279	4.45	-1.72

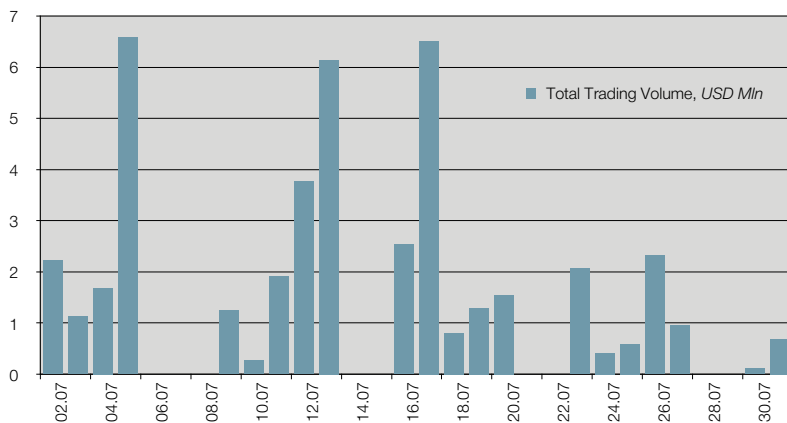
Moscow Exchange Group International Projects: Kazakhstan

The Eurasian Trade System (ETS) Commodity Exchange is the leading commodity and derivative exchange in Kazakhstan and one of the biggest commodity exchanges in CIS. ETS offers best practice, modern and robust technologies for access to Kazakhstan market. Commodity market was launched in March 2009 and trading on the derivatives market started in September 2009. Both markets meet the best international practices.

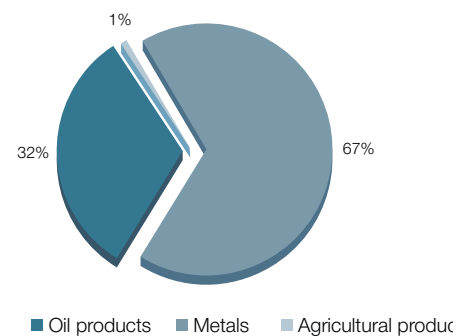
Trading results: July 2012

	July	June	Change (%)
STOCK MARKET			
Trading Volume, USD	33,709,897	40,446,050	-16.65
Trading Volume, tons	232,652	245,094	-5.08
DERIVATIVES MARKET			
Trading Volume, USD	11,064,053	79,286,654	-86.05
Trading Volume, contracts	12,554	75,283	-83.32
TOTAL, USD	44,773,950	119,732,705	-62.61

Following seasonality pattern of agricultural products ADV on ETS reached USD 2.13 million. The most popular instruments were metals on the spot commodity market and crude oil futures on the derivative market.

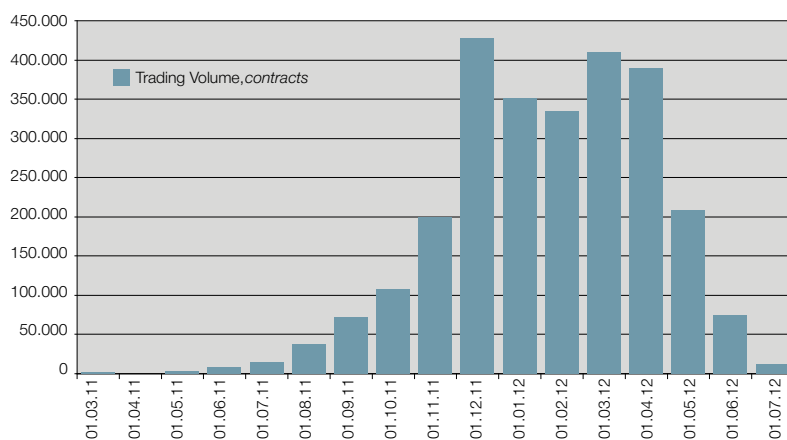


Trading Structure on commodity market

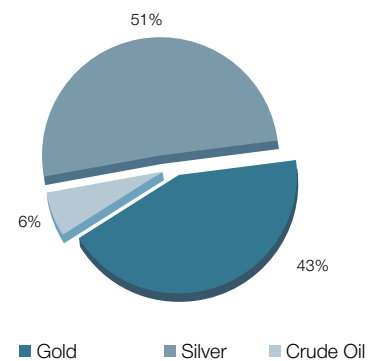


Explosive growth on derivative market

The derivatives market showed some decline in July due to seasonality.



Trading Structure on derivative market



Russian FX market – what it takes to rise to the top

While the global markets face challenges across numerous fronts, the Russian FX market continues to thrive. RUSSIAN MARKETS met with **Igor Marich**,

Managing Director, FX&Money Market business division at Moscow Exchange to discuss how the Russian FX market addresses increased regulatory

demands and clients needs while growing in popularity and volumes.

Russian Markets (RM): What's the current FX market turnover?

Igor Marich (IM): This year macroeconomic factors worked to the advantage of the Russian on-exchange FX market: in the 1st quarter the growth was down to the oil prices which exceeded USD120 per barrel, in the 2nd quarter among the drivers of the market growth there was growth of exchange rates volatility and speculative activity of market participants. In May the average daily volume of the FX market exceeded USD14 billion, in June – USD16 billion.

RM: What factors can be attributed to the increase in the turnover of the Russian FX market?

IM: A drop in bank liquidity ratios triggered market participants' interest to refinancing operations such as REPO and SWAP. In June 2012 the Bank of Russia cut the rate on overnight FX swaps to 6.5% which is to motivate banks to attract the required ruble liquidity from the Central Bank of the Russian Federation against available foreign currency funds as a security.

Realization of the Moscow Exchange projects in 2011–2012 along with the loss of market participants' trust during the European debt crisis contributed to the growth of the FX market share turnover in the 1st quarter of 2012 to 25.1% against the average FX market share turnover in 2011 totaling 21.6%.

RM: How do you estimate the perspectives of the on-exchange market in the new conditions of the global OTC market regulation?

IM: Development of American and European regulation of OTC mar-

ket (Dodd-Frank Act and MIFID) is shifting towards organized markets. The new terms of regulation suggest transition to centralized clearing, contain recommendations on making transactions with standardized OTC instruments on electronic/organized trading floors, provide for mandatory reporting of OTC trades.

The central counterparty represented by CJSC JSCB National Clearing Centre has been operating on the on-exchange FX market since 2007. The advantages of the FX market of the Moscow Exchange are high-productive trading and settlement and clearing platform, continuous double auction, table of quotes (order-book), settlement guarantees.

RM: What are the latest developments and achievements that you can share with the RUSSIAN MARKETS readers?

IM: This year we realized two major projects: development of the clients' access functionality and introduction of long-term FX swaps.

A full-fledged direct market access for clients (DMA) with the opportunity to register clients in the trading system was launched at the Exchange on February 13, 2012. In the same manner as it is done on the stock market of the Exchange, FX market participants can register additional settlement codes used for segregation of clients and their own trading positions at clearing and settlement.

This year we have witnessed a positive dynamics in development of this sector: by results of the 1st half of 2012 the total turnover of the clients' transactions on the FX market of the Moscow Exchange

totaled about RUB5 trillion, the number of clients grew from 12 to 1020.

Starting from April 23, 2012 FX market has been offering an opportunity to conclude trades in long-term FX swaps and USD/RUB pair. The Exchange launched the FX swaps with settlement of the second leg 1W, 2W, 1M, 2M, 3M and 6M. Trading in these instruments is done with partial depositing of assets adjusted for market and interest risks. We expect the new instruments to attract part of the OTC swap trades and allow the market participants increase volumes in currency swaps through making trades outside mutual limits, i.e. within the central counterparty limit. From the moment of the long-term FX swap launch, 50 banks have made trades in these instruments whereas the trading volume of trading in this instrument has exceeded RUB150 billion. In a response to the market participants' wishes, the Moscow Exchange plans to launch long-term FX swaps with the 9- and 12 months settlement.

RM: Looking ahead, what are other plans for the future? Should we expect new instruments or new services for the market participants?

IM: We are working on changing the fee policy which is supposed to stimulate liquidity. An additional fee for GTA (trading robots) is expected to be introduced.

Together with the market participants the Exchange is working now on the ways of extending its trading hours on the FX market till 23.50 MSK. We also expect to widen the product line by adding more instruments and currency pairs – Chinese yuan/Russian ruble, CIS and G10 currencies.

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About Exchange

Moscow Exchange is the Russian stock and derivatives exchange that came to existence in December 2011 after the merger of two main Russian exchanges, MICEX and RTS. The new exchange strives to achieve the status of an internationally competitive market through improved efficiency of the market infrastructure, product diversity and liquidity.

The Exchange provides a wide range of opportunities to investors, professional institutions and their Russian and foreign clients for equities, bonds, currencies as well as derivatives trading. The Exchange provides a transparent process for determining fair market values of Russian assets with a full range of trading and post trading services.

Moscow Exchange offers accessible technology, sound clearing and guarantee functions and flexible operational structures. All innovations and new technologies and services are aimed at bringing reliability and safety to the market.

Trading on the securities market of Moscow Exchange is held in the following sectors: Main market for equities & bonds (settled in RUB), Standard section for most liquid securities (settled in RUB), Classica sector for equities, bonds and fund shares (settled in USD). The Currency Market of Moscow Exchange is one of the key segments of the Russian financial market. Since 1992 the Bank of Russia has been determining the official exchange rate for the Russian ruble based on the results of currency trading on MICEX. FORTS is the Exchange's derivatives market that trades futures and options contracts on equities, bonds, indices, currency, interest rates, commodities. Moscow Exchange's market data is accessible worldwide through a range of all major vendor distribution channels.

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