

## YOUR GUIDE TO THE RUSSIAN STOCK AND DERIVATIVES MARKET

### Corporate News

#### Shareholders of MICEX and RTS voted for integration of the exchanges

On August 5, 2011 MICEX and RTS held extraordinary general shareholders meetings. Restructuring of

Not-for-profit partnership "Russian Trading System" Stock Exchange", and the amended Articles of Association of OJSC RTS.



In addition to approving the restructuring of OJSC RTS in form of accession to ZAO MICEX, the shareholders of MICEX also voted for on all the remaining agenda issues including splitting ordinary shares of ZAO MICEX and increasing the share capital of ZAO MICEX through placement of an additional ordinary shares issue. As

OJSC RTS in form of accession to ZAO MICEX was the main issue on the agenda of these shareholders meetings.

Approximately 93.36% of MICEX shareholders and 88.45% of RTS shareholders were present at these meetings and participated in voting.

Restructuring of OJSC RTS in form of accession to ZAO MICEX was approved by 93.348% of all MICEX shareholders represented at the shareholders meeting. Out of all RTS shareholders that participated in the shareholders meeting 99.776 % voted for the restructuring.

The shareholders of RTS also voted for on all the other matters put to vote including dividend distribution on shares of OJSC RTS for H1 of 2011, the deal between OJSC RTS and

#### RTS Group announces a 87% net profit increase in the first 6 months of the year

RTS Group reports a RUB953.7 million fee income for H1 2011, a 33% increase, as well as a RUB558.5 million net profit, a 87% increase compared to the profit for the same period last year.

a result of the share split the share capital of MICEX will be divided into 1,659,840,000 ordinary shares with a par value of RUB1 each.

#### In this Issue:

Valuable information for your business including:

- The latest news from the Russian market
- Market data for August 2011
- UX Exchange market data
- Professional opinion of market specialists

#### Unaudited IFRS financial statements of RTS Group for H1 2011:

	Q1 2011	Q1 2010	Change
Fee income	953,659	717,573	33%
including:			
• Derivatives market	567,095	347,928	63%
• Cash equities market	139,289	143,798	-3%
• Depository services	150,190	114,644	31%
Interest income and other income	871,155	551,541	58%
EBITDA	811,263	420,700	93%
Net profit	558,506	298,543	87%
Assets	50,862,604	39,801,017	28%
Equity	6,140,134	5,334,429	15%

The income growth is mainly attributable to the increase in the income generated from trades on the Russian derivatives market and from depository services. The RTS Group's income generated from trading on the derivatives market FORTS in H1 2011 went up by 63% to reach RUB567 million, compared to the same period last year. The depository services income grew by 31% to RUB150.2 million.

*Continues on Page 2*

## NEWS IN BRIEF...

#### URALSIB: opening the door to foreign investors

Read the interview with Igor Veretelnikov, CEO at URALSIB Capital – Financial services on [page 12](#)



#### The Derivatives Market Committee of RTS approves specifications for futures and options on the MICEX Index

*For more information, please visit [RTS website](#)*

#### New constituent lists for calculation of RTS Indices approved

*For more information, please visit [RTS website](#)*

## Not-for-profit partnership “Russian Trading System” Stock Exchange” and RTS Group of companies have signed a Framework Agreement

On August 3, 2011 NP RTS and Open Joint Stock Company “Russian Trading System” Stock Exchange, Closed Joint Stock Company “Depository Clearing Company”, Joint-stock company “RTS Clearing Company”, Non-Banking Credit Organization Settlement Chamber RTS and RTS Exchange Europe Limited entered into a Framework Agreement on transfer of assets.

This Framework Agreement sets forth a number of mutual obligations of the parties including the following:

- NP RTS undertakes to transfer to OJSC RTS the equipment that is necessary for organization of trading by OJSC RTS (including the data center located in Kolska-

ya Street) and the exclusive right to use the relevant software (RTS Plaza) for a remuneration in the amount of USD37.5 dollars;

- OJSC RTS is granted the right to administer the domain rts.ru until 6 months after rebranding of the integrated exchange is completed;
- Preferred shares of OJSC RTS that belong to NP RTS (6,320,447 units) are to be converted into ordinary shares of ZAO MICEX at the conversion ratio agreed upon for ordinary shares of OJSC RTS;
- NP RTS is entitled to nominate a representative to the board of directors of the integrated exchange;

- OJSC RTS undertakes to ensure a nondiscriminatory access to the post-trading infrastructure of the integrated exchange for NP RTS and its affiliated companies.

The Framework Agreement fully complies with the provisions of the Framework agreement signed by OJSC RTS, ZAO MICEX and some of the RTS shareholders as well as with the resolutions adopted by the Council of NP RTS on the 19th of May, 2011 and approved by the Board of Directors of NP RTS. It is also in line with all the arrangements agreed upon between NP RTS and the shareholders of OJSC RTS.

## Inside the market

### Trading in Rostelecom securities started on RTS Standard

Starting from August 29, 2011 trading in ordinary registered shares of OJSC “Rostelecom” (issue’s state registration number 1-01-00124-A, RTS ticker RTKM) commenced on RTS Standard (on-exchange trading mode with settlements on T+4).

From 29 August, restrictions on submitting indirect orders and executing subsequent trades for the above-mentioned securities tool effect in the on-exchange trading mode with settlement on T+0, excluding hours for trading in odd lots on RTS T+0 market.

Concluding trades in non-anonymous trading mode and REPO trades on RTS T+0 market remains unchanged.

Click on the link to see [The full list of securities, admitted to trading on RTS Standard](#), as well as conditions for trading on this market.

[RTS Standard](#) sets a totally new standard for equity trading in Russia. It will facilitate building up the liquidity of the Russian securities market, curb counterparties’ risks and boost development of the infrastructure. It aims to attract substantial international investor interest

into the local equity market due to the applied global standards of trading.

RTS Standard offers CCP trading in anonymous order book without full advance depositing of assets and with settlement on T+4. The market hours are from 10.30 am to 11.50 pm MSK. The range of instruments includes over 30 liquid stocks of Russian issuers. RTS Standard also offers portfolio margining with trades made on FORTS, RTS’s derivatives section, which makes trading in all the instruments possible using a single, consolidated cash position.

## Events Zone

### Russia’s exchange merger: What international market participants have to gain?

**20 September 2011, 8:00-10:00 a.m.**  
[London Hilton on Park Lane Hotel](#)  
[22 Park Lane, London, UK, W1K 1BE](#)

Last month Russia’s two exchanges, MICEX and the RTS, announced their intention to merge and form a single world-class exchange. The combined exchange will provide the full range of financial instruments and services on a single platform, create a unified trading and post-trading infrastructure and spur the development of both increased

liquidity and improved technology to give the premium service on the Russian capital market. On September 20 the leadership of the new combined exchange will visit London to meet with international market participants to update them on the merger process and answer their questions. In particular, topics that will be covered include:

- Market structure: pre-delivering option model, markets, etc.
- Technology: Plaza II, FIX, etc.

- Primary Engine location
- The combined exchange’s planned IPO

Speakers at the event will be Ruben Aganbegyan, President and CEO of the combined exchange, and Roman Goryunov, First Deputy CEO of the combined exchange.

We look forward to welcoming you on September 20.

RSVP to Ekaterina Troshinkina in RTS’s London office on [etroshinkina@rts.ru](mailto:etroshinkina@rts.ru).

**25.08.2011**

## Shares of three issuers joined the waiting list for securities to be added to RTS Standard Index

On August 19, 2011 the Index Committee of RTS Stock Exchange decided to put ordinary shares of Tatneft, OJSC "Rostelecom" and JSC "NOVATEK" onto the list of securities waiting for inclusion into the RTS Standard Index.

As a result the existing waiting list for the securities to be added to the RTS Standard Index was updated to the following:

No	Code	Issuer
1	<a href="#">IRAO</a>	JSC "INTER RAO UES", ordinary shares
2	<a href="#">MTSS</a>	MTS OJSC, ordinary shares
3	<a href="#">NVTK</a>	JSC "NOVATEK", ordinary shares
4	<a href="#">RTKM</a>	OJSC "Rostelecom", ordinary shares
5	<a href="#">TATN</a>	Tatneft, ordinary shares

**11.08.2011**

## Trading volume in the Russian Volatility Index futures exceeded 5.9 thousand contracts

On August 10, 2011 by the end of the main trading session on FORTS the maximum trading volume in futures contract on the Russian Volatility Index was seen since the launch of trading in this instrument on June 1, 2011.

By 6.45pm MSK market participants executed over 500 trades in the futures to the value of 5,935 contracts or USD5,182,638 (RUB152,046,698).

A volatility index futures contract is the most volatile instrument all over the world, due to the fact that its movements are inversely proportional to the index's dynamics. By using this feature both active participants and portfolio managers are able to balance their portfolios and hedge against market risks.

"The appeal of this instrument for trading participants is fully reasonable now, during the period of the raised volatility level on the market. It is the right moment to use the unique features of this futures. Market participants gained additional op-

portunities to earn and hedge against a sharp downfall in the market and a rapid volatility growth because of the timely introduction of the futures contract to trading", said Evgeny Serdyukov, Derivatives Market Director at RTS Stock Exchange.

**10.08.2011**

## Initial Margin requirements for futures on FORTS and instruments on RTS Standard and RTS Money to be changed

In accordance with the resolution adopted by the Derivatives Market Committee of RTS on August 9, 2011 the basic sizes of the Initial Margin requirements for futures contracts on FORTS and instruments on RTS Standard were changed started from the evening clearing session at 6.45pm MSK on the 9th of August, 2011. For more information please visit the [RTS website](#).

**10.08.2011**

## RTS Index futures trading volume exceeded USD10 billion

On August 8, 2011 by 6.45pm MSK the trading volume in futures contracts on RTS Index amounted to **USD10,553,121,366 (RUB299,056,463,903)** or **3,019,242 contracts**, setting a new trading record since 2005. **918,220 trades** on the most liquid instrument of the stock market were executed by the end of the day.

The total trading volume on FORTS also hit a new record high of **USD16,233,256,243 (RUB460,021,262,075)**. Market participants executed **1,440,842 trades**. The turnover in futures on the RTS derivatives market made up **USD14,610,313,929 (RUB414,029,998,184)**.

**08.08.2011**

## The total trading volume on FORTS surpasses a USD16 billion mark

On August 5, 2011 the total trading volume on FORTS exceeded **USD16.003 billion (RUB445.592 billion)**, or **8,762,666 contracts** for the first time since the beginning of 2011. By the end of the main trading session market participants executed

1,296,428 derivatives trades.

The turnover in futures contracts alone totaled more than USD14.185 billion (RUB394.961 billion), or 8,234,485 contracts represented by 1,249,024 trades.

RTS Index futures, the top liquid instrument of the Russian securities market, traded over USD 9.396 billion (RUB261.622 billion), or 2,586,173 contracts. The number of trades in this contract reached 786,285.

The turnover in the money section of the RTS's derivatives market also hit a record high. The trading volume in the USD/RUB futures totaled 1,983,275 contracts. Market participants executed 84,322 trades to the value of USD2.029 billion (RUB56.501 billion).

During the evening trading session on FORTS the derivatives turnover reached USD3.244 billion (RUB91.931 billion).

**08.08.2011**

## Trading volume on RTS Standard market hits a USD915 million mark

On August 5, 2011 the total trading volume on the cash equities market RTS Standard reached **USD915,041,218** or **RUB25,477,675,648** setting a record since 2008. At the end of the trading day the number of trades in the RTS Standard market totaled **91,155**.

The previous record trading volume was seen of December 2, 2010 when market participants traded **USD771,666,440** or **RUB24,273,153,690**.

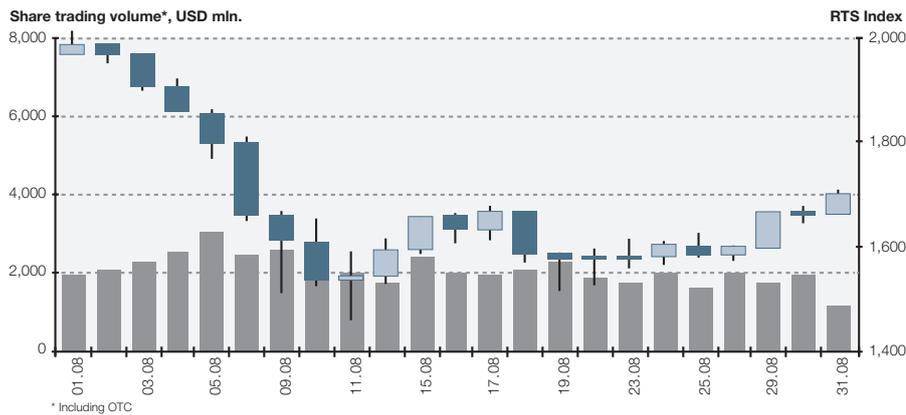
**05.08.2011**

## RTS Index futures trades over USD8 billion

On August 4, 2011 a new trading volume record was set by the futures contract on the RTS Index. By the end of the main trading session the turnover reached **2,212,774 contracts**, or **USD8,294,851,176 (RUB231,423,029,862)** in terms of notional value represented by **740,224 trades**. This is the largest trading volume seen in this instrument since 2005.

# The RTS Index Monthly Wrap-Up: August 2011

**Pic 1 RTS Index Dynamics**



**In August 2011 the Russian stock market demonstrated negative dynamics.**

For the last month the RTS Index went down by 13.37% to reach 1,702.28 points (1,965.02 points on July 29, 2011). (Pic 1) Besides, by the end of August RTSI was 19.78% higher compared to its closing level one year ago (1,421.21 points on August 31, 2010).

The US Dollar went up 4.59% against the Ruble in August. (Pic 2).

As the stock market dropped in July, volatility increased: the Russian Volatility Index RTSVX gained 76.54%.

In August 2011 46 stocks out of RTSI's total 49 constituents, had negative impact on the RTS Index's dynamics (down 264.76 index points), 3 securities moved positively (up 2.01 points).

The most negative impact was coming from the falling prices of ordinary shares of Sberbank (down 55.73 points), Gazprom (down 40.00 points), OAO "LUKOIL (down 26.27 points). (Pic 3).

The most positive impact was coming from the growing prices of ordinary shares of JSC "Polymetal" (up 0.98 points).

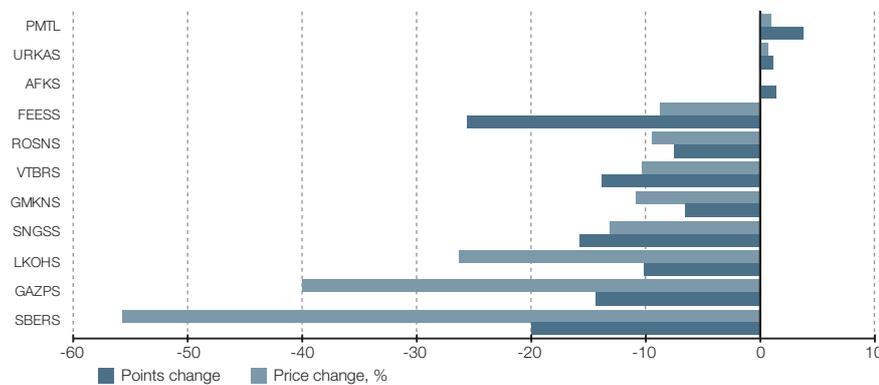
49.68% of the RTSI total capitalization concentrated in the Oil & Gas sector. The other large-weight sectors were Finance (18.80%) and Metallurgy (16.04%). (Pic 4)

In August the major negative contributors were the companies of Oil & Gas sector (down 113.04 points), Finances (down 73.35 points) and Metallurgy (down 35.66 points). (Pic 5)

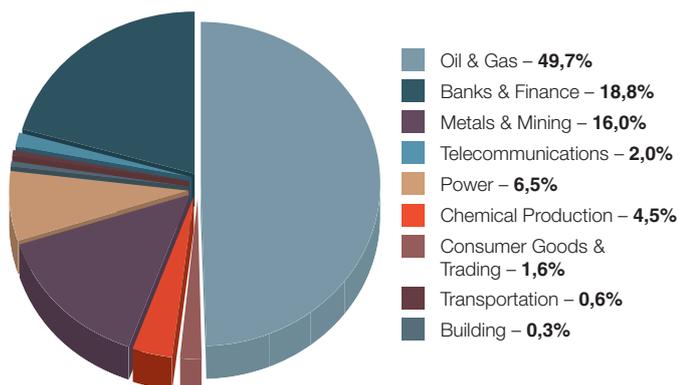
**Pic 2 RTS Index vs US Dollar Dynamics**



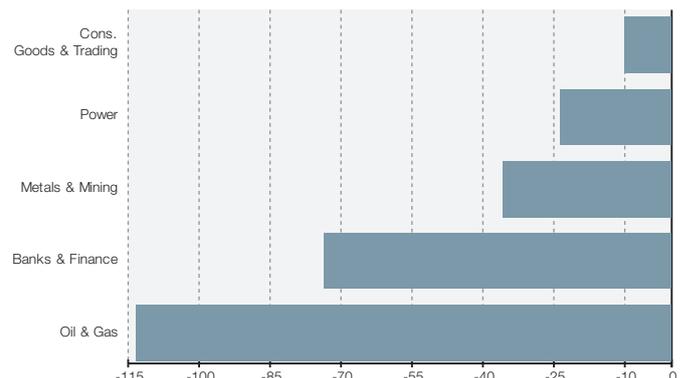
**Pic 3 Stocks prices impact on RTSI**



**Pic 4 RTS Index Sectoral Structure**



**Pic 5 Sector contribution to Index dynamics**

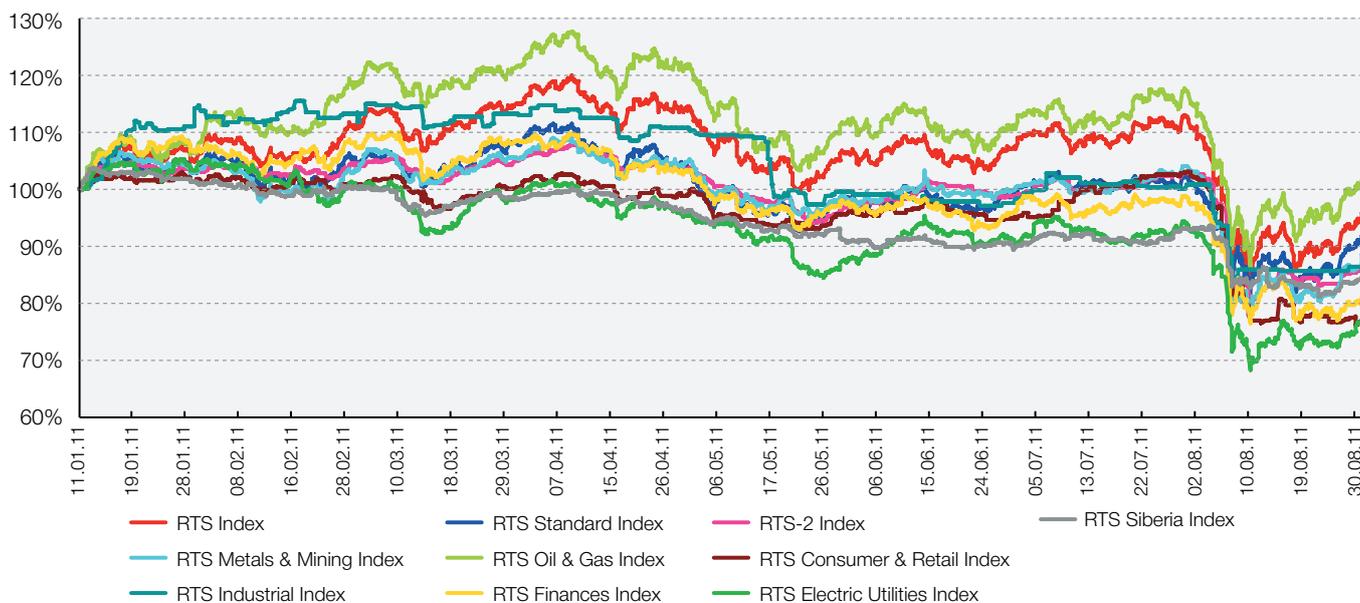


# RTS Indices

## RTS Indices performance

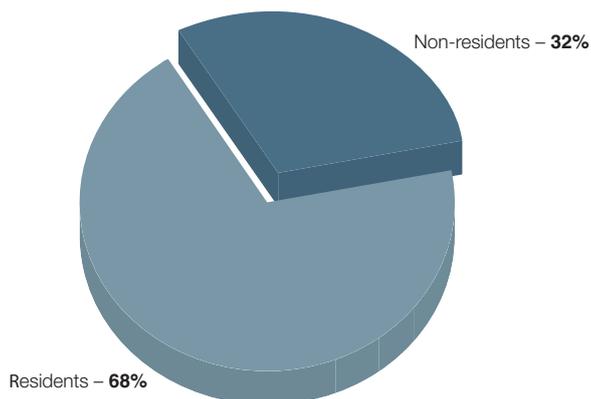
Index	Value as of 31.08.11	Change over (period),%			Max		Min	
		Month	Quarter	Year	Value	Date	Value	Date
RTS Index	1,702.28	-13.37%	-9.87%	19.78%	1,985.78	01.08.11	1,537.57	10.08.11
RTS Standard Index	10,506.37	-8.99%	-6.87%	12.19%	11,666.33	01.08.11	9,663.33	10.08.11
RTS-2 Index	1,939.86	-15.14%	-10.37%	11.08%	2 297.93	02.08.11	1,808.54	11.08.11
RTS Metals & Mining Index	314.67	-14.22%	-9.69%	24.19%	369.26	01.08.11	285.99	11.08.11
RTS Oil & Gas Index	201.69	-11.62%	-9.45%	18.97%	231.20	01.08.11	177.68	10.08.11
RTS Consumer & Retail Index	343.96	-24.16%	-18.54%	8.41%	454.30	01.08.11	337.53	19.08.11
RTS Industrial Index	180.57	-14.67%	-14.24%	26.02%	212.84	01.08.11	178.54	09.08.11
RTS Finances Index	367.39	-16.91%	-17.06%	7.41%	445.15	01.08.11	351.96	26.08.11
RTS Electric Utilities Index	211.04	-17.10%	-11.75%	-12.74%	254.87	01.08.11	191.13	11.08.11
RTS Siberia Index	844.59	-8.89%	-6.73%	2.91%	932.70	04.08.11	815.12	25.08.11
Russian Volatility Index	40.64	76.54%	68.56%	24.32%	71.64	09.08.11	25.09	03.08.11

## RTS Indices historical performance: January – August 2011

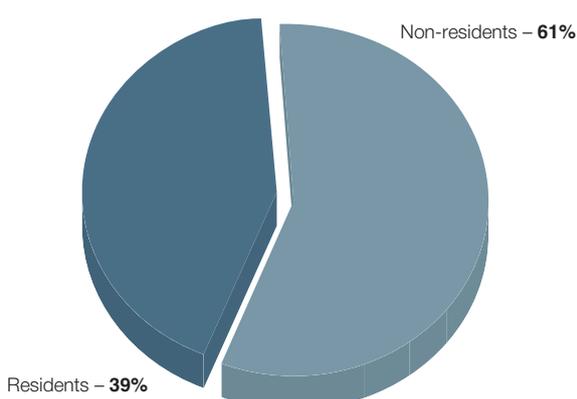


## Market data: August 2011

### FORTS: August 2011



### RTS Standard: August 2011



# Futures and Options market (FORTS)

## Top clearing members of futures and options trading volumes: August 2011

Company name	Rating position	
	August	July
OTKRITIE Corporation	1	1
JSC "Investment Company "ITInvest"	2	3
Brokercreditservice Ltd.	3	2
Zerich Capital Management IC OJSC	4	4
ALOR Group	5	6
Investment Company FINAM CJSC	6	5
Troika Dialog	7	8
KIT Finance Ltd.	8	9
ALFA-BANK	9	7
Instroyinvest IMC	10	10

## FORTS Trading results: August 2011

Futures contracts	August	July	Change
Trading volume, mln USD	219,914	139,227	57.95%
Trading volume, contracts	130,905,194	70,007,443	86.99%
Number of trades	25,756,154	13,504,965	90.72%
Total open interest, mln USD	8,198	7,482	9.57%
Total open interest, contracts	6,569,144	5,892,358	11.49%
Options contracts			
Trading volume, mln USD	15,462	15,189	1.80%
Trading volume, contracts	5,051,835	4,614,161	9.49%
Number of trades	485,255	356,586	36.08%
Total open interest, mln USD	5,344	5,707	-6.36%
Total open interest, contracts	2,384,214	2,033,628	17.24%
Total			
Trading volume, mln USD	235,375	154,415	52.43%
Trading volume, contracts	135,957,029	74,621,604	82.20%
Number of trades	26,241,409	13,861,551	89.31%
Total open interest, mln USD	13,542	13,188	2.68%
Total open interest, contracts	8,953,358	7,925,986	12.96%

## Top 5 Traded Contracts: August 2011

Contract	Rating	Trading volumes	
		Mln USD	Contracts
RTS Index futures	1	155,268	46,641,528
USD/RUB exchange rate futures	2	28,261	28,014,405
EUR/USD exchange rate futures	3	10,144	7,068,378
Sberbank futures	4	7,925	26,335,113
Gazprom futures	5	6,427	10,597,611

# FORTS Commodities market: August 2011

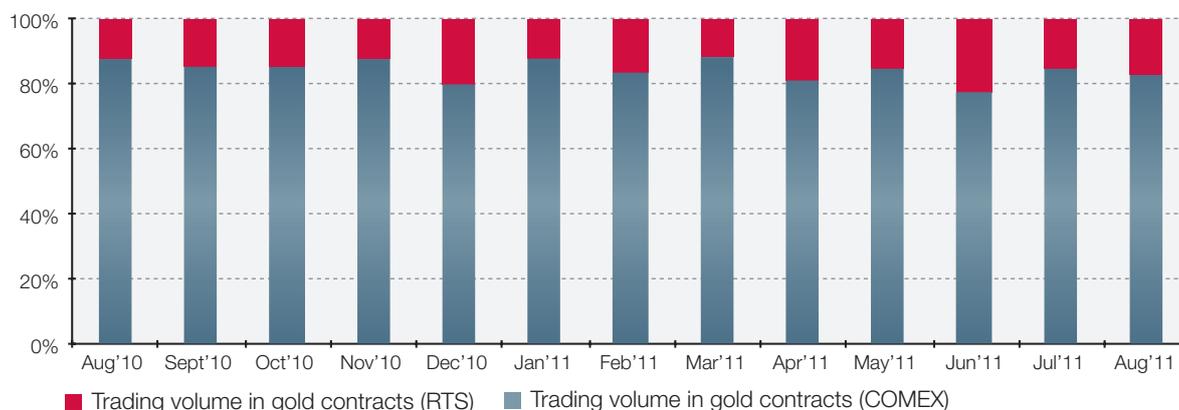
**Agroindustry** In **August 2011** the trading volume in futures contracts on wheat made up RUB245 million whereas sugar made up RUB1,520 million.

Underlying asset	Trading volume (contracts)	Trading volume (RUB)
Wheat	33,434	245,430,545
Sugar	79,478	1,519,882,284
Corn	3,187	24,930,500
Soya	776	10,877,115
Cotton	3,187	24,930,500
Total	120,062	1,826,050,944

**Metals** In **August 2011** the trading volume in futures and option contracts on metals exceeded RUB124 billion.

Metal	Trading volume (contracts)	Trading volume (RUB)
Gold	1,736,637	88,592,346,177
Palladium	727	157,783,495
Platinum	27,750	1,457,234,924
Silver	297,311	34,293,322,681
Copper	8,517	220,790,200
Total	2,070,942	124,721,477,477

## Trading volume in gold contracts on COMEX and RTS



**Oil and oil products** In **August 2011**, trading volume in futures contracts on oil and oil products made up RUB59.0 billion or 1.9 million contracts.

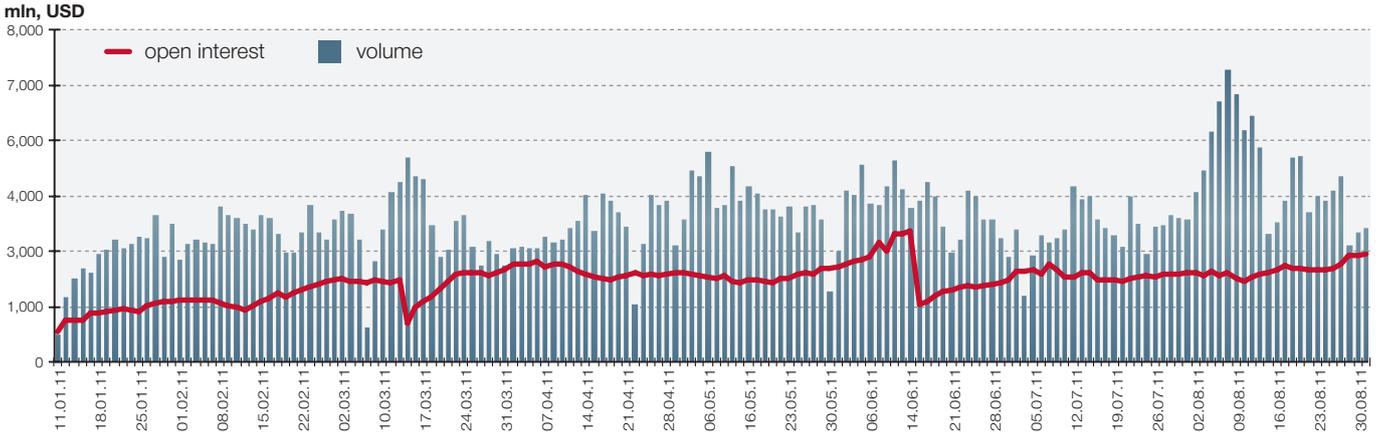
Underlying asset	Trading volume (contracts)	Trading volume (RUB)
Oil	1,864,890	58,833,755,999
Gasoil	9,657	225,827,738
Total	1,874,547	59,059,583,737

**Power** In **August 2011**, trading volume in futures contracts on the average power price index made up RUB1.15 billion or 24,366 contracts.

Underlying asset	Trading volume (contracts)	Trading volume (RUB)
Power in Center hub	12,974	744,202,046
Power in Ural hub	6,692	229,466,304
Power in West Siberia hub	2,052	80,959,174
Power in East Siberia hub	2,648	95,596,920
Total	24,366	1,150,224,443

# Futures and Options market (FORTS)

## RTS Index futures: January – August 2011



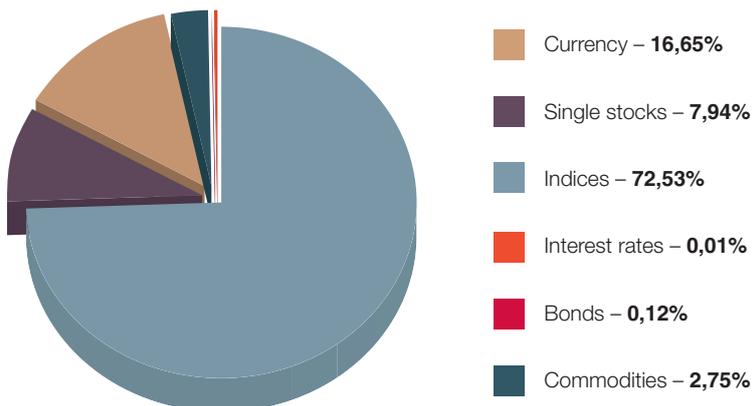
## RTS Standard Index futures: January – August 2011



## USD/RUB rate futures: January – August 2011



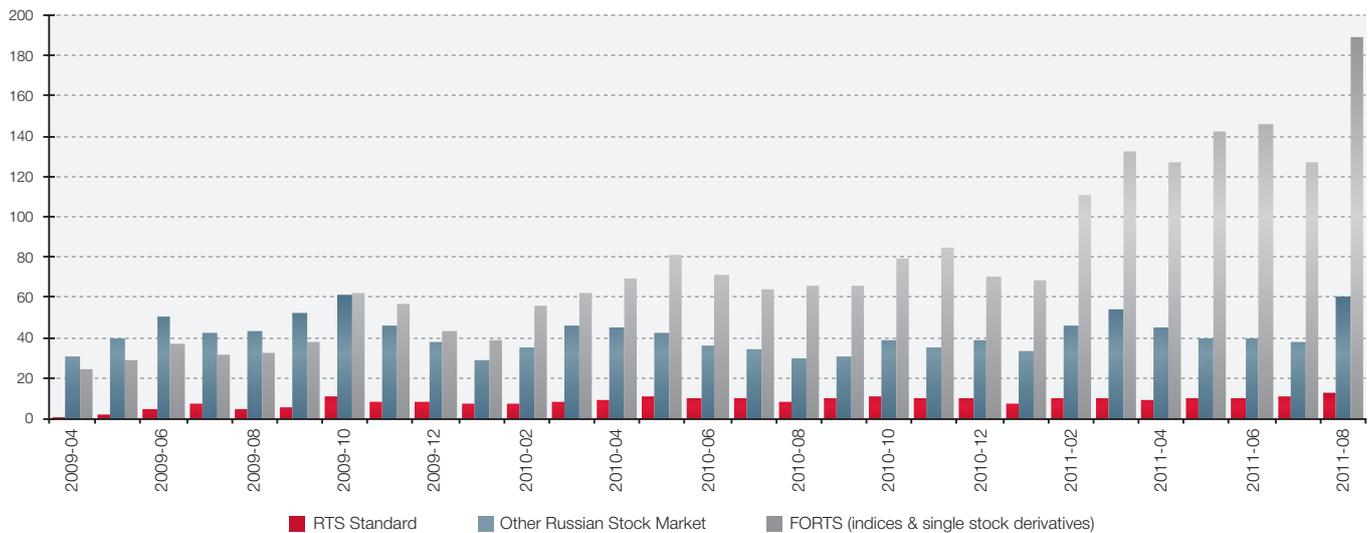
## FORTS turnover breakdown. Trading volume in USD by contracts:



# RTS Markets

## FORTS and RTS Standard turnover vs Russian stock market turnover

Turnover, bln USD



## RTS Stock Market

### Top 10 RTS Standard Leading Operators: August 2011

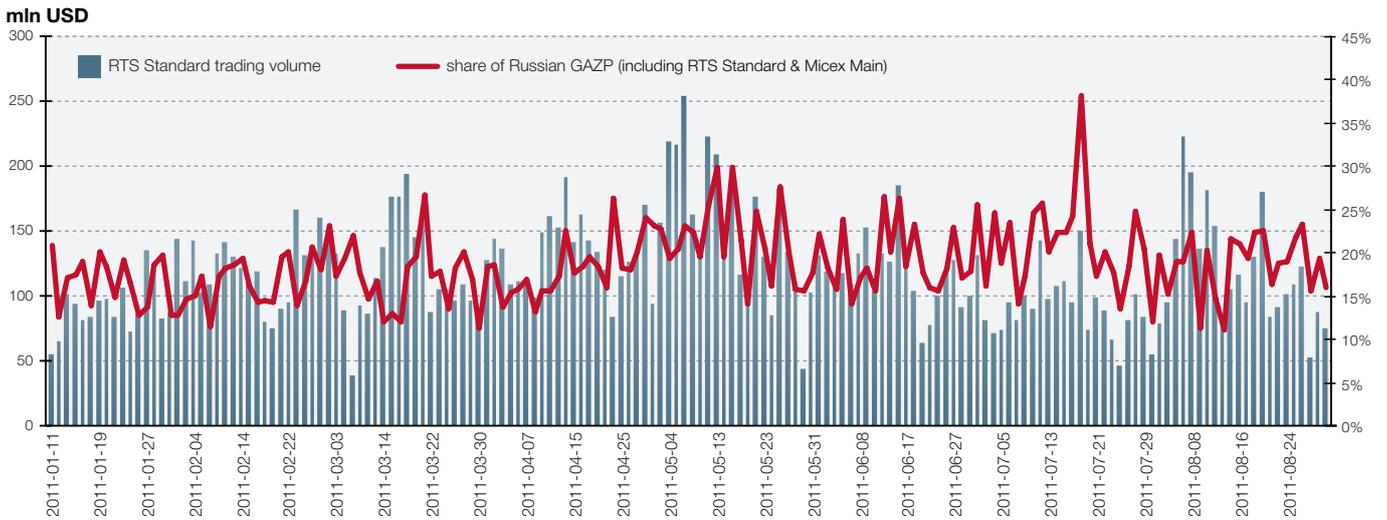
Company name	Rating position	
	August	July
OTKRITIE Group	1	1
Troika Dialog	2	2
ALOR Group	3	3
JSC "Investment Company "ITInvest"	4	5
OLMA Investment Firm	5	4
KIT Finance Ltd.	6	6
Instroyinvest IMC	7	8
Investment Company FINAM	8	7
CJSC Brokercreditservice Ltd	9	9
Metallinvestbank OJSCo SKB	10	11

### Top 5 RTS Stock Market Best Sellers: August 2011

Company name	Weekly trading volume, USD	Share in RTS: %
Sberbank, ordinary	6,046,872,751	48.81%
Gazprom, ordinary	2,720,700,598	21.96%
OAO "LUKOIL", ordinary	1,291,529,369	10.42%
OJSC "OC "Rosneft", ordinary	773,366,197	6.24%
"OJSC "MMC "NORILSK NICKEL", ordinary	476,197,785	3.84%

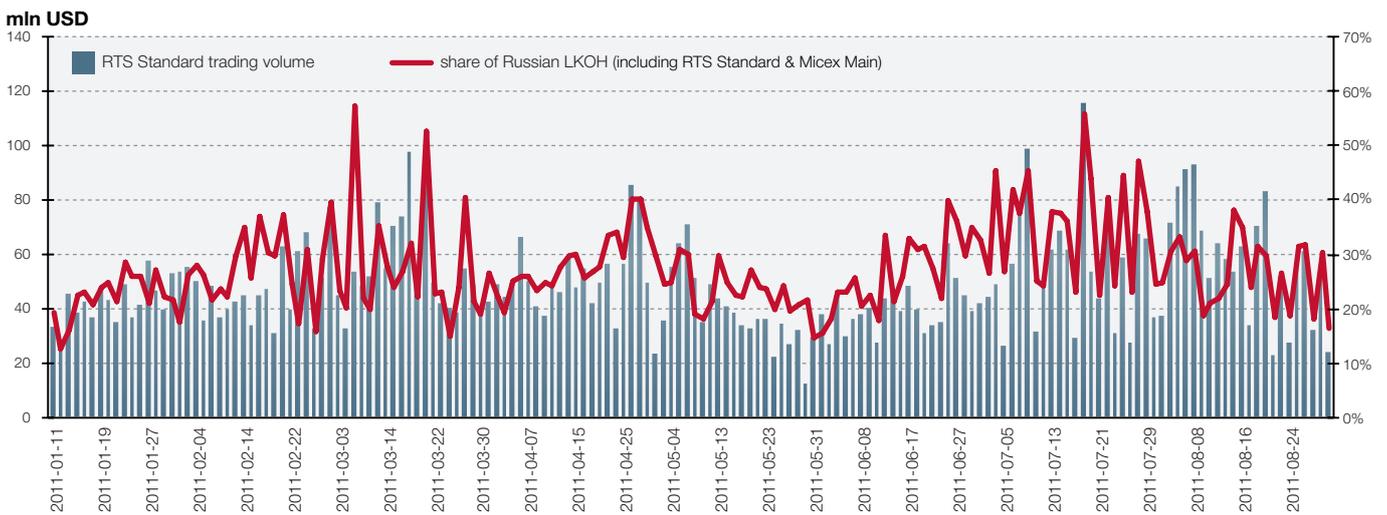
# RTS Stock Markets (RTS Standard)

## RTS Blue chips volume. GAZPROM: January – August 2011



# RTS Stock Market

## RTS Blue chips volume. LUKOIL: January – August 2011



## RTS Blue chips volume. SBERBANK: January – August 2011



# RTS 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: August 2011

	August	July	Change, %
<b>STOCK MARKET</b>			
Trading Volume, USD	444,846,300	411,726,552	8.04%
Number of trades	112,527	86,550	30.01%
<b>DERIVATIVES MARKET</b>			
Trading Volume, USD	368,882,875	145,473,467	153.57%
Trading Volume, contracts	1,587,206	499,480	217.77%
Number of trades	124,242	49,921	148.88%
Total open interest, USD	18,309,813	17,139,499	6.38%
Total open interest, contracts	77,018	58,678	31.26%
<b>TOTAL, USD</b>	<b>813,729,175</b>	<b>557,200,019</b>	<b>46.04%</b>

## The UX Index Monthly Wrap-Up: August 2011

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 August the UX Index calculated by the Ukrainian Exchange fell by 24.67% to reach 1,743.82 points (2,315.06 points as of July 29, 2011).

The most impact was coming from prices of ordinary shares of Motor Sich (MSICH) – down 95.89 points, Ukrnafta (UNAF) – down 89.29 points and Ukrtelecom (UTLM) – down 68.06 points.



## Top 5 Stock Market Best Sellers: August 2011

Ticker	Company name	Trading volume, USD	Closing price, USD	Change, %
MSICH	Motor Sich	54,408,669	289.60	-26.19%
ALMK	Alchevsk Metallurgical Plant	49,467,791	0.016	-33.43%
CEEN	Centrenergo	36,744,422	1.30	-18.11%
AZST	Azovstal	18,518,384	0.214	-25.90%
AVDK	Avdiivka Cokery Plant	16,080,835	0.935	-35.36%

## URALSIB: opening the door to foreign investors

URALSIB Capital Financial Services is part of URALSIB Financial Corporation, one of Russia's largest and best-established financial services groups, and a leading player in commercial banking, investment

banking, asset management, private banking and leasing. The company offers DMA access to the MICEX cash equities market and FORTS, the derivatives market of the RTS Stock Exchange. RUSSIAN MARKETS met with

**Igor Veretelnikov**, URALSIB Capital – Financial services, CEO, to discuss the efforts the company is taking to attract overseas clients through advanced technologies and reliable, convenient, cost-effective services.



**Igor Veretelnikov**

**Russian Markets (RM):** Could you briefly describe the company's history, experience and its current status?

**Igor Veretelnikov (IV):** URALSIB Capital Financial Services is an internet broker, part of URALSIB Financial Corporation, which is second in size and geographical reach in Russia: URALSIB branch offices are located all across Russia from Kaliningrad, on Russia's western border, to Vladivostok, in the far eastern border. According to the Expert RA Rating Agency, URALSIB Capital Financial Services is ranked among the Top-10 largest Russian banks in terms of total assets. Since 2004, URALSIB Capital Financial Services has been ranked among the Top-100 largest Russian companies by capitalization. Last year, URALSIB was placed fourth in the rating of Russian banks based on total loans to small and medium-sized businesses.

**RM:** How long has the company been working on the Russian market? What can it offer to overseas clients?

**IV:** URALSIB Capital Financial Services has been active on the Russian

market since 2006. While not very long, over these years the company has already implemented the most comprehensive and advanced trading technology solutions that simplify trading through brokers in equities, bonds and derivatives for all types of clients (both individuals and legal entities). In particular, URALSIB Capital Financial Services has started cooperating with ULLink and BT-Radians, companies aimed at creating state-of-the-art infrastructure that offer the best service for overseas clients on the Russian market. One such

technology is that of low latency DMA access, the most sought-after service, which is already available to Western market players.

**RM:** How attractive is the Russian market for foreign investors right now?

**IV:** During the financial slumps that we have seen over the last few decades, gold significantly rose in value, as at that time it was seen as the only "safe haven" in the market's rough waters. Gold prices have now reached historical highs and the debt crisis on either side of the Atlantic is one of the main reasons why investors now seek new, more reliable and cost-effective investments. In many countries including Russia, there is no foreign debt problem. The risks facing the Russian market are related to fluctuations in oil prices, with stocks of the leading Russian companies having the same dynamics as stocks of the countries in debt, including the same price decline rate. However, when the markets stabilize, it is the emerging markets that are first to recover. Moreover, countries with emerging markets will

not only safely recover from the after effects of the financial crisis but also take leading roles in the development of a global post-crisis economic model, which makes Russia one of the world's most attractive countries for investments even against the backdrop of the crises. We already feel foreign investors are increasingly looking to access the opportunities that the Russian market has to offer.

**RM:** Do you try to implement any western ways of trading on the Russian market that can make trading for overseas clients more accessible?

**IV:** Absolutely. Our primary task is to make trading for foreign market participants effective and accessible. For example, the Russian cash equities market traditionally has a T+0 settlements cycle which, in other words, means 100% advance depositing of assets. This process is not very effective, but during volatile times it provides more stability to the turbulent market. Now the T+0 settlement cycle is extremely unpopular on Western markets and is considered outdated. We are ready to offer our clients opportunities of trading without fully depositing assets in advance, and this undoubtedly will raise the trading effectiveness and lower the costs for market participants.

**RM:** What advantages does URALSIB Capital Financial Services have over other brokers working on the Russian market?

**IV:** First of all, we have the expertise and the best global technologies to offer our clients. Secondly, we offer access to the global market through the company's presence in London and New York, an FSA-regulated service, DMA low latency access and the absence of 100% advance depositing of assets on the MICEX cash equities market.

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**The MICEX Group** is an integrated exchange which provides electronic trade organization, clearing and settlement on trades, and depository and data services based on a single technological platform. The Group includes ZAO MICEX, the ZAO MICEX Stock Exchange, the National Mercantile Exchange, the MICEX Settlement House, the National Depository Center, the National Clearing Center, ZAO MICEX – Information Technologies, regional exchange and settlement centers.

MICEX Group operates the following financial segments: foreign exchange, the government bonds market, equities, corporate and regional bonds market, and derivatives and commodities markets.

**The RTS Group** is an integrated trading and settlement complex providing the full range of qualitative and reliable exchange services. The Group consists of OJSC “Russian Trading System” Stock Exchange, RTS Clearing Center, RTS Settlement Chamber, CJSC “Depository Clearing Company. The Group includes also subsidiaries such as the Ukrainian Exchange, Eurasian Trade System Commodity Exchange JSC in Kazakhstan and RTS Exchange Europe Ltd in London.

RTS offers trading in shares, bonds, futures and options contracts on shares and bonds of Russian companies, RTS Index, RTS Standard Index, Federal loan bonds, commodities.

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