

YOUR GUIDE TO THE RUSSIAN STOCK AND DERIVATIVES MARKET

Inside the Market

Trading in the first Russian five-year futures on the USD/RUB exchange rate launched on FORTS

On September 1, 2010 trading in the futures contract on the USD/RUB exchange rate with settlement on September 15, 2015 started on FORTS, the derivatives market of RTS.

This instrument has become the Exchange contract with the longest settlement term among existing instruments on the Russian stock market.

This five-year instrument on the USD/RUB exchange rate was launched due to the numerous appeals of market participants who need long-term hedging of currency risks. Russian enterprises and companies engaged in dynamic foreign economic activities or who are subject to currency risks, will now gain the opportunity to plan their financial budget 5 years in advance with the launch of the instrument. The new futures contract has Si-9.15 code in the trading system and it keeps all the advantages and characteristics of 3-month currency contracts in its specification. The price of its first market transaction on the contract amounted RUB37,950.

'The experience of leading international financial centres demonstrates high demand

on long-term currency hedging instruments from the top companies and holdings globally. This trend has been particularly visible over the last two years when foreign currency



market volatility was very high', comments Evgeny Serdyukov, Director of the Futures & Options Market at RTS Stock Exchange. Moreover the five-year futures on the USD/RUB exchange rate will interest long-term investors with savings, deposits, and loans denominated in US dollars. The use of this future will enable them to protect themselves and their investments from inflation in the USA.

RTS Markets:

Everything about the Russian Stock and Derivatives Markets

In this Issue:

Valuable information for your business including:

- The latest news from the Russian market
- Market data for September 2010

Editor:

Rufina Baybulatova
rufina@rts.ru

Visit our website at:
www.rts.ru/en/

International Projects

DCC opens direct account in Euroclear Bank S.A./N.V.

Starting from September 20, 2010 depositors of the Closed Joint Stock Company "Depository Clearing Company" gains the opportunity to conduct operations on settlements and keeping of international securities with DCC directly in an account in Euroclear Bank S.A./N.V. (hereinafter referred to as Euroclear Bank), which is the biggest international settlement and clearing center.

The Euroclear direct account offers wide opportunities for DCC depositors to operate in foreign markets with such securities as foreign issuers shares, corporate Eurobonds,

ADR and GDR on Russian issuers shares, Eurobonds. The depositors will be able to make any transactions within the securities provided under the "Terms and conditions of depository activity of the DCC" and that do not contradict the securities terms of issue and trading. Currently, foreign issuers securities could be settled on a FOP (free delivery) basis. In the future, DCC is planning to further co-operate with Euroclear with the aim to gain new opportunities for depositors including DVP (delivery vs. payment) settlements.

News in Brief...

RTS Betting Big on Trading Technologies

Read interview with Dmitry Shatsky, Deputy CEO, RTS, on page 7 [Link](#)



OJSC Moscow Energy Exchange elects Council for derivatives section [Link](#)

Open interest in power futures exceeds RUB100 million [Link](#)

23.09.2010 Trading volume of futures contracts on EUR/USD futures exceeds 16 billion rubles

On September 22, 2010 a new trading record was set on the currency section of FORTS, futures and options market of RTS. This day trading participants executed 9,862 trades on EUR/USD futures contracts. Trading volume of the EUR/USD FX futures contracts amounted to 389,889 contracts or

RUB16,102,266,198.

The previous trading record in terms of volume of this instrument was set on September 14, 2010 when trading volume of the EUR/USD futures totaled 333,002 contracts or RUB13,197,811,223.

14.09.2010 Turnover of ETF "Troika Dialog - RTS Standard" exceeds more than 3 billion rubles

During the first month of trading units of the ETF "Troika Dialog - RTS Standard", the turnover amounted to over RUB 3,258 mln. Market participants have shown high levels of interest in this new exchange-traded instrument that considerably broadens their investment opportunities to now include arbitrage operations and hedging of market risks.

ETF "Troika Dialog - RTS Standard", under the management of IC "Troika Dialog", is the first ETF (exchange traded fund) analogue in Russia (which are the most liquid and needed instruments among all groups of investors globally). The new Russian Exchange instrument fully corresponds with the RTS Standard Index, thus allowing the opportunity to form the most balanced investment portfolio with low level of costs.

02.09.2010 Settlement time on RTS Standard trades to be changed as of September 3, 2010

Starting from September 3, 2010 settlement obligations (delivery) under trades executed on RTS Standard are performed at 5.00 pm MSK, instead of the current time of 9.30 am. In order to ensure settlement of the executed trades, market participants need to credit a sufficient amount of cash or securities to the delivery accounts by 5.00 pm on the settlement day. The amount of cash or securities that a Clearing Member is required to deliver will be calculated based on the settlement price determined during the intraday clearing on the settlement day itself.

Transferring settlement obligations under trades executed on RTS Standard to a later date enables market participants to avoid posting cash and securities for settlement until the delivery day itself. This allows market participants to accrue additional income by investing their assets that would otherwise have been blocked. With the option to credit cash and securities for settlement on the delivery day, market participants will be able to execute buy/sell transactions in direct trading mode with settlement on the actual trade date. Trades settled on T+0 can be entered into with any counterparties until 4.00 pm that day. From 4.00 pm to 4.30 pm, direct trades with settlement on T+0 can only be made between sections of the registers opened for the same Clearing Member.

We would like to bring to your attention that the exchange fees have been reviewed.

02.09.2010 Final settlement prices determined for futures on the average power price index at the "Center" and "Ural" hubs

On September 1, 2010, within the framework of the project between the Moscow Energy Exchange and RTS Group on trading in the power futures contract, the futures contracts on the average power price index in the Center hub (ECBM-8.10 and ECPM-8.10) and in the Ural hub (EUBM-8.10 and EUPM-8.10) were settled.

The settlement prices amounted to:

ECBM-8.10 - RUB1,018.36 per MWh

ECPM-8.10 - RUB1,170.56 per MWh

EUBM-8.10 - RUB950.07 per MWh

EUPM-8.10 - RUB1,077.98 per MWh

As in the contract's specifications, the settlement price is

calculated on the basis of the arithmetic average of all values of the Index that is an underlying asset of the contract for the period from 01.08.2010 to 31.08.2010 published by the Moscow Energy Exchange.

The volume of settled contracts stood at:

ECBM-8.10 - 52 contracts for RUB3.962 mln.

ECPM-8.10 - 480 contracts for RUB 8.656 mln.

EUBM-8.10 - 20 contracts for RUB1.415 mln.

EUPM-8.10 - 164 contracts for RUB 2.722 mln.

During August, 1688 trades representing 6,148 contracts were executed. 716 contracts were settled for a total of RUB16,755,368

01.09.2010 Brent futures contract breaches the USD100 million mark for the first time

September 1, 2010 saw a record trading activity in the Brent futures contract, with market participants making a record number of trades (4,474 trades) for a record value of RUB3,100,321,418 (or USD100.4 million) represented by 133,685 contracts.

The previous record was set on February 12, 2010 when the trading volume in this instrument reached RUB2,212,879,479 (or USD73.4 million) or 100,527 contracts.

01.09.2010 New Lists of shares for calculation of RTS Index, RTS Standard Index, RTS-2 Index, RTS Siberia Index and Sectoral Indices come into effect

For the period of September 15 – December 14, 2010 new constituent lists of RTS Indices, approved by the OJSC "Russian Trading System" Stock Exchange on recommendation by the Index Committee, will come into effect.

Ordinary shares of OJSC LSR Group and V.Bank will be transferred from the waiting list to the new constituent lists of RTS Indices. They will replace ordinary shares of JSC "OPIN" and Ufaneftekhim which will be removed from the RTS Index due to the smallest capitalization of all constituents calculated on free-float basis.

The list of RTS Standard Index shares will remain unchanged.

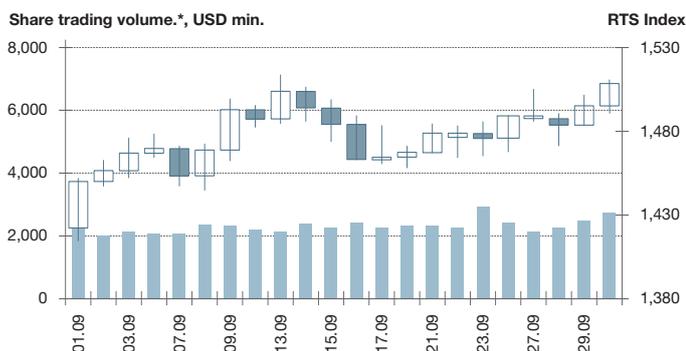
Ordinary shares of Kazansky Helicopter Plant and OAO "PROTEK" will be included in the new list of RTS-2 Index constituents advancing from the waiting list. Ordinary shares of OAO "PROTEK" will also be included in the sectoral RTS Consumer & Retail Index.

Ordinary shares of JSC "AVTOVAZ", JSC "The Seventh Continent", JSC "Salavatnefteorgsintez" as well as preferred shares of MGTS will be taken off the constituents list of RTS-2 Index due to the reduced liquidity.

Please see the new lists of shares for calculation of RTS Sectoral Indices and RTS Siberia Index on the RTS website [Link](#)

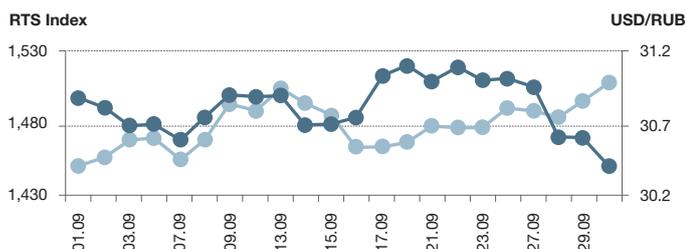
The RTS Index Monthly Wrap-Up: September 2010

In September 2010 the Russian stock market demonstrated positive dynamics.

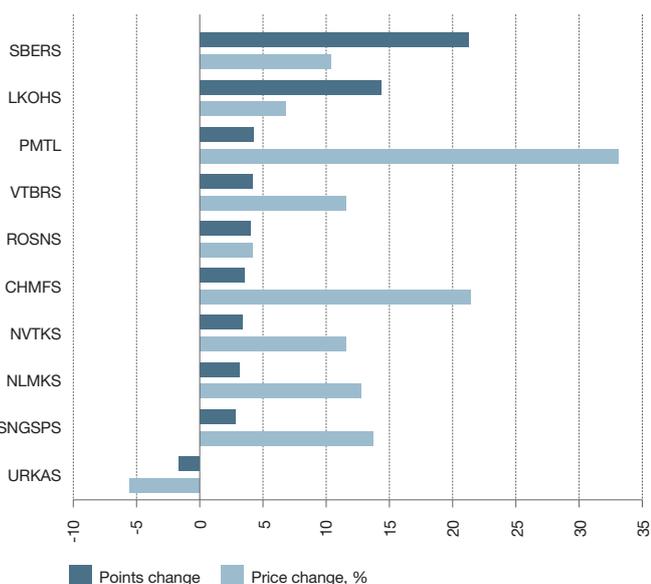


* Including OTC

In September 2010 the Russian stock market demonstrated positive dynamics. For the last month the RTS Index went up by 6.08% to 1,507.66 points (1,421.21 points on August 31, 2010). Besides, by the end of September RTS Index was 20.18% higher compared to its closing level one year ago (1,254.52 points on September 30, 2009). The US Dollar depreciated by 0.85% against the Russian Ruble in September.

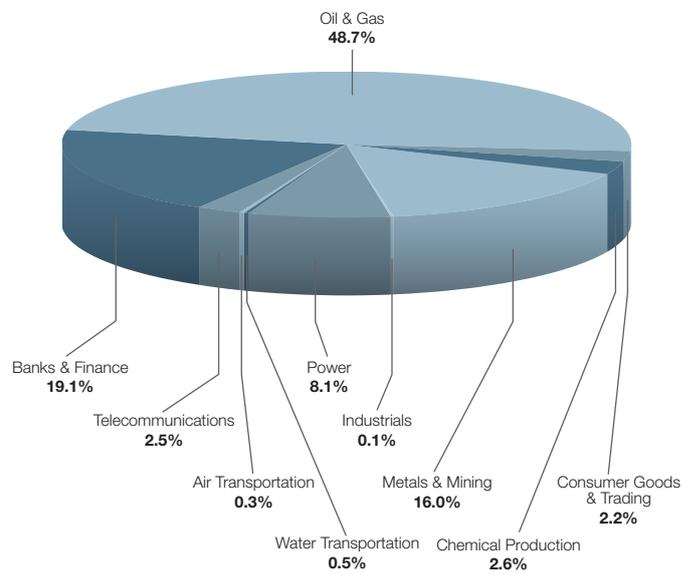


In September 2010 44 stocks out of RTSI's total 52 stocks from old and new RTSI constituents lists had positive impact on the Index's dynamics (plus 89.86 index points), 7 securities moved negatively (minus 3.40 points), the price for 1 security remained unchanged.

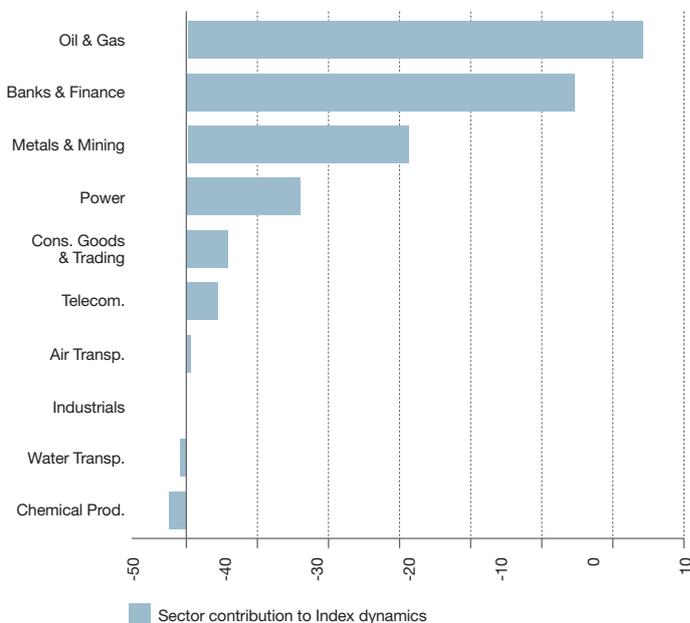


The most positive impact was coming from the growing prices of ordinary shares of JSC "Sberbank Rossii" (plus 21.42 points), JSC "Lukoil" (plus 14.49 points), JSC "Polymetal" (plus 4.46 points). The most negative impact was coming from the price decline of ordinary shares of ordinary shares of OJSC "Uralkali" (minus 1.74 points).

RTS Index Sector Structure



48.7% of the RTSI total capitalization concentrated in the Oil & Gas Sector. The other large-weight sectors were Finance (19.1%) and Metallurgy (16.0%).



In September the major positive contributors were securities of Oil & Gas Sector (plus 32.07 points), Finance (plus 27.34 points) and Metallurgy (plus 15.59 points).

Market Data: September 2010

Futures and Options market (FORTS)

Top clearing members of futures and options trading volumes: September 2010

Company Name	Rating Position	
	September	August
Brokercreditservice Ltd.	1	2
JSC "Investment Company "ITInvest"	2	1
OTKRITIE Group	3	3
ALOR Group	4	4
Zerich Capital Management IC OJSC	5	5
Investment Company FINAM CJSC	6	7
Troika Dialog	7	6
ALFA-BANK	8	8
KIT Finance Ltd	9	9
Metallinvestbank OJSCo SKB	10	13

FORTS Trading results: September 2010

Futures contracts	September	August	Change
Trading volume, mln USD	77,740	73,425	5.88%
Trading volume, contracts	52,035,788	46,943,997	10.85%
Number of trades	9,265,313	9,586,380	-3.35%
Total open interest, mln USD	3,890	3,719	4.60%
Total open interest, contracts	4,016,982	4,160,908	-3.46%

Options contracts	September	August	Change
Trading volume, mln USD	4,284	3,894	10.02%
Trading volume, contracts	1,933,306	1,733,449	11.53%
Number of trades	185,330	173,203	7.00%
Total open interest, mln USD	2,022	2,448	-17.40%
Total open interest, contracts	944,906	1,908,302	-50.48%

Total	September	August	Change
Trading volume, mln USD	82,024	77,319	6.09%
Trading volume, contracts	53,969,094	48,677,446	10.87%
Number of trades	9,450,643	9,759,583	-3.17%
Total open interest, mln USD	5,913	6,167	-4.12%
Total open interest, contracts	4,961,888	6,069,210	-18.24%

Top 5 Traded Contracts: September 2010

Contract	September 2010		
	Rating	Trading Volumes	
		Mln USD	Contracts
RTS Index futures	1	54,347	18,412,111
USD/RUB exchange rate futures	2	8,060	8,010,986
EUR/USD exchange rate futures	3	6,220	4,725,509
Sberbank futures	4	3,283	12,148,355
Gazprom futures	5	1,977	3,752,034

RTS Stock Market

Top 10 RTS Standard Leading Operators: September 2010

Company Name	Rating Position	
	September	August
Troika Dialog	1	2
OTKRITIE Group	2	1
ALOR Group	3	4
JSC "Investment Company "ITInvest"	4	3
OLMA Investment Firm	5	5
Brokercreditservice Ltd.	6	6
Investment Company FINAM CJSC	7	8
Solid	8	11
Metallinvestbank OJSCo SKB	9	7
Deutsche Securities ZAO	10	14

Top 5 RTS Stock Market Best Sellers: September 2010

Company Name	Trading Volume : USD	Share in RTS : %
Sberbank, ordinary	6,050,045,628	59.33%
Gazprom, ordinary	1,819,588,740	17.84%
OAO "LUKOIL", ordinary	572,974,349	5.62%
OJSC "MMC "NORILSK NICKEL", ordinary	461,890,661	4.53%
OJSC "OC "Rosneft", ordinary	390,734,140	3.83%

FORTS Trading results: September 2010

The total trading volume of commodities contracts on OJSC RTS futures market totalled RUB122.6 billion. The number of commodities market participants on FORTS consisted of 3,402 traders/firms.

Rating of FORTS Clearing members by trading volume in the commodities market in September 2010

Clearing member	Rating position (September 2010)	Rating position (August 2010)
Solid	1	1
OTKRITIE Brokerage house JSC	2	2
KIT Finance Ltd.	3	3
Brokercreditservice Ltd.	4	4
Troika Dialog	5	6
JSC "Investment Company "ITInvest"	6	5
Investment Company FINAM CJSC	7	7
Bank ZENIT OJSC	8	10
ALFA-BANK	9	8
VTB 24 (JSC)	10	9

Agroindustry In September 2010 the trading volume in futures contracts on sugar exceeded RUB18 million.

Underlying asset	Trading volume (tons)	Trading volume (RUB)
Sugar	780	18,697,994
Total in OJSC RTS agricultural products market	780	18,697,994

Precious metals In September 2010 the trading volume in futures and option contracts on precious metals exceeded RUB57.6 billion.

Metal	Trading volume (ounces)	Trading volume (RUB)
Gold	1,122,226	44,111,637,976
Silver	16,474,200	10,326,984,187
Platinum	67,012	3,248,476,360
Palladium	740	12,614,500
Total in OJSC RTS precious metals market	17,664,178	57,699,713,037

Oil In September 2010, trading volume in futures contracts on oil and oil products exceeded RUB64.9 billion.

Underlying asset	Trading volume (barrels)	Trading volume (RUB)
Brent Oil	27,041,640	64,914,154,748
Urals Oil	20	45,494
Total in OJSC RTS oil market	27,041,660	64,914,200,242

Joint projects of RTS Group and exchanges partners

Oil products Futures market of Saint Petersburg Stock Exchange In September 2010, trading volume on gasoil exceeded RUB0.4 billion.

Underlying asset	Trading volume (tons)	Trading volume (RUB)
Gasoil	26,638	442,707,000
Total in oil products market	26,638	442,707,000

Power Futures contracts on the average power price index traded at OJSC Moscow Energy Exchange:

Underlying asset	Trading volume (MWh)	Trading volume (RUB)
Average power price index	4,295,424	517,974,040
Total in power market	4,295,424	517,974,040

RTS Betting Big on Trading Technologies

Securities and derivatives markets in Russia had a lot to learn from the financial crises of 1998 and 2008. Since then the exchanges, together with the government, have taken steps to improve risk management systems and trading technologies, especially in

terms of capacity and reliability. Those initiatives are making Russia a more attractive place for international players and RTS Stock Exchange, a leader in innovative trading solutions, sees its mission to make the Russian market more secure and reliable through

technologies – a key driver of business for the Exchange.

Dmitry Shatsky

Deputy CEO at RTS spoke with RTS Markets about IT development at the RTS Stock Exchange.



Dmitry Shatsky Deputy CEO at RTS

RTS Markets (RM): What's the history of creating the RTS trading system? Were foreign analogues used when developing the trading system?

Dmitry Shatsky (DS): Originally the RTS market was based on NASDAQ-supplied trading and settlement technologies. But in 1996, a year after the RTS Stock Exchange was established, the RTS IT team started developing its own trading platform as the existing solutions were getting out of date and that was the moment when RTS moved towards technological independence and improvement of the system's IT capacity. The first trading system of the RTS Stock Exchange, developed in-house, was at that time one of a kind as opposed to the rest of the legacy systems of the leading global exchanges, as it was built on unique leading-edge technologies.

RM: Is there any significant difference between the RTS trading system and foreign IT-solutions?

DS: Yes, absolutely. There are two major differences: the first one is that

RTS trading system is integrated in the Exchange's clearing and settlement infrastructure which allows the RTS Group to offer market participants and their clients a full range of pre-trading, trading and post-trading services. And secondly, RTS trading system calculates and controls risks on clearing brokers, brokers and brokers' clients' portfolios in the online mode. A portfolio can consist of positions on cash instruments and futures and options contracts on these instruments. That is, when accepting and processing any order-management message, the trading system instantly recalculates portfolio risks which maybe affected by the order-management message. In short, the core of the trading system has two components: a risk calculator with limits checks and a matching engine. There is no analogue to that IT solution applied on any other exchange in the world.

RM: What is the RTS trading system capacity? Is it expected to rise?

DS: The current capacity of the trading system (including on-line risks calculation) is 1,500 transactions per second. The capacity is expected to rise in the forthcoming year to reach 4,500 transactions per second.

RM: It is known that trading on RTS Stock Exchange has been suspended several times this year due to technical malfunctions. Were these malfunctions prominent?

DS: At the moment we are in transition to a new platform which is also an in-house RTS technology and this leads to the system being exposed to double pressure in maintaining two technologies, an old one and a new one. Due to the significant volume of additional work during the transition stage a number of minor technical malfunctions occurred in June 2010. They caused suspension of the stock trading session but were quickly

resolved and no data on submitted orders or trades was lost. Now, thanks to the highly qualified IT team's work at the RTS Stock Exchange, the situation has stabilized and we expect the process of transition to the new platform to be over by the end of this year.

RM: What parts of the Exchange are in charge of implementing IT solutions, testing processes?

DS: The Exchange has several subdivisions in charge of maintenance and support of the exchange system's life cycle. These are software developers, 1st level testers, 2nd level testers and an operation service. All systems go through two stages of testing: as a gray-box (1st level testing) and as a black box (2nd level testing). The Exchange has been certified to conform to ISO 9000:2001 standard including in the sphere of software development.

RM: Is the RTS trading system technology subject to specific technical requirements from the Regulators?

DS: No, there are no requirements like that. But we understand the importance of our system reliability as it is a vital factor for the business operation and we keep improving it.

RM: What trading system parameters need further development? What is being done to raise the level of reliability of the trading system in conditions of ever-growing market demands?

DS: Our aim is to continually enhance the Exchange's trading systems to match the rate of business development and the growing demands of the stock market. We constantly perform testing of our systems in conditions of increased load in order to detect in a timely manner and eliminate vulnerable spots and be prepared for the market further development.

Contacts

Your comments are important to us.

Please e-mail your comments or suggestions to the newsletter editor Rufina Baybulatova at rufina@rts.ru

Contacts in Moscow, Russia

- Director, Stock Market
Svetlana Rybina
Tel +7(495)705 9031, ext. 26099
E-mail: rybina@rts.ru
- Deputy Head of
Sales Department, Stock market
Timur Abushkin
Tel +7(495)705 9031, ext. 26118
E-mail: timur@rts.ru
- Director, Futures and
Options Market
Evgeny Serdyukov
Tel +7(495)705 9031, ext. 26098
E-mail: fuserd@rts.ru
- Deputy Head of
Futures and Options Market
Business Development
Karine Gabrielyan
Tel +7(495)705 9031, ext. 26057
E-mail: karina@rts.ru



Contacts in London, UK

- Global Business Director
Ekaterina Troshinkina
Tel +44 (0)781 494 0974
E-mail: etroshinkina@rts.ru



About RTS

Russian Trading System Stock Exchange is one of the major trading platforms in Russia and Eastern Europe, providing trading services on both the spot (stocks, bonds, funds) and derivatives markets (futures and options contracts) based on advanced technologies employed worldwide.

RTS Standard, a new front-rank equity market for the most liquid Russian securities characterized by absence of 100% advance asset depositing, standard T+4 settlement in roubles, use of CCP technology and consolidated cash position on RTS Standard and on FORTS, RTS derivatives section.

FORTS is the leading trading venue for derivatives in Russia. FORTS is rated 9th among 30 global derivative exchanges. Derivative instruments traded on FORTS include contracts on shares of Russian companies, bonds, RTS Indices, short term interest rates, currency, oil, metals and sugar. The most actively traded contract is futures on the RTS Index. Both the RTS Stock Market and the FORTS market are traded on robust international standard electronic platforms which allow for direct market access and algorithmic trading.

Copyright © All Rights Reserved 2010 OJSC “Russian Trading System” Stock Exchange, Moscow

Open Joint Stock Company Russian Trading System Stock Exchange has used all reasonable efforts to ensure that the information contained in RTS MARKETS newsletter is accurate and correct but shall not be liable for any damages including, without limitation, direct, indirect, incidental, special, consequential or punitive damages arising out of the use of the materials and/or services made available via the RTS MARKETS.

The RTS Stock Exchange logo is a registered trademark of RTS Stock Exchange.