



MOSCOW EXCHANGE FULLY MIGRATES TO T+2 SETTLEMENT FOR EQUITIES

As of Monday 2 September all equities listed on Moscow Exchange trade with T+2 settlement. After trading hours on Friday, 30 August the Exchange management held a ceremony officially marking the end of trading in T+0 for these instruments. Government bonds (OFZs) will continue to trade with both T+2 and T+0 settlement. Corporate bonds settle in T+0.

As with other recent reforms, the move to T+2 settlement makes trading on Russia's main exchange more attractive to both international and Russian market participants. The system of pre-payment for trades (known as T+0) played a positive role as the Russian securities market was getting off the ground but as trading in Russia is now integrated into the global financial markets our market participants expect the latest in settlement and risk management tools. The globally recognized T+ settlement model lowers costs for market participants, increases efficiency of deployed capital and will lead to higher trading volumes.

The plan to migrate to T+2 settlement was first announced a year and a half ago. Since then the Exchange and its members have adjusted their IT systems and converted back office procedures in preparation for the new settlement regime. The migration to the new settlement regime was gradual and started on 25 March when the most liquid stocks and OFZs started to trade in parallel with T+2 and T+0 settlement.

On 4 September the Exchange hosted a press briefing featuring First Deputy Chair of the Central Bank and Moscow Exchange Board Chairman Sergey Shvetsov and CEO Alexander Afanasiev to discuss the successful migration to T+2 settlement.

The reform of the settlement cycle is part of a larger program to upgrade Russia's capital markets and ensure that Moscow is the primary platform for trading across Russian asset classes. This program began with the merger of Russia's two main exchanges that created Moscow Exchange in December 2011. Since then, Russia has established a central securities depository, opened up the bond market to Euroclear and Clearstream and created a central counterparty for clearing across all markets.

CORPORATE NEWS

Moscow Exchange expands cooperation with Deutsche Börse Group

In August in Frankfurt Moscow Exchange CEO Alexander Afanasiev, and Andreas Preuss, Deputy CEO of Deutsche Börse and CEO of Eurex signed a cooperation agreement for FX derivatives trading. This is a new part of the broad partnership between Deutsche Börse Group and Moscow Exchange, and will see Eurex Exchange launch FX futures based on EUR/RUB and USD/RUB on its trading system. The exchanges will jointly promote the launch of these two FX futures.

The average daily volume for both contracts on Moscow Exchange is currently 2 mln contracts, with a notional value of USD 2.1 bln. The Futures Industry Association reports that USD/RUB futures were the third most popular currency futures globally last year.

Moscow Exchange's partnership with Deutsche Börse began with a letter of cooperation in 2012. At the beginning of the past summer the two exchanges signed an agreement to make five single stock futures of well-known German companies available for trading on the derivatives market of Moscow Exchange.

**Strong growth in the second quarter of 2013**

Moscow Exchange recently announced its IFRS results for the three months ended 30 June 2013. During the quarter trading turnover across all markets was up 31% YoY to RUB 120.8 trn. Assets in custody increased to RUB 17.6 trn as of 30 June 2013. Total operating income rose 21.0% YoY to RUB 6.30 bln.

EBITDA was up 32.2% YoY to RUB 4.54 bln; EBITDA margin increased to 72.1% from 66.0% in Q2 2012. Net profit increased 57.1% YoY to RUB 3.30 bln. Strong earnings were driven by growth across the Exchange's highly diversified business, particularly by derivatives and money-market products.

Management team is bolstered with new senior hires

Moscow Exchange has made a number of senior hires to strengthen key operations and increase the Exchange's international competitiveness.



Luis Vicente has been appointed Managing Director of Risk and Clearing. Upon receiving the pertinent clearance from the Central Bank of Russia, Luis will take up the post of Deputy Risk Officer of the National Clearing Centre, which is part of Moscow Exchange, where he will be responsible for the implementation and improvement of risk-management systems.

Luis has 16 years' risk-management experience. He worked for 12 years in central counterparty risk management at Brazil's BM&FBOVESPA, a multi-market, vertically integrated exchange that is one of the world's 10 largest exchanges by market capitalization and the leader in Latin America. His experience in BM&FBOVESPA included two years as Risk Systems Director and five years as Risk Management Director, having successfully integrated the risk management departments of BM&F and BOVESPA after their merger in 2008. In addition to risk management activities pertaining to equities, derivatives, FX and government bonds markets, he was also responsible for the development of the new CORE (Closeout Risk Evaluation) framework, a multi asset-class, multi-market risk management system for central counterparties.

He holds a master's degree from Imperial College London and a bachelor's degree from the University of Rio de Janeiro.



Sergei Klinkov is joining the Exchange as Director of Investor Relations. His responsibilities include expanding the investor base while maintaining its quality, as well as implementation of the Exchange's IR strategy.

Sergei previously headed investor relations at engineering equipment manufacturer HMS Group,

and before that at Bank Vozrozhdenie.

He graduated from the Moscow Energy Institute, and holds a certificate in investor relations from the UK's IR Society.



Anna Vasilenko has been appointed Director of Primary Markets, in which capacity she will manage the structure and development of the primary market and increase the number of Russian and foreign securities traded.

Anna has many years of experience working in leading investment banks, including Credit Suisse and Renaissance Capital.

She was a project manager involved in the creation of the first delivery versus payment (DVP) system on the Russian market in 2001. Anna specialized in structuring large transactions for Russian corporates, arranging financing for companies in various sectors of the economy, as well as liquidity management. Prior to her move to Renaissance Capital in 2006 where she was a Director in Structured Products, she was Deputy Head of the Securities Management Department at Lukoil, one of Russia's largest oil companies. During her tenure there, she was responsible for corporate governance as well as finance structuring.

She graduated from Moscow State University's economics faculty and holds an executive MBA from Moscow's Skolkovo School of Management.

Viktor Malakhov has been appointed IT Director. He will manage the development and implementation of new software to improve the Exchange's IT systems.

Before joining Moscow Exchange, Viktor was CIO at Moscow's Skolkovo School of Management, where he was responsible for the IT development strategy. From 2006-2008 he was CIO and CTO at Troika Dialog. Prior to this, he headed product development for financial instruments operations at Deutsche Bank in Moscow.

Viktor graduated in applied mathematics and physics from the Moscow Institute of Physics and Technology.

Evgeny Gavrilov, who was previously in charge of Sberbank CIB's IT risk and regulatory control department, joins the Exchange as head of a division at the IT Department. He will oversee analysis of derivatives-market business processes as well as the derivatives market's operational and technological requirements.

Prior to Sberbank CIB he was in charge of developing electronic trading at Deutsche Bank.

He graduated from the Moscow Institute of Physics and Technology, and holds an MBA.

Igor Artelnykh, who was formerly head of IT development for FX trading systems at Renaissance Capital, has been appointed System Architect in the IT Department. Igor will be responsible for analyzing FX-market business processes and managing the development of the functional and technological requirements to meet the needs of the FX market.

Prior to working at Renaissance Capital, he managed the design of electronic trading and market data dissemination systems at CQG Inc.

He graduated from Lomonosov Moscow State University

EQUITIES AND BONDS MARKET

Global banks to offer DMA to the Russian market

In September Citigroup, Credit Suisse, Merrill Lynch, and Morgan Stanley will begin to offer to their clients Direct Market Access (DMA) to securities trading on Moscow Exchange. It is expected that two additional major global banks will start the service later this year.

International investors, through the new exchange infrastructure, will be able to trade equities, while collateral for trading can be posted in Russian Roubles, securities, as well as US Dollars and Euros.

Closing Auction on Equities Market

Moscow Exchange replaced the Post-Trade Auction with the Closing Auction starting 2 September. This service is in line with best practice at the world's leading exchanges. The auction uses a new algorithm based on random auction termination, which precludes the market price from being artificially increased or decreased. The Closing Auction's generated price is recognised as the official closing price for the Russian market. The Closing Auction runs from 18:40-18:50 MSK. The end of trading has been move from 18:45 to 18:40 MSK.

New regimes for trading with the Central Counterparty

The 23 most liquid shares were admitted to trading in the Central Counterparty Repo Order Book Mode starting 2 September. The 13 most liquid corporate bonds were admitted to trading in the Central Counterparty Negotiated Trades and Central Counterparty Repo Off-Order-Book Modes.

New services on Equities and Bonds Market

Moscow Exchange introduced the following initiatives starting 2 September in addition to the Closing Auction:

- Allowing participants to hold a compensation and commission clearing account, from which commission will be withdrawn for all deals done with clearing accounts;
- Odd-lot trades now require just partial pre-funding, and can be made in the T+2 mode;
- Updating the Dark Pool algorithm to allow trades with large blocks to use the T+2 order book to calculate settlement prices;
- Definition of IDs' powers on the T0 and T+2 markets;
- A new code for settlement on Y0 and Y2 CCP Repo Order Book Mode trades;
- Limiting CCP Repo Order Book Mode trades to RUB1 mln for stocks and RUB10 mln for OFZs;
- The ability to place and trade euro-denominated securities.

Changes in Indexes composition

Moscow Exchange proposed to update constituent lists for a number of its indexes. Changes relate to the following stocks: Megafon, Polymetal International ords, RN Holding prefs, Dorogobuzh, Platform Utinet.ru, Korshynov Mining Plant. Also free-float ratios will be changed for a number of stocks. All changes come into effect on 17 September. Detailed information is available on Moscow Exchange [web site](#).

DERIVATIVES MARKET

Moscow Exchange expands calendar spread suite

At the beginning of September Moscow Exchange introduced new calendar spreads in futures on the RTS Index, USD/RUB, Brent, gold, and the seven most liquid stocks (Gazprom, Sberbank ords and prefs, Norilsk Nickel, Lukoil, Rosneft, and VTB).

Moscow Exchange's Derivatives Market began offering calendar spread trades with RTS Index and USD contracts on 5 June. The total turnover of RTS Index and USD/RUB futures calendar spreads on that date was USD 20 mln.

Using new June contracts, participants rolled out RTS Index futures of more than USD 60 bln and USD/RUB futures of more than USD 130 bln.

Derivatives Market data distribution frequency parameters improved

Moscow Exchange is pleased to announce improvements to the Derivatives Market's data distribution frequency parameters; these will allow customers better to utilise high-frequency and algorithmic trading, where decision-making speed is critical. Improved market-data distribution makes processing more flexible and enables use of a variety of market data aggregation, calculation, and analysis methods, facilitating rapid decision making and analysis of market micro-movements.

To ensure stability in implementing the changes, they are scheduled thus:

Step 1) 9 September: the own trades/orders distribution rate will increase to once per 15 ms for all Derivatives Market participants.

Step 2) 16 September: the own trades/orders distribution rate will increase to once per 5 ms for all Derivatives Market participants.

Step 3) 23 September: the own trades/orders distribution rate will increase to once per millisecond for all Derivatives Market participants.

The changes will affect all Plaza II and FIX gateway users; no additional configuration changes are required.

IT NEWS

Moscow Exchange successfully finishes consolidating trading platforms

Moscow Exchange has successfully finished consolidating its Securities, FX, and Derivatives Markets' trading platforms within a single technological venue, the M1 data centre in Moscow. The move was part of the exchange's technological infrastructure development strategy.

The computing capacity of SPECTRA, the Derivatives Market's trading and clearing system, was moved to M1 on 19 August, marking the final stage of the consolidation project. The ASTS platform, which serves the exchange's securities and FX markets, migrated to M1 in November last year. M1 has thus become Moscow Exchange's only data centre.

Consolidation of the exchange's trading & clearing systems increases the potential of the systems themselves and facilitates the optimisation of members' infrastructure, as they now need to support access to only one data centre. In addition, trading members and their clients can use M1's unified co-location service in close proximity to trading & clearing systems, ensuring simultaneous access to all markets.

FX MARKET

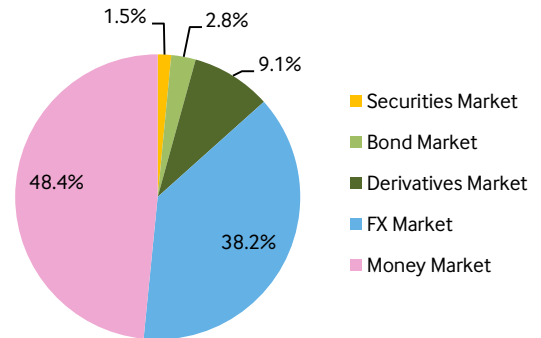
New record set

FX market turnover in August was RUB 14,886 bln (August 2012: RUB 10,853 bln), including spot trades of RUB 4,621 bln (31% of the total) and swap trades of RUB 10,265 bln (69%). The swap trading volume reached a record in August. The FX market's average daily turnover was RUB 677 bln. The addition of FX trading to leading retail brokers' product lines increased the client base significantly, from 6,800 at the start of the month to 40,900 by the end.

MARKET REPORT

The total monthly trading volume in Moscow Exchange's markets in August was RUB39 tn. The average daily trading volume amounted to RUB1.77 tn, down 7% from the previous month. Trading in securities, RDRs and mutual funds units constituted 1.5% (RUB0.59 tn) of the total trading volume, while the bond market's share was 2.8% (RUB1.0 tn), the derivatives market made up 9.1% (RUB3.5 tn), and the FX and money market accounted for 86.6% (RUB33.8 tn).

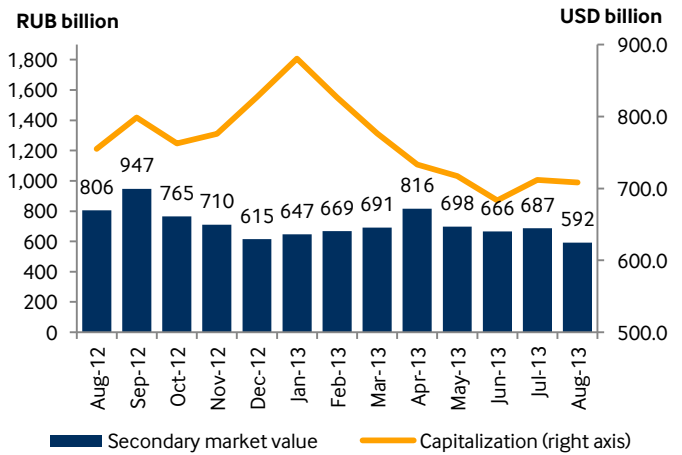
AUGUST 2013 TRADING VOLUMES BY MARKETS TOTAL VOLUME OF RUB39 TRILLION



SECURITIES MARKET (STOCKS, RDRs AND INV. FUNDS UNITS)

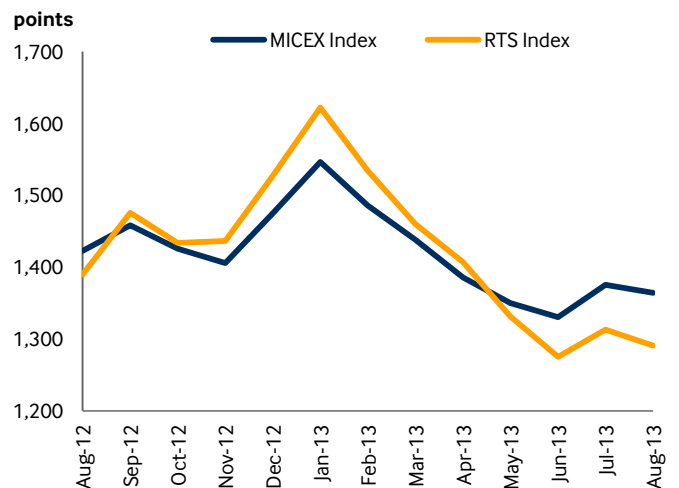
The stock-trading volume totaled RUB0.59 tn in August. The average daily trading volume was RUB27 bn, down 10% from the previous month. The Main Market sector made up 88.2% of the total secondary market trading volume, the Standard sector accounted for 1.0%, the Classica sector constituted 0.1%, and the T+2 sector came in at 10.6%. The primary market's value was RUB0.5 bn. OTC trading came to RUB0.18 tn, or 23.7% of the combined value of the secondary market and OTC trades.

VALUE TRADED IN STOCKS, RDRs AND INV. FUNDS UNITS

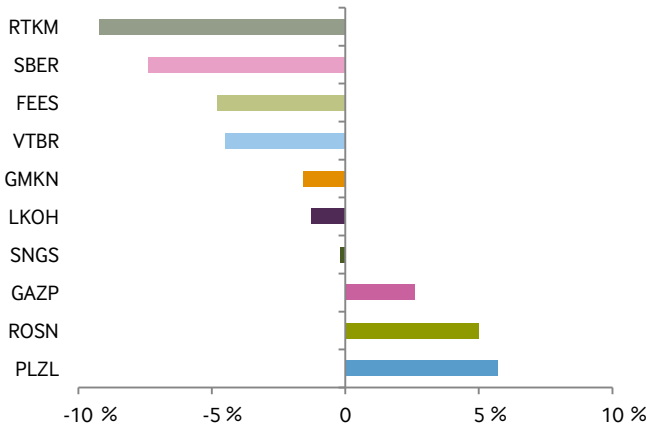


The MICEX Index lost 0.81% over the month to 1,364.65 (from 1,375.79 at the end of July). The dollar denominated RTS Index was down 1.71% to 1,209.96 (1,313.38 at the end of July). The cash equity market's capitalization depreciated 0.53% in August to USD708.11 bn on the last day of the month (from USD711.95 bn at the end of July).

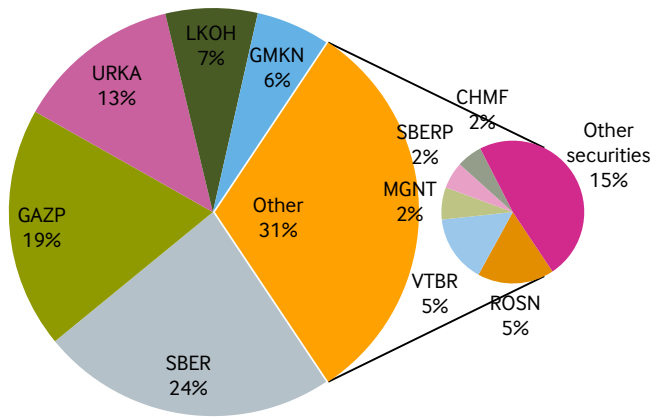
MICEX INDEX and RTS INDEX PERFORMANCE



MONTHLY CHANGES IN BLUE-CHIPS CLOSING PRICES



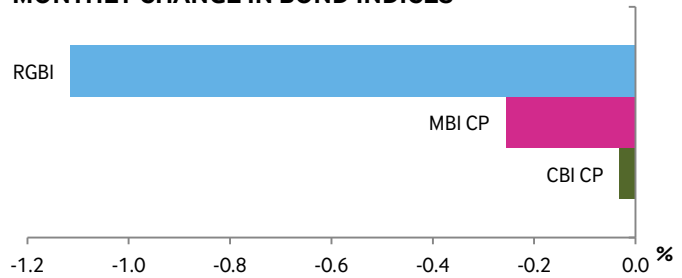
MONTHLY BEST SELLERS ON THE SECURITIES MARKET



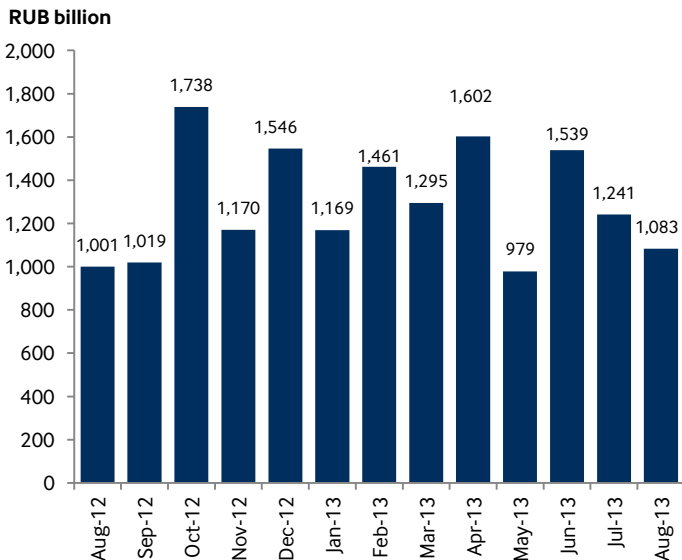
MARKET FOR CORPORATE, REGIONAL AND GOVERNMENT BONDS AND EUROBONDS

The Russian Government Bond Index (RGI) was down 1.12% in August to 133.0 (from 134.50 at the end of July). The MICEX Municipal Bond Index (MICEX MBI CP) was down 0.01% to 97.15 (from 97.40 at the end of July). The MICEX Corporate Bond Index was down 0.03% to 93.34 (from 93.37 at the end of July).

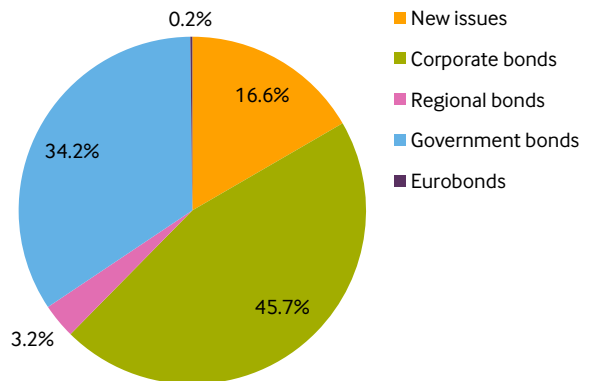
MONTHLY CHANGE IN BOND INDICES



TOTAL VALUE TRADED ON THE PRIMARY AND SECONDARY BOND MARKETS



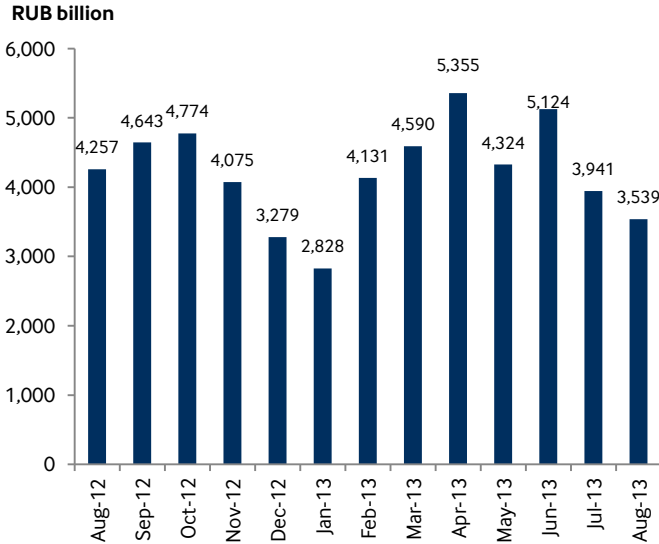
AUGUST TRADING VOLUME



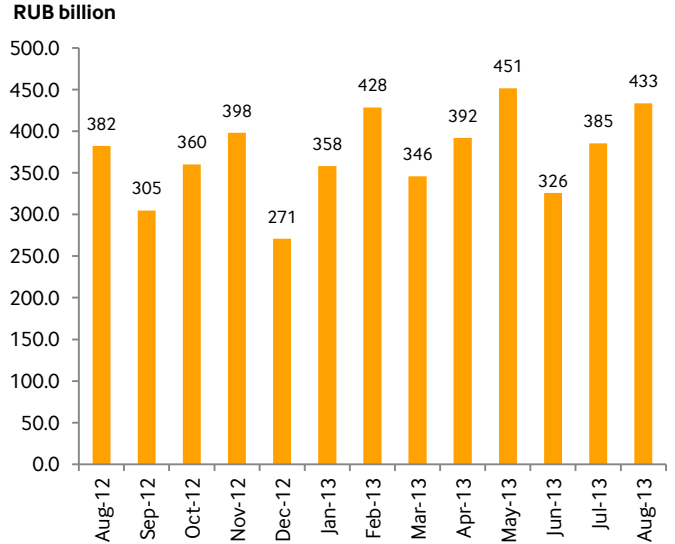
DERIVATIVES MARKET

The volume traded on the Moscow Exchange's Derivatives market in August was RUB3.54 tn, or 81.9 mn contracts. The average daily volume traded on the market was RUB161 bn, down 6% from the previous month. The total open interest as of the end of the month reached RUB433.4 bn or 12.4 mn contracts.

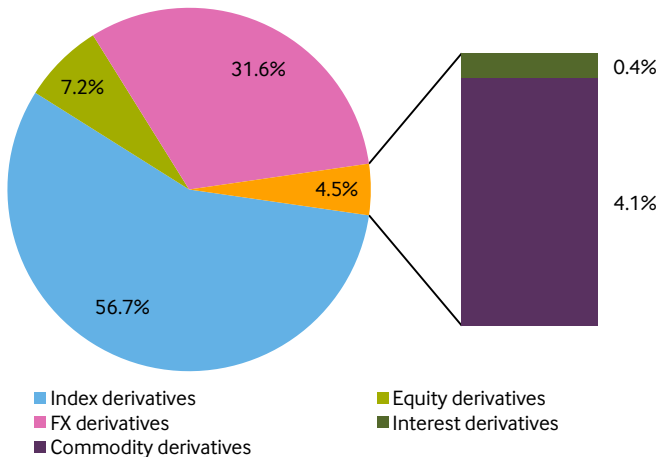
DERIVATIVES MARKET TRADING VOLUME



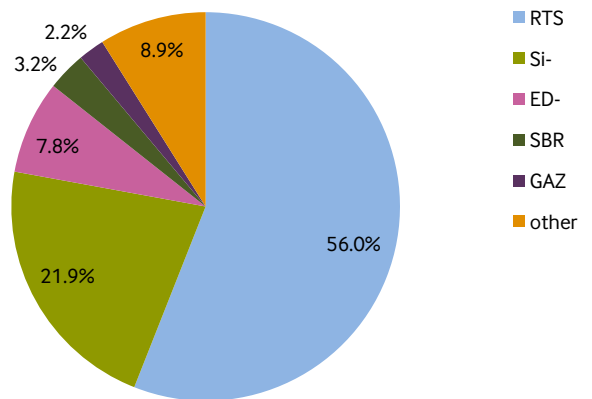
DERIVATIVES MARKET OPEN INTEREST



AUGUST TRADING VOLUME BY UNDERLYING ASSETS

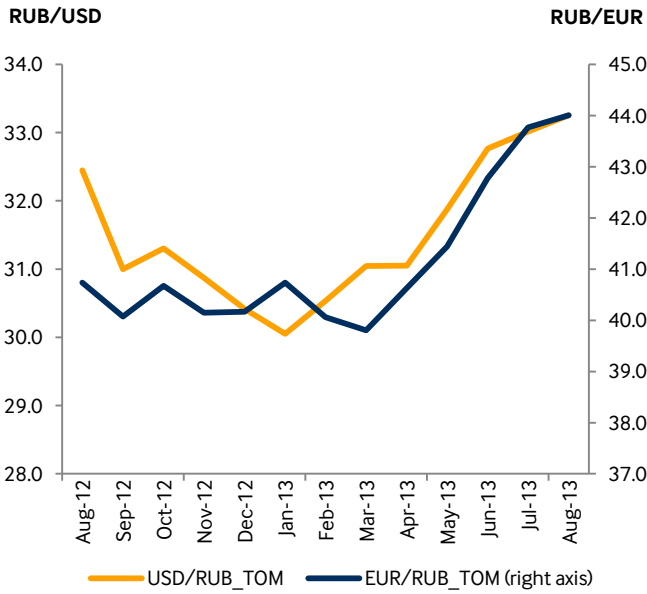


DERIVATIVES MARKET MONTHLY BEST SELLERS

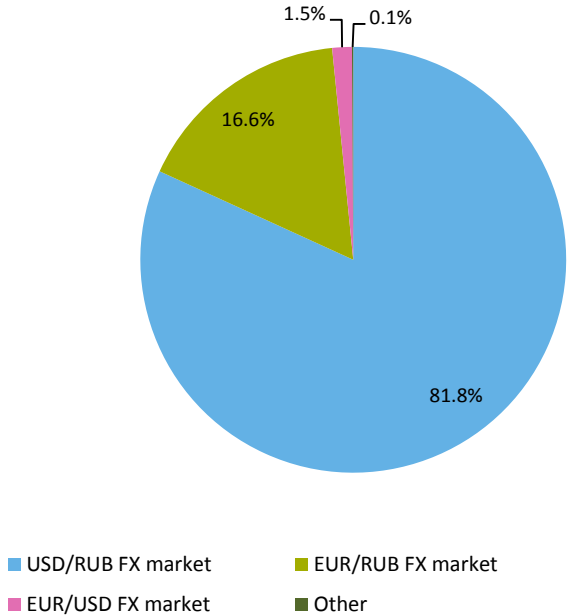


FX AND MONEY MARKET

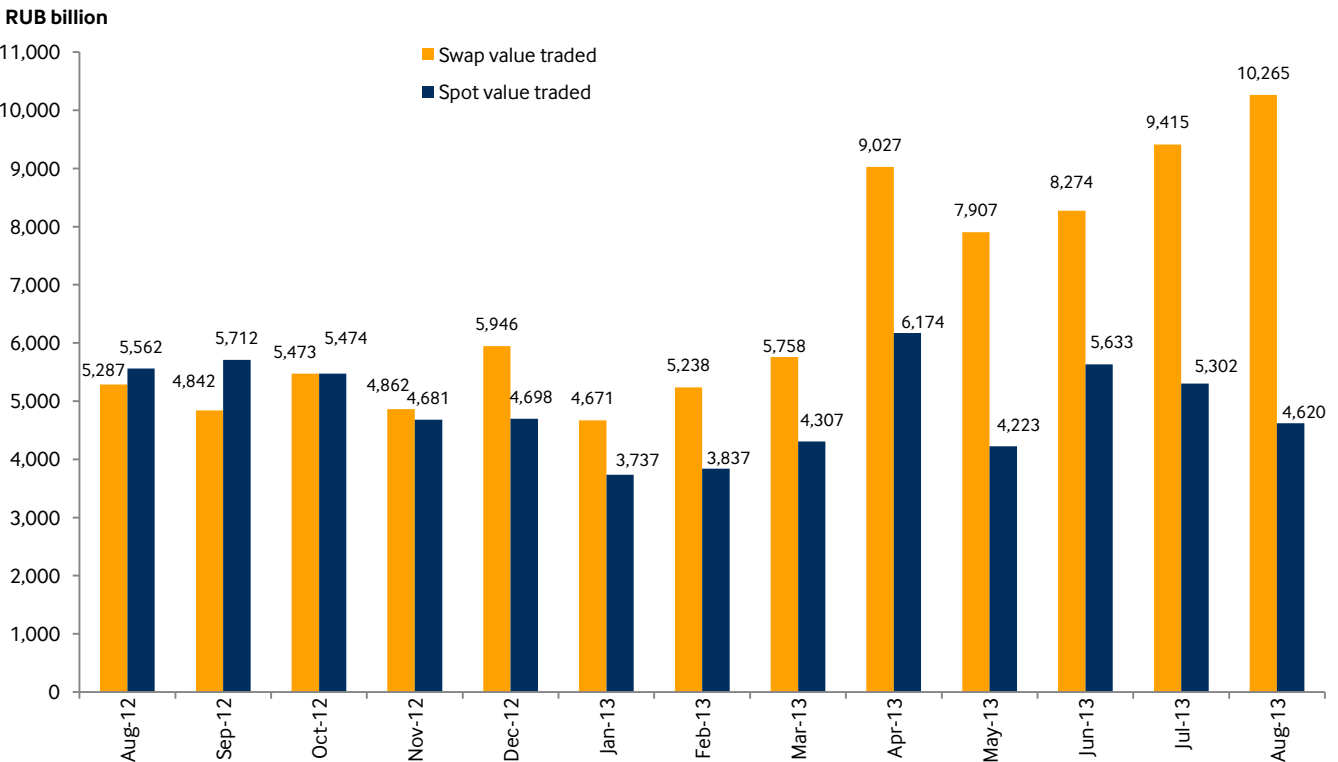
EXCHANGE RATES



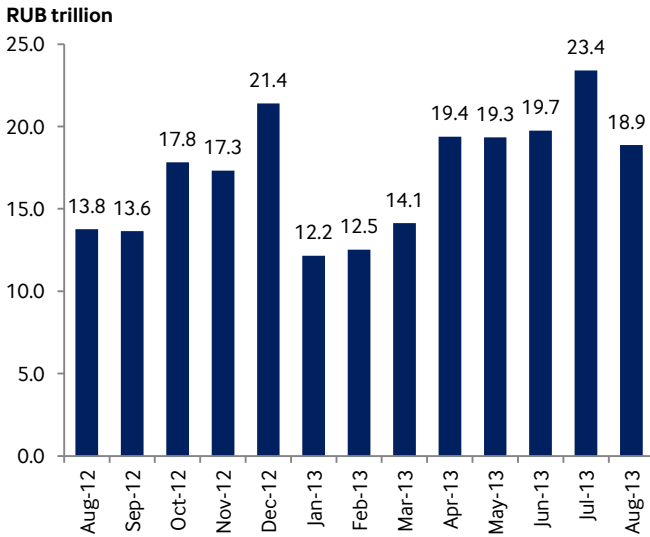
AUGUST TRADING VOLUMES



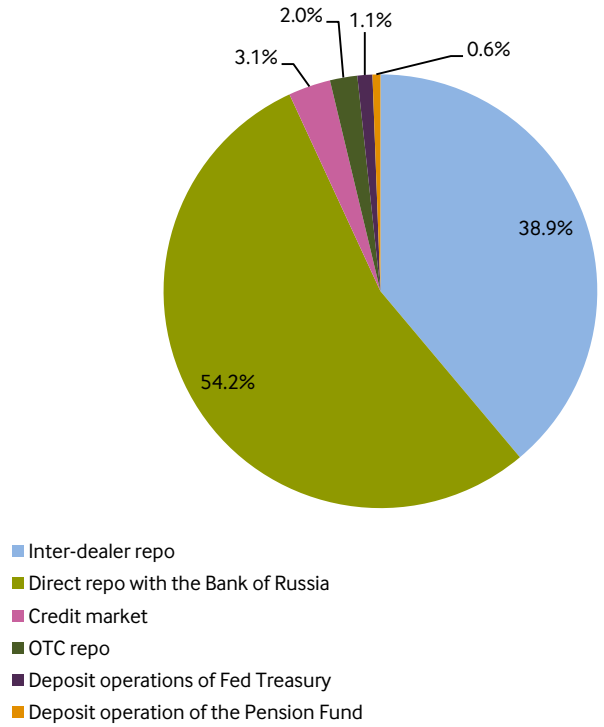
FX MARKET TRADING VOLUME



MONEY MARKET TRADING VOLUME

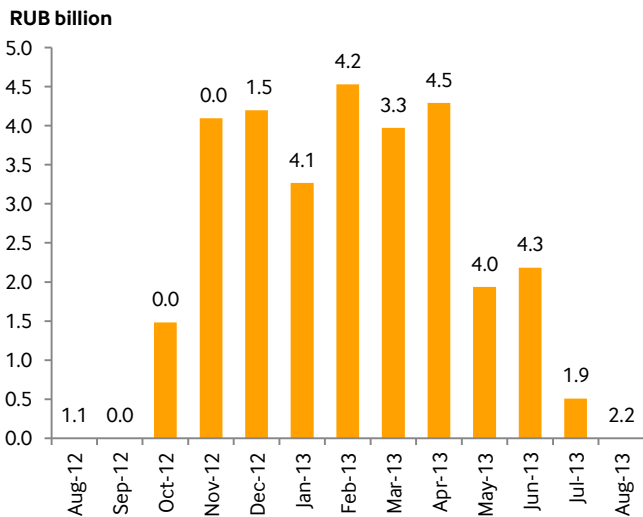


AUGUST TRADING VOLUME BREAKDOWN



COMMODITIES MARKET

COMMODITIES MARKET TRADING VOLUME



TOP 20 EQUITIES TRADERS

MAIN TRADING MODE

Rating position (previous month)	Company Name	Turnover, RUB bn
1 (1)	BCS	131.98
2 (2)	OTKRITIE	107.28
3 (3)	FINAM	87.99
4 (5)	Sberbank	69.26
5 (4)	Renaissance Capital	68.24
6 (6)	ALOR	64.50
7 (9)	Deutsche Bank	47.57
8 (7)	IT Invest	45.10
9 (8)	VTB 24	44.38
10 (10)	ATON	32.12
11 (15)	ZERICH Capital Management	19.84
12 (12)	Credit Suisse Bank (Moscow)	18.76
13 (11)	GPB	18.24
14 (13)	ALFA-BANK	16.36
15 (18)	KIT Finance	12.87
16 (16)	Morgan Stanley Bank	10.91
17 (14)	VTB Capital	10.80
18 (24)	ING BANK (EURASIA)	10.36
19 (17)	Solid IFC	9.75
20 (20)	Citigroup Global Markets	9.45

TOP 20 CORPORATE AND REGIONAL BONDS TRADERS

MAIN TRADING AND NEGOTIATED TRADES MODES

Rating position (Previous month)	Company Name	Turnover, RUB bn
1 (2)	Sberbank	101.06
2 (3)	BC Region	66.97
3 (25)	ALOR	51.36
4 (6)	VELES Capital	38.42
5 (10)	OTKRITIE Bank	31.47
6 (4)	VTB Bank	28.89
7 (11)	Promsvyazbank	28.75
8 (5)	VTB Capital	28.08
9 (1)	GPB	26.69
10 (27)	NOMOS-BANK	26.01
11 (13)	ALFA-BANK	24.85
12 (8)	URSA Capital	23.87
13 (22)	BCS	21.78
14 (7)	TransCreditBank	21.50
15 (17)	Raiffeisenbank	19.58
16 (14)	ATON	17.39
17 (34)	UBRD	16.20
18 (19)	Russian Agricultural Bank	15.77
19 (-)	Deutsche Bank	13.60
20 (24)	VTB 24	13.21

TOP 20 SOVEREIGN BONDS (OFZs) TRADERS

MAIN TRADING AND NEGOTIATED TRADES MODES

Rating position (previous month)	Company Name	Turnover, RUB bn
1 (1)	CITIBANK	95.46
2 (3)	Sberbank	47.43
3 (5)	Promsvyazbank	47.34
4 (2)	VTB Bank	40.34
5 (6)	Unicredit Bank	38.60
6 (7)	ING BANK (EURASIA)	36.10
7 (25)	Bank TRUST	35.34
8 (4)	Credit Suisse Bank (Moscow)	30.73
9 (12)	J.P. Morgan Bank International	25.75
10 (8)	Veles Capital	21.91
11 (9)	Deutsche Bank	21.76
12 (16)	ALFA-BANK	19.27
13 (18)	Rosbank	18.43
14 (13)	Morgan Stanley Bank	18.17
15 (17)	Uralsib	15.74
16 (21)	BCS	12.48
17 (27)	BC Region	12.09
18 (22)	Raiffeisenbank	11.28
19 (20)	Barclays	11.21
20 (10)	GPB	10.55

TOP 20 FUTURES AND OPTIONS TRADERS

Rating position (previous month)	Company Name	Turnover, RUB bn
1 (1)	OTKRITIE	1,588.49
2 (2)	BCS	1,374.45
3 (3)	IT Invest	616.64
4 (4)	FINAM	482.52
5 (5)	Renaissance Capital	260.81
6 (6)	Sberbank	247.72
7 (9)	VTB 24	226.22
8 (8)	ALFA-BANK	220.13
9 (7)	ALOR	200.88
10 (12)	Metallinvestbank	196.70
11 (13)	ATON	164.36
12 (10)	ZERICH Capital Management	163.77
13 (11)	KIT Finance	162.06
14 (14)	Solid IFC	115.93
15 (15)	OLMA	113.13
16 (22)	UNIVER Capital	56.89
17 (18)	Promsvyazbank	54.11
18 (17)	URALSIB Capital-Financial Services	54.00
19 (20)	FINRISE	49.28
20 (19)	ELTRA	45.44

TOP 10 FX MARKET TRADERS (USDRUB SPOT)

Rating position (previous month)	Company Name
1 (2)	BCS
2 (1)	OTKRITIE
3 (3)	ALFA-BANK
4 (4)	Sberbank
5 (5)	Metallinvestbank
6 (6)	VTB Bank
7 (8)	OTP Bank
8 (7)	NOMOS-BANK
9 (10)	Credit Suisse Bank (Moscow)
10 (-)	GPB

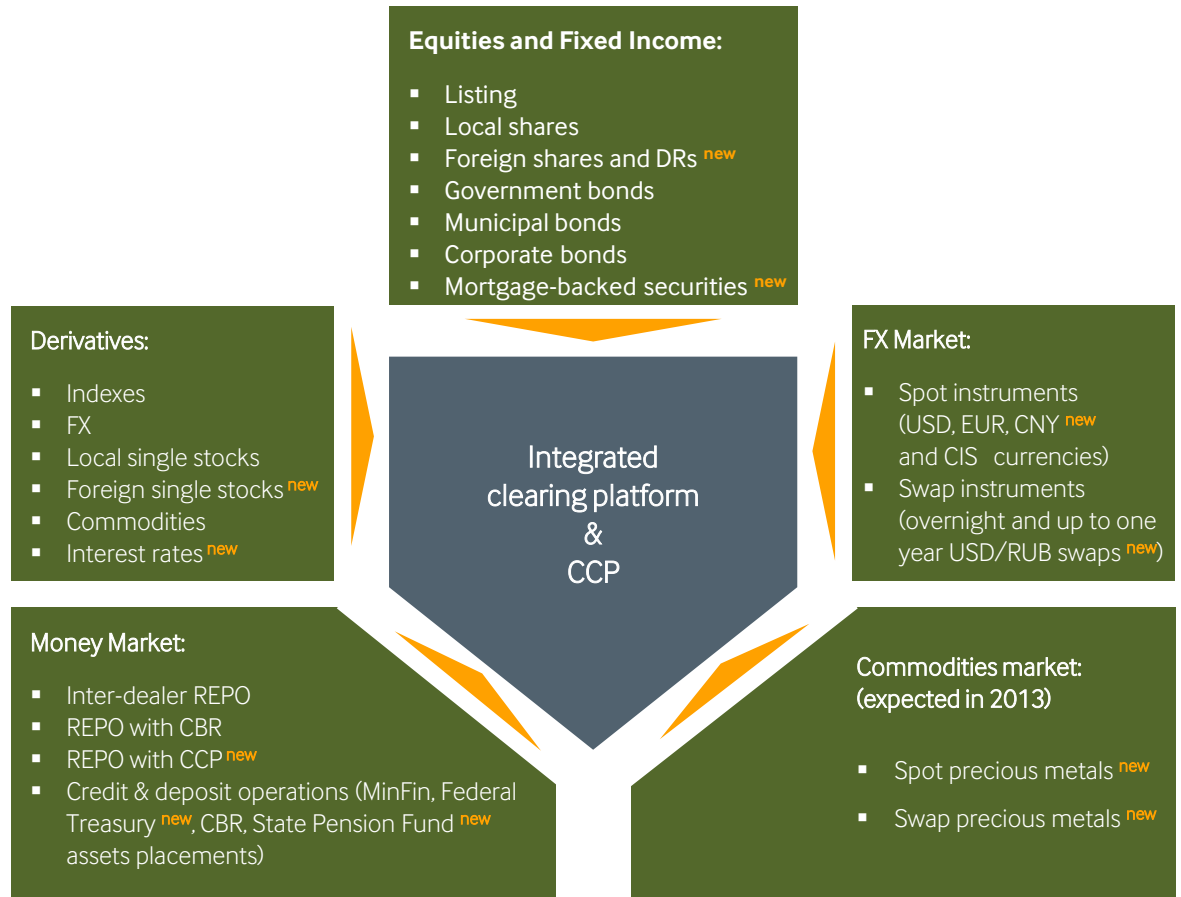
TOP 10 FX MARKET TRADERS (USDRUB SWAPS)

Rating position (previous month)	Company Name
1 (1)	VTB Bank
2 (2)	Sberbank
3 (3)	NOMOS-BANK
4 (-)	GPB
5 (5)	BINBANK
6 (4)	OTKRITIE
7 (6)	FUNDSERVICEBANK
8 (8)	Deutsche Bank
9 (7)	Morgan Stanley Bank
10 (-)	Crédit Agricole CIB

FX market participants' trading turnover volume is not subject to disclosure



DIVERSIFIED PRODUCT OFFERING WITH UNIFIED CLEARING



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