



NEW ISSUERS COMMITTEE FORMED

Moscow Exchange established an advisory committee comprised of issuers on its Equities & Bonds Market in September. The newly formed Issuers Committee, which consists of representatives from 20 top Russian companies, will ensure a healthy flow of information and views between issuers and the leadership of Moscow Exchange.

The first meeting of the Issuers Committee was held on 19 September and was greeted by Moscow Exchange CEO Alexander Afanasiev. Twenty issuers represented on the committee constitute nearly 65% of the Russian equity market's capitalization. This includes bluechips such as Gazprom, Sberbank, Lukoil, Rosneft, VTB, Uralkali, Megafon, Norilsk Nickel, and Severstal.

The committee will lend its expertise to Exchange projects that affect issuers' interests. Some of these projects are expected to help attract new issuers to the market, while others are aimed at simplifying things for corporates that are already traded. One example is the exchange asking issuers what changes

they consider necessary to the listing regulations, corporate governance standards, securities issuance procedures, and disclosure of information.

The attendees agreed to meet in the near future with the Central Bank of Russia's (CBR) regulatory arm to present a number of consolidated suggestions discussed at the inaugural meeting.

Moscow Exchange has long maintained a number of committees that allow market participants to express their views on important developments and changes at the Exchange, and in turn for the Exchange to glean insight from its customers and partners. These include the overall Exchange Council, the IT Services Committee, the Listing Committee, and committees devoted to each of Moscow Exchange's largest markets, namely Equities & Bonds, Derivatives, FX, and Money markets. The Exchange Council and these committees consist largely of brokers, banks and other market participants. The new Issuers Committee is the first such body that unites the issuer community.

CORPORATE NEWS

Moscow Exchange to hold New York forum on 23 October

The New York session of Moscow Exchange Forum will take place on 23 October. The forum will start with a plenary session moderated by Moscow Exchange CEO Alexander Afanasiev with the main guest speaker Sergey Shvetsov, First Deputy Chairman of the Bank of Russia and the head of newly created mega-regulator of the Russian financial market. Following the plenary session there will be two roundtables running in parallel. One roundtable will be hosted by National Securities Depository (NSD) and will be devoted to an in-depth discussion of NSD services as the main entity for settlement of Russian equities and bonds as well as the Central Depository across all markets. Another roundtable will be hosted by the heads of Moscow Exchange's markets: equities & bonds, derivatives, FX, and the money market. The head of IT will also speak about innovations in his area.

Registration and an early lunch begin at 11 am. The plenary session will start at noon. We very much hope you will be able to join us for this exciting event that will take place at the Grand Hyatt New York at 109 East 42nd Street.

Supervisory Board meets

Moscow Exchange's Supervisory Board met in Moscow on 19 September 2013. The board discussed the viability of Sergey Shvetsov continuing as Chairman of the Moscow Exchange Supervisory Board following his recent appointment to head the Central Bank of Russia's newly formed Financial Markets Service. Though recognizing there are areas of potential conflict of interest, the board noted the critical initiatives currently being overseen by Mr Shvetsov as Chairman, his personal commitment to shareholders made in June of this year when reelected as Chairman, and his role in realizing key projects before the end of the current board term. Upon conclusion of discussion, board members unanimously (with the exception of Mr Shvetsov, who recused himself) voted for Mr Shvetsov to remain in his position as board chairman. Mr Shvetsov will recuse himself from board votes in areas that present a conflict of interest.

The board approved a mechanism to cancel a portion of the quasi-treasury shares held by Moscow Exchange subsidiary CJSC MICEX Finance. Moscow Exchange will execute a buyback of 99,852,660 shares (4.2% of the company's charter capital) at RUB 55 per share (the weighted average price for the six months preceding 19 September). The number of shares to be purchased equals the number of shares on the books of MICEX Finance that were acquired in preparation for the Company's IPO and as part of the stabilization program following the IPO.

The board approved the exchange's Know Your Client policy aimed at broadening compliance procedures in order to mitigate reputational risks and bring them in line with international best practice.

DERIVATIVES MARKET

Futures on leading German stocks launched

On 3 October, Moscow Exchange initiated trading of futures contracts on five top German issuers: BMW, Daimler, Deutsche Bank, Siemens, and Volkswagen. The futures were launched following an agreement signed in Moscow this June by Moscow Exchange CEO Alexander Afanasiev and Eurex CEO Andreas Preuss.

Conditions to improve for algorithmic traders

Moscow Exchange is to change the calculation procedure for the surcharge for ineffective transactions and impose a new charge for erroneous transactions across its SPECTRA trading & clearing platform on 21 October. The aim is to optimize HFT activity and increase the productive load on the trading system.

These developments allow members to more actively exercise strategies involving both futures and options, and to enhance activity in illiquid instruments such as options on equity futures. The market will also be largely protected from erroneous trading algorithms. More information is available [here](#).

New market making program to enhance OFZ futures liquidity

Moscow Exchange broadened the market making program for OFZ (federal government bond) basket futures starting on 1 October. The new program supports bilateral quotes for small lots with 3-5 bps spreads along with large lots with 10-25 bps spreads. Quotes are to be maintained during the main trading session as well as the evening one, which is from 19:00-23:50 MSK. Individual investors are now able to trade on news via RUB interest rates around the clock.

Roman Sulzhyk, Managing Director of Moscow Exchange's Derivatives Market, said, "Interest derivatives, including OFZ futures, are among most the complicated and most attractive financial instruments worldwide. For example, in the US they are the most popular futures. An increasing number of Russian participants are getting ready to trade these unique instruments, and strive to enhance the liquidity of government bond contracts".

The new program affords individual investors the opportunity to trade on the long term interest rate market with sufficient liquidity and minimal transaction costs.

Clearing OTC derivatives rolled out

OTC Derivatives Clearing with the Central Counterparty (CCP) is one of Moscow Exchange's major projects launched this year. It is part of Russia's G20 commitment to increase OTC market transparency and enhance the role of the CCP.

In the first stage of the project, Moscow Exchange will introduce four main instruments: Overnight Index Swaps, Interest Rate Swaps, XCCY Swaps, and FX Swaps. All deals will be booked by trading members through a Web Interface, and the trade will be designated as being on-exchange with the CCP.

The second stage will involve flexible equity and FX options and the ability to book deals via Bloomberg. Members of the OTC clearing service will have the choice of two trade statuses: "on exchange with the CCP" or "OTC cleared with the CCP". The latter will provide access for foreign investors to OTC derivatives clearing, with the Moscow Exchange as the CCP.

Calculation of risk (initial margin) and mark to market (variation margin) is based on the well-known FINCAD calculation engine. All pricing models used by our risk managers conform to best market practices used by top trading desks across the world, and are openly available on our website for feedback or revision.

Cleared via CCP status allows participants to retain OTC market flexibility of contract terms – trading and clearing members can discuss order terms and place counter orders in a manner similar to the OTC market: through bilateral negotiation of order terms.

Orders will then be matched, after which the NCC will become the CCP for each deal, allowing trading and clearing members to enjoy the benefits of credit enhancement provided by the Moscow Exchange. In other words, the trade limit for each counterparty increases by the limit it has with the NCC.

The status also allows certain technical issues to be avoided, namely those relating to mandatory trade reporting to the National Settlement Depository (NSD), as the CCP takes on the reporting function.

The status likewise eliminates litigation risk from the non-recognition of trade obligations, including during close out netting (OTC market agreements are replaced by Clearing Act 7 of federal law). Above all, "cleared via CCP" status brings the important benefit of substantial reduction of capital cost due to the reduction of assets' risk weighting

under the N1 standard (calculated in line with CBR directive 139-I).

Russia's G20 obligations stipulate the regulatory body's intent to make CCP clearing obligatory in the near future. Although the body had not yet set a formal timeframe, Moscow Exchange expects mandatory clearing to be introduced six to twelve months after the launch of OTC clearing on the Moscow Exchange.

We thus encourage participants to gain early access to the project: early connectivity will aid smooth transition and negate operating risk.

Moreover, it will allow participants to influence the project's configuration and functionality: during the six months following the project launch, the Moscow Exchange will actively collect feedback from major participants, and, if necessary, will amend details of risk calculation, technical features, and contractual obligations in line with participants' recommendations.

TRADING CALENDAR

Trading schedule for New Year holidays

Moscow Exchange has set the following operating schedule for its equity, FX, and derivatives markets from 30 December through 8 January, based on the CBR's decision to operate the payment system on 6 and 8 January:

- 30 December is a regular trading day;
- 31 December is a non-trading day;
- 1-5 January and 7 January are non-trading days (and public holidays in Russia);
- 6 and 8 January are regular trading days on the Securities and Derivatives markets. TOD trades will not be executed on the FX market.

T+2 trades executed on the Securities Market will be settled on the second business day after the trade.

The schedule for repo trades with the CBR will be announced at a later date.

One-stop shopping at moex.com

Please note that support for rts.ru, the legacy website of RTS Group, ended on 1 October. All data and dynamic services have been transferred to Moscow Exchange's website, moex.com.

RUSSIAN MARKET

Voloshin: Reforms that benefit the market

The following article by Alexander Voloshin, head of the Moscow International Financial Centre Taskforce, was originally published on the organization's [web site](#).

More than three years have passed since the Moscow International Financial Centre Taskforce was established.

We have managed to make progress in all key performance areas of Moscow's development as an international financial centre.

Remarkable results have been achieved in financial market infrastructure. Laws have been passed to clamp down on the use of insider information, streamline clearing procedures, and simplify securities issuance. After decades of debate, the Central Depository was finally established, which opened our market to new types of foreign investors.

The stock exchange is the heart of any financial centre. Moscow Exchange, formed in December 2011, successfully floated its own shares and continues its dynamic growth as a trading platform. The exchange's IT systems are rapidly improving, T+ trading has been introduced, new and innovative financial instruments have been rolled out, and listing reforms are in the pipeline. These initiatives are part of an overall effort directed at making Moscow Exchange a comfortable trading environment for issuers and investors, both Russian and international. We also expect the exchange to become an effective platform for privatizations.

The MIFC Taskforce has taken part in a substantial Civil Code reform. The Civil Code amendments are de facto the first attempt at a comprehensive reform of civil law since the mid-90's, when the shift to a market economy led to the creation of new systems and institutions. Today we have the opportunity to put our experience into practice and stipulate new rules that reflect economic development goals. This process covers corporate law, the regulation of financial transactions, protection of intellectual property rights and many other issues.

Financial market regulation reform commenced this year with the arrival of a Central Bank-based megaregulator.



It is no secret that the majority of financial businesses today exist as part of diversified financial holdings. These holdings have actually become risk consolidation hubs. Dispersed regulators fail to see the complete picture of these risks – this clearly hinders effective oversight.

Moreover, market participants have been suffering from the lack of regulatory arbitration and excessive red tape. The switch to a unified regulator is in itself an ambitious institutional reform.

We all expect the Central Bank-based megaregulator to boost the quality of regulation and oversight.

The Central Bank's experience in banking regulation and oversight must become a quality benchmark for regulation and oversight development in other financial industry sectors.

In June, the government signed off the MIFC Roadmap, the action plan for the next few years. It will be implemented in a joint effort by the Federal and Moscow governments, lawmakers, the Central Bank, and the stock exchange. We will improve regulation and oversight, create opportunities for long-term investment, build market infrastructure, set up a better tax regime for investment, and make the city a friendlier place.

The Roadmap is a logical extension of the action plan adopted by the government in 2010, most of which has been carried out.

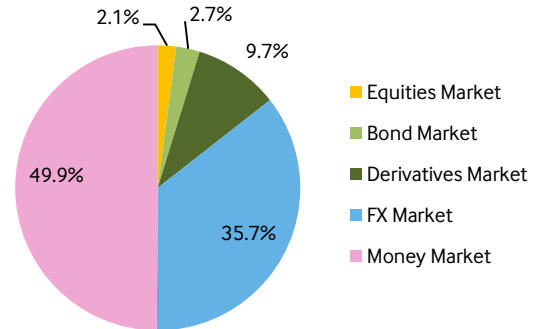
How the new Roadmap came into being is of utmost importance: the draft emerged from the grassroots level, originated by market participants. Tasks that involve quality of financial regulation and financial infrastructure development are best left to the market, not the bureaucrats. Participants from all segments of the financial markets have joined our efforts: lawyers, auditors, economists and business owners. Officials take part as well, and help bring all interested parties to a consensus at the earliest stages of debate, instead of restraining market initiatives.

I would like to highlight that the Taskforce operates primarily on a voluntary basis, because all participants are driven by the interests of the market. This is the keystone of our joint success in the future.

MARKET REPORT

The total monthly trading volume on Moscow Exchange's markets in September was RUB 40.9 tln. The average daily trading volume was RUB 1.95 tln, up 10% from the previous month. Trading in equities, RDRs, and mutual fund units constituted 2.1% (RUB 0.85 tln) of the total trading volume, while the bond market's share was 2.7% (RUB 1 tln), the derivatives market made up 9.7% (RUB 3.96 tln), and the FX and money market accounted for 85.6% (RUB 35 tln).

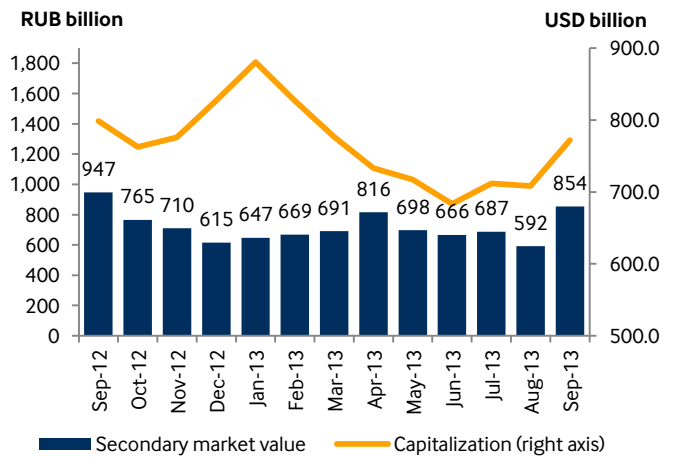
SEPTEMBER 2013 TRADING VOLUMES BY MARKETS TOTAL VOLUME OF RUB40.9 TRILLION



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

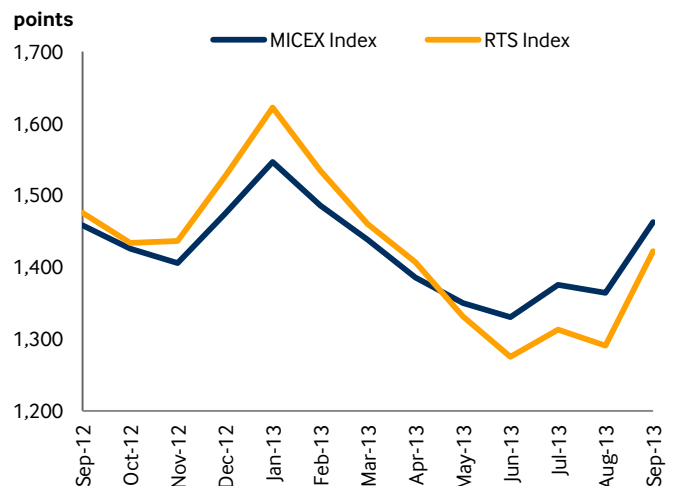
The stock-trading volume totaled RUB 0.85 tln in September. The average daily trading volume was RUB 40.6 bln, up 50% from the previous month. The primary market's turnover was RUB9.6 bn. OTC trading came to RUB 0.24 tln, or 22% of the combined value of secondary market and OTC trades.

VALUE TRADED IN STOCKS, RDRs AND INV. FUNDS UNITS

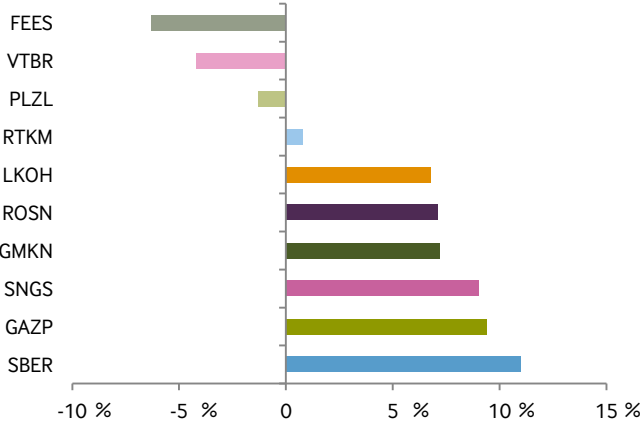


The MICEX Index gained 6.33% over the month to 1,462.82 (from 1,364.65 at the end of August). The dollar-denominated RTS Index was up 8.31% to 1,422.49 (1,290.96 at the end of August). The cash equity market's capitalisation appreciated 9% in September to USD 708.11 bln on the last day of the month (from USD 771.94 bln at the end of August).

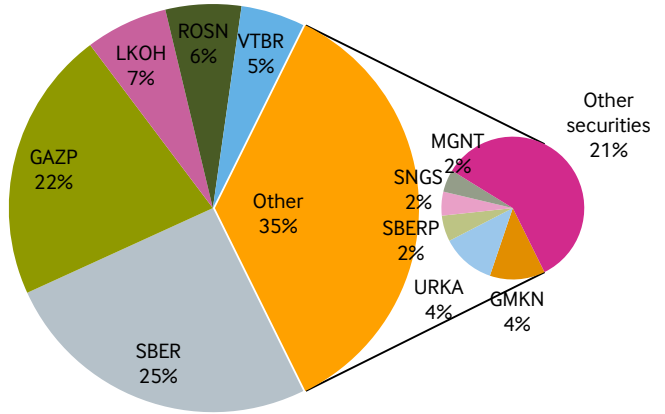
MICEX INDEX and RTS INDEX PERFORMANCE



MONTHLY CHANGES IN BLUE-CHIPS CLOSING PRICES



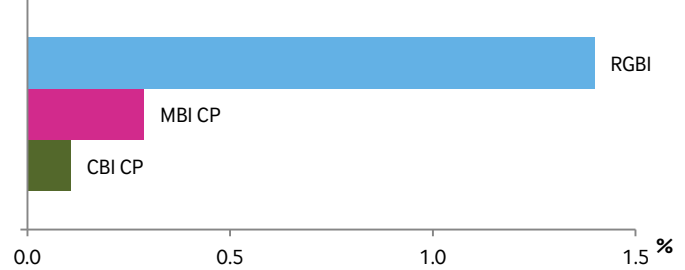
MONTHLY BEST SELLERS ON THE SECURITIES MARKET



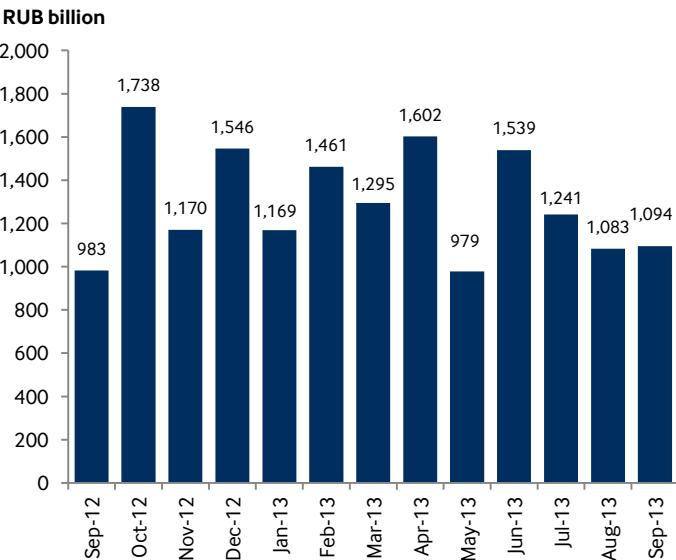
MARKET FOR CORPORATE, REGIONAL AND GOVERNMENT BONDS AND EUROBONDS

The Russian Government Bond Index (RGBI) was up 1.4% in September to 134.86 (from 133.00 at the end of August). The MICEX Municipal Bond Index (MICEX MBI CP) was up 0.29% to 97.43 (from 97.15 at the end of August). The MICEX Corporate Bond Index was up 0.11% to 93.44 (from 93.34 at the end of August).

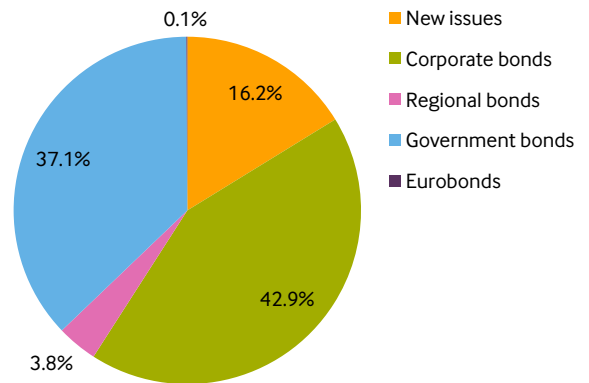
MONTHLY CHANGE IN BOND INDICES



TOTAL VALUE TRADED ON THE PRIMARY AND SECONDARY BOND MARKETS



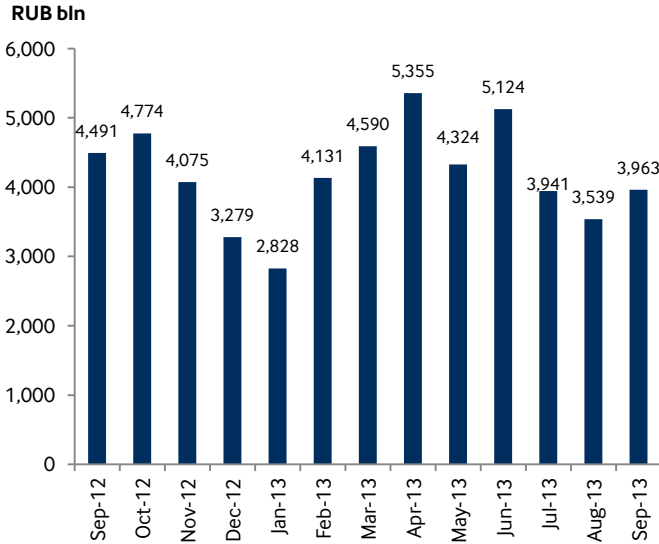
SEPTEMBER TRADING VOLUME



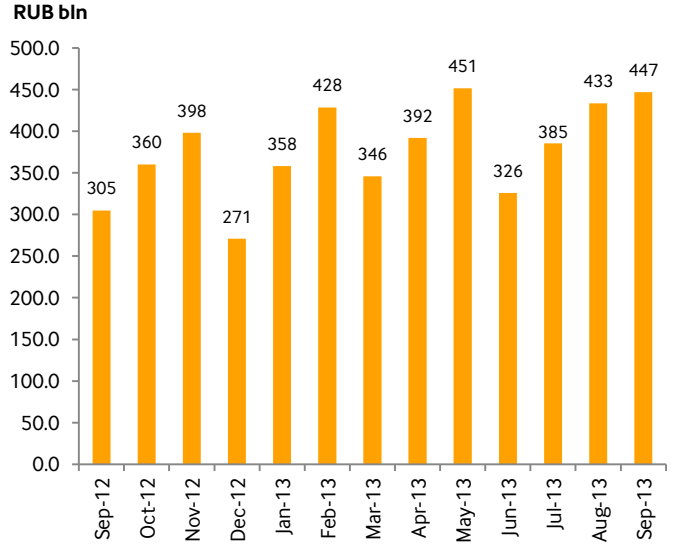
DERIVATIVES MARKET

The total volume traded on Moscow Exchange's Derivatives market in September was RUB 3.96 tln, or 92 mln contracts. The average daily volume traded was RUB 188.7 bln, up 17% from the previous month. The total open interest at the end of the month was RUB447 bln, or 10 mln contracts.

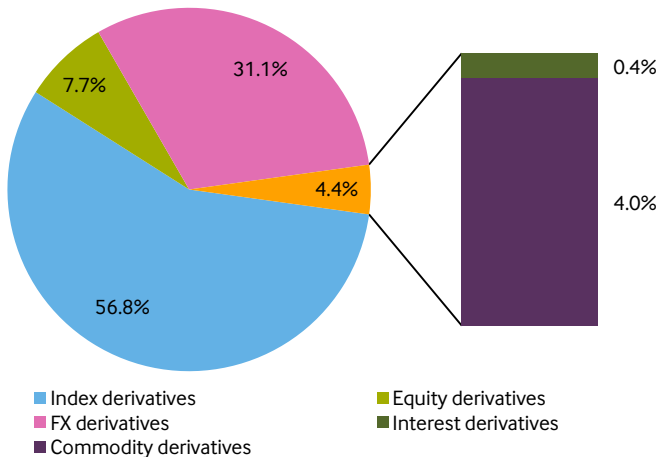
DERIVATIVES MARKET TRADING VOLUME



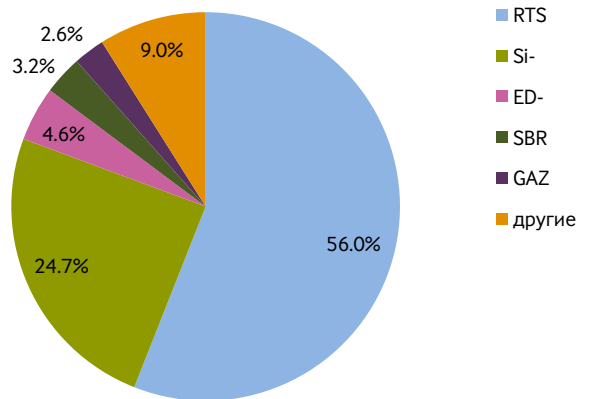
DERIVATIVES MARKET OPEN INTEREST



SEPTEMBER TRADING VOLUME BY UNDERLYING ASSETS

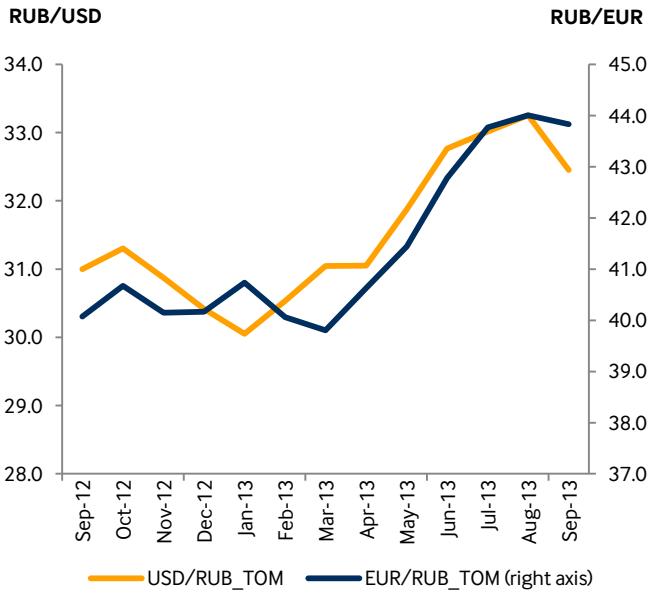


DERIVATIVES MARKET MONTHLY BEST SELLERS

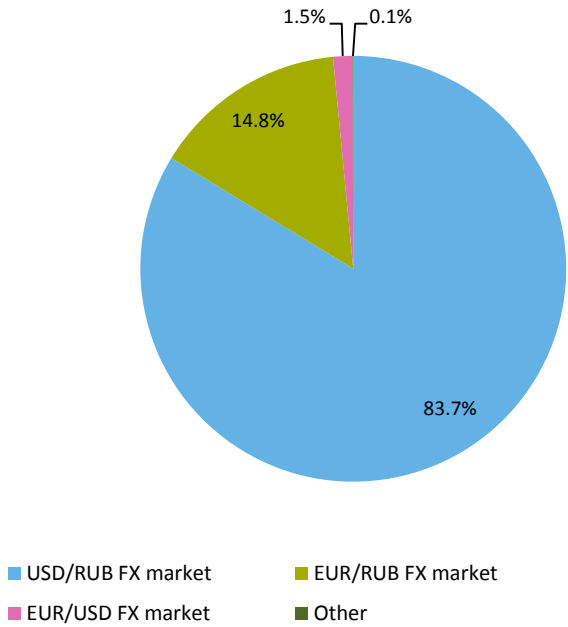


FX AND MONEY MARKET

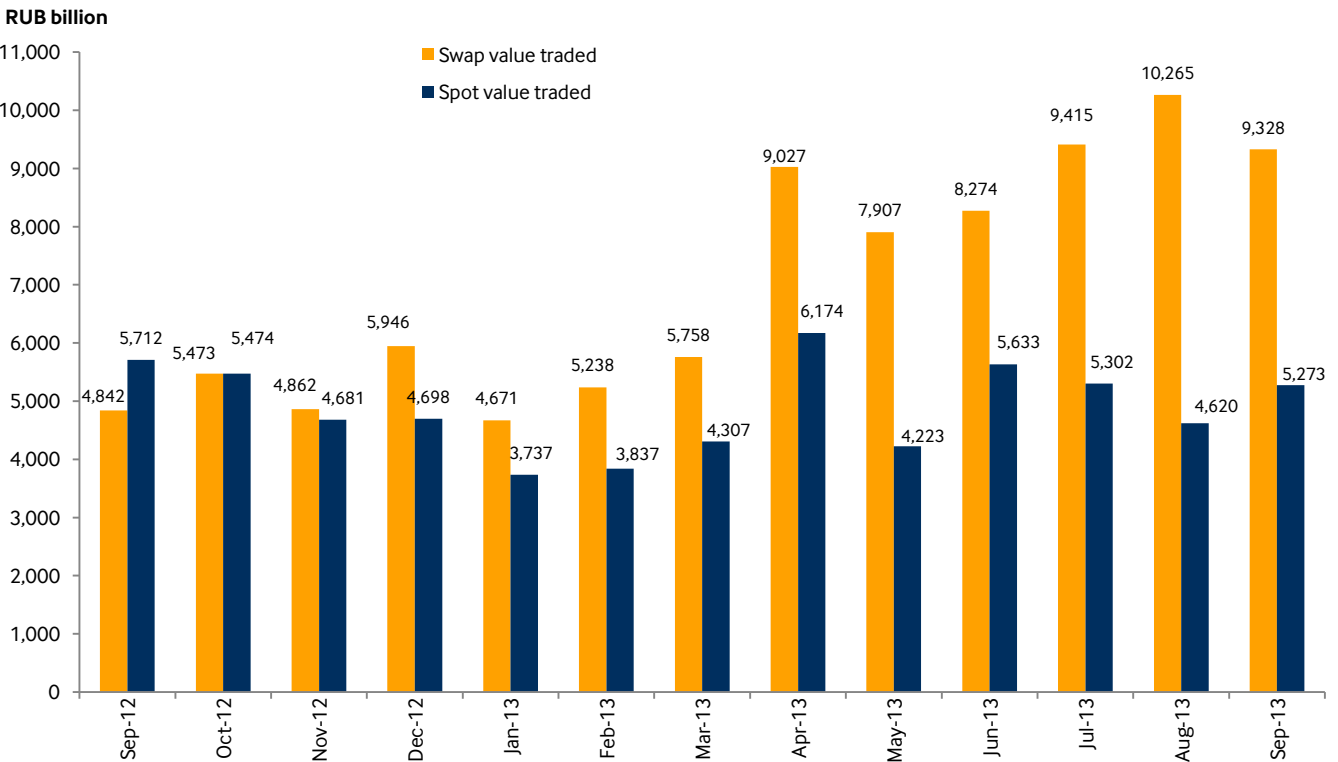
EXCHANGE RATES



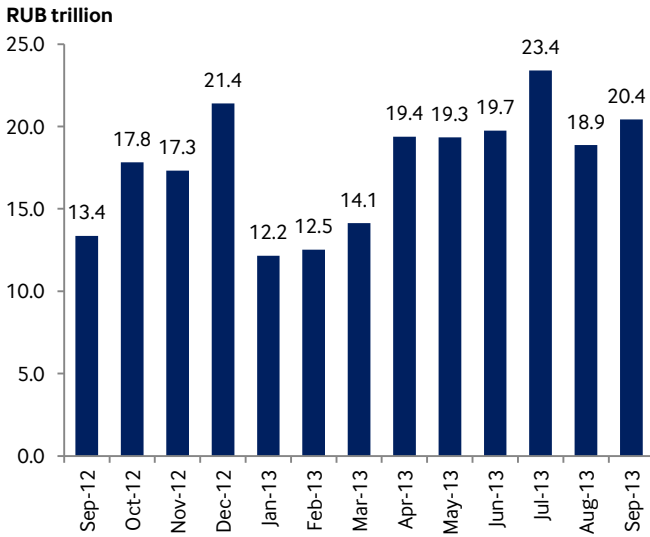
SEPTEMBER TRADING VOLUMES



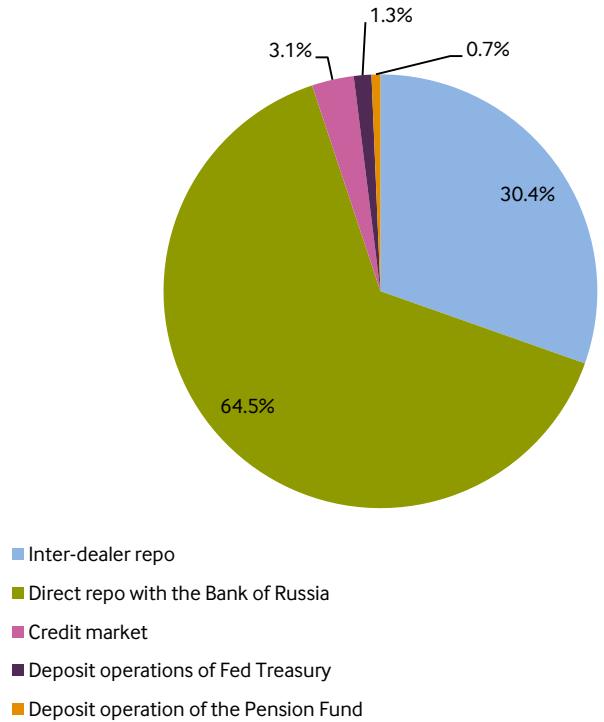
FX MARKET TRADING VOLUME



MONEY MARKET TRADING VOLUME

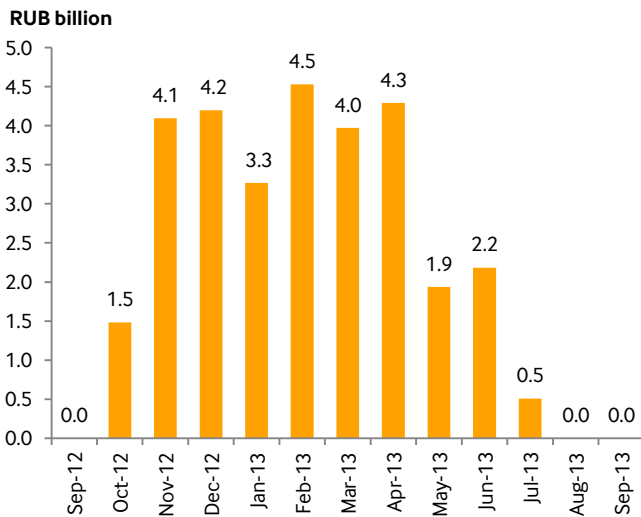


SEPTEMBER TRADING VOLUME BREAKDOWN



COMMODITIES MARKET

COMMODITIES MARKET TRADING VOLUME
GOVERNMENT GRAIN MARKET INTERVENTIONS



TOP 20 EQUITIES TRADERS

MAIN TRADING MODE T+
AND CCP NEGOTIATED TRADES MODE

| Rating position (previous month) | Company Name | Turnover, RUB bn |
|----------------------------------|-----------------------------|------------------|
| 1 | FINAM | 344.98 |
| 2 | OTKRITIE | 168.05 |
| 3 | BCS | 158.13 |
| 4 | Renaissance Capital | 104.81 |
| 5 | ALOR+ | 85.01 |
| 6 | Sberbank | 79.70 |
| 7 | IT Invest | 66.89 |
| 8 | VTB 24 | 58.03 |
| 9 | Credit Suisse Bank (Moscow) | 48.39 |
| 10 | Deutsche Bank | 44.70 |
| 11 | KIT Finance | 43.43 |
| 12 | ATON | 39.23 |
| 13 | OLMA | 38.14 |
| 14 | ZERICH Capital Management | 37.49 |
| 15 | ALFA-BANK | 23.90 |
| 16 | GPB | 19.66 |
| 17 | ALOR INVEST | 19.49 |
| 18 | Merrill Lynch Securities | 16.45 |
| 19 | Citigroup Global Markets | 16.09 |
| 20 | VTB Capital | 15.47 |

TOP 20 CORPORATE AND REGIONAL BONDS TRADERS

MAIN TRADING AND NEGOTIATED TRADES MODES

| Rating position (previous month) | Company Name | Turnover, RUB bn |
|----------------------------------|----------------|------------------|
| 1 (2) | BC Region | 67.26 |
| 2 (5) | OTKRITIE Bank | 62.19 |
| 3 (1) | Sberbank | 57.52 |
| 4 (4) | VELES Capital | 40.78 |
| 5 (6) | VTB Bank | 32.33 |
| 6 (8) | VTB Capital | 32.10 |
| 7 (7) | Promsvyazbank | 31.30 |
| 8 (9) | GPB | 28.64 |
| 9 (13) | BCS | 28.35 |
| 10 (22) | KIT Finance | 27.08 |
| 11 (11) | ALFA-BANK | 20.06 |
| 12 (10) | NOMOS-BANK | 18.02 |
| 13 (16) | ATON | 17.82 |
| 14 (12) | URSA Capital | 17.50 |
| 15 (-) | Megatrustoil | 16.47 |
| 16 (36) | Bank of Moscow | 16.16 |
| 17 (3) | ALOR | 15.84 |
| 18 (-) | Unicredit Bank | 15.50 |
| 19 (-) | BINBANK | 14.77 |
| 20 (31) | LOCKO-Bank | 14.71 |

TOP 20 SOVEREIGN BONDS (OFZs) TRADERS

MAIN TRADING AND NEGOTIATED TRADES MODES

| Rating position (previous month) | Company Name | Turnover, RUB bn |
|----------------------------------|--------------------------------|------------------|
| 1 | CITIBANK | 110.10 |
| 2 | ING BANK (EURASIA) | 56.89 |
| 3 | Credit Suisse Bank (Moscow) | 53.04 |
| 4 | Sberbank | 45.75 |
| 5 | Deutsche Bank | 45.61 |
| 6 | VELES Capital | 35.07 |
| 7 | Morgan Stanley Bank | 24.47 |
| 8 | Promsvyazbank | 22.26 |
| 9 | VTB Bank | 21.00 |
| 10 | BCS | 19.32 |
| 11 | HSBC Bank | 19.07 |
| 12 | ALFA-BANK | 16.55 |
| 13 | GPB | 16.36 |
| 14 | Rosbank | 14.85 |
| 15 | Raiffeisenbank | 14.83 |
| 16 | SOBINBANK | 12.61 |
| 17 | J.P. Morgan Bank International | 12.09 |
| 18 | REGION Broker Company | 10.65 |
| 19 | Barclays | 10.43 |
| 20 | UNIVER Capital | 10.36 |

TOP 20 FUTURES AND OPTIONS TRADERS

| Rating position (previous month) | Company Name | Turnover, RUB bn |
|----------------------------------|------------------------------------|------------------|
| 1 (1) | OTKRITIE | 1,677.88 |
| 2 (2) | BCS | 1,406.17 |
| 3 (3) | IT Invest | 745.47 |
| 4 (4) | FINAM | 508.73 |
| 5 (5) | Renaissance Capital | 355.26 |
| 6 (6) | Sberbank | 307.05 |
| 7 (8) | ALFA-BANK | 233.09 |
| 8 (7) | VTB 24 | 230.36 |
| 9 (9) | ALOR | 226.69 |
| 10 (12) | ZERICH Capital Management | 203.51 |
| 11 (10) | Metallinvestbank | 190.33 |
| 12 (15) | OLMA | 156.53 |
| 13 (11) | ATON | 156.20 |
| 14 (13) | KIT Finance | 149.46 |
| 15 (14) | Solid IFC | 130.55 |
| 16 (18) | URALSIB Capital-Financial Services | 81.06 |
| 17 (20) | ELTRA | 65.80 |
| 18 (16) | UNIVER Capital | 64.78 |
| 19 (25) | Piter Trust | 63.83 |
| 20 (19) | FINRISE | 49.95 |

TOP 10 FX MARKET TRADERS (USDRUB SPOT)

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

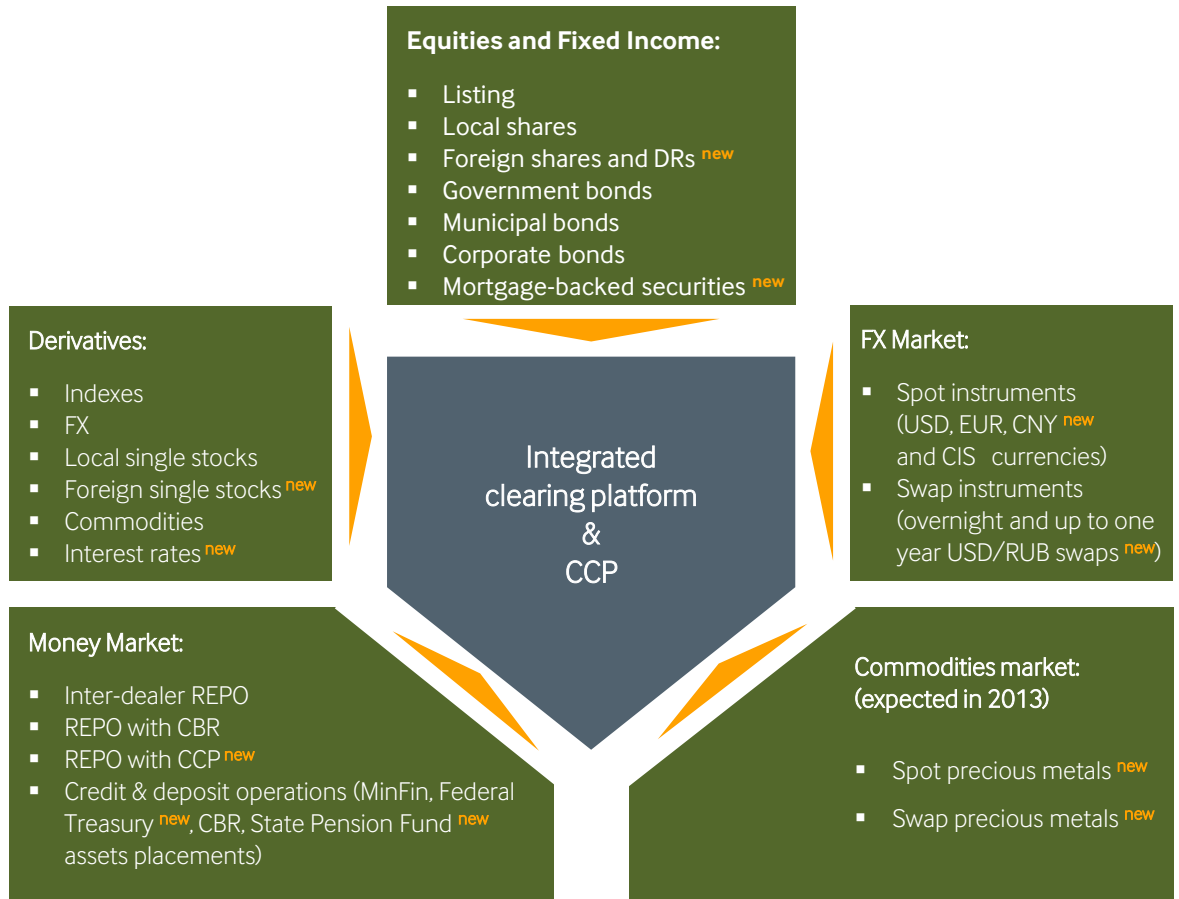
TOP 10 FX MARKET TRADERS (USDRUB SWAPS)

| Rating position (previous month) | Company Name |
|----------------------------------|-----------------|
| 1 (1) | VTB Bank |
| 2 (2) | Sberbank |
| 3 (3) | NOMOS-BANK |
| 4 (7) | FUNDSERVICEBANK |
| 5 (5) | BINBANK |
| 6 (6) | OTKRITIE |
| 7 (-) | CITIBANK |
| 8 (-) | Raiffeisenbank |
| 9 (8) | Deutsche Bank |
| 10 (-) | PERESVET |

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



DIVERSIFIED PRODUCT OFFERING WITH UNIFIED CLEARING



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