



MOEX COMING TO LONDON THIS MONTH

This year's Moscow Exchange Forum: London Session will take place on 22 October at the traditional venue of the Andaz Hotel. A panel of high-profile guests will discuss current opportunities and challenges for all those who work with Russia's capital markets. Confirmed panellists for the plenary session include:

- **Alexey Kudrin**, Chairman of MOEX's Supervisory Board and, as a former Finance Minister and Deputy Prime Minister, one of Russia's most respected statesmen and economists.
- **Sergey Shvetsov**, head of Russia's 'mega-regulator' in his role as First Deputy Chairman of the Bank of Russia.
- **Alexey Moiseev**, Deputy Minister of Finance.
- **Nikolai Podguzov**, Deputy Minister of Economic Development.
- **Mattias Westman**, Prosperity Capital Management Founding Partner.

The panel will be moderated by Moscow Exchange CEO **Alexander Afanasiev**.

The afternoon sessions will cover Moscow Exchange's new products and services, the development of the CSD, and all post-trade, risk-management, and IT infrastructure.

We are excited about this year's event, and hope that you will join us for what promises to be a stimulating and informative day. If you would like to attend, please contact salesteam@moex.com

TOP NEWS

Euroclear and Clearstream begin operations with Russian equities

Euroclear and Clearstream have launched a service providing international investors with access to Russian stocks through their existing accounts. This move follows the regulatory change allowing international clearing houses to settle Russian equities starting 1 July. The international depositories' services are currently delivery versus payment (DVP) in RUB, and they plan to offer USD DVP at a later stage. Euroclear and Clearstream have been servicing Russian government debt (OFZs) since February 2013, and corporate and municipal bonds since January this year. The opening up of the Russian equity market to Clearstream and Euroclear is a major milestone in making trading Russian securities more convenient for international investors.

MOSCOW EXCHANGE MARKETS NEWS

Tick sizes changed from 1 October

To enhance market quality for the benefit of traders, investors, and issuers, Moscow Exchange has changed the methodology for setting tick sizes for stocks.

Under the new methodology, tick sizes are determined not only by a stock's price, but also by its liquidity. The new procedure aims to narrow bid-ask spreads and to lower latency to fill market orders, as well as to motivate investors to enter limit orders in the order book. The new approach is intended to enhance market quality and encourage algorithmic trading strategies in a wider range of stocks, thus boosting their liquidity.

The move to new tick sizes is being implemented in two stages. In the first stage, effective from 1 October, the tick size was changed for all but the 10 most liquid stocks and depository receipts in all trading modes except Equity Repo, Repo with the CCP, and Repo with the Bank of Russia.

In the second stage, effective from 1 December, the new methodology will expand to cover all stocks, including the 10 most liquid names.

The tick size for stocks is expected to be reviewed quarterly, starting in the second quarter of 2015.

EUR now accepted as collateral on Derivatives Market

The EUR will be eligible as collateral on Moscow Exchange's Derivatives Market beginning 13 October. The list of assets eligible as collateral currently includes the RUB and USD, as well as stocks and bonds. The addition of the EUR will allow domestic and international brokers to apply differing approaches to collateral management and to minimise the funding costs associated with their own and clients' operations. Both the USD and EUR have been eligible as collateral on the Equity & Bond market since mid-2013.

FX Market volumes up sharply

The volume of FX transactions on Moscow Exchange increased 21% YoY to RUB 52.2 trln in the first nine months of 2014. USD/RUB spot and swap trades accounted for around 85% of the total FX trading volume on MOEX.

The average daily trading volume in the USD/RUB pair in the first nine months of 2014 was USD 13.3 bln for swap and USD 6.7 bln for spot.

Chinese yuan trading volumes hit record highs

Market participants continue to show strong interest in the CNY/RUB pair, underlined by increased trading volumes. The total CNY/RUB trading volume increased 60% MoM in September to CNY 7 bln (RUB 43.3 bln), a record monthly figure. One hundred and thirty members have executed CNY trades this year.

"The increase in yuan liquidity is due to the rise of client demand for yuan transactions and innovations introduced for the CNY/RUB pair in 2013, such as the introduction of partial pre-depositing of assets to replace the full collateral requirement, the inclusion of the yuan on the list of currencies eligible as collateral, the introduction of instruments with tomorrow settlement, swaps with 6M maturity, and an extension of trading hours," said Moscow Exchange Money Market Managing Director Igor Marich. "Our efforts, together with increased interest from clients in using yuan for settlement with Chinese counterparties, have resulted in greater demand for the currency on Moscow Exchange's FX Market."

November holiday trading schedule

Moscow Exchange's trading schedule for the November public holidays is as follows:

On 3 November:

- The Equity & Bond (including repo trades) and Derivatives Markets will operate as usual.
- Spot and swap instruments with TOM settlement under the first leg will not trade on the FX and Precious Metals Markets. Other instruments will trade as usual.
- The Standardised OTC Derivatives market will be closed.

On 4 November: All markets will be closed.

T+2 trades will be settled on the second trading day.

Corporate Eurobonds to begin trading on Moscow Exchange

Moscow Exchange will launch trading in 13 Russian corporate Eurobonds on 14 October, with the trades settled in USD.

Trading is to be open to both qualified and non-qualified investors. All instruments are USD-denominated and will be included on Listing Level 3 (a non-quotation list).

Moscow Exchange Deputy CEO Andrey Shemetov said of the new product launch: "Eurobonds are attractive instruments for investors, allowing them to receive income in foreign currency. Trading on Moscow Exchange will boost the liquidity of those Russian corporate Eurobonds already trading, as well as those that we plan to admit to coincide with the start of trading on foreign markets. The first stage is to admit 13 Eurobonds, then expand the list in the future".

All Eurobonds admitted to trading are already eligible for repo trading with settlement in RUB. A total of 132 corporate Eurobonds are currently eligible for interdealer repo trading. Twenty three Sovereign Eurobonds, as well as Eurobonds issued by VEB Leasing and VEB, currently trade on Moscow Exchange.

In addition, Moscow Exchange launched trading in futures on Russia's 2030-maturity sovereign Eurobond on 16 September.

Segregation of funds of clearing members and their clients

To meet regulatory requirements that the funds of clearing members be recorded separately from those of their clients, the National Clearing Centre is to change its fund recording procedure for clearing members, their clients, and trust managers' clients on all Moscow Exchange markets. Funds of Equity & Bond Market clearing members are already segregated. Funds on proprietary trading depo subaccounts are designated type S; those on client trading subaccounts are designated type L; and those on trust management trading subaccounts are designated type D. Funds on depo subaccounts of several trading and clearing systems that correspond to both proprietary and client subaccounts are designated type S.

CORPORATE GOVERNANCE NEWS

Corporate actions reform: introduction of e-proxy-voting

The National Settlement Depository (NSD), working with the regulator, issuers, registrars, and clients, has initiated a program to make corporate actions at Russian companies electronic and eliminate cumbersome paperwork.

By the end of this year, issuers will be able to inform investors about upcoming shareholder meetings using ISO 20022 and ISO 15022 messages. A fully automated e-proxy voting procedure is to be in place by next May. New regulations adopted in August 2014 set the stage for the e-proxy reforms. E-proxy-voting is currently being modernised in line with international standards: the NSD plans to introduce international formats for AGM notifications, and to provide new services that will facilitate participation in meetings using Exchange Data International (EDI).

The NSD is also in the process of creating a Corporate Information Centre to raise the competitiveness of Russia's post-trade infrastructure to international standards and make the Russian market more attractive and convenient for both foreign and local investors.

New mechanisms for protecting bondholders

A new version of the law 'On the Securities Market' has come into force, providing additional mechanisms for protecting bondholder rights. The law provides for two new institutions: general meetings of bondholders and bondholder representatives. Resolutions made at the general meetings are binding for all holders, including those who voted against the relevant resolution or were absent. Bondholder representatives act on behalf of holders. Issuers whose bonds were placed by public subscription or are admitted to trading are now required to appoint representatives.

The law also stipulates the procedure and terms for bond buybacks and early redemption. Holders may demand early redemption if an issuer materially breaches its bond obligations and in other legally permitted cases, regardless of whether early redemption is provided for in the issue documentation.

CORPORATE NEWS

Central Bank assigns NSD and NCC 'systemically important' status

The Bank of Russia has assigned the National Settlement Depository (NSD) and the National Clearing Centre (NCC) status as systemically important financial market infrastructure institutions. The NSD has been assigned status as a systemically important central depository, systemically important settlement depository, and systemically important repository.

The NCC has been assigned status as a systemically important central counterparty.

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The Bank of Russia's decision underlines the special role of these companies in ensuring the stability of the Russian financial system. Both organisations have previously been granted special status, and are subject to specific regulatory oversight: the regulator granted central securities depository status to the NSD in 2012, and the NCC was named as a qualified counterparty last year.

The total value of securities on deposit at the NSD was RUB 22.9 trln as of 31 August; the NCC has assets in excess of RUB 860 bln, and its average daily clearing volume is around RUB 1.2 trln. Moscow Exchange CEO Alexander Afanasiev said: "Moscow Exchange Group recognises its significant responsibility to provide for the functioning of the Russian financial market infrastructure and deliver top-quality, modern services to Russian and international investors. Status as systemically important financial institutions also means that there will be additional regulatory scrutiny of our activities and thus enhanced guarantees of reliability and transparency of our group companies in the interest of all market participants."

MOEX diversifies investor base after Bank of Russia sells 11.75% stake

The Bank of Russia on 2 July announced the sale of an 11.75% stake in Moscow Exchange to the market. The sale, representing half of the bank's stake, was in line with its obligation to exit Moscow Exchange's shareholder capital completely by the end of next year. Commenting on the transaction, Moscow Exchange CEO Alexander Afanasiev, said: "This transaction follows on from a number of successful equity placements on Moscow Exchange over the past year, and once again demonstrates the quality and depth of the local market, and the potential for companies to carry out large transactions in local shares.

"With this transaction, we have reached a free float of over 50%, one of the largest in the Russian market, giving us an even more balanced and diverse shareholder base, with new high-quality investors from across Asia, the Middle East, Europe, and the US.

"We are pleased with the investor response to the transaction, which was several times oversubscribed. We take this as a strong endorsement of the exchange's ability to deliver growth through the cycle and our strategic focus on driving forward the development of Russia's financial market infrastructure.

"Moscow Exchange is leading by example in demonstrating the opportunities available on domestic and international capital markets for Russian companies with best-practice corporate governance and a solid business model."

Moscow IFC UK-Russia Joint Liaison Group holds meeting

Over 40 financial industry professionals from Russia and the UK participated in the seventh meeting of the Moscow International Financial Centre UK-Russia Joint Liaison Group (JLG). The JLG meets twice per year, alternating between Moscow and London. The group was established in June 2011 and is co-chaired by MIFC Task Force Head Alexander Voloshin and the Lord Mayor of the City of London. Voloshin led the Russian team at the meeting, while TheCityUK Chief Executive Chris Cummings was the UK team leader. In his opening remarks, Voloshin stated that over a third of the three-year MIFC Roadmap, approved by the Russian government in June 2013, has been successfully implemented. He highlighted the successful role of the Bank of Russia as the financial market 'mega-regulator'; the recently adopted Corporate Governance Code; positive developments at Moscow Exchange; and statutory changes geared to launch securitisation, protect bondholder rights, and create individual investment accounts.



Investor Relations Awards

Moscow Exchange was named Best Russian Company For Investor Relations in the Specialty & Other Finance category, and our Head of IR Sergey Klinkov was named as the sector's Best Investor Relations Officer in the 2014 Russia Investor Relations Survey. Moscow Exchange was proud to receive the awards at an event organised by IR Magazine Russia & CIS. Votes were accepted from investment professionals investing in or covering pan-European equity markets. A total of 338 qualifying responses from 206 organisations were included in the results of voting for Russian IR.

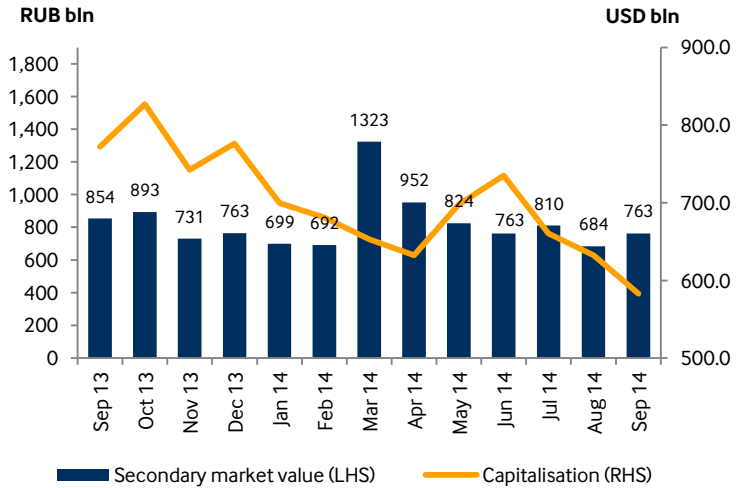


EQUITY MARKET (STOCKS, RDRs AND INV. FUNDS UNITS)

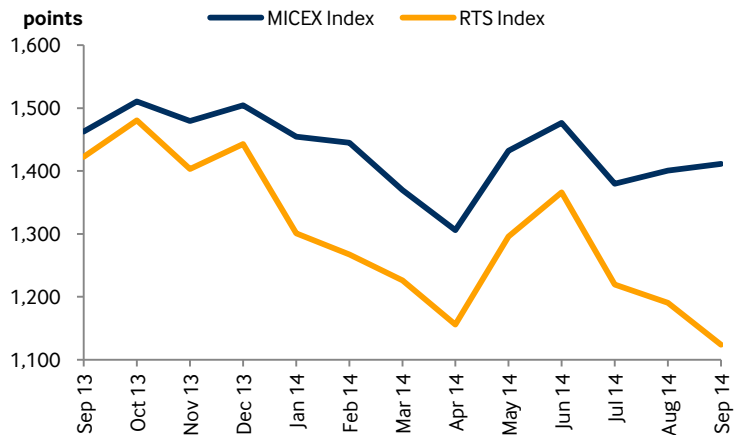
The trading volume of stocks totaled RUB 0.8 trln in September. The average daily trading volume was up 6.5% MoM, RUB 34.7 bln. The T+2 sector made up 97.6% of the total secondary market trading volume, and the T0 sector accounted for 2.4%. No placements were carried out on the primary market. The OTC trading volume was RUB 0.2 trln, or 21.5% of the combined value of the secondary market and OTC trades.

The MICEX Index was up 0.74% MoM to 1,411.07 at the end of September from 1,400.71 at the end of August. The dollar-denominated RTS Index was down 5.6% to 1,123.72 from 1,190.23. The cash equity market's capitalisation depreciated 7.8% to USD 582.86 bln from USD 632.51 bln).

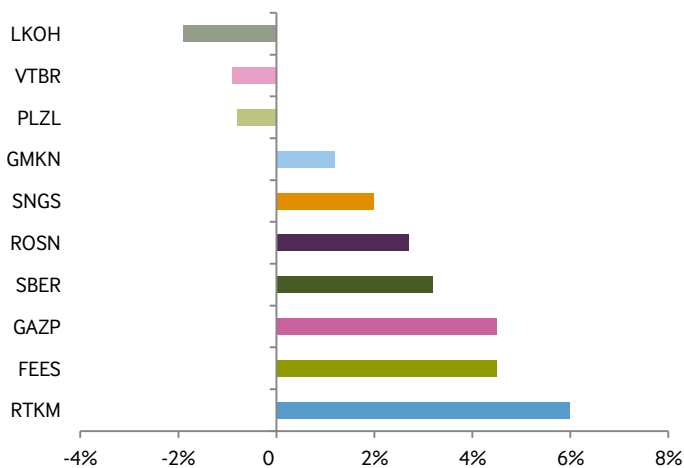
VALUE TRADED IN STOCKS, RDRs, AND INVESTMENT FUND UNITS



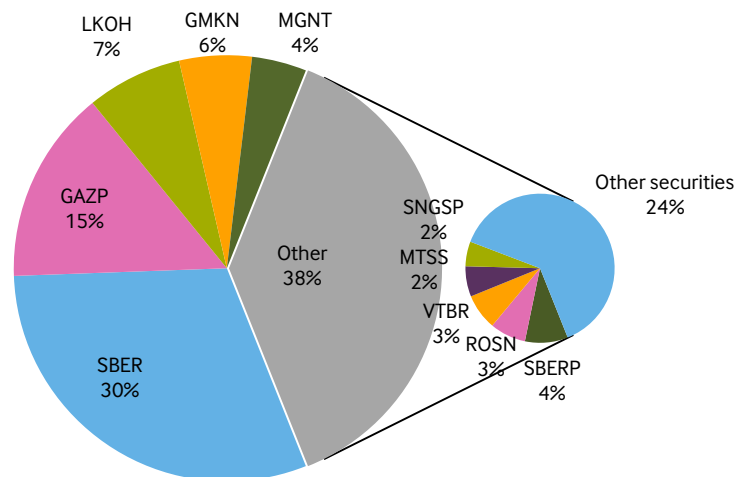
MICEX INDEX and RTS INDEX PERFORMANCE



MONTHLY CHANGES IN BLUE CHIPS CLOSING PRICES



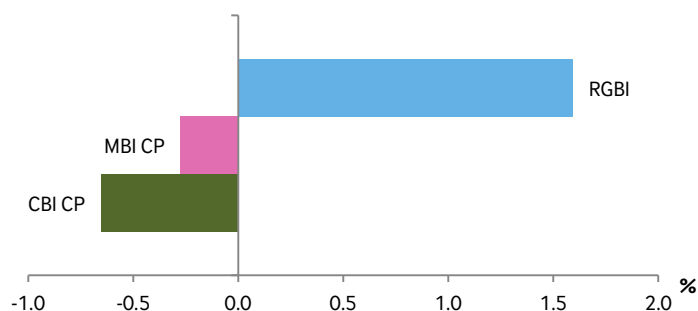
MONTHLY BEST SELLERS ON SECURITIES MARKET



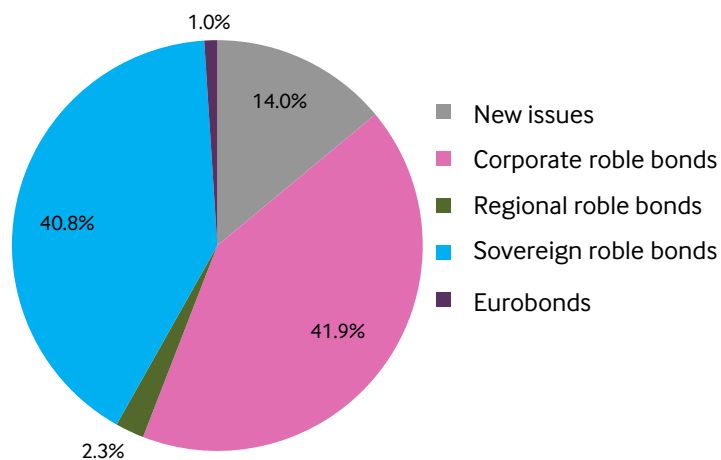
MARKET FOR CORPORATE, REGIONAL AND GOVERNMENT BONDS AND EUROBONDS

The Russian Government Bond Index (RGI) grew 1.6% in September to 124.42 (from 122.47 at the end of August). The MICEX Municipal Bond Index (MICEX MBI CP) was down 0.3% to 94.47 (from 94.73). The MICEX Corporate Bond Index (MICEX CBI CP) was down 0.7% to 89.65 (from 90.24).

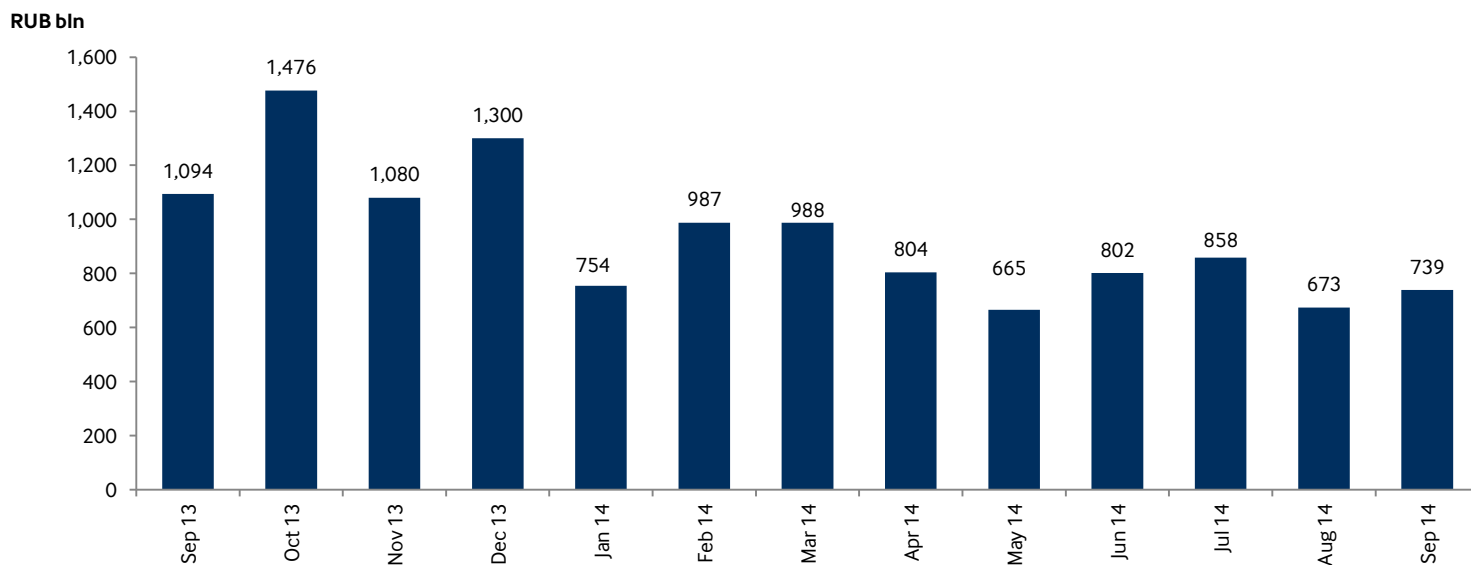
MONTHLY CHANGE IN BOND INDICES



SEPTEMBER TRADING VOLUME



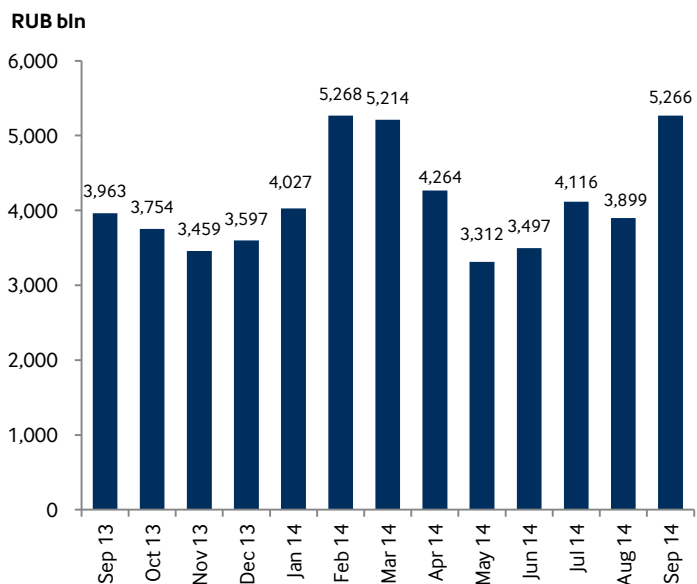
TOTAL VALUE TRADED ON PRIMARY AND SECONDARY BOND MARKETS



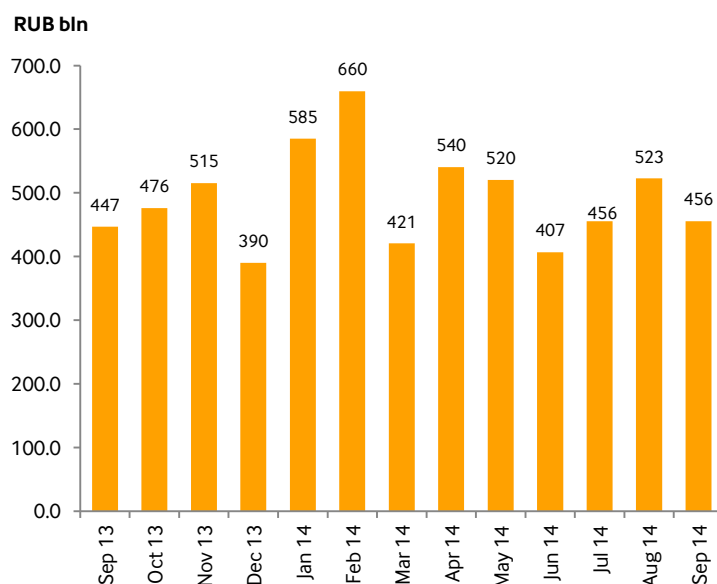
DERIVATIVES MARKET

The total volume traded on the Moscow Exchange's derivatives market in September was RUB 5.3 trln, or 125 mln contracts. The average daily volume was up 28.9% MoM, RUB 239.3 bln. The total open interest at the end of the month was RUB 456 bln, or 12 mln contracts.

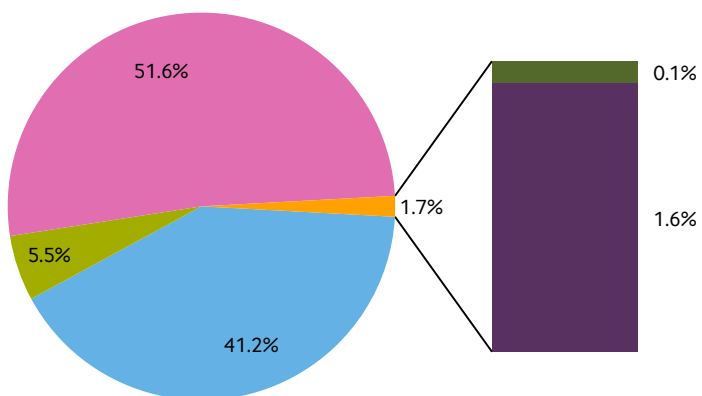
DERIVATIVES MARKET TRADING VOLUME



DERIVATIVES MARKET OPEN INTEREST

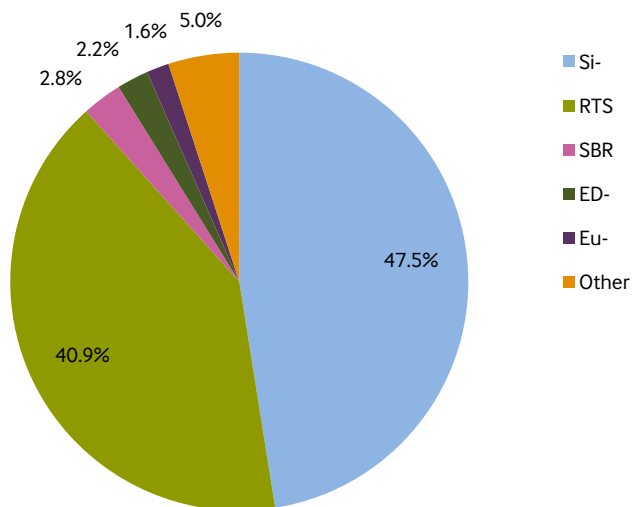


SEPTEMBER TRADING VOLUME BY UNDERLYING ASSETS



- Index derivatives
- Equity derivatives
- FX derivatives
- Interest derivatives
- Commodity derivatives

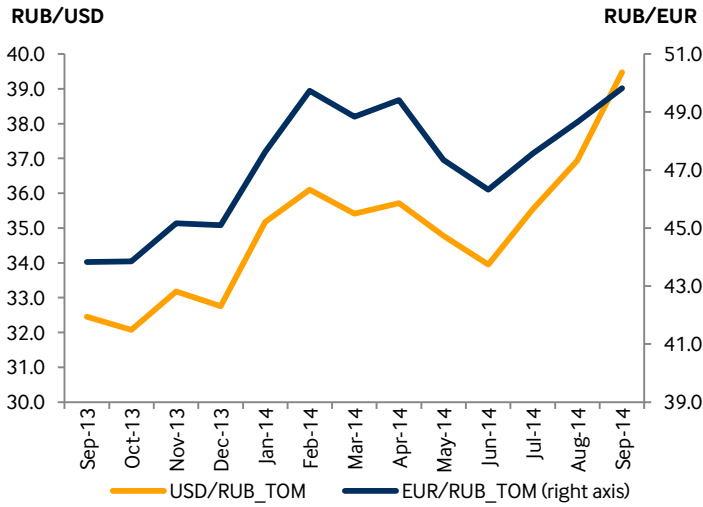
DERIVATIVES MARKET MONTHLY BEST SELLERS



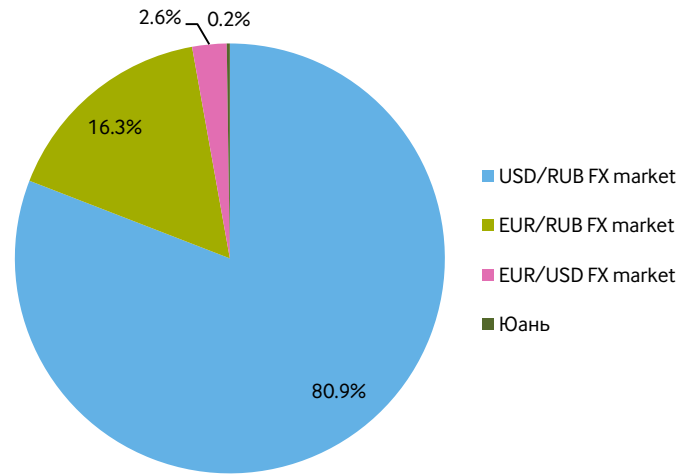
- Si-
- RTS
- SBR
- ED-
- Eu-
- Other

FX AND MONEY MARKET

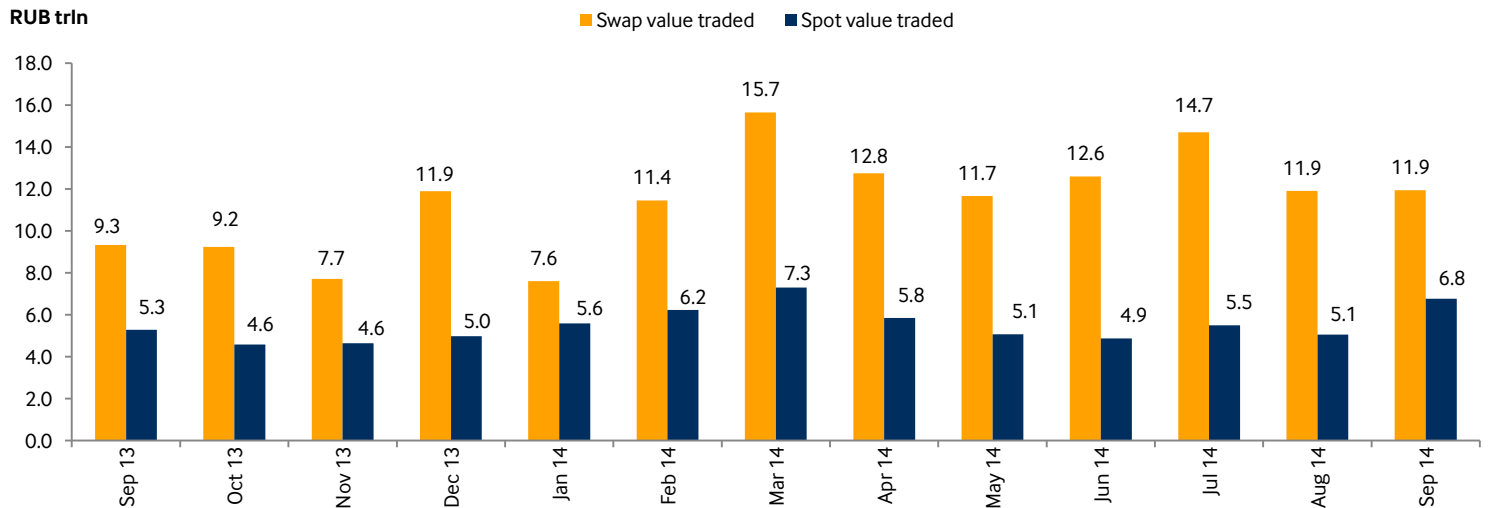
EXCHANGE RATES



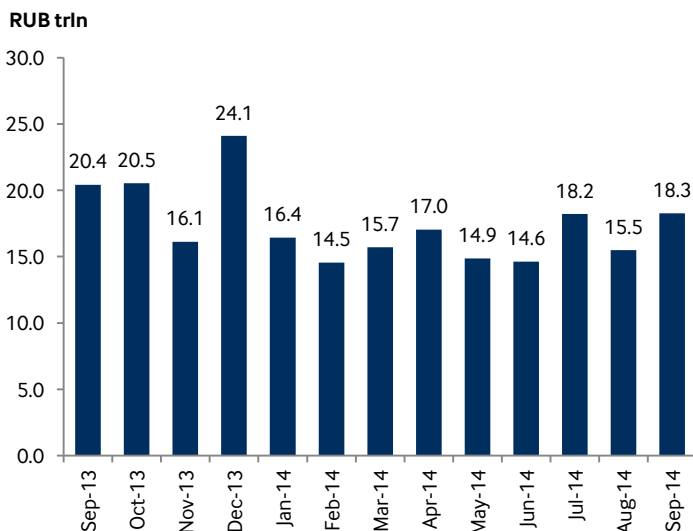
SEPTEMBER TRADING VOLUMES



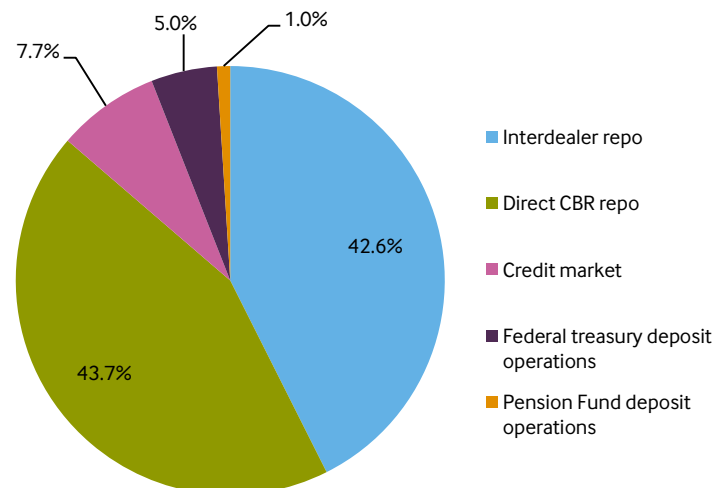
FX MARKET TRADING VOLUME



MONEY MARKET TRADING VOLUME



SEPTEMBER TRADING VOLUME BREAKDOWN



TOP 20 EQUITIES TRADERS

MAIN TRADING MODE T+
AND CCP NEGOTIATED TRADES MODE

Rating position (previous month)	Company Name	Turnover, RUB bln
1 (1)	BCS	349.84
2 (2)	FINAM	157.57
3 (5)	Renaissance Broker	109.70
4 (3)	OTKRITIE	108.02
5 (4)	Sberbank	89.63
6 (6)	VTB 24	64.99
7 (8)	ALOR	63.17
8 (7)	Deutsche Bank	52.66
9 (11)	ITinvest	42.43
10 (10)	Zerich Capital Management	40.77
11 (12)	ATON	29.52
12 (13)	GPB	29.20
13 (9)	Credit Suisse Securities (Moscow)	28.89
14 (14)	ALFA-BANK	25.83
15 (15)	Merrill Lynch Securities	17.67
16 (18)	KIT Finance	17.60
17 (21)	Citigroup Global Markets	17.50
18 (17)	Goldman Sachs	16.11
19 (28)	URALSIB	16.05
20 (16)	Morgan Stanley Bank	14.22

TOP 20 CORPORATE AND REGIONAL BONDS TRADERS

MAIN TRADING AND NEGOTIATED TRADES MODES

Rating position (previous month)	Company Name	Turnover, RUB bln
1 (1)	REGION BC	57.22
2 (6)	KIT Finance	38.68
3 (2)	OTKRITIE	32.44
4 (3)	Veles Capital	32.40
5 (9)	ALFA-BANK	23.20
6 (24)	VTB Capital	23.11
7 (13)	RONIN	21.60
8 (12)	Promsvyazbank	20.09
9 (17)	VTB Bank	19.15
10 (5)	GPB	18.50
11 (7)	Sberbank	17.88
12 (11)	RGS Bank	14.20
13 (23)	Tatfondbank	11.86
14 (14)	UBRD	11.31
15 (25)	ATON	10.04
16 (40)	National Standard	9.30
17 (50)	NOVIKOMBANK	8.94
18 (26)	Raiffeisenbank	8.71
19 (28)	ALOR	7.93
20 (-)	TRINFICO	7.21

TOP 20 SOVEREIGN BONDS (OFZs) TRADERS

MAIN TRADING AND NEGOTIATED TRADES MODES

Rating position (previous month)	Company Name	Turnover, RUB bln
1 (1)	Morgan Stanley Bank	99.39
2 (2)	BANK CREDIT SUISSE (MOSCOW)	53.69
3 (4)	Deutsche Bank	43.49
4 (3)	Citibank	40.45
5 (16)	OTKRITIE	30.37
6 (7)	Sberbank	29.61
7 (12)	ALFA-BANK	18.98
8 (8)	UniCredit Bank	18.02
9 (6)	Veles Capital	16.56
10 (10)	GPB	14.89
11 (11)	ING BANK (EURASIA)	12.77
12 (26)	REGION	12.51
13 (49)	B&N Bank	10.71
14 (25)	HSBC Bank	9.57
15 (48)	PROSPECT	9.00
16 (19)	RONIN	7.96
17 (9)	KIT Finance	6.97
18 (21)	Solid	6.94
19 (14)	Renaissance Broker	6.59
20 (27)	TRUST	6.39

TOP 20 FUTURES AND OPTIONS TRADERS

Rating position (previous month)	Company Name	Turnover, RUB bln
1 (1)	BCS	2,611.13
2 (2)	OTKRITIE	2,030.22
3 (4)	IT Invest	768.89
4 (3)	Renaissance Capital	722.28
5 (5)	FINAM	664.38
6 (6)	ALOR	377.68
7 (7)	Sberbank	331.14
8 (8)	Zerich Capital Management	314.53
9 (11)	Metallinvestbank	248.05
10 (9)	VTB 24	235.55
11 (10)	ALFA-BANK	225.50
12 (12)	KIT Finance	187.07
13 (13)	FINRISE	120.90
14 (15)	ATON	114.71
15 (14)	Promsvyazbank	112.27
16 (17)	URALSIB Capital-Financial Services	99.66
17 (16)	VTB Bank	87.74
18 (10)	ALFA-BANK	84.65
19 (26)	Univer Capital	68.99
20 (29)	Deutsche Bank	56.58

TOP 10 FX MARKET TRADERS (USDRUB SPOT)

Rating position (previous month)	Company Name
1 (1)	BCS
2 (2)	OTKRITIE
3 (3)	Renaissance Capital
4 (5)	BANK CREDIT SUISSE (MOSCOW)
5 (4)	Sberbank
6 (6)	Metallinvestbank
7 (7)	Gazprombank
8 (9)	Promsvyazbank
9 (10)	ALFA-BANK
10 (11)	VTB Bank

TOP 10 FX MARKET TRADERS (USDRUB SWAPS)

Rating position (previous month)	Company Name
1 (1)	Sberbank
2 (2)	VTB Bank
3 (5)	Gazprombank
4 (3)	OTKRITIE
5 (9)	B&N Bank
6 (7)	Vnesheconombank
7 (10)	Renaissance Capital
8 (8)	FUNDSERVICEBANK
9 (13)	BCS
10 (11)	Citibank

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

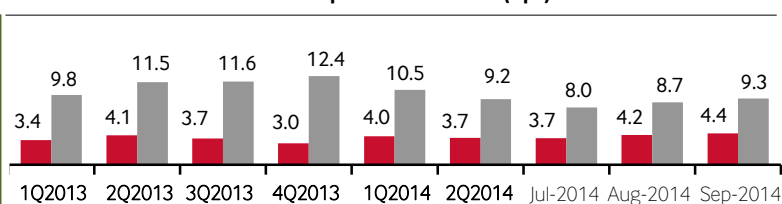


EOB SPREAD DYNAMICS: MOSCOW EXCHANGE vs LSE

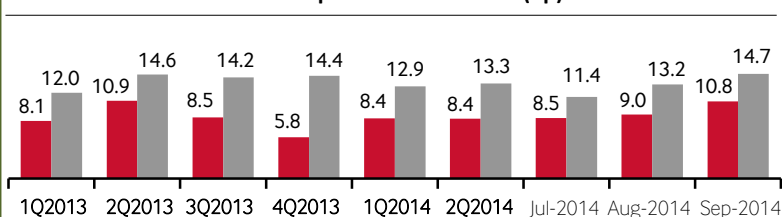
Analysis provided by
LiquidMetrix

**MICEX
Virtual index²**

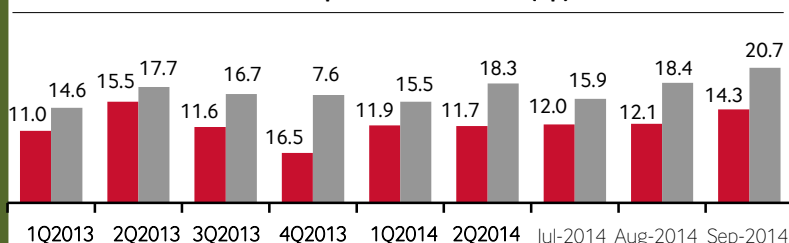
Bid - ask spread 1 Contract (bp¹)



Bid - ask spread 25k EUR deal (bp)



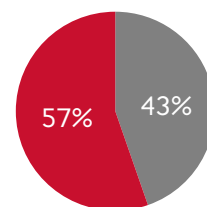
Bid - ask spread 50k EUR deal (bp)



■ Moscow Exchange ■ LSE

Market share³

3Q2014



■ Moscow Exchange
■ LSE

Notes:

Spreads measure the bid to offer spread of the best visible orders in the book, with the result based on measurements of the order books every 30 seconds.

- (1) The value for the spread is quoted in basis points (0.01%)
- (2) MICEX Virtual Index – index calculated based on prices and EOB data of the most liquid Russian dual listed stocks
- (3) Calculated based on EOB trading volumes of 32 most liquid Russian dual listed stocks

Source: LiquidMetrix

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All data in this Newsletter unless otherwise stated is Moscow Exchange data. Rouble denominated trading volumes have been converted into USD terms based on an average RUB/USD exchange rate for the stated period. The information provided herein is intended for informational purposes only. This annotation does not provide any recommendations and guidance to take actions on financial markets.