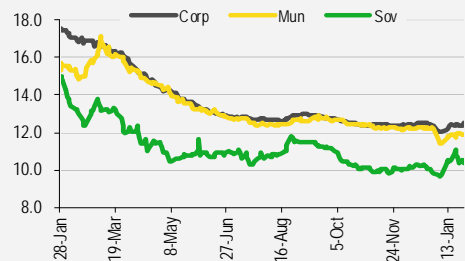
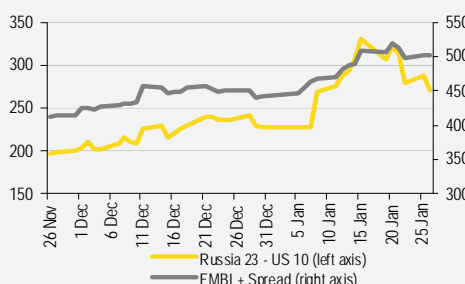


Ruble Bond Market (average yield), %



Eurobond Spreads, bps

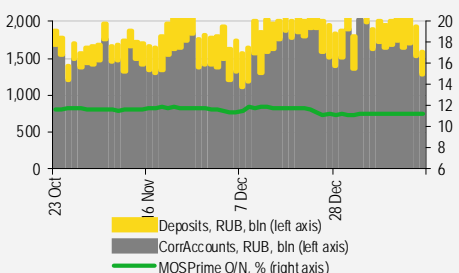


Money Market Indicators

RUB bln	close	Change, RUB bln		
		1 day	1 week	1 month
REPO with CBR outs.	1,198	63.6	29.5	(287)
Corr Accounts	1,327	39.6	(418.5)	(180.3)
Deposits in CBR	315.1	13.5	(51.5)	(128.7)

MOSPrime O/N, %	close	Change, bps		
		1 day	1 month	YTD
MOSPrime O/N, %	11.28	1	-	5

	close	Change, %		
		1 day	1 month	YTD
\$ RUB	81.84	5.2	17.7	12.9
EUR RUB	88.89	5.6	16.9	11.7
RUB Basket	85.01	5.4	17.3	12.3



Commodities

	close	Change, %		
		1 day	1 month	YTD
Gold, \$/oz	1,120	1.1	4.1	5.5
Brent, \$/bbl	29.95	4.4	(17.9)	(14.6)
S&P Metals Ind.	929	2.3	(2.5)	(3.4)
S&P Agriculture Ind.	449	(0.0)	(0.3)	(0.2)

Source: Bloomberg, URALSIB estimates

STRATEGY

EXTERNAL MARKETS

US macro data published yesterday proved to be quite strong. That potentially may be reflected in today's FOMC statement, i.e. the chances of the Fed rate being increased at the next meeting in March. Oil prices remain volatile; another strong build-up of oil inventories in the US would add to the pressure on prices. Trading got off to weak start yesterday, but losses were quickly recouped as oil prices surged. In the corporate segment we recommend convertible bonds of Yandex. *page 2*

DOMESTIC MARKETS

The finance ministry decided to cool down Ruonia floaters with a large placement. In the corporate segment, we draw the attention of investors to short-term bonds of VTB. *page 3*

MONEY MARKET

The CBR raised the limit for the weekly ruble repo, but we still treat its monetary policy as quite austere. *page 4*

NEWS IN BRIEF

Russian Helicopters book-built yesterday for one hour for the RUB10 bln CP-01 issue. The bond matures in ten years and has no put attached. The first coupon was set at 11.9%. The paper is scheduled to be placed on the exchange tomorrow. *Source: Company*

RUSSIAN INFORMER

For news and comments on the Russian equity market see the Russian Informer.

STRATEGY

External markets

US data published yesterday show improvement in consumer confidence. Key data releases from the US published yesterday turned out to be quite strong: the consumer confidence index increased to 98.1 points while the consensus forecast was only 96 points, S&P Case-Shiller HPI also showed price gains above expectations. In addition, the FHFA House Price Index also published yesterday matched the expectations of the market. Annual price growth on the US housing market is only marginally lower than 6%, which gives hope for inflation growth and also indicates that US households are quite confident about future earnings. There is some chance that this optimism will be reflected in the final statement of the FOMC meeting which ends today. At the same time, we would like to reiterate that the FOMC is likely to leave the Fed rate unchanged.

Oil prices remain extremely volatile. API data published yesterday showed another strong build of oil inventories over the past week: crude oil stock increased by 11.4 mln barrels. Despite the recent sharp oil-price decline, there are no signs that US oil extraction is falling. Today EIA is to publish its estimates on oil inventories, the consensus forecast for the stock build-up currently stands at 3.5 mln bbl. This implies that the chance of substantial oil-price recovery in the near future is slim.

Long-dated sovereigns added more than 1 ppt of par yesterday. Our expectation that the prices of Russian assets would drop yesterday in response Monday's sharp decline in oil did not quite work out, albeit prices did fall almost 0.5 ppt of par at the start of trading. However, by midday Brent began to rise sharply and the price of a barrel grew from \$29.5 to \$32.5, rallying Russian Eurobond prices in the process. The sharp oil price rise led to Russian sovereigns quickly recouping the morning's losses: Russia'42 (YTM 6.1%) and Russia'43 (YTM 6.2%), finished the day 1.3 ppt of par higher. The prices of shorted-dated sovereigns traded at around 0.5 ppt of par. Despite substantial price growth along the sovereign curve, Russia's five-year CDS spread decreased only 5 bps to 345 bps. The 10 UST changed little yesterday, closing at 1.99% vs. 2% on Monday.

Gazprom Neft papers were the favorite. It is no surprise that oil and gas papers were the favorite yesterday. The best performance was shown along the Gazprom Neft curve: its long-term papers added more than 1 ppt of par. Lukoil and Gazprom papers added 0.5 ppt of par. First-tier bank bonds grew 0.3 ppt in price on average, but quotes of SBERRU'23 (YTM 7.6%) were up 1 ppt of par. In the second tier, VimpelCom Eurobonds were the best performers: VIP'22 (YTM 7.5%) added 1 ppt of par and VIP'23 (YTM 7.4%) grew 1.3 ppt of par in price. The external background is mostly negative today as US stock market futures are slightly down, but Asian markets except China, are up. Oil prices are correcting after yesterday's growth.

In the corporate segment we recommend convertible bonds of Yandex. YNDX'18 is trading at 86% of par, which corresponds to a yield of 6.5% and a spread of 545 bps over US Treasuries. In other words, this paper with a coupon rate of 1.125% is currently valued as an ordinary bond, without any account for the value of the embedded call option on Yandex stock. True, the option is far out of the money: the conversion price is \$51.45, while the current share price is \$12.4. Nevertheless, any growth in Yandex stock in the next couple of years will be pushing up the price of convertible bond, while the bond downside is limited by the fact that the paper already has substantial yield. The company's debt consists of the bond issue in question, its amount outstanding is now \$445 mln. Our expectation for Yandex's 2015 EBITDA is \$325 mln, thus the ratio of debt/EBITDA is seen at 1.3. At the same time, according to 3Q financials, the amount of cash and equivalents on Yandex's balance sheet stood at \$576 mln, so the net debt of Yandex has a very good chance of turning negative as of end-2015.

Irina Lebedeva, CFA, lebedevair@uralsib.ru

Olga Sterina, sterinaoa@uralsib.ru

Dmitry Dudkin, CFA, dudkindi@uralsib.ru

Domestic markets

MinFin decides to cool down Ruonia floaters with a large placement. At today's auctions the finance ministry will offer RUB16 bln of OFZ 29006 (due January 2025) and RUB14 bln of OFZ 29011 (due January 2020). Both papers are Ruonia-linked floaters. In our view, it is a good idea: all outstanding Ruonia linkers have long been trading notably above par, which we regarded unjustified. Now these valuations will have to stand a serious supply test. OFZ 29011 traded at 102.6% of par yesterday, OFZ 29006 – at 102.9% of par. We do not recommend taking part in today's auctions unless there is a chance of buying the papers below 101% of par, as only close to nominal value will OFZ 29011 and 29006 be equally attractive with the inflation-linked OFZ 52001. The latter traded yesterday at 99%. As for the rest of the OFZ curve, most fixed-coupon bonds were yesterday basically unchanged. The curve remains horizontal at 10.5% starting from duration of 1.5 years. The yield at the far end climbed roughly 1 ppt in the past few trading weeks, and all we need for re-issuing our Buy recommendation for long fixed-coupon bonds is more certainty that the oil price will not continue its decline. Clearly, such certainty is almost impossible to have nowadays, but with every new oil price low it is becoming more difficult to find additional negative factors that could justify further extension of the downward trend.

In the corporate segment, we draw the attention of investors to short-term bonds of VTB. The bank is controlled by the Russian government, and it is rated BB+/Ba1 by S&P and Moody's. The bonds of VTB are accounted for on the balance sheets of banks with low risk coefficients. VTB's financials are gradually recovering after the tough 1H15. 3Q profit was RUB41.5 bln compared to RUB26.3 bln a quarter earlier, the net interest margin expanded to 1.05% from 0.9%. In July last year, the bank was capitalized by the state with the amount of RUB307 bln using the OFZ recapitalization mechanism, so VTB's capital adequacy rose to 15.3%, which also takes into account expansion of assets by 12.4% in 3Q. On the ruble market, one of the most liquid papers of VTB is currently series CP26, trading at 11.65% for 5 months.

Dmitry Dudkin, CFA, dudkindi@uralsib.ru

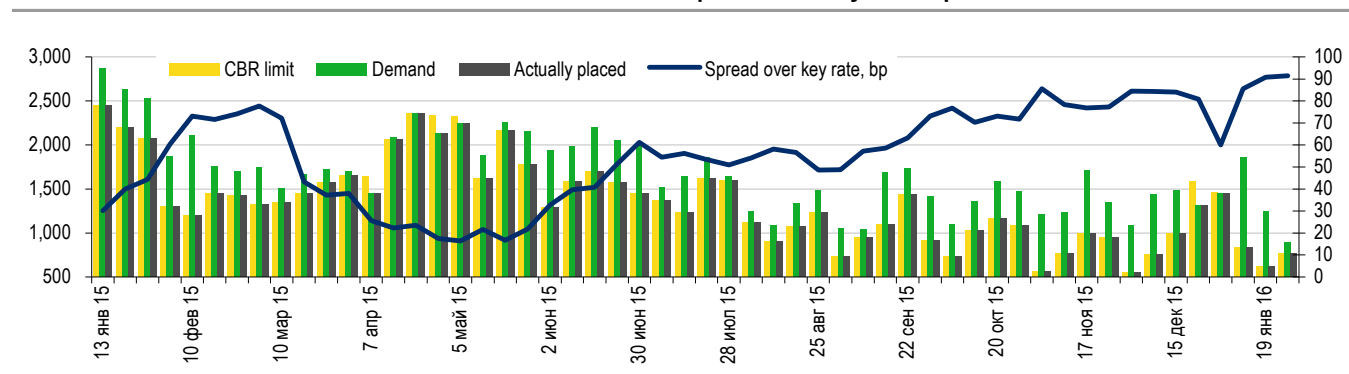
MONEY MARKET

CBR raises the limit for the weekly ruble repo

The CBR raised the limit for the weekly ruble repo by RUB150 bln. The CBR raised the limit for the weekly ruble repo for the first time since the beginning of the year. It should be noted that we do not treat this increase as a switch to milder monetary policy as it was quite moderate taking into account the large tax payments. The weighted average auction rate stayed almost unchanged relative to the previous week and is at a high since last August, when the key rate was last lowered. The CBR is evidently reluctant to cut the lending cost for banks, which leaves no chance for the key rate to be raised at the CBR's meeting on Friday.

External debt repayments up almost \$5 bln for 1Q16 but shouldn't influence the ruble. Yesterday the CBR published an updated version of external debt repayment schedule. The estimate for the first three months of this year has been raised but that does not necessarily translate to significantly higher demand for foreign currency from the corporate sector: in 1Q16, the corporate sector and banks are set to repay a total \$21 bln of which \$8.6 bln is owed to direct investors. In addition, we believe this debt can be partially refinanced. The first quarter is usually quite comfortable for the domestic FX market; if oil prices stay close to their current levels, the ruble may slightly appreciate in February–March.

CBR One-Week REPO Auction Results, RUB bln and WA Rate Spread Over Key Rate, bps



Source; CBR

Irina Lebedeva, CFA, lebedevair@uralsib.ru

UPCOMING EVENTS

Money market

28 January	Profit tax
29 January	CBR interest rate meeting
1-February	28 days FX REPO auction
2-February	1 week RUB repo auction
2-February	1 week FX repo auction
8-February	3 mo credit auction backed by non-traded assets
8-February	28 days FX REPO auction
9-February	1 week RUB repo auction
9-February	1 week FX repo auction
15-February	28 days FX REPO auction
15-February	Excise tax, Social payments
16-February	1 week RUB repo auction
16-February	1 week FX repo auction
19-February	28 days FX REPO auction
20-February	1 week RUB repo auction
20-February	1 week FX repo auction
25-February	VAT payment, excise tax, mineral extraction tax
29-February	28 days FX REPO auction
29-February	Profit tax

Key Financials of Real Sector Companies on the Bond Market

Issuer	Rating (S&P/M/F)	Accounting period	Revenues, \$ mln*	EBITDA, \$ mln*	EBITDA, %*	Capex, \$ mln*	CFO/capex*	Debt, \$ mln	Debt/EBITDA	Net debt/EBITDA	Cash/short-term debt	Short-term debt/debt	Equity/assets	Sector
Federal Grid Co.	BB+/Ba1/BBB-	6M15	3 486	2 100	60.2	1 756	1.0	5 313	2.9	2.5	1.4	0.11	0.61	Utilities
MOESK	BB-/Ba2/BB+	6M15	2 658	755	28.4	964	0.7	1 409	2.1	1.9	0.3	0.30	0.51	Utilities
EuroChem	BB/BB	9M15	4 636	1 752	37.8	1 000	1.1	3 508	2.0	1.7	0.7	0.25	0.28	Chemicals
Phosagro	BBB-/Ba1/BB+	9M15	3 147	1 292	41.1	708	1.4	1 861	1.7	1.3	1.0	0.21	0.30	Chemicals
Sibur Holding	/Ba1/BB+	6M15	7 598	2 146	28.2	1 527	1.8	4 576	2.4	2.2	0.2	0.37	0.42	Chemicals
Uralkali	BB-/Ba2/BB-	6M15	3 396	1 950	57.4	255	6.6	6 033	3.1	1.8	3.4	0.12	0.24	Chemicals
LSR Group	/B2/B	6M15	2 037	436	21.4	42	8.1	465	1.1	0.3	1.9	0.40	0.30	Construction
SSMO LenSpecSm	B+//	6M15	983	278	28.3	8	(5.3)	262	1.2	0.7	2.1	0.22	0.52	Construction
Alrosa	BB-/Ba2/BB	9M15	4 128	2 107	51.0	650	2.7	3 201	1.8	1.5	0.9	0.16	0.36	Metals & Mining
Evrz plc	BB-/Ba3/BB-	6M15	11 150	2 130	19.1	495	3.9	6 129	2.9	2.4	1.1	0.15	0.17	Metals & Mining
Koks Kemerovo	B/B2/B	6M15	1 123	301	26.8	155	2.0	857	3.2	3.0	0.1	0.74	0.20	Metals & Mining
Mechel	//	9M15	4 649	797	17.1	137	2.6	6 490	8.1	8.1	0.0	0.99	-0.57	Metals & Mining
Metalloinvest	BB-/Ba2/BB	6M15	5 271	1 686	32.0	507	2.6	4 207	2.5	2.2	1.3	0.10	0.31	Metals & Mining
MMK	/Ba3/BB+	9M15	6 385	2 032	31.8	499	4.3	2 058	1.0	0.8	0.4	0.44	0.53	Metals & Mining
NLMK	BB+/Ba1/BBB-	9M15	8 714	1 742	20.0	415	3.3	2 441	1.4	1.1	0.7	0.30	0.61	Metals & Mining
Nord Gold	/Ba3/BB-	9M15	1 124	525	46.7	227	1.7	952	1.8	1.1	31.1	0.01	0.44	Metals & Mining
Norilsk Nickel	BBB-/Ba1/BBB-	6M15	11 095	5 893	53.1	1 349	4.2	6 378	1.1	0.6	2.3	0.19	0.36	Metals & Mining
Polysus Gold Int.	BB-//BBB-	6M15	2 251	1 211	53.8	338	2.8	1 752	1.4	0.3	36.2	0.02	0.43	Metals & Mining
Raspadskaya	/B1/B+	6M15	426	119	27.8	55	3.4	486	4.1	4.0	2.1	0.02	0.27	Metals & Mining
UC RUSAL	//	9M15	9 319	2 360	25.3	492	4.8	8 623	3.7	3.4	0.7	0.12	0.13	Metals & Mining
Severstal	BB+/Ba1/BB+	9M15	6 973	2 295	32.9	457	4.5	2 504	1.1	0.4	3.2	0.21	0.41	Metals & Mining
SUEK	/Ba3/	2014	5 053	1 044	20.7	489	1.1	3 693	3.5	3.2	0.5	0.20	0.36	Metals & Mining
TMK	B+//B1/	9M15	4 713	682	14.5	229	2.9	2 803	4.1	3.9	0.4	0.15	0.22	Metals & Mining
Alliance Oil Co.	//	6M15	4 623	817	17.7	429	1.4	2 181	4.2	3.8	0.4	0.23	0.30	Oil & Gas
Bashneft	/Ba1/BB+	9M15	10 980	1 884	17.2	1 082	1.7	2 281	1.3	0.9	1.6	0.18	0.45	Oil & Gas
Eurasia Drilling	BB/BB	6M15	2 347	657	28.0	433	1.4	1 125	1.7	1.1	1.1	0.29	0.46	Oil & Gas
Gazprom	BB+/Ba1/BBB-	9M15	102 609	39 265	38.3	26 098	1.4	47 525	1.4	0.9	1.7	0.22	0.66	Oil & Gas
Gazprom Neft	BB+/Ba1/BBB-	9M15	27 173	5 231	19.2	5 870	0.8	10 158	2.1	1.9	0.4	0.20	0.52	Oil & Gas
Lukoil	BBB-/Ba1/BBB-	9M15	98 225	13 968	14.2	11 165	1.2	12 975	0.9	0.6	2.9	0.11	0.76	Oil & Gas
Novatek	BB+/Ba1/BBB-	9M15	7 665	2 691	35.1	1 293	1.7	4 430	1.9	1.7	0.3	0.40	0.51	Oil & Gas
Rosneft	BB+/Ba1/	9M15	87 996	16 551	18.8	10 261	3.6	46 319	3.1	2.4	0.7	0.29	0.31	Oil & Gas
Transneft	BB+/Ba1/	9M15	14 148	6 523	46.1	6 032	1.0	12 215	2.2	1.8	1.3	0.14	0.57	Oil & Gas
Lenta	BB-/Ba3/BB-	6M15	4 566	510	11.2	777	0.5	1 290	3.0	2.5	0.7	0.23	0.22	Retail
Magnit	BB+//	6M15	17 896	2 030	11.3	1 317	1.0	1 763	0.9	0.8	0.2	0.60	0.44	Retail
O'Key Group	//B+	6M15	3 179	233	7.3	353	0.5	621	3.1	3.0	0.1	0.43	0.30	Retail
X5 Retail Group	BB-/Ba3/BB	9M15	13 411	979	7.3	884	0.6	2 139	2.6	2.5	0.1	0.31	0.28	Retail
AFK Sistema	BB/B1/BB-	6M15	5 291	1 981	37.4	2 202	2.1	8 661	1.8	1.4	1.1	0.20	0.21	Telecoms
MegaFon	BB+/Ba1/BB+	9M15	5 492	2 384	43.4	1 218	1.5	2 999	1.4	0.9	1.4	0.25	0.38	Telecoms
MTS	BB+/Ba1/BB+	9M15	7 434	2 952	39.7	1 833	1.3	5 215	2.0	1.9	0.4	0.17	0.25	Telecoms
Rostelecom	BB-//BBB-	9M15	5 183	1 711	33.0	1 214	1.3	2 912	2.0	1.8	0.1	0.44	0.45	Telecoms
VimpelCom Ltd	BB/Ba3/	9M15	14 106	4 893	34.7	2 734	0.9	9 742	2.0	1.2	2.0	0.20	0.13	Telecoms
Aeroflot	//B+	9M15	6 821	763	11.2	443	1.7	2 948	4.1	3.5	0.6	0.25	-0.07	Transportation
Fesco	B-//B-	9M15	818	142	17.3	25	6.7	921	6.5	6.0	0.7	0.10	-0.08	Transportation
Globaltrans	/Ba3/BB	6M15	1 369	349	25.5	32	10.2	432	1.4	1.1	0.4	0.37	0.60	Transportation
NCSP Group	BB-/Ba3/	9M15	863	605	70.0	86	1.4	1 588	2.6	2.1	1.2	0.16	0.15	Transportation
RZhd	BB+/Ba1/BBB-	6M15	38 522	6 862	17.8	8 145	0.8	16 725	2.7	2.4	0.8	0.15	0.55	Transportation
Sovcomflot	BB+/Ba2/BB	9M15	1 089	500	45.9	530	0.9	47	0.1	0.1	1.5	0.09	0.50	Transportation
Transaero	//	6M15	2 439	neg	neg	24	6.7	2 143	neg	neg	0.0	0.57	-0.34	Transportation
Transcontainer	/Ba3/BB+	9M15	709	91	12.8	33	1.8	87	1.0	0.6	1.5	0.31	0.74	Transportation
RusHydro	BB-/Ba2/BB+	9M15	12 004	1 366	11.4	1 672	0.7	3 348	2.9	2.3	0.5	0.40	0.64	Utilities

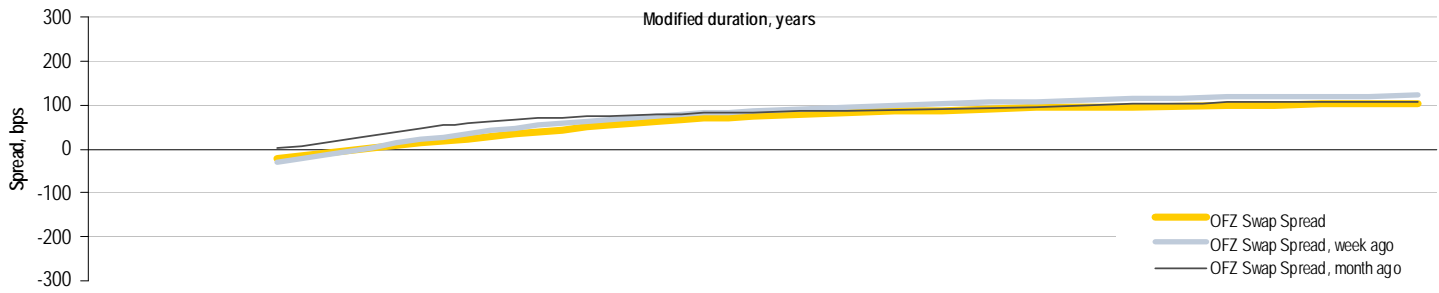
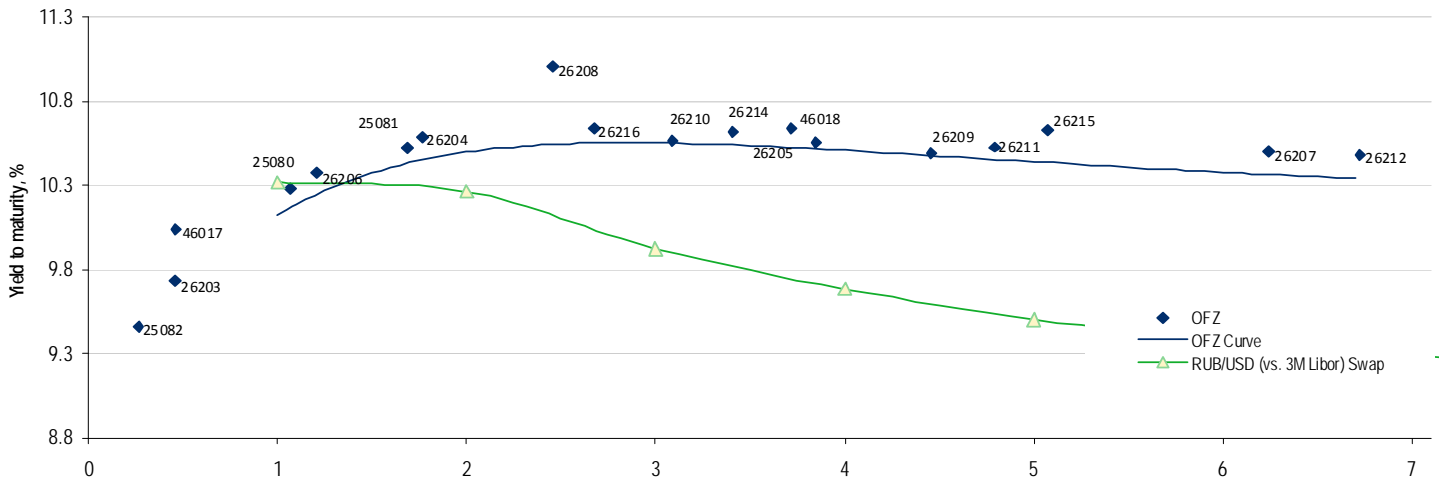
* Trailing 12-month
IFRS/US GAAP

Key Ratios of Russian Banks on the Bond Market, IFRS

Issuer	Ratings (S&P/M/F)	Accounting period	Total assets, RUB mln	NIM, %	COR, %	NPL ratio, %	Provision ratio, %	Opex/assets, %	Debt sec./total liab., %	ROAA, %	ROAE, %	TCAR, %	Tier-1 CAR, %	Equity/assets, %
Absolut Bank	/B1/B+	6M15	235 049	2.58	1.15		3.46	2.33	11.89	0.94	8.36			11.84
AK Bars	/B2/BB-	6M15	436 981	-0.96	4.15		8.89	1.65	19.11	-2.10	-32.01			6.11
Alfa-Bank	BB/Ba2/BB+	6M15	2 028 791	3.51	3.44	6.20	6.73	2.62	11.00	0.16	1.47	19.80	14.40	12.06
B&NBank	B//	6M15	633 304	3.10	9.22	N/A	N/A	2.86	7.28	-0.91	-14.44			5.63
Bank St Petersburg	/B1/BB-	6M15	520 264	3.57	3.30	3.16	8.52	1.91	7.27	0.60	5.93	13.69	10.48	10.46
Center-invest	/B1/	6M15	87 385	3.44	1.98		5.74	2.32	11.23	0.04	0.39	15.00	10.98	10.97
Credit Europe	/B1/BB-	6M15	140 280	6.33	6.52		7.67	4.13	31.73	-0.77	-5.62			13.44
DeltaCredit	/Ba2/BBB-	6M15	133 002	5.10	2.38	2.60	1.64	1.38	51.62	1.04	8.75	24.09	24.09	11.48
EABR	BBB-/Baa1/	6M15	213 345	2.67	13.31		6.94	1.14	54.96	-7.66	-18.96			38.88
Gazprombank	BB+/Ba2/BB+	6M15	4 594 397	2.29	4.59	1.63	7.14	1.42	11.90	-0.98	-10.72	12.90	8.90	9.07
Home Credit	/B2/B+	6M15	294 922	10.02	16.59	15.09	16.35	7.71	4.04	-5.58	-37.19	21.70	15.30	14.39
Locko-Bank	/B2/B+	6M15	95 271	4.12	1.71	6.28	6.21	3.06	10.90	2.96	22.58	16.70	16.00	12.85
MDM Bank	B+//	6M15	304 550	1.78	5.83	13.86	19.94	3.76	0.55	-2.91	-28.22	13.50	10.70	10.38
Moscow Credit Bank	BB-/B1/BB	6M15	756 951	3.76	4.00	4.93	4.77	1.27	15.48	0.36	3.52	20.70	12.50	10.00
Novikombank	/B2/B	6M15	244 302	3.51	4.83	7.31	8.23	1.14	13.31	0.10	1.94	9.10	6.30	5.54
Orient Express Bank	/Caa1/B-	6M15	175 577	10.77	22.34	24.12	23.73	5.55	1.82	-7.17	-83.98	12.40	8.27	7.79
Otkritie FC	BB-/Ba3/	6M15	3 104 873	1.85	1.94	3.78	2.51	1.38	4.60	0.58	9.26	17.51	11.57	6.44
OTP Bank	/Ba3/BB	6M15	126 149	13.86	17.86	19.37	21.84	9.74	0.60	-4.65	-29.23			17.26
Peresvet	B+//	6M15	135 499	4.75	-0.74	0.53	0.73	0.95	8.30	1.57	12.06	17.45	16.76	13.59
Promsvyazbank	BB-/Ba3/	6M15	1 010 184	2.95	5.02	5.32	6.47	1.91	2.54	-0.92	-12.99	14.49	9.34	7.74
Raiffeisenbank	/Ba2/BBB-	6M15	842 773	6.58	2.64	6.67	5.63	2.77	3.23	2.71	23.76	20.47	15.94	11.56
Renaissance Credit	B-/B2/	6M15	114 999	6.19	22.08		20.55	7.92	9.76	-5.03	-58.67			9.43
Rosbank	/Ba2/BBB-	6M15	948 714	3.53	3.22		9.41	3.84	15.44	-1.22	-10.07			13.06
Rossiysky Capital	//BB-	6M15	191 462	-0.59	3.01	21.82	20.95	1.95	15.13	-4.03	-147.86	2.36	1.51	1.87
Russian Agricultural Bank	/Ba2/BB+	6M15	2 008 294	0.78	5.50		9.97	2.07	28.09	-4.63	-49.34			8.48
Russian Standard	CCC+/Caa2/	6M15	381 622	3.78	26.18		25.66	6.41	5.86	-11.08	-526.06			0.17
Sberbank	/Ba1/BBB-	6M15	23 657 000	3.97	2.55	4.90	5.77	2.42	5.61	0.70	8.15	13.40	9.60	9.14
Sovcombank	B//B+	6M15	290 270	6.49	8.77	8.59	9.07	3.35	1.01	7.63	112.70			7.48
Tatfondbank	B/B2/	6M15	173 388	0.18	3.39		12.98	1.89	14.75	-3.10	-57.52			4.44
TCS	/B2/B+	6M15	122 242	22.86	16.93	14.29	20.52	8.07	9.00	0.35	1.93	19.60	14.98	17.28
Unicredit	BB+//BBB-	6M15	1 235 551	3.12	1.66		3.12	1.18	3.39	1.21	10.57			12.52
Uralsib	CCC+/Caa2/B	6M15	349 556	2.16	5.97		14.51	6.38	7.35	-5.41	-68.41			7.19
VEB	BB+/Ba1/BBB-	6M15	3 858 540	2.09	4.77		19.62	1.88	25.26	-3.80	-38.89			9.78
Vneshprombank	B+/B3/	6M15	260 101	2.78	1.57	0.87	3.27	1.04	11.44	0.59	10.28	11.70	7.00	5.60
VTB	BB+/Ba1/	6M15	11 742 900	2.10	1.66	6.96	7.59	1.97	5.91	-0.29	-3.08	12.40	10.10	9.26
Zapsibkombank	B+//	6M15	99 642	4.45	1.71	6.43	6.49	4.45	0.87	0.35	2.61			13.68
Zenit	/B1/BB-	6M15	308 354	2.22	2.31		6.49	2.34	15.53	-2.11	-23.89	14.50	9.60	8.80

OFZ

Issue	Outstanding, mln RUB	Coupon, %	Dates		Months to maturity	Price, %	Volume traded, mln RUB	Spread over swaps	Price Change, ppt			Latest quotes		Yields, %		Dur., years
			next coupon	maturity					Day	Week	Month	bid	ask	YTM	Current	
OFZ-25082	106 009	6.00	05/11/2016	05/11/2016	3.5	99.07	141	-112	(0.01)	0.21	0.66	99.06	99.07	9.46	5.98	0.27
OFZ-46017	40 000	6.00	02/03/2016	08/03/2016	6.2	98.15	231	-62	0.19	0.20	0.49	98.11	98.15	10.04	6.03	0.46
OFZ-26203	139 560	6.90	02/03/2016	08/03/2016	6.2	98.70	247	-94	(0.28)	0.24	0.54	98.80	98.85	9.73	6.76	0.46
OFZ-25080	150 000	7.40	04/20/2016	04/19/2017	14.7	97.00	545	-3	0.13	0.26	0.68	97.10	97.20	10.29	7.48	1.07
OFZ-26206	150 000	7.40	06/15/2016	06/14/2017	16.6	96.56	1093	6	0.05	0.40	0.36	96.55	96.64	10.37	7.60	1.20
OFZ-24018	165 725	11.98	06/29/2016	12/27/2017	23.0	102.05	1232		0.04	0.31	0.16	102.05	102.14		11.64	
OFZ-25081	145 731	6.20	02/03/2016	01/31/2018	24.2	92.77	2306	24	0.12	0.16	0.14	92.61	93.05	10.52	6.48	1.69
OFZ-26204	146 727	7.50	03/17/2016	03/15/2018	25.6	94.70	1291	31	(0.01)	(0.08)	(0.31)	94.70	94.88	10.59	7.70	1.77
OFZ-48001	14 460	12.20	11/02/2016	10/31/2018	33.1	104.00	0		1.02	0.94	3.00	102.46	103.06		11.43	
OFZ-26208	150 000	7.50	06/02/2016	02/27/2019	37.1	92.60	2059	90	(0.20)	0.18	(0.48)	92.70	92.90	11.01	5.27	2.46
OFZ-46019	18 200	2.005	03/23/2016	03/20/2019	37.7							83.50	88.20			
OFZ-26216	186 534	6.70	05/18/2016	05/15/2019	39.6	89.93	321	61	0.01	0.10	(1.06)	89.99	90.50	10.64	7.35	2.67
OFZ-26210	150 000	6.80	06/15/2016	12/11/2019	46.5	89.02	1052	66	0.27	0.04	(0.90)	89.50	89.51	10.57	7.57	3.09
OFZ-29011	135 719	14.42	02/03/2016	01/29/2020	48.1	102.63	489		0.00	0.21	0.14	102.70	102.79		13.17	
OFZ-26214	170 746	6.40	06/01/2016	05/27/2020	52.0	86.45	0	79	0.12	(0.01)	(1.40)	86.55	86.90	10.62	7.32	3.41
OFZ-26205	150 000	7.60	04/20/2016	04/14/2021	62.6	89.33	177	83	3.76	(0.04)	(1.78)	89.35	89.64	10.55	8.32	3.85
OFZ-46018	128 934	6.50	03/02/2016	11/24/2021	70.0	85.73	0	89	0.12	(0.22)	(1.02)	85.15	85.75	10.64	7.50	3.72
OFZ-26209	146 118	7.60	01/27/2016	07/20/2022	77.8	87.74	34	89	0.50	0.19	(2.33)	87.50	87.80	10.50	8.31	4.46
OFZ-26211	150 000	7.00	02/03/2016	01/25/2023	84.0	83.96	284	99	0.15	0.64	(2.75)	84.35	84.45	10.53	8.02	4.79
OFZ-46022	28 223	6.00	07/20/2016	07/19/2023	89.8							79.75	81.95			
OFZ-26215	250 000	7.00	02/24/2016	08/16/2023	90.7	82.66	581	113	(0.26)	(0.37)	(2.98)	83.10	83.48	10.63	8.18	5.08
OFZ-52001	139 841	2.50	02/24/2016	08/16/2023	90.7	99.11	644		0.16	0.20	(0.35)	99.30	99.38		2.56	
OFZ-29006	267 165	14.48	02/10/2016	01/29/2025	108.2	102.91	56		0.14	0.15	0.36	102.90	102.94		13.22	
OFZ-26207	190 234	8.15	02/17/2016	02/03/2027	132.3	86.38	2245	115	0.31	0.31	(5.00)	87.00	87.07	10.50	9.06	6.24
OFZ-29007	200 000	13.80	03/16/2016	03/03/2027	133.2							101.70				
OFZ-26212	241 072	7.05	02/03/2016	01/19/2028	143.8	78.34	2893	118	0.18	(0.74)	(4.82)	78.77	79.15	10.49	8.63	6.72
OFZ-29008	200 000	13.28	04/20/2016	10/03/2029	164.3							101.75				
OFZ-29009	200 000	13.00	05/25/2016	05/05/2032	195.4	103.32	1		(0.15)	(0.32)	0.26	103.55	103.72		12.32	
OFZ-29010	200 000	12.84	06/29/2016	12/06/2034	226.5							103.00				
OFZ-46020	116 911	6.90	02/10/2016	02/06/2036	240.5	73.67	1	102	(1.89)	(0.29)	(1.88)	73.66	74.17	10.26	8.98	8.32



Latest Placements

Issue	Maturity Date	Auction Date	Offered volume, mln RUB	Demand, mln RUB	Placed, mln RUB	Amount outstanding, mln RUB	Price		Yield, %		Dur., years
							Cut-off	WA	At cut-off	At WA	
OFZ-29006	01/29/2025	01/20/2016	12 000	24 994	12 000	267 165	102.58	102.64			
OFZ-26207	02/03/2027	01/20/2016	8 000	14 818	8 000	190 234	84.81	85.05	10.78	10.74	6.20
OFZ-24018	12/27/2017	01/13/2016	10 000	16 517	9 523	165 725	101.55	101.66			
OFZ-26214	05/27/2020	01/13/2016	7 800	17 460	7 800	170 746	86.36	86.54	10.62	10.56	3.44
OFZ-29011	01/29/2020	12/23/2015	6 500	26 566	6 500	135 719	102.11	102.16			
OFZ-26214	05/27/2020	12/16/2015	5 000	18 740	5 000	161 446	87.12	87.33	10.31	10.24	3.52
OFZ-29006	01/29/2025	12/16/2015	10 000	9 185	8 185	253 350	101.65	101.83			
OFZ-52001	08/16/2023	12/09/2015	20 416	19 466	13 584	138 307	99.20	99.34			
OFZ-29011	01/29/2020	12/02/2015	7 000	26 046	7 000	129 219	101.83	101.85			

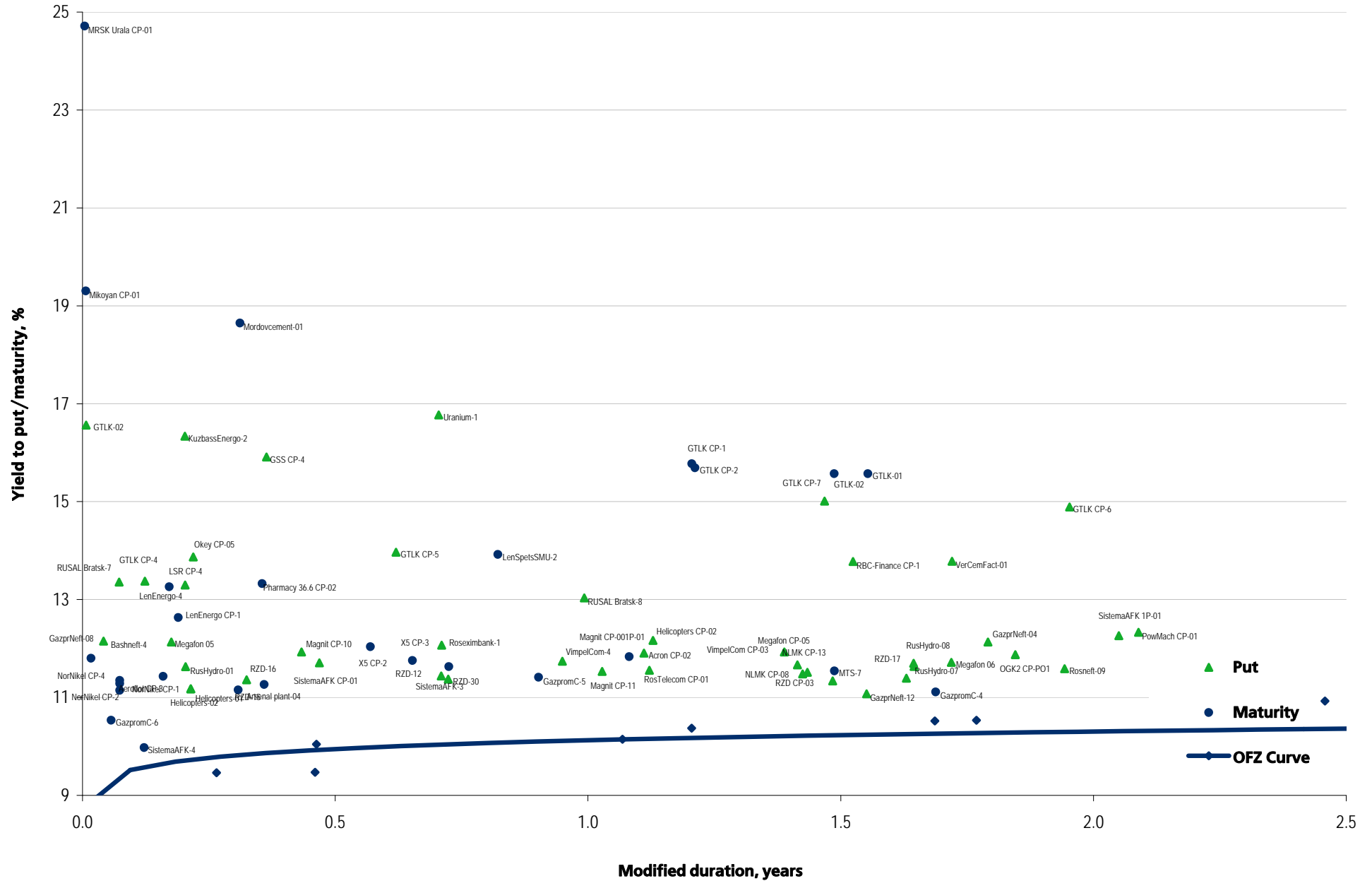
Ruble Bonds

Issue	Amount outst., mln	Coupon rate, %	Dates			Months to		Price	Change	Volume traded, pcs	Latest quotes		Yields, %			DVO1	Ratings F/M/S	Sector
			next cpn	put/call	maturity	P/C	maturity				bid	ask	P/C	YTM	CY			
CORPORATE BONDS																		
Yamal SPG-02	0	\$	3.606	06/11/2016		11/23/2030		178.0									Oil & Gas	
Zapsib CP-3	2 000	R	5.00	02/25/2016		02/25/2016		1.0			60.23	99.98				//B+	Financials	
Zapsib CP-4	2 000	R	5.00	03/07/2016	03/15/2016	09/04/2017	1.6	19.3								//B+	Financials	
Zapsib-2	424	R	14.85	06/16/2016		12/12/2019		46.5			30.00					//B+	Financials	
ZapSib-Transservice-1	5 000	R	15.00	04/19/2016		04/17/2018		26.7									Transportation	
Zarechnaya-01	3 000	R	13.00	06/24/2016	07/01/2016	12/21/2018	5.1	34.8									Metals & Mining	
Zenit CP-09	5 000	R	16.10	04/07/2016	04/11/2016	03/27/2025	2.5	110.0	100.55	42	100.55		13.29	15.27	0.17	BB-/B1/	Financials	
Zenit CP-10	600	R	11.00	06/02/2016	12/04/2017	11/20/2025	22.3	117.9								BB-/B1/	Financials	
Zenit CP-11	6 000	R	13.00	03/03/2016	09/05/2016	02/28/2019	7.3	37.1	100.20	12	100.06	100.20	12.98	12.34	0.50	BB-/B1/	Financials	
Zenit CP-13	5 000	R	13.00	06/23/2016	06/28/2016	06/13/2024	5.0	100.6	100.05	2 400	99.90	100.10	13.20	12.84	0.36	BB-/B1/	Financials	
Zenit CP-14	1 750	R	8.50	06/24/2016	06/28/2017	06/14/2024	17.0	100.6								BB-/B1/	Financials	
Zenit-10	5 000	R	13.25	06/01/2016	06/03/2016	05/30/2018	4.2	28.1			100.12	100.25				BB-/B1/	Financials	
Zenit-11	5 000	R	12.50	04/19/2016	10/20/2016	10/16/2018	8.8	32.6	99.90	0.00	3 980	99.80	99.95	12.98	12.11	0.62	BB-/B1/	Financials
Zenit-8	5 000	R	16.50	02/24/2016	02/26/2016	08/23/2017	1.0	18.9	100.25	(0.05)	5 700	100.15	100.28	13.20	15.40	0.07	BB-/B1/	Financials

Ruble Bonds

Issue	Amount outst., mln	Coupon rate, %	Dates			Months to		Price	Change	Volume traded, pcs	Latest quotes		Yields, %			DVO1	Ratings F/M/S	Sector
			next cpn	put/call	maturity	P/C	maturity				bid	ask	P/C	YTM	CY			
REGIONAL BONDS																		
TomskReg-11	0 R	9.90	03/28/2016		06/19/2023		88.8				93.01	97.99					//BB-	Municipal
TomskReg-8	2 750 R	8.60	03/20/2016		12/19/2017		22.8	96.65	5		96.10	96.65		12.05	8.82	1.04	//BB-	Municipal
TulReg-3	3 250 R	7.98	02/18/2016		05/18/2017		15.7	96.72	(0.58)	615 160	96.04	97.30		12.35	8.12	0.78	BB//	Municipal
TulReg-4	5 000 R	12.20	04/27/2016		05/15/2019		39.6				100.01	101.24					BB//	Municipal
TverReg-11	1 500 R	9.70	03/21/2016		12/18/2017		22.7				94.03	99.00					BB-//	Municipal
TverReg-12	1 500 R	9.80	02/25/2016		11/22/2018		33.9				94.00	96.99					BB-//	Municipal
Udmurtiya-5	600 R	10.05	05/26/2016		11/24/2016		9.9				98.04	105.00					BB-//	Municipal
Udmurtiya-6	1 500 R	10.10	06/07/2016		12/05/2017		22.3				94.49	97.49					BB-//	Municipal
Udmurtiya-7	1 800 R	8.45	04/07/2016		10/01/2020		56.2				85.02	95.00					BB-//	Municipal
Udmurtiya-8	3 000 R	13.80	03/24/2016		09/17/2020		55.7				104.51	106.00					BB-//	Municipal
Volgograd-6	400 R	9.47	02/24/2016		08/23/2017		18.9	98.00	0.00	100	97.00	98.00		12.23	9.50	0.79	/B2/	Municipal
Volgograd-7	1 000 R	12.56	04/24/2016		10/10/2019		44.4				99.00	104.99					/B2/	Municipal
Volgograd-8	1 000 R	13.73	05/13/2016		10/19/2020		56.8				95.01						/B2/	Municipal
VolgReg-10	600 R	7.00	05/04/2016		05/04/2016		3.2				99.00	105.00					B+//	Municipal
VolgReg-11	1 500 R	8.24	01/29/2016		05/28/2017		16.0	94.75	(4.00)	10	94.85	98.74		15.51	8.52	0.71	B+//	Municipal
VolgReg-12	4 000 R	7.77	03/17/2016		06/14/2018		28.6	99.00		1	88.82	99.00		8.72	7.78	1.05	B+//	Municipal
VolgReg-13	1 600 R	7.80	02/04/2016		11/01/2018		33.2				92.01	101.61					B+//	Municipal
VolgReg-14	4 250 R	10.50	03/17/2016		07/13/2019		41.5				95.31	97.48					B+//	Municipal
VolgReg-15	5 000 R	12.74	02/05/2016		10/30/2020		57.1				95.01						B+//	Municipal
VologReg-1	502 R	10.65	03/16/2016		12/14/2016		10.6	99.28	0.43	4 863	98.99	99.35		12.01	10.60	0.76		Municipal
VologReg-2	2 300 R	9.75	03/08/2016		12/05/2017		22.3	98.15	0.13	13	98.00	98.15		12.80	9.80	0.67		Municipal
Volzhskiy-1	300 R	15.00	01/27/2016		12/24/2019		46.9				102.20							Municipal
VoronezhReg-5	1 750 R	6.85	03/15/2016		12/17/2017		22.7	95.66	0.26	253	94.71	95.30		12.33	7.11	0.76		Municipal
VoronezhReg-6	4 500 R	7.78	04/23/2016		10/23/2018		32.9	97.07	(1.76)	8	86.47	97.00		10.25	8.01	1.21		Municipal
VoronezhReg-7	4 941 R	11.75	04/14/2016		10/14/2019		44.6				98.79	102.00						Municipal
YaroslReg-12	5 000 R	7.85	04/15/2016		07/13/2018		29.5	96.00		10	93.04	95.90		11.42	8.16	1.12	BB//	Municipal
YaroslReg-13	7 000 R	10.20	03/29/2016		09/24/2019		43.9	97.78	(0.22)	2	97.50	97.78		12.07	10.35	1.49	BB//	Municipal

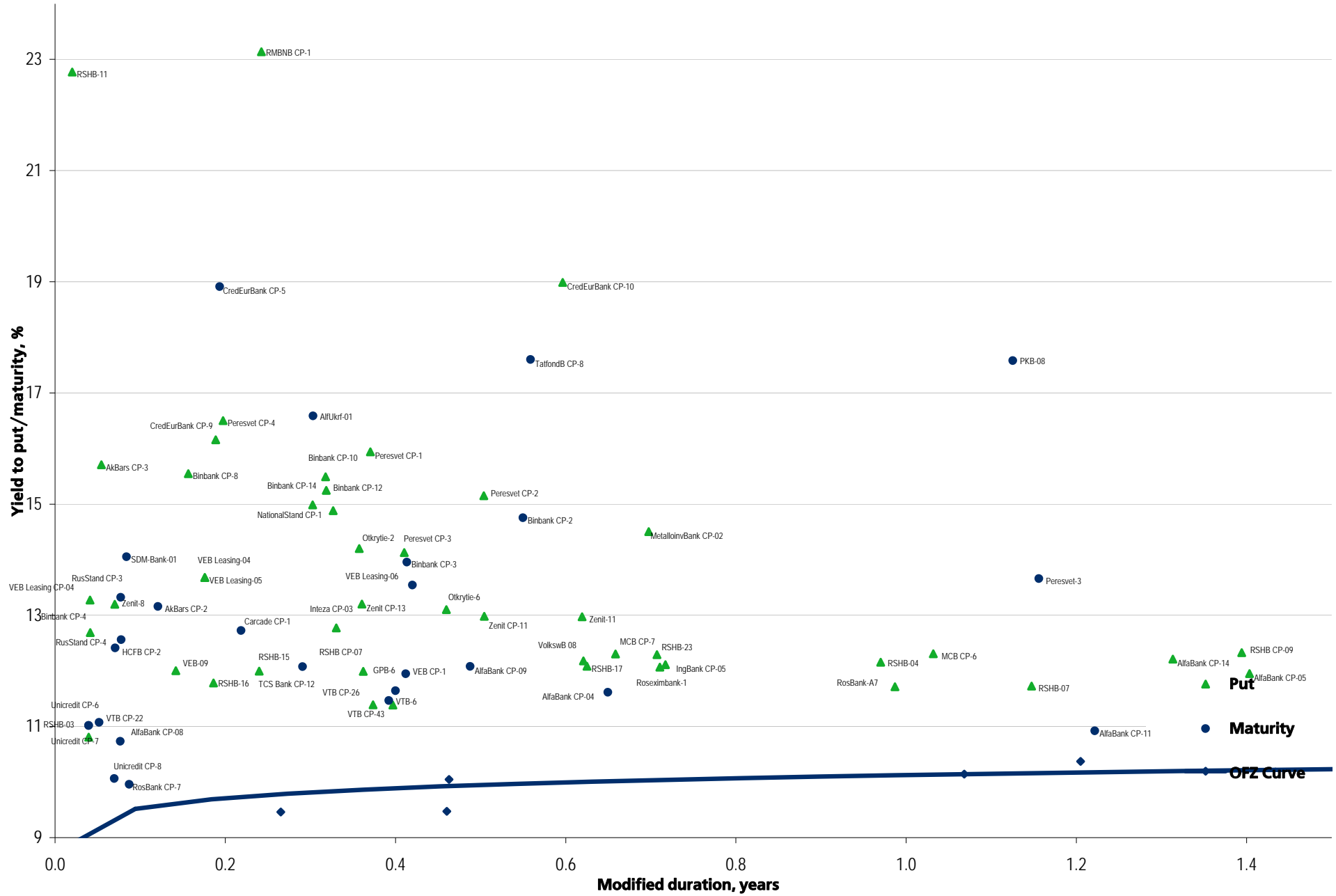
Corporate Ruble Bonds (Ex. Financials)



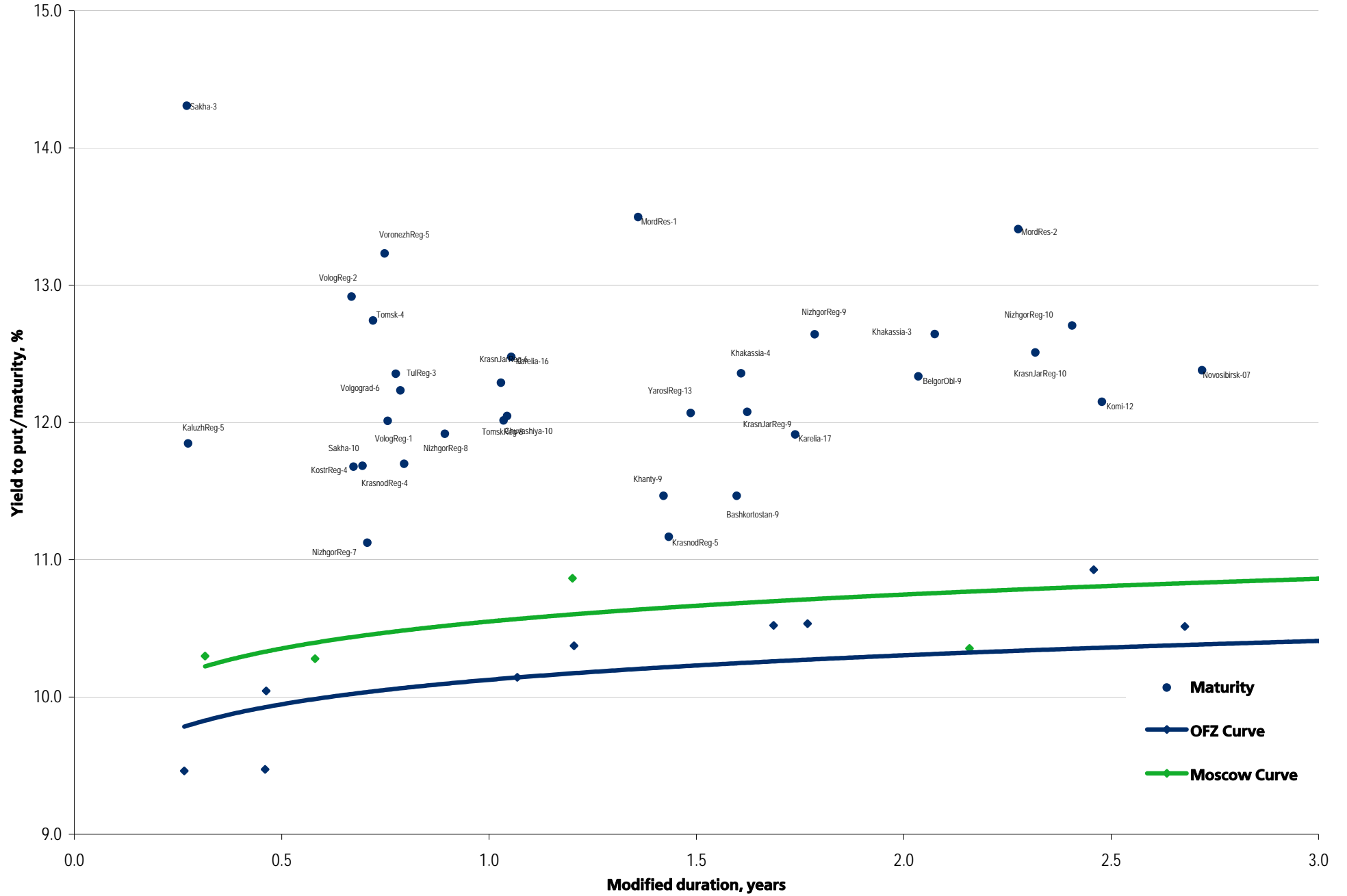
Corporate Ruble Bonds (Financials)



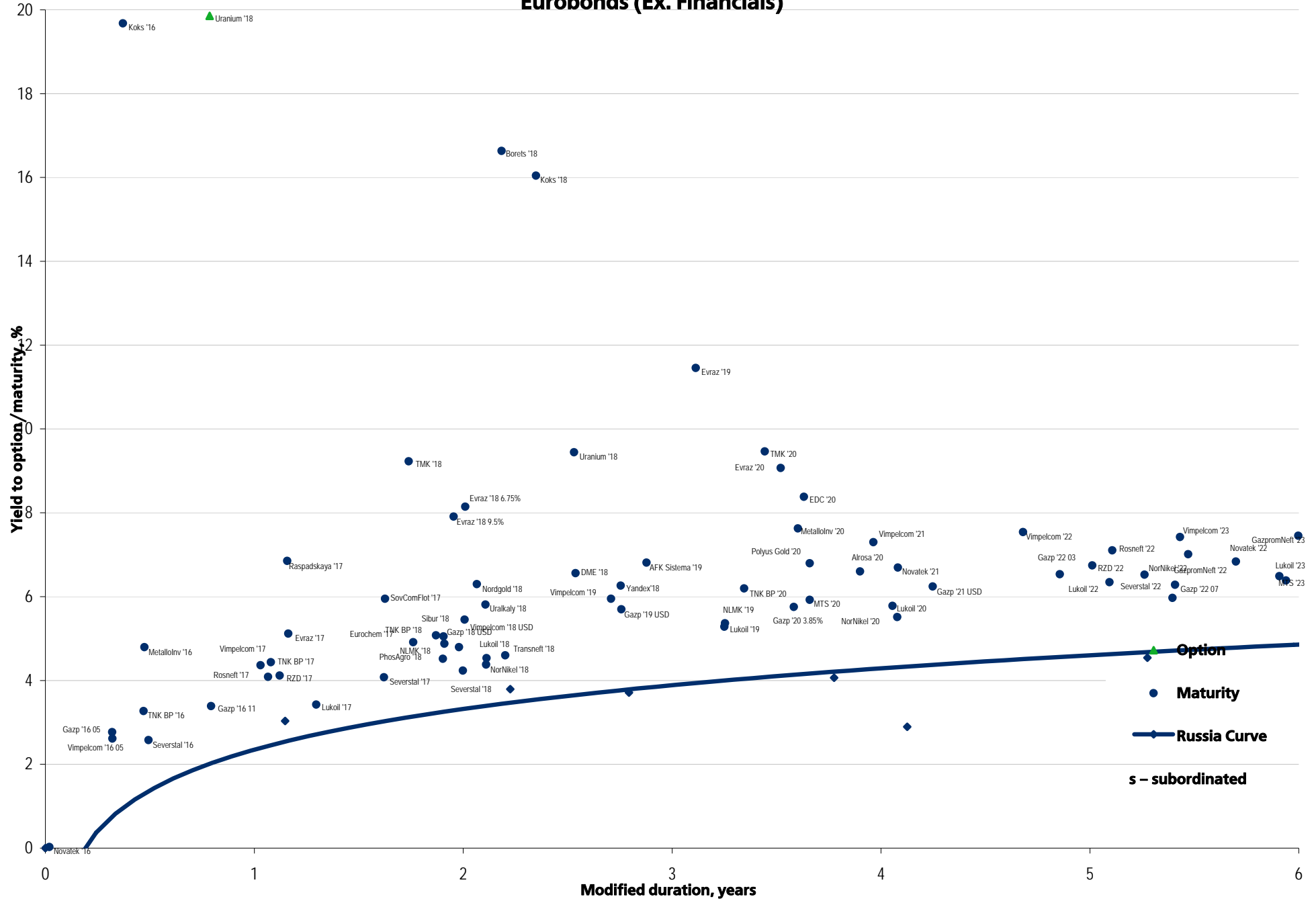
Fixed Income Daily 01/27/2016



Regional Ruble Bonds

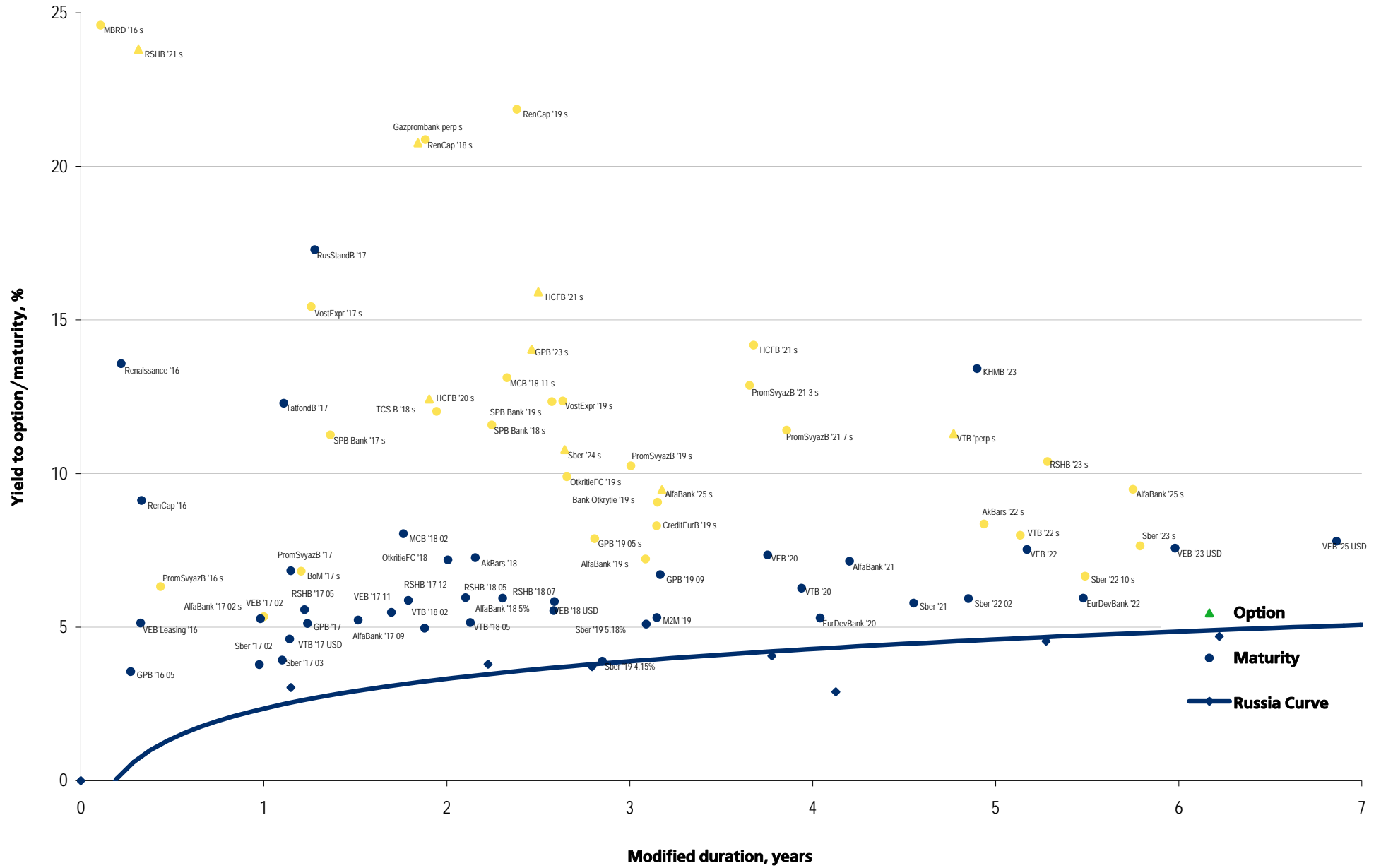


Eurobonds (Ex. Financials)



s - subordinated

Eurobonds (Financials)



**URALSIB Securities Ltd**

Level 33 Tower 42, 25 Old Broad St, London EC2N 1HQ, UK
Telephone: +44 (0) 20 7562 8000
Fax +44 (0) 20 7562 8099

Authorised and Regulated by FCA
Member Firm London Stock Exchange,
Turquoise Derivatives and Euronext

URALSIB Capital – Financial Services LLC

8 Efremova Street, Moscow, Russia 119048
Telephone: + 7 (495) 788 0888
Fax: + 7 (495) 705 7010

Disclaimer

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s) about the subject. The lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Opinions, estimates and projections in this report constitute the present judgment of the undersigned lead analyst(s) as at the date of the report. They do not necessarily reflect the opinions of URALSIB and are subject to change without notice. Name of lead analysts: Dmitry Dudkin, CFA, Nadezhda Bozhenko, Olga Sterina, Irina Lebedeva, CFA.

This report is provided for informational purposes only. Under no circumstances is it to be used or considered as an offer or a solicitation of an offer to buy or sell securities.

Information and opinions contained in this report have been compiled by URALSIB from sources believed to be reliable and while all reasonable care has been taken in the preparation of this report, URALSIB makes no representation or warranty, express or implied, to its accuracy or completeness. Neither URALSIB nor its principals, employees, agents or affiliates accept any liability for any direct or consequential loss arising from any use of this report or its contents. Investors should make their own investment decisions using their own independent advisors, as they believe necessary and based upon their specific financial situations and investment objectives when investing. The information is the exclusive property of "URALSIB Capital – Financial Services LLC" and may not be reproduced or distributed without prior written permission.

URALSIB, their principals, employees, agents or affiliates may have positions or effect transactions in the securities referred to in this report and may engage in securities transactions with respect to securities covered by this report. They may also sell to or buy from customers on a principal basis and may serve as a director of issuers of such securities. Disclosures of conflicts of interest, if any, are listed below.

Investing in Russia and Russian securities may not be suitable for all investors and involves a high degree of risk. Investors should perform their own due diligence before investing, having due regard to their investment objectives and financial situation. Exchange rate fluctuations may affect the value of, and/or income from, securities denominated in currencies other than an investor's currency. Past performance is not an indication of future results necessarily. Prices of securities, income from an investment, liquidity and availability of securities are subject to change without notice. URALSIB has no obligation to modify, amend or update this report, nor to otherwise notify a reader of this report should any opinion, projection, forecast, estimate or other matter change or subsequently becomes inaccurate or if research coverage of the company by URALSIB ceases.

This report is not intended for the use of Private Customers as that term is defined under the Financial Services and Markets Act 2000. This report has been approved for publication in the United Kingdom by URALSIB Securities Limited, authorized and regulated by the Financial Conduct Authority and a member firm of the London Stock Exchange.

Additional information available upon request.

© URALSIB Capital – Financial Services 2016

Fixed Income Department

Head of Sales and Trading Department

Sergey Shemardov, she_sa@uralsib.ru

Sales

Darya Lezhnina, lezhninadv@uralsib.ru

Debt Capital Markets

Corporate Bonds

Natalia Grischenkova, grischenkovane@uralsib.ru

Natalya Martynova, martynovana@uralsib.ru

Project Management

Guzel Timoshkina, tim_gg@uralsib.ru

Galina Gudyma, gud_gi@uralsib.ru

Research

+7 (495) 788-0888

Head of Research

Konstantin Chernyshev, che_kb@uralsib.ru

Head of Fixed Income Research

Dmitry Dudkin, dudkindi@uralsib.ru

Research Sectors & Staff

Fixed Income

Dmitry Dudkin, CFA, dudkindi@uralsib.ru

Nadezhda Bozhenko, bozhenkonv@uralsib.ru

Olga Sterina, sterinaoa@uralsib.ru

Irina Lebedeva, CFA, lebedevair@uralsib.ru

Economy

Alexei Devyatov, PhD, devyatovae@uralsib.ru

Olga Sterina, sterinaoa@uralsib.ru

Market Analysis

Dmitry Push, pushds@uralsib.ru

Denis Dorofeev, dorofeevdi@uralsib.ru

Banking

Nataliya Berezina, CFA, berezinana@uralsib.ru

Oil & Gas

Alexei Kokin, kokinav@uralsib.ru

Telecommunications, IT & Media

Konstantin Chernyshev, PhD, che_kb@uralsib.ru

Konstantin Belov, belovka@uralsib.ru

Fertilizers, Transport & Machinery

Denis Vorchik, vorchikdb@uralsib.ru

Editorial & Production

English Language Editions

John Walsh, walshj@uralsib.ru

Russian Language Editions

Andrei Pyatigorsky, pya_ae@uralsib.ru

Olga Simkina, sim_oa@uralsib.ru

Alexei Smorodin, smorodinay@uralsib.ru