

# MidLincoln Research

## CRABSTICKS Strategy May 2016

### BRICKST+Canada+ Australia



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Emerging markets are going through the spike in risk appetite mainly driven by strong performance of commodities exporters where many of them are bouncing off their trough levels. Importers such as China and India markets have been lagging. But even in China and India materials sectors have been among the best performing vs. other sectors.

Russia is set to continue farther in our view.

China looks fragile, it is one of the rate markets which is down YTD. But nevertheless its likely to maintain stability.

South Africa looks quite upbeat.

Korea looks subtle anticipating further Chinese weakness. But enjoying QE from Japan

India, is preparing for second leg in its 2 year rally.

Turkey is likely to sustain growth.

Brazil is set to benefit when political pressure dissipates. Investors are frontrunning that.

Australia markets will enjoy rebound in commodities markets

Canada is likely to benefit from commodities revival.

Russia has been severely battered in 2014. Yet last year it was one of the best emerging markets, standing pretty firmly whereas most other emerging markets tanked. What will be the dynamics of the Russian market in 2016?

Sentiment towards Russia remains quite grim, and there is no reason to assume that overnight hordes of investors will be piling up in Russian assets. The country is in its pre-election mode. 2016 is the year of elections in the Russian Duma, Russia's lower house, while customary election years are normally bad for the markets. Dollar is likely to remain strong and it is unlikely that the oil price will be a supporting factor, while the geopolitical risk premium will remain a discounting factor in 2016.

Despite the grim forecast there are investors who will be making bargains while the risk appetite remains at the bottom. They will argue that the ruble devaluation has created significant advantages in some sectors of the Russian economy, that the country remains quite inexpensive as opposed to other emerging markets. These investors will also argue that Russia will eventually lose its pariah state status when sanctions get lifted.

What will international investors be buying?

Most probably there will be a temptation to buy into stocks and sectors of "the new economy": Internet, communications and technology stocks, consumer names and financial infrastructure companies. There will also be investors favoring companies that are up for privatization as this event could be a significant price-moving factor.

There will also be major shareholders buying back their stock and some will decide to tag along. While it could be quite difficult, it could also make sense to try and catch up the moment when the ruble starts to grow. Finally, somewhat beaten up but nevertheless always relevant is investing in infrastructure.

Browsing through the names in the new economy sectors, investors are likely to start looking for safer names with little or no political risk. Therefore they will attempt to invest in the state-owned stocks in telecommunications and the consumer goods sector, such as the Moscow Exchange, Rostelecom and Aeroflot or looking to position in Mail.ru, Dixy and Megafon where they can enjoy some protection in case of a new asset reshuffle.

Some investors with a slightly different risk profile could go for Magnit, Lenta, or Yandex, companies with no state participation, hence are less heavily regulated. These investments may be just a notch riskier reflecting that their owners are enjoying little political support. Investors particularly favored this class of stocks in the past.

Rosneft, Transneft and Alrosa as well as Aeroflot, the Moscow Exchange and Rostelecom could also enjoy a positive capital flow if another round of privatization happens after all. Privatization has been delayed since 2013, but there is a firmer view now that for some companies, such as Sberbank, VTB and Rosneft, privatization could be the path to escape sanctions. Therefore investors could enjoy double benefits: First, a major price driver in these battered companies could be an expectation that a potential buyer could bid a significantly higher price than is implied by the current market capitalization of these companies. Second, the risk profile of these companies will improve after privatization if the sanctions are lifted.

Buybacks have been a popular theme in the Russian market and it is likely that there will be more companies joining the likes of Mostotrest, Rusagro, Tinkoff and Polyus Gold to support their stocks via buybacks. Lukoil is the one company that has been spotted in the past to use distressed markets to buy back the stock.

Once the Russian ruble starts to grow again it will have an immediate effect on banking or real estate stocks, such as Sberbank, VTB, Tinkoff or LSR. There are many signals indicating that ruble is very close to the bottom. The most powerful of the signals is the decreasing impact of the energy sector on the Russian economy (especially if measured in US dollars) as this sector has been shrinking in line with the oil price. Brent at \$30 per barrel is only playing a marginal role for Russia versus oil price at \$70 per barrel. If the Russian risk profile improves once conflicts of geopolitical nature gradually die down and the world starts talking about the possibility of removing sanctions, the Russian ruble is likely to positively react to that. The above-mentioned stocks are likely to be the first ones to react positively. On the other hand, strength in exporters' stocks, such as Norilsk Nickel and Rusal, will be a barometer, signaling that investors are still betting on a weaker ruble.

Russia is being slowly rebuilt and renovated as some of its industrial sites as well as residential real estate and roads are degrading, their use has become at times hazardous and dangerous. Russia is ready to spend lavishly on investments in its infrastructure. In fact on many accounts Russia will ramp up its infrastructure spending to batter the crisis.

Mostotrest used to be the favored investment theme in this sector, but since liquidity in Mostotrest dried up following buyback, Russian steel names, such as Evraz, NLMK and Severstal, as well as real estate names, such as LSR and PIK, will be the ones favored by investors looking into the infrastructure sector.

Glancing back over past crises, Russia has always been able to survive and reward those investors who were faithful. Back in June 1999 a crisis stricken Russia confronted NATO at the Pristina airport during the war in Kosovo. Back then the oil price was a little over 10\$ and a lot of investors decided to abandon Russia. It all changed on December 31, 1999, when President Yeltsin announced his resignation. Those Russian traders who did not pay attention as they stepped out for lunch missed a unique opportunity to make money. Just like in 1999, those investors who pay attention to Russia when it is in crisis will be rewarded when the crisis is over.

Russia Performance Snapshot

Index	1 month Ch%	YTD Ch%	1 year Ch%
RTSIS:IND	10.24	24.65	-7.39
MSCI Russia	7.77	24.65	-10.47
MSCI GEM	0.40	5.80	-19.81
MSCI BRIC	2.25	3.41	24.77
MSCI World	1.28	1.00	-7.55

Indexes YTD performance %

MSCI Index	YTD Change
PERU	42.7
BRAZIL ADR	42.6
BRAZIL	40.3
COLOMBIA	29.2
RUSSIA ADR/ODR	25.7
EM LATIN AMERICA	25.3
TURKEY	25.1
EFM LATIN AMERICA & CARIBBEAN INDEX	24.9
RUSSIA	24.7
ANDEAN	22.8
EM LATIN AMERICA WITH BRAZIL ADR	22.6
HUNGARY	21.2
EM ex ASIA	19.9
EM EASTERN EUROPE	18.8
EM EUROPE	18.0
EFM EUROPE + CIS (E+CI)	17.4
SOUTH AFRICA	17.3
EM EMEA	15.9
THAILAND	15.6
EFM AFRICA	15.3
EM EUROPE & MIDDLE EAST	15.0
CHILE	14.9
EFM EMEA	14.1
EMERGING + FRONTIER MARKETS WORKFORCE	13.2
EM LATIN AMERICA ex BRAZIL	12.4
EFM EUROPE + CIS (E+CI) ex RU	11.0
JORDAN + EGYPT + MOROCCO	10.7
EMERGING MARKETS HORIZON	10.3
UNITED ARAB EMIRATES	10.1
MALAYSIA	9.4
INDONESIA	9.3
SOUTH EAST ASIA	8.0
MEXICO	7.8
UNITED ARAB EMIRATES DOMESTIC	7.5
EM EASTERN EUROPE ex RUSSIA	7.4
EFM CEEC ex RU	6.6
EM (EMERGING MARKETS)	5.8
CZECH REPUBLIC	5.8
EFM (EMERGING + FRONTIER MARKETS)	5.7
EM WITH BRAZIL + INDIA + RUSSIA DR	5.7
EM WITH BRAZIL ADR	5.1
EGYPT	5.0
POLAND	4.8
EMSD	4.7
KOREA	4.4
BRIC	3.4
PHILIPPINES	2.9
BRIC WITH BRAZIL + INDIA + RUSSIA DR	2.4
ACFM AMERICA INDEX	2.1
AC AMERICAS	2.1
TAIWAN	2.0
AC PACIFIC ex JAPAN ex HK	1.8
BRIC WITH BRAZIL ADR	1.7
AC PACIFIC ex JAPAN	1.6
ACWI FM ex JAPAN	1.4
AC ASIA PACIFIC ex JAPAN	1.2
ACWI FM ex USA	1.2
ACWI + FRONTIER MARKETS (ACWI FM)	1.0
World	1.0
AC FAR EAST ex JAPAN ex HK	1.0
ACWI WITH BRAZIL + INDIA + RUSSIA	1.0
ACWI WITH USA GROSS	1.0
KUKU INDEX (ACWI ex Korea)	0.9

Russia



Our Stance

Russia is set to continue farther in our view.

Russia Last Month Review

Russia RTSIS:IND Index gained 10.24% last month. To finish the month at 960.01. MSCI Russia Index gained 7.77% last month. Its overall up 24.65% since the beginning of the year. At the same time MSCI Emerging Markets Index up 0.40% last month and is up 5.80% YTD. RUB last month gained 5.07% against US dollar. To finish the month at 64.69\$per USD. Sovereign eurobonds are trading with average yield of 4.51% and tightened by -0.44% last month. Corporate eurobonds are trading with average yield of 4.47% and tightened by -0.62% last month. Local currency bonds are trading with average yield of 9.23% and tightened by -0.19% last month. While Brent oil price last month gained 23.52%. To finish the month at 48.10 \$/bbl. Best stocks last month in Russia included Evraz PLC (EVR:LN) +74.60%, Yandex NV (YNDX:US) +33.88%, Federal Grid Co Unified Energy System PJSC (FEES:RM) +29.08%, LS Group Holding PLC (TCS:LI) +25.40%, Rosneft OAO (ROS:RM) +24.78%, Gazprom PAO (GAZP:RM) +22.68%, Sberbank of Russia PJSC (SBER:RM) +21.61%, Sistema JSCF (S) +17.11%, . Worst stocks last month included Magnit PJSC (MGNT:LI) -13.15%, QIWI plc (QIWI:US) -11.12%, Magnit PJSC (MGNT:RM) -10.30%, Surgutneftegas OAO (SNGS:RM) -6.59%, Retail Group NV (FIVE:LI) -1.98%, Surgutneftegas OAO (SNGSP:RM) -0.56%, MegaFon PJSC (MFON:RM) 0.61%, VTB Bank PJSC (VTBR:RM) 1.11%, TMK PAO (TRMK:RM) 1.1: Best stocks YTD included Evraz PLC (EVR:LN) +92.21%, Federal Grid Co Unified Energy System PJSC (FEES:RM) +88.46%, Inter RAO UES PJSC (IRAO:RM) +63.70%, Rosneft ( Russian Airlines PJSC (AFLT:RM) +54.37%, Mobile TeleSystems PJSC (MBT:US) +49.84%, Sberbank of Russia PJSC (SBER:RM) +41.15%, Gazprom PAO (GAZP:RM) +39.83%, S Lukoil PJSC (LKOH:RM) +33.39%, While worst stocks YTD included QIWI plc (QIWI:US) -29.39%, Magnit PJSC (MGNT:LI) -12.97%, Mail.Ru Group Ltd (MAIL:LI) -10.20%, Magnit PJSC (MGNT:RM) -9.89%, TMK (TMKS:LI) -6.25%, MegaFon PJSC (MFON:LI) -1.29%, MegaFon PJSC (MFON:RM) -0.77%, VTB Bank PJSC (VTBR:RM) 1.61%, X5 Retail Group NV (FIVE:LI) 4.49%, In terms of sector performance last month the best sectors included Utilities +14.65%, Materials +14.39%, Communications +12.27%, While worst sector performance last month showed Consumer Staples -8.48%, Energy 9.99%, Consumer Discretionary 10.79%, YTD the best sectors remain Utilities +56.38%, Consumer Discretionary +54.37%, Energy +24.30%, While the worst sectors are Consumer Staples -6.13%, Financials 16.93%, Communications 17.56%,



Some Political news headlines for Russia include:

The 'Trump effect' will help authoritarians around the world  
Putin woo Russians by pledging to turn back clock  
Who is Michael Garcia? Sportsmail provides lowdown on the FIFA ...  
Doping in Russian football given toughest and serious control ...  
Russia Extends Hold on Pension Savings for Budget Through 2015  
Gold eases, near 2-week low as market eyes Fed statement  
Ukrainian forces kill five separatists as Putin warns of consequences ...

While some economic events and news headlines include:

Friday April 29 2016  
Russia Holds Key Rate at 11%  
The Bank of Russia kept its benchmark one-week repo rate unchanged at 11% on April 29th, saying inflation is easing although at a slower pace than anticipated due to budget wages. Policymakers also said a rate cut could be considered in next meetings if inflationary risks decrease.  
Tuesday April 19 2016  
Russia Jobless Rate at 3-Year High  
Unemployment rate in Russia was recorded at 6.0 percent in March of 2016, up from 5.8 percent in the previous three months and above market expectations of 5.9 percent. In 2013, as the number of unemployed people increased by 138 thousand to 4.56 million while economically active increased by 0.2 million to 76.1 million (52 percent of population).  
Monday April 11 2016  
Russia Trade Surplus Down 47% in February  
Russia's trade surplus narrowed to USD 7.35 billion in February of 2016, from a USD 13.97 billion surplus a year earlier. Exports shrank 31.4 percent and imports decreased at  
Tuesday April 05 2016  
Russia Inflation Rate at Near 2-Year Low  
Consumer prices in Russia increased 7.3 percent year-on-year in March of 2016, slowing from 8.1 percent growth in the previous month and below market expectations of 7.5 April of 2014, pulled down by cost of food, housing and clothing. On a monthly basis, prices edged up by 0.5 percent.

ACWI WITH BRAZIL ADJR	0.9
AC FAR EAST ex JAPAN	0.8
EM FAR EAST	0.8
SELECT OECD COUNTRIES	0.6
AC ASIA ex JAPAN	0.5
EFM ASIA	0.4
EM ASIA	0.4
EFM AFRICA ex ZA	0.3
EAFE + EM	0.2
ACE EUROPE Value	-0.1
ASIA APX50	-0.3
AC PACIFIC	-0.5
AC ASIA PACIFIC	-0.6
ACFM EUROPE + CIS (E+C)	-0.8
ACE EUROPE	-0.8
AC FAR EAST	-1.2
ACFM ASIA	-1.2
AC ASIA	-1.2
INDIA DOMESTIC	-1.4
QATAR	-1.4
ACE EUROPE Growth	-1.5
GOLDEN DRAGON	-2.3
INDIA	-2.4
EM (EMERGING MARKETS)-CHINA A	-2.8
ZHONGHUA	-3.1
CHINA 50	-4.2
CHINA	-5.0
QATAR DOMESTIC	-5.2
AC ASIA ex JAPAN-CHINA A	-6.8
GREECE	-9.4
CHINA A50	-10.9

Indexes 1m performance %

Index	Last	Change
Russian Trading System Cash Index	960.05	10.24
Russian Depository Index USD	1117.71	8.72
Ibovespa Brasil Sao Paulo Stock Exchange Index	54311.96	5.98
MICEX Index	1949.89	5.45
Karachi Stock Exchange KSE 100 Index	34542.26	4.71
Borsa Istanbul 100 Index	85477.83	3.09
SDPFTSX Composite Index	13884.43	2.83
Daxcheer Broker AG German Stock Index DAX	10321.15	2.73
FTSE 100 Index	6322.4	1.92
Hong Kong Hang Seng Index	21114.11	1.89
FTSE/JSE Africa All Share Index	53223.98	1.39
SDP BSE SENSEX Index	25639.75	0.74
Dow Jones Industrial Average	17830.76	0.64
SDP 500 Index	3075.81	0.57
Jakarta Stock Exchange Composite Index	4830.559	0.29
Korea Stock Exchange KOSPI Index	1994.15	-0.09
Nikkei 225	16646.05	-1.09
Mexican Stock Exchange Mexican Bolsa IPC Index	45528.93	-1.43
Shanghai Stock Exchange Composite Index	2943.69	-2.11
Warsaw Stock Exchange WIG Total Return Index	47843.7	2.75

Currencies 1m performance %

Ticker	Last	Change
USDPLN.CUR	3.8661	2.28
USDHPK.CUR	46.948	2.02
USDMDL.CUR	19.76	0.73
USDTTD.CUR	6.6469	0.68
USDCRC.CUR	535.83	0.39
USDJOD.CUR	0.7095	0.33
USDINR.CUR	66.515	0.24
USDW20.CUR	32.258	0.20
USDZNY.CUR	6.4755	0.14

Friday April 01 2016  
Russia GDP Contracts 3.8% in Q4  
Russian economy contracted 3.8 percent year-on-year in the fourth quarter of 2015, in line with the preliminary estimates, following a downwardly revised 3.7 percent drop in The GDP shrank for the fourth straight period, dragged down by household spending (-12.4 percent from -10.4 percent in Q3), public consumption (-1.7 percent from -1.8 percent formation (-6.0 percent from -11.3 percent in Q3). Imports fell 21.2 percent (-25.4 percent) while exports advanced 9.8 percent (-1.4 percent in Q3).

Bill Evans: RBA will not cut  
Interview: Domestic demand, innovation to maintain China's ...  
Byron Wien: Stocks Are Prey to Uncertainties  
Brokerages' views on top 5 stocks post Sept quarter results  
How ISIS Spread in the Middle East  
Hamilton, community of tolerance  
Scotch whisky exports slump by 7% as key export markets dry up  
Russia must profit from weak ruble by diversifying exports, say ...  
Russia Said to Keep \$50 Oil Outlook in Budget After Crude Gains  
Russia's Budget Deficit More Than Doubles in a Month  
UPDATE 3-Russia's Sberbank sees margin squeeze worsening in ...

Companies Reported last month include:

(C) Sberbank of Russia PJSC  
firs  
VTB More Than Doubles Profit in 2015 as Provision Charge Drops  
VTB More Than Doubles Profit in 2015 as Provision Charge Drops  
(P) Gazprom PAO  
energ  
The 18 Cheapest Large Caps In Terms Of EV/EBIT With Strong ...  
BASF's Chemical Romance Sours  
(C) Lukoil PJSC  
energ  
ECB Rate, Goldman, Housing, N.Y. Primary: Week Ahead April 16-23  
Shell Needs to Repay Investors Who Backed Biggest Ever Wager  
Best Stocks Last Month and News  
Evraz PLC (EVR:LN)+74.60%  
The Week Ahead: Nerves raw, confidence shaken  
Yandex NV (YNDX:US)+33.88%  
DOW JONES, A NEWS CORP COMPANY  
Federal Grid Co Unified Energy System PJSC (FEES:RM)+29.08%  
LSR Group PJSC (LSRG:LI)+26.33%  
TCS Group Holding PLC (TCS:LI)+25.40%  
Тиньков выкупил 2.5 млн расписок группы TCS Group Holding  
Rosneft OAO (ROSN:RM)+24.78%  
İşte dünyanın en değerli markaları  
Gazprom PAO (GAZP:RM)+22.68%  
Highest and Cheapest Gasoline Prices by Country  
Sberbank of Russia PJSC (SBER:RM)+21.61%  
Sistema JSCC (SSA:LI)+19.32%  
Sistema JSCC (AFKS:RM)+17.11%

Worst Stocks Last Month and News

Magnit PJSC (MGNT:LI)-13.15%  
Sergey Galitskiy  
QIWI plc (QIWI:US) -11.12%  
QIWI's 2015 Return Evaporating as Russia Recession Saps Growth  
Magnit PJSC (MGNT:RM) -10.30%  
Surgutneftegas OAO (SNGS:RM) -6.59%  
Mail.Ru Group Ltd (MAIL:LI) -2.88%  
Победители олимпиады для школьников "Технокубок" получают ...  
XS Retail Group NV (FIVE:LI) -1.98%  
Surgutneftegas OAO (SNGSP:RM) -0.56%  
MegaFon PJSC (MFON:RM) 0.61%  
VTB Bank PJSC (VTBR:RM) 1.11%  
TMK PAO (TRMK:RM) 1.12%  
TMK может объявить новый выпуск еврооблигаций при снижении цены

Valuations

value	stock	Country	Industry	MCap US m	DividendYield	PE	PS	NetMarginPct	PayoutRatio	52wkhigh
Aeroflot - Russian Airlines PJSC	AFLT:RM	Airlines		1330.10	-	-	0.20	0.00	0.00	82.77
Sberbank of Russia PJSC	SBER:RM	Banks		41224.21	1.59%	11.93	0.94	7.88	18.97	49.43
Sberbank of Russia PJSC	SBERP:RM	Banks		1298.40	0.54%	-	-	0.00	-0.00	55.79
AK Transneft OAO	TRNFP:RM	Midstream - Oil & Gas		4811.59	0.38%	7.74	1.36	17.57	2.94	52.87
Rosneft OAO	ROSN:RM	Integrated Oils		57500.58	3.35%	10.48	0.72	6.87	35.11	33.39
Inter RAO UES PJSC	IRAO:RM	Elec & Gas Mktg & Trading		2900.67	0.97%	6.48	0.19	2.84	6.48	39.01
Federal Grid Co Unified Energy System PJSC	FEES:RM	Utility Networks		1979.13	0.66%	2.83	0.68	24.03	1.87	34.39
Moscow Exchange MICEX-RTS PJSC	MOEX:RM	Security & Cmnty Exchanges		3597.85	6.96%	8.16	4.94	60.54	56.79	31.72
Severstal PAO	CHMF:RM	Steel Producers		9413.73	11.11%	18.95	1.54	8.13	210.53	29.28
Surgutneftegas OAO	SNGSP:RM	Integrated Oils		9000.14	19.65%	1.97	1.50	76.14	38.71	28.38
Rostelecom PJSC	RTKM:RM	Telecom Carriers		3920.38	3.39%	16.02	0.77	4.81	54.31	23.19
Sistema JSCC	AFKS:RM	Telecom Carriers		2901.20	3.45%	-	0.28	0.00	-0.00	19.81
Tatneft PAO	TATN:RM	Integrated Oils		11481.95	3.22%	7.43	1.31	17.63	23.92	16.55
TCS Group Holding PLC	TCS:LI	Banks		721.42	-	23.06	0.98	4.25	-0.00	16.18
RusHydro PJSC	HYDR:RM	Power Generation		4120.78	2.27%	7.97	0.72	9.03	18.09	14.87
Gazprom PAO	GAZP:RM	Integrated Oils		61643.09	4.39%	4.92	0.64	13.01	21.40	12.11
Lukoil PJSC	LKOH:RM	Integrated Oils		36185.18	6.44%	-	-	0.00	-0.00	8.71
Gazprom Neft PAO	SIBN:RM	Integrated Oils		11168.93	4.24%	6.56	0.49	7.47	27.81	8.05
MMC Norilsk Nickel PJSC	GMKN:RM	Base Metals		23015.69	2.45%	13.27	2.69	20.27	32.51	9.09
Uralkali PJSC	URKA:RM	Agricultural Chemicals		7415.49	-	101.43	1.74	1.72	-0.00	6.39
VTB Bank PJSC	VTBR:RM	Diversified Banks		14033.33	1.66%	186.30	0.70	0.38	309.26	6.73
Yandex NV	YNDX:US	Internet Media		6535.00	-	46.29	6.61	14.28	-0.00	4.60
TMK PAO	TRMK:RM	Steel Producers		765.84	4.84%	-	0.17	0.00	-0.00	1.19
Novatek OAO	NVTK:LI	Exploration & Production		29149.00	1.97%	-	-	0.00	-0.00	-0.44
XS Retail Group NV	FIVE:LI	Food & Drug Stores		5377.00	-	23.01	0.41	1.78	-0.00	-0.75
Sistema JSCC	SSALI	Telecom Carriers		3546.00	1.99%	-	-	0.00	-0.00	-0.91
MegaFon PJSC	MFON:RM	Telecom Carriers		7091.74	6.54%	10.89	1.40	12.86	71.22	-6.08
Surgutneftegas OAO	SNGS:RM	Integrated Oils		18826.80	1.90%	1.40	1.22	76.25	3.04	-7.75
Mobile TeleSystems PJSC	MBTUS	Telecom Carriers		9567.00	3.84%	-	-	0.00	-0.00	-15.27
Magnit PJSC	MGNT:RM	Food & Drug Stores		13157.76	1.41%	14.76	0.86	5.83	20.81	-14.17
Mail.Ru Group Ltd	MAIL:LI	Internet Media		4457.00	-	93.02	7.18	7.72	-0.00	-15.80
MegaFon PJSC	MFON:LI	Telecom Carriers		7130.00	7.32%	-	-	0.00	-0.00	-25.65

USDNHCUR	6.4858	0.13
USDVNDCUR	22297.5	0.08
USDHKDCUR	7.7669	0.03
USDIDTCUR	78.375	0.03
USDARCUR	3.7507	0.01
USDINDCUR	3.6729	0.00
USDPKRCUR	104.73	0.00
USDVEFCUR	9.7875	0.00
USDPAFCUR	1	0.00
USDLPFCUR	1513.75	0.00
USDSDCUR	1	0.00
USDIBDCUR	2	0.00
USDMDCUR	0.38499	0.00
USDHDCUR	0.37666	-0.01
USDQARCUR	3.6399	-0.02
USDNGNCUR	198.99	-0.06
USDGPGCUR	8.8812	-0.06
USDKESCUR	101.21	-0.11
USDAUDCUR	1.3084	-0.11
USDMADCUR	9.6334	-0.25
USDCHFCUR	0.9636	-0.26
USDKWDCUR	0.30122	-0.26
USDMMNCUR	17.2343	-0.28
USDMYRCUR	3.9145	-0.29
USDKRWCUR	1199.17	-0.37
USDTHDCUR	2.0042	-0.39
USDONCUR	3.9319	-0.41
USDSCDCUR	1.3444	-0.52
USDIDRCUR	13212.5	-0.63
USDURCUR	0.878	-0.63
USDILCUR	3.0356	-0.64
USDVLCUR	0.61703	-0.64
USDNGLCUR	1.9348	-0.64
USDNGCUR	1.7169	-0.66
USDAMCUR	1.7164	-0.66
USDCZKCUR	23.7455	-0.68
USDKKCUR	6.5356	-0.76
USDILKCUR	146.1	-0.78
USDTHBCUR	34.951	-0.79
USDSDSCUR	107.6984	-0.82
USDISKCUR	123.03	-0.97
USDRLCUR	2899665	-1.00
USDHRKCUR	6.5779	-1.01
USDTRYCUR	2.8092	-1.01
USDNZDCUR	1.4341	-1.12
USDSEKCUR	8.0412	-1.43
USDHUFCUR	273.47	-1.68
USDCPLCUR	66.6	-1.85
USDANZCUR	1.305	-1.91
USDARSCUR	14.325	-1.95
USDGBPFCUR	0.6838	-2.11
USDNOKCUR	8.1122	-2.58
USDPENCUR	3.2775	-2.69
USDRLLCUR	3.4889	-3.18
USDCADCUR	1.2528	-3.63
USDUAHCUR	25.186	-4.13
USDJPYCUR	107.29	-4.48
USDZARCUR	14.264	-4.56
USDKZTCUR	327.72	-4.58
USDCOPCUR	2875.73	-4.80
USDGELCUR	2.225	-4.81
USDRLBCUR	644.895	-5.07

Bond rates 1m performance %

country	yield	1wk	1m	3m	1y
BRAZIL	12.72%	7.32	0	-92	+9
MEXICO	5.83%	2.29	-1	-20	0
ITALY	1.48%	0.27	-4	+18	+10
CANADA	1.47%	0.25	-2	+22	8
PORTUGAL	3.14%	0.22	-2	+21	+120
UNITED KINGDOM	1.63%	0.18	0	+16	9
SPAIN	1.60%	0.18	-3	+8	+28
GREECE	8.55%	0.17	-8	-	-308
SINGAPORE	1.38%	0.13	-4	-1	-15
FRANCE	0.40%	0.12	-3	+7	+18
GERMANY	0.26%	0.11	-3	+8	+9
NETHERLANDS	0.48%	0.11	-2	+8	+18

Evraz PLC	EVRLN		Steel Producers	2929.12	-	-	0.34	0.00	0.00	-25.20
TMK PAO	TMKS.LI		Steel Producers	743.93	9.99%	-	-	0.00	-0.00	-23.06
Magnit PISC	MGNT.LI		Food & Drug Stores	16359.00	3.91%	-	-	0.00	-0.00	-36.50
United Co RUSAL PLC	486.HK		Base Metals	5268.32	4.59%	9.58	0.61	6.37	43.97	-39.97
QIWI plc	QIWI.US		Consumer Finance	738.94	4.08%	8.88	2.59	29.17	36.23	-53.11
LSR Group PISC	LSRGLI		Real Estate Owners & Developers	1159.00	9.72%	-	-	0.00	-0.00	14.30

Index Sector Valuations vs GEM Average

Sector	Sector MCap US mn	Sector MCap Share In Total	Gem Sector Share In Total GEM	GEM Sector MCap USmn	Payout Ratio	GEM Payout Ratio	Div Yield	GEM Div Yield	PE	PEGEM	PE Discount vs GEM	NetMargin	NetMarginGE
Communications	45148.3	10.3	10.3	794505.8	15.9	43.3	4.9	3.2	25.2	18.2	38.5	10.8	13.6
Consumer Discretionary	1330.1	0.3	6.6	509681.0	0.0	27.0		2.0		16.4			9.6
Consumer Staples	34893.8	8.0	7.5	584775.3	7.8	38.0	2.8	1.8	17.2	28.2	-39.0	4.7	10.3
Energy	235767.3	53.8	12.6	973390.4	17.8	40.8	4.1	4.4	6.7	12.4	-46.0	19.9	9.7
Financials	62773.1	14.3	32.8	2543065.7	20.8	26.0	2.1	4.0	11.8	8.8	34.1	9.5	20.4
Materials	49572.1	11.3	7.6	590209.4	24.4	27.5	5.0	3.1	14.2	18.1	-21.5	13.1	9.8
Utilities	9000.6	2.1	3.7	288099.0	10.8	32.2	1.5	2.1	6.4	12.4	-48.4	10.3	13.4

Top 5 Russia Index Long Picks

value	stock	Country	Industry	MCapUSDmn	DividendYield	PE	PS	NetMarginPct	PayoutRatio	52wkchange	Score
Severstal PAO	CHMF.RM		Steel Producers	9413.73	11.11%	18.95	1.54	8.13	210.53	29.28	2
Surgutneftegas OAO	SNGSP.RM		Integrated Oil	5000.14	19.65%	1.97	1.50	76.14	38.71	28.38	1
Moscow Exchange MICEX-RTS PISC	MOEX.RM		Security & Cmnty Exchanges	3597.85	6.96%	8.16	4.94	60.54	54.79	31.72	1
VTB Bank PISC	VTBR.RM		Diversified Banks	14033.33	1.66%	186.30	0.70	0.38	309.26	6.73	1
Aeroflot - Russian Airlines PISC	AFLT.RM		Airlines	1330.10	-	-	0.20	0.00	0.00	82.77	1

Top 5 Russia Index Short Picks

value	stock	Country	Industry	MCapUSDmn	DividendYield	PE	PS	NetMarginPct	PayoutRatio	52wkchange	Score
Mail.Ru Group Ltd	MAIL.LI		Internet Media	4457.00	-	93.02	7.18	7.72	-0.00	-15.80	-108.29
Uralkali PISC	URKA.RM		Agricultural Chemicals	7415.49	-	101.43	1.74	1.72	-0.00	6.39	-100.51
Magnit PISC	MGNT.LI		Food & Drug Stores	16359.00	3.91%	-	-	0.00	-0.00	-36.50	-43.69
Yandex NV	YNDX.US		Internet Media	6535.00	-	46.29	6.61	14.28	-0.00	4.40	-34.60
MegaFon PISC	MFON.LI		Telecom Carriers	7130.00	7.32%	-	-	0.00	-0.00	-25.65	-32.84



Weekly Fund flow into Russia focused funds showed (Previous Week)-10.9 USD

Top 10 Russia Focused Funds by Inflows Last Week				Top 10 Russia Focused Funds by Outflow Last Week		
Fund Name	fund flow mn\$	Total Assets mn\$		Fund Name	fund flow mn\$	Total Assets mn\$
DIREXION DAILY RUSSIA BEAR 3X SHARES (RUSS)	4.0	33.2		DIREXION DAILY RUSSIA BULL 3X SHARES (RUSL)	-15.8	203.1
LYXOR ETF RUSSIA DOW JONES RUSSIA GDR - D HKD (RUS)	0.9	410.8		ISHARES MSCI BRIC ETF (BKIF)	-1.1	166.8
WILLERFUND - WILLER EQUITY RUSSIA AND EASTERN EUROPE - P USD (WILCEEA)	0.3	18.6		ALFA CAPITAL - OIGLGAS FUND (ACOGGF)	-0.1	11.8
ASSET PLUS BRIC FUND (ASPBRC)	0.0	1.2				
DB X-TRACKERS MSCI RUSSIA CAPPED INDEX UCITS ETF (DMRC)	0.0	1.9				

SWITZERLAND	-0.33%	0.00	+0	+8	-23
HONG KONG	1.32%	0.06	+132	16	—
AUSTRALIA +	2.51%	0.03	-10	-5	—
SOUTH KOREA	1.80%	0.02	-1	-3	-37
UNITED STATES +	1.82%	0.01	+0	-6	—
JAPAN +	-0.09%	0.01	-3	-11	-38
INDIA	7.44%	-0.05	-2	-6	-32
NEW ZEALAND	2.84%	-0.07	-4	-19	—

Commodities 1m performance %

name	units	Price	Chng
OIL Brent	USD/BBL	48.30	23.52
Silver	USD/T OZ.	17.78	16.82
Rice	USD/CWT	11.07	11.37
Palladium	USD/T OZ.	627.85	10.95
Platinum	USD/T OZ.	1059.55	9.87
COCOA	USD/MT	3182.00	6.99
NATURAL GAS (NYMEX)	USD/MMBTU	2.07	4.02
GOLD	USD/T OZ.	1275.30	3.90
Copper	\$/t	4942.00	1.43
Hops	USD/LB	80.78	-0.94
Sugar	USD/LB	15.71	-1.01
Coffee	USD/LB	120.95	4.76
Cattle	USD/LB	114.80	-6.73

Best Stocks 1m in USD %ch

Name	ChngPct	Country
Euras PLC (EURLN)	74.60	
Yandex NV (YNDX:US)	33.88	
Federal Grid Co United Energy System PJSC (FEES:RM)	29.08	
LSR Group PJSC (LSRGL:R)	26.33	
TCR Group Holding PLC (TCRL:LI)	25.40	
Rosneft OJSC (ROSN:RM)	24.76	
Gazprom PJAO (GAZP:RM)	22.68	
Sberbank of Russia PJSC (SBR:RM)	21.61	
Sistema JSC (SSAL:LI)	19.32	
Sistema JSC (AFKS:RM)	17.11	

Worst Stocks 1m in USD %

Name	ChngPct	Country
Magne PJSC (MONT:LI)	-13.15	
QIWI plc (QIWI:US)	-11.52	
Magne PJSC (MONT:RM)	-10.30	
Surgutneftegas OAO (SNGS:RM)	-8.59	
Mail.Ru Group Ltd (MAIL:LI)	-2.88	
X5 Retail Group NV (X5VE:LI)	-1.98	
Surgutneftegas OAO (SNGSP:RM)	-0.56	
MegaFon PJSC (MEON:RM)	0.61	
VTB Bank PJSC (VTBR:RM)	1.11	
TMK PJAO (TMK:RM)	1.12	

Best Stocks YTD in USD %

Name	ChngPct	Country
Euras PLC (EURLN)	92.21	
Federal Grid Co United Energy System PJSC (FEES:RM)	88.44	
Inter RAO URS PJSC (IRAO:RM)	63.70	

WORLD INVESTMENT OPPORTUNITIES FUNDS - RUSSIA AND CIS PERFORMANCE FUND - A (WIOFRUS)	0.0	1.6	UNIEM OSTEUROPA - A EUR DIST (EMOSTFD)	-0.1	107.6
KB MULTI-MANAGER BRICS SECURITIES FEEDER INVESTMENT TRUST - EQUITY - C (3765797)	0.0	7.4	KB MULTI-MANAGER BRICS SECURITIES FEEDER INVESTMENT TRUST - EQUITY - C (3765797)	0.0	7.4
UNIEM OSTEUROPA - A EUR DIST (EMOSTFD)	-0.1	107.6			
ALFA CAPITAL - OIGLG&GAS FUND (ACOAGF)	-0.1	11.8			
ISHARES MSCI BRIC ETF (BICF)	-1.1	166.8			
			WORLD INVESTMENT OPPORTUNITIES FUNDS - RUSSIA AND CIS PERFORMANCE FUND - A (WIOFRUS)	0.0	1.6
			DB X-TRACKERS MSCI RUSSIA CAPPED INDEX UCITS ETF (DWMQ)	0.0	1.9
			ASSET PLUS BRIC FUND (ASPBRC)	0.0	1.2
			WILLERFUND5 - WILLER EQUITY RUSSIA AND EASTERN EUROPE - P USD (WILCEEA)	0.3	18.6
			LYONOR ETF RUSSIA DOW JONES RUSSIA GDR - D HKD (RUS)	0.9	410.8

Bond Picks

Sovereign Eurobonds

Bond	Price	Coupon	Currency	Maturity	Duration	Yield	1m Yield Ch pp	1m Price Ch. Abs
RUSSIAN (FEDERATION OF) Reg5 30	121.5	7.50	USD	Mar 31, 2030	4.18	2.61	0.30	-0.70
HKTCDC Hong Kong International Medical Devices and Supplies Fair ...								
RUSSIAN (FEDERATION OF) Reg5 28	171.0	12.75	USD	Jun 24, 2028	7.48	4.92	-0.57	7.00
Summer Movie Release Schedule 2016								
RUSSIAN FEDERATION (GOVERNMENT) Reg5 20	105.5	5.00	USD	Apr 29, 2020	3.58	3.52	-0.21	0.80
How I stopped worrying and learned to love the EU								
RUSSIAN FEDERATION Reg5 23	105.8	4.88	USD	Sep 16, 2023	6.24	3.95	-0.31	1.90
How I stopped worrying and learned to love the EU								
RUSSIAN FEDERATION Reg5 42	103.3	5.63	USD	Apr 4, 2042	13.48	5.38	-0.24	3.30
Protection Vessels International: Weekly Maritime & Onshore ...								

Corporate Eurobonds

Bond	Price	Coupon	Currency	Maturity	Duration	Yield	1m Yield Ch pp	1m Price Ch. Abs
SB CAPITAL SA Reg5 22	106.2	6.13	USD	Feb 7, 2022	4.88	4.87	-0.62	3.10
@FGCU, Softball Opens 2016 with FGCU Kickoff Classic								
GAZ CAPITAL SA Reg5 28	93.76	4.95	USD	Feb 6, 2028	8.72	5.68	-0.53	4.23
LATAM CLOSE -Guatemala raises US\$700m after three-year absence								
VTB CAPITAL SA MTN Reg5 18	106.0	6.88	USD	May 29, 2018	1.93	3.86	-0.45	0.80
Banks as good citizens: should we believe them?								
LUKOIL INTERNATIONAL FINANCE BV Reg5 22	108.2	6.66	USD	Jun 7, 2022	5.00	5.07	-0.46	2.40
Pioneers of U.S. Energy Savings Turn Targets as Deal Spree Looms								
MTS INTERNATIONAL FUNDING LTD Reg5 20	114.8	8.63	USD	Jun 22, 2020	3.51	4.66	-0.40	1.40
Integrating computational and chemical biology tools in the ...								

Local Currency Bonds

Bond	Price	Coupon	Currency	Maturity	Duration	Yield	1m Yield Ch pp	1m Price Ch. Abs
RUSSIAN FEDERATION 21	1.42	7.60	RUB	Apr 14, 2021	4.01	9.32	0.01	0.06
Largest Bank In Russia Has Room To Grow								
RUSSIAN FEDERATION 19	1.41	6.80	RUB	Dec 11, 2019	3.03	9.39	-0.01	0.07
Prof tells how family fled Nazis								
RUSSIAN FEDERATION 27	1.42	8.15	RUB	Feb 3, 2027	6.83	9.26	-0.02	0.06
Lithuania reports five Russian aircraft intercepted by NATO in last ...								
RUSSIAN FEDERATION 23	1.36	7.00	RUB	Jan 25, 2023	5.08	9.29	0.02	0.06
23fascinating and disturbing Mother's Day facts								
RUSSIAN FEDERATION 19	1.45	7.50	RUB	Feb 27, 2019	2.46	9.49	0.08	0.06
Prof tells how family fled Nazis								

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