

Global Markets Weekly Preview

January 18, 2009

GLOBAL UPDATE & WEEK AHEAD

- Economic recovery is on the way
- ECB lifts most of liquidity facilities
- China GDP in focus this week

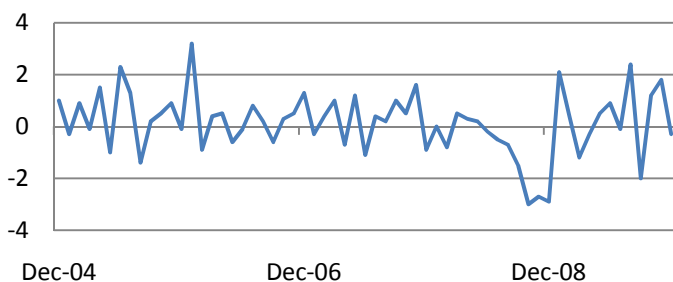
Market Data*		
CDS HY 5Y	502.07	-7.54%
ITX Crossover	402.90	-14.36%
CDS Japan 5Y	123.08	-12.24%
CDS EM 5Y	111.17	+0.92%
CDS Russia 5Y	169.39	-11.23%
US Tsys 10Y	3.89%	+3.8493
US Tsys 5Y	2.61%	+2.5849
Brazil 10Y	5.10%	+5.0453
UK 10Y	3.92%	+3.8789
Germany 10Y	3.20%	+3.1688
LIBOR-OIS	1.4372	+0.56%
EUR/USD	90.68	+0.12%
USD/JPY	0.8802	-0.84%
EUR/GBP	77.33	+4.60%
Oil Brent	1135.5	+2.08%
Gold	7430	+8.55%
Copper	18527	+8.79%
Nickel	1136.03	+3.04%
S&P 500	957.5	+7.64%
Topix	3,237.10	+3.65%
Shanghai Comp	2957.25	+2.51%
DJ EURO Stoxx	17.91	-17.39%
VIX	502.07	-7.54%

* Change from 28.12.09, as of 14:00 GMT, according to Bloomberg

Optimism prevailed at the markets in the first 2 weeks of the year. European and US indices broke 2009's highs in the beginning of January, but retreated later, despite favourable economic statistics. As a whole, the data show that recovery is going on, although consumer sentiment in the US is a concern as well as Greek situation in Europe.

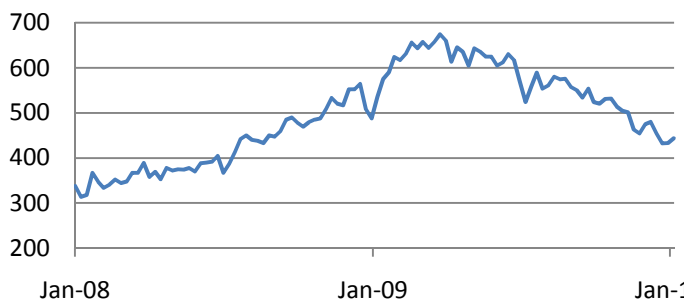
Retail sales declined 0.3% in November, significantly below the consensus forecast for a 0.5% increase. But November figures were revised to a 1.8% gain (prev. - +1.3%). "Core" retail sales also declined 0.3% (November - +0.8% vs +0.5%). Yet, retail sales remain up YoY, although recent weakness is undermining consumer effect in the economic recovery.

Retail sales, m/m, chg



US initial jobless claims increased to 444 000 from 433 000 a week earlier, but trend is watching down, reflecting overall improvement at the labour market.

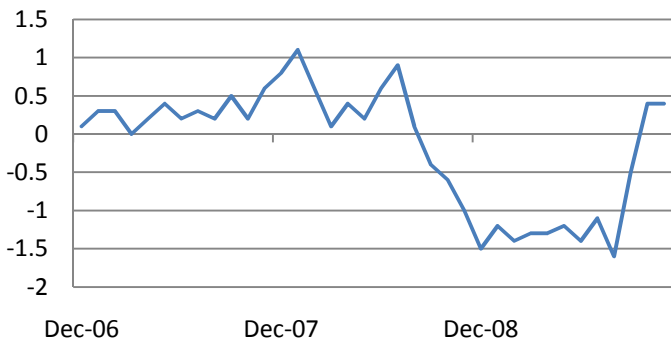
Initial jobless claims, ths, weekly



Business inventories inched up 0.4% in November and October data were revised to a 0.4% rise, reflecting that businesses have been going on rebuilding inventories in 4Q.

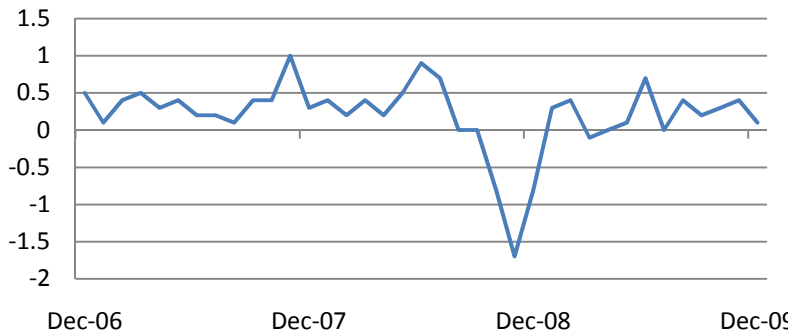
Business inventories, %chg, m/m

Global Markets Weekly



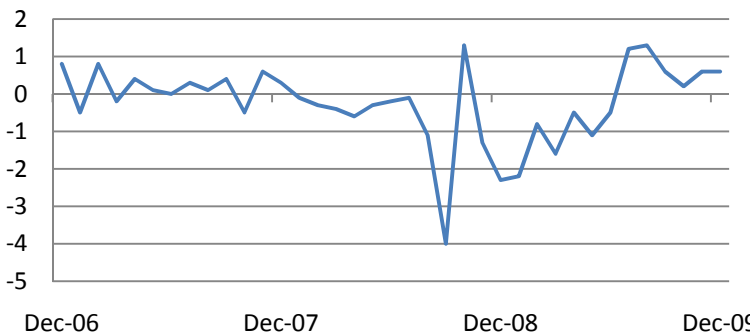
CPI rose 0.1% in December (consensus - +0.2%) and core indicator also rose 0.1%. Energy components were slightly below forecast, housing flat and food prices slightly up (+0.2%).

US CPI, m/m chg, %



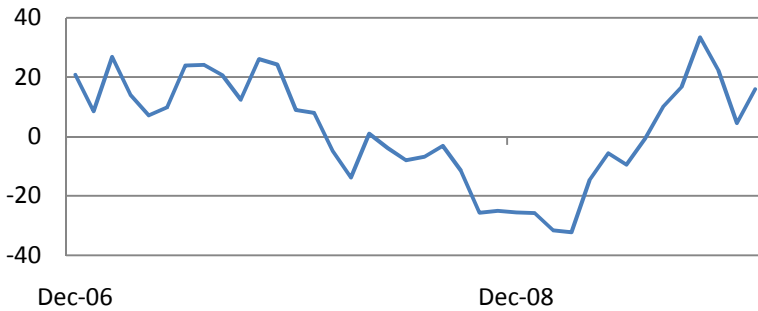
Industrial production rose 0.6% in December and the capacity utilization rate was 72%. Manufacturing output declined 0.1%, and utilities output soared 5.9% due to a cold winter.

Industrial production, m/m chg, %



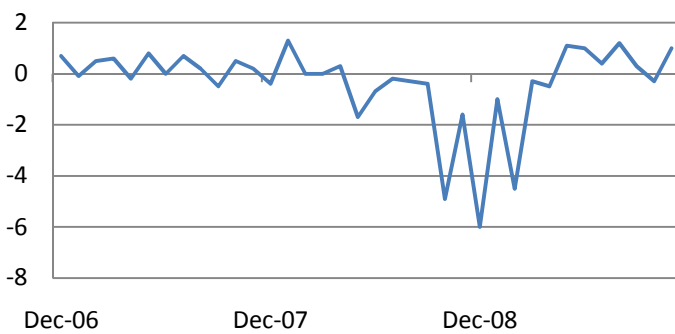
Index rebounded to 15.92 points in January, above consensus of 12 points due to a rise in new orders and shipments. Employment component went positive (4.0 p.) and inventories index remained low at -17.33 points.

NY Fed Empire State Manufacturing Index, p.



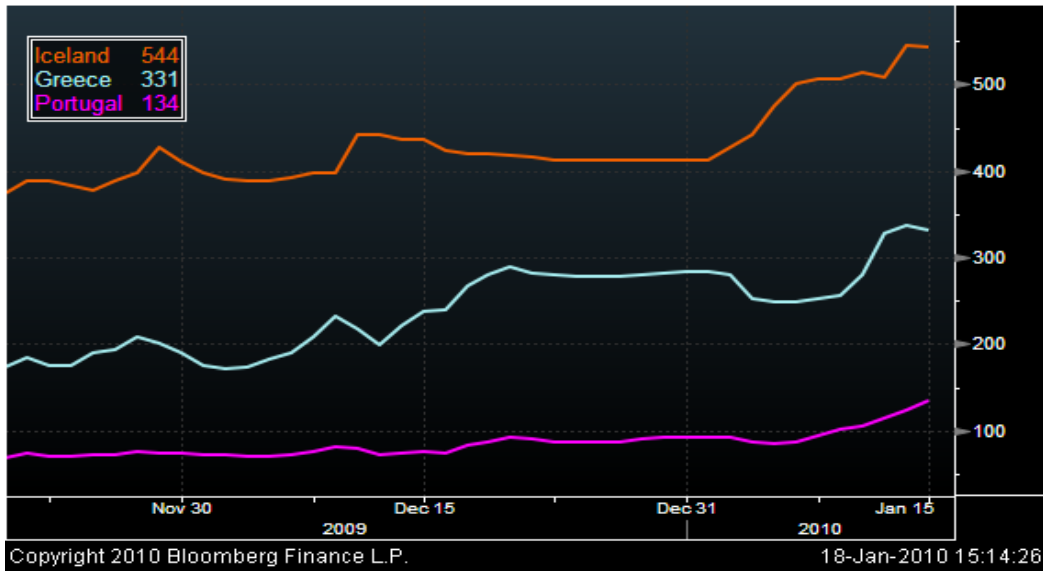
ECB meeting brought no surprises – the rate seems unlikely to be changed until 2011. Mr. Triche’s statement tone was rather soft and hardly influenced FX markets. Euro-zone Industrial Production data were very optimistic – IP rose 1.0% m/m in November, well above the consensus of 0.5%, and decreased 7.1% YoY (-8.4%). October reading was revised to a 0.3% decline from a 0.6% decline.

Euro-zone Industrial Production, m/m



Euro-zone CPI rose 0.3% in December m/m and 0.9% y/y, meeting expectations. Main source of stress for the Euro-zone is located in Greece with its 254 bn Euros debt. Greece CDS rose to 344.5 points, reflecting that chances of the sovereign default are rising.

CDS prices for most risky European states



The Week Ahead

This week China GDP and CPI data will be closely watched by market participants. No doubt, the figures will be impressive, but the real question is when People's Bank of China is to start hiking rates.

In the UK, BOE minutes will be released on Wednesday and retail sales on Friday. Current QE measures are expected to be completed on the 26th of January. Other key releases include Euro-zone ZEW assessment release due on Tuesday and PMI report, due on Thursday as well as Industrial new orders, to be released on Friday.

In the US, PPI report on Wednesday will be closely monitored as well as jobless claims weekly report and Philly Fed PMI, due on Thursday.

Global Markets Weekly

Economic Calendar*					
Time, GMT	Country	Data	Period	Consensus	Prior
01/19/2010 05:00	JN	Consumer Confidence	DEC	--	39.9
01/19/2010 10:00	EC	Construction Output SA MoM	NOV	--	-0.60%
01/19/2010 10:00	EC	ZEW Survey (Econ. Sentiment)	JAN	48	48
01/19/2010 10:00	GE	ZEW Survey (Econ. Sentiment)	JAN	50	50.4
01/19/2010 10:00	GE	Zew Survey (Current Situation)	JAN	-56.2	-60.6
01/19/2010 14:00	US	Net Long-term TIC Flows	NOV	\$27.5B	\$20.7B
01/19/2010 14:00	US	Total Net TIC Flows	NOV	--	-\$13.9B
01/20/2010 07:00	GE	Producer Prices (MoM)	DEC	0.20%	0.10%
01/20/2010	JN	Cabinet Office Monthly Economic Report	20-Jan		
01/20/2010 12:00	US	MBA Mortgage Applications	15-Jan	--	14.30%
01/20/2010 13:30	US	Producer Price Index (MoM)	DEC	0.00%	1.80%
01/20/2010 13:30	US	PPI Ex Food & Energy (MoM)	DEC	0.10%	0.50%
01/20/2010 13:30	US	Producer Price Index (YoY)	DEC	4.50%	2.40%
01/20/2010 13:30	US	PPI Ex Food & Energy (YoY)	DEC	1.00%	1.20%
01/20/2010 13:30	US	Housing Starts	DEC	575K	574K
01/20/2010 13:30	US	Building Permits	DEC	580K	584K
01/21/2010 02:00	CH	Annual GDP (Constant Price)	31-	--	--
01/21/2010 02:00	CH	Real GDP YoY	4Q	10.50%	8.90%
01/21/2010 02:00	CH	Producer Price Index (YoY)	DEC	--	--
01/21/2010 02:00	CH	Purchasing Price Index (YoY)	DEC	0.50%	-3.60%
01/21/2010 02:00	CH	Consumer Price Index (YoY)	DEC	1.40%	0.60%
01/21/2010 02:00	CH	Retail Sales (YoY)	DEC	16.30%	15.80%
01/21/2010 02:00	CH	Industrial Production (YoY)	DEC	19.60%	19.20%
01/21/2010 05:00	JN	Leading Index CI	NOV F	--	91.2
01/21/2010 08:30	GE	PMI Manufacturing	JAN A	52.9	52.7
01/21/2010 08:30	GE	PMI Services	JAN A	53	52.7
01/21/2010 09:00	EC	PMI Services	JAN A	53.8	53.6
01/21/2010 09:00	EC	PMI Manufacturing	JAN A	51.9	51.6
01/21/2010 09:00	EC	PMI Composite	JAN A	54.4	54.2
01/21/2010 13:30	US	Initial Jobless Claims	16-Jan	440K	444K
01/21/2010 13:30	US	Continuing Claims	9-Jan	4600K	4596K
01/21/2010 15:00	US	Philadelphia Fed.	JAN	19.4	20.4
01/21/2010 15:00	US	Leading Indicators	DEC	0.70%	0.90%
01/21/2010 16:00	US	DOE U.S. Crude Oil Inventories	15-Jan	--	3699K
01/21/2010 16:00	US	DOE U.S. Gasoline Inventories	15-Jan	--	3791K
01/21/2010 16:00	US	DOE U.S. Distillate Inventory	15-Jan	--	1353K
01/22/2010 04:30	JN	All Industry Activity Index (MoM)	NOV	0.10%	1.20%

Global Markets Weekly

01/22/2010 05:00	JN	Supermarket Sales (YoY)	DEC	--	-8.00%
01/22/2010 10:00	EC	Industrial New Orders SA (MoM)	NOV	0.50%	-2.20%
01/22/2010 10:00	EC	Industrial New Orders SA (YoY)	NOV	-7.10%	-14.50%

Central Bank Speakers & US Treasuries Auctions		
Time	Ct	Event
01/18/2010 10:00	GE	Bundesbank's Kotz Speaking in Hamburg
01/18/2010 18:00	GE	ECB's Bini Smaghi Speaking in Frankfurt
01/19/2010 16:30	US	U.S. to Sell USD23 Bln 3-Month Bills
01/19/2010 16:30	US	U.S. to Sell USD25 Bln 6-Month Bills
01/20/2010 08:15	GE	ECB's Stark Speaking in Leipzig
01/20/2010 10:00	GE	Bundesbank's Fabritius Speaking in Leipzig
01/21/2010 09:00	EC	ECB Publishes Jan. Monthly Report
01/21/2010 10:00	GE	Bundesbank's Weber Speaking in Berlin
01/21/2010 12:00	GE	ECB's Gonzalez - Paramo speaking in Madrid
01/22/2010 12:00	GE	ECB's Gonzalez - Paramo speaking in Granada

Global Markets Weekly

Earnings Calendar – US*					
Company Name	Ticker	Date	Time	Period	Estimate
Parker Hannifin Corp	PH US	1/19/2010	Bef-mkt	Q2 2010	0.341
Charles Schwab Corp/The	SCHW US	1/19/2010	Bef-mkt	Q4 2009	0.146
First Horizon National Corp	FHN US	1/19/2010	Bef-mkt	Q4 2009	-0.22
Forest Laboratories Inc	FRX US	1/19/2010	Bef-mkt	Q3 2010	0.86
Fastenal Co	FAST US	1/19/2010	13:00	Q4 2009	0.312
Citigroup Inc	C US	1/19/2010	13:00	Q4 2009	-0.3
International Business Machines Corp	IBM US	1/19/2010	21:15	Q4 2009	3.473
CSX Corp	CSX US	1/19/2010	Aft-mkt	Q4 2009	0.761
US Bancorp	USB US	1/20/2010	Bef-mkt	Q4 2009	0.284
M&T Bank Corp	MTB US	1/20/2010	Bef-mkt	Q4 2009	0.896
Northern Trust Corp	NTRS US	1/20/2010	Bef-mkt	Q4 2009	0.656
State Street Corp	STT US	1/20/2010	Bef-mkt	Q4 2009	0.99
Bank of New York Mellon Corp/The	BK US	1/20/2010	11:30	Q4 2009	0.516
Wells Fargo & Co	WFC US	1/20/2010	13:00	Q4 2009	0.088
Morgan Stanley	MS US	1/20/2010	13:00	Q4 2009	0.433
Marshall & Ilsley Corp	MI US	1/20/2010	14:00	Q4 2009	-0.464
Total System Services Inc	TSS US	1/20/2010	21:00	Q4 2009	0.298
Starbucks Corp	SBUX US	1/20/2010	Aft-mkt	Q1 2010	0.268
SLM Corp	SLM US	1/20/2010	Aft-mkt	Q4 2009	0.434
Coach Inc	COH US	1/20/2010		Q2 2010	0.718
eBay Inc	EBAY US	1/20/2010		Q4 2009	0.403
Bank of America Corp	BAC US	1/20/2010		Q4 2009	-0.52
ConocoPhillips	COP US	1/20/2010		Q4 2009	1.216
Progressive Corp/The	PGR US	1/20/2010		Q4 2009	0.37
Xilinx Inc	XLNX US	1/20/2010		Q3 2010	0.345
Hudson City Bancorp Inc	HCBK US	1/20/2010		Q4 2009	0.282
Precision Castparts Corp	PCP US	1/21/2010	Bef-mkt	Q3 2010	1.635
Meredith Corp	MDP US	1/21/2010	Bef-mkt	Q2 2010	0.45
PPG Industries Inc	PPG US	1/21/2010	Bef-mkt	Q4 2009	0.734
Freeport-McMoRan Copper & Gold Inc	FCX US	1/21/2010	Bef-mkt	Q4 2009	1.678
Comerica Inc	CMA US	1/21/2010	Bef-mkt	Q4 2009	-0.484
UnitedHealth Group Inc	UNH US	1/21/2010	Bef-mkt	Q4 2009	0.735
Fifth Third Bancorp	FITB US	1/21/2010	11:00	Q4 2009	-0.3
Legg Mason Inc	LM US	1/21/2010	12:00	Q3 2010	0.32
Xerox Corp	XRX US	1/21/2010	12:00	Q4 2009	0.217
KeyCorp	KEY US	1/21/2010	12:30	Q4 2009	-0.388
Goldman Sachs Group Inc/The	GS US	1/21/2010	13:00	Q4 2009	5.238
People's United Financial Inc	PBCT US	1/21/2010	21:00	Q4 2009	0.081

Global Markets Weekly

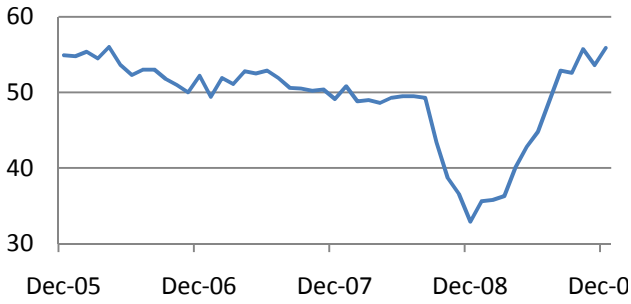
Burlington Northern Santa Fe Corp	BNI US	1/21/2010	21:00	Q4 2009	1.217
Capital One Financial Corp	COF US	1/21/2010	21:05	Q4 2009	0.453
Google Inc	GOOG US	1/21/2010	Aft-mkt	Q4 2009	6.437
Western Digital Corp	WDC US	1/21/2010	Aft-mkt	Q2 2010	1.361
American Express Co	AXP US	1/21/2010	Aft-mkt	Q4 2009	0.54
International Game Technology	IGT US	1/21/2010		Q1 2010	0.199
Advanced Micro Devices Inc	AMD US	1/21/2010		Q4 2009	-0.139
Robert Half International Inc	RHI US	1/21/2010		Q4 2009	0.051
Affiliated Computer Services Inc	ACS US	1/21/2010		Q2 2010	0.998
Union Pacific Corp	UNP US	1/21/2010		Q4 2009	1.039
Intuitive Surgical Inc	ISRG US	1/21/2010		Q4 2009	1.695
Southwest Airlines Co	LUV US	1/21/2010		Q4 2009	0.055
PNC Financial Services Group Inc	PNC US	1/21/2010		Q4 2009	0.795
Consolidated Edison Inc	ED US	1/21/2010		Q4 2009	0.765
Northrop Grumman Corp	NOC US	1/21/2010		Q4 2009	1.262
Amphenol Corp	APH US	1/21/2010		Q4 2009	0.49
McDonald's Corp	MCD US	1/22/2010	Bef-mkt	Q4 2009	1.017
SunTrust Banks Inc	STI US	1/22/2010	Bef-mkt	Q4 2009	-0.733
Harley-Davidson Inc	HOG US	1/22/2010	Bef-mkt	Q4 2009	-0.228
BB&T Corp	BBT US	1/22/2010	Bef-mkt	Q4 2009	0.21
Huntington Bancshares Inc/OH	HBAN US	1/22/2010	Bef-mkt	Q4 2009	-0.272
Air Products & Chemicals Inc	APD US	1/22/2010	Bef-mkt	Q1 2010	1.135
Schlumberger Ltd	SLB US	1/22/2010	11:00	Q4 2009	0.634
Exelon Corp	EXC US	1/22/2010		Q4 2009	0.854
Johnson Controls Inc	JCI US	1/22/2010		Q1 2010	0.287
Kimberly-Clark Corp	KMB US	1/22/2010		Q4 2009	1.255
General Electric Co	GE US	1/22/2010		Q4 2009	0.258
Quest Diagnostics Inc/DE	DGX US	1/25/2010	Bef-mkt	Q4 2009	0.961
Eaton Corp	ETN US	1/25/2010	Bef-mkt	Q4 2009	1.222
AK Steel Holding Corp	AKS US	1/25/2010	13:30	Q4 2009	0.207
Texas Instruments Inc	TXN US	1/25/2010	21:30	Q4 2009	0.496
Amgen Inc	AMGN US	1/25/2010	Aft-mkt	Q4 2009	1.153
Sealed Air Corp	SEE US	1/25/2010		Q4 2009	0.394
Apple Inc	AAPL US	1/25/2010		Q1 2010	2.06
Zions Bancorporation	ZION US	1/25/2010		Q4 2009	-1.615
Halliburton Co	HAL US	1/25/2010		Q4 2009	0.266

Global Markets Weekly

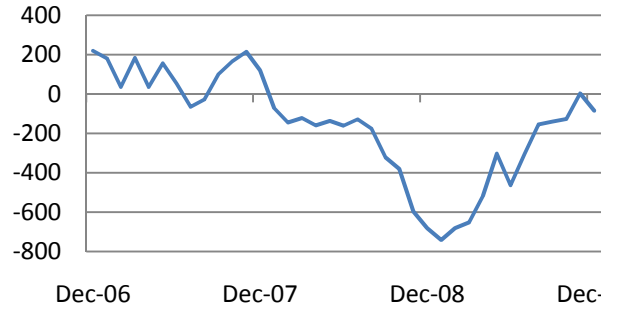
Earnings calendar, Europe*				
Company Name	Ticker	Date	Time	Cons.
Chemring Group PLC	CHG LN	1/19/2010		2.141
IG Group Holdings PLC	IGG LN	1/19/2010		0.143
ASML Holding NV	ASML NA	1/20/2010	6:00	-0.367
Castellum AB	CAST SS	1/20/2010		6.338
Logitech International SA	LOGN VX	1/21/2010	3:00	0.278
Novozymes A/S	NZYMB	1/21/2010	7:00	18.819
Investor AB	INVEB SS	1/21/2010		34.965
Bankinter SA	BKT SM	1/22/2010	Bef-mkt	0.606
Banco de Valencia SA	BVA SM	1/22/2010		0.235
Koninklijke Philips Electronics NV	PHIA NA	1/25/2010	6:00	0.69
Telefonaktiebolaget LM Ericsson	ERICB SS	1/25/2010	6:30	3.686
Fiat SpA	F IM	1/25/2010		-0.191

Economic monitor

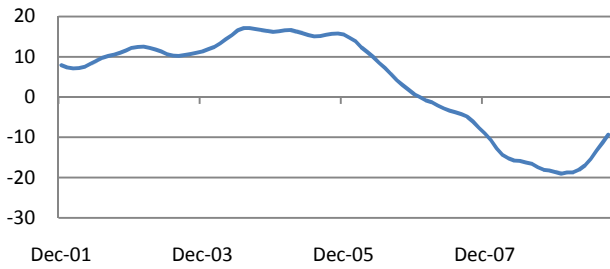
ISM Manufacturing Index



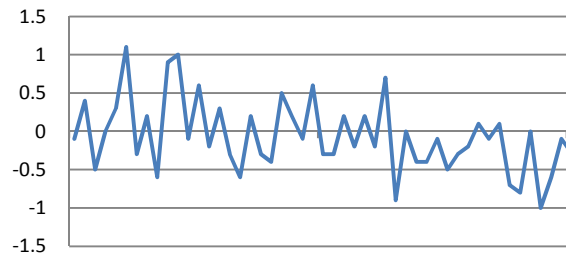
Non-farm Payrolls



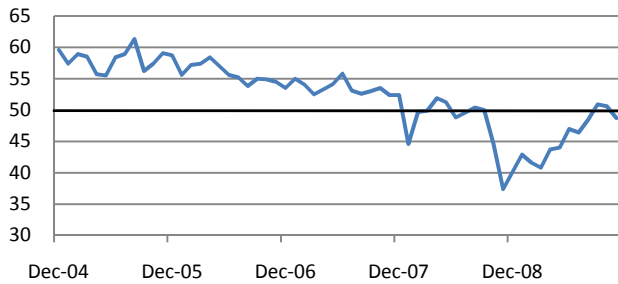
S&P Case/Shiller Index



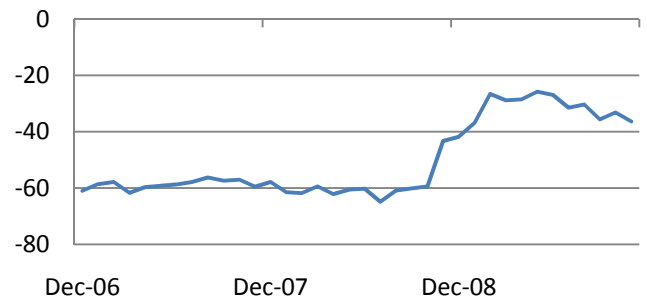
US leading indicators index



ISM Non-Manufacturing



US Trade Deficit



*Data provided by Bloomberg

Technical View

S&P 500 Index, daily



S&P 500 index touched the ascending triangle line around 1150 but again failed to breakout higher. After consolidation, index may continue to rise, with resistance around 1200. 1030 is an important short-term support level. Breaking 1090 will lead to testing support around 1000.

Dow Jones Stoxx 600 Europe Index, daily



DJ Stoxx 600 broke highs and entrenched above ascending channel upper line. Breaking up the channel may result in testing recent highs with final target around 278 points. However, the price can consolidate in the range 235-260 for 1-2 months, if it fails to hold above 255 p.

Global Markets Weekly

EURUSD, daily



EURUSD seems to form long term down-headed reversal pattern. In this case 5th wave of the C (B)-wave is over and A(C) has started. Alternate count (with current leg as the 4th wave) is possible, but even in this count the price is highly likely to test 200 MA levels as 4th wave support (1.38 – 1.39) in the future. Now price has consolidated above 200 MA in the corrective wave (ii) or (b). In the coming days rebound to 1.45 –1.46 to complete that wave is possible.

Disclaimer. This report was prepared and provided for information purposes only under the condition it will not form the sole basis for any investment decision. It does not constitute an offer and should not be considered as an offer, or solicitation of an offer, to buy or sell any securities. The information and opinions contained in this report have been received from sources believed to be reliable. While every reasonable effort has been made to obtain accurate information and verify it, IC RUSS-INVEST or its affiliates makes no warranty, express or implied, as to the accuracy, completeness or correctness of the information and opinions contained herein. All such information, opinions and forecasts are subject to further change without notice. The forward-looking statements in this report are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those stated in such statements. Neither we nor any of our respective agents, employees or advisors intend or have any duty or obligation to supply, amend, update or revise any of the forward-looking statements contained in this report. IC RUSS-INVEST, its directors and employees may have a position in any of the securities mentioned in this report.

INVESTMENT COMPANY IC RUSS-INVEST

www.russ-invest.com

Moscow

Telephone: +7(495) 363-93-80
Fax: +7(495) 363-93-90
E-mail: mail@russ-invest.com
Mailing address: 5-3/12 Nashchiokinsky
Pereulok, bldg. 4, 119019 Moscow

St-Petersburg

Telephone: +7(812) 337-55-37
Fax: +7(812) 337-55-37
E-mail: spb@russ-invest.com
Mailing address: 52, Fontanky
Embankment, 190002 St-Petersburg

© 2007 | OJSC «IC RUSS-INVEST»

Licenses of FCFM №077-08757-000100 и №077-08755-001000

Licenses of FCFM №177-06310-100000 и №177-06312-010000

Licenses of FCFM №906