

**August 23, 2010**

US major stock indices closed lower on Friday with Telecommunications (-1.31%) and Oil&Gas (-1.2%) as the worst sectors. M&A deal activity is contrasting with the economic slowdown concerns while Treasuries' yields break down their historical lows. 2-year notes dipped to 0.45% on Friday while 10-year notes turned higher to 2.62%. The Japanese yen remained strong with no signs of BOJ intervention on the horizon.

Asian markets were red on Monday. Japanese Nikkei lost 0.68%, led by exporters stocks. Kospi lost 0.44% while Shanghai stock indices lost on average 0.5% and Hang Seng was down 0.44%. Australian S&P/ASX 200 Index closed almost flat.

European indices opened slightly higher in the morning after German PMI Composite inched down to 56.1 in August, slightly below consensus forecast of 56.3. Dow Jones Eurostoxx 600 was up 0.26% with Financials (0.79%) and Telecommunications (+0.37%) outperforming.

### European corporate news and events

- Air Berlin Plc (AB1 GY) wants to improve its services on long-haul flights. *WirtschaftsWoche*.

- Bilfinger Berger AG (GBF GY) said Hesse premier Roland Koch won't succeed Chief Executive Officer Herbert Bodner and Koch also won't be offered any other position at Bilfinger Berger, company spokesman said. *Bloomberg*.

- Commerzbank AG (CBK GY): Germany plans to quickly sell its stake in Commerzbank AG, the country's second-biggest lender. *Rheinische Post*.

- E.ON AG (EOAN GY) and RWE AG (RWE GY): Chancellor Angela Merkel challenged German atomic-power plant operators E.ON and RWE to come up with alternatives to a planned tax on nuclear fuel that they oppose. *Bloomberg*.

#### Market Data\*

CDS HY 5Y	573.06	+0.23%
ITX Crossover	438.25	+2.18%
CDS Japan 5Y	68.45	+1.04%
CDS EM 5Y	111.75	-0.08%
CDS Russia 5Y	162.39	+1.67%
US Tsys 10Y	3.02%	-0.01%
US Tsys 5Y	1.71%	+0.05%
Brazil 10Y	3.57%	-0.09%
UK 10Y	2.82%	-0.02%
Germany 10Y	2.17%	-0.19%
EUR/USD	1.2714	+0.02%
USD/JPY	85.36	+0.30%
EUR/GBP	0.8158	+0.30%
Oil Brent	74.44	+0.24%
Gold	1229.9	+0.09%
Copper	7255	-0.68%
Nickel	21490	-1.12%
S&P 500	1071.69	-0.37%
Topix	823.5	+0.12%
Shanghai Comp	2,639.37	-0.11%
DJ EURO Stoxx	2653.91	+0.38%
VIX	25.49	-0.95%

#### Most active stocks in Europe\*

VOPAK	30	-2.85%
DSM (KONIN)	34.195	-1.94%
BOSKALIS WES	30.02	-1.57%
ARCELORMITTAL	23.55	+1.03%
RENAULT SA	32.77	+0.94%
SAP AG	35.35	+1.01%
CREDIT AGRICOLE	10.135	+1.10%
LAFARGE SA	38.105	+1.10%
AXA	12.725	+1.11%
DEUTSCHE BANK-RG	51.49	+1.28%
ACCOR SA	23.425	+1.32%
SANOFI-AVENTIS	45.555	+1.31%
SUEZ ENVIRONNEME	13.23	+1.42%
MERCK KGAA	68.24	+1.47%
BNP PARIBAS	51.83	+1.59%

\*As of 8:00 GMT, Bloomberg

## Daily Market Report

- UBS AG (UBSN VX): The Swiss government will pass the data of 4,200 UBS customers to the U.S. authorities, less than the 4,450 clients asked for. Sontag.

**Ahead Today**

Chicago National Activity Index, due at 12:30 GMT, and the Euro-zone Consumer Confidence,, due at 14:00, will be in focus in the US today.

The Treasury is to announce its 7-year TIPS auction results at 17:00.

S&P 500 Sub-index	Last	Change
CONS	243.2862	-0.18%
DISCRET		
CONS	275.4725	-0.05%
STAPLES		
ENERGY	390.4134	-1.21%
FINANCIALS	185.8282	-0.23%
HEALTH CARE	332.1119	-0.42%
INDUSTRIALS	252.0762	-0.64%
INFO TECH	341.0368	-0.05%
MATERIALS	190.4543	-0.36%
TELECOM	111.3397	-1.32%
SERV		
UTILITIES	153.8087	+0.21%

DJIA Eurostoxx	Last	Change
SX3P	330.75	+0.11%
SX4P	457.45	-0.07%
SX6P	304.95	+0.43%
SX7P	214.3	+1.02%
SX86P	105.14	+0.23%
SX8P	188.48	+0.28%
SXAP	252.51	+0.19%
SXDP	376.4	+0.59%
SXEP	294.44	+0.12%
SXFP	230.91	+0.40%
SXIP	147.05	+0.82%
SXKP	263.46	+0.56%
SXMP	166.61	-0.20%
SXNP	274.31	+0.03%
SXOP	238.16	+0.30%
SXPP	493.29	+1.34%
SXQP	366.4	+0.22%
SXRP	263.15	+0.48%
SXTP	115.84	+0.41%
SXXP	253.31	+0.47%

## Daily Market Report

## Technical view

## S&amp;P 500 Index, daily



The S&P 500 Index has formed a long-term head & shoulders pattern and went down to a support line around 1060. A midterm target seems to be below 1000 at around 980 and 850 in 1-2 months.

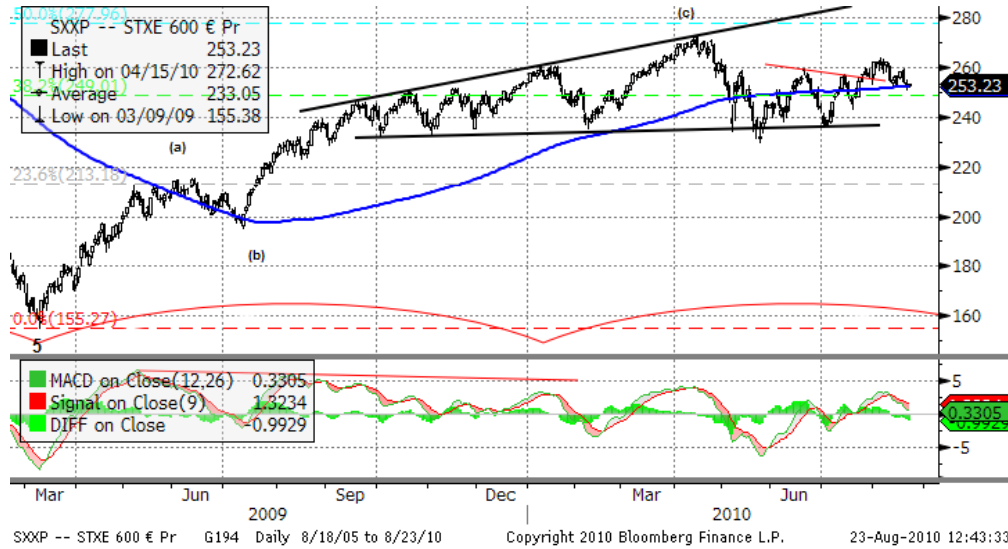
However, breaking 1100 and the 200-moving average at 1115 will lead to forming a new leg up inside the B-wave with maximum target below 1200.

Current support levels are at 1063, 1055, 1010, 980, 950, 870.

Resistance levels: 1100, 1130, 1150.

Daily Market Report

**Dow Jones Stoxx 600 Europe Index, daily**



The index has formed a head & shoulders pattern. Although it may consolidate at the current levels for 1-2 weeks, breaking the neck line at 240 will point 218, 210 levels as the final targets of the current downward leg.

However, if the index holds above the 200-moving average, the test of 260, 276 resistance levels is likely to take place in the coming days.

Important support levels: 250, 243, 238, 217.

Important resistance levels – 260, 272.

Daily Market Report

EURUSD, daily



EURUSD finished the first impulse 5-wave leg of a correction to major move from December 2009 to June 2010 and retraced to 1.2781 (almost (iv)-wave low of the formation. After a bounce to 1.30-1.31, the retracement is likely to go on in the coming days to a support around 1.25, if this correction turns out to be a zigzag. If it turns out to be a flat, a consolidation range 1.28-1.31 is likely to be formed in the near future.

However, testing new highs of this year above 1.40 is still likely after this correction is finished.

## Daily Market Report

Macroeconomic calendar*					
Time, GMT	Country	Data	Period	Forecast	Prior.
22-26 AUG	CH	Leading Index	JUL	--	--
23-30 AUG	GE	Import Price Index (MoM)	JUL	--	--
23-30 AUG	GE	Import Price Index (YoY)	JUL	--	--
23-27 AUG	JN	Supermarket Sales (YoY)	JUL	--	-1.40%
08/23/2010 12:30	US	Chicago Fed Nat Activity Index	JUL	--	--
08/23/2010 14:00	EC	Euro-Zone Consumer Confidence	AUG A	--	--
08/23/2010 17:00	US	U.S. to Sell 30-Year TIPS Reopening	23-Aug		
08/24/2010 06:00	GE	GDP s.a. (QOQ)	2Q F	--	--
08/24/2010 06:00	GE	GDP wda (YoY)	2Q F	--	1.60%
08/24/2010 06:00	GE	GDP nsa (YoY)	2Q F	--	1.70%
08/24/2010 06:00	GE	Private Consumption	2Q F	--	-0.80%
08/24/2010 06:00	GE	Government Spending	2Q F	--	1.10%
08/24/2010 06:00	GE	Domestic Demand	2Q F	--	1.40%
08/24/2010 06:00	GE	Imports	2Q F	--	6.10%
08/24/2010 06:00	GE	Exports	2Q F	--	2.60%
08/24/2010 06:00	GE	Construction Investment	2Q	--	-3.80%
08/24/2010 06:00	GE	Capital Investment	2Q F	--	-1.60%
08/24/2010 08:30	UK	BBA Loans for House Purchase	JUL	--	34813
24-30 AUG	UK	Total Business Investment(QoQ)	2Q P	--	7.80%
24-30 AUG	UK	Total Business Investment(YoY)	2Q P	--	-7.70%
08/24/2010 09:00	EC	Industrial New Orders SA (MoM)	JUN	--	3.80%
08/24/2010 09:00	EC	Industrial New Orders SA (YoY)	JUN	--	22.70%
08/24/2010 12:30	US	Fed's Evans Speaks in Indianapolis	23-Apr		
08/24/2010 14:00	US	Richmond Fed Manufact. Index	AUG	--	--
08/24/2010 14:00	US	Existing Home Sales	JUL	--	5.37M
08/24/2010 14:00	US	Existing Home Sales MoM	JUL	--	-5.10%
08/24/2010 17:00	US	U.S. to Sell 2-Year Notes	24-Aug		
08/24/2010 20:30	US	API U.S. Crude Oil Inventories	20-Aug	--	--
08/24/2010 20:30	US	API U.S. Gasoline Inventories	20-Aug	--	--
08/24/2010 20:30	US	API U.S. Distillate Inventory	20-Aug	--	--
08/24/2010 20:30	US	API Cushing Crude OK Inventory	20-Aug	--	--
08/24/2010 21:00	US	ABC Consumer Confidence	22-Aug	--	--
08/24/2010 23:50	JN	Merchnds Trade Balance Total	JUL	--	--
08/24/2010 23:50	JN	Corp Service Price Index (YoY)	JUL	--	--
08/24/2010 23:50	JN	Adjusted Merchnds Trade Bal.	JUL	--	--
08/24/2010 23:50	JN	Merchnds Trade Exports YoY	JUL	--	--
08/24/2010 23:50	JN	Merchnds Trade Imports YoY	JUL	--	--
25-31 AUG	UK	Nat'wide House prices sa (MoM)	AUG	--	--
25-31 AUG	UK	Nat'wide House prices nsa(YoY)	AUG	--	--
08/25/2010 08:00	GE	IFO - Business Climate	AUG	--	106.2
08/25/2010 08:00	GE	IFO - Current Assessment	AUG	--	106.8
08/25/2010 08:00	GE	IFO - Expectations	AUG	--	105.5

## Daily Market Report

08/25/2010 11:00	US	MBA Mortgage Applications	20-Aug	--	--
08/25/2010 12:30	US	Durable Goods Orders	JUL	--	--
08/25/2010 12:30	US	Durables Ex Transportation	JUL	--	--
08/25/2010 14:00	US	New Home Sales	JUL	--	--
08/25/2010 14:00	US	House Price Index MoM	JUN	--	0.50%
08/25/2010 14:00	US	New Home Sales MoM	JUL	--	--
08/25/2010 14:00	US	House Price Purchase Index QoQ	2Q	--	-1.90%
08/25/2010 14:30	US	DOE U.S. Crude Oil Inventories	20-Aug	--	--
08/25/2010 14:30	US	DOE U.S. Gasoline Inventories	20-Aug	--	--
08/25/2010 14:30	US	DOE U.S. Distillate Inventory	20-Aug	--	--
08/25/2010 14:30	US	DOE U.S. Refinery Utilization	20-Aug	--	--
08/25/2010 14:30	US	DOE Cushing OK Crude Inventory	20-Aug	--	--
08/25/2010 14:30	US	DOE Crude Oil Implied Demand	20-Aug	--	--
08/25/2010 14:30	US	DOE Gasoline Implied Demand	20-Aug	--	--
08/25/2010 14:30	US	DOE Distillate Implied Demand	20-Aug	--	--
08/25/2010 17:00	US	U.S. to Sell 5-Year Notes	25-Aug		
26-30 AUG	GE	GfK Consumer Confidence Survey	SEP	--	--
08/26/2010 08:00	EC	Euro-Zone M3 s.a. (YoY)	JUL	--	--
08/26/2010 08:00	EC	Euro-Zone M3 s.a. 3 mth ave.	JUL	--	--
08/26/2010 12:30	US	Initial Jobless Claims	21-Aug	--	--
08/26/2010 12:30	US	Continuing Claims	14-Aug	--	--
08/26/2010 13:00	US	RPX Composite 28dy Index	30-Jun	--	195.86
08/26/2010 13:00	US	RPX Composite 28dy YoY	JUN	--	2.14%
08/26/2010 14:30	US	EIA Natural Gas Storage Change	20-Aug	--	--
08/26/2010 17:00	US	U.S. to Sell 7-Year Notes	26-Aug		
08/26/2010 23:30	JN	Tokyo CPI YoY	AUG	--	--
08/26/2010 23:30	JN	Overall Hhold Spending (YoY)	JUL	--	--
08/26/2010 23:30	JN	Jobless Rate	JUL	--	--
08/26/2010 23:30	JN	Job-To-Applicant Ratio	JUL	--	--
08/26/2010 23:30	JN	Tokyo CPI Ex-Fresh Food YoY	AUG	--	--
08/26/2010 23:30	JN	Tokyo CPI Ex Food, Energy YoY	AUG	--	--
08/26/2010 23:30	JN	Natl CPI YoY	JUL	--	--
08/26/2010 23:30	JN	Natl CPI Ex-Fresh Food YoY	JUL	--	--
08/26/2010 23:30	JN	Natl CPI Ex Food, Energy YoY	JUL	--	--
08/27/2010 01:35	CH	MNI Business Condition Survey	AUG	--	--
08/27/2010 08:30	UK	GDP (QoQ)	2Q P	--	1.10%
08/27/2010 08:30	UK	GDP (YoY)	2Q P	--	1.60%
08/27/2010 08:30	UK	Private Consumption	2Q P	--	0.00%
08/27/2010 08:30	UK	Government Spending	2Q P	--	0.50%
08/27/2010 08:30	UK	Exports	2Q P	--	0.00%
08/27/2010 08:30	UK	Imports	2Q P	--	1.40%
08/27/2010 08:30	UK	Index of Services (3mth/3mth)	JUN	--	0.80%
27-31 AUG	GE	IFO Aug. Business Climate Survey by	31-Aug		
08/27/2010 12:30	US	GDP QoQ (Annualized)	2Q S	--	--

## Daily Market Report

08/27/2010 12:30	US	Personal Consumption	2Q S	--	--
08/27/2010 12:30	US	GDP Price Index	2Q S	--	--
08/27/2010 12:30	US	Core PCE QoQ	2Q S	--	--
08/27/2010	GE	Consumer Price Index (MoM)	AUG P	--	--
08/27/2010	GE	CPI - EU Harmonised (MoM)	AUG P	--	--
08/27/2010	GE	CPI - EU Harmonised (YoY)	AUG P	--	--
08/27/2010	GE	Consumer Price Index (YoY)	AUG P	--	--
08/27/2010 13:55	US	U. of Michigan Confidence	AUG F	--	--
08/27/2010 14:00	US	Bernanke Speaks at Kansas City Fed's	23-Apr		

**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. The report cannot be used on the territory of the USA, Canada, Great Britain, Japan, neither it can be a subject of national regulation of the states mentioned.

## INVESTMENT COMPANY IC RUSS-INVEST

[www.russ-invest.com](http://www.russ-invest.com)

**Moscow**

Telephone: +7(495) 363-93-80  
 Fax: +7(495) 363-93-90  
 E-mail: [mail@russ-invest.com](mailto: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](mailto:spb@russ-invest.com)  
 Mailing address: 52, Fontanky  
 Embankment, 190002 St-Petersburg

**Samara**

Telephone: +7 (846) 262-75-52  
 Fax: +7 (846) 262-75-52  
 E-mail: [sam@russ-invest.com](mailto:sam@russ-invest.com)  
 Mailing address: 443067, Camapa, ul.  
 agarina, 95

© 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