

US stocks fell on Friday with Financials (-3.13%), Oil&Gas (-3.3%) as the laggards. S&P 500 index lost 2.67%, Russell 2000 Index – 2.05%. VIX rose by 12.24% to 38.52. Greek default concerns weighed on the markets, driving EURUSD below 1.36 on Monday. G-7 Summit brought no clear decisions while German economy Minister speech on Greek default possibility exacerbated the situation. Lack of political will and decision-making paralysis in Europe is bringing the situation to financial chaos.

Asian markets slumped on Monday. Hang Seng lost 4.31%, Nikkei – was down by 2.31%. S&P/ASX declined by 3.72%. Kospi declined by 1.83%. Shanghai stock indices were down on average by 0.2%. China trade stats showed significant unexpected decline in the trade surplus as imports surged 30.4%.

The European stock indices futures fell in the morning - Dow Jones Stoxx 50 futures lost 3.81% while Dax futures was down by 2.83%. S&P futures lost 1.73%.

No significant statistics will be released in the US today. The investors will focus on European officials' meetings and Fed's Fisher speech, due at 19:00 GMT.

| Macro Indicators | | |
|--------------------|-----------|---------|
| CDS HY 5Y | 491.08 | +1.11% |
| ITX Crossover Euro | 394.45 | +4.04% |
| CDS Japan 5Y | 91.33 | +0.18% |
| CDS EM 5Y | 112.56 | -0.04% |
| CDS Russia 5Y | 150.69 | +1.15% |
| US Tsys 10Y | 3.09% | +0.01% |
| US Tsys 5Y | 1.64% | +0.01% |
| Brazil 10Y | 3.60% | -0.18% |
| Germany 10Y | 2.42% | -0.01% |
| EUR/USD | 1.4076 | -0.57% |
| USD/JPY | 79.03 | +0.13% |
| EUR/GBP | 0.8739 | +0.39% |
| Oil Brent | 116.83 | -0.37% |
| Gold | 1597.8 | +0.48% |
| Copper | 9672 | +0.44% |
| Nickel | 24126 | -0.21% |
| S&P 500 | 1309 | -0.46% |
| Russell 2000 | 828.78 | +0.66% |
| Bovespa | 59478.01 | -0.34% |
| Topix | 859.5 | +0.06% |
| Shanghai Comp | 2,817.18 | -0.11% |
| S&P/ASX 300 | 4,477.10 | +0.08% |
| Sensex 30 | 18,594.93 | +0.18% |
| Bovespa | 59,478.01 | -0.34% |
| DJ Euro Stoxx 50 F | 2681 | -0.74% |
| CAC Futures | 3731.5 | -0.63% |
| DAX Futures | 7250 | +0.08% |
| CBOE Put/Call | 0.64 | -23.81% |
| CBOE Buy/Write M | 832.62 | -0.04% |
| VIX | 19.53 | -6.11% |
| VSTOXX | 28.1168 | +3.10% |

| Factor Assessment | | |
|---------------------|-------|-------------|
| Factor | Grade | Prev. Grade |
| US credit risks | 3 | 3 |
| Fed Activity | 3 | 5 |
| Corporate news | 2 | 6 |
| Economic statistics | 2 | 1 |
| Inflation concerns | 4 | 4 |
| China tightening | 1 | 2 |
| European Risks | 9 | 7 |
| MENA crisis | 2 | 6 |
| Japan EQ | 1 | 5 |

Daily Market Report

| S&P 500 | Last | Change 1D | Change 5D | Change YTD | P/E | P/CF | P/B |
|--------------|-------|-----------|-----------|------------|-------|------|------|
| Sub-index | | | | | | | |
| CONS DISCRET | 278.9 | -4.60% | -4.60% | -6% | 14.63 | 0.93 | 2.64 |
| CONS STAPLES | 308.9 | -2.62% | -2.62% | +2% | 15.04 | 0.91 | 3.28 |
| ENERGY | 479.3 | -4.55% | -4.55% | -5% | 11.28 | 0.82 | 1.81 |
| FINANCIALS | 164.2 | -6.46% | -6.46% | -24% | 10.51 | 1.26 | 0.85 |
| HEALTH CARE | 368.6 | -3.63% | -3.63% | +1% | 11.56 | 1.08 | 2.26 |
| INDUSTRIALS | 259.6 | -5.37% | -5.37% | -14% | 13.09 | 0.99 | 2.22 |
| INFO TECH | 375.9 | -2.94% | -2.94% | -7% | 13.09 | 2.00 | 3.01 |
| MATERIALS | 208.0 | -4.76% | -4.76% | -13% | 12.58 | 1.01 | 2.24 |
| TELECOM SERV | 119.2 | -2.71% | -2.71% | -7% | 17.30 | 1.09 | 1.65 |
| UTILITIES | 165.1 | -2.84% | -2.84% | +4% | 12.89 | 1.13 | 1.46 |

| DJIA Eurostoxx 600 | | |
|--------------------------|--------|--------|
| SX3P | 342.1 | -0.61% |
| SX4P | 456.51 | -2.75% |
| SX6P | 245.51 | -3.04% |
| SX7P | 126.63 | -5.25% |
| SX86P | 108.34 | -2.01% |
| SX8P | 182.34 | -2.54% |
| SXAP | 248.92 | -4.67% |
| SXDP | 385.23 | -0.93% |
| SXEP | 287.59 | -1.54% |
| SXFP | 218.23 | -2.87% |
| SXIP | 118.16 | -4.79% |
| SXKP | 234.89 | -1.82% |
| SXMP | 147.96 | -1.63% |
| SXNP | 257.76 | -2.82% |
| SXOP | 207.27 | -4.40% |
| SXPP | 454.27 | -3.31% |
| SXQP | 386.3 | -1.47% |
| SXRP | 224.26 | -1.94% |
| SXTP | 105.36 | -1.89% |
| SXXP | 224.59 | -2.55% |

Technical view

S&P 500 Index, daily



The S&P 500 has rebounded from the 1100 support level. Bounce still looks possible with resistance around 1260, 1300.

A pessimistic midterm target seems to be around 1020.

Current support levels are at 1130, 1092, 1041, 1010, 980, 950, 870.

Resistance levels: 1260, 1352, 1365, 1400.

Dow Jones Stoxx 600 Europe Index, daily



The index has reached 219 minimum of June 2010, bounced to 240 and retreated to 218. The break of 214 is likely to lead to 210, 203 levels test.

However, bounce to 250, 260 still may go on if the abovementioned levels are held.

Important support levels: 210, 203.

Important resistance levels – 240, 248, 262, 273, 278, 293, 302.

Daily Market Report

AEX, daily



Support levels – 265, 246, 217, 186.

Resistance levels – 295, 309, 320, 347, 352.

Long term trend – flat.

Mid-term trend – down.

Short-term trend – down.

EURUSD, daily



EURUSD has been in a long term flat. The long term reversal may finally lead us to new lows at 1.17 later this year.

1.3526 support has been reached recently and short-term reversal may lead to a short bounce to 1.372, 1.4.

Likely resistance zones – 1.3726, 1.4024, 1.455, 1.47, 1.4940, 1.5255.

Major support zones – 1.3403, 1.3303, 1.3203, 1.3079, 1.2879.

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

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

Samara

Telephone: +7 (846) 262-75-52
Fax: +7 (846) 262-75-52
E-mail: sam@russ-invest.com
Mailing address: 443067, Самара, ул. Гагарина, 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