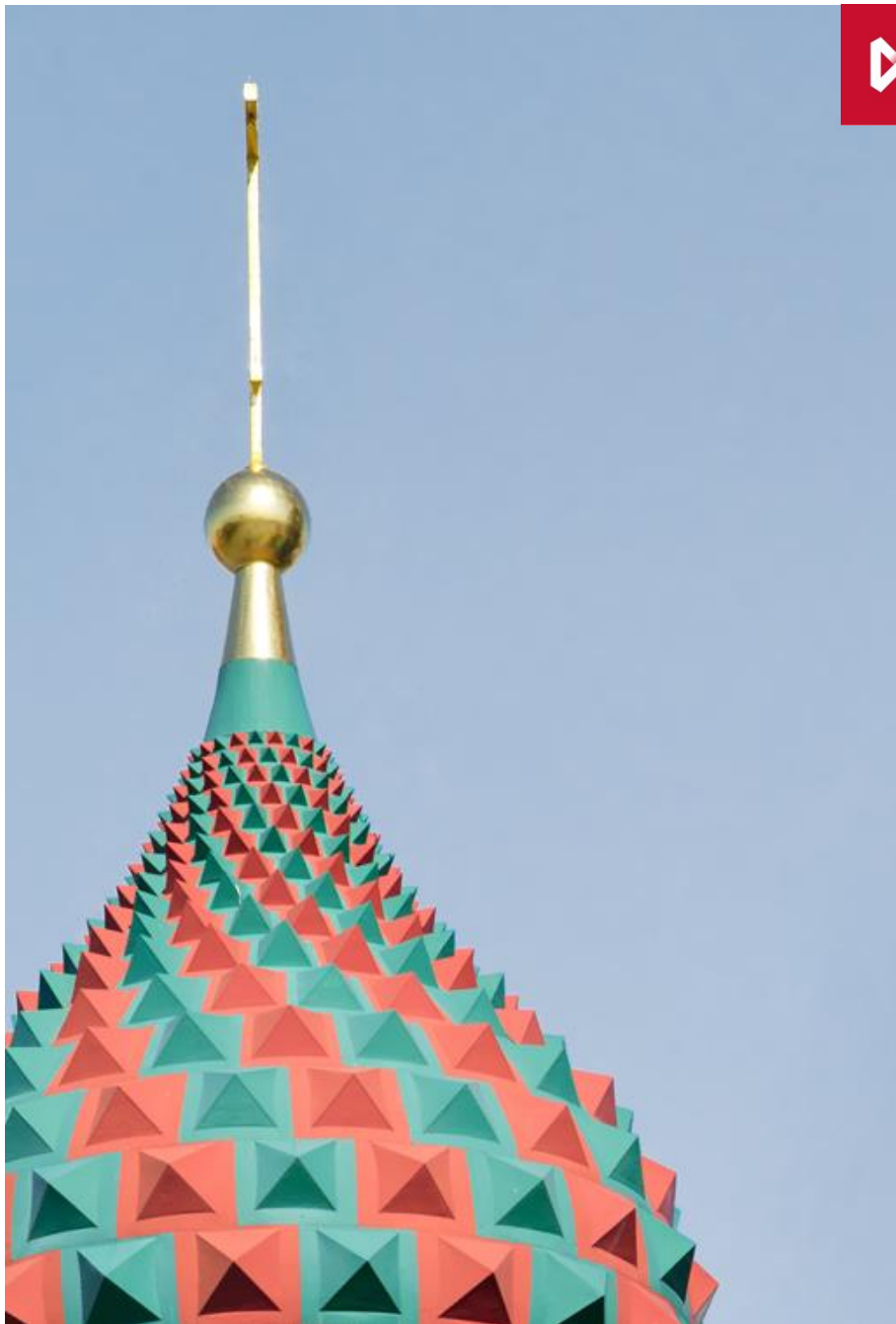




MOSCOW
EXCHANGE

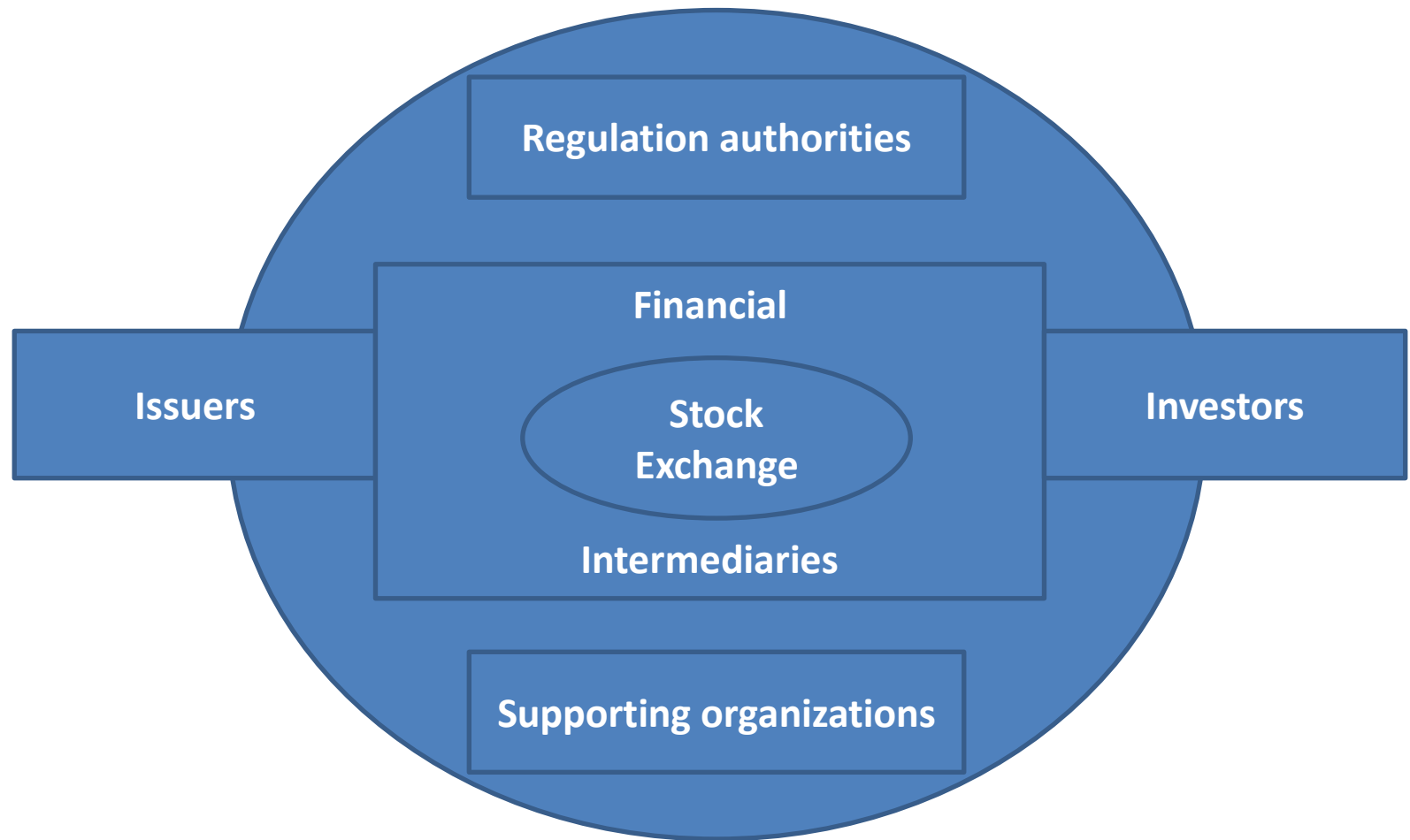


Konstantin Shulga
Head of Int. Securities Sales

Moscow Exchange
Securities Market

For Moscow State Institute
of International Relations

Securities Market



Stock Market

Financial market constituents by market level:

- **Primary market** – initial placement of new equities

Stock Exchange Ranking: Primary Market

#	Exchange	2015		
		New companies IPO		
		Domestic	Foreign	Total
#	WFE Total			1 356
1	Korea Exchange	159	0	159
2	Shenzhen Stock Exchange	133	NA	133
3	Nasdaq - US	107	16	123
4	Hong Kong Exchanges and Clearing	116	5	121
5	Australian Securities Exchange	90	12	102
6	Japan Exchange Group	89	NA	89
7	Shanghai Stock Exchange	89	NA	89
8	NASDAQ OMX Nordic Exchange	76	0	76
9	BSE India Limited	57	NA	57
10	TMX Group	54	3	57
11	NYSE	49	6	55
12	Euronext	45	8	53
13	Taipei Exchange	28	6	34
14	Stock Exchange of Thailand	33	NA	33
15	National Stock Exchange of India	25	NA	25
16	NZX Limited	19	0	19
17	Indonesia Stock Exchange	18	0	18
18	Taiwan Stock Exchange Corp.	11	7	18
19	BME Spanish Exchanges	16	0	16
20	Singapore Exchange	8	7	15
21	Deutsche Boerse	11	3	14
22	Bursa Malaysia	11	0	11
23	Oslo Bors	6	1	7
24	Bolsa Mexicana de Valores	6	0	5
25	Philippine Stock Exchange	4	NA	4
26	Moscow Exchange	4	NA	4

Stock Market

Financial market constituents by market level:

- **Primary market** – initial placement of new equities
- **Secondary market** – trading at the organized stock market

Stock Exchange Ranking: Secondary Market

Exchange	2015, USD mln
1 Shanghai Stock Exchange	21 342 843,3
2 Shenzhen Stock Exchange	19 611 249,9
3 NYSE	17 477 291,4
4 BATS Global Markets - US	14 217 128,6
5 Nasdaq - US	12 515 349,4
6 Japan Exchange Group	5 540 696,8
7 BATS Chi-x Europe	3 158 120,3
8 Hong Kong Exchanges and Clearing	2 125 888,8
9 Euronext	2 076 722,2
10 Korea Exchange	1 929 558,1
11 Deutsche Boerse	1 555 549,4
12 TMX Group	1 184 828,6
13 BME Spanish Exchanges	997 646,4
14 SIX Swiss Exchange	991 047,1
15 Australian Securities Exchange	799 101,1
16 NASDAQ OMX Nordic Exchange	754 640,1
17 National Stock Exchange of India	676 620,1
18 Taiwan Stock Exchange Corp.	628 791,3
19 BM&FBOVESPA	498 335,8
20 Saudi Stock Exchange (Tadawul)	436 892,6
21 Borsa Istanbul	374 449,2
22 Johannesburg Stock Exchange	362 558,7
23 Stock Exchange of Thailand	285 754,9
24 Singapore Exchange	203 413,0
25 Taipei Exchange	178 437,6
26 Moscow Exchange	140 904,1

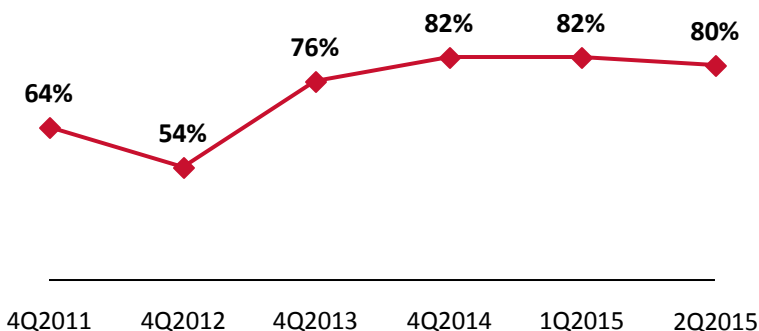
Stock Market

Financial market constituents by market level:

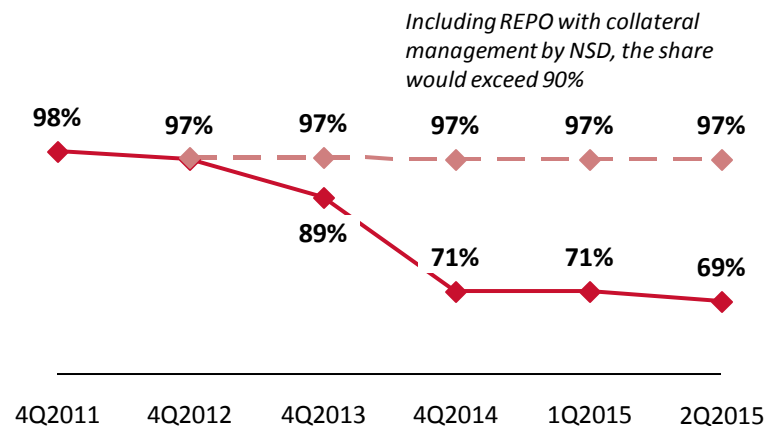
- **Primary market** – initial placement of new equities
- **Secondary market** – trading at the organized stock market
 - **Over the Counter Market** – non-organized trading venue among banks and brokers

Moscow Exchange is the liquidity centre

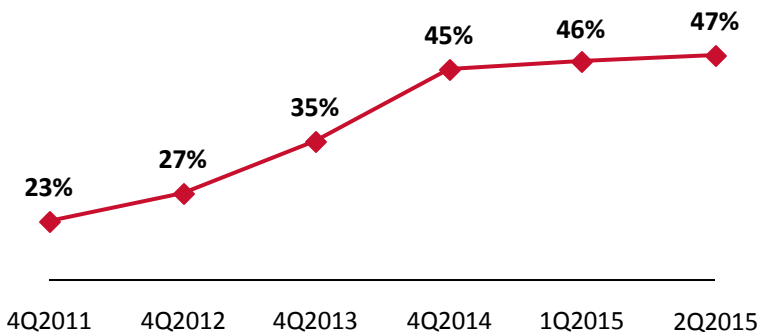
Equities: MOEX vs. Russian OTC



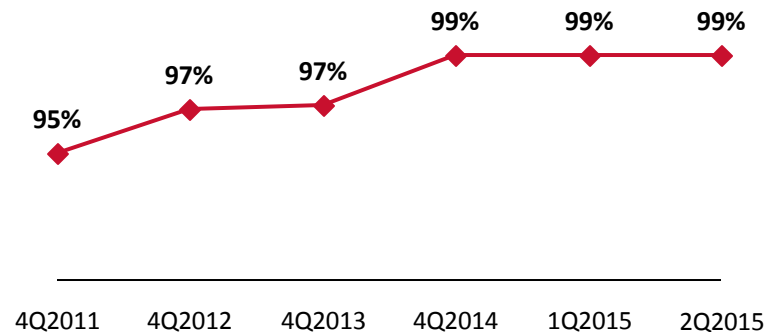
Bonds: MOEX vs. Russian OTC



FX: MOEX vs. Russian interbank



Derivatives: MOEX vs other exchanges



Stock Market

Financial market constituents by market level:

- **Primary market** – initial placement of new equities
- **Secondary market** – trading at the organized stock market
 - **Over the Counter Market** – non-organized trading venue among banks and brokers
 - **Alternative Trading Systems: Dark Pool**

Alternative Trading Venues

ATS Name	4Q 2015, USD
Total	46 379 227 401
UBS ATS	6 634 291 067
CROSSFINDER - CS	6 003 694 840
IEX	4 868 934 624
SUPERX - DB	4 070 739 660
MS POOL	3 217 985 536
INSTINCT X - ML	2 576 949 252
JPM-X	2 128 608 480
LEVEL ATS	1 954 598 115
BARCLAYS ATS ("LX")	1 842 679 000
SIGMA X - Goldman Sachs	1 808 254 406
INSTINET	1 488 451 356
KCG MATCHIT	1 476 735 182
BIDS TRADING	1 474 143 440
POSIT - ITG	932 656 725
CROSSSTREAM - Fidelity	836 036 880
DEALERWEB - Tradeweb	705 694 782
MS TRAJECTORY CROSS (ATS-1)	644 442 320
MILLENNIUM	533 999 514
CITI CROSS	469 712 210
LIQUIDNET ATS	453 610 521
IBKR ATS	434 713 851
PDQ ATS	345 213 594
BLOCKCROSS	321 988 800
TRADEBOOK	227 962 455
LIGHT POOL	226 137 982
INSTINET CROSSING	206 198 304
LIQUIDNET H2O	165 938 798
LIQUIFI	144 681 010
MERRILL LYNCH (ATS-1)	58 854 946
MS RETAIL POOL (ATS-6)	45 939 960
LUMINEX TRADING & ANALYTICS LLC	38 204 604

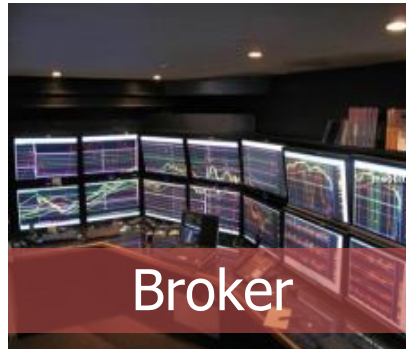
US ATS volumes exceed MOEX equities volumes in **1,5x** times

Stock Trading Perception

Stock Market XX



Stock Market XX



Trading Floor

Trading floors are currently used for the following purposes:

- Working place for stock trading
- Market members reserve workplace
- Exchange supervisory staff
- Marketing



NYSE Euronext



Deutsche Börse



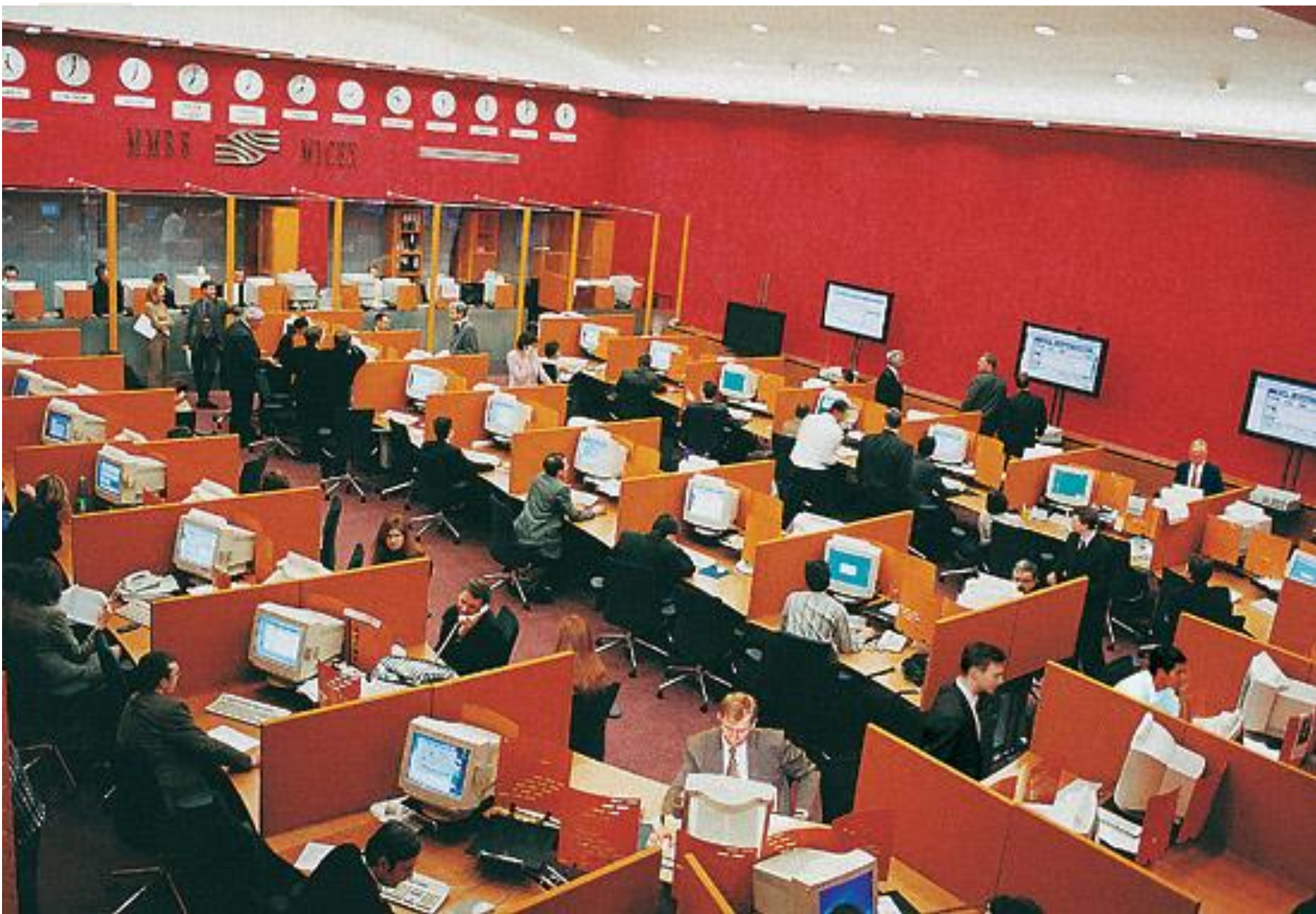
Hong Kong Exchanges



Tokyo SE



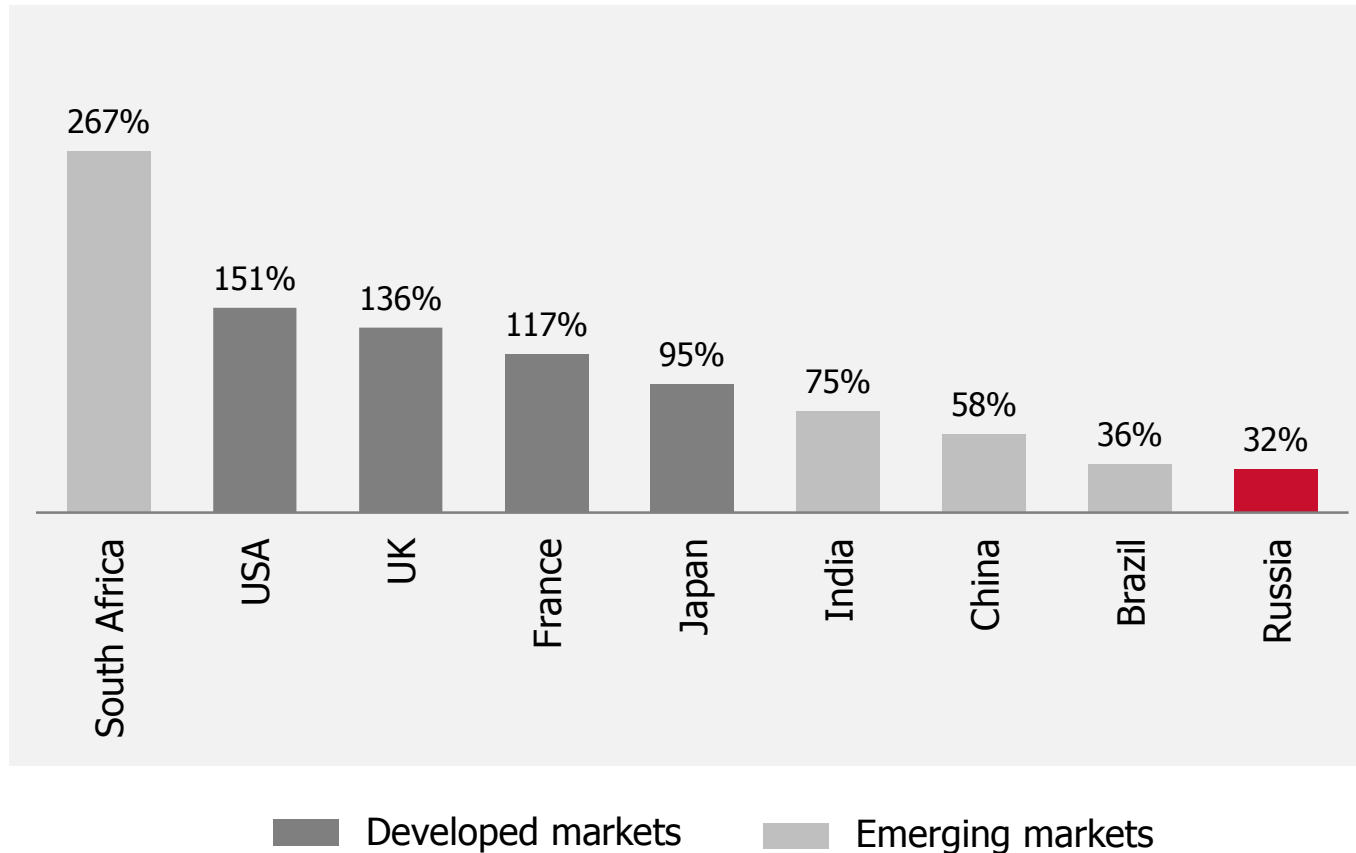
Mexican SE



Equity market growth opportunities

Equity market capitalisation to GDP¹

2014



Source: Moscow Exchange, WFE, IMF, Rosstat, SCIB, BIS, NAUFOR, Cbonds, Bank of Russia

¹ Data for 2014. Market capitalisation for the USA is the sum of NASDAQ and NYSE market capitalisations, for China – the sum of Shanghai and Shenzhen market capitalisations, for India – BSE market capitalisation, for Brazil – BM&FBovespa market capitalisation, for Russia – Moscow Exchange market capitalisation, for France – NYSE Euronext Europe market capitalisation, for UK – LSE market capitalisation (including Borsa Italiana market capitalisation), GDP – IMF forecast

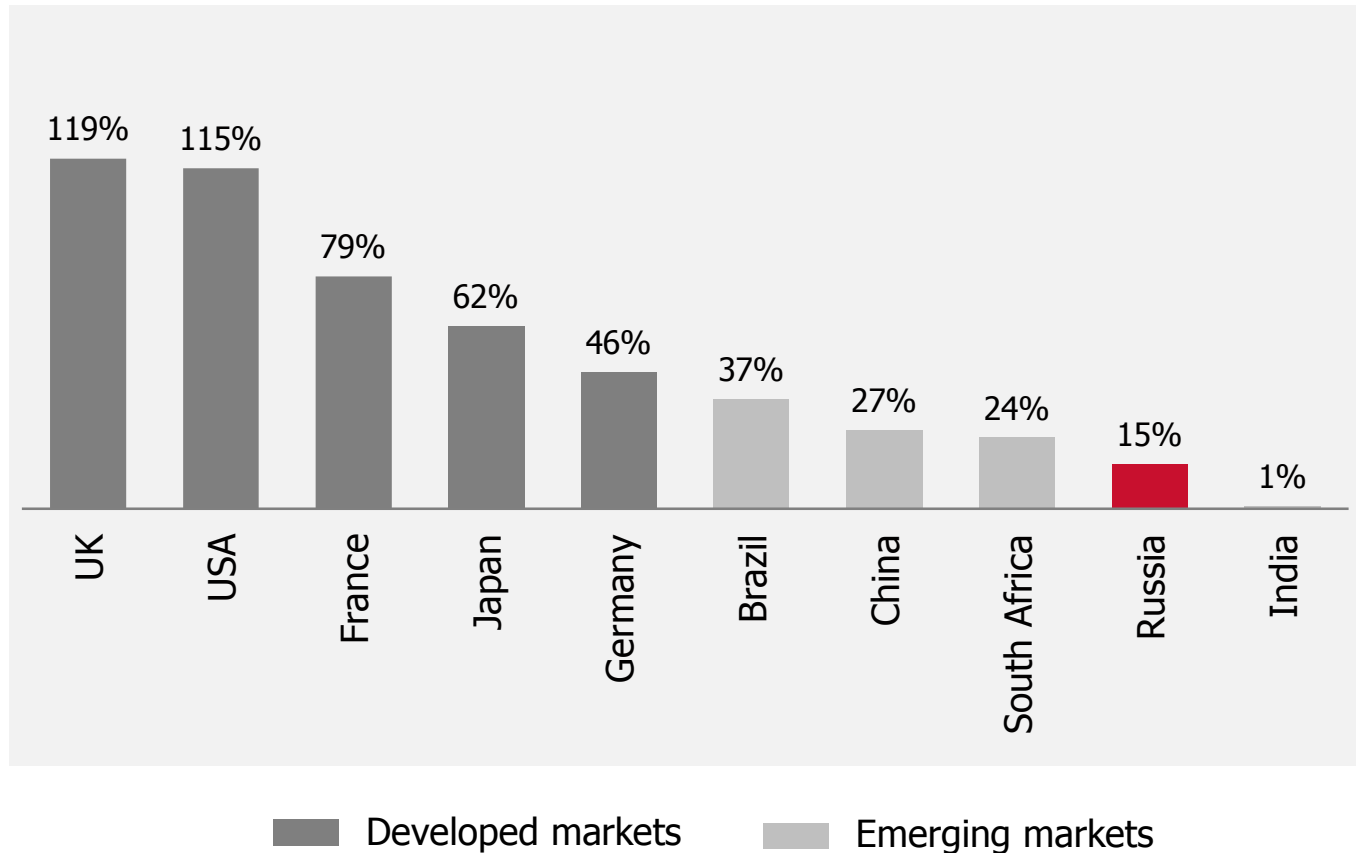


**MOSCOW
EXCHANGE**

Fixed Income market growth opportunities

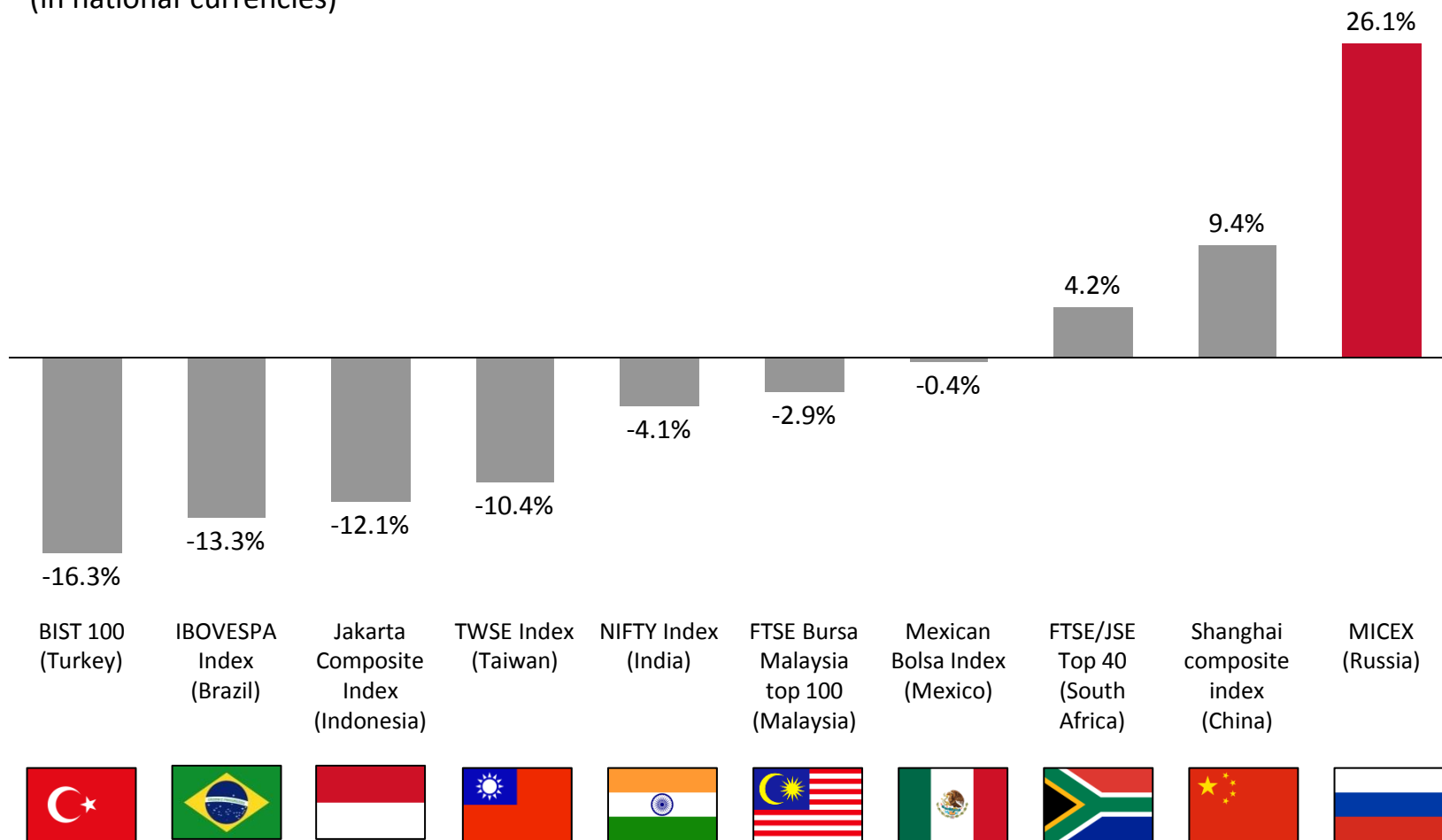
Corporate debt to GDP¹

2014



Russian market is one of few emerging markets **with positive returns** in 2015

National indexes dynamic in 2015
(in national currencies)

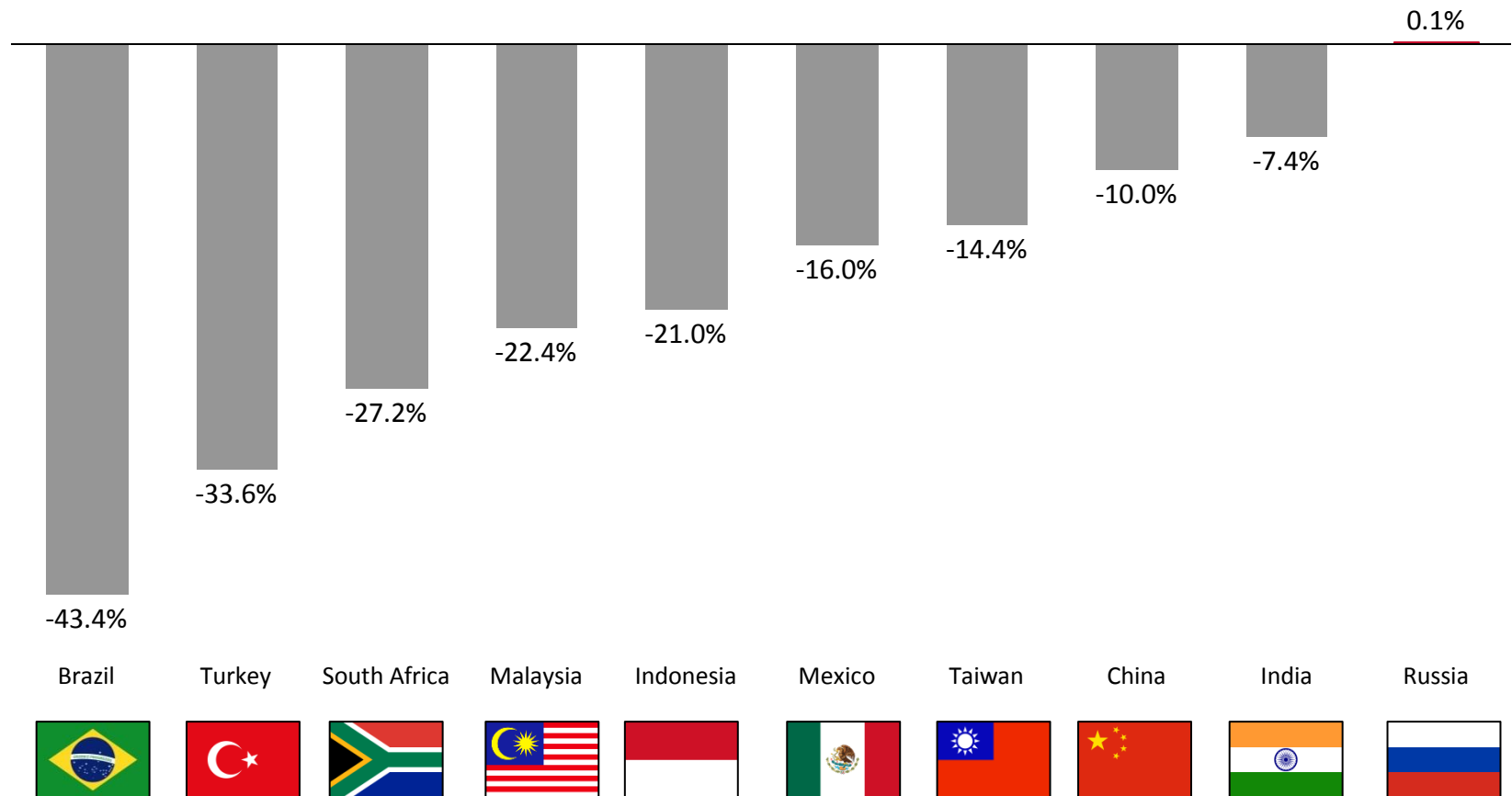


**MOSCOW
EXCHANGE**

Source: Bloomberg
1 As of 31.12.2015

MSCI country indexes dynamic in 2015

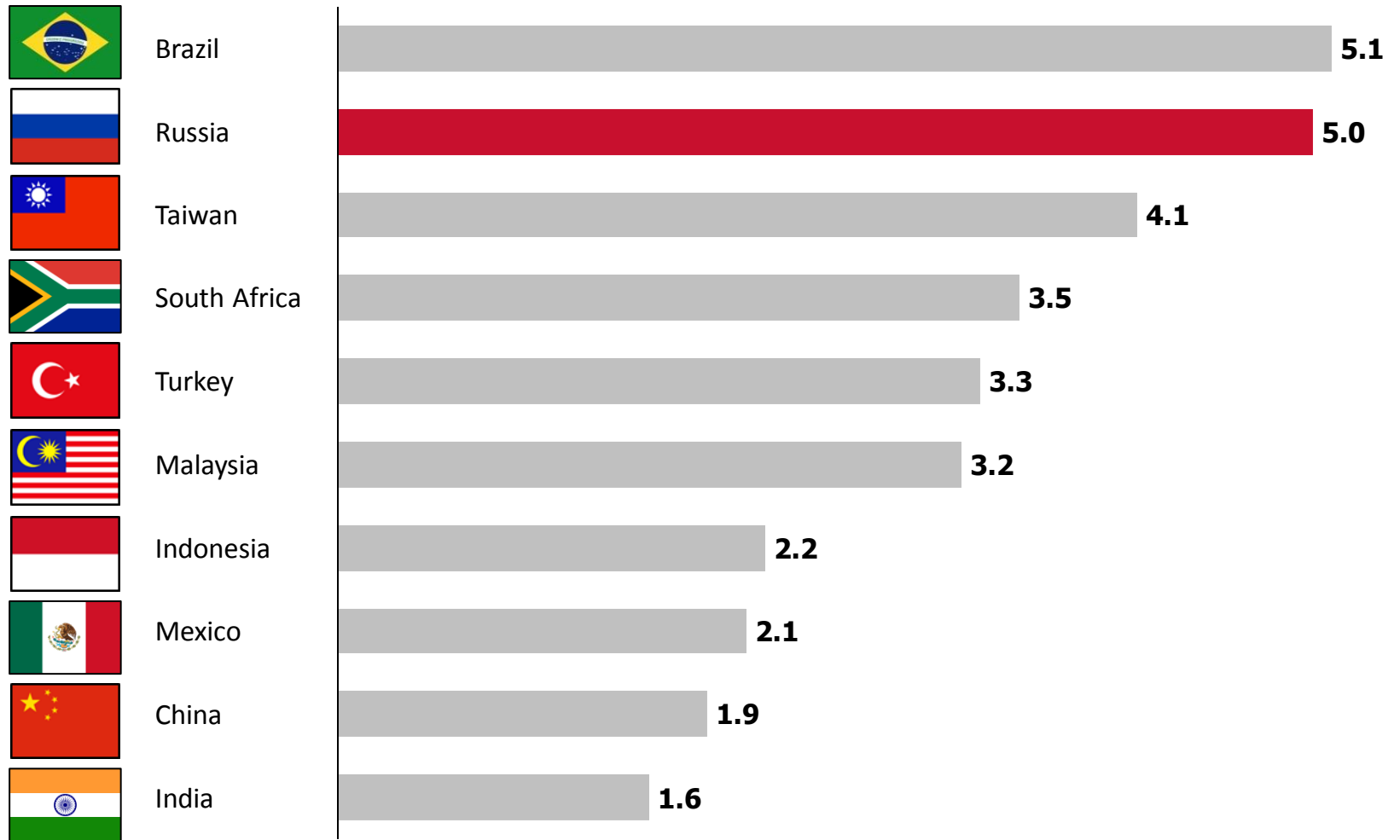
in USD



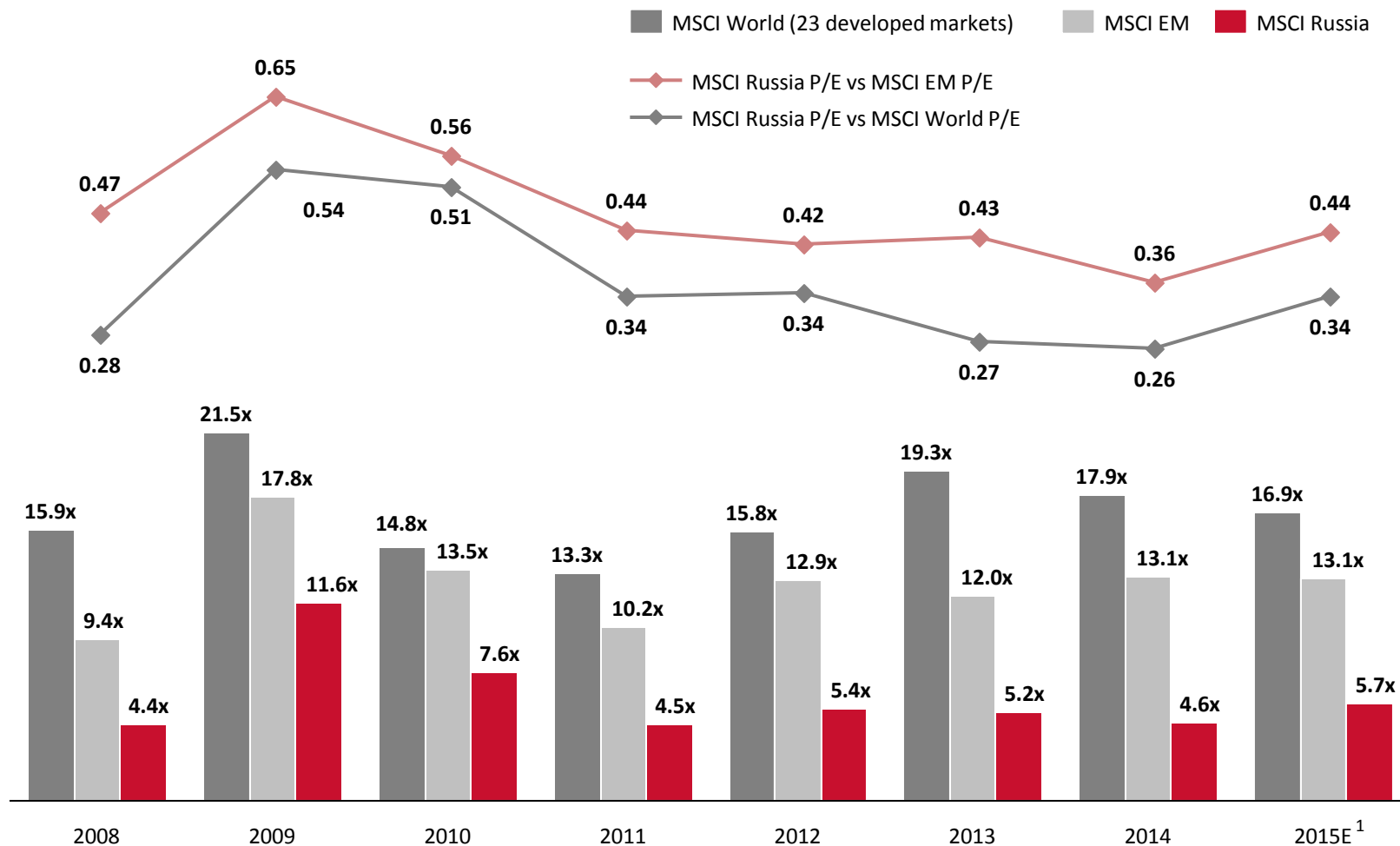
Russia has **one of the highest dividend yields**

2016E¹ dividend yield for emerging market indexes

%

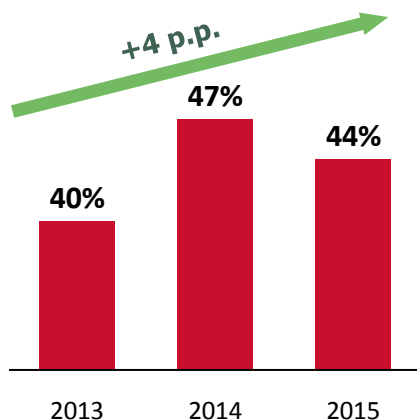


P/E ratios of developed and emerging markets and Russia

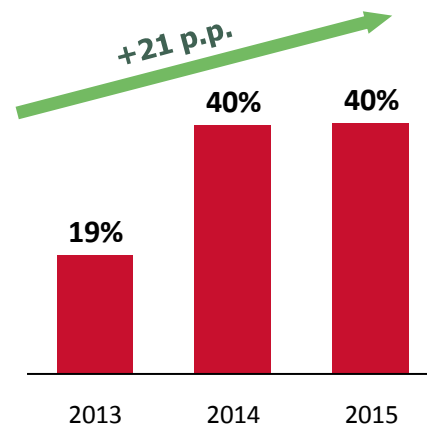


Foreign investors are not leaving Moscow Exchange markets: their share in total trading is increasing

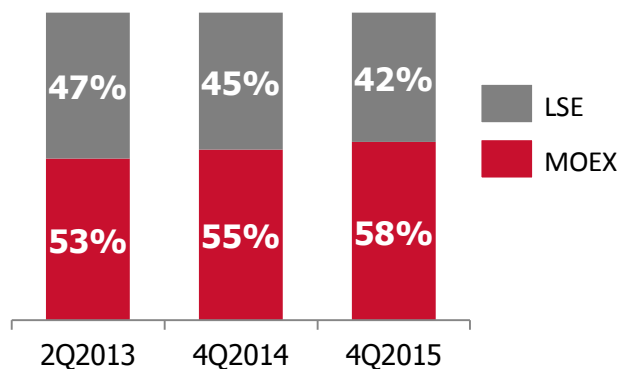
Non-residents share in trading volumes on equity market



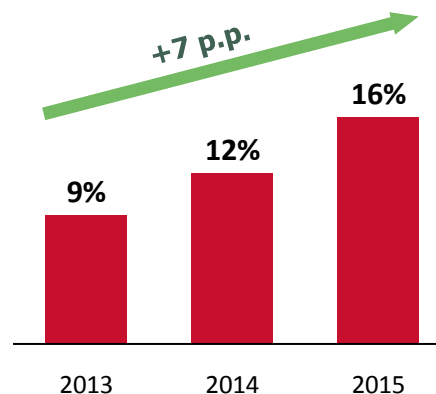
Non-residents share in trading volumes on derivatives market



Russian equities trading volumes, MOEX vs LSE¹



Non-residents share in trading volumes on FX market



**MOSCOW
EXCHANGE**

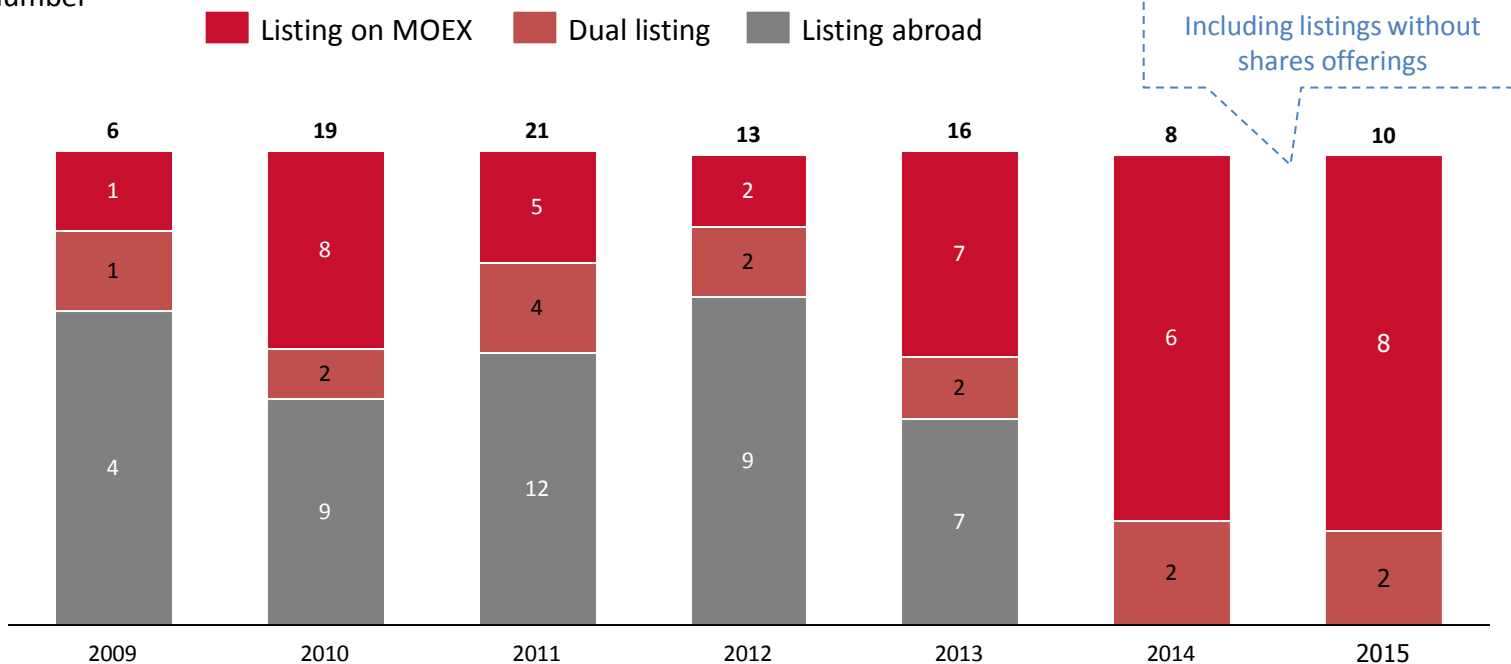
Source: Moscow Exchange, Liquid Metrix

¹ Moscow Exchange and London Stock Exchange data for Russian dual-listed companies. Only electronic order book deals

Russian companies IPO/SPO

Russian companies IPO/SPO

number

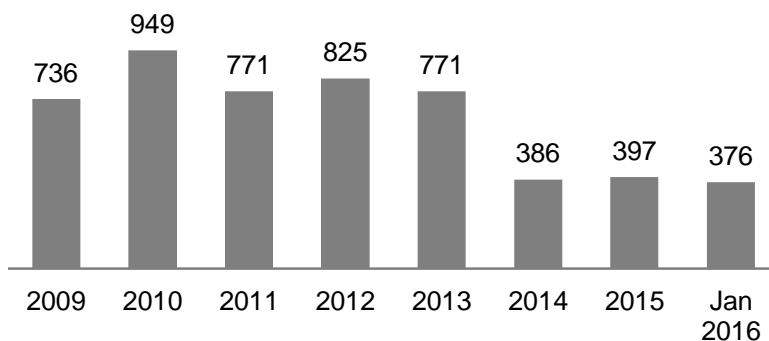


- Russian companies delisted from LSE in 2015: Uralkaly, Polyus Gold International, Eurasia Drilling Company and IG Seismic Services

Equity Market **highlights**

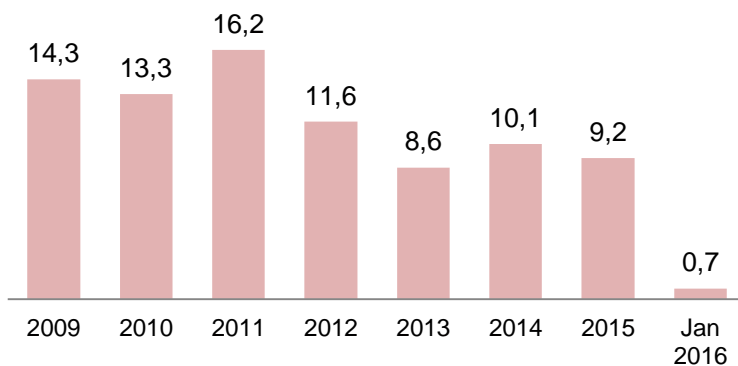
Domestic equity market capitalisation

USD bln²

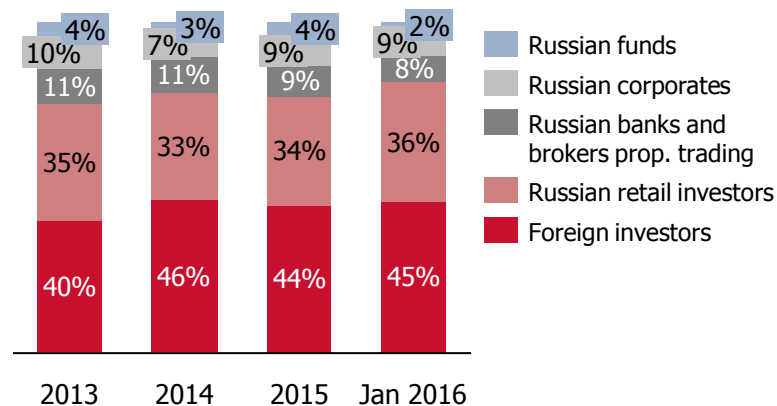


Domestic equity market trading volumes

RUB trn¹



Secondary trading volumes breakdown by clients



**MOSCOW
EXCHANGE**

- 1 Source: Moscow Exchange
- 2 Source: Moscow Exchange, CBR, WFE

Moscow Exchange Equity Market highlights

Top-10 most liquid ordinary shares ADTV ¹ , RUB mln		
1	Sberbank	9 376
2	Gazprom	5 150
3	Lukoil	3 110
4	GMK Norilsk Nickel	2 479
5	VTB	1 972
6	Magnit	1 506
7	Rosneft	1 253
8	Tatneft	902
9	Surgutneftegaz	846
10	Severstal	825

- More than 250 issuers from key sectors of the Russian economy
- ADTV 2015: USD 0.6 bln
- Traded instruments:
 - Shares
 - mutual funds
 - ETFs

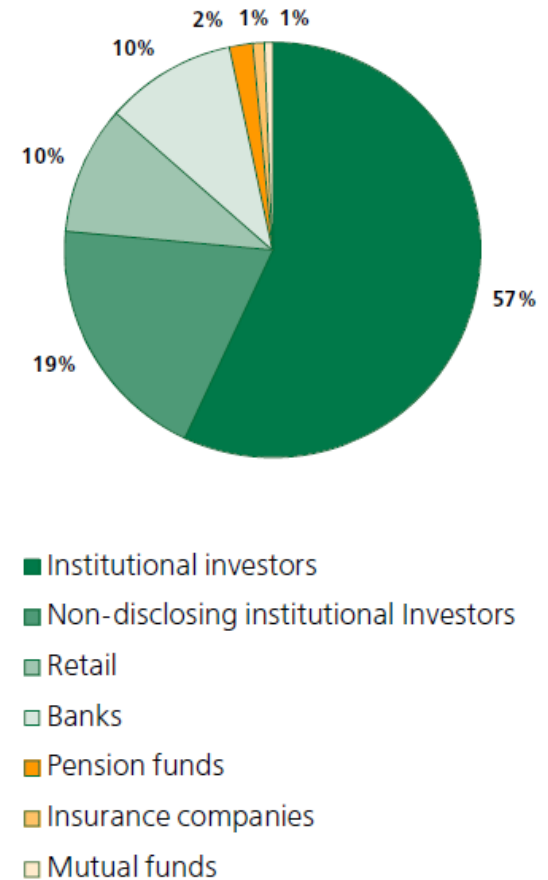


Stock Exchange Client Types

End client types:

- Government
- Banks & Brokers (proprietary)
- Global Asset Managers
 - Active Funds
 - Passive Funds
- Collective Investments
 - Pension Funds
 - Asset Management
 - Insurance Companies
- Corporates
- Family Offices
- Retail Clients
- Algorithmic Clients

Ownership of the Russian free float



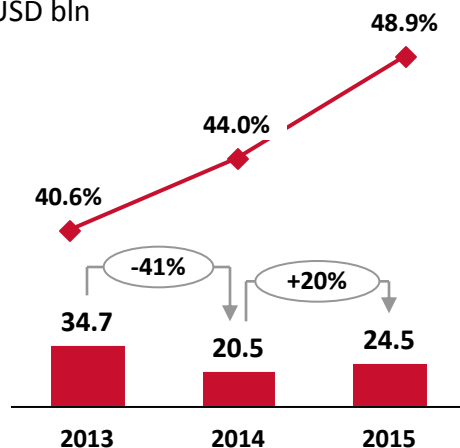
Source: Companies, FactSet, Central Bank, FSFR, Investfunds.ru, Sberbank Investment Research

Foreign investors holding shares of Russian companies – selected regions

—◆— Share in total holdings

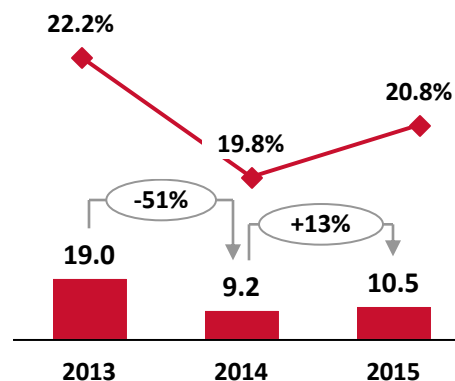
North America

USD bln



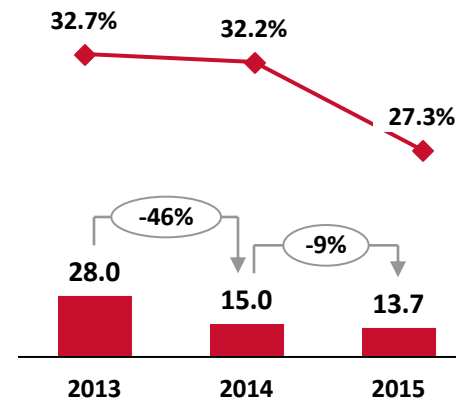
UK

USD bln



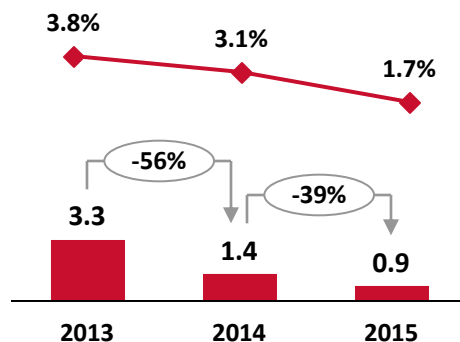
Europe without UK

USD bln



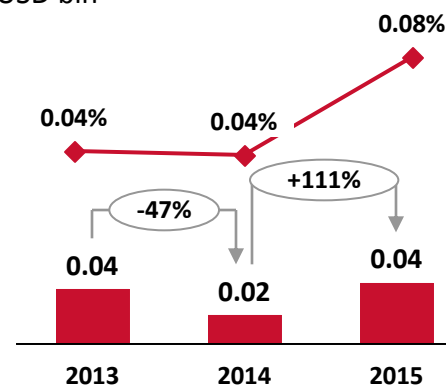
Southeast Asia

USD bln



Hong Kong

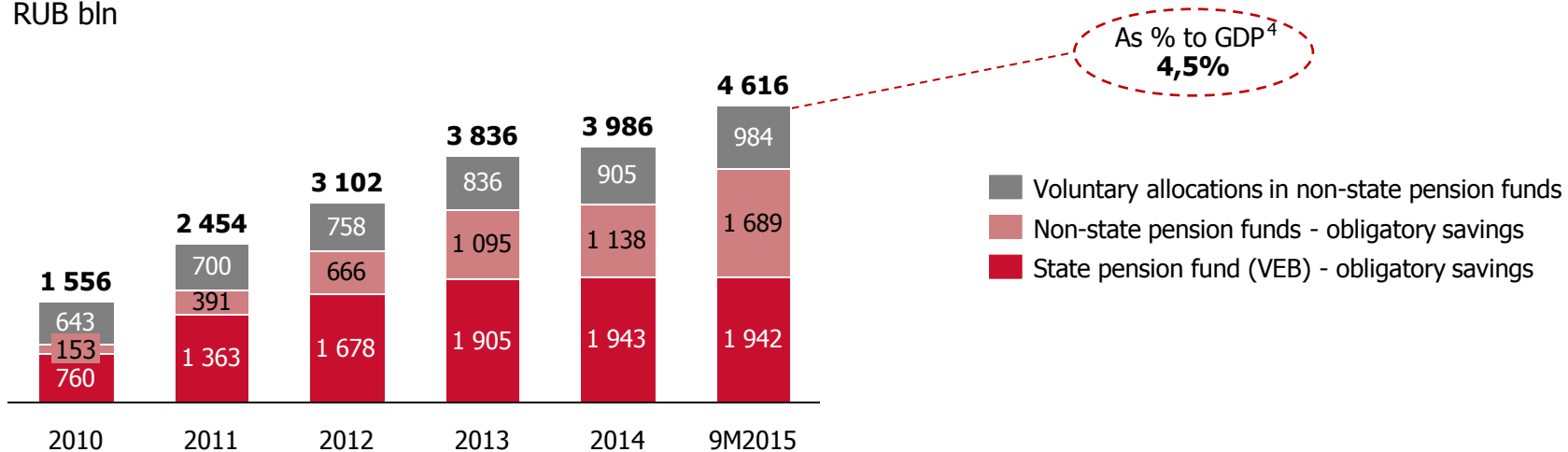
USD bln



Institutional money: **pension funds reform**

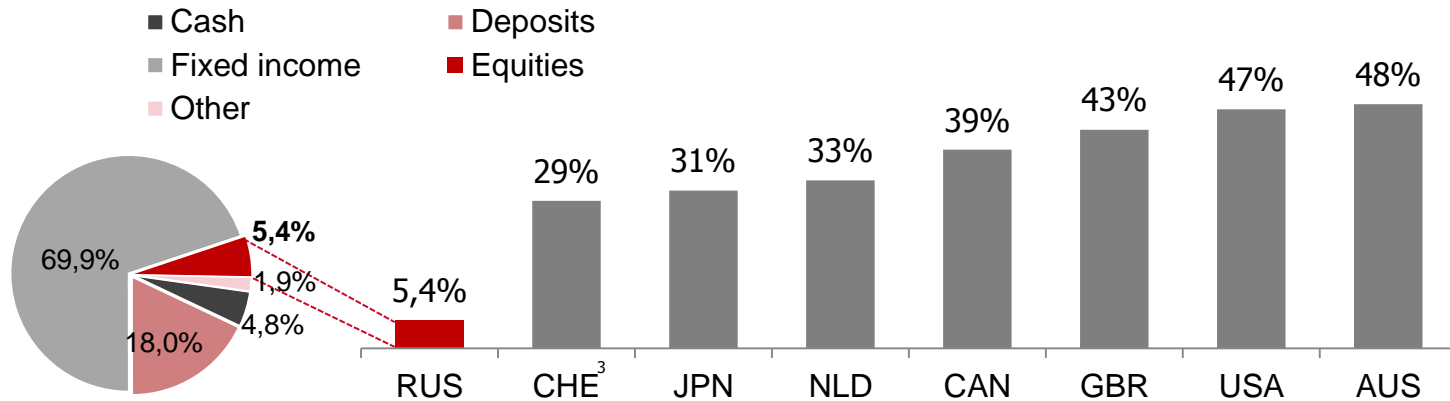
Pension assets¹ in Russia

RUB bln



Exposure to equities is limited

2015²



Source: Bank of Russia, Russian State Statistics Agency (Rosstat), Pension Fund of the Russian Federation, Tower Watson

¹ Obligatory savings, not including reserves

² For Russia mandatory savings managed both by NPFs (Non-state pension funds) and Pension fund of Russia. For Russia – data as of September 2015, for other countries – as of the end of 2015

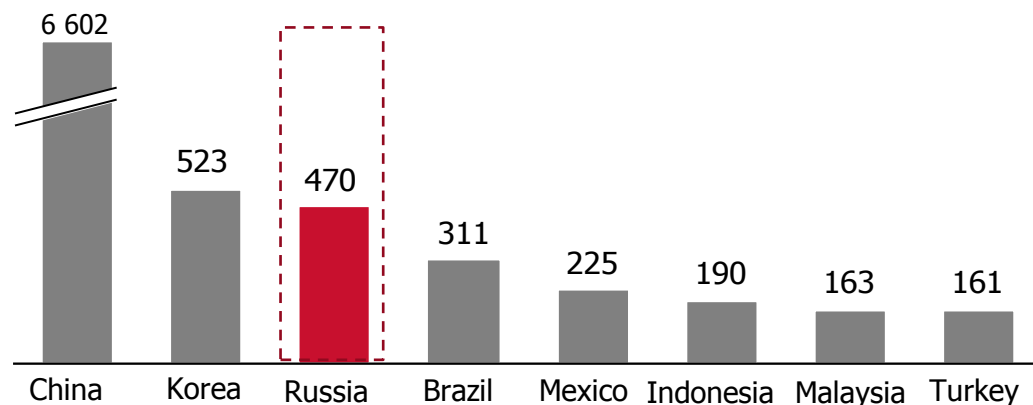
³ Switzerland

⁴ Source: Rosstat. GDP for 2015 (preliminary estimate).

Retail money: aiming to grow equity culture

Retail investors bank deposits¹

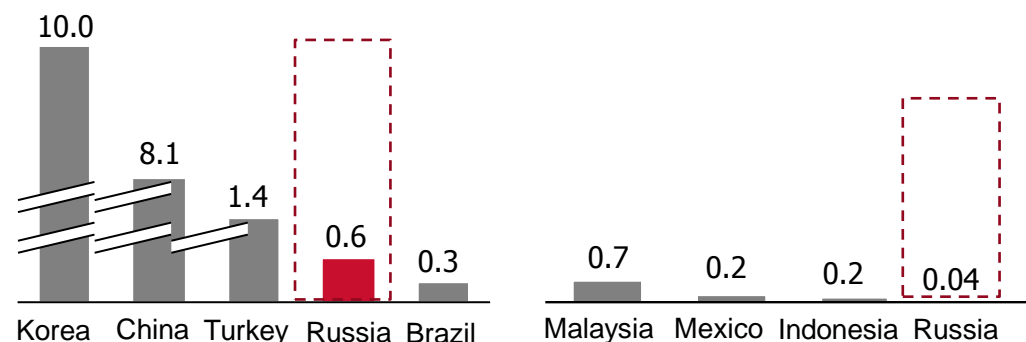
USD bln



Population exposure to securities market, %

Retail investors / total population

Active retail investors/total population



**Around 110'000
individual investment
accounts** opened as of
March 2016

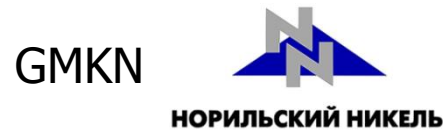
Source: EIU, World Bank, IMF, central banks of Korea, Turkey, Mexico, Indonesia, National Bureau of Statistics of China, Allianz, SZSE Factbook, CBR, Moscow Exchange

1. Korea, Turkey, Mexico, Indonesia – data for August 2014, Russia – as of 1.09.2014, Brazil – 2013, China – 2012, Malaysia – 2011



**MOSCOW
EXCHANGE**

Russian Public Companies



New Private Investor:
newinvestor.moex.com

April - June

Best Private Investor:
investor.moex.com

15 Sep – 15 Dec

Contacts

Konstantin Shulga

Head of International Securities Sales

Konstantin.Shulga@moex.com

Tel.: +7 (495) 363-32-32 ext. 26-027

Mob.: +7 (926) 589-26-91

