



**MOSCOW  
EXCHANGE**

December 2019

## Russian capital markets, Moscow Exchange trends and opportunities

# Leading positions in a global context in 1H2019

## 2<sup>nd</sup> largest exchange in fixed income<sup>1</sup>

Rank	Exchange	Country	Trading vol. (USD bln)	Incl. REPOs
1	BME	Spain	3 146	✓
<b>2</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>3 107</b>	<b>✓</b>
3	Johannesburg SE	South Africa	1 298	✓
4	Korea Exchange	Korea	931	×
5	Oslo Bors	Norway	466	✓
6	Shanghai SE	China	445	×
7	Colombia SE	Columbia	162	×
8	Nasdaq Nordic	USA	156	×
9	LSE Group	UK	142	×
10	Santiago SE	Chile	139	✓

## 7<sup>th</sup> largest exchange in derivatives<sup>2</sup>

Rank	Exchange	Country	Contracts traded (mln)
1	NSE India	India	2 714
2	CME Group	USA	2 454
3	B3 (BM&FBOVESPA)	Brazil	1 310
4	Deutsche Boerse	Germany	1 001
5	Korea Exchange	Korea	807
6	CBOE	USA	686
<b>7</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>669</b>
8	Shanghai Fut. Exchange	China	598
9	Nasdaq OMX	USA	545
10	Zhengzhou Commodity Exchange	China	525

## Among top 26 exchanges by equity trading volumes globally<sup>3</sup>

Rank	Exchange	Country	Mkt Cap (USD bln)	Securities listed	Trading vol. (USD bln)
1	Nasdaq OMX	USA	11 658	3 080	8 087
2	ICE&NYSE	USA	24 231	2 335	7 240
3	Shenzhen SE	China	3 034	2 170	6 619
4	Shanghai SE	China	4 777	1 478	4 589
5	Japan Exchange	Japan	5 614	3 677	2 560
6	LSE Group	UK	3 934	2 450	994
7	HKEx	Hong Kong	4 189	2 382	983
8	Korea Exchange	Korea	1 433	2 221	976
9	Euronext	EU	4 418	1 239	953
...	...	...	...	...	...
<b>26</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>720</b>	<b>220</b>	<b>79</b>

## 15<sup>th</sup> largest publically listed exchange by Mkt Cap<sup>4</sup>

Rank	Exchange	Country	Mkt Cap (USD bln)
1	CME	USA	69.5
2	ICE&NYSE	USA	48.5
3	HKEx	Hong Kong	44.4
4	Deutsche Boerse	Germany	26.8
5	LSE Group	UK	24.3
6	B3 (BM&FBovespa)	Brazil	20.1
7	Nasdaq OMX	USA	15.9
8	CBOE	USA	11.6
9	ASX	Australia	11.2
10	Japan Exchange	Japan	8.5
11	SGX	Singapore	6.3
12	Euronext	EU	5.3
13	TMX Group	Canada	3.9
14	BATS	USA	3.4
<b>15</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>3.3</b>



**MOSCOW EXCHANGE**

Sources: Moscow Exchange, WFE as of 01 August 2019, Bloomberg, LSE Group

1. Due to different methodologies applied, data on fixed income trading may not be directly comparable among exchanges. Data for 1H2019

2. Data for 1H2019

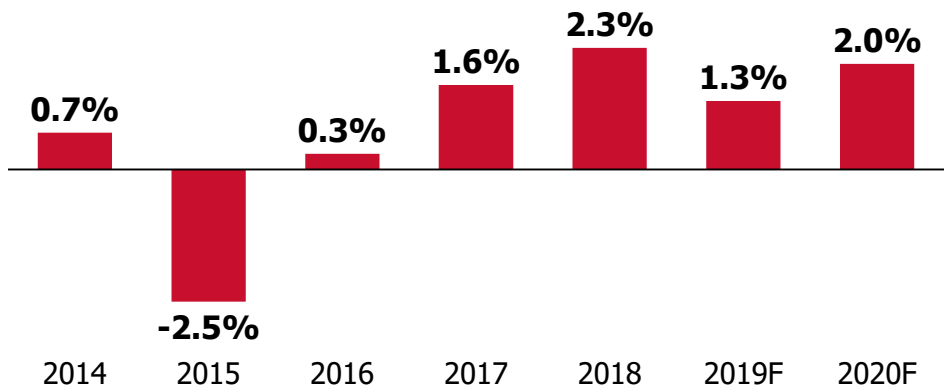
3. Top equity trading exchanges are ranked by trading volume. Ranking without BATS (excluded due to absence of data for market capitalization and number of listed companies). Data for 1H2019

4. Market capitalization of public exchanges based on Bloomberg data as of 31 June 2019

# Key Russian macroeconomic indicators

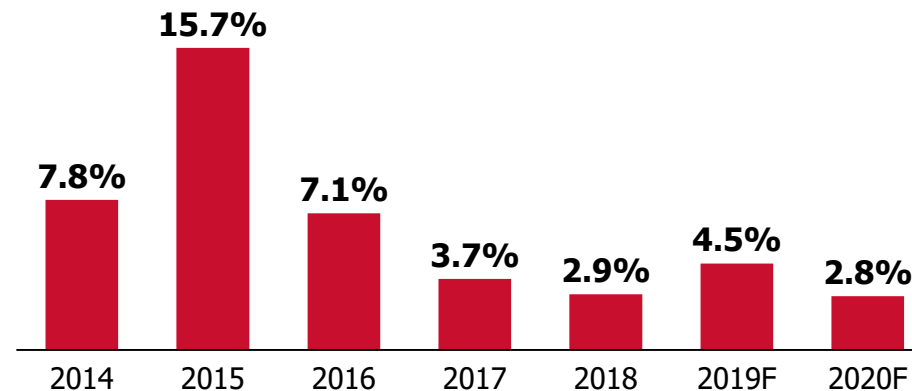
## Real GDP growth

% y-o-y



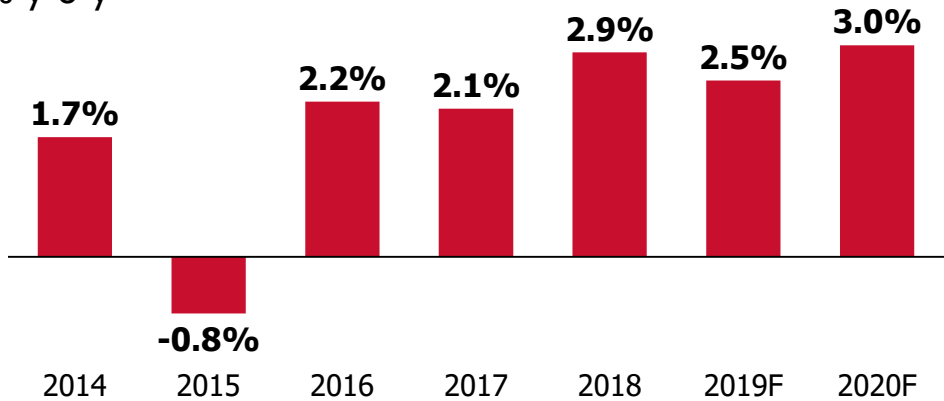
## Inflation

year average % y-o-y



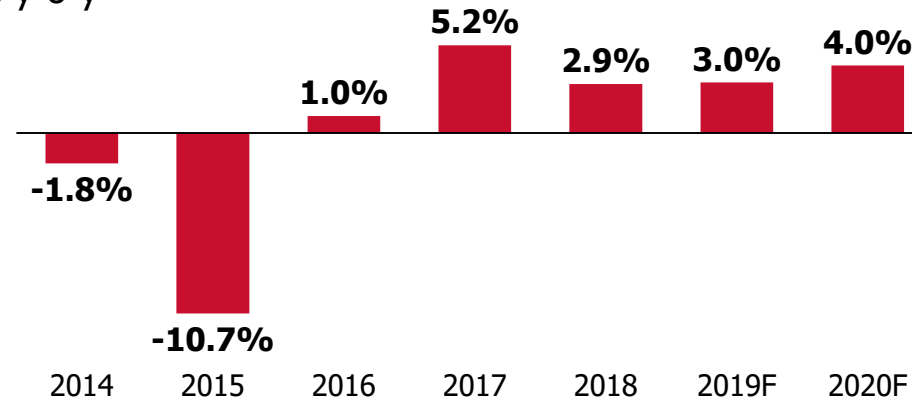
## Industrial production growth

% y-o-y



## Gross fixed investment

% y-o-y



# Equity market

**More than 210 issuers** from key sectors of the economy

**Market cap: USD 743 bln** (as of 10 December 2019)













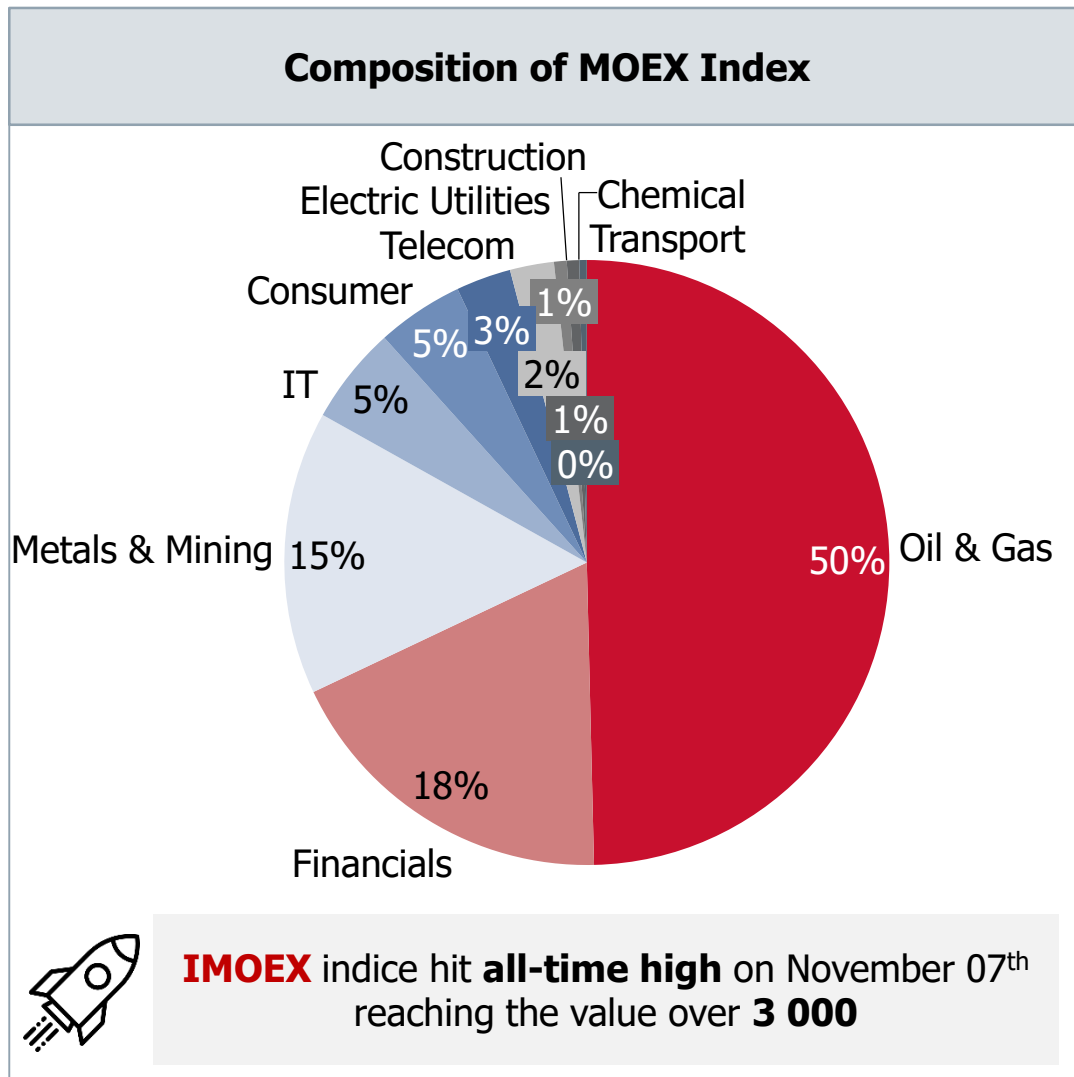
**ADTV 11M2019: USD 753 mln**

- **>300 market participants**
- **T+2** settlement cycle
- Direct market access (**DMA**) and Sponsored market access (**SMA**)
- **Listing and corporate governance reform** (new corporate governance code developed together with OECD)
- **Opening and closing auctions**



# Largest listed Russian companies

No	Company	Industry	Market cap, USD bln	Share in total Market Cap, %
1	 GAZPROM	Oil & Gas	92,4	12%
2	 SBERBANK	Banks & Finance	80,6	11%
3	 ROSNEFT	Oil & Gas	74,7	10%
4	 LUKOIL	Oil & Gas	68,7	9%
5	 NOVATEK	Oil & Gas	59,7	8%
6	 NORILSK NICKEL	Metals & Mining	45,4	6%
7	 GAZPROM NEFT	Oil & Gas	31,1	4%
8	 TATNEFT	Oil & Gas	25,7	3%
9	 SURGUTNEFTEGAS <small>OPEN JOINT STOCK COMPANY</small>	Oil & Gas	24,3	3%
10	 POLYUS	Metals & Mining	14,3	2%
<b>Total TOP-10</b>			<b>517.1</b>	<b>70%</b>



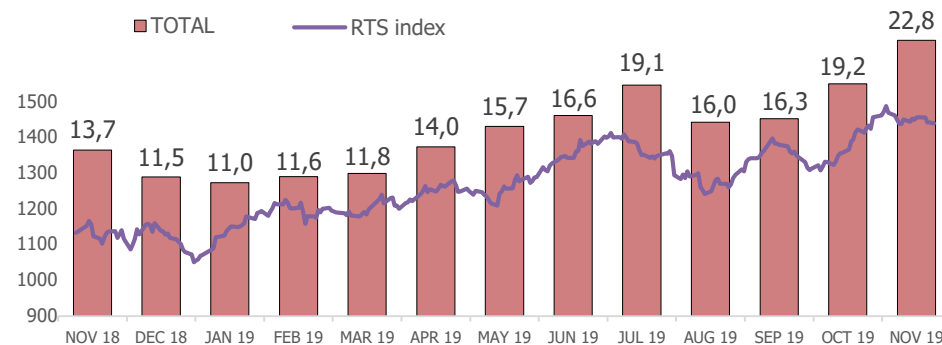
# EQUITY MARKET: NOVEMBER 2019 HIGHLIGHTS

**RTSI** as of November 30

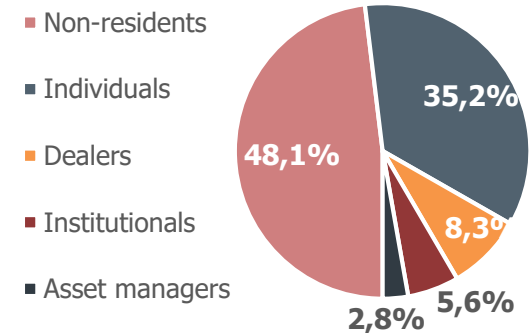
**1 438,45**

**▲ 34,5 % YTD**

## Total trading volume dynamics, \$ bln



## Main mode turnover by client group



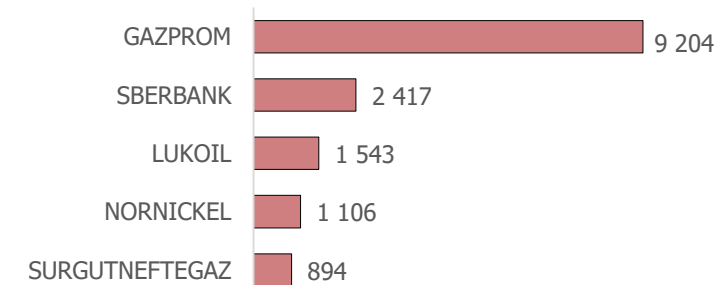
## TOP performance MOEXBC (blue chips)

Ticker	Free-float <sup>1</sup> , \$ bln	ADTV, \$ mln	Price YTD, %
GAZP	43,75	148,8	67,8
SNGS	6,14	19,3	64,1
YNDX	11,8	13,3	39,5
GMKN	16	38,8	30,7
MTSS	4,27	9,6	27,9

## TOP performance MCXSM (small caps)

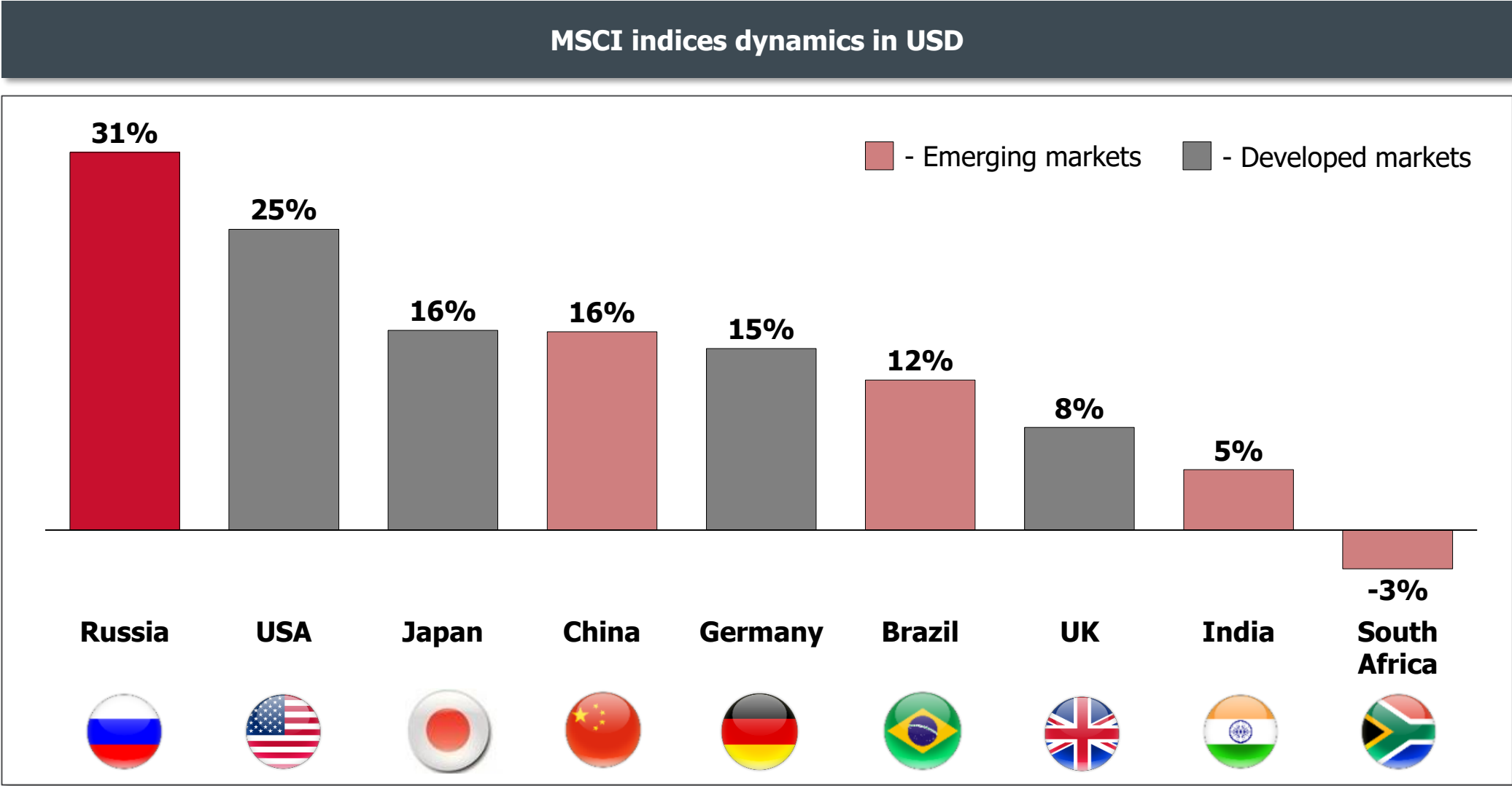
Ticker	Free-float <sup>1</sup> , \$ bln	ADTV, \$ mln	Price YTD, %
OGKB	0,3	0,9	98,1
AFKS	0,8	3,8	87,5
MSRS	0,1	0,1	68,6
TGKA	0,1	0,5	55,2
RSTI	0,4	3,7	53,6

## TOP-5 liquid stocks, \$ mln



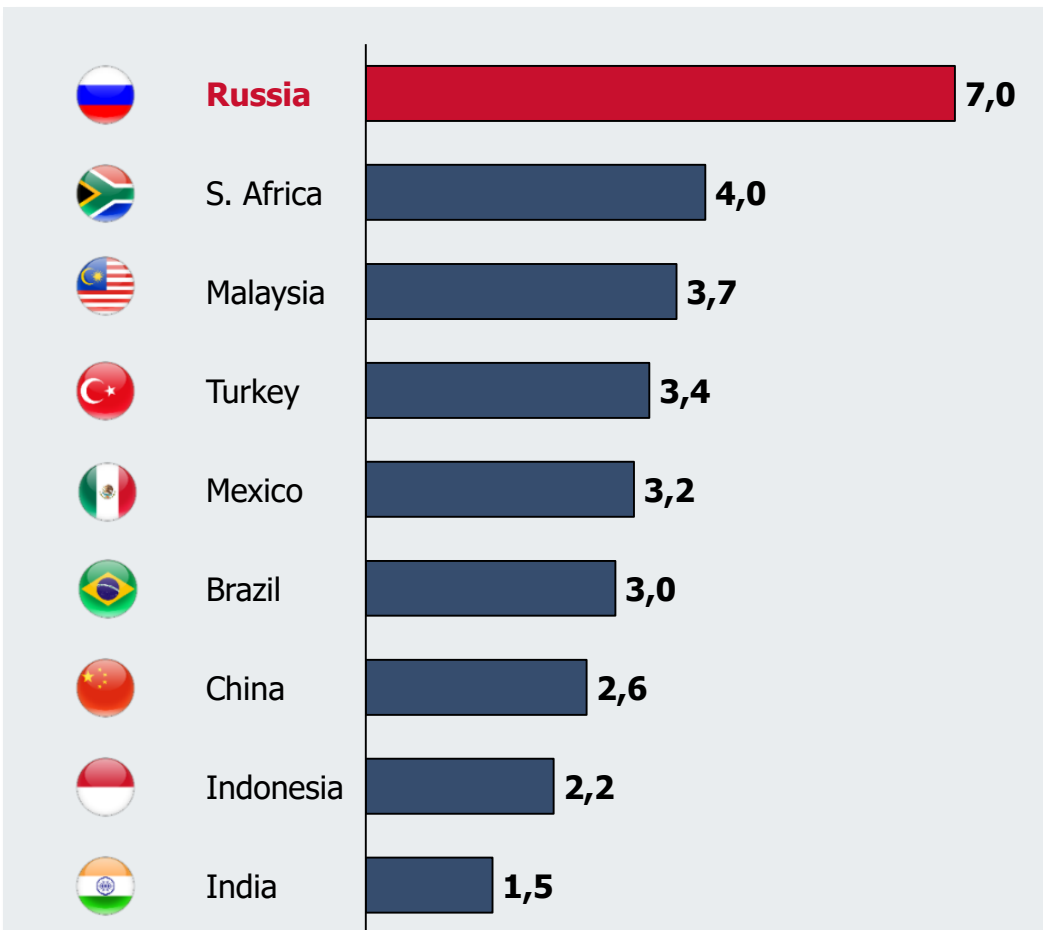
**MOSCOW  
EXCHANGE**

# Equity market indices return in 2019 YTD

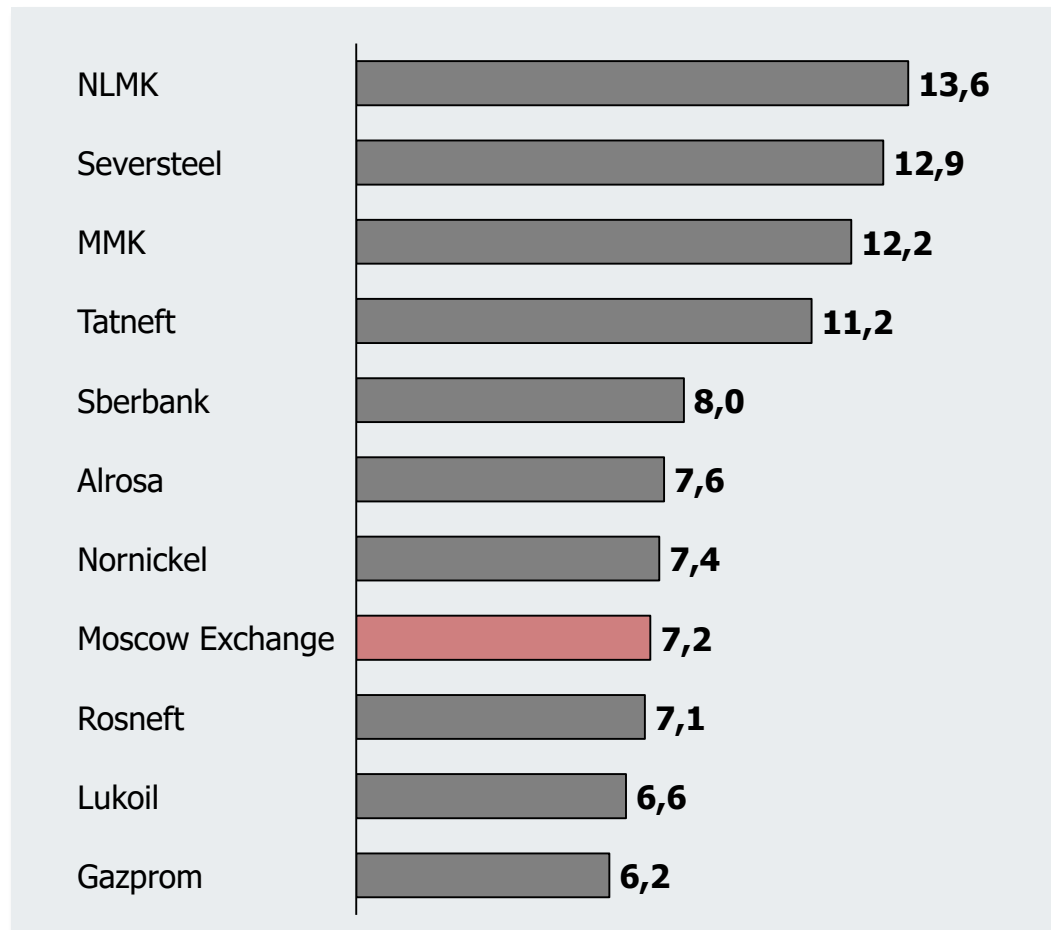


# Russian equities: high dividend yield

## Emerging market indices dividend yield 2019E, %



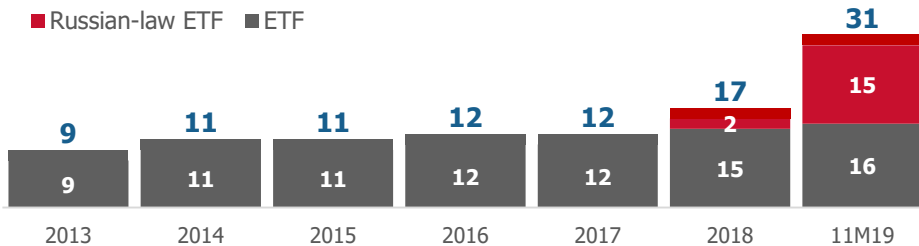
## The most liquid Russian companies with dividend yield >6% (2019E), %



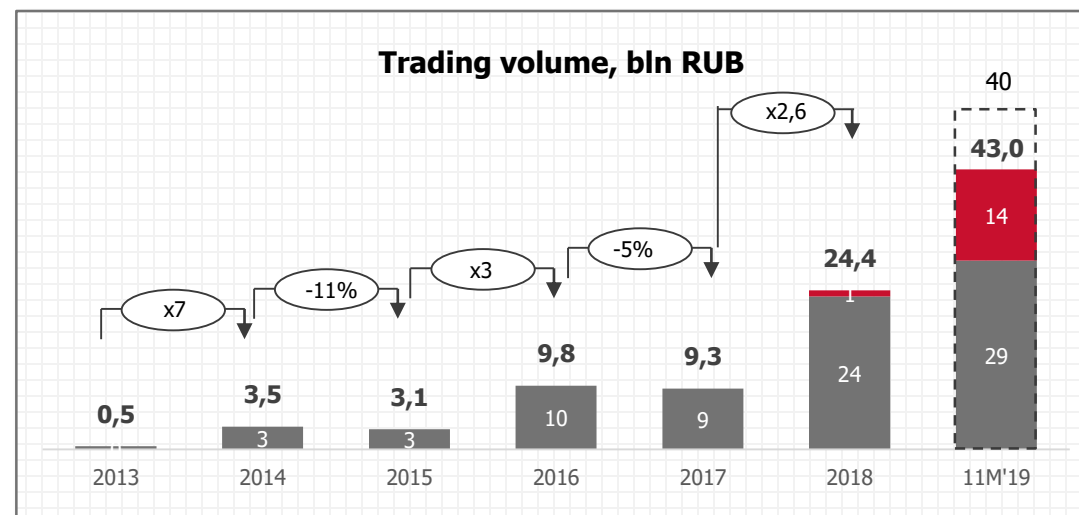
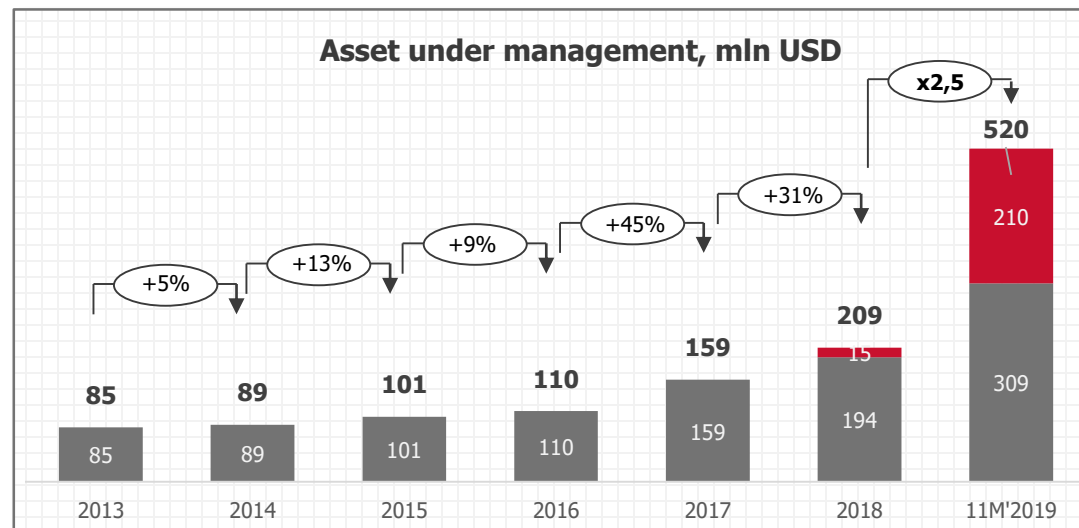
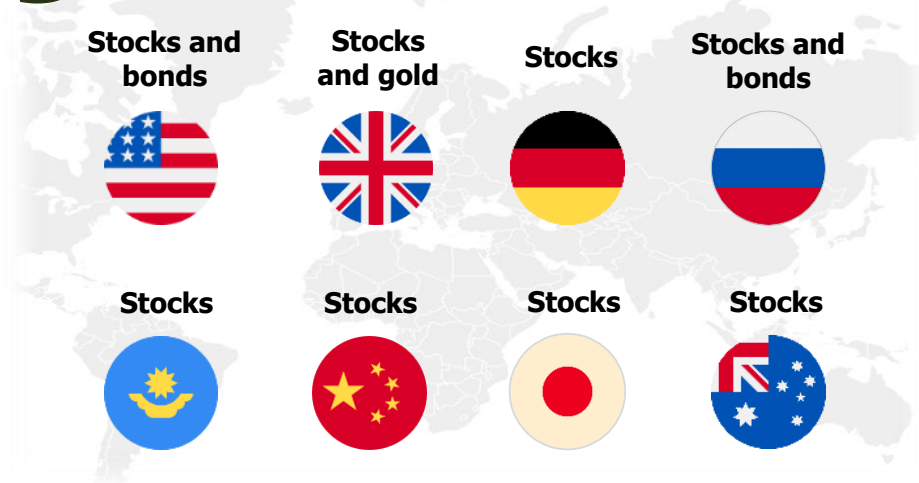


# Russian collective investment market November 2019

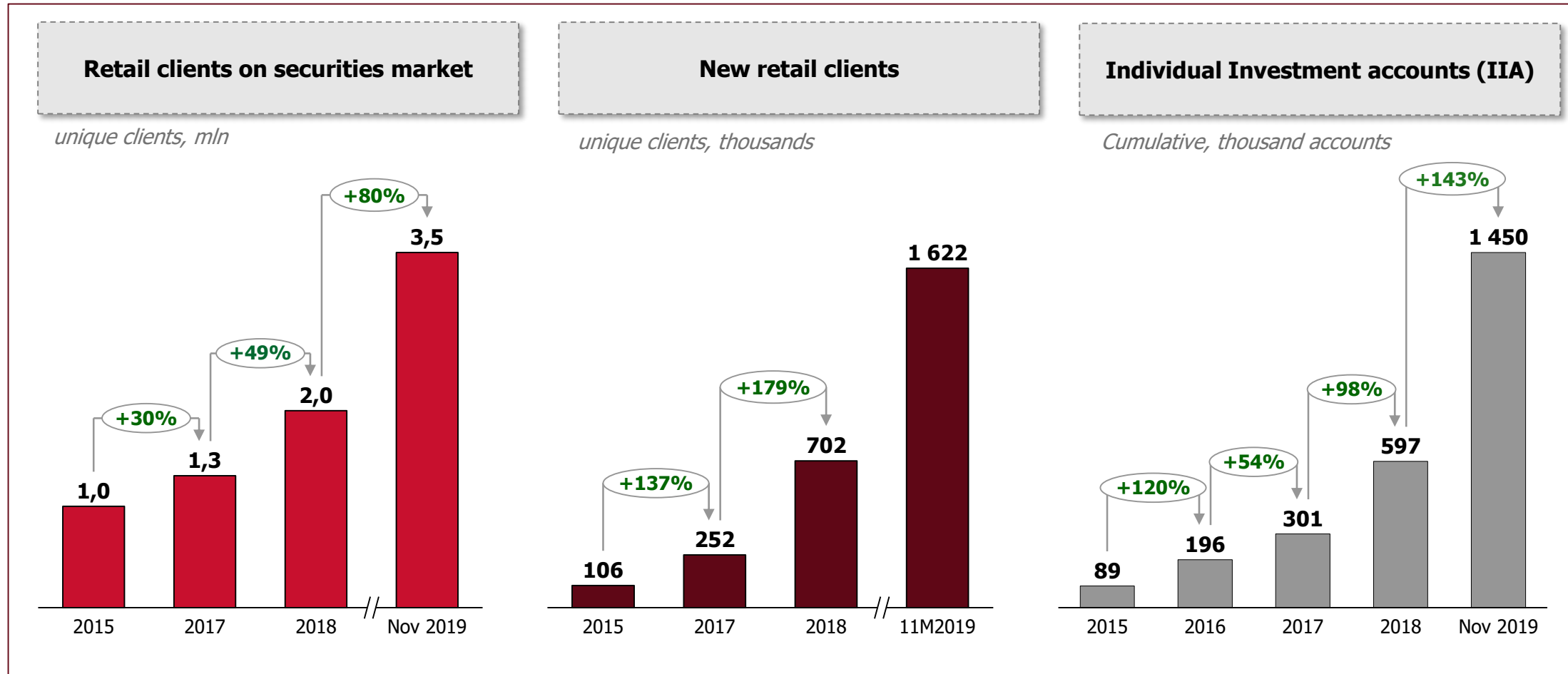
Total: **31** ETF      **16** are based on international law  
**15** are based on Russian law



## 9 Countries on which our ETFs are based



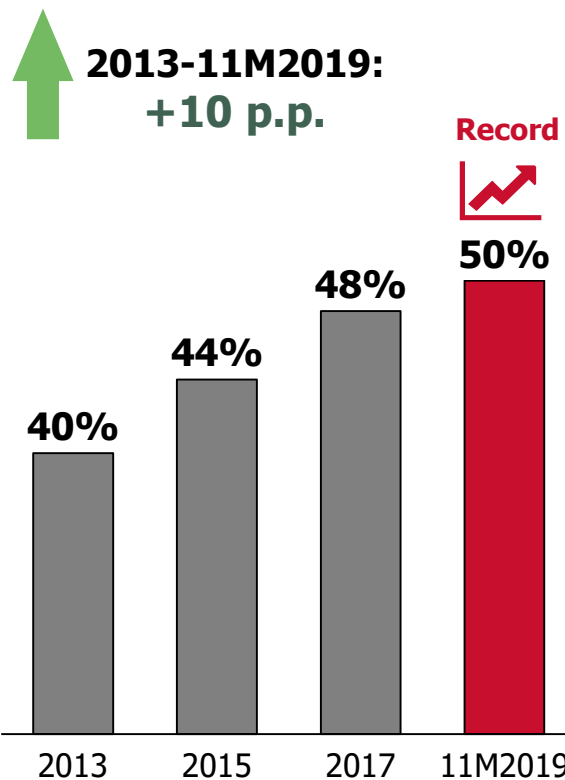
# Record inflow of retail investors to MOEX securities market: ~150 thousand new clients per month in 2019



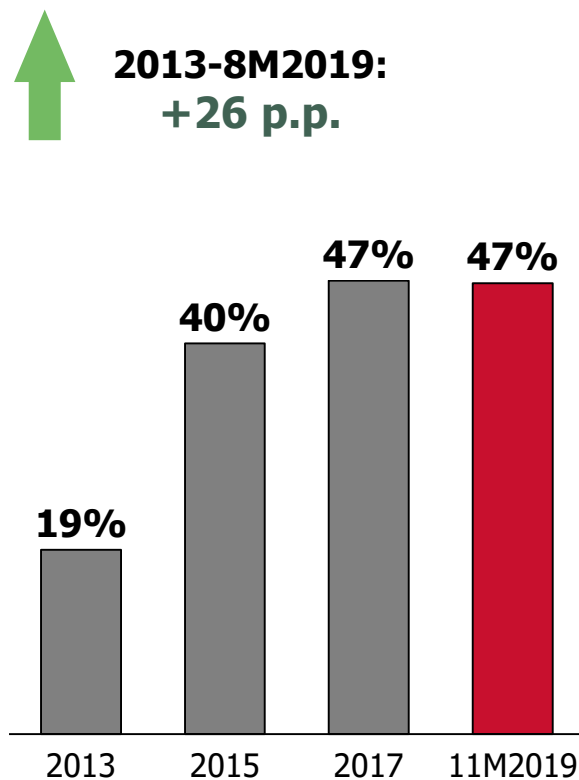
# Growing share of international investors on MOEX markets

## Share of international investors in equities and derivatives trading on MOEX

### Equities market



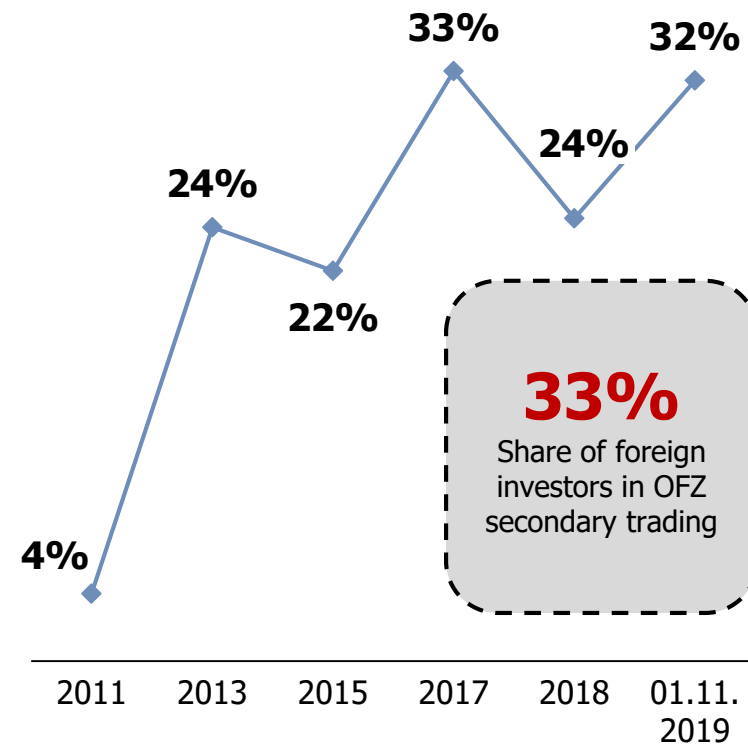
### Derivatives market



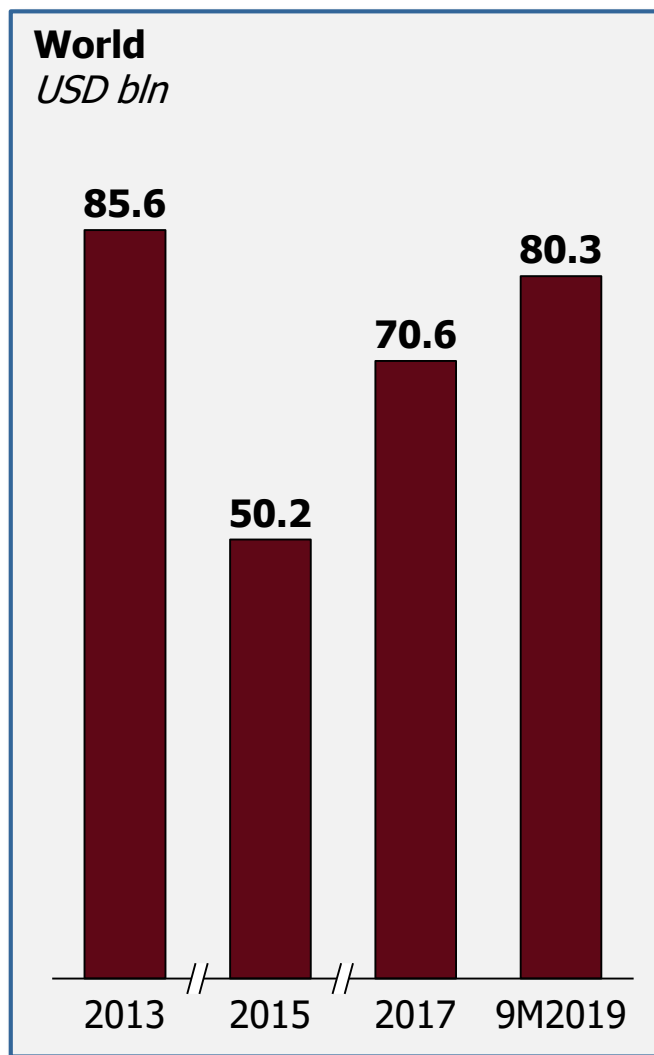
## OFZ holdings of non-residents

### Share of non-residents in OFZ

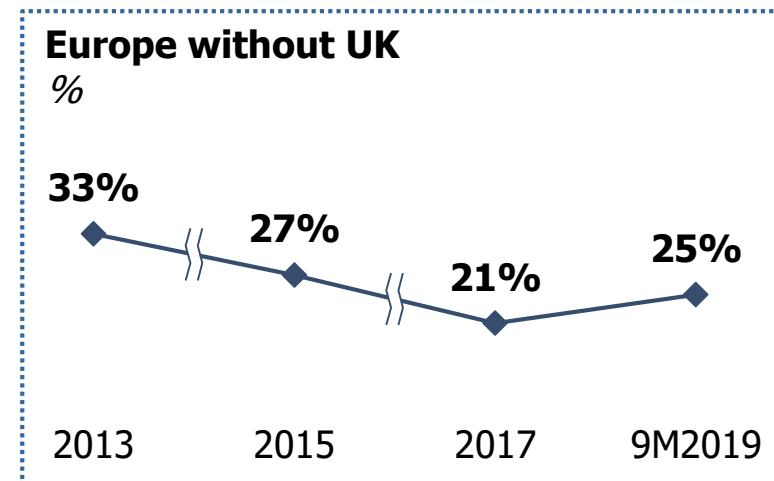
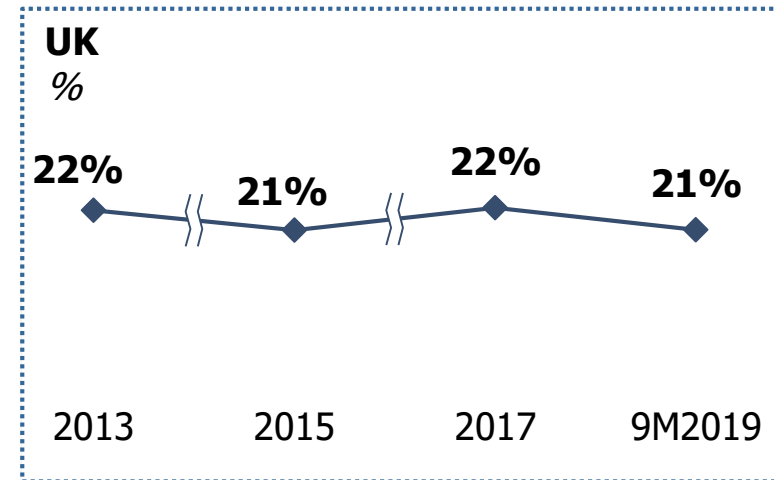
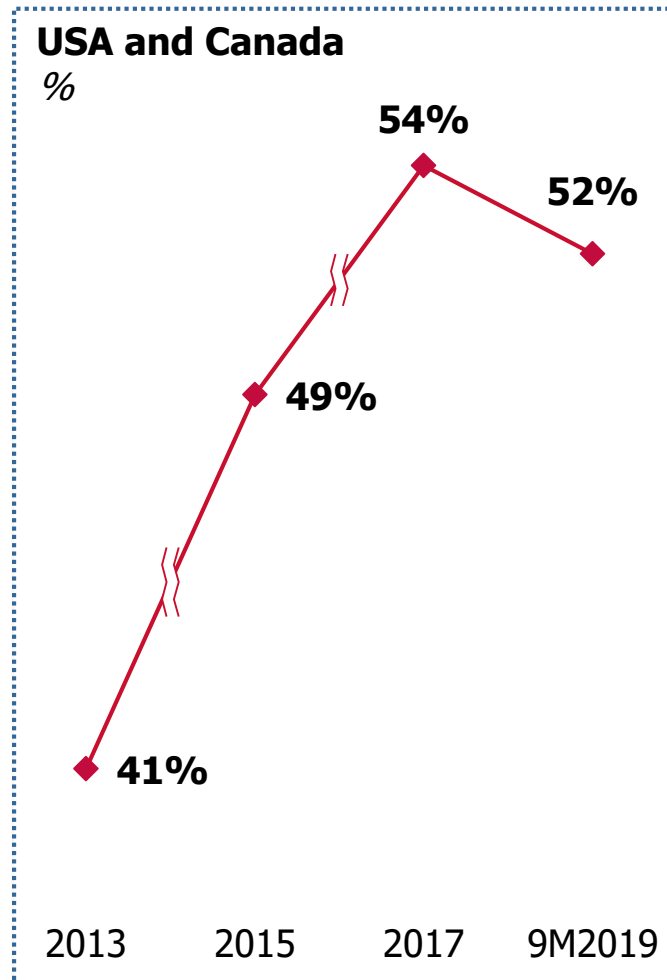
as of period end



# Reported international funds' holdings of Russian equities is close to a pre-crisis level in 2013



◆ - Share in holdings

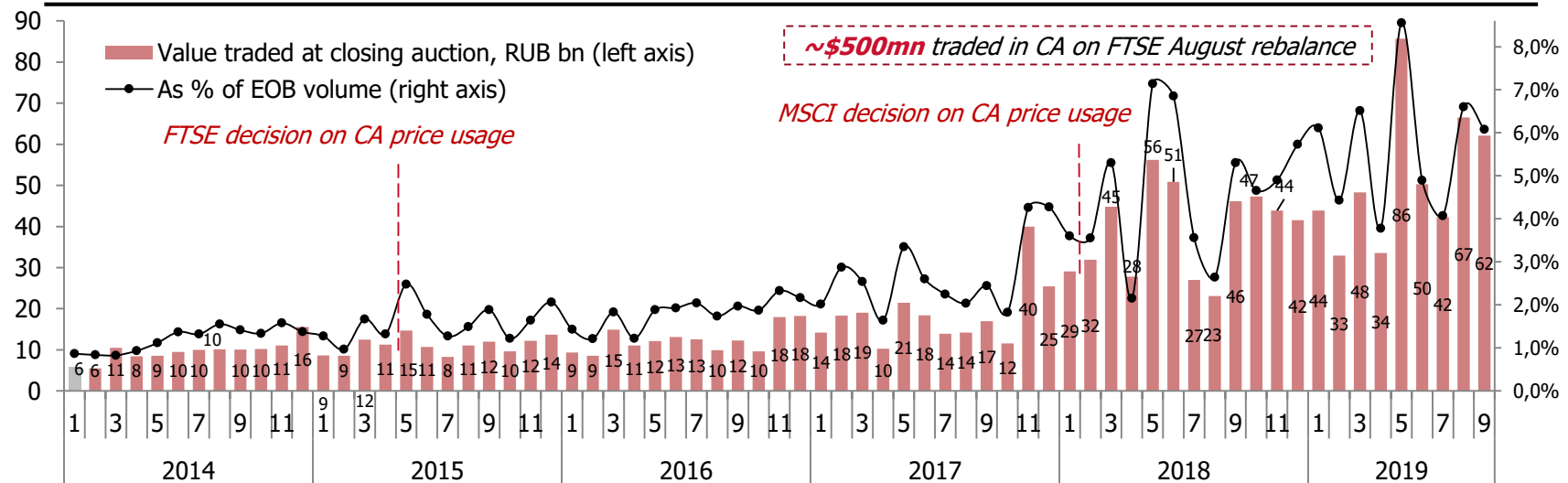


# Closing auction: modern technology for **price discovery**

## Quick facts

- Closing auction implementation brought MOEX infrastructure in line with the best practices;
- **FTSE started using MOEX Closing price in April 2015;**
- **MSCI started using MOEX Closing price in October 2017;**
- A steady growth of Closing auction share in total Securities market turnover confirms foreign institutional investors' interest towards Russian market.

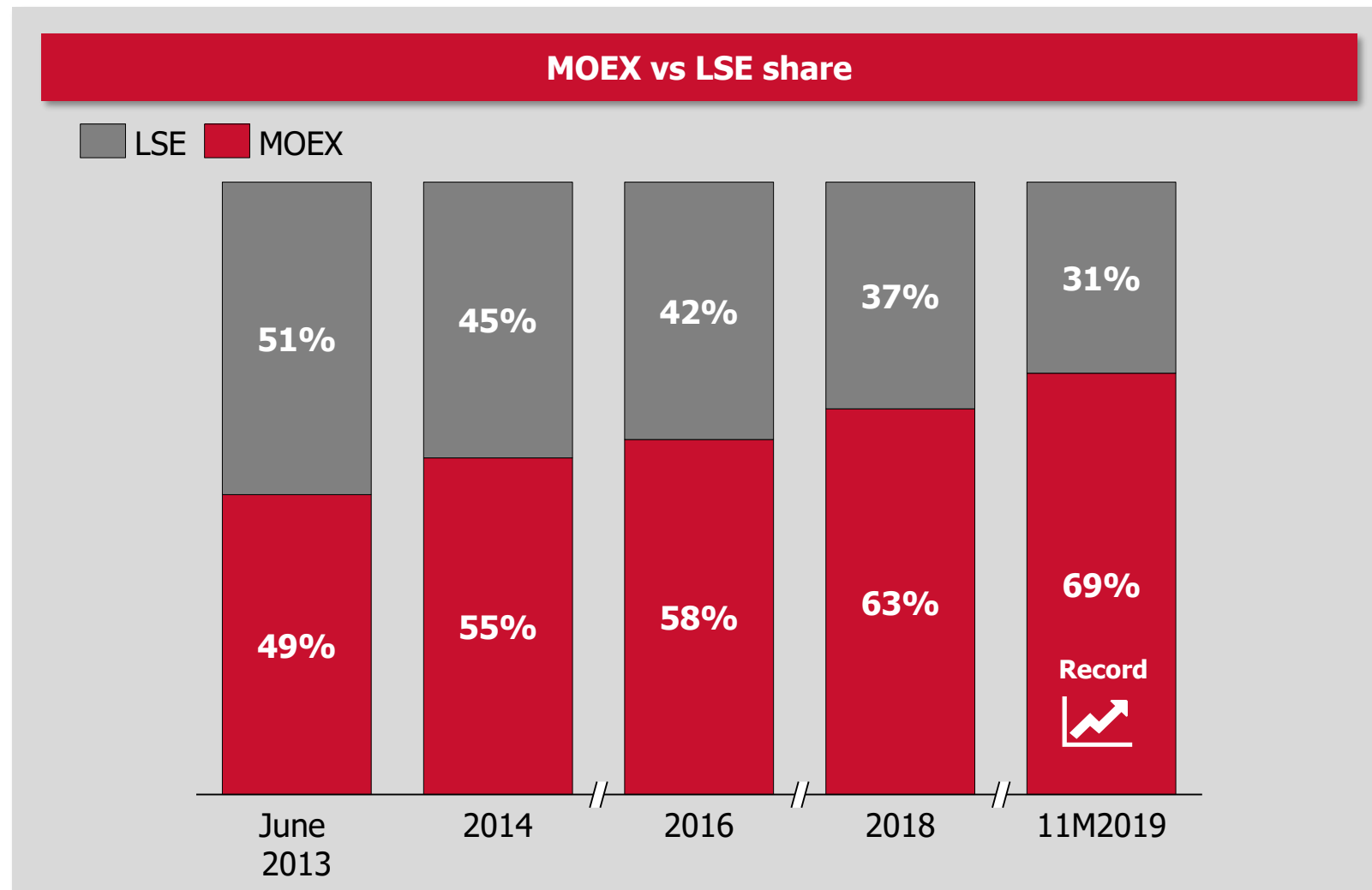
## Statistics



- Last MSCI rebalancing was in August 2019

Following the success of the Closing auction, MOEX launched Opening auction in June 2015

# Moscow is the liquidity center for Russian equities



## Disclaimer

This presentation has been prepared and issued by Public Joint Stock Company "Moscow Exchange MICEX-RTS" (the "Company") – the entity is not affiliated with Interactive Brokers LLC or any other FINRA broker-dealer.

The Company is the source for all data contained in this document. Such data is provided as at the date of this document and is subject to change without notice.

This document does not constitute or form part of, and should not be construed as, an offer or invitation for the sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any offer, contract, commitment or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company.

The information in this document has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or opinions contained herein. The information in this document does not and is not intended to take into account the particular financial conditions, investment objectives or requirements of individual customers. Before acting on this information you should consider whether it is suitable for your particular circumstances and, as necessary, seek professional advice.

None of the Company, or any of its subsidiaries or affiliates or any of such person's directors, officers or employees, advisers or other representatives, accepts any liability whatsoever (whether in negligence or otherwise) arising, directly or indirectly, from the use of this document or otherwise arising in connection therewith.

