

### MARKET COMMENT

#### Equities

As expected, Russian equities continue to trade sideways with IMOEX (-0.2%) largely flat in the absence of meaningful triggers. Sberbank (-0.5%) posted solid numbers, but the management's comments spoiled sentiment in the stock. Stable weakness in the rouble, fluctuating around 76 against USD, brings additional buying interest to the M&M sector with MMK (+1.7%) and Mechel (+2.7%) among the top performers. However, weakness in Brent (-1%) is the key constraint for a further rebound in O&G, without which the index is likely to fail in attempts to break through 2300 resistance ([page 3](#))

#### Fixed Income

The OFZ market was directionless on Thursday with changes to yields within 5bp and notable activity in only a few issues. Papers of series 26223 (7.67%, 2024) led turnover, with the yield rising 5bp. Issue 26241 (10.47%, 2032) was also actively traded. Today the market will most likely remain neutral and quotes will see limited changes ([page 4](#))

### IN FOCUS

**Macroeconomics – CBR analyst survey: Improved GDP forecast, USD/RUB downgraded** – GDP is expected to fall 1.1% in 2023, inflation to reach 6% – we expect almost flat GDP and 7.5% inflation: above consensus ([page 4](#))

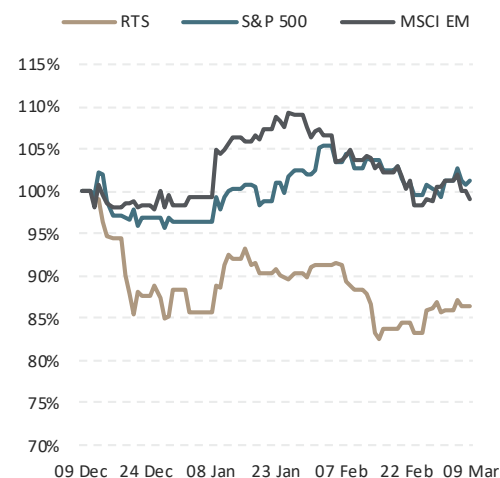
### NEWS IN BRIEF

**Macroeconomics – Volume of incoming payments through CBR rose m/m in February** – volume was 11.4% higher than the 4Q22 average – growth was seen in all industries (highest in investment demand) – supports our above consensus forecast for flat GDP in 2023

**Oil producers – Urals trades at just a \$16/bbl discount to Brent in west coast ports of India** (Argus) – ESPO and Sokol blends were sold at \$70-75/bbl (fob) to Asian markets at Far East ports – indicates that average export selling price of Russian producers is above the oil price cap – improved logistics efficiency should bring an additional \$10/bbl by mid-2023 – positive

**On today's agenda:** Moscow Exchange – 4Q22 and FY22 IFRS and conference call, Dividend recommendation

### RUSSIA VS. MAJOR STOCK INDICES



Source: Moscow Exchange

Stock Indexes	Last	1D	1W	YTD
RTS Index	951	0.0%	0.9%	-2.0%
IMOEX Index	2,290	-0.2%	1.6%	6.3%
MSCI EM	969	-1.1%	-1.6%	0.6%
DJIA	32,890	0.4%	0.2%	-0.3%
NASDAQ	11,622	0.6%	2.5%	11.9%
S&P 500	4,012	0.5%	1.8%	5.0%
HSI	19,926	-0.6%	-2.5%	0.7%
VIX	18.9	-2.4%	-8.0%	-13.0%

Currencies	Last	1D	1W	YTD
USDRUB	75.9	-0.5%	2.1%	6.2%
EURRUB	80.2	-0.4%	0.5%	5.4%
EURUSD	1.06	0.2%	-0.4%	-0.9%
CNYRUB	10.9	-0.8%	0.2%	5.4%

Commodities	Last	1D	1W	YTD
WTI Crude, \$/bbl	77.4	0.8%	-0.6%	-1.7%
Brent Crude, \$/bbl	83.4	-1.0%	-1.3%	-3.0%
Gold, \$/oz	1,835	0.6%	-0.4%	0.6%
Silver, \$/oz	20.3	0.5%	-3.2%	-15.4%
Platinum, \$/oz	960	0.8%	-0.6%	-10.7%
Palladium, \$/oz	1,350	-2.8%	-3.6%	-23.6%
Aluminum, \$/t	2,344	-0.5%	-3.4%	-2.5%

Bonds	Last	1D	1W	YTD
UST 10	4.0%	3.9 bp	-10.9 bp	8.7 bp
RGBI	129.2	0 bp	34 bp	-193 bp

Source: Moscow Exchange, Yahoo Finance

## Events to Watch

Date	Company / Sector	Event	Comment
10 Mar	Moscow Exchange	Dividend recommendation	We expect Rb7.6 DPS implying a 55-60% payout
10 Mar	Moscow Exchange	4Q22 and FY22 IFRS and conference call	We expect 4Q22 net income to remain near record highs as interest incomes stay strong and fees fall moderately
15 Mar	Gazprom	Operating data for 1H March	Gazprom may increase exports to non-FSU countries by 190-210 mmcm per day at the end of the heating season
15 Mar	Rosneft	4Q22 IFRS financial results	We expect 4Q22 to contribute Rb7.5/share to the final DPS, while we forecast a 2H22 DPS of Rb15/share
15-22 Mar	Rusal	2H22 IFRS financial results	The average aluminium price declined by 24% h/h to \$2344/ton in 2H22, which should result in lower EBITDA and FCF. The company may announce a 2H22 dividend of Rb1.2/share
15-31 Mar	Bank St Petersburg	FY22 abbreviated RAS	This will be the first disclosure in 2022; we expect strong numbers with ROE in the high teens
17 Mar	X5 Retail Group	4Q22 financial results	The company posted strong sales growth for the quarter and we expect margins to stay reasonably good
17 Mar	KAP	4Q22 IFRS financials and conference call	Following the 30% q/q drop in uranium sales disclosed in the latest trading update, we expect q/q declines in revenue (24%), EBITDA (34%), and net income (40%). More important will be the 1Q23 market outlook presented during the call
17 Mar	Economics	CBR rate decision	We expect the regulator to keep the rate at 7.5%
22 Mar	Economics	FOMC rate decision	We expect a rate hike of 25bp and a hawkish statement about future monetary policy
29 Mar	Lenta	4Q22 financial results	The company posted weak revenue growth and we expect pressure on margins
31 Mar	Gazprom	Operating data for March	We forecast non-FSU supplies at 190-210 mmcm per day with some recovery after a warm January
31 Mar-7 Apr	Segezha Group	4Q22 IFRS Results	We expect to see a minor q/q improvement in financials driven by efficiency gains in logistics, albeit the strong rouble on average in 4Q22 will again translate into a cRb1bn net loss
3 Apr	RZD	Operating results for March	We expect y/y growth due to the low base of 2022
3 Apr	Oil market	OPEC+ meeting	The cartel may revise quotas based on the pace of China's recovery in demand and the replenishment of the US SPR
2 May	RZD	Operating results for April	We expect y/y growth due to the low base of 2022

Sources: Company data, Sinara Bank

Note: Dates are preliminary

**Trader’s View**

**IMOEX down 20bps on fair volumes**

SBER fell 50bps yesterday on higher-than-average volumes after strong, but expected, 4Q22 results. Note, the CEO said no decision on dividends had been made yet and is expected later in March. Moreover, management hints the bank could be eligible to a one-off tax / contribution to the budget. On the other hand, the forecast for 2023 is upbeat, which is a leading indicator for the economy.

Tech stocks tanked with Yandex and Ozon down 1%, and SFTL falling 2%. Perhaps the street is anxious after recent press reports about Yandex’s redomiciliation options and the rest of the sector has been caught in the selling.

Interestingly, Novatek (+50bps) is seesawing with Gazprom (-50bps) as EU natural gas prices slide below \$450/bcm. Oils were more or less flat.

Third-tiers continue to fly – Beluga, Sovcomflot and Okey all up 7% without news.

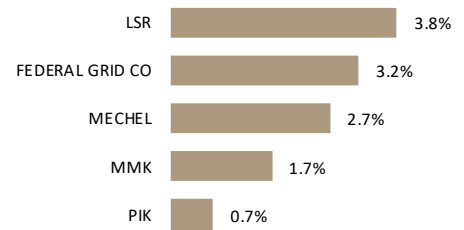
In steels, MMK (+1.7%), usually the least liquid of all, continues to outperform on volumes larger than in NLMK and SVST combined. What’s cooking?

USDRUB remains capped at 76 for now with volumes decelerating. Colleagues from fixed income also report a lack of liquidity.

**Aleksandr Koshkosh**  
Head of Domestic Sales

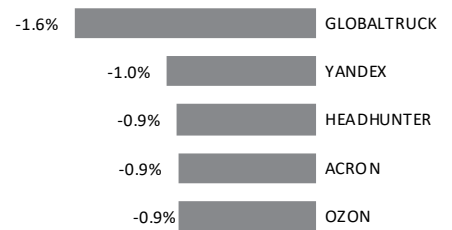
**Kirill Tachennikov**  
Head of Research

**BEST PERFORMERS OF THE DAY**



Source: Moscow Exchange

**WORST PERFORMERS OF THE DAY**



Source: Moscow Exchange

Note: Calculated as of main trading session close

## MACROECONOMICS

### CBR analyst survey: Improved GDP forecast, USD/RUB downgraded

*News:* The CBR presented its monthly analyst poll of 24 economists (including Sinara). Analysts polled by the Bank of Russia in March raised their forecasts for the USD/RUB for the next three years. Now experts are expecting an average of Rb73.6/USD (up from 72). Analysts improved their forecast for GDP for 2023, expecting it to fall not by 1.1% (vs a 1.5% decline before). At the same time, they also raised their GDP growth forecast for 2024 by 0.3ppt to 1.5%. A new item on the price of Urals oil was added to the forecast, according to which the median forecast for 2023-25 is about \$60/bbl on average per year. Inflation forecasts until 2025 remained the same (6%).

*Comment:* We agree with downgrading the rouble rate and will present our new forecast soon. That said, we believe consensus is underestimating economic growth this year. We have an above-consensus forecast for GDP (near flat) and inflation (7.5% in YE23).

**Sergey Konygin**

Chief Economist

## FIXED INCOME

### Market comment

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US Treasury yields fell from recent highs as investors continued to digest comments from Federal Reserve Chairman Jerome Powell about interest rate policy. The yield on 2-year paper fell 31bp to 4.77% while the 10-year notes lost 19bp to 3.81%.

**Alexander Afonin**

Senior Analyst



## RUSSIAN BONDS

	Currency	YTM	Yield chg. 1D, b.p.	Duration, years	Last price	Coupon	Volume	Maturity
<b>Sovereign eurobonds</b>								
Russia 28	USD	4.83%	-4	4.21	132.7	12.75%	2,500	24.06.28
Russia 29	USD	4.73%	0	5.21	94.0	4.38%	3,000	21.03.29
Russia 35	USD	5.83%	0	8.77	92.3	5.10%	4,000	28.03.35
Russia 42	USD	5.93%	0	11.50	96.2	5.63%	3,000	04.04.42
<b>Local corporates</b>								
AKRNRU 7 1/4 04/21/23	RUB	7.70%	31	0.11	99.9	7.25%	10,000	21.04.23
SIBNEF 7.2 03/07/24	RUB	8.35%	2	0.88	99.0	7.20%	25,000	07.03.24
SIBNEF 6.85 11/05/24	RUB	8.92%	1	1.45	97.2	6.85%	25,000	05.11.24
LSRGRM 8.65 09/11/26	RUB	11.20%	-3	2.69	93.9	8.65%	10,000	11.09.26
EUCHEM 7.85 08/18/23	RUB	8.20%	-40	0.41	100.0	7.85%	13,000	18.08.23
LENTRU 6.3 05/31/23	RUB	7.96%	2	0.22	99.6	6.30%	10,000	31.05.23
MAGNIT 5.9 05/19/23	RUB	7.96%	-18	0.19	99.6	5.90%	15,000	19.05.23
MTSSRM 8.7 01/23/24	RUB	8.22%	0	0.79	100.6	8.70%	10,000	23.01.24
MTSSRM 6.85 10/26/23	RUB	8.24%	-18	0.58	99.3	6.85%	15,000	26.10.23
MTSSRM 6 1/2 03/22/24	RUB	8.28%	0	0.92	98.4	6.50%	4,500	22.03.24
PIKCOR 7.4 03/29/23	RUB	7.89%	14	0.06	99.9	7.40%	7,000	29.03.23
TRNFP 9 1/4 01/26/24	RUB	8.24%	-36	0.80	101.0	9.25%	15,000	26.01.24
URKARM 6.85 02/25/25	RUB	9.50%	13	1.71	95.6	6.85%	30,000	25.02.25

Source: Cbonds.ru, Sinara Bank

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