



Russian Services PMI

About the Index

The Russian Services PMI is a monthly publication produced by VTB Capital Research in association with Markit Economics, a reputable British company specializing in PMI publications on a global scale, featuring original research data from a survey of 300 Russian purchasing managers. The data is calculated from October 2001. The index is released on a monthly basis on the third working day at 8am Moscow time.

Notes on Data and Survey Methodology

This report is based on data compiled from monthly replies to questionnaires sent to a panel of companies in the Russian service sector. The panel includes 300 private companies from the sector. The panel has been carefully selected to accurately replicate the true structure of the services economy. The Service Sector economy is divided into the following areas: Hotels & Restaurants, Post & Telecommunications, Financial Intermediation, Renting & Business Activities, Transport & Storage, Other Services. Questionnaires are dispatched at mid-month, requesting comparisons of data with the situation one month previously.

The survey data are presented in different ways. First, we show the percentage of companies indicating an improvement, deterioration or stability of the situation when compared to the previous month. We then show a net value which is the result of subtracting the number of companies indicating a deterioration from those indicating an improvement. From the combination of these figures, we obtain a unique value - an individual index, known as a diffusion index. Diffusion indices vary between 0 and 100, with 50.0 representing the level base. An index situated above 50.0 indicates expansion of the corresponding variable (i.e. new orders, price, employment, etc.); An index situated below 50.0 indicates contraction, whilst an index of 50.0 indicates no change in that variable compared with the previous month. The greater the divergence from 50.0, the greater the rate of expansion or contraction.

The VTB Services PMI is a composite index designed to provide a snapshot of the health of the services economy. The PMI is based on five of the individual indexes with the following weights: Incoming New Business - 0.3, Business Activity - 0.25, Employment - 0.2, Outstanding Business - 0.15, Future Business Activity - 0.1. The VTB Services PMI report complements the VTB Manufacturing PMI report for Russia, which is also produced by Markit Economics. The VTB PMIs are produced with the same technical applications used in the production of the United Kingdom and Eurozone PMI reports, which have become important tools used frequently by governments, economists in the public and private sector, and financial institutions as timely and reliable guides to economic trends.

VTB Capital

VTB Capital, VTB Group's Investment Business, occupies a unique position in the Russian investment market, and brings together all the advantages of one of the largest banks in Eastern Europe: VTB. Not only do our clients benefit from financing and investment solutions of the very highest quality, they also have access to unrivalled conditions in the Russian and international markets.

VTB Capital revolves around raising significant financial resources and then investing them efficiently so that our clients' businesses develop. VTB Capital has offices in Moscow, London and Singapore. It focuses on arranging operations in debt and equity markets, advising clients on ECM and M&A deals in Russia and abroad, and developing private investment, as well as operations on the global commodities markets and asset management. We aim to provide our customers with products and services of highest quality and find new solutions that are concurrent with today's unconventional market conditions.

Press contacts:

Evgenia Pryadko
evgenia.pryadko@vtbcapital.com

Questions and further information:

Dmitri Fedotkin
dmitri.fedotkin@vtbcapital.com

VTB Capital

VTB Capital and/or VTB Group do and seek to do business with companies covered in their research reports. Thus, investors should be aware that the firms may have a conflict of interest that could affect the objectivity of this report.

Investors should consider this report as only a single factor in making their investment decision.