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The Moscow Narodny Commodity Price Monitor is a monthly publication, researched and published by Group Economics and represents a comprehensive indicator of the current price developments on world commodity markets that are of considerable importance to the Russian economy.



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*Press enquiries/
further information contact:
Paul Forrest, Group Economist
0207-8159333
forrestp@mosnar.com*

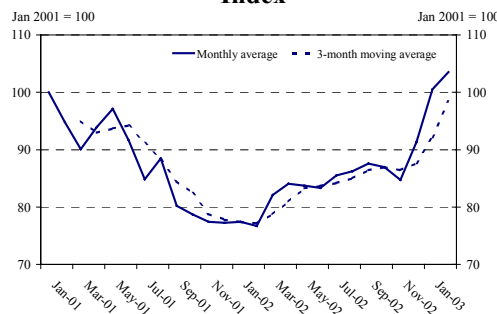
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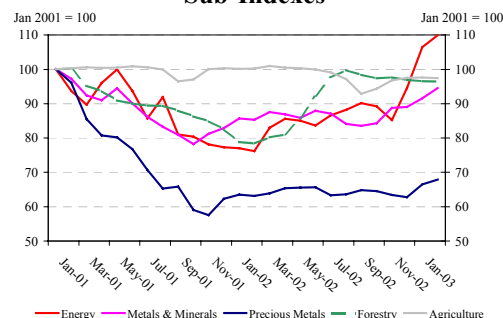
MNB Russian Commodity Price Index reaches record high in February

The MNB Commodity Price Index continued its recent trend and increased further over the past month, up 3.0% to reach a survey high of 103.5 (January 2001=100) in February, with the improvements in the overall index largely influenced by the gains registered across the energy, metals & minerals and precious metals sub-indexes. While these gains remain primarily supply driven, the lingering uncertainty associated with US pressure for military action against Iraq is far from resolved and continues to impact on current price levels. Notwithstanding the opposition among key NATO members and also the contingent attempts by both OPEC-10 and non-OPEC producers to mitigate current price volatility, the threat of Middle East supply disruptions remains a threat. As a result of these price supportive factors, upside potential remains and Russia's external and liquidity position to be further enhanced.

MNB Russian Commodity Price Index



MNB Russian Commodity Price Sub-Indexes



MNB Commodity Price Indexes

10-Mar-03

Growth Trends (% change)

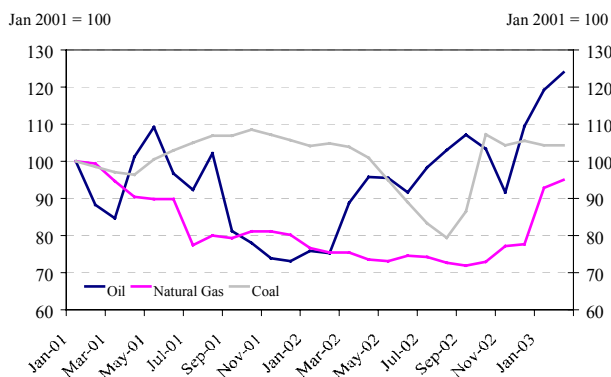
	Weights	One Month	Three Months	Six Months	One Year
All Commodity Price Index	100	3.0	13.4	18.2	38.4
Industrials					
Energy	71.55	3.2	16.3	21.9	48.7
Metals and Minerals	15.31	3.3	6.2	13.2	11.9
Precious Metals	7.78	2.2	8.3	4.8	8.4
Forestry Products	5.03	-0.1	-0.5	-2.0	25.3
Agriculture	0.33	-0.2	-0.1	4.9	-3.1

Index Jan 2001 = 100

	February	January	December	November	October
All Commodity Price Index	103.5	100.5	91.3	84.7	87.6
Industrials					
Energy	109.9	106.5	94.5	85.3	90.1
Base Metals and Minerals	94.6	91.5	89.0	88.8	83.5
Precious Metals	67.9	66.5	62.8	63.4	64.8
Forestry Products	96.5	96.6	96.9	97.7	98.4
Agriculture	97.4	97.6	97.6	96.8	92.9

Energy Index

MNB Russian Energy Price Indexes



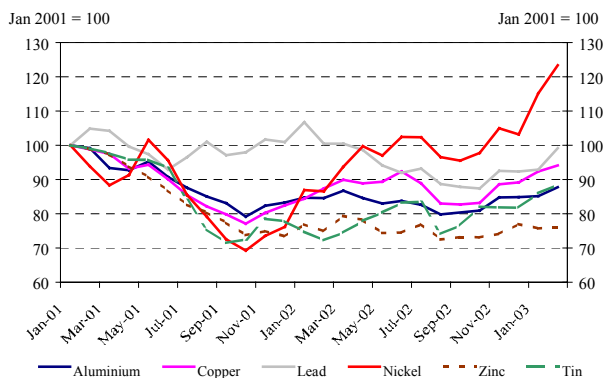
The energy index increased further over the past month, rising 3.2% to 109.9, as gains were registered in both the oil and gas components. At a survey high, the energy price sub-index remains almost 50% above levels recorded a year earlier. As mentioned previously, the ongoing ‘event risk’ associated with Iraq and temporary disruption factors have continued to fuel an upward trend in oil prices, and Russia continues to benefit from average monthly Urals NWE crude oil prices rising from US\$30 per barrel (pb) in January to US\$31.2 pb in February. At present, Urals NWE crude oil is trading slightly below US\$33 pb, the highest levels since late 2000, and given that current levels have remained above US\$32 pb since end-February it seems that further gains in the energy index are expected. With these price levels significantly above the government’s conservative budget oil price estimate of US\$21.5 pb, it likely that under most oil price scenario’s the authorities will at least

meet the 2003 budget target of 0.6% of GDP. In response to the current level of higher prices and supply concerns, OPEC-10 have increased the production ceiling from 23 million barrels per day (mb/d) to 24.5 mb/d. While this latest move represents the second quota increase since the start of the year, it seems unlikely that a suspension of official quotas will be announced at this week’s OPEC meeting. It is more probable that in consultation with non-OPEC members, notably Russia, an announcement will involve some form of reaffirmation regarding the group’s commitment to balance market conditions. Overall, it is clear that the risk of ‘war’ has created much nervousness and uncertainty and as expected has contributed to extreme price movements. Moreover, the scale of possible outcomes remains wide and as such, the accuracy in discounting the degree of risk associated with each event is highly problematic. While news of any resolution to the Iraq crisis will remove uncertainty and is likely to be associated with some form of market ‘sell-off’, the current oil market environment remains markedly different from 1991 and demand/supply dynamics remain broadly unfavourable. In this respect, and in the event of excluding the apparent ‘war premium’ risks, the structural weakness in the system is unlikely to disappear over the short-term and as global demand recovers to trend, these capacity constraints will become more evident and oil prices are likely to remain resilient.

As expected, the natural gas component edged higher over the previous month with the pricing mechanism used in European markets and the subsequent lagged impact of rising oil prices taking effect. At present, Russian gas export prices at Waidhaus delivery point are around US\$3.83 MMBtu, up by over 20% from levels witnessed six months ago.

Metals and Minerals Index

MNB Russian Metals Price Indexes

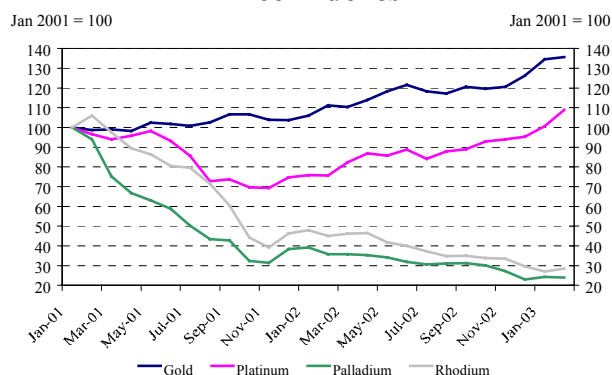


The metals and minerals index increased 3.3% m-o-m to reach 94.6 in February, a 2-year high, as

gains were registered across all sub-index price components. Nickel was highlighted as the strongest performer, up 7% m-o-m, as limited new capacity growth, tight supplies of stainless steel scrap and higher Asian demand for stainless steel continue to underpin the market and prices increased to above US\$9000 a tonne. Similarly, production cuts and associated supply concerns were also seen to be a major factor behind the recent m-o-m growth in aluminium (3.1%), copper (1.9%), lead (6.6%) and zinc (0.3%) prices. Nevertheless, the current strength across most base metal indexes appears somewhat over exposed to the apparent surge in Chinese demand, and in the absence of a sustained consumer re-stocking process and trend rate global industrial production, corrective pressures are likely to remain a threat over the near-term.

Precious Metals Index

MNB Russian Precious Metals Price Indexes

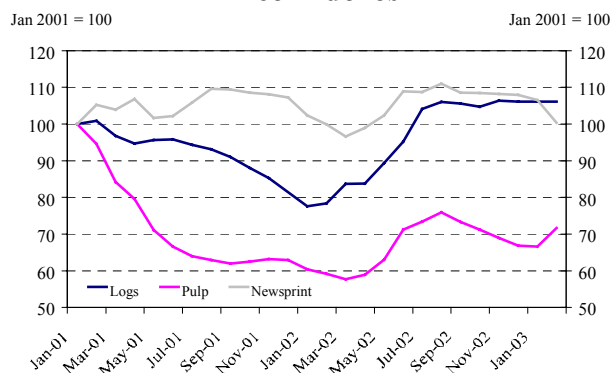


Owing to the lingering uncertainty and volatility in global equity markets, the search for an alternative asset class has contributed to the renewed appeal of

gold and PGM, and led to the precious metals index rising 2.2% over the past month. Yet again, platinum continued to outperform its PGM peers with the average monthly price rising over 8% from US\$630 per oz in January to US\$681.8 per oz in February, and remains around 40% higher than levels recorded at the beginning of 2002. Notwithstanding the speculative element, continued demand and a global supply deficit are likely to underpin the market and a consolidation at these higher levels is expected. Despite the gold price component edging higher in February, up 1% m-o-m, the apparent 'safe haven' status appears oversold and prices have fallen from around US\$383 per oz in early February to under US\$350 per oz by month-end. Overall, the index remains around 65% above levels registered a year earlier, still, the divergent pattern between platinum and palladium prices (as seen in chart) suggests that further gains are likely to be limited.

Forestry Products Index

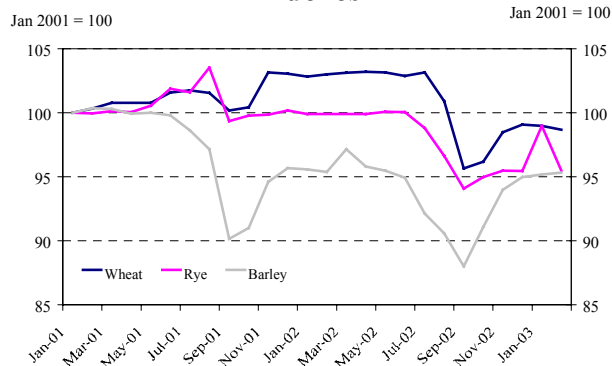
MNB Russian Forestry Products Price Indexes



The forestry products index continued its recent trend and fell for the third consecutive month, easing marginally to reach a preliminary 96.5 in February from a revised 96.6 in January. While the log component was held constant the fall in this month's index was influenced by the 5.8% m-o-m decline in the newsprint component, as demand conditions weaken across global markets. In contrast, the pulp price component increased markedly in February, up 7.6% m-o-m to reach a 4-month high, primarily influenced by a scarcity of pulp tonnage in Europe and speculative buying in Asian markets. With regards to the log price component, latest reports indicate a weakening in Russia's key North East Asian export markets and given the likelihood of increased competitive pressures, a further easing in Russian prices is expected. Thus suggesting a continued correction in the forestry products index.

Agriculture Index

MNB Russian Agriculture Price Indexes



The agriculture price index reversed its recent upward trend in February, down 0.2% m-o-m as price declines in wheat and rye offset the marginal gains registered in barley, up primarily on limited supply concerns in most regions. Indeed, the rye price component recorded the largest declines, falling almost 4% over the previous month. As expected, the termination of the government's interventionist policy appears to have provided a support level for Russia grain exports and it is unlikely that further gains in the overall index will occur over the near term. At the same time, latest reports indicate that Russian producers are expected to increase supply to the market during March in an attempt to enhance funds for the Spring sowing campaign. A move that is expected to contribute to the slowdown in price growth across most Russian grain markets.

Technical Notes

The Moscow Narodny Bank Russian Commodity Price Index is a fixed weight, export based index that encompasses the price movements of 22 commodities key to Russian exports. Weights are each commodity's average share of export values during the period 1996-2001. Similarly, weights of sub-index components reflect the relative importance within their respective product group. Unless otherwise specified, all indexes reported in this publication are compiled by Moscow Narodny Bank.

MNB Commodity Price Indexes

The all Commodities index and sub-indexes consist of the following:

	Weight in all-commodities Index (%)	Weight in sub-commodities Index (%)		Weight in all-commodities Index (%)	Weight in sub-commodities Index (%)
Energy	71.5	100.0	Precious Metals	7.8	100.0
Oil	36.2	50.5	Gold	2.2	27.7
Gas	33.3	46.7	Platinum	1.0	15.1
Coal	2.0	2.8	Palladium	4.2	53.3
			Rhodium	0.3	3.9
Metals	15.3	100.0	Forestry Products	5.0	100.0
Aluminium	8.3	54.4	Logs	2.6	53.7
Copper	2.1	13.6	Pulp	1.3	24.4
Lead	0.0	0.1	Newsprint	1.1	21.9
Nickel	2.6	16.2			
Zinc	0.3	1.8	Agriculture	0.3	100.0
Tin	0.1	0.4	Wheat	0.2	62.9
Iron	0.6	4.2	Rye	0.0	1.1
Nitrogen	1.3	9.2	Barley	0.1	36.1
Phosphate	0.0	0.0			

Source: Weights were calculated using the following data sources, Goskomstat, State Customs Committee, Johnson Matthey, Gold Fields Mineral Services Ltd.

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MOSCOW NARODNY BANK

INCORPORATED IN THE CITY OF LONDON SINCE 1919

81 King William Street, London EC4N 7BG, Telephone: +44 20 7623 2066, Facsimile: +44 20 7283 4840
 email: group.economics@mosnar.com, website: www.mosnar.com

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