

Information Products

Indices

New name for the benchmark Russian stock index

The name change of the Russian equity market's benchmark index was a landmark event of 2017: the MICEX Index was renamed as the MOEX Russia Index.

The new name will support MOEX brand awareness and value, and contribute to a more cohesive perception of the Exchange and the Russian financial market among domestic and international professional and retail investors.

The new name of the index was officially announced at the annual Exchange Forum in April 2017 and came into effect at the end of 2017, along with the new Moscow Exchange index calculation methodology. Index baskets were first reviewed under the new methodology on 22 December 2017.

The key changes to the methodology are as follows:

- ▶ the number of component stocks in the main indices (MOEX Russia and RTS) is no longer fixed at 50 stocks and will vary going forward;
- ▶ liquidity requirements for inclusion in the main indices were tightened, with issuers obliged to make IFRS disclosures;
- ▶ industry classification of issuers was revised, with the focus shifting from production process to company performance and final products. The updated classification is more aligned with international standards used by the world's leading index providers.

The changes to the index calculation methodology were developed jointly with market players to make the Exchange indices more convenient to use for funds and managing companies working with related financial products.

In addition, a new version of the pension index calculation methodology developed in cooperation with the pension savings market to suit new legislative requirements and the current market environment came into effect in December:

- ▶ decreasing the share of the equity subindex;
- ▶ increasing the share of the OFZ subindex;
- ▶ introducing limits on maximum specific weight of credit institutions' bond capitalisation;
- ▶ tightening bond liquidity requirements.

New Indicators

Given the rising investor interest in structured exchange products and the launch of exchange-traded investment funds scheduled for 2018, the Exchange developed a new service for calculating the indicative Net Asset Value (iNAV) for asset managers and participants engaged in the roll out and support of structured financial products. The new instrument provides a consistent flow of quotes for structured financial products to all stakeholders, enhancing transparency, increasing the frequency of updates on the indicative value of structured products and having a positive impact on their intraday liquidity.

International Recognition of Indicators

The results of the annual external audit by Ernst & Young confirmed that the Index Management Division complies with the 19 principles of the International Organisation Of Securities Commissions (IOSCO).

MOEX RUSSIA INDEX

a new name of the
Russian stock market
benchmark

The audit covered:

- ▶ FX Fixings, including the MOEX USD/RUB FX Fixing;
- ▶ families of equity indices;
- ▶ government and corporate bonds indices;
- ▶ pension indices;
- ▶ repo and swap rate indicators.

The report confirms the transparency of MOEX's index management procedures; the high quality of the Exchange's indicator generation, calculation, and disclosure processes; and the effectiveness of the Exchange's internal controls over the development, calculation and release of financial indicators and market benchmarks.

Exchange Update

In 2017, Moscow Exchange rolled out a new cloud-based service for accessing historical trading data from the Exchange's markets. It offers customised processing tools and graphical representations of the data and related analytical indicators.

Moscow Exchange also developed new principles for defining Non-Display Usage of the Exchange's market data and new pricing approaches for this type of data, reflected in new versions of the Moscow Exchange's Information Policy and Tariffs for its Information Services approved in 2017. These changes helped to further align the terms of using the Exchange's market data for traders and other clients benefitting from the Exchange's information services.