

Macroeconomic review: Russia's and global macroeconomic indicators

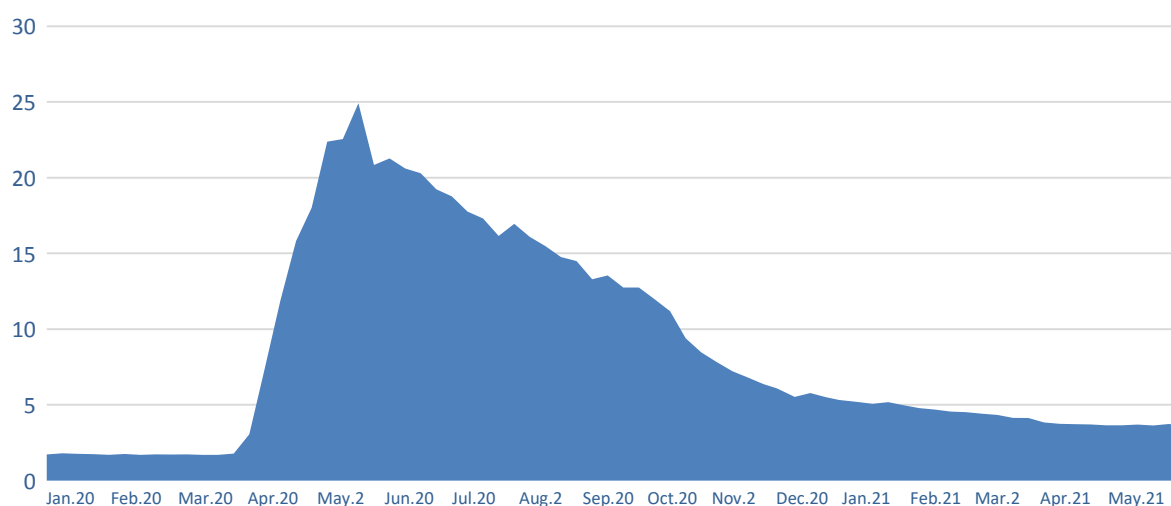
USA

- Daily average COVID-19 cases for the last 7 days, thousand

| yesterday | change for 7 days | change for month |
|-----------|-------------------|------------------|
| 23 | -8 | -34.1 |

- **IHS Markit Manufacturing PMI** was **61.5** in May after 60.5 in April.
- **IHS Markit Services PMI** was **70.1** in May over 64.7 in April.
- **Core durable goods orders** grew by **1% (MoM)** in April following 3,2% (MoM) growth in March
- **Consumer Confidence** was **117.2** in May over 117.5 in April.
- **Initial jobless claims** index in the last week was **406 thousand** after 444 thousand a week earlier.

Total number of persons receiving unemployment benefits in the U.S., million.



Source: US Department of labor

PMI indexes demonstrate unprecedented growth of U.S. economy. Services sector grows at an all-time record rate. Manufacturing goes up rapidly enough despite lack of labor and high feedstock prices.

U.S. market recovery can slow down in May. Despite the decline in initial jobless claims, total number of Americans receiving jobless benefits remains nearly unchanged as compared to April. This may be because people are reluctant to find a job due to large amount of benefits. Extra payments have been already been canceled by 22 states.

USD inflation is highly likely to continue to grow in May, since producers are rising prices, and demand is increasing. This may result in FRS winding up stimulus measures already in summer.

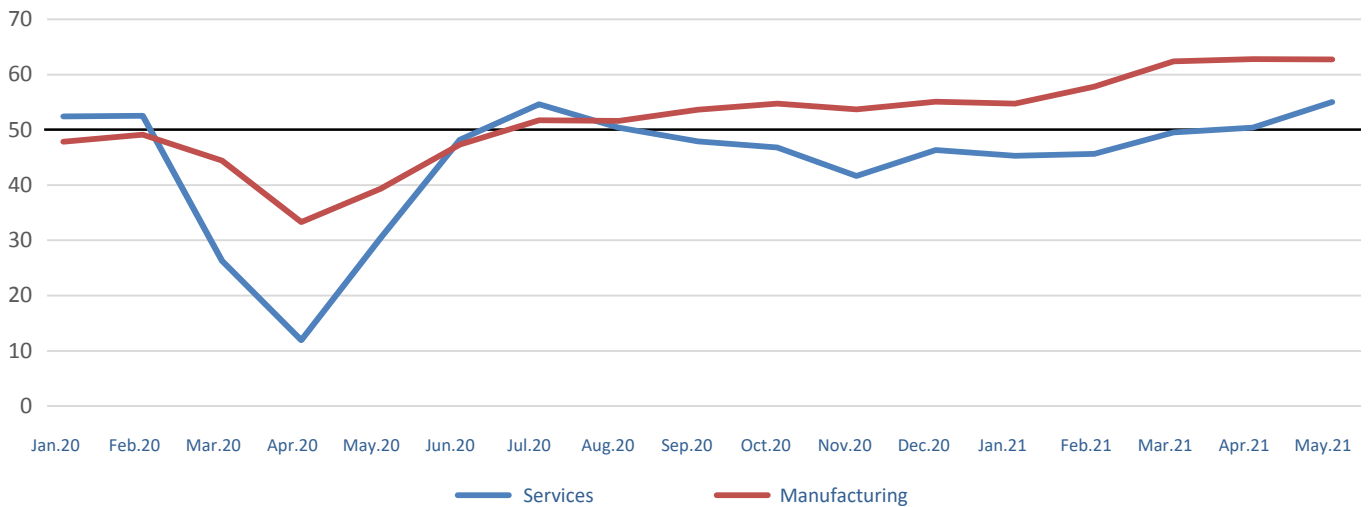
Euro area

- Daily average COVID-19 cases for the last 7 days, thousand

| | yesterday | change for 7 days | change for month |
|---------|-----------|-------------------|------------------|
| Germany | 5.1 | -3.9 | -15.8 |
| Italy | 4 | -6.8 | -15.9 |
| France | 9.6 | -2.8 | -16.5 |

- IHS Markit Manufacturing PMI was **62.8** in May after 62.9 in April.
- IHS Markit Services PMI was **55.1** in May over 50.5 in April.
- Inflation was **1.6% (MoM) in April** over 1.3% (MoM) growth in March.

Euro area business index



* Value above 50 refers to monthly growth, and value below 50 refers to a decline.

Source: IHS Markit

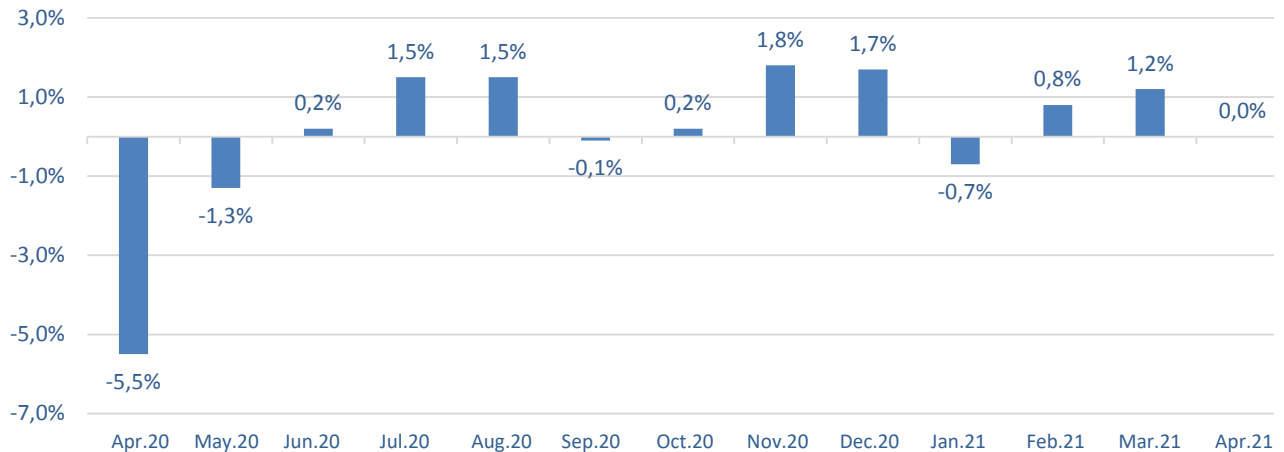
Services PMI began to grow thanks to COVID-19 cases falling fast. The situation is expected to improve in the nearest months. **Manufacturing boom is expected in Euro area.** However, producers are facing delays in deliveries and high materials costs. Inflation pressure rises as demand grows; however, there are no concerns yet that European Central Bank will begin to wrap up aid packages.

Russia

- Daily average COVID-19 cases for the last 7 days, thousand

| | yesterday | change for 7 days | change for month |
|--|-----------|-------------------|------------------|
| | 8.6 | -0.3 | -0.1 |

Russia's manufacturing growth, % (MoM)



Source: Rosstat

- **Unemployment rate** was **5.2%** in April after 5.8% in March
- **Industrial production** grew by **7.2%** in April after 2.3% in March

Recovery of Russia's production sector slowed down. *It makes no sense to evaluate movement of manufacturing index with reference to 2020 due to low base effect.* Our suggestion is to review manufacturing growth in April 2021 over April 2021:

- **Two years' manufacturing growth was 2,2% in April** after 4.6% growth in March
- **Minerals extraction lost 2.9%** over 2 years
- **Processing industry gained 5.4% in April** over the same period in 2019. A month earlier, two year's growth of processing industry was 11.4%.

Russian producers faced growing feedstock prices and declining demand in April. **Business activity in the country's manufacturing sector is quite low as compared to most other countries. There is no sign of potential significant rebound.**

Global Markets Research Department

Moscow Partners
123056 Moscow
23 Maly Tishinsky lane, building 1
Tel.: +7 495 787-52-56
Fax: +7 495 787-52-57
www.moscowpartners.com

DISCLAIMER OF LIABILITY

This review is provided for informational purposes. It does not constitute, in whole or in any part, an offer to purchase, sell or conduct any transactions or investments in relation to the securities specified in the review. It is not a recommendation for making any investment decisions. The information used in this review is obtained from supposedly reliable sources, however, no verification of this information has been carried out, and Moscow Partners does not give any guarantees of the correctness of the information in this review. Moscow Partners is not obliged to change or update this review in any way, but the company has the right to change and/or update this review, at its sole discretion and without any notice. This review may not be reproduced, published or distributed in whole or in any part, links on it or quotations from it may not be made without a prior written permission of Moscow Partners. Moscow Partners is not responsible for any adverse consequences, including losses (direct or indirect), caused as a result of using the information contained in this review, or as a result of investment decisions made on the basis of this information.