

# Rostelecom Hit on MSCI Exclusion

By [The Moscow Times](#)

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Long-distance carrier Rostelecom and the preferred shares of coal and steel producer Mechel slumped on Tuesday after they were not included in MSCI's Russia index Monday.

Rostelecom's stock dropped 7.1 percent to 165.31 rubles (\$5.90) by the 6:45 p.m. close in Moscow, snapping a seven-day winning streak. Mechel's preferred shares retreated 4.8 percent to 421.74 rubles.

The overall MICEX index closed at 1608.66, down less than 1 percent.

Brokerages including Renaissance Capital, UralSib Financial, Alfa Bank and Citigroup had forecast that the shares would be included in MSCI's semiannual review.

Luis Saenz, the London-based director of international sales at brokerage Otkritie Securities, said Rostelecom's exclusion was a "surprise" and the company is a "firm sell today." "Mechel preference shares were very much a consensus inclusion and the favorite pick of a number of banks," Saenz said in e-mailed comments Tuesday.

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