

Stock Market Could Drop Another 25%

By [The Moscow Times](#)

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Local stock markets could drop another 20 percent to 25 percent on top of the nearly 20 percent lost so far in August, Aton investment group strategist Peter Westin said Thursday.

"If you are trying to catch the bottom, you'll be burnt, because it's very difficult now. ... The rebound in global markets will be very short term. In the coming months we'll see great volatility, but the trend will be on the downside," Westin said.

The dollar-based RTS benchmark index tumbled to 1,510 points from about 2,010 points in six trading days in August, hit by global ditching of riskier assets on the back of concerns about the health of U.S. and European economies.

No one should expect risk appetite to revive in the near future because after saving Greece from default, the euro zone is facing the more challenging task of finding ways to help Italy and Spain, Westin said.

In such circumstances, "the main idea is to stay away from cyclical sectors, given the current

economic situation," he said. "If you want to have exposure on Russia, you should be very defensive and pick shares in telecoms, certain names in the consumer sector or utilities," he said.

Aton, formed in 1991, is Russia's oldest independent investment company. It manages 13 billion rubles (\$458.5 million) in domestic and foreign assets.

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