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Agencies Differ on Banking Outlook

By The Moscow Times

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Investors should sell bank stocks because a new crisis is "around the corner" and they are less prepared for it than in 2008, the Aton brokerage said Wednesday, Bloomberg reported.

Aton initiated coverage with "sell" ratings on Sberbank, VTB, Bank St. Petersburg, Bank Vozrozhdenie and Nomos Bank.

"There are many triggers" for a global crisis, Aton analysts led by Rinat Kirdan said in a research note. "History shows that during downturns, Russia is the hardest hit among emerging markets, and of the sectors, banking stocks suffer the most."

Standard & Poor's has revised its Banking Industry Country Risk Assessment for the Russian Federation, moving the country up from Group 8 to Group 7, the agency said, Interfax reported Wednesday. The agency is also revising its economic risk score to 7 from 8 and assigning an industry risk score of 7. BICRA is scored on a scale from 1 to 10, with the lowest-risk banking systems being in Group 1.

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