The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

State Fund to Invest $100M in Moscow Exchange

By The Moscow Times

February 11, 2013



The state-controlled Russian Direct Investment Fund is applying to invest in up to $100 million in Moscow Exchange shares, a news report said Monday.

"The Russian Direct Investment Fund will participate in the initial public offering as a key investor, invest up to $100 million and bring several co-investors with whom it had previously worked," a source told Vedomosti.

Representatives of the Russian Direct Investment Fund and the Moscow Exchange declined to comment, according to Vedomosti.

The Moscow Exchange is collecting applications until Feb. 14 and expects to raise around $500 million, a source familiar with the organizers told Vedomosti.

This means that the fund could secure between 20 to 33 percent of the IPO volume.

Investors see it as a positive signal.

"The Russian Direct Investment Fund is a predictable long-term investor, and this large bid will help the stock exchange maintain the necessary price level," MDM Bank's chairman of the board of directors and an adviser to Morgan Stanley, Oleg Vyugin, told Vedomosti.

But if demand is high, the fund's application might be partially met and it might end up with less than $100 million in shares, another source said.

The Russian Direct Investment Fund is already a shareholder of the Moscow's Stock Exchange. In January 2012 it bought 1.25 percent of its shares, and in June 2012 it purchased another 1.4 percent.

Original url:
https://www.themoscowtimes.com/2013/02/11/state-fund-to-invest-100m-in-moscow-exchange-a21437