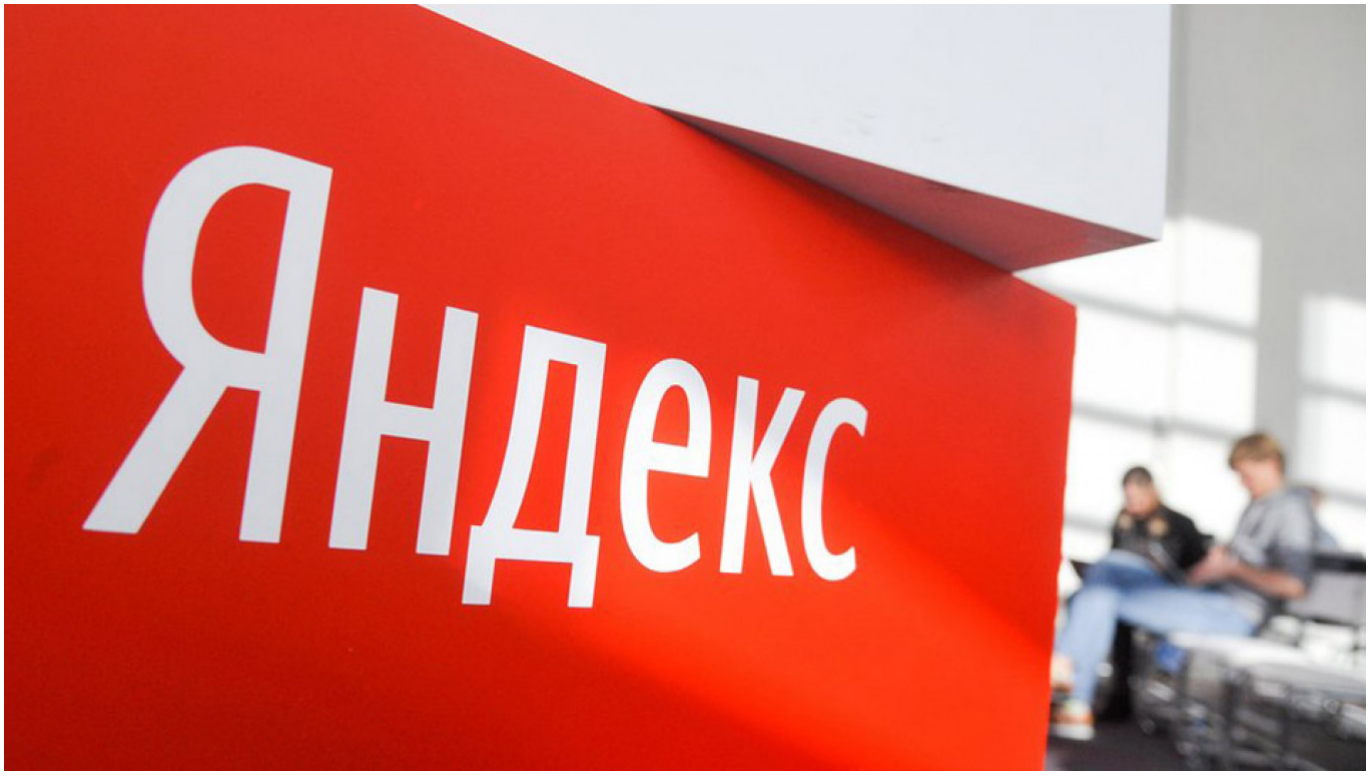
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30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Yandex Shares Bounce Back as Russia Softens Foreign Ownership Rules

Shares were up 9% on Monday morning, but Yandex is still vulnerable.

October 21, 2019



Yandex's share price has moved significantly in response to government plans for foreign ownership restrictions. **Alexander Avilov / Moskva News Agency**

Shares in Russian tech giant Yandex have jumped higher on reports Russia will soften proposals to limit foreign ownership of strategically important tech firms.

The government is now considering placing a 50%-minus-one cap on the number of shares that can be held by non-Russian investors — up from the 20% limit proposed in a draft bill submitted over the summer.

Related article: Russian Lawmaker Says Draft Foreign Ownership Law Not Aimed at Nationalizing Yandex

Yandex shares were trading up almost 9% on Monday morning at 2,100 rubles each on the Moscow stock exchange. The climb added around $750 million to Yandex's market capitalization.

The maps-to-taxis tech firm is seen as particularly vulnerable to any new governance rules, since its shares are listed on the US-based Nasdaq exchange and top investors include a number of foreign investment companies and individuals. When the government first indicated it was seriously considering limits on foreign holdings, shares plummeted by more than 18% in early October, wiping $1.5 billion off the value of the firm.

Today's rebound represents only a partial recovery, with shares still down 10% on where they were before the government's plans emerged.

Analysts are predicting that strong third quarter results at Yandex, due to be unveiled this Friday, could be overshadowed by investor concerns over the proposals. VTB Capital expects a 37% annual growth in revenues, but highlighted: "the key focus will be on the shareholder structure and the draft law on limiting foreign voting power in Russian IT companies."

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