



IDGC OF CENTRE

DAILY MARKET REVIEW

11 December, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 10 December some moderately negative external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 closed with the slight decline of 0.3% and 0.02%, respectively. In the beginning of the trading session the indicators fell 1.3% on the news from China, where the authorities banned the use of corporate bonds rated below "AA" as collateral for short-term lending operations, and another wave of fears of earlier than now expected increase in the base Fed rate. Growth in shares of high-tech companies was also contributed to reduction of daily losses, said Bloomberg. On Wednesday the composite MSCI Asia Pacific index declined by 1.6% under pressure from weak statistics from China on inflation and the renewed decline in oil prices. At the same time the Chinese CSI300 rose by 3.7%, recovering after falling on Tuesday on expectations of the Central Bank of China to expand stimulation. In China consumer price growth in November slowed to a five-year low of 1.4% in annual terms, which, according to experts, indicates worsening prospects for the second-largest economy. January Brent traded at \$66.1 per barrel – almost half a dollar below the level of our closing on 09 December. Negative background for the oil market in the first place was a statement by Chief Analyst of Iranian Oil Ministry that the lack of agreement among the members of OPEC or price wars will lead to a collapse in oil prices to \$40 per barrel. Secondly, the US Department of Energy substantially downgraded average oil prices forecast in 2015 – particularly for Brent from \$83.4 to \$68.1 per barrel.

On Wednesday the oversold in the last four trading sessions MICEX Index lost more than 8% – the Russian market was recovering, despite the drop in oil prices below \$66 per barrel. At midday the growth of the MICEX Index exceeded 2%, and the main driver for improving sentiment of Russian investors was correction of European markets after sales 09 December. On Tuesday StoxxEurope600 fell by a seven weeks' maximum of 2.3%, including on political problems of Greece, which have questioned the financial stability of the Eurozone's largest debtor. The stock index of Greece itself fell 13% – the biggest decline in 27 years. In the afternoon the MICEX Index reduced its growth by two-thirds after the turn of European markets and the start of trading in the U.S. with more than a half-point minus. The fall in the Brent price below \$65 a barrel after publication of information by Bloomberg that OPEC had lowered the forecast of demand for crude oil delivered by the cartel in 2015 to the lowest level since 2003, also contributed to active profit-taking.

During the entire trading session the MicexPWR Sector Index looked worse than the market – purchases were mainly concentrated in the "blue chips" of the Russian market. Closing of the MicexPWR Index slightly down was mainly due to a fall in shares of RusHydro by 2.6%. On Western exchanges the European DJStoxx Index declined by 0.34%, and the U.S. S&P Index lost 1.64%.

ELECTRIC POWER INDUSTRY NEWS

FGC UES and several IDGCs to receive about 1.3 billion rubles of compensation from the budget for the supply of diesel generators to the Crimea

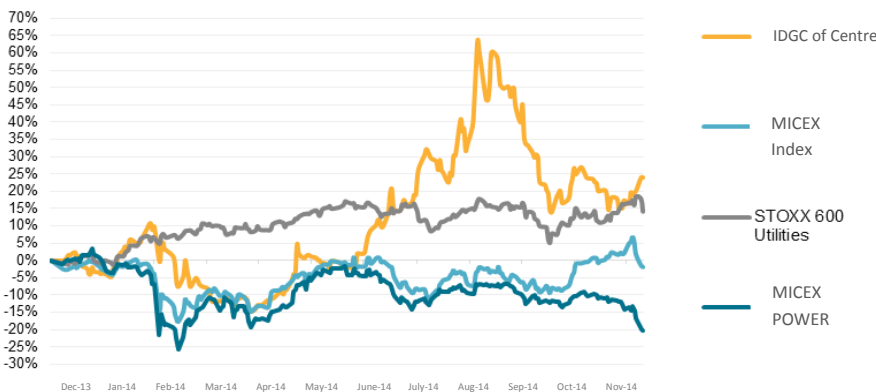
To read full text: <http://itar-tass.com/ekonomika/1636865>

COMPANY NEWS

Staff of Smolenskenergo is ready to operate through the winter

To read full text: http://smolensk-i.ru/business/personal-smolenskenergo-gotov-k-zime_98687

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.13
MICEX	1 486,85	0,79%	-1,15%
S&P 500	2 026,14	-1,64%	9,62%
FTSE 100	6 500,04	-0,45%	-3,69%
DAX	9 799,73	0,06%	2,59%
DJStoxx 600	339,32	-0,34%	3,37%
STOXX Utilities	317,39	-0,08%	14,03%
Nikkei	17 412,58	-2,25%	6,88%
Sensex	27 831,10	0,12%	31,46%
CSI300	3 221,55	3,69%	38,26%
Bovespa	49 548,08	-1,29%	-3,80%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.13
Euro/USD	1,24	0,27%	-9,87%
USD/RUB	54,21	1,70%	65,64%
Euro/RUB	66,88	2,23%	48,72%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.13
Gold, USD/oz	1 226,31	-0,39%	2,05%
Brent*, USD/bbl	64,24	-3,89%	-39,33%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2750
Capitalisation**, billion RUB	11,61
Capitalisation**, million USD	214,16

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.13
MICEX-Power Index	-0,34%	-20,59%
Shares of IDGC of Centre**	1,48%	25,80%

Source: MOEX, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.13
JSC Russian Grids	1,65%	-41,33%
FGC UES	-0,28%	-47,84%
IDGC of Volga	1,30%	2,28%
MOESK	2,73%	-18,66%
IDGC of Northern Caucasus	4,20%	-11,59%
IDGC of Centre and Volga Reg	5,70%	45,69%
IDGC of North-West	1,63%	-12,35%
IDGC of Urals	-1,73%	-10,77%
IDGC of Siberia	-2,22%	24,82%
IDGC of South	2,17%	2,24%
Lenenergo	0,00%	-7,11%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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