

REVIEW OF STOCK MARKETS

Before the opening of trading some negative external background formed on the Russian market on October 31. On the eve the major U.S. indices were 0.4-0.6% down. Despite the expected retention of the previous course of the U.S. Federal Reserve monetary policy, market participants saw in the statement of the Central Bank some hints at curbing incentives earlier than expected. The Fed characterized the U.S. economy as "moderate", having noted the improvement in the labour market, paying attention to the still elevated unemployment rate and slow recovery in the housing market. At the same time, market participants, suggesting a more negative assessment of the U.S. economy under the influence of the budget crisis, which caused the shutdown of the government, did not see in the statement an emphasis on the existence of the problem. Thus, the question of reducing the QE program will be raised at the next meetings of the Central Bank, while analysts at Citigroup and Barclays have already said about the possibility of reducing the incentives in December or January. Asia-Pacific stock markets, and the U.S. index futures lost an average of about 0.5%. December Brent was trading at \$109.5 per barrel – at the level of our closing on Wednesday.

Having opened with one percent loss on the MICEX Index, our market gradually recovered some reduction in the background of a decline in losses on the U.S. index futures and improving sentiment in Europe, where stock exchange indicators, losing on average within a quarter percent in early trading, went to a comparable plus in the second half of the day. Meanwhile the rise in European markets was held back by published statistics – for the first time in six months consumer confidence in the UK in October decreased, German retail sales and consumer spending in France in September fell contrary to the predictions, the unemployment rate in the Eurozone in September remained at a record of 12.2%. The decrease in the range of 0.5% at the opening of U.S. markets against the background of much better than expected data on the index of manufacturing activity in Chicago in October, which had strengthened investors' concerns about imminent exiting the QE, did not led to increased sales in our market.

Following the results of the trades, the MICEX Index lost 0.38% to close trading at 1,510.21 points, and the RTS Index fell by 0.85% to close at 1,480.42 points. The MicexPWR Sector Index decreased by 0.54%, reaching 1,056.37 points. On Western exchanges the European DJStoxx 600 Index closed with a gain of 0.49%, and the American S&P 500 Index fell by 0.38%.

ELECTRIC POWER INDUSTRY NEWS

Russian Grids are fighting for the Northern Caucasus

The strategy of "Russian Grids" to consolidate grids once again "fails" in the Northern Caucasus. The regional branch of the company risks losing its leased assets.

To read full text: <http://www.rbcdaily.ru/industry/562949989422028>

COMPANY NEWS

IDGC of Centre has published its financial statements for 9 months of 2013 under RAS

According to the prepared under Russian Accounting Standards statements for 9 months of 2013 IDGC of Centre's revenues have grown up and amounted to 64.5 billion rubles.

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=88861

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.12
MICEX	1 510,21	-0,38%	2,41%
S&P 500	1 756,54	-0,38%	23,16%
FTSE 100	6 731,43	-0,68%	14,13%
DAX	9 033,92	0,26%	18,67%
DJStoxx 600	322,37	0,49%	15,26%
STOXX Utilities	279,69	0,19%	8,00%
Nikkei	14 327,94	-1,20%	37,83%
Sensex	21 164,52	0,62%	8,95%
CSI300	2 373,72	-1,40%	-5,91%
Bovespa	54 256,20	0,15%	-10,99%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.12
Euro/USD	1,36	-1,25%	3,05%
USD/RUB	32,06	0,37%	5,56%
Euro/RUB	44,06	0,06%	9,52%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.12
Gold, USD/oz	1 323,06	-1,60%	-21,03%
Brent*, USD/bbl	108,84	-0,93%	-2,04%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2339
Capitalisation**, billion RUB	9,87
Capitalisation**, million USD	308,00

Source: Central Bank of Russia, Company calculations

** - at the price of last transaction at MICEX

Russian indexes	Change for the day	from 31.12.12
MICEX-Power Index	-0,54%	-38,13%
Shares of IDGC of Centre**	-1,47%	-61,02%

Source: MICEX, Company calculations

Grid companies	Change** for the day	fr 31.12.12
JSC Russian Grids	0,00%	-55,85%
FGC UES	-0,72%	-51,09%
IDGC of Volga	-3,77%	-63,27%
MOESK	-0,32%	-16,24%
IDGC of Northern Caucasus	0,24%	-37,58%
IDGC of Centre and Volga Reg	-1,75%	-59,87%
IDGC of North-West	-1,48%	-50,58%
IDGC of Urals	-3,08%	-70,70%
IDGC of Siberia	-0,09%	-11,36%
IDGC of South	-3,22%	-36,99%
Lenenergo	-4,59%	-56,46%

Source: MICEX, Company calculations

** - at the price of last transaction at MICEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC
MRKC.RX
MRKC.MM