



IDGC OF CENTRE

# DAILY MARKET REVIEW

06 November, Thursday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on 05 November some neutral external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 closed in different directions with minor changes within 0.3% pending the outcome of the elections to the U.S. Congress. On Wednesday U.S. index futures added about half a percent on the information that the Republicans for the first time since 2006 gained control of both houses of the Congress. At the same time the major stock indices of the Asia-Pacific region traded without any single dynamics – the optimism of American futures was offset by weak statistics from HSBC on business activity in China in October and negative dynamics of oil prices. December Brent traded around \$82.2 per barrel – oil prices, having updated their yearly minimum, fell to a 4-year-old value. Saudi Arabia's decision to reduce fuel prices to customers in the United States continues providing pressure on oil quotes. Thus, according to analysts, the excess of supply over demand in the oil market has a great chance to further growth, given the lack of consensus of members of OPEC in respect to the current situation on the oil market.

The Russian market began trading with nearly 1.5% drop on the MICEX Index. The negative drop in oil prices was reinforced after the collapse of the ruble with the CBR statement that it refused to commit unlimited currency interventions at the boundaries of the bi-currency basket. According to the report of the regulator, the Central Bank will now perform operations on the sale (purchase) of foreign currency at a rate equal to \$350 million a day. The ruble moved "into the border zone" on the way to a free rate fixing, as the decision was commented by First Deputy Chair of the Bank of Russia K. Yudaeva. Furthermore, the pressure on our market was given by increased tension in Ukraine after the illegitimate, according to the West, elections in the breakaway Donetsk and Lugansk People's Republics. The USA has already said that Russia's recognition of these elections will be an occasion for further tightening of sanctions. However, the official reaction of the Russian Federation to the elections in DPR and LPR is still limited to the foreign ministry statement about "respecting the will of the inhabitants of the south-east", which, according to experts interviewed by the newspaper Kommersant, cannot be regarded as an official recognition of the new leadership of DPR and LPR from Russia. In the middle of the day the MICEX Index could somehow return to the zero point on the background of more than a percent growth in Europe, where the published worse than expected statistics on retail sales and business activity in the Eurozone was offset by expectations of the ECB's new measures to stimulate the European economy, which, as investors believe, could be announced by the end of tomorrow's meeting of the Central Bank. Published in the afternoon October's ambiguous statistics from the U.S. – ADP data on the number of new jobs were higher than forecast, while the business activity index was worse than expected – had no significant impact on the market dynamics.

By the end of trading session the MicexPWR Sector Index looked somewhat better than the market mainly due to more than 3% increase in "heavy" index shares of E.ON Russia. On Western exchanges the European DJStoxx Index added 0.63%, and the U.S. S&P Index rose by 0.29%.

## ELECTRIC POWER INDUSTRY NEWS

**Federal Tariff Service published an order "On the threshold levels of tariffs for electric energy (power) in 2015"**

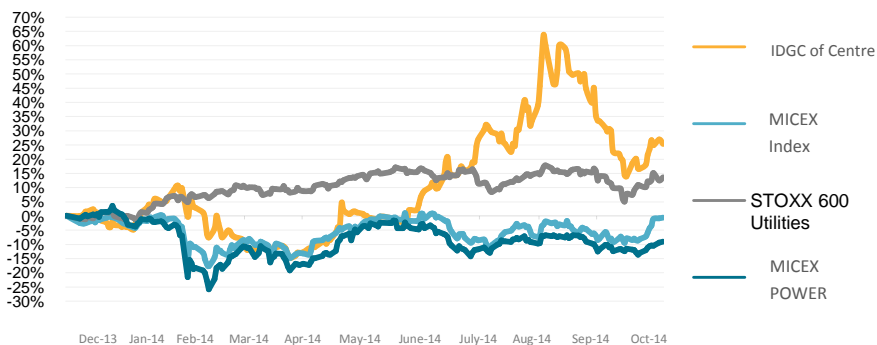
To read full text: <http://www.rq.ru/2014/11/05/elektro2015-dok.html>

## COMPANY NEWS

**Kurskenergo completes its repair program**

To read full text: [http://www.mrsk-1.ru/press/news/branches/?id\\_4=89785](http://www.mrsk-1.ru/press/news/branches/?id_4=89785)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 495,26	0,27%	-0,59%
S&P 500	2 023,57	0,29%	9,48%
FTSE 100	6 539,14	0,79%	-3,11%
DAX	9 315,48	0,69%	-2,48%
DJStoxx 600	336,36	0,63%	2,47%
STOXX Utilities	316,06	0,97%	13,56%
Nikkei	16 937,32	3,19%	3,97%
Sensex	27 915,88	0,20%	31,86%
CSI300	2 503,45	-0,36%	7,44%
Bovespa	53 698,42	-0,46%	4,25%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,25	0,06%	-9,41%
USD/RUB	41,96	0,00%	28,21%
Euro/RUB	52,72	0,00%	17,24%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 140,54	-2,15%	-5,08%
Brent*, USD/bbl	82,95	-2,16%	-21,99%

\* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2740
Capitalisation**, billion RUB	11,57
Capitalisation**, million USD	275,67

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	0,46%	-9,05%
Shares of IDGC of Centre**	-1,26%	25,34%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	-0,51%	-31,92%
FGC UES	-0,66%	-39,53%
IDGC of Volga	-4,17%	0,97%
MOESK	0,00%	-27,66%
IDGC of Northern Caucasus	-0,66%	-3,17%
IDGC of Centre and Volga Reg	-3,58%	35,76%
IDGC of North-West	-0,40%	-12,00%
IDGC of Urals	-1,16%	-6,07%
IDGC of Siberia	0,00%	24,96%
IDGC of South	-2,67%	13,11%
Lenenergo	-3,97%	-0,86%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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## Tickers

Moscow Exchange

Bloomberg

Reuters

[MRKC](#)

[MRKC.RX](#)

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