



IDGC OF CENTRE

# DAILY MARKET REVIEW

12 January, Tuesday

2015

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 11 January negative external background formed on the Russian market. From the beginning of the year the indices of developed countries MSCI World and emerging markets MSCI EM declined on average by 6.5%, while slightly less than half of the losses occurred during our Christmas break on 7-8 January. The main driver of the negative dynamics of the markets was problems in China, where in the conditions of the increasingly obvious economic slowdown, as showed by pessimistic statistics on business activity in December as well, the government once again resorted to the weakening of the yuan. A similar pattern was observed in August last year, when global stock markets also reacted with a sharp fall to the reduction of the official exchange rate of the yuan against the dollar after the publication of a series of weak macroeconomic data. On Monday a decline of Asian markets continued – the loss of the MSCI All-Country Asia index excluding Japan being on holiday exceeded 2%. Once again, the trigger for the sales was the news from China, where producer prices fell in December at the end of the 46th month in a row, which is a record period of decrease. Against this background the Chinese CSI300 Index fell 5%, extending losses from the beginning of the year to 14.4%. February Brent futures traded near the mark of \$32.5 per barrel, \$4 and \$2 below the closing levels of December 30, 2015 and January 6, respectively. Oil prices are at the levels of 12 years ago, and experts do not yet see the drivers that are able to turn the dynamics of oil prices. At the same time a number of factors continues to put pressure on the oil market: the problems of China's economy, the imbalance of supply and demand, expectations of growth in exports of Iran, a reduction of spare capacity for the storage of oil, and a stronger dollar. The experts are unanimously skeptical about the medium-term prospects of the market. In particular, Morgan Stanley analysts lowered the forecast of average annual cost of Brent crude in 2016 by 19% to \$41.9 per barrel, not excluding that the rapid strengthening of the US dollar may cause a drop in prices to \$20 per barrel.

Reacting to the fall in oil prices and the accumulated backlog from world markets, the MICEX Index began trading on Monday with a 3% fall below the mark of 1,700 points with the rate of decline accelerating to 3.5% in mid-afternoon. At the same time the potential for further reduction was limited to a small increase in the European markets in the correction after the strong fall for the year and the remainder of the day the MICEX index had the lateral dynamics.

During the trading session the MicexPWR Sector Index overperformed – the main sales were concentrated in the first-tier shares.

## ELECTRIC POWER INDUSTRY NEWS

**The provisions of the Rules of the wholesale market of electric energy and capacity and the Basis of pricing in the field of regulated prices (tariffs) in the electric power industry were clarified**

Read full text: [http://www.kodeks.ru/novosti\\_zakonodatelstva?news=420327576](http://www.kodeks.ru/novosti_zakonodatelstva?news=420327576)

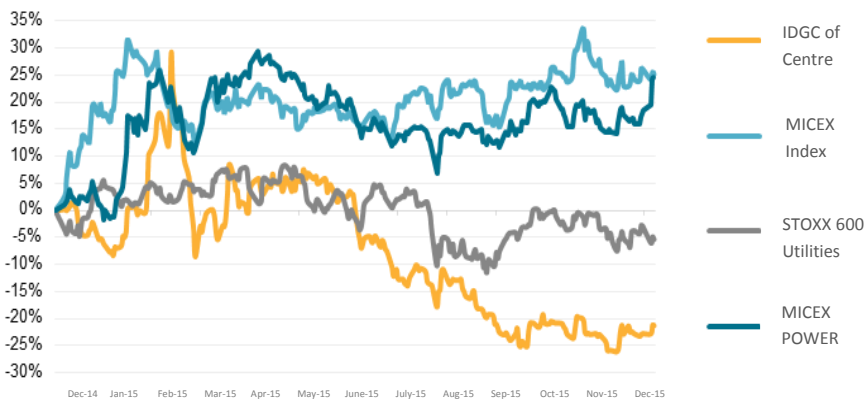
## COMPANY NEWS

**Yaroslavl hosted a meeting of IDGC of Centre on grid connection issues**

Representatives of the executive office and branches of IDGC of Centre discussed the issues of organization of activities of connection to the electric grid of the company.

Read full text: [http://yarnovosti.com/rus/company/mrsk\\_centra/mrsk530](http://yarnovosti.com/rus/company/mrsk_centra/mrsk530)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.14
MICEX	1 682,54	-3,78%	-4,47%
S&P 500	1 923,67	-3,35%	-5,88%
FTSE 100	5 871,83	-3,32%	-5,94%
DAX	9 825,07	-3,81%	-8,54%
DJStoxx 600	340,23	-3,98%	-6,99%
STOXX Utilities	293,16	-1,84%	-4,24%
Nikkei	18 191,32	0,00%	-4,43%
Sensex	24 825,04	-2,29%	-4,95%
CSI300	3 192,45	-9,81%	-14,43%
Bovespa	39 950,49	-4,36%	-7,84%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.14
Euro/USD	1,09	1,17%	-10,50%
USD/RUB	72,93	0,00%	0,06%
Euro/RUB	79,64	0,00%	-0,07%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.14
Gold, USD/oz	1 094,20	0,05%	3,12%
Brent*, USD/bbl	31,55	-7,83%	-15,37%

\* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1944
Capitalisation**, billion RUB	8,21
Capitalisation**, million USD	112,54

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.14
MICEX-Power Index	-2,56%	2,58%
Shares of IDGC of Centre**	-2,21%	-0,36%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.14
JSC Russian Grids	-1,79%	1,97%
FGC UES	-3,31%	-1,11%
IDGC of Volga	-1,75%	0,77%
MOESK	-2,34%	0,27%
IDGC of Northern Caucasus	-2,37%	-1,20%
IDGC of Centre and Volga Reg	0,00%	1,75%
IDGC of North-West	-2,17%	-1,09%
IDGC of Urals	3,78%	1,05%
IDGC of Siberia	-1,00%	1,43%
IDGC of South	-1,27%	0,00%
Lenenergo	-3,12%	1,53%

Source: MOEX, Company calculations

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

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## Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

[MRKC](#)

[MRKC.RX](#)

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