



DAILY

MARKET REVIEW

2013

| 18 October, Friday

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market on October 17. On the eve the major U.S. indices rose by 1.2-1.4% on the information that Senate leaders had reached an agreement under which the debt ceiling would be raised to a level that allows not to return to the matter until February 7, a temporary government funding will be restored for a period until January 15, by December 13 lawmakers will be required to take a full budget for 2014. After the close of the U.S. market the bill was approved by the lower house of Congress and signed by President of the United States. Meanwhile, the Asia-Pacific stocks traded without a single dynamics trend with changes in the average within half a percent, and the U.S. index futures were in negative territory. Analysts point out that, in fact, the solution of the budget issues has been only delayed for a few months, and the consequences of opposition of politicians, writes the Financial Times, will have impact on the companies for a long time in the form of economic uncertainty. In addition, the pressure on the markets was put by IBM's statements which did not meet expectations. December Brent was trading at \$110.5 per barrel – a \$ 0.5 higher than the levels of our closing on Wednesday.

In the first half of the day on the Russian and European markets, investors took profits on the fact of the temporary but still solution of the American problems – in anticipation of the outcome of the European Stoxx Europe 600 Index and the MICEX Index rose from the October lows at 3.5% and 5.5% respectively. In the middle of the day, the MICEX Index lost more than 1.5%, sales in Europe were less active – the reduction of the major indices averaged about 0.5%. An attempt of the markets in the second half of the trading session to play back some of the losses was interrupted by weak statements of Goldman Sachs and released worse than expected data from the U.S. on applications for unemployment benefits. At the end of the day the MICEX Index still managed to move away from daily lows against the publication of good statistics on business activity in Philadelphia in October and some neutral dynamics of the S&P500 Index in early trading.

At the end of the day, the MICEX Index lost 1.26% to close trading at 1,512.32 points, and the RTS Index fell by 0.56% to close at 1,491.85 points. The MicexPWR Sector Index decreased by 0.34%, reaching 1,083.53 points. On Western exchanges the European DJStoxx 600 Index inched up 0.14%, and the American S&P 500 Index added 0.67%.

ELECTRIC POWER INDUSTRY NEWS

World electricity companies on the verge of a radical restructuring of business models, including Russian ones

According to the 13th annual survey of the world power industry held by PwC, a breakthrough in the development of distributed generation, the emergence of new technologies and a new generation of consumers endangers the traditional business model, which power companies have been successfully using for decades.

To read full text: <http://www.bigpowernews.ru/research/document52572.phtml>

COMPANY NEWS

IDGC of Centre has completed the offering of bonds of BO-01 for 4 bln RUB

To read full text: <http://energo-news.ru/archives/113518>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.12	
MICEX	1 512,32	-1,26%	2,55%
S&P 500	1 733,15	0,67%	21,52%
FTSE 100	6 576,16	0,07%	11,50%
DAX	8 811,98	-0,38%	15,76%
DJStoxx 600	315,98	0,14%	12,98%
STOXX Utilities	279,86	-0,55%	8,06%
Nikkei	14 586,51	0,83%	40,32%
Sensex	20 415,51	-0,64%	5,09%
CSI300	2 413,33	-0,33%	-4,34%
Bovespa	55 358,13	-1,10%	-9,18%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.12	
Euro/USD	1,37	1,13%	3,53%
USD/RUB	32,26	-0,04%	6,20%
Euro/RUB	43,61	-0,35%	8,41%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.12	
Gold, USD/oz	1 320,32	2,95%	-21,19%
Brent*, USD/bbl	109,11	-1,34%	-1,80%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2439
Capitalisation**, billion RUB	10,30
Capitalisation**, million USD	319,23

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	-0,34%	-36,54%
Shares of IDGC of Centre**	1,20%	-59,35%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.12	
JSC Russian Grids	0,94%	-56,00%
FGC UES	-0,99%	-50,60%
IDGC of Volga	1,06%	-59,50%
MOESK	0,00%	-15,43%
IDGC of Northern Caucasus	0,88%	-39,51%
IDGC of Centre and Volga Reg	2,55%	-55,91%
IDGC of North-West	-2,67%	-48,74%
IDGC of Urals	0,74%	-64,04%
IDGC of Siberia	0,00%	-12,27%
IDGC of South	-4,23%	-36,35%
Lenenergo	-0,53%	-54,18%

Source: MICEX, Company calculations

** - at the price of last transaction at MICEX

IDGC of Centre

127018, Russia, Moscow,
2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers

Moscow Exchange
Bloomberg
Reuters

MRKC
MRKC.RX
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