

REVIEW OF STOCK MARKETS

Before the opening of trading some neutral external background formed on the Russian market. Major U.S. indices closed the trading session on Monday lower by 1.1-1.5% on fears, as Bloomberg writes, of overvalued shares after rising of the DJIA and S&P500 indices to a record in late 2013. According to Bloomberg, the ratio of share price to projected earnings per share of companies from the S&P500 index is currently at 15.4x, whereas the average for the last five years amounted to 14.1x. In the end of 2013, this ratio was at a maximum since 2009. According to analysts of Goldman Sachs, the cost of the company's share of the S&P500 index is overestimated by almost any indicator, and further upside on statements will be difficult to achieve. The composite MSCI Asia Pacific index lost about 1.5% – the maximum rate of decline over the past three months. The Japanese market remained an outsider – Nikkei fell more than 3% under the additional pressure of own statistics. In November, Japan fixed a record current account deficit, which, according to experts, reflects the complexity of the recovery process of the third world economy. February Brent was trading at \$106.8 per barrel – \$0.5 below our closing on Monday.

Trading on the Russian market began with more than a percent drop, on the lows of the day the loss of the MICEX Index reached 1.5%. A comparable trend was observed in the European markets, where major indices falling in early trading amounted to about a percent. Nevertheless, during the day the Russian and European markets were able to play most of the losses back on the published statistics of better than expected industrial production in the Eurozone in November and U.S. retail sales in December. In addition, reporting of the U.S. banks JPMorgan and Wells Fargo provided support to investors, the profit of which in the IV quarter exceeded analysts' forecasts.

Following the results of the day the MICEX Index fell by 0.54% to close trading at 1,469.64 points. Dynamics of the MicexPWR Sector Index for the day looked better than the market mainly due to shares of FGC, E.ON Russia and Russian Grids, which were able to close in positive territory after more than one percentage reduction in the morning. On Western exchanges the European DJStoxx 600 Index rose by 0.15%, and the American S&P 500 Index was 1.08% up.

ELECTRIC POWER INDUSTRY NEWS

Grids are looking for well-forgotten old things

Freezing tariffs of monopolies may force electricity grids to reduce investments and look for reserves of existing facilities.

To read full text: <http://www.kommersant.ru/doc/2383940>

Electricity consumption in the UES of Russia in 2013 decreased by 0.6%

To read full text: <http://www.bigpowernews.ru/news/document53996.phtml>

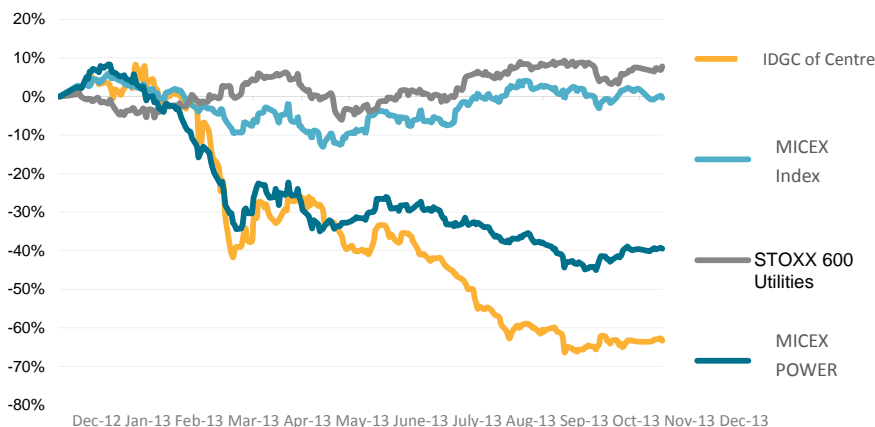
COMPANY NEWS

Kurskenergo has started to implement energy constraints on heavily indebted customers

To read full text:

http://www.ruscable.ru/news/2014/01/14/Kurskenergo_pristupil_k_vvodu_ogranicheniya_ener_g/

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 469,64	-0,54%	-2,29%
S&P 500	1 838,88	1,08%	-0,51%
FTSE 100	6 766,86	0,14%	0,26%
DAX	9 540,51	0,32%	-0,12%
DJStoxx 600	331,23	0,15%	0,90%
STOXX Utilities	278,43	0,88%	0,04%
Nikkei	15 422,40	-3,08%	-5,33%
Sensex	21 032,88	-0,48%	-0,65%
CSI300	2 212,85	0,87%	-5,03%
Bovespa	49 703,10	0,56%	-3,50%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,37	0,21%	-0,77%
USD/RUB	33,12	-0,26%	1,20%
Euro/RUB	45,29	0,17%	0,70%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 245,19	-0,65%	3,62%
Brent*, USD/bbl	106,39	-0,34%	-3,98%

* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2200
Capitalisation**, billion RUB	9,29
Capitalisation**, million USD	280,43

Source: Central Bank of Russia, Company calculations

** - at the price of last transaction at MICEX

Russian indexes	Change for the day from 31.12.13	
MICEX-Power Index	-0,37%	0,14%
Shares of IDGC of Centre**	-1,65%	0,64%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	0,26%	0,00%
FGC UES	0,97%	2,53%
IDGC of Volga	-0,73%	0,88%
MOESK	-4,13%	-6,57%
IDGC of Northern Caucasus	-2,34%	-5,25%
IDGC of Centre and Volga Reg	0,31%	4,08%
IDGC of North-West	0,00%	-3,17%
IDGC of Urals	-1,04%	0,36%
IDGC of Siberia	2,53%	-1,29%
IDGC of South	0,16%	-0,56%
Lenenergo	1,29%	12,03%

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