



DAILY

MARKET REVIEW

2013

| 05 December, Thursday

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately negative external background formed on the Russian market on December 4. The U.S. S&P500 and DJIA indices, losing 0.3% and 0.6%, respectively, closed with reduction for the third consecutive trading session. The uncertainty with terms to begin folding incentive programs by the U.S. Federal Reserve put pressure on the markets. In addition, according to MarketWatch, investors fear that the rise of the market, which resulted in Dow Jones and S&P 500 having reached their historical highs, was excessive. APR markets traded mixed, the overall dynamics was different with a more than 2 % decline in the Japanese Nikkei, a catalyst for which, according to Bloomberg, was the strengthening of the yen. January Brent was trading around \$113 – a dollar higher than our yesterday's close. Oil quotes were supported by data of the American Petroleum Institute, which recorded a sharp – by 12 million barrels – reduction of oil reserves in the past week.

The first half of the day the MICEX Index had a small gain, recovering of the grown up oil after yesterday's sales. At the same time, European markets were dominated by pessimism, the reason for which, in particular, was their own weak statistics: data on retail sales in the Eurozone in October were worse than expected, the composite index of business activity in the Eurozone in November fell, although less than forecasts. Moreover, as in the U.S. markets, in Europe fears of corrective mood on inconsistencies of current levels of valuation of assets of the economy are rising. Growing up rate of decline in European indices and oil reduction from morning levels made sellers in our market more active, and in the middle of the day, the MICEX Index moved into negative territory. In addition, the pressure on our indices was put by Credit Suisse's recommendation on the shares of the Russian Federation to take a position "underweight" as analysts of the investment bank do not see any growth potential of the Russian stock market in 2014 and even in 2015. Strong statistics on the U.S. labour market – according to ADP Employer Service, the number of new jobs in the manufacturing sector in November increased to the maximum for the year with expectations of 215 thousand against 170 thousand expected – had no substantial support to the markets, once again reminding investors of a possible acceleration by the Fed to take a decision to exit the QE.

Following the results of the day, MICEX Index lost 0.66% to close trading at 1,439.26 points. The MicexPWR Sector Index increased by 2.33%. On Western exchanges the European DJStoxx 600 Index fell by 0.59%, and the American S&P 500 Index closed with a loss of 0.13%.

ELECTRIC POWER INDUSTRY NEWS

Russian Grids to reduce administrative personnel without changing the number of production staff

Russian Grids plan to reduce the administrative staff, told reporters in Sochi CEO of the company Oleg Budargin Wednesday, December 3, according to RBC.

To read full text: <http://www.bigpowernews.ru/news/document53474.phtml>

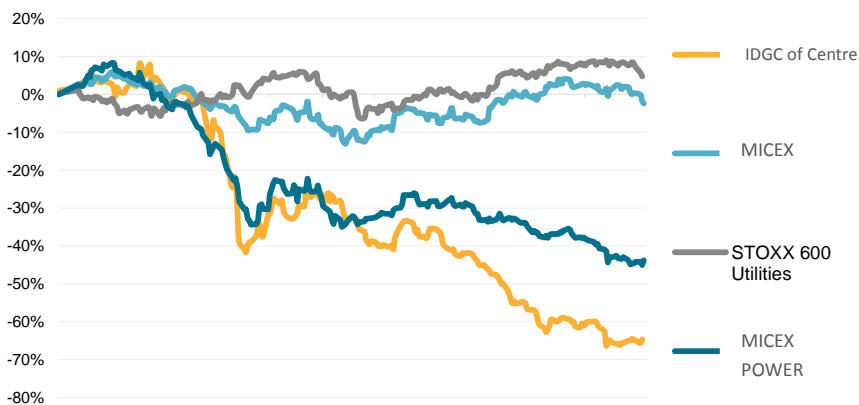
COMPANY NEWS

IDGC of Centre increases the productive supply of electric power to consumers

Productive electricity supply to consumers of IDGC of Centre from the grid in January-October increased by 1.44% of the plan, making 47,472 billion kWh.

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=88957](http://www.mrsk-1.ru/ru/press/news/company/?id_4=88957)

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



Dec-12 Jan-13 Feb-13 Mar-13 Apr-13 May-13 June-13 July-13 Aug-13 Sep-13 Oct-13 Nov-13

World indexes	Value	Change for the day fr 31.12.12	
MICEX	1 439,26	-0,66%	-2,40%
S&P 500	1 792,81	-0,13%	25,71%
FTSE 100	6 509,97	-0,34%	10,38%
DAX	9 140,63	-0,90%	20,08%
DJStoxx 600	317,24	-0,59%	13,43%
STOXX Utilities	271,26	-0,93%	4,74%
Nikkei	15 407,94	-2,17%	48,22%
Sensex	20 708,71	-0,70%	6,60%
CSI300	2 475,14	1,32%	-1,90%
Bovespa	50 215,79	-0,26%	-17,61%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.12	
Euro/USD	1,36	-0,04%	3,02%
USD/RUB	33,25	0,30%	9,46%
Euro/RUB	45,04	-0,10%	11,96%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.12	
Gold, USD/oz	1 243,79	1,67%	-25,76%
Brent*, USD/bbl	111,88	-0,66%	0,69%

\* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2122
Capitalisation**, billion RUB	8,96
Capitalisation**, million USD	269,47

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	2,33%	-43,78%
Shares of IDGC of Centre**	2,81%	-64,63%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.12	
JSC Russian Grids	-3,49%	-66,12%
FGC UES	-2,69%	-61,24%
IDGC of Volga	0,84%	-72,97%
MOESK	-1,21%	-23,71%
IDGC of Northern Caucasus	-3,46%	-50,57%
IDGC of Centre and Volga Reg	-1,63%	-65,72%
IDGC of North-West	-3,04%	-58,10%
IDGC of Urals	-0,34%	-73,12%
IDGC of Siberia	-2,13%	-22,70%
IDGC of South	-0,26%	-40,80%
Lenenergo	-2,22%	-65,64%

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