



IDGC OF CENTRE

DAILY MARKET REVIEW

12 October, Monday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 09 October some positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed trading with the growth of 0.8-0.9%, on Friday the main country indices of the Asia-Pacific region added a percent. The markets were supported by publication of the minutes of the September meeting of the Federal Reserve, from which market participants concluded that the US Central Bank was ready to postpone a rise in interest rates. As it follows from the minutes, the Fed's governors last month did not raise its key rate in the country in view of the growing risks for the US economy, mainly related to China. At the same time the Fed noted the improved economic conditions in the United States, including data on consumer spending, the housing market, but also drew attention to the fact that the labour market was close to the long-term rate of unemployment. November Brent futures traded near the mark of \$53.7 per barrel – \$1.3 higher than the closing on 08 October. A positive factor for the oil market was the expectation of growth in demand for fuel as well as the depreciation of the dollar after the publication of the minutes of the September Fed meeting.

On Friday the Russian and European markets were dominated by buyers, reacting to growing investors' confidence that the Fed would not rush to increase interest rates. Meanwhile, according to Bloomberg, expectations of economists and the market in assessing the timing of the tightening by the US Fed of the monetary policy diverge significantly. According to the survey of The Wall Street Journal, the majority of economists – 64% of respondents – still expect the Fed's key rate increase at the December meeting, in spite of the weak statistical data from the US and concerns over global economic growth, the second most popular response (23%) was March 2016. At the same time futures on the level of estimated probability of the Fed's rate rise at its December meeting at 32%, and 55% – by March 2016. However, in the afternoon the growth of the MICEX Index exceeded 2%, on average the major European indices added a percent. Rising oil prices gave additional support for our markets – Brent quotes tested the level of \$54 per barrel. The MICEX Index was able to complete trades near daily highs, despite the decline in oil prices to around 52.5 per barrel and an uncertain start of trading in the United States.

During the trading session the MicexPWR Sector Index underperformed – improving sentiment in the global markets in the first place was played back in the first tier shares.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin signed a decree to increase the authorized capital of "Rosseti"

Russian President Vladimir Putin authorized an additional issue of "Rosseti", providing the state share in the company at a rate of not less than 85.31%, says the decree, placed on the official website of legal information.

Read full text: <http://www.bigpowernews.ru/news/document66622.phtml>

COMPANY NEWS

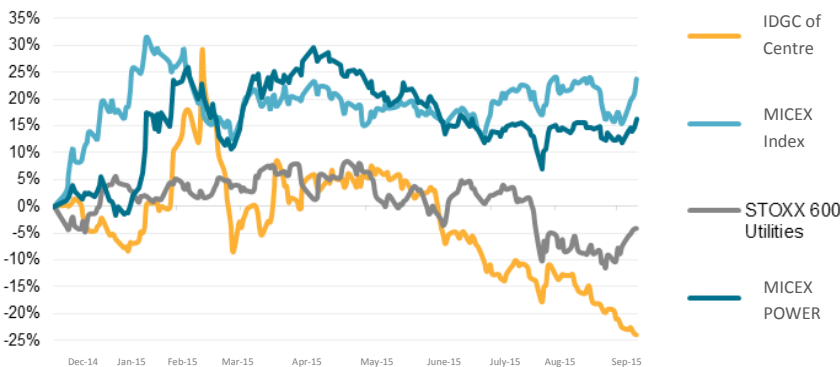
"Tverenergo" summed up the work on the collection of receivables for 8 months

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/50253/>

As a result of 8 months of 2015 Smolenskenergo reduced costs for utility needs by 13% compared with the planned values

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/50245/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.14
MICEX	1 728,44	2,32%	23,76%
S&P 500	2 014,89	0,07%	-2,14%
FTSE 100	6 416,16	0,65%	-2,28%
DAX	10 096,60	1,04%	2,97%
DJStoxx 600	362,82	0,33%	5,92%
STOXX Utilities	302,44	0,08%	-4,12%
Nikkei	18 438,67	1,64%	5,66%
Sensex	27 079,51	0,87%	-1,53%
CSI300	3 340,12	1,32%	-5,48%
Bovespa	49 338,41	0,47%	-1,34%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.14
Euro/USD	1,14	0,67%	-6,57%
USD/RUB	62,29	-0,66%	10,73%
Euro/RUB	70,31	-0,23%	2,87%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.14
Gold, USD/oz	1 156,53	1,54%	-2,35%
Brent*, USD/bbl	52,65	-0,75%	-18,74%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1920
Capitalisation**, billion RUB	8,11
Capitalisation**, million USD	130,12

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.14
MICEX-Power Index	1,52%	16,38%
Shares of IDGC of Centre**	-0,26%	-23,96%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.14
JSC Russian Grids	1,66%	3,47%
FGC UES	2,80%	35,94%
IDGC of Volga	0,26%	-31,72%
MOESK	0,63%	-35,60%
IDGC of Northern Caucasus	0,74%	12,40%
IDGC of Centre and Volga Reg	0,61%	-31,26%
IDGC of North-West	0,00%	5,53%
IDGC of Urals	2,70%	30,61%
IDGC of Siberia	-1,89%	-42,22%
IDGC of South	0,00%	0,32%
Lenenergo	2,68%	53,14%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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Reuters

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