



IDGC OF CENTRE

# DAILY MARKET REVIEW

16 October, Thursday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on 15 October some neutral external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 closed mixed with minor changes within 0.2%. The indices, adding during the trading session on average about one percent on good statements of a number of companies, in the second half of the session came under pressure on a sharp drop in oil prices. The composite MSCI Asia Pacific index increased by 0.5%, and the U.S. futures were slightly up. Statistics from China supported the markets in the Asian session – according to analysts, the slowdown in inflation to a minimum of 4 years allows the Chinese authorities to take measures to stimulate the economy.

November Brent traded around \$85.5 per barrel – a dollar below our closing level of October 14th. On Tuesday Brent prices lost 4.3% after the deterioration of the IEA forecast for global oil demand this year. According to The Wall Street Journal, in percentage terms the fall in prices for Brent on Tuesday turned out to be the most significant since September 2011. In general, analysts identify the following major reasons for the collapse of oil to levels of four years ago: global economic slowdown, mainly due to problems in the Eurozone and China, growing oil production in the United States, the strengthening of the dollar against the implementation of the exit strategy by the Federal Reserve, the reluctance of OPEC members to take any measures to curb the fall in oil prices, expectations of Iran coming to the oil market.

Start of trading in the Russian market with a small loss on the MICEX Index soon gave way to a percent drop after some negative opening of Europe, renewal of reducing American futures and followed after that more than a 2% drop in oil prices. European markets continue to be under pressure from their own economic problems: yesterday morning the loss of the major indices exceeded a percent and totally since October 6, when the IMF downgraded the outlook for the Eurozone economy, the composite index of the largest companies in the region Stoxx Europe 600 index has fallen more than 5%. In the second half of the trading session the mood in the western markets deteriorated significantly after the publication of weak data from the United States, where data on retail sales and producer prices in September, and manufacturing activity in New York in October were worse than expected. On the day's lows the rate of fall of the major European indices on average was closer to 3%, trading in the United States began with a 2% drop in the indices. At the same time the loss of the MICEX Index was only slightly above a percent – investors' hopes to intensify the process of political settlement of the conflict in Ukraine continue supporting our market. According to media reports, this issue will be discussed by leaders of Russia, Germany, France and Ukraine at the ASEM summit in Milan on 16-17 October.

By the end of the trading session the MicexPWR Sector Index looked better than the market mainly due to the closure of the "heavy" index of shares of E.ON Russia in a small plus. On Western exchanges the European DJStoxx Index closed the day lower by 3.16%, and the U.S. S&P Index lost 0.81%.

## ELECTRIC POWER INDUSTRY NEWS

### "Russian Grids" got support of the Ministry of Energy

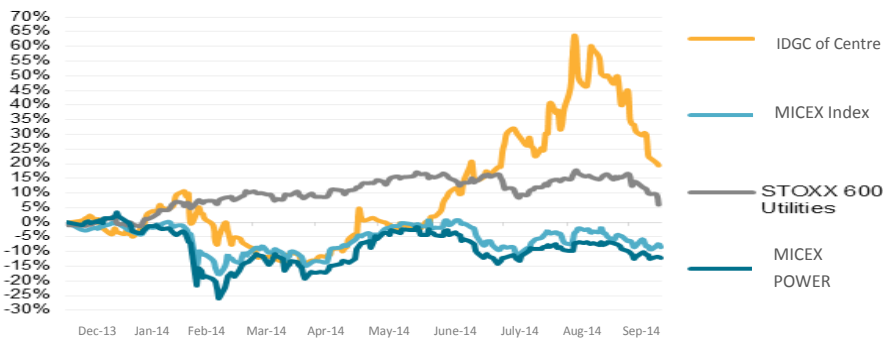
To read full text: <http://www.kommersant.ru/doc/2589925?isSearch=True&cr>

## COMPANY NEWS

### IDGC of Centre takes part in the RUGRIDS-ELECTRO International Electric and Energy Forum

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89746](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89746)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 377,09	-1,22%	-8,44%
S&P 500	1 862,49	-0,81%	0,76%
FTSE 100	6 211,64	-2,83%	-7,96%
DAX	8 571,95	-2,87%	-10,26%
DJStoxx 600	311,36	-3,16%	-5,15%
STOXX Utilities	295,12	-3,16%	6,03%
Nikkei	15 073,52	0,92%	-7,48%
Sensex	26 349,33	0,00%	24,46%
CSI300	2 463,87	0,71%	5,74%
Bovespa	56 135,27	-3,24%	8,99%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,28	1,03%	-7,24%
USD/RUB	40,53	0,51%	23,84%
Euro/RUB	51,51	0,85%	14,55%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 242,02	0,75%	3,36%
Brent*, USD/bbl	83,78	-1,48%	-21,56%

\* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2610
Capitalisation**, billion RUB	11,02
Capitalisation**, million USD	271,87

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,41%	-12,08%
Shares of IDGC of Centre**	-0,76%	19,40%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,52%	-33,85%
FGC UES	-2,17%	-38,91%
IDGC of Volga	0,43%	3,60%
MOESK	-0,55%	-35,22%
IDGC of Northern Caucasus	-2,58%	-2,20%
IDGC of Centre and Volga Reg	0,11%	34,13%
IDGC of North-West	-2,59%	-7,43%
IDGC of Urals	-1,05%	-11,56%
IDGC of Siberia	0,00%	26,95%
IDGC of South	2,97%	18,40%
Lenenergo	0,86%	1,29%

Source: MOEX, Company calculations

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

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### Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM