



IDGC OF CENTRE

# DAILY MARKET REVIEW

17 October, Friday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on 16 October some moderately negative external background formed on the Russian market. Wednesday's volatile session closed with a percent decrease of the U.S. indices DJIA and S&P500, while on the daily lows the drop the indices reached 3%. Some analysts described the state of the market as panic – investors' concerns about the global economy intensified expectations of QE-3 completion. Worse than expected September published statistics on retail sales and producer prices and weak reporting of Bank of America triggered active sales. Papers of the financial sector drove the fall of the American market – the S&P500 Banks Index lost 3.5%, on the daily lows the drop of the indicator exceeded 5.5%. On Thursday, the composite MSCI Asia Pacific stock index lost about a percent, mainly due to sales in the Japanese market – the Nikkei fell 2.2%. November Brent futures traded around \$82.8 per barrel – \$2.5 below our closing on 15 October. Data of the American Petroleum Institute put pressure on oil prices, having reported a sharp, 10 million barrels, weekly growth of oil reserves in the United States.

On Thursday the dynamics of the Russian and European markets was highly volatile. Reacting to the restoration of American indices from daily lows, the MICEX Index and the major European indices at the beginning of the day showed a percent growth. However, the renewed decline of the American futures triggered selling in the markets – the MICEX Index lost more than a percent, the rate of decline in Europe of the major indices averaged about 2.5%. In the afternoon Western markets were supported with good reporting of Goldman Sachs and published much better than expected American statistics: the number of applications for unemployment benefits fell to the lowest level in 14 years, the growth rate of industrial production in September was the highest in two years. In addition, a statement of Head of the Federal Reserve Bank of St. Louis was positive for the western markets saying the Fed should think about postponing exiting QE-3 in October at a later time, to reverse the decline in inflation expectations. At the same time this news did not impress the Russian market, and the indices closed slightly above the day's lows – investors are waiting for the outcome of negotiations between the President of the Russian Federation and the European leaders on the Ukrainian problem.

During the trading session the MicexPWR Sector Index looked better than the dynamics of the MICEX Index – the main sales were concentrated in the "blue chips" of the Russian market. 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

**Electricity sector's Government Commission approved a long-term program for the development of SO UES, programs of RusHydro and Russian Grids were sent back for revision**

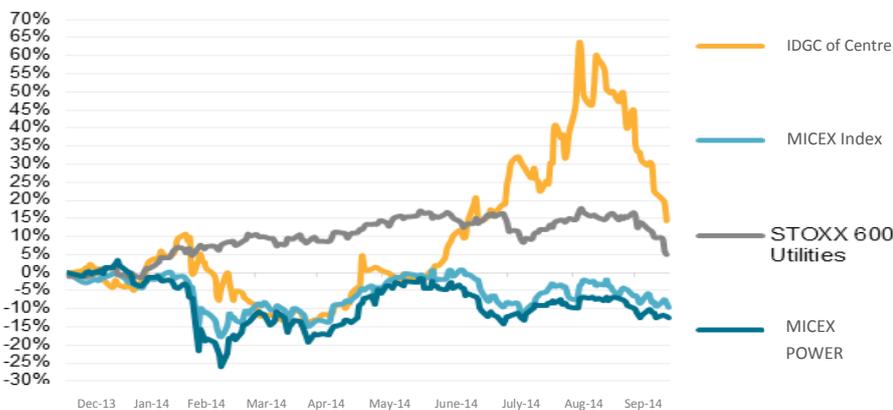
To read full text: <http://www.bigpowernews.ru/news/document59294.phtml>

## COMPANY NEWS

**IDGC of Centre implements modern technologies**

To read full text: <http://www.kommersant.ru/doc/2585055?isSearch=True>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 360,33	-1,22%	-9,56%
S&P 500	1 862,76	0,01%	0,78%
FTSE 100	6 195,91	-0,25%	-8,20%
DAX	8 582,90	0,13%	-10,15%
DJStoxx 600	310,03	-0,43%	-5,55%
STOXX Utilities	292,36	-0,94%	5,04%
Nikkei	14 738,38	-2,22%	-9,53%
Sensex	25 999,34	-1,33%	22,81%
CSI300	2 444,40	-0,79%	4,91%
Bovespa	54 298,33	-3,27%	5,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,28	0,27%	-6,99%
USD/RUB	40,94	1,01%	25,09%
Euro/RUB	51,78	0,52%	15,15%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 238,81	-0,26%	3,09%
Brent*, USD/bbl	85,82	2,02%	-19,29%

\* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2500
Capitalisation**, billion RUB	10,55
Capitalisation**, million USD	257,79

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,40%	-12,44%
Shares of IDGC of Centre**	-4,21%	14,36%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	0,49%	-33,53%
FGC UES	0,85%	-38,39%
IDGC of Volga	0,21%	3,82%
MOESK	0,56%	-34,86%
IDGC of Northern Caucasus	0,00%	-2,20%
IDGC of Centre and Volga Reg	-1,88%	31,61%
IDGC of North-West	-0,76%	-8,13%
IDGC of Urals	0,18%	-11,40%
IDGC of Siberia	-0,56%	26,24%
IDGC of South	0,26%	18,71%
Lenenergo	-0,43%	0,86%

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