



IDGC OF CENTRE

DAILY MARKET REVIEW

28 October, Tuesday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 27 October some positive external background formed on the Russian market. After the close of trading on Friday the international rating agency S&P affirmed Russia's sovereign rating with "negative" outlook, noting that it reflects the strong position of foreign assets in Russia and moderate indebtedness of the state - the factors which, according to the expectations of the agency, will continue in 2014-2017. U.S. indices closed last Friday with the growth of 0.7-0.8%, on Monday in Asia the marked dynamics was mixed - markets of China and Hong Kong sagged on the signals that the interaction program of the Chinese and Hong Kong stock markets, the launch of which was expected in October, will be delayed. Nevertheless, the composite MSCI Asia Pacific stock index added about 0.8%, and U.S. futures traded in the conventional plus. December Brent traded around \$85.8 per barrel - half a dollar below our closing on Friday.

The Russian market opened higher on Monday, reacting positively to S&P keeping the sovereign rating at an investment grade. Additional support was given by growing European markets early in the day on the background of the results of stress tests of the European banking system, published by the ECB on Sunday, which showed that none of the largest financial institutions in the Eurozone had any shortage of capital. However, against the background of European markets starting declining, the MICEX Index was unable to gain a foothold on the achieved psychologically important level of 1,400 points. Goldman Sachs forecasts on the decline in oil prices were also negative for our market, which led to a fall in oil futures. The forecast of the average cost of Brent in the I quarter 2015 decreased to \$85 per barrel from the previously expected \$100 per barrel, the forecast for WTI - to \$75 from \$90 per barrel. The experts believe that OPEC will lose its impact on the oil market due to the "shale boom" in the United States. Some pressure on the market was given by opening American exchanges in the red zone - as noted by Bloomberg, the markets consolidated after the best weekly rally since January 2013 in anticipation of tomorrow's Fed meeting. As expected, the U.S. Central Bank will announce the termination of asset purchases and the completion of the third round of quantitative easing. Nevertheless, at the end of trading the Russian market managed to play back some day's correction, adding a little more than a percent on the day.

During the trading session the dynamics of the MicexPWR Sector Index generally corresponded to the MICEX Index. On Western exchanges the European DJStoxx Index lost 0.63% DJStoxx, and the U.S. S&P Index was 0,15% minus.

ELECTRIC POWER INDUSTRY NEWS

Energy tariffs increased at the lake Baikal

The Russian energy market has a unique situation. Prices in Siberia are almost equal to the prices in Europe and the Urals, although normally they are less than about a third lower. In the European part of Russia the cost of electricity has fallen under the influence of excess supply, in Siberia - has increased because of the sharp drop in hydropower generation, as a result of the record low level of the lake Baikal.

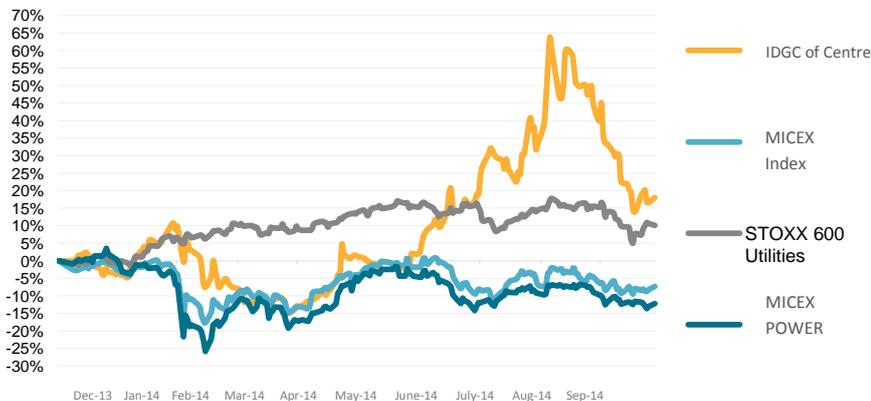
To read full text: <http://www.kommersant.ru/doc/2599497>

COMPANY NEWS

Kostroma power engineers of IDGC of Centre improve reliability of power facilities in the region

To read full text: <http://compras.ru/press/p274612.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.13
MICEX	1 394,27	1,01%	-7,30%
S&P 500	1 961,63	-0,15%	6,13%
FTSE 100	6 363,46	-0,40%	-5,71%
DAX	8 902,61	-0,95%	-6,80%
DJStoxx 600	325,10	-0,63%	-0,96%
STOXX Utilities	306,50	-0,45%	10,12%
Nikkei	15 388,72	0,63%	-5,54%
Sensex	26 752,90	-0,37%	26,37%
CSI300	2 368,83	-0,91%	1,67%
Bovespa	50 503,66	-2,77%	-1,95%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.13
Euro/USD	1,27	0,26%	-7,87%
USD/RUB	41,81	0,76%	27,75%
Euro/RUB	52,91	0,88%	17,65%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.13
Gold, USD/oz	1 226,62	-0,36%	2,08%
Brent*, USD/bbl	85,83	-0,35%	-19,28%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2580
Capitalisation**, billion RUB	10,89
Capitalisation**, million USD	260,52

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.13
MICEX-Power Index	0,94%	-12,17%
Shares of IDGC of Centre**	1,18%	18,02%

Source: MOEX, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.13
JSC Russian Grids	0,08%	-34,63%
FGC UES	0,02%	-40,32%
IDGC of Volga	1,27%	5,36%
MOESK	3,14%	-29,10%
IDGC of Northern Caucasus	0,65%	1,04%
IDGC of Centre and Volga Reg	1,01%	32,95%
IDGC of North-West	2,63%	-3,91%
IDGC of Urals	1,06%	-10,15%
IDGC of Siberia	0,00%	26,24%
IDGC of South	-1,35%	13,42%
Lenenergo	1,92%	3,02%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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