



IDGC OF CENTRE

# DAILY MARKET REVIEW

27 October, Monday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on 24 October some moderately positive external background formed on the Russian market. On Thursday the U.S. indices DJIA and S&P500 closed trading with some growth, gaining 1.3% and 1.2%, respectively, after the publication of good statistics on applications for unemployment benefits and the index of leading indicators. European stocks also rose on the results of trading on Thursday on positive preliminary data on business activity in the Eurozone in October. Asian markets on Friday morning also grew up, and the composite MSCI Asia Pacific stock index added about half a percent. At the same time Hong Kong's Hang Seng was down, and futures for U.S. indices also showed some moderately negative dynamics. December Brent traded at \$86.5 per barrel - at the level of our closing on 23 October.

On Friday morning the Russian and European markets were dominated by sellers. Reduction of the MICEX Index in early trading was strengthened with fall of European indices at the opening. Among the key negative factors affecting our market one can note concerns that a possible worsening of the Russian Federation rating by the S&P agency may enhance the sale of Russian assets. In April this year, S&P downgraded Russia's sovereign rating by one notch to "BBB-", which means that if on Friday after the close of trading the rating again is downgraded, it will be below investment grade for the first time since 2005. Additional pressure on the dynamics was provided by news from the east of Ukraine, where the representatives of the DNR said about the possibility of a renewed conflict in the enhanced phase. In the afternoon the MICEX Index was able to reverse the downward trend. The Russian market was supported by a position, stated by the Minister of Finance of the Russian Federation, as well as a number of experts, that concerns about the deterioration of Russia's rating by the Standard&Poor's agency were exaggerated. Another positive factor was the rise of U.S. indices at the opening, as well as information on the growth of sales of new buildings in the U.S. in September. The information that the European Council upheld the earlier decisions on restrictive measures against Russia was generally expected by the market and did not have any material effect on the dynamics of the MICEX Index, closing at daily highs. By the end of the trading session the MicexPWR Sector Index looked better than the MICEX Index dynamics. On Western exchanges the European DJStoxx Index lost 0.33%, and the U.S. S&P Index rose by 0.71%.

As part of the revision of companies in the sector BCS's analysts raised the target price for shares of IDGC of Centre by 48% to 0.31 rubles, leaving unchanged the recommendation to "Hold". The forecast improvement is due to the fact that, according to experts, the dividend yield of the company would be attractive in the short term, as the company will continue its policy to pay 25% of net profit under RAS.

## ELECTRIC POWER INDUSTRY NEWS

### Power companies have to stop new commissioning

Regulators have recognized that with the existing rules of the energy market it is not possible to get the power company to shutdown the "excess" generation, and want to financially stimulate even temporary shutdown of overcapacity.

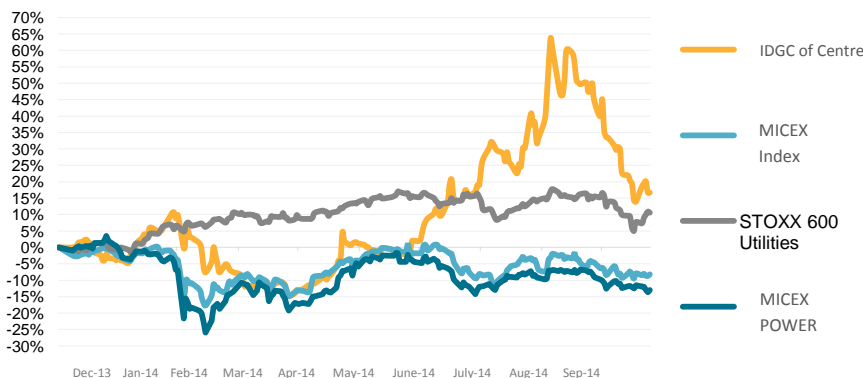
To read full text: <http://www.kommersant.ru/doc/2598870>

## COMPANY NEWS

### Orelenergo revealed 0.847 mln kWh of unmetered electricity

To read full text: <http://energo-news.ru/archives/123672>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 380,39	0,54%	-8,22%
S&P 500	1 964,58	0,71%	6,29%
FTSE 100	6 388,73	-0,47%	-5,34%
DAX	8 987,80	-0,66%	-5,91%
DJStoxx 600	327,17	-0,33%	-0,33%
STOXX Utilities	307,88	-0,29%	10,62%
Nikkei	15 291,64	1,01%	-6,14%
Sensex	26 851,05	0,00%	26,83%
CSI300	2 390,71	-0,22%	2,60%
Bovespa	51 940,73	2,42%	0,84%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,27	0,23%	-8,11%
USD/RUB	41,50	1,29%	26,79%
Euro/RUB	52,44	0,58%	16,62%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 231,01	-0,07%	2,44%
Brent*, USD/bbl	86,13	-0,81%	-19,00%

\* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2550
Capitalisation**, billion RUB	10,77
Capitalisation**, million USD	259,44

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	0,79%	-12,99%
Shares of IDGC of Centre**	0,00%	16,65%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,12%	-34,68%
FGC UES	0,00%	-40,33%
IDGC of Volga	0,21%	4,04%
MOESK	0,00%	-31,26%
IDGC of Northern Caucasus	0,32%	0,39%
IDGC of Centre and Volga Reg	-1,00%	31,61%
IDGC of North-West	0,38%	-6,37%
IDGC of Urals	0,35%	-11,09%
IDGC of Siberia	0,00%	26,24%
IDGC of South	1,09%	14,98%
Lenenergo	-2,09%	1,08%

Source: MOEX, Company calculations

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

## IDGC of Centre, JSC

127018, Moscow, 2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

## IR Division

+7 (495) 747 92 92, ext. 33-34

[ir@mrsk-1.ru](mailto:ir@mrsk-1.ru)

## Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM