



IDGC OF CENTRE

# DAILY MARKET REVIEW

21 October, Tuesday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on 20 October some positive external background formed on the Russian market. Last Friday both the U.S. and European indices closed with a noticeable increase. The DJIA and S&P500 gained 1.6% and 1.3% respectively. On Monday indexes of the Asia-Pacific region also grew up after the rise of the Western markets, so, the composite index of the Asia-Pacific region added more than 2%. Japan's Nikkei rose by 4% on the news that the state pension fund of Japan intends to increase the target for investment in shares of local companies to 25% from the current 12%. Investors' optimism was mainly associated with expectations of increasing stimulating the economy by the ECB, which, according to media reports referring to a member of the executive board Benoît Cœuré, should begin to repurchase the assets "over the next few days". In addition, the market was also supported with the statement of Head of the Federal Reserve Bank of St. Louis about the possibility of a later completion of QE-3 due to lower inflation expectations in the United States and fears of slowing global growth. Further the market was supported with the information that the People's Bank of China plans to pour into the country's banking system about 200 billion yuan (\$32.6 billion) to increase credit availability and support economic growth. December Brent traded around \$86 per barrel – half a dollar below the level of our Friday's close.

The Russian market on Monday opened with some growth, but failed to hold in the green zone on the background information on reducing the credit rating of the government of the Russian Federation by Moody's from "Baa1" to "Baa2" preserving the negative outlook, as well as the negative dynamics of European markets and the slowdown in American futures. Expectations of achieving an intermediate gas agreement between Russia, the EU and Ukraine in talks on Tuesday and removal of the issue on new sanctions against Russia from the agenda of the meeting of EU foreign ministers failed to provide substantial support to our market, as well as the beginning of the redemption of mortgage bonds from French issuers by the ECB. As reported by Bloomberg, according to analysts, these measures are unlikely to lead to a noticeable increase in liquidity as the ECB buys "short" and the most reliable papers. Pressure on the share price was also given by some negative opening of the American exchanges on the background of weak financial statements and forecasts of a number of companies, including IBM, quotes of which lost more than 7% in the preliminary trading in New York. In addition, at the end of the trading session a negative factor was a sharp decline in oil quotes on fears that OPEC would refrain from taking measures to prevent a further fall in prices.

During the trading session the MicexPWR Sector Index basically looked better than the MICEX Index. Decline in the MicexPWR Index, including, was restrained with growth of stocks of Russian Grids, which demonstrated a positive trend for most of the trading session. On Western exchanges the European DJStoxx Index lost 0.52%, and the U.S. S&P Index gained 0.91%.

## ELECTRIC POWER INDUSTRY NEWS

### FGC UES can receive 31.4 billion rubles from the NWF for grid connection of new customers

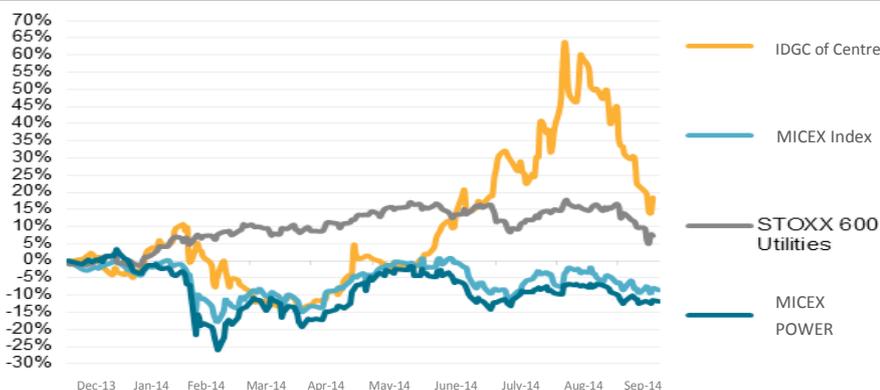
To read full text: <http://www.kommersant.ru/doc/2594187?isSearch=True>

## COMPANY NEWS

### IDGC of Centre paid the coupon yield on exchange-traded bonds of BO-01 series

To read full text: <http://www.energyland.info/news-show-tek-electro-128214>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 376,36	-0,60%	-8,49%
S&P 500	1 904,01	0,91%	3,01%
FTSE 100	6 267,07	-0,68%	-7,14%
DAX	8 717,76	-1,50%	-8,74%
DJStoxx 600	317,01	-0,52%	-3,43%
STOXX Utilities	298,80	-0,35%	7,35%
Nikkei	15 111,23	3,98%	-7,24%
Sensex	26 429,85	1,23%	24,84%
CSI300	2 454,71	0,53%	5,35%
Bovespa	54 302,57	-2,55%	5,43%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,28	0,27%	-7,21%
USD/RUB	41,05	0,73%	25,41%
Euro/RUB	52,53	0,72%	16,80%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 246,91	0,69%	3,77%
Brent*, USD/bbl	85,40	-0,88%	-19,68%

\* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2590
Capitalisation**, billion RUB	10,93
Capitalisation**, million USD	266,40

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	-0,38%	-11,87%
Shares of IDGC of Centre**	4,02%	18,48%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	0,69%	-32,75%
FGC UES	-0,11%	-38,28%
IDGC of Volga	-1,04%	4,92%
MOESK	0,54%	-32,70%
IDGC of Northern Caucasus	1,92%	3,30%
IDGC of Centre and Volga Reg	0,00%	33,39%
IDGC of North-West	4,18%	-3,56%
IDGC of Urals	-0,53%	-11,09%
IDGC of Siberia	0,00%	26,24%
IDGC of South	0,00%	14,98%
Lenenergo	-0,64%	0,65%

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