



IDGC OF CENTRE

DAILY MARKET REVIEW

26 November, Wednesday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 25 November some moderately positive external background formed on the Russian market. On the eve the U.S. indices DJIA and S&P500, having updated their records, rose by 0.04% and 0.3%, respectively. On Tuesday the composite MSCI Asia Pacific stock index added 0.6%. Stock markets continue to grow on the actions and statements of the world's largest Central Banks, indicating the readiness for measures to support the economy. January Brent traded around \$79.5 per barrel – fifty cents below our closing of November 24th. Some speculative component got bigger in the dynamics of oil prices as we approach the OPEC meeting, scheduled for November 27. More skepticism sounds at the market regarding the possible reduction of OPEC oil production quotas. In particular, analysts Goldman Sachs, having lowered the forecast average price of Brent in the I quarter of 2015 from \$100 to \$85 per barrel, believe that OPEC will wait slowdown in production of shale oil in the US before to significantly reduce its own production. In turn, Platts agency noted the uniqueness of the situation – in contrast to the crisis of 2008, when the cartel reduced production in response to falling demand, now, as noted by Platts, we are talking about the fight for a share of the world oil market.

Another decline in oil prices below \$80 a barrel was the basis for the continuation of sales in the Russian market in the beginning of the trading session, and the MICEX Index lost 0.9%. The MICEX Index was able to go back to zero in the middle of the day – buyers were supported with some positive dynamics of the European markets, where investors continued playing back the strengthening incentives of the world Central Banks. Own statistics also contributed to preservation of optimism in Europe – the GDP growth in Germany in the III quarter was confirmed at 0.1%, in November the index of business confidence in the economy of France was better than expected. In the afternoon the MICEX Index went into a small plus after the publication of strong data from the US: estimate of GDP growth in the III quarter was improved by 0.4 percentage points to 3.9%, while the Bloomberg consensus forecast assumed its reduction to 3.3%. The growth of the US economy over the last two quarters was the best in more than a decade. By the end of trading session the MICEX Index was able to stay near zero, despite the marked deterioration in the western markets after the publication of significantly lower than expected US data on the consumer confidence index in November – the indicator fell to its lowest level since June.

During the trading session the MicexPWR Sector Index looked worse than the market dynamics mainly due to sales of shares of Inter RAO and RusHydro. On Western exchanges the European DJStoxx Index rose by 0.16%, and the U.S. S&P Index lost 0.12%.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy to agree with MED its position on privatization of "daughters" of "Russian Grids"

The Ministry of Energy intends until the end of 2014 to form a joint position with the Ministry of Economic Development on the privatization of subsidiaries of "Russian Grids", told reporters Deputy Energy Minister Vyacheslav Kravchenko.

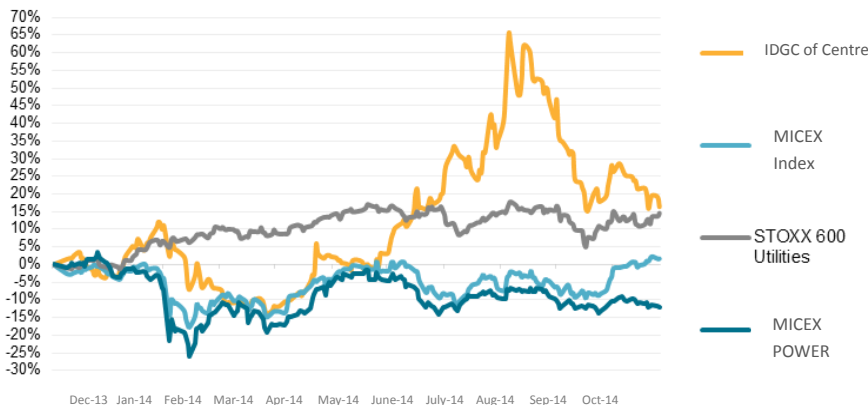
To read full text: <http://1prime.ru/energy/20141125/796637850.html>

COMPANY NEWS

Lipetskenergo identified more than two thousand cases of electricity theft

To read full text: <http://www.energyland.info/news-show-tek-electro-129476>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 529,57	0,00%	1,69%
S&P 500	2 067,03	-0,12%	11,83%
FTSE 100	6 731,14	0,02%	-0,27%
DAX	9 861,21	0,77%	3,24%
DJStoxx 600	346,28	0,16%	5,49%
STOXX Utilities	318,97	0,80%	14,60%
Nikkei	17 407,62	0,29%	6,85%
Sensex	28 338,05	-0,57%	33,86%
CSI300	2 685,56	1,37%	15,26%
Bovespa	55 560,81	0,28%	7,87%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,25	0,27%	-9,64%
USD/RUB	44,79	-2,20%	36,84%
Euro/RUB	55,53	-3,32%	23,49%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 200,98	0,32%	-0,05%
Brent*, USD/bbl	78,33	-1,69%	-26,03%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2515
Capitalisation**, billion RUB	10,62
Capitalisation**, million USD	237,08

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,39%	-12,12%
Shares of IDGC of Centre**	-2,33%	16,38%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,49%	-34,43%
FGC UES	0,89%	-39,88%
IDGC of Volga	1,11%	0,09%
MOESK	-0,51%	-29,82%
IDGC of Northern Caucasus	-1,02%	-5,76%
IDGC of Centre and Volga Reg	-0,79%	49,40%
IDGC of North-West	0,00%	-9,89%
IDGC of Urals	-0,82%	-4,97%
IDGC of Siberia	0,00%	27,66%
IDGC of South	-0,82%	13,42%
Lenenergo	1,41%	-6,68%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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