



DAILY

MARKET REVIEW

2014

| 10 January, Friday

## REVIEW OF STOCK MARKETS

Before the opening of trading some moderately negative external background formed on the Russian market. On Wednesday, the U.S. DJIA and S&P500 indices lost 0.4% and 0.02% respectively on increasing fears of the Fed's accelerating exit from the asset purchase program. Motives for these speculations were, first, good labour market statistics from ADP Employer Service, which had recorded more than expected increase in the number of jobs in December, and secondly, the publication of the last FOMC meeting, which implies that the Fed's officials note the decrease of economic efficiency of the QE program. Reduction of the major APR stock indices averaged over half a percent. In addition to U.S. investors' pessimism the pressure on markets was provided by statistics from China: in December producer prices fell more than expected. At the same time, as Bloomberg notes, the decline in the indicator has continued for 22 months in a row, which is the longest period from 1997-1999 and causes significant concerns of experts who consider it a clear sign of the weakness of the Chinese economy. February Brent was trading at \$107.5 per barrel – at the level of our closing on Wednesday.

On Thursday the Russian market consolidated after an unsuccessful start of trading in 2014 – for the first two trading sessions the MICEX and RTS indices fell by 2.7% and 3.6%, respectively. These losses were generally comparable to a 3% drop in the composite index of emerging markets MSCI EM YTD since the beginning of the year amid lingering skepticism of global investors on emerging markets in anticipation of activating folding stimulus programs by the Fed. Additional pressure on the Russian market in the beginning of the year was given by a decline in oil prices, which had lost about 4% since the beginning of the year. Most of the day Russian and European indices were slightly positive. Released better than expected statistics on applications for unemployment benefits in the United States, the composite index of confidence in the Eurozone in December and industrial production in Germany in November did not have substantial support to buyers. The ECB's decision to keep interest rates at a record low of 0.25% and followed after traditional statements of the ECB to maintain downside risks to the economy of the Eurozone and the intention of the central bank to keep the stimulus "as long as necessary" did not impress investors either.

Following the results of the day, the MICEX Index rose by 0.17% to close trading at 1,465.14 points. The MicexPWR Sector Index grew by 0.40%. Dynamics of the MicexPWR Index looked a little better than the market due to the growth of shares of E.ON Russia. On Western exchanges the European DJStoxx 600 Index fell by 0.41%, and the American S&P 500 Index closed near zero.

## ELECTRIC POWER INDUSTRY NEWS

**A bill on controlling the cost of natural monopolies has been presented to the State Duma**

A senator, a famed hockey player, Vyacheslav Fetisov, presented a bill to the State Duma at the end of December to tighten control over non-core costs of natural monopolies, including sports, corporate and culture.

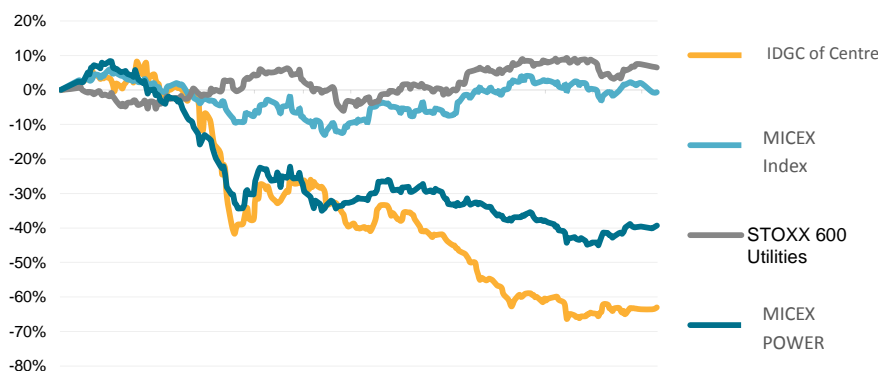
To read full text: <http://www.bigpowernews.ru/news/document53947.phtml>

## COMPANY NEWS

**For 10 months in 2013 Smolenskenergo invested 923 million rubles in the renovation and construction of facilities**

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89038](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89038)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



Dec-12 Jan-13 Feb-13 Mar-13 Apr-13 May-13 June-13 July-13 Aug-13 Sep-13 Oct-13 Nov-13 Dec-13

World indexes	Value	Change for the day	fr 31.12.12
MICEX	1 465,14	0,17%	-2,59%
S&P 500	1 838,13	0,03%	-0,55%
FTSE 100	6 691,34	-0,45%	-0,86%
DAX	9 421,61	-0,80%	-1,37%
DJStoxx 600	328,41	-0,41%	0,05%
STOXX Utilities	275,03	-0,12%	-1,19%
Nikkei	15 880,33	-1,50%	-2,52%
Sensex	20 713,37	-0,08%	-2,16%
CSI300	2 222,22	-0,88%	-4,63%
Bovespa	49 321,68	-2,48%	-4,24%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.12
Euro/USD	1,36	0,09%	-1,49%
USD/RUB	32,66	0,00%	-0,22%
Euro/RUB	45,06	0,00%	0,19%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.12
Gold, USD/oz	1 227,98	0,16%	2,19%
Brent*, USD/bbl	106,39	-0,71%	-3,98%

\* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2219
Capitalisation**, billion RUB	9,37
Capitalisation**, million USD	286,85

Source: Central Bank of Russia, Company calculations

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

Russian indexes	Change for the day	from 31.12.12
MICEX-Power Index	0,40%	0,35%
Shares of IDGC of Centre**	0,86%	1,51%

Source: MICEX, Company calculations

Grid companies	Change** for the day	fr 31.12.12
JSC Russian Grids	0,13%	0,00%
FGC UES	-0,21%	-1,06%
IDGC of Volga	1,85%	1,58%
MOESK	-0,42%	0,34%
IDGC of Northern Caucasus	-1,80%	-0,97%
IDGC of Centre and Volga Reg	0,87%	2,82%
IDGC of North-West	-2,06%	-3,17%
IDGC of Urals	0,17%	-1,03%
IDGC of Siberia	2,97%	0,68%
IDGC of South	-0,56%	-0,90%
Lenenergo	4,67%	9,27%

Source: MICEX, Company calculations

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

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**Tickers**

Moscow Exchange  
Bloomberg  
Reuters

MRKC  
MRKC.RX  
MRKC.MM