



IDGC OF CENTRE

DAILY MARKET REVIEW

03 December, Thursday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 02 December some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 1.0-1.1%, in spite of the failed statistics on manufacturing activity in November. ISM Manufacturing Index fell below the key level of 50 points, to the lowest level since June 2009, the reduction of activity in the manufacturing sector was recorded for the first time since November 2012. The market could be supported with a slight decline in expectations of the Fed rate hike in December, after the publication of statistics the evaluation of chances of realization of this event dropped from 74% to 70%. However, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific declined by 0.1% under the influence of extremely weak data on manufacturing activity in the United States. The growth of the Chinese CSI300 index by 3.6% differed from the total dynamics of regional markets, which, as believed at Bloomberg, was caused by shifting of investors from shares in companies with low capitalization to "blue chips". January Brent futures traded near the mark of \$44.2 per barrel, slightly below the closing level on 01 December. Quotes of oil remain under pressure pending the outcome of the OPEC meeting, which will begin on 04 December.

On Wednesday the main driver of the dynamics of the Russian market was the price of oil. A percent growth of the MICEX Index, in early trading having played back some strong closing of the US market, was replaced by a half-point reduction in the second half of the day after the fall of Brent quotations below \$44 per barrel. The MICEX Index was kept from larger losses with neutral dynamics of the western exchanges, where investors took a cautious stance in anticipation of 02 December speech of the Fed's Chair and the outcome of the ECB meeting, which is scheduled for today. At the same time market participants are waiting for expansion of the program of incentives by the ECB, including taking into account the inflation data for November, consumer prices rose less than forecast. At the same time investors hope to hear information from Chair of the US Central Bank that could clarify the intentions of the Fed to implement the exit strategy. Experts believe that the market has already taken into account the possibility of a December rate hike, but the question remains about the pace of further tightening of the monetary and credit policy. The data, published yesterday in the US, strengthened investors' confidence in the inevitability of the rise of the Fed rate – statistics from ADP on the number of new jobs was better than expected, labour costs in the III quarter increased more than expected, growth of hourly wages adjusted for inflation was the highest since 2012.

During the trading session the MicexPWR Sector Index looked somewhat better than the market mainly due to the recovery of oversold stocks of E.ON Russia and Inter RAO on Tuesday.

ELECTRIC POWER INDUSTRY NEWS

The price is more important than technology

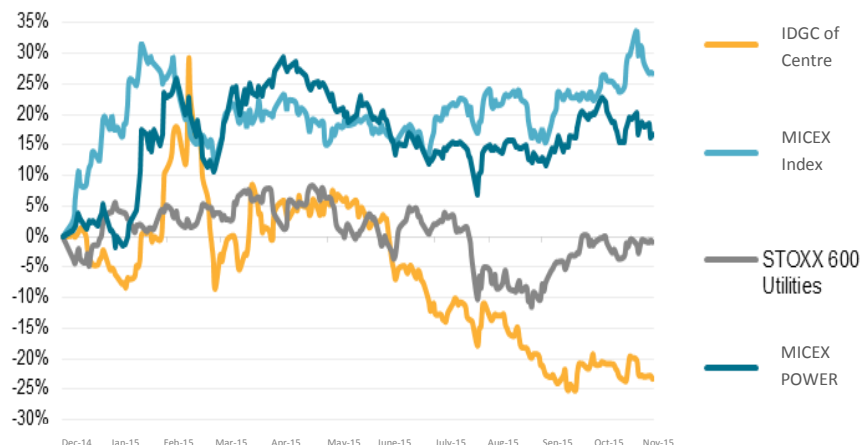
Read full text: <http://www.kommersant.ru/doc/2868047>

COMPANY NEWS

Overdue receivables to Belgorodenergo for electricity transmission services in the second half of the year to decrease by 35%

Read full text: <http://www.kp.ru/daily/26465/3335683/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 770,13	-0,16%	26,74%
S&P 500	2 079,51	-1,10%	1,00%
FTSE 100	6 420,93	0,40%	-2,21%
DAX	11 190,02	-0,63%	14,12%
DJStoxx 600	384,17	-0,02%	12,15%
STOXX Utilities	312,73	-0,27%	-0,86%
Nikkei	19 938,13	-0,37%	14,25%
Sensex	26 117,85	-0,20%	-5,02%
CSI300	3 721,96	3,63%	5,33%
Bovespa	44 914,53	-0,29%	-10,18%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,06	-0,29%	-12,93%
USD/RUB	66,26	-0,72%	17,78%
Euro/RUB	70,13	-0,73%	2,62%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 053,70	-1,46%	-11,03%
Brent*, USD/bbl	42,49	-4,39%	-35,70%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1938
Capitalisation**, billion RUB	8,18
Capitalisation**, million USD	123,48

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	0,26%	16,64%
Shares of IDGC of Centre**	-0,62%	-23,25%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	1,47%	8,17%
FGC UES	-0,33%	33,49%
IDGC of Volga	-0,76%	-29,93%
MOESK	0,26%	-39,20%
IDGC of Northern Caucasus	-0,79%	3,31%
IDGC of Centre and Volga Reg	0,15%	-33,02%
IDGC of North-West	-0,37%	6,72%
IDGC of Urals	-2,01%	51,55%
IDGC of Siberia	-0,39%	-42,67%
IDGC of South	1,26%	3,88%
Lenenergo	1,20%	44,29%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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