



IDGC OF CENTRE

# DAILY MARKET REVIEW

03 October, Friday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on 02 October some negative external background formed on the Russian market. On Wednesday the U.S. indices DJIA and S&P500 fell by 1.3-1.4%. Concerns of investors, mainly, are due to the exit strategy implementation by the U.S. Fed – the asset repurchase program (QE3) can be completed in October, the American Central Bank rhetoric gets tougher in relation to the timing of the interest rate increase. The analysts remind that the most extensive correction of the American market in the current upward trend occurred in the period after the end of QE1 and QE2. Major stock indices in the Asia-Pacific region declined after the fall of the U.S. markets – the composite MSCI Asia Pacific index lost 0.6%. The Japanese market played the role of an outsider, the Nikkei fell by 2.6%, being under additional pressure of the strengthening yen. November Brent futures traded near \$94 a barrel – a dollar below the level of our closing on 01 October.

During the entire trading session the Russian market observed active sales – in the middle of the day falling of the MICEX Index exceeded 1.5%. In addition to the deterioration of sentiment on global markets, a significant additional negative factor for our market was the news about the possibility of new Western sanctions. According to Bloomberg, the EU is ready to impose additional restrictive measures against Russia if the militants in the south-east of Ukraine establish control over the airport of Donetsk and Mariupol. At the same time, according to Bloomberg, a source "familiar with the policy of the German government" stressed that such actions of the militants will have unpredictable consequences. Furthermore, continuing fall in oil prices put pressure on the Russian market – during the day November Brent futures for the first time since June 2012 fell below \$92 a barrel. The mood in Europe was not optimistic either, in the second half of the trading session the major indices decline on average exceeded a percent – the markets, in particular, were disappointed with uncertain wording regarding the timing of the ECB buying asset-backed securities, whereas mid-October was previously named. In addition, investors are not impressed with Mr. Dragi's skepticism, saying that the Eurozone economy is fundamentally weak, the impetus to the economy growth weakened, and inflation expectations are suppressed. Against this background the ambiguous statistics of the United States, where data on applications for unemployment benefits were better than expected, while the orders of industrial enterprises in August were worse than expected, had no significant impact on the dynamics of trading.

During the trading session the dynamics of the MicexPWR Sector Index was generally in line with the changes of the MICEX Index. By the end of the day all "heavy" index papers made even contribution to the MicexPWR reduction. On Western exchanges the European DJStoxx Index lost 2.40%, and the U.S. S&P Index closed near zero.

## ELECTRIC POWER INDUSTRY NEWS

**Mr. Putin announced the privatization of the largest state-owned energy companies**

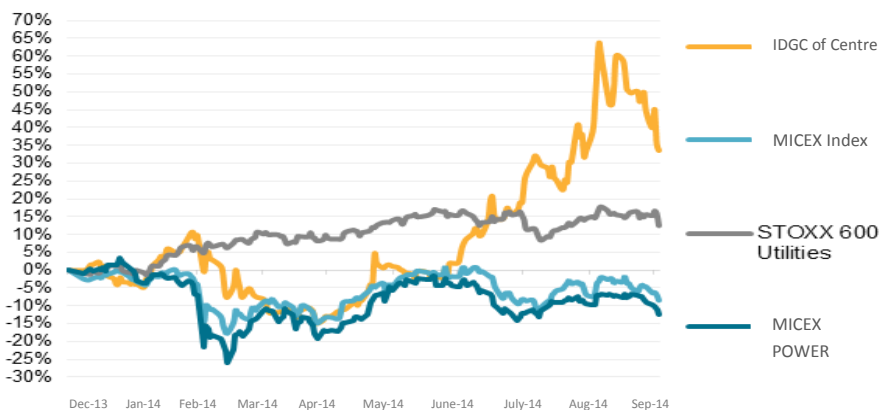
To read full text: <http://www.bigpowernews.ru/news/document59002.phtml>

## COMPANY NEWS

**Voronezhenergo obtained its certificate of readiness for the autumn-winter operation**

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89703](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89703)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 376,35	-1,69%	-8,49%
S&P 500	1 946,17	0,00%	5,29%
FTSE 100	6 446,39	-1,69%	-4,49%
DAX	9 195,68	-1,99%	-3,73%
DJStoxx 600	332,05	-2,40%	1,15%
STOXX Utilities	313,06	-2,88%	12,48%
Nikkei	15 661,99	-2,61%	-3,86%
Sensex	26 567,99	0,00%	25,49%
CSI300	2 450,99	0,00%	5,19%
Bovespa	53 518,57	1,25%	3,91%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,27	0,53%	-8,07%
USD/RUB	39,66	0,70%	21,18%
Euro/RUB	50,06	0,15%	11,31%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 214,57	0,06%	1,08%
Brent*, USD/bbl	93,42	-0,79%	-12,54%

\* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2920
Capitalisation**, billion RUB	12,33
Capitalisation**, million USD	310,83

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	-1,76%	-12,53%
Shares of IDGC of Centre**	-1,35%	33,58%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	-2,02%	-34,30%
FGC UES	-2,43%	-40,00%
IDGC of Volga	-1,67%	3,16%
MOESK	-0,53%	-31,98%
IDGC of Northern Caucasus	0,34%	-3,82%
IDGC of Centre and Volga Reg	0,45%	32,65%
IDGC of North-West	-5,42%	-7,78%
IDGC of Urals	-0,53%	-11,40%
IDGC of Siberia	0,00%	26,26%
IDGC of South	-0,54%	15,29%
Lenenergo	-1,67%	1,51%

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