



IDGC OF CENTRE

# DAILY MARKET REVIEW

18 December, Thursday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on 17 December some moderately negative external background formed on the Russian market. Tuesday's trading session in the United States had a very high volatility – adding to the highs of the day about 1.4%, the DJIA and S&P500 closed trading lower by 0.7-0.8%. According to Bloomberg, the pressure on the market was put by weak data from China, where, according to HSBC, in December the manufacturing PMI fell below the threshold level of 50 points, and one of the main targets for investors during the trading session was the price of oil. The composite index of the Asia-Pacific region declined by 0.3% in the absence of single dynamics of regional markets. February Brent traded just below \$60 a barrel – at the level of our closing on 16 December.

The Russian market remains highly volatile. The MICEX Index began trading with nearly 4% fall on the information that the MSCI index provider might exclude Russia from the MSCI Emerging Markets Index due to the recent economic developments in Russia, and the point of no return, the MSCI report said, would be the introduction of control over movement of capital or foreign exchange transactions as "freedom of capital inflows and outflows is one of the main criteria for the classification of the market as an Emerging Market". In the middle of the day the MICEX Index was able to halve the loss on both statements of the government that plans for restrictions on the movement of capital did not exist, and MSCI provided possibility of replacing local shares for liquid receipts, thus avoiding the exclusion of Russia from the MSCI Emerging Markets. At the end of the day the mood of Russian investors got significantly improved – the growth of the MICEX Index exceeded 2% after the CBR informed on new measures to maintain the stability of the Russian financial sector. In particular, the Bank of Russia will introduce a temporary moratorium on the recognition of the negative revaluation of the portfolios of securities, will allow banks while calculating norms temporarily to use in the calculation of requirements for transactions in foreign currency the rate calculated for the previous quarter, and will increase up to 2 years a period during which banks will have the right not to create reserves for borrowers whose financial situation has deteriorated due to an emergency. Against this background the growth driver for our market was oversold shares of Sberbank, soaring by 14%. The market was also supported by the ruble strengthening, which followed the CBR message. However, the MICEX Index failed to close in positive territory, and the main contribution to the final 2% reduction was made by leaders of Tuesday – in particular, shares of Norilsk Nickel, which yesterday lost nearly 15%.

By the end of trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the daily MicexPWR Index growth was made by shares of RusHydro and recovering after sales shares of FGC UES and Russian Grids. On Western exchanges the European DJStoxx Index added 0.14%, and the U.S. S&P rose by 2.04%.

## ELECTRIC POWER INDUSTRY NEWS

### "Russian Grids" were not let amalgamate

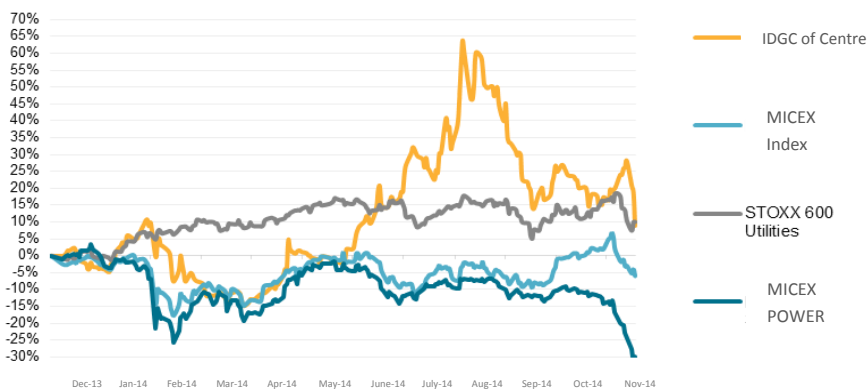
To read full text: <http://www.kommersant.ru/doc/2635687>

## COMPANY NEWS

### IDGC of Centre was 10 years old on the 17<sup>th</sup> of December

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89888](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89888)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 413,79	-2,11%	-6,00%
S&P 500	2 012,89	2,04%	8,90%
FTSE 100	6 336,48	0,07%	-6,11%
DAX	9 544,43	-0,20%	-0,08%
DJStoxx 600	329,34	0,14%	0,33%
STOXX Utilities	306,25	0,08%	10,03%
Nikkei	16 819,73	0,38%	3,24%
Sensex	26 710,13	-0,27%	26,17%
CSI300	3 360,60	1,73%	44,23%
Bovespa	48 713,64	3,63%	-5,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,24	-0,77%	-9,98%
USD/RUB	61,15	4,81%	86,84%
Euro/RUB	76,15	4,80%	69,34%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 189,71	-0,61%	-0,99%
Brent*, USD/bbl	61,18	1,95%	-41,95%

\* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2380
Capitalisation**, billion RUB	10,05
Capitalisation**, million USD	164,31

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	3,80%	-30,04%
Shares of IDGC of Centre**	-8,29%	8,87%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	8,26%	-55,28%
FGC UES	5,96%	-61,37%
IDGC of Volga	4,82%	9,75%
MOESK	-0,39%	-8,59%
IDGC of Northern Caucasus	6,02%	-25,84%
IDGC of Centre and Volga Reg	17,69%	36,06%
IDGC of North-West	4,09%	-19,39%
IDGC of Urals	5,09%	-9,36%
IDGC of Siberia	3,07%	28,65%
IDGC of South	0,00%	-14,23%
Lenenergo	-6,18%	-28,02%

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