



IDGC OF CENTRE

DAILY MARKET REVIEW

23 October, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 22 October some positive external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 closed with the growth of 1.3% and 2%, respectively, on good reporting of a number of companies, released better than expected statistics on home sales in the secondary market of the USA in September and expectations of a possible expansion of the ECB to stimulate the European economy by buying corporate bonds. On Wednesday morning the composite MSCI Asia Pacific index added more than one percent, and U.S. futures were slightly up. Additional support to the market was given by statistics on the volume of Japanese exports in September, which had grown with the fastest pace in 7 months. December Brent traded around \$86.3 per barrel – half a dollar above the level of our closing on 21 October.

The Russian market, having started trading with a small plus on the MICEX Index on the background of some positive mood in global markets, soon gave way to sideways movement against the backdrop of a neutral opening of European markets. Market participants were cautious due to the incompleteness of the negotiations between Russia and Ukraine on gas, a new round of which is scheduled for 29 October. As European Commissioner for Energy G. Oettinger during a press conference stated: "The talks ... have not brought the breakthrough, which many had expected from them. But we have made major progress. And I expect that next week we will have to reach agreement on a "winter package". "At the same time, as noted by experts, questions on financing the current Russian supplies and repayment of debt for gas have not been resolved. An additional negative factor for the decline in our market was Moody's rating of a number of blue chips after similar actions in respect of the credit rating of the Government of the Russian Federation. A slight increase in the American stock indices at the opening after the publication of financial statements of a number of companies and published better than expected data on consumer price inflation could not provide substantial support to our market, the dynamics of which was replaced by a negative change in the afternoon. At the end of trading additional pressure on the Russian market was put by data published by the United States Department of Energy on the growth of oil and petroleum products reserve.

By the end of the trading session the MicexPWR Sector Index underperformed the market mainly due to FGC UES and RusHydro, which made a major, more than 60%, contribution to the decline in the index. On Western exchanges the European DJStoxx Index rose by 0.73%, and the U.S. S&P Index fell 0.73%.

ELECTRIC POWER INDUSTRY NEWS

MED expects growth of electricity generation by 1.7% and electricity consumption by 2.4% by 2017

To read full text: <http://www.bigpowernews.ru/news/document59447.phtml>

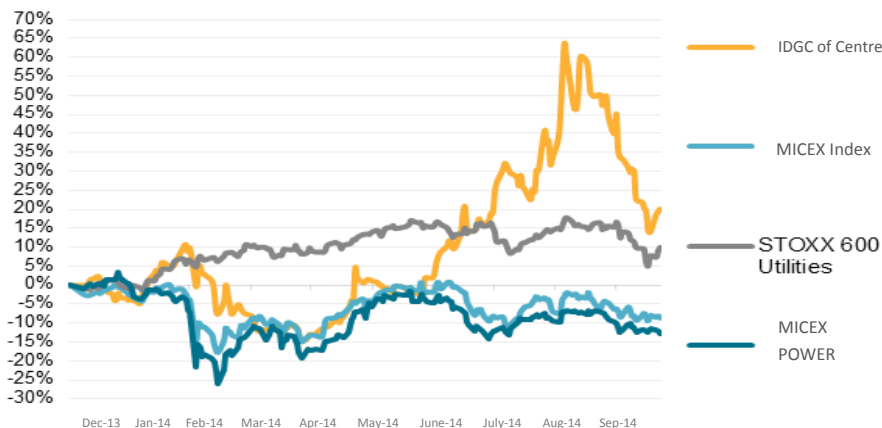
COMPANY NEWS

Lipetskenergo switched to a new model of operational and technological management

To read full text:

http://www.ruscable.ru/news/2014/10/22/Lipetskenergo_pereshlo_na_novuu_modely_operativno-/

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 374,19	-0,66%	-8,64%
S&P 500	1 927,11	-0,73%	4,26%
FTSE 100	6 399,73	0,43%	-5,18%
DAX	8 940,14	0,60%	-6,41%
DJStoxx 600	326,11	0,73%	-0,65%
STOXX Utilities	306,14	0,92%	9,99%
Nikkei	15 195,77	2,64%	-6,72%
Sensex	26 787,23	0,80%	26,53%
CSI300	2 418,64	-0,61%	3,80%
Bovespa	52 411,03	-0,04%	1,75%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,27	-0,54%	-8,16%
USD/RUB	41,05	0,41%	25,42%
Euro/RUB	52,65	1,01%	17,07%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 241,27	-0,60%	3,30%
Brent*, USD/bbl	84,71	-1,75%	-20,33%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2625
Capitalisation**, billion RUB	11,08
Capitalisation**, million USD	269,97

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-1,03%	-12,94%
Shares of IDGC of Centre**	0,57%	20,08%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,62%	-34,13%
FGC UES	-2,13%	-39,43%
IDGC of Volga	0,21%	4,04%
MOESK	0,00%	-31,62%
IDGC of Northern Caucasus	-1,26%	1,68%
IDGC of Centre and Volga Reg	0,89%	34,58%
IDGC of North-West	0,00%	-4,96%
IDGC of Urals	0,00%	-11,40%
IDGC of Siberia	0,00%	26,24%
IDGC of South	0,00%	14,98%
Lenenergo	-0,64%	0,65%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

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MRKC

MRKC.RX

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