



IDGC OF CENTRE

# DAILY MARKET REVIEW

23 September, Tuesday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on 22 September some moderately negative external background formed on the Russian market. Last Friday the U.S. indices DJIA and S&P500 closed with minor, within 0.1%, opposite changes. In this case, the DJIA once again renewed its historical maximum. On Monday stock markets in the Asia-Pacific region were dominated by negative sentiment – the composite MSCI Asia Pacific index and U.S. futures lost about half a percent. The main reason for the pessimism of investors in the Asian session was growing fears of the Chinese economy slowing down. Firstly, China's Minister of Finance said that the economy faces downward pressure, saying at the same time there are no plans for additional stimulus. Secondly, according to a survey of Bloomberg, the PMI in the manufacturing sector in China, calculated by HSBC, in September could fall to 50 points. In addition, the pressure on the market was given by the finance G20 expressed at a meeting in Australia concern of prolonged low interest rates, which may increase the risk in the financial markets. November Brent traded near \$98 a barrel – at the level of our closing on Friday 19 September.

Sales continued in the Russian market, on the daily lows the reduction of the MICEX Index exceeded one percent. Negative investors' sentiment is still related to the issues of AFK "Sistema" and the expectations of a possible tightening of Western sanctions. News about new agreements of members of the Russia-OSCE-Ukraine contact group for a political settlement of the conflict in Ukraine was not able to support the Russian market, although, according to experts, they increase the chances of recovery of the real peace in the east of Ukraine. According to media reports, at a meeting in Minsk last Friday a memorandum to the minutes of September 5 was signed, which specifies measures to cease the fire – in particular, the contact line of the opposing sides is fixed, which is created along the 30-km buffer zone from which all heavy weapons are removed. In Europe, investors' sentiment was not overly optimistic either, mainly because of the problems of the Chinese economy, but the dynamics of the markets was rather low-key – the loss of the major indices averaged less than half a percent. At the end of the day the rate of decline of Russian and European indices accelerated after the publication of weak data from the United States, where the data on home sales in the secondary market were worse than expected.

During the entire trading session the MicexPWR Sector Index looked better than the market mainly due to growing stocks of Russian Grids and FGC UES. It should be noted that these two papers for a second day have been increasing in opposition with the market in the absence of significant news. On Western exchanges the European DJStoxx fell 0.53%, and the U.S. S&P Index lost 0.80%.

## ELECTRIC POWER INDUSTRY NEWS

**Russian Grids adopted a single anti-corruption policy of the electric grid complex of the Russian Federation**

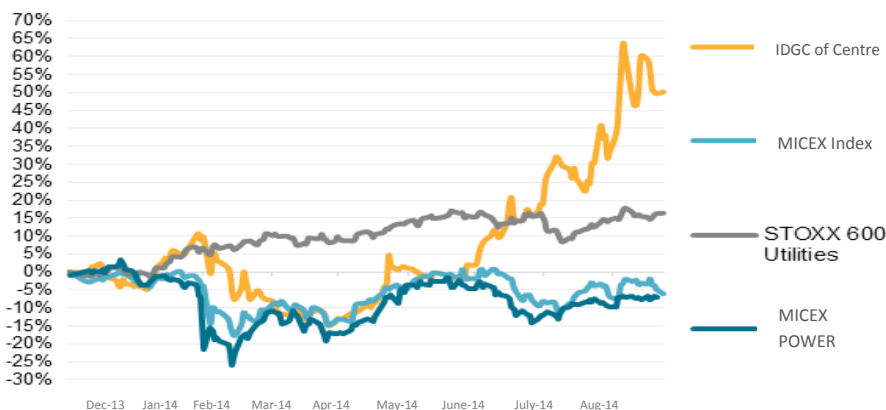
To read full text: <http://www.bigpowernews.ru/news/document58735.phtml>

## COMPANY NEWS

**IDGC of Centre completed the reconstruction of a substation in the settlement of Kolpny**

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89683](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89683)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 412,83	-1,31%	-6,07%
S&P 500	1 994,29	-0,80%	7,90%
FTSE 100	6 773,63	-0,94%	0,36%
DAX	9 749,54	-0,51%	2,07%
DJStoxx 600	346,69	-0,53%	5,61%
STOXX Utilities	324,02	0,12%	16,42%
Nikkei	16 205,90	-0,71%	-0,52%
Sensex	27 206,74	0,43%	28,51%
CSI300	2 378,92	-1,91%	2,10%
Bovespa	56 818,11	-1,68%	10,31%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,28	0,02%	-6,94%
USD/RUB	38,41	-0,02%	17,37%
Euro/RUB	49,54	0,16%	10,16%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 215,08	-0,05%	1,12%
Brent*, USD/bbl	96,97	-1,44%	-9,21%

\* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3283
Capitalisation**, billion RUB	13,86
Capitalisation**, million USD	360,82

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,23%	-6,99%
Shares of IDGC of Centre**	0,34%	50,18%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	1,07%	-27,28%
FGC UES	1,60%	-36,10%
IDGC of Volga	1,10%	13,39%
MOESK	-0,57%	-27,84%
IDGC of Northern Caucasus	-2,12%	7,64%
IDGC of Centre and Volga Reg	-1,92%	48,21%
IDGC of North-West	2,26%	6,65%
IDGC of Urals	-2,38%	-7,43%
IDGC of Siberia	1,15%	26,26%
IDGC of South	4,79%	23,74%
Lenenergo	0,19%	15,30%

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