



IDGC OF CENTRE

DAILY MARKET REVIEW

05 October, Monday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 02 October some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed the day mixed with changes in the range of 0.2%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific was 0.2% down. Participants of the market, analysts said, took a wait before the publication of the September data on the US labour market, which could have a serious impact on the Fed's decision on interest rates. November Brent futures traded near the mark of \$48.3 per barrel – at the close on 01 October.

Prior to the release of statistics on the US labour market, Russian and European indices showed mixed trends – the MICEX Index lost more than half a percent, while the Stoxx Europe 600 added about 1.5% in anticipation of new signals, confirming the sustained recovery of the US economy. In turn, the Russian market was pressured with the uncertainty of tax solutions in the framework of preparation of the 2016 budget, and geopolitical factors - mixed assessment by the world community of participation of Russian operations air forces against ISIS in Syria and expectations of the outcome of the "Norman" summit on the Ukrainian problem, which took place on 02 October in Paris. Market sentiment deteriorated significantly after the publication of weak statistics on employment in the US in September. According to the Department of Labor, the number of jobs in the US economy in September increased by 142 thousand - almost 30% below expectations. In addition, the revision of figures for the last two months reduced estimates of the growth of employment by 59 thousand jobs. After the publication of these data, half-point increase in US futures was replaced with a percent drop, the Stoxx Europe 600 went to half-point reduction, the loss of the MICEX Index rose to a percent. The slowdown in the global economy and volatility in financial markets had a significant impact on the US economy – analysts commented those statistic data. At the same time investors' doubt on the ability of the US economy to withstand external challenges completely overshadowed the positive expectations of the rate hike transfer by the Fed to March 2016. According to Bloomberg, futures on the level of the rate of the US Central Bank estimate probability of its raising by the Fed in March at 52.3% – this is the first month when the odds are greater than 50%. Bids of traders to increase the cost of lending in October fell to 6% (-10 percentage points compared to Monday), in December – to 30.4% (-9 percentage points), in January – down to 38.8% (-10 percentage points). At the end of the day the European indices were back into positive territory after the turn of the US indexes, which had started trading with 1.5% fall, while the MICEX Index almost kept a percent decline under the pressure of negative dynamics of oil prices, dropping to around \$47 per barrel.

During the trading session the MicexPWR Sector Index as a whole corresponded to the dynamics of the MICEX Index. The main contribution to the final MicexPWR reduction was made by shares of RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

At the All-Russian Forum on affordable electricity proposals were reviewed to increase the requirements for the applicants' responsibility for grid connection

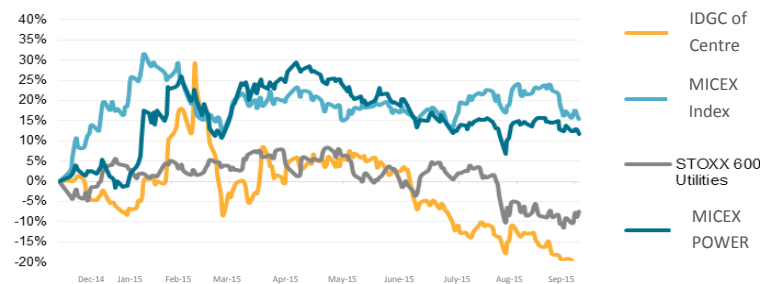
Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=24853

COMPANY NEWS

The delegation of IDGC of Centre, headed by General Director Oleg Isaev, took part in the International Investment Forum "Sochi-2015"

Read full text: <http://www.mrsk-1.ru/press-center/news/company/50207/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 612,56	-0,89%	15,46%
S&P 500	1 951,36	1,43%	-5,22%
FTSE 100	6 129,98	0,95%	-6,64%
DAX	9 553,07	0,46%	-2,57%
DJStoxx 600	347,86	0,47%	1,55%
STOXX Utilities	291,96	1,53%	-7,44%
Nikkei	17 725,13	0,02%	1,57%
Sensex	26 220,95	0,00%	-4,65%
CSI300	3 202,95	0,00%	-9,36%
Bovespa	47 033,46	3,80%	-5,95%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,12	0,18%	-7,74%
USD/RUB	65,03	-1,07%	15,60%
Euro/RUB	72,49	-1,75%	6,06%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 138,60	2,24%	-3,86%
Brent*, USD/bbl	48,13	0,92%	-25,71%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1955
Capitalisation**, billion RUB	8,25
Capitalisation**, million USD	126,91

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-0,89%	11,80%
Shares of IDGC of Centre**	-1,01%	-22,57%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-0,36%	0,58%
FGC UES	-1,75%	28,89%
IDGC of Volga	-1,03%	-31,00%
MOESK	-1,21%	-34,80%
IDGC of Northern Caucasus	0,75%	11,16%
IDGC of Centre and Volga Reg	-1,17%	-30,23%
IDGC of North-West	3,83%	7,11%
IDGC of Urals	-0,79%	23,24%
IDGC of Siberia	2,59%	-38,44%
IDGC of South	-0,66%	-2,59%
Lenenergo	-0,19%	49,71%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM