

## REVIEW OF STOCK MARKETS

Before the opening of trading some negative external background formed on the Russian market. Major U.S. indices on Thursday lost 1.2-1.5% on weak statistics of China's industrial production and retail sales and the continuing tension in Ukraine. The composite MSCI Asia Pacific index fell more than 1.5%. The focus of investors, says Bloomberg, was on China's weak statistics. April Brent was trading at \$107.5 per barrel – at the level of our closing on Thursday.

Falling markets of America and Asia, approaching Crimean referendum and expectations of Western sanctions against Russia were the causes for more than 5% collapse of the Russian index in early trading. At the same time the MICEX Index broke down 1,200 points, below which it did not fall from May 2010. In the afternoon, the indicator could still rise above that key level mainly due to the speculative "short" positions closing. In addition, some support for our market was provided by expected results of the meeting of the Russian Foreign Minister and U.S. Secretary of State and Foreign Minister of the United Kingdom on the situation in Ukraine. In general, from a fundamental point of view, the news background was not to return buyers either. First, the Russian Foreign Ministry, responding to a protesters' clash in Donetsk, resulted in casualties, said that "Russia is aware of its responsibility for the lives of fellow countrymen and Ukraine, and reserves the right to protect them". Second, the Central Bank of Russia, keeping its key interest rate at an elevated level of 7%, said that it did not intend to reduce it "in the coming months" in the face of rising economic uncertainty. Finally, UBS raised by 1.5 percentage points to 8.5% the premium for the Russian Federation country risk and, respectively, on average reduced by 2% target prices of stocks and receipts of Russian companies analyzed. At the end of the day, the MICEX Index was able to reduce the losses to less than 1%, mainly due to a sharp recovery in Sberbank's oversold shares, which had rebounded the day's lows by 10%, and growth of Lukoil's shares.

Dynamics of the MicexPWR Sector Index throughout the day looked much worse than the market – on the daily lows the indicator drop was greater than 7%. Like yesterday, the main contribution to the final reduction of MicexPWR was made by shares of Inter RAO, Russian Grids and FGC, whose losses during the morning drop exceeded 10%. At the same time shares of Russian Grids and FGC updated their historical lows. On Western exchanges the European DJStoxx 600 Index fell by 0.70%, and the American S&P 500 Index closed with a loss of 0.28%.

## ELECTRIC POWER INDUSTRY NEWS

**"Russian Grids" to improve the reliability and quality of power supply in Central and Volga regions of Russia**

Company "Russian Grids" will significantly enhance the reliability and quality of power supply in Central and Volga regions of Russia in the framework of a large-scale repair campaign this year.

To read full text: [http://www.rosseti.ru/press/news/?ELEMENT\\_ID=16405](http://www.rosseti.ru/press/news/?ELEMENT_ID=16405)

## COMPANY NEWS

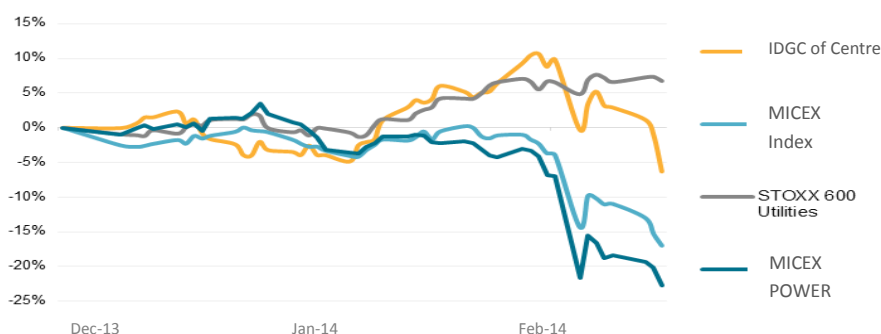
**"Smolenskenergo" has prepared a proposal to reduce the costs of connection to the electricity grid**

To read full text: <http://www.energyland.info/news-show-tek-electro-118684>

**Yarenergo uses new equipment**

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89180](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89180)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 237,43	-0,89%	-17,73%
S&P 500	1 841,13	-0,28%	-0,39%
FTSE 100	6 527,89	-0,40%	-3,28%
DAX	9 056,41	0,43%	-5,19%
DJStoxx 600	322,23	-0,70%	-1,84%
STOXX Utilities	295,78	-0,44%	6,27%
Nikkei	14 327,66	-3,30%	-12,05%
Sensex	21 809,80	0,16%	3,02%
CSI300	2 122,84	-0,82%	-8,89%
Bovespa	44 965,66	-1,05%	-12,70%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,39	0,40%	0,91%
USD/RUB	36,46	-0,08%	11,39%
Euro/RUB	50,81	0,50%	12,99%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 382,92	0,92%	15,09%
Brent*, USD/bbl	108,21	1,21%	-1,56%

\* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2019
Capitalisation**, billion RUB	8,52
Capitalisation**, million USD	233,81

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	from 31.12.13
MICEX-Power Index	-4,10%	-25,89%
Shares of IDGC of Centre**	-1,42%	-7,64%

Source: MICEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-9,39%	-42,86%
FGC UES	-3,64%	-43,68%
IDGC of Volga	-0,12%	-25,37%
MOESK	-3,27%	-31,62%
IDGC of Northern Caucasus	2,21%	-1,23%
IDGC of Centre and Volga Reg	-2,55%	-2,16%
IDGC of North-West	0,00%	-12,00%
IDGC of Urals	-8,02%	-37,26%
IDGC of Siberia	-6,52%	-43,26%
IDGC of South	6,04%	-19,24%
Lenenergo	-4,67%	-12,07%

Source: MICEX, Company calculations

\*\* - at the price of last transaction at MICEX

**IDGC of Centre**

127018, Russia, Moscow,

2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

**IR Division**

+7 (495) 747 92 92, ext. 33-34

[ir@mrsk-1.ru](mailto:ir@mrsk-1.ru)

**Tickers**

Moscow Exchange

Bloomberg

Reuters

**MRKC**

**MRKC RX**

**MRKC.MM**