



IDGC OF CENTRE

DAILY MARKET REVIEW

10 September, Thursday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 09 September some positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 2.4-2.5%, on Wednesday the rise of the composite index of the Asia-Pacific region MSCI Asia Pacific was 4.9%, futures on the S&P500 rose by 1.2%. The optimism of buyers was driven by expectations of expansion of programs to support the Chinese economy. In particular, China's Ministry of Finance reported that the authorities intend to adhere to the "more decisive" fiscal policy to stimulate economic growth, which, in their opinion, is experiencing "downward pressure". The almost 8% jump in the Japanese Nikkei on Wednesday was different from the total dynamics of the stock markets – the maximum growth rate since October 2008. According to Bloomberg, investors felt that the market decline, related mainly to concerns over the weakening of the Chinese economy, was excessive. In addition, the Japanese market was supported by the statement of Prime Minister, who promised to move forward in the implementation of plans to reduce the corporate income tax – in 2016, for example, it is assumed to decrease the tax rate by almost 10%. October Brent futures traded near the mark of \$49.7 per barrel – half a dollar above our closing on 08 September.

In the first half of the trading session the Russian and European markets rose after the Asian markets on upbeat expectations for the Chinese economy. On the daily highs the growth of the MICEX Index and the Stoxx Europe 600 was 1.2% and 2.5%, respectively. At the end of the day the pace of recovery of the Russian and European markets fell more than half after an uncertain start of trading in the US, where the indices to the end of our trading session went into a small minus.

At the end of the trading session the MicexPWR Sector Index looked better than the dynamics of the MICEX Index. The main contribution to the MicexPWR outperformance was made by shares of E.ON Russia and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Energy companies and consumers need stability

One of the main trends in the electricity industry in 2015 is the active participation of the state in solving the problems of energy companies. Multi-billion ruble aid was required in such major industry players as "Rosseti" and "RusHydro". At the same time there is still tense debate on the further development of the industry as a whole as well as individual companies, the implementation of major investment projects are open to question. Deputy Energy Minister Vyacheslav Kravchenko said about that in an interview with RIA Novosti, what the position of the Ministry of Energy in the ongoing debate is, and how it plans to deal with arisen questions.

Read full text: <http://www.bigpowernews.ru/interview/document66000.phtml>

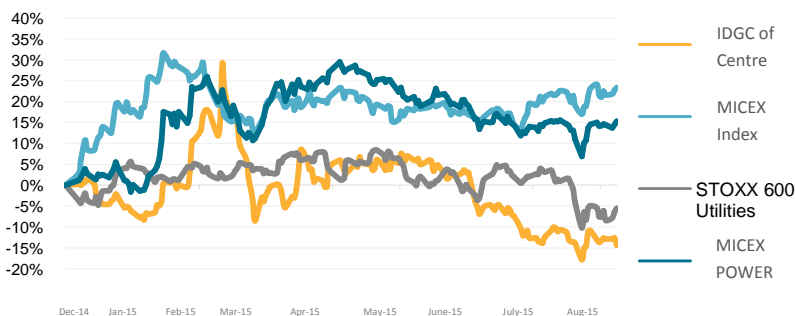
COMPANY NEWS

Yaroslavl power engineers actively use a benchmarking technology

"Yarenergo" is implementing new methods of evaluation of production and economic activity of structural divisions. Benchmarking, used in "Yarenergo", is aimed at comparing the technological and operating performance of Distribution Zones. The main objective of benchmarking is to determine the effectiveness of the company's internal standards. This enables the units to exchange experience, encourage them to use advanced methods and techniques.

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/50038/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 722,43	0,48%	23,33%
S&P 500	1 942,04	-1,39%	-5,68%
FTSE 100	6 229,01	1,35%	-5,13%
DAX	10 303,12	0,31%	5,07%
DJStoxx 600	363,77	1,33%	6,20%
STOXX Utilities	298,04	0,99%	-5,52%
Nikkei	18 770,51	7,71%	7,56%
Sensex	25 719,58	1,59%	-6,47%
CSI300	3 399,31	1,96%	-3,80%
Bovespa	46 657,10	-0,22%	-6,70%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,12	-0,21%	-8,20%
USD/RUB	68,79	0,45%	22,28%
Euro/RUB	76,92	0,73%	12,56%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 107,85	-1,22%	-6,46%
Brent*, USD/bbl	47,58	-3,92%	-25,84%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2160
Capitalisation**, billion RUB	9,12
Capitalisation**, million USD	132,56

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	0,78%	15,33%
Shares of IDGC of Centre**	-2,04%	-14,46%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	0,00%	10,46%
FGC UES	0,24%	43,40%
IDGC of Volga	-1,39%	-23,48%
MOESK	-1,16%	-32,00%
IDGC of Northern Caucasus	0,70%	19,42%
IDGC of Centre and Volga Reg	-2,32%	-30,23%
IDGC of North-West	4,01%	12,65%
IDGC of Urals	-0,15%	12,27%
IDGC of Siberia	3,39%	-35,67%
IDGC of South	3,44%	7,12%
Lenenergo	2,37%	48,00%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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