



IDGC OF CENTRE

DAILY MARKET REVIEW

14 October, Tuesday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 13 October some moderately negative external background formed on the Russian market. Last Friday the U.S. indices DJIA and S&P500 closed lower by 0.7% and 1.1%, respectively. Along with it the week's drop in the S&P500 at 3.1% was the highest since May 2012. On Monday the major indices of the Asia-Pacific region lost more than 0.5%, Japan's markets were closed for a holiday. Pessimism of investors, says Bloomberg, was entirely due to growing fears of worsening outlook for the global economy. However, the more restrained negative dynamics of the Asian markets was due to a number of statements of the Federal Reserve Governors that the American Central Bank might postpone the rise of the base rate due to the weakening global economy. In particular, Vice Chair of the Fed Reserve System S. Fischer said that "the consequences of a weaker-than-expected economic growth outside the United States for the American economy may force us to reduce the incentives at a slower pace than we could". In addition, the markets were supported with good statistics from China, where data on exports in September were significantly better than expected. November Brent traded near \$89 a barrel – at the level of our closing on Friday October 10th.

On Monday the Russian market was much better than the western exchanges on expectations of an accelerating political solution to the Ukrainian conflict. According to media reports, on Saturday representatives of the Ukrainian authorities, the self-proclaimed republics, Russia and the OSCE signed an agreement on the demarcation line between the warring parties. On Sunday the Ukrainian President said that he expects in the coming days to achieve complete cease-fire in the Donbass, and then begin creating a 30-km buffer zone free of heavy weapons on both sides of the conflict. On the same day the President of the Russian Federation ordered the Minister of Defense to begin the return of troops participating in military exercises in the Rostov region to places of their permanent deployment – in total, according to the media, it is about 17.6 thousand servicemen. Against this background, in the afternoon, the MICEX Index exceeded the growth of 1.5%, whereas the recovery of the European indices, which had the highest drop over the past week since May 2012, was limited to a half-point rise on the statements of the U.S. Central Bank about a possible more constrained approach to reduce measures stimulating the economy. The Ukrainian factor supported our market till the end of trading – the MICEX Index kept growing at the rate close to 1.5%, despite some moderately negative beginning of the U.S. trading session.

During the trading session the MicexPWR Sector Index mainly showed underperformance compared with the MICEX Index dynamics. Firstly, hopes to reduce political risks were played back mainly in "blue chips" of our market, and secondly, the rise of the MicexPWR Index was also constrained with zero dynamics of stocks of Inter RAO, which were under pressure on the information about the execution of the VEB's put option. On Western exchanges the European DJStoxx Index closed near zero, and the U.S. S&P Index fell 1.65%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" need expensive uranium to connect minefields of "Rosatom"

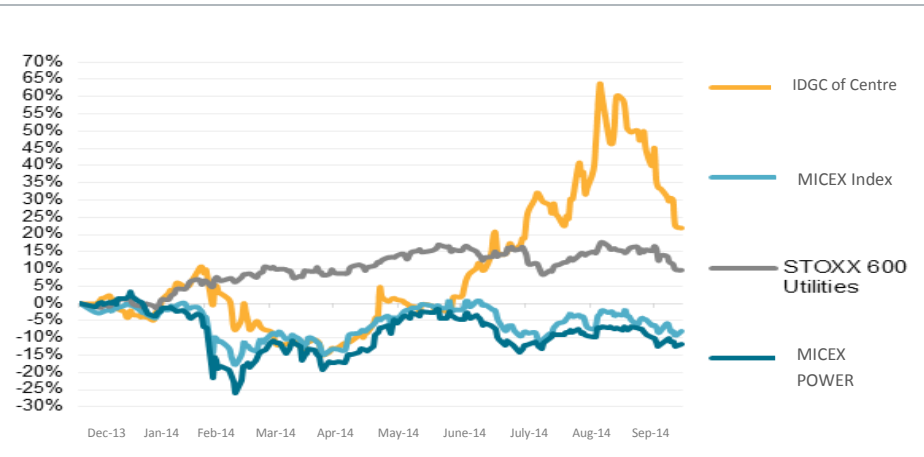
To read full text: <http://www.kommersant.ru/doc/2589157?isSearch=Truecer>

COMPANY NEWS

Specialists of Tambovergo actively fight the theft of electricity

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89738

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 383,93	1,44%	-7,99%
S&P 500	1 874,74	-1,65%	1,43%
FTSE 100	6 366,24	0,41%	-5,67%
DAX	8 812,43	0,27%	-7,74%
DJStoxx 600	321,56	-0,02%	-2,04%
STOXX Utilities	305,27	-0,21%	9,68%
Nikkei	15 300,55	0,00%	-6,08%
Sensex	26 384,07	0,33%	24,63%
CSI300	2 454,95	-0,48%	5,36%
Bovespa	57 956,53	4,78%	12,52%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,27	0,30%	-8,14%
USD/RUB	40,21	0,58%	22,86%
Euro/RUB	51,05	0,19%	13,53%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 235,87	1,04%	2,85%
Brent*, USD/bbl	88,89	-1,46%	-16,78%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2665
Capitalisation**, billion RUB	11,25
Capitalisation**, million USD	279,79

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	0,71%	-11,81%
Shares of IDGC of Centre**	-0,56%	21,91%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	0,43%	-33,69%
FGC UES	0,95%	-38,74%
IDGC of Volga	2,81%	4,48%
MOESK	-2,16%	-34,86%
IDGC of Northern Caucasus	5,00%	2,01%
IDGC of Centre and Volga Reg	1,85%	30,58%
IDGC of North-West	6,83%	-6,37%
IDGC of Urals	1,93%	-9,05%
IDGC of Siberia	-0,44%	26,95%
IDGC of South	3,38%	14,05%
Lenenergo	4,69%	1,08%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, JSC

127018, 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

Tickers

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