



IDGC OF CENTRE

DAILY MARKET REVIEW

20 October, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 17 October some moderately positive external background formed on the Russian market. The major U.S. indices, losing in early trading on Thursday about one percent, despite strong statistics on applications for unemployment and industrial production in September, managed to close the day near the zero mark with minor opposite changes within 0.2%. The market was supported with a statement of the Federal Reserve Bank of St. Louis that the Fed should think about postponing exiting QE-3 from October at a later date, to reverse the decline in inflation expectations. At the same time some negative trend continued in the Asian markets – the composite MSCI Asia Pacific stock index lost about 1%, primarily due to continued sales in Japan, where the Nikkei fell 1.4% on the growing cost of the yen. December Brent traded at \$86.3 per barrel – almost \$2 higher than our closing on 16 October. According to Bloomberg, the oversold oil was correcting, including on forecasts of some of the largest banks of the imminent completion of the "bear" trend in the oil market. Analysts at banks, including Bank of America and BNP Paribas, writes Bloomberg, expect that OPEC will still reduce oil production to compensate for the significant growth in the United States.

On Friday the Russian and European markets were dominated by buyers – in the middle of the day the major indexes rise on average exceeded 1.5%. Optimism of investors was mainly been associated with hope for a rapid response of the world's largest Central Banks to obvious deterioration of the global economy. The markets expect from the Fed a slowdown in the implementation of the exit strategy, from the ECB – more aggressive stimulating policies, including taking into account the signs of the return of the problems in the peripheral countries of the Eurozone. In particular, the yield on 10-year bonds of Greece for the first time since March of this year rose above the critical level of 7%, Spain on Thursday was not able to fully place their government bonds, the Italian government approved a budget with a stimulus package in the amount of €36 billion. An additional positive factor for our market was media information about the constructive nature of negotiations between the President of the Russian Federation with the European leaders on the Ukrainian problem, increasing oil prices and upgraded rating of Russian shares from "neutral" to "overweight" by analysts of Morgan Stanley. In the afternoon, the growth rate of Russian and European indices accelerated after good statements of General Electric and Morgan Stanley and better than expected statistics of the United States on new buildings in September and consumer confidence in October.

During the entire trading session the MicexPWR Sector Index looked worse than the MICEX Index – investors' hopes to reduce geopolitical risks were realized mainly in the purchase of "blue chips" of the Russian market. On Western exchanges the European DJStoxx Index rose by 2.79%, and the U.S. S&P Index gained 1.29%.

ELECTRIC POWER INDUSTRY NEWS

JSC "Russian Grids" and "STS Corporation" LLC signed an agreement on strategic partnership

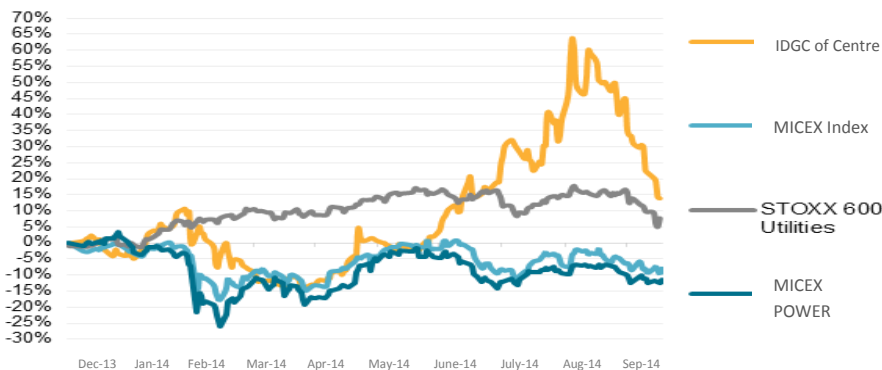
To read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=19848

COMPANY NEWS

IDGC of Centre: a new stage in the fight against fraudulent schemes in the electric grid

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89751

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 384,72	1,79%	-7,94%
S&P 500	1 886,76	1,29%	2,08%
FTSE 100	6 310,29	1,85%	-6,50%
DAX	8 850,27	3,12%	-7,35%
DJStoxx 600	318,68	2,79%	-2,92%
STOXX Utilities	299,86	2,57%	7,74%
Nikkei	14 532,51	-1,40%	-10,80%
Sensex	26 108,53	0,42%	23,32%
CSI300	2 441,73	-0,11%	4,79%
Bovespa	55 723,79	2,63%	8,19%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,28	-0,50%	-7,46%
USD/RUB	40,75	-0,48%	24,49%
Euro/RUB	52,15	0,71%	15,97%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 238,32	-0,04%	3,05%
Brent*, USD/bbl	86,16	0,40%	-18,97%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2490
Capitalisation**, billion RUB	10,51
Capitalisation**, million USD	258,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	1,03%	-11,53%
Shares of IDGC of Centre**	-0,40%	13,91%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	0,46%	-33,22%
FGC UES	0,29%	-38,21%
IDGC of Volga	2,11%	6,01%
MOESK	2,76%	-33,06%
IDGC of Northern Caucasus	3,64%	1,36%
IDGC of Centre and Volga Reg	1,35%	33,39%
IDGC of North-West	0,77%	-7,43%
IDGC of Urals	0,88%	-10,62%
IDGC of Siberia	0,00%	26,24%
IDGC of South	-3,14%	14,98%
Lenenergo	0,43%	1,29%

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

Moscow Exchange

Bloomberg

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MRKC

MRKC.RX

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