



IDGC OF CENTRE

# DAILY MARKET REVIEW

31 July, Thursday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 30th of July some negative newsflow developed on the Russian market. On Tuesday the EU and the United States almost simultaneously announced new sanctions against Russia, justifying their actions by Russia's continuing actions to destabilize the situation in eastern Ukraine.

In particular, the United States added VTB, Russian Agricultural Bank and the Bank of Moscow to the list of companies that will have limited access to the American market capital, imposed restrictions on the export of goods and technology for Russian oil projects. In turn, the European Union announced the restriction of access to the European capital market for state-owned banks of the Russian Federation, the ban on arms trade with Russia and supply to Russia of dual-purpose products, restrictions to export to Russia technology and equipment necessary for the modernization of the Russian oil industry.

Analysts, whose opinions were widely represented today by various media, commented negatively the impact of the new sanctions of the EU and the United States for the Russian economy, paying particular attention to the restriction of access to the capital markets of the EU and the United States. However, experts believe that these measures will not have some immediate impact on our economy, and the degree of their severity will depend on the timing of restrictions. In this regard, some analysts pointed out that the European sanctions were imposed for one year with the possibility of revising already October 31 – that is, with the favourable development of the situation around Ukraine the validity of the EU sanctions could potentially be limited to three months.

The Russian market began the trading session with more than half-point reduction in the MICEX Index, however, for 5 minutes all sales were purchased, and the MICEX Index in the middle of the day added more than 2%, including at the expense of short positions. According to analysts, the tightening of sanctions of the United States and the EU in comparison with the expectations did not happen, and announced measures already included in the current prices of our market. In addition, investors are still putting their hopes on a political settlement in Ukraine and thus limited time nature of the action of the new economic sanctions. In this respect, the media information about the upcoming in Minsk meeting of representatives of Ukraine, Russia and OSCE became some positive background for investors. In the afternoon the growth rate of the MICEX Index slowed to one per cent on the negative reaction of the western exchanges on good statistics from the United States, where GDP in the second quarter increased by 4%, while the number of new jobs, according to ADP, exceeded 200 thousand. Such market reaction could be due to investors' fears that at the final meeting of the Federal Reserve these data can be taken into account in the projections of the timing or the rate of increase in the base rate.

By the end of the trading session the dynamics of the MicexPWR Sector Index was consistent with market dynamics. On Western exchanges the European DJStoxx 600 Index fell 0.53%, and the U.S. S&P Index closed near zero.

## ELECTRIC POWER INDUSTRY NEWS

**Alexey Teksler held a meeting on the implementation of programs of innovative development of FEC organizations with state participation**

To read full text: [http://www.mrsk-1.ru/ru/press/news/industry/?id\\_4=89513](http://www.mrsk-1.ru/ru/press/news/industry/?id_4=89513)

## COMPANY NEWS

**IDGC of Centre - Tverenergo division continues reconstruction of substations**

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89510](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89510)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 384,04	1,04%	-7,98%
S&P 500	1 970,07	0,01%	6,58%
FTSE 100	6 773,44	-0,50%	0,36%
DAX	9 593,68	-0,62%	0,43%
DJStoxx 600	340,44	-0,53%	3,71%
STOXX Utilities	320,88	-0,98%	15,29%
Nikkei	15 646,23	0,18%	-3,96%
Sensex	26 087,42	0,37%	23,22%
CSI300	2 322,01	-0,40%	-0,34%
Bovespa	56 877,97	-0,42%	10,43%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,34	-0,24%	-2,97%
USD/RUB	35,63	0,82%	8,87%
Euro/RUB	47,86	0,81%	6,43%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 296,30	-0,22%	7,88%
Brent*, USD/bbl	106,51	-1,12%	-1,26%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2600
Capitalisation**, billion RUB	10,98
Capitalisation**, million USD	308,04

Source: Central Bank of Russia, Company calculations

Russian indexes	Value	Change for the day	fr 31.12.13
MICEX-Power Index	1,14%	-1,14%	-11,98%
Shares of IDGC of Centre**	0,00%	0,00%	18,94%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	1,66%	-36,94%
FGC UES	2,01%	-41,39%
IDGC of Volga	0,96%	-7,86%
MOESK	1,16%	-26,57%
IDGC of Northern Caucasus	-2,16%	-6,02%
IDGC of Centre and Volga Reg	-0,26%	72,67%
IDGC of North-West	5,71%	13,34%
IDGC of Urals	1,55%	-7,64%
IDGC of Siberia	2,77%	30,47%
IDGC of South	-2,24%	16,63%
Lenenergo	3,98%	20,56%

Source: MOEX, Company calculations

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

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## Tickers

Moscow Exchange  
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