

## REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market. On Friday the U.S. indices DJIA and S&P500 added 0.3-0.5% on good data on the real estate market in April. Major stock indexes in the Asia-Pacific region showed mainly negative trend, the Chinese CSI300 declined by more than a percent on the finding that the slowdown of the Chinese economy increasingly covers the real estate market of the country. As reported by Bloomberg, on the background of the economy braking developers increased prices and a rise in prices for new buildings in China in April was observed in the least number of cities for 1.5 years. In addition, market participants' attention is focused on the development of the Sino-Vietnamese conflict – in the deterioration of relations with Hanoi the Chinese authorities sent to Vietnam five ships to evacuate its citizens. U.S. index futures were slightly down, July Brent traded near \$110 per barrel – half a dollar higher than our closing on Friday.

On Monday our market was dominated by some positive mood – in early trading having exceeded 1,400 points, the highest level since the beginning of March, the MICEX Index went to more than one percent plus in the afternoon. Support for the domestic market firstly was given by growing shares of Sberbank and Gazprom – more than 2.5 % on the day. The foremost shares rebounded after anticipatory negative dynamics of Friday, the latter continued the last week's rise in anticipation of signing a gas contract with China. Secondly, our growing market quotations of oil amid escalating conflict in Libya, where hostages were taken in the country's parliament building in Tripoli, and increasing fears of further reduction of the supply of the country, became some positive backdrop. Finally, a lull in the confrontation in Ukraine, as well as the press service of the Kremlin statement that Russian President Vladimir Putin gave the command to Defense Minister Sergey Shoigu to return troops participating in military exercises in the areas bordering Ukraine to their places of permanent deployment, contributed to the growth. Meanwhile, western exchanges showed more restrained dynamics – reduction in major European indices during the day exceeded half a percent, the U.S. stock indices changed mixed in early trading without significant changes.

By the end of the trading session, dynamics of the MicexPWR Sector Index matched the market. The main contribution to the MicexPWR growth, more than 60%, was made by shares of E.ON Russia, Russian Grids, FGS UES and Inter RAO. Experts of Otkritie in the revision of the sector assessment confirmed stocks of IDGC of Centre at 0.29 RUB, the rating was raised to "buy" on the background of last year's price drop. On Western exchanges the European consolidated DJStoxx 600 Index lost 0.14%, and the American S&P 500 Index gained 0.38%.

## ELECTRIC POWER INDUSTRY NEWS

**12 billion rubles will be allocated from the NWF for the SmartGrid project of the Russian Direct Investment Fund and "Russian Grids" worth 30 billion rubles**

To read full text: <http://www.bigpowernews.ru/news/document56461.phtml?1&q=>

## COMPANY NEWS

**IDGC of Centre discussed the implementation of the priorities for 2014**

IDGC of Centre held the annual final production meeting, which summed up the work in 2013 and discussed the progress of the targets set for the current year on the main directions of the company.

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/index.php?id\\_4=89350](http://www.mrsk-1.ru/ru/press/news/company/index.php?id_4=89350)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes   | Value     | Change for the day | fr 31.12.13 |
|-----------------|-----------|--------------------|-------------|
| MICEX           | 1 413,85  | 1,55%              | -6,00%      |
| S&P 500         | 1 885,08  | 0,38%              | 1,99%       |
| FTSE 100        | 6 844,55  | -0,16%             | 1,41%       |
| DAX             | 9 659,39  | 0,31%              | 1,12%       |
| DJStoxx 600     | 338,51    | -0,14%             | 3,12%       |
| STOXX Utilities | 308,69    | 0,38%              | 10,91%      |
| Nikkei          | 14 006,44 | -0,64%             | -14,03%     |
| Sensex          | 24 363,05 | 1,00%              | 15,08%      |
| CSI300          | 2 115,29  | -1,43%             | -9,22%      |
| Bovespa         | 53 353,10 | -1,15%             | 3,58%       |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.13 |
|----------------|-------|--------------------|-------------|
| Euro/USD       | 1,37  | 0,12%              | -0,57%      |
| USD/RUB        | 34,78 | 0,23%              | 6,26%       |
| Euro/RUB       | 47,70 | 0,28%              | 6,07%       |

Source: Bloomberg, Company calculations

| Raw             | Value    | Change for the day | fr 31.12.13 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz    | 1 292,97 | -0,04%             | 7,60%       |
| Brent*, USD/bbl | 109,37   | -0,35%             | 0,32%       |

\* - July futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre      | Value  |
|-------------------------------|--------|
| Last transaction, RUB         | 0,2060 |
| Capitalisation**, billion RUB | 8,70   |
| Capitalisation**, million USD | 250,06 |

Source: Central Bank of Russia, Company calculations

| Russian indexes            | Change for the day | from 31.12.13 |
|----------------------------|--------------------|---------------|
| MICEX-Power Index          | 1,65%              | -12,29%       |
| Shares of IDGC of Centre** | 2,95%              | -5,76%        |

Source: MICEX, Company calculations

| Grid companies               | Change** for the day | fr 31.12.13 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids            | 3,17%                | -41,44%     |
| FGC UES                      | 2,42%                | -34,17%     |
| IDGC of Volga                | 5,04%                | -23,18%     |
| MOESK                        | 2,09%                | -13,65%     |
| IDGC of Northern Caucasus    | 1,85%                | -0,19%      |
| IDGC of Centre and Volga Reg | -0,05%               | 22,93%      |
| IDGC of North-West           | -0,37%               | -4,26%      |
| IDGC of Urals                | 3,81%                | -27,88%     |
| IDGC of Siberia              | 0,00%                | -39,16%     |
| IDGC of South                | 2,88%                | -20,07%     |
| Lenenergo                    | 0,34%                | 15,82%      |

Source: MICEX, Company calculations

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

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## Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM