



IDGC OF CENTRE

DAILY MARKET REVIEW

09 July, Wednesday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 8th of July some moderately negative external background formed on the Russian market. On Monday the U.S. indices DJIA and S&P500 lost 0.3-0.4% within correction from the highs, the reason for which, including, was concerns of earlier-than-expected interest rate increase by the Fed after the publication of unexpectedly strong report on the June's labour market. In particular, Goldman Sachs moved forecast dates for the first rate hike by the American Central Bank from the first quarter 2016 to the third quarter of 2015. The composite MSCI Asia Pacific stock index was 0.3% down, and U.S. futures lost 0.1%. August Brent traded around \$110 per barrel – \$0.5 below our closing on the 7th of July. Libya's statements of readiness for substantial expansion of oil exports after the resumption of operation of two export terminals put pressure on oil prices.

The Russian market for the second consecutive day moves opposite western ones. In the middle of the day the MICEX Index, updating the annual maximum, added about one percent. Support to our market could be provided by media reports that the decision taken on the basis of discussions on Monday on the situation in eastern Ukraine at the level of permanent representatives of the member countries of the EU to tighten sanctions against Russia was limited only to expansion of the second phase of sanctions. "This is only about the second phase of the expansion of sanctions. I think that there will be mostly individuals and not companies," Interfax quoted a European diplomat. At the same time the major European indices lost an average of about half a percent on falling U.S. futures and their own statistics. Another proof of weakening economic activity in Germany was a decline of exports and imports in May, industrial production in the UK in May fell for the first time in six months with the rate of decline being the greatest since January 2013. Nevertheless, the Russian market could not long withstand the external negative background, and in the last hours of trading profit taking levelled almost the entire day of the MICEX Index growth amid the increasing rate of decline of European markets and more than half-point reduction in U.S. indices at the beginning of the trading session.

By the end of the trading session the dynamics of the MicexPWR Sector Index, having closed the day in negative territory, looked worse than the market. The main contribution to the total reduction of MicexPWR was brought by shares of FGC UES, MOESK and Russian Grids, pressure on which could be put a media publication of information on the outcome of the board meeting of the Audit Chamber, which examined the results of the control activities "Audit of formation and execution of investment programs of electric grid companies in 2011-2013". On Western exchanges the European DJStoxx 600 Index lost 1.40%, and the U.S. S&P 500 Index fell 0.70%.

ELECTRIC POWER INDUSTRY NEWS

The Russian Government approved a "roadmap" of innovation implementation in the fuel and energy sector

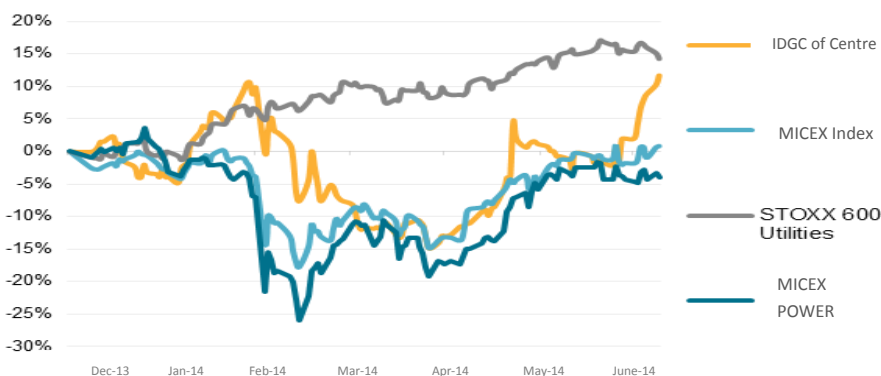
To read full text: http://minenergo.gov.ru/press/min_news/19096.html

COMPANY NEWS

For 6 months in 2014 IDGC of Centre invested 4,264 million rubles in the renovation and construction of facilities

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89448

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 516,75	0,20%	0,84%
S&P 500	1 963,71	-0,70%	6,24%
FTSE 100	6 738,45	-1,25%	-0,16%
DAX	9 772,67	-1,35%	2,31%
DJStoxx 600	339,99	-1,40%	3,57%
STOXX Utilities	318,00	-0,76%	14,25%
Nikkei	15 314,41	-0,42%	-6,00%
Sensex	25 582,11	-1,98%	20,84%
CSI300	2 180,47	0,19%	-6,42%
Bovespa	53 634,69	-0,31%	4,13%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,36	0,01%	-1,32%
USD/RUB	34,57	0,72%	5,62%
Euro/RUB	46,94	0,55%	4,39%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 319,24	-0,05%	9,79%
Brent*, USD/bbl	108,94	-1,18%	0,43%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2442
Capitalisation**, billion RUB	10,31
Capitalisation**, million USD	298,23

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	-0,55%	-3,91%
Shares of IDGC of Centre**	1,33%	11,71%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	-1,27%	-29,99%
FGC UES	-1,84%	-34,42%
IDGC of Volga	0,27%	-2,50%
MOESK	-3,97%	-13,45%
IDGC of Northern Caucasus	-0,34%	12,37%
IDGC of Centre and Volga Reg	2,05%	58,81%
IDGC of North-West	0,96%	0,42%
IDGC of Urals	1,00%	-6,77%
IDGC of Siberia	-0,01%	23,39%
IDGC of South	-3,33%	15,38%
Lenenergo	-1,75%	18,58%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

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