



IDGC OF CENTRE

# DAILY MARKET REVIEW

01 September, Monday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 29th of August some neutral external background formed on the Russian market. On Thursday the U.S. indices DJIA and S&P500 lost 0.2%, the escalation of tensions in Ukraine levelled good statistics on the GDP dynamics in the II quarter and applications for unemployment benefits. On Friday the major stock indices of the Asia-Pacific region showed mixed trends, and the composite MSCI Asia Pacific index declined by 0.1%. Negative background for investors was weak data from Japan, where data on industrial production and consumer spending were worse than expected. October Brent traded at a mark of \$102.7 per barrel – at the level of our closing on the 28th of August.

Volatile dynamics of Russian indices near zero in early trading gave way steady decrease in the second half of the day – the loss of the MICEX Index was about 1.5%, and the RTS Index lost about 2%. The Russian market remains under pressure with soaring tensions in Ukraine, where authorities said Thursday about the alleged invasion of Russian troops onto its territory. Russia again denied the allegations – the Russian Foreign Minister called them speculation, not backed by any facts. Western countries refrained from categorical assessments of the situation either. In particular, in the course of a conversation the President of the United States and the Chancellor of Germany expressed concerns about reports of "additional Russian troops in Ukraine". Nevertheless, the rhetoric of new sanctions got tightened – the need for additional sanctions against the Russian Federation was stated by the head of the United States and Germany, the European Commission President on the eve of the scheduled August 30 EU summit urged to exert pressure on Russia over the situation in Ukraine. Risks of escalation of the Ukrainian crisis and the possibility of new sanctions became an occasion to reduce Morgan Stanley's ranking of Russian stock to "underweight". According to analysts, in the case of the implementation of the worst case scenario, providing for the maximum penalties, a large part of the Russian stock market may be closed (uninvestable) for many investors, and the investors will stand the risk of major write-down of Russian assets in their portfolios. The Russian market was closing on the daily lows, despite the neutral dynamics of the western exchanges.

Dynamics of the MicexPWR Sector Index again outperformed the market – the growing geopolitical risks to a greater extent continue to be played back in the "blue chips" of the Russian market. In addition, the negative dynamics of the MicexPWR Index was restrained with a 1.5% growth in "heavy" index stocks of RusHydro and Russian Grids after publication of good statements under IFRS in the I half. On Western exchanges the European DJStoxx 600 Index was 0.28% up, and the U.S. S&P Index gained 0.33%.

## ELECTRIC POWER INDUSTRY NEWS

**Net profit of "Russian Grids" under IFRS for 1H 2014 amounted to 32 billion rubles against a loss a year earlier, EBITDA jumped by 1.7 times – up to 114 billion rubles**

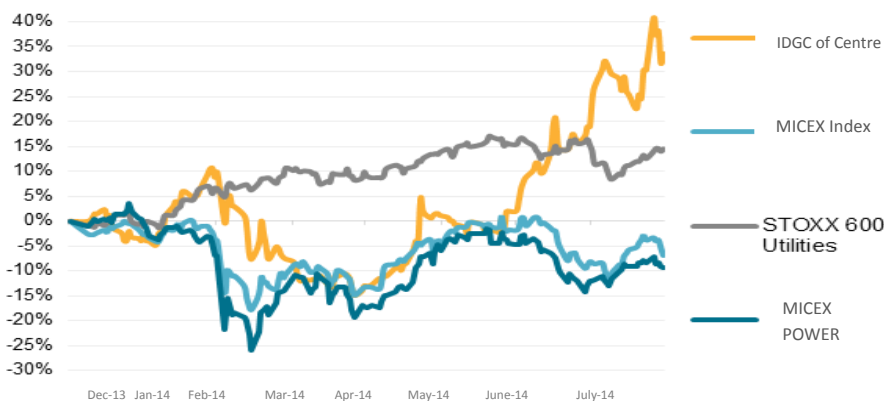
To read full text: [http://www.bigpowernews.ru/news/document58207\\_phtml](http://www.bigpowernews.ru/news/document58207_phtml)

## COMPANY NEWS

**IDGC of Centre has published its operating results for the 1st half of 2014 under IFRS**

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89608](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89608)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 400,71	-1,62%	-6,87%
S&P 500	2 003,37	0,33%	8,39%
FTSE 100	6 819,75	0,20%	1,05%
DAX	9 470,17	0,08%	-0,86%
DJStoxx 600	342,00	0,28%	4,19%
STOXX Utilities	318,69	0,43%	14,50%
Nikkei	15 424,59	-0,23%	-5,32%
Sensex	26 638,11	0,00%	25,83%
CSI300	2 338,29	1,17%	0,35%
Bovespa	61 288,15	1,65%	18,99%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,31	-0,33%	-4,76%
USD/RUB	36,31	0,46%	10,93%
Euro/RUB	47,95	0,70%	6,63%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 287,32	-0,18%	7,13%
Brent*, USD/bbl	103,19	0,71%	-3,85%

\* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2921
Capitalisation**, billion RUB	12,33
Capitalisation**, million USD	339,67

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,13%	-9,28%
Shares of IDGC of Centre**	1,42%	33,62%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	1,58%	-33,72%
FGC UES	-1,64%	-40,11%
IDGC of Volga	0,86%	8,43%
MOESK	-0,79%	-27,23%
IDGC of Northern Caucasus	1,37%	5,25%
IDGC of Centre and Volga Reg	0,76%	48,60%
IDGC of North-West	-3,25%	8,87%
IDGC of Urals	-0,69%	-8,12%
IDGC of Siberia	-0,03%	24,82%
IDGC of South	-2,22%	23,24%
Lenenergo	2,65%	16,68%

Source: MOEX, Company calculations

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

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## Tickers

Moscow Exchange

Bloomberg

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