



IDGC OF CENTRE

DAILY MARKET REVIEW

18 May, Monday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 15 May some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 1.1%, while the S&P500 updated the historical maximum, and the DJIA stood at 0.2% from the record. The markets were mainly supported with the dollar weakening, which, experts believe, will be reflected in the improvement of corporate profits in the second quarter. In turn, the dollar weakening, which has been for five weeks in a row, is due to the growing confidence of investors that the current level of the Fed rate will be maintained until the December meeting of the FOMC. According to MarketWatch, a factor in the transfer of expectations from September to December was worse than expected data on retail sales in the US in April. On Friday most of the major stock indices of the Asia-Pacific region added on average more than a half percent. The exception was the Chinese CSI300, which reduced by 1.8%, according to Bloomberg, on fears that the upcoming in the near future IPOs will lead to an outflow of funds from the secondary market – according to estimates, investors can invest in the IPO about \$450 billion. July futures for Brent traded at \$66.7 per barrel, at the level of our closing of 14 May. Oil prices remain under pressure from the US Energy Department statistics, which reported a record fall of use of refining capacity since January. As noted by analysts, even a small decline of the indicator would be a surprise for the market – traditionally in the spring refineries increase volume of oil processing at the background of growing demand for gasoline.

The Russian market continues to show uncertain volatile dynamics. May 15 in the first half of the trading session, the MICEX Index growth, offsetting the accumulated since the beginning of the week lag from western markets, reached a percent. The decline in oil prices on the dollar from morning levels was the reason to start profit taking in our market. Sales increased with worsening sentiment in the western exchanges after the publication of weak statistics from the US: data on industrial production in April, the consumer confidence index and the index of manufacturing activity in New York in May were worse than expected. Against this background the US indices went into a small minus, which had started the trading session in positive territory with the S&P500 index updating its record, the fall of the main European indices exceeded on average a percent, the MICEX Index dropped to zero. Stabilization of the Western indices and recovery in oil prices until the morning marks returned buyers to the Russian market, the MICEX Index was able to close the trading near daily highs.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR reduction was made by shares of Inter RAO and Russian Grids.

ELECTRIC POWER INDUSTRY NEWS

Growth of rates in 2016 may accelerate, — a newspaper

The Government under pressure from state-owned monopolies is gradually giving up conservative positions of the Ministry of Economy on growth rates in 2016. If before the Ministry of Economy proposed to index the tariffs based on the level of the inflation target - 7.5% in 2016, then at the last governmental meeting this figure was already taken as the lower limit of the corridor, the upper limit is raised to the level of 9-11%. The appearance of this fork is already considered a victory of state-owned monopolies, which demanded a sharper increase in tariffs because of the rise in prices - up to 16% already this year.

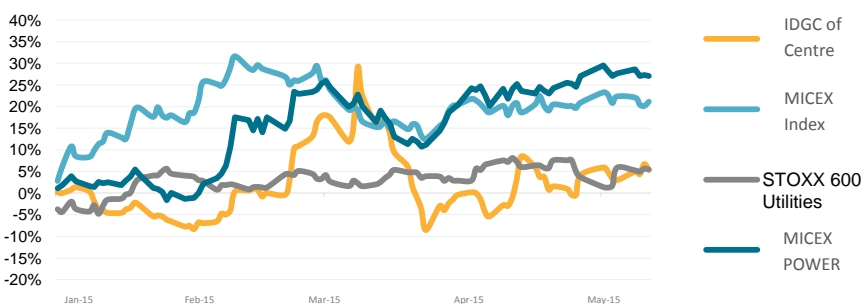
To read full text: <http://www.bigpowernews.ru/news/document63958.phtml>

COMPANY NEWS

Head of "Russian Grids" Oleg Budargin thanked the staff of IDGC of Centre for the reliable and responsible operation in the autumn-winter period of 2014-2015

To read full text: <http://www.mrsk-1.ru/press-center/news/company/48040/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 691,46	0,83%	21,11%
S&P 500	2 118,29	-0,13%	2,88%
FTSE 100	6 960,49	-0,18%	6,01%
DAX	11 447,03	-0,98%	16,74%
DJStoxx 600	396,45	-0,39%	15,74%
STOXX Utilities	332,67	-0,15%	5,46%
Nikkei	19 732,92	0,83%	13,08%
Sensex	27 324,00	0,43%	-0,64%
CSI300	4 617,47	-1,77%	30,67%
Bovespa	56 805,32	0,26%	13,59%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,14	0,00%	-5,69%
USD/RUB	50,08	1,09%	-10,99%
Euro/RUB	57,14	2,56%	-16,39%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 221,10	0,00%	3,10%
Brent*, USD/bbl	66,58	-0,18%	16,13%

* - June futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,266
Capitalisation**, billion RUB	11,23
Capitalisation**, million USD	224,25

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-0,21%	27,05%
Shares of IDGC of Centre**	-1,30%	5,35%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-1,45%	30,81%
FGC UES	1,60%	48,39%
IDGC of Volga	0,21%	-14,16%
MOESK	-1,10%	-28,00%
IDGC of Northern Caucasus	-1,21%	34,71%
IDGC of Centre and Volga Reg	-0,28%	-26,50%
IDGC of North-West	-0,34%	17,39%
IDGC of Urals	1,56%	27,66%
IDGC of Siberia	-0,99%	-22,56%
IDGC of South	-2,63%	7,77%
Lenenergo	0,00%	35,71%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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