



IDGC OF CENTRE

DAILY MARKET REVIEW

19 June, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading some neutral external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 closed higher by 0.2%, despite released worse than expected statistics on new construction and inflation in May. Major indices in the Asia-Pacific region showed mainly weak negative trend, except for the Japanese Nikkei, which grew up on the weakening of the yen. Restrained dynamics of stock markets was mainly due to expectations of the outcome of the two-day U.S. Federal Reserve meeting, which ended on Wednesday. According to Bloomberg, investors are waiting for decisions of the Central Bank and its chair's follow-up comments to better clarify about the timing of the rate increase to reflect the latest data on the dynamics of GDP, unemployment and consumer prices. As for folding the third round of quantitative easing, most experts predicted that the Central Bank would reduce the amount of assets to repurchase for another \$10 billion – \$35 billion a month. August Brent was trading around \$113.3 per barrel – at the level of our closing on Tuesday. Oil quotations were still supported with increasing geopolitical tensions in Iraq – the second largest oil producer in OPEC.

Pending the outcome of the Fed meeting the Russian and European markets were dominated with moderately positive sentiment. The Russian market demonstrated more confident dynamics on the rising oil prices – in the afternoon the MICEX Index growth rate exceeded 0.9%. Raised by JPMorgan Russian stock rating to "overweight" from "underweight" gave additional support to investors. "We are raising our rating on the Russian Federation stocks to "overweight", as we believe that they will benefit from the return of investors to emerging markets, world economic growth acceleration and reduction of tension on the situation in Ukraine," said in a review of the investment bank. Nevertheless, the MICEX Index failed to stay at the daily highs – after an unsuccessful test of the 1500 points level, investors opted to take profits.

By the end of the trading session the MicexPWR Sector Index changes looked better than the market dynamics. The main contribution to the MicexPWR growth, more than 80%, was made by shares of Russian Grids and RusHydro. On Western exchanges the European DJStoxx 600 Index closed near zero, and the U.S. S&P Index gained 0.77%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" reduce losses in electricity grids

Within efforts to reduce energy losses "Russian Grids" in the first quarter of 2014 compensated for damages caused by unauthorized connection to the power grid in the amount of 312 million kWh, which corresponds to 376 million rubles.

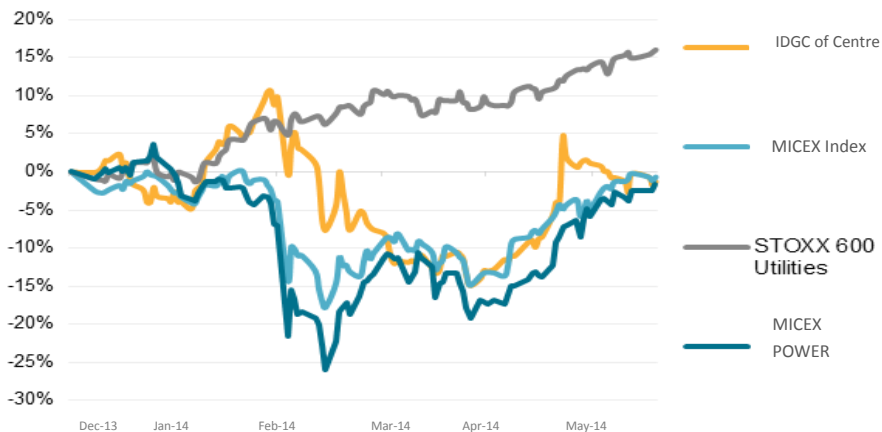
To read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=18050

COMPANY NEWS

Kurskenergo to present IDGC of Centre at the XIV interregional Kursk Korensk Fair

To read full text: <http://www.press-release.ru/branches/energy/90a483e6ca124/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 494,28	0,53%	-0,65%
S&P 500	1 956,98	0,77%	5,88%
FTSE 100	6 778,56	0,17%	0,44%
DAX	9 930,33	0,10%	3,96%
DJStoxx 600	346,13	-0,08%	5,44%
STOXX Utilities	322,95	0,30%	16,03%
Nikkei	15 115,80	0,93%	-7,22%
Sensex	25 246,25	-1,08%	19,25%
CSI300	2 160,24	-0,43%	-7,29%
Bovespa	55 202,54	1,66%	7,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,36	0,22%	-1,55%
USD/RUB	34,81	0,71%	6,36%
Euro/RUB	47,21	0,86%	4,99%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 277,71	0,56%	6,33%
Brent*, USD/bbl	114,26	0,71%	5,34%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2158
Capitalisation**, billion RUB	9,11
Capitalisation**, million USD	261,73

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	0,88%	-1,64%
Shares of IDGC of Centre**	0,47%	-1,28%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	5,26%	-27,93%
FGC UES	1,15%	-34,84%
IDGC of Volga	-1,66%	-16,59%
MOESK	0,69%	-10,65%
IDGC of Northern Caucasus	-0,63%	12,24%
IDGC of Centre and Volga Reg	-1,60%	31,29%
IDGC of North-West	-0,07%	-1,51%
IDGC of Urals	0,00%	-12,18%
IDGC of Siberia	0,15%	-2,70%
IDGC of South	-0,35%	7,46%
Lenenergo	1,14%	22,11%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM