



IDGC OF CENTRE

DAILY MARKET REVIEW

12 September, Friday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 11 September some moderately positive external background formed on the Russian market. On Wednesday the U.S. indices DJIA and S&P500 closed the trading session with a growth of 0.3-0.4% in the correction after two days of decline on fears of earlier than currently expected increase in the base interest rate by the Federal Reserve. On Thursday the major indices of the Asia-Pacific region showed mainly restrained negative trend after the publication of controversial data on inflation in China. In August consumer price inflation was lower than expected, while the rate of decline in producer prices exceeded forecasts. In this case, the fall in the producer prices in China continued for the 30th consecutive month that, according to analysts, reflects the current weakness of the Chinese economy. October Brent crude futures traded near \$98 a barrel – almost a dollar lower than our closing on 10 September. Negative background for oil quotations was the maximum for the last three years of the OPEC forecast reduction in oil demand in 2014 due to the growth in production of shale oil in the United States, and the forecast decline in oil prices in 2015 by the United States Department of Energy due to the expected increase in oil production in the country to a maximum of 45 years.

In anticipation of the verdict of the European Union on new sanctions against the Russian Federation – yesterday the Committee of Permanent Representatives to the EU continued meeting on this issue – Russian and European indices were trading in the lateral dynamics near zero. The market sentiment deteriorated significantly after the release of information that the decision to extend sanctions had been accepted, and they would come into force on 12 September: the loss of the MICEX Index exceeded one percent, and the decline in the major indices in Europe on average was more than half a percent. According to media reports, citing the EU, the new sanctions include a ban on loans of five Russian state-owned banks and three largest energy companies to stop providing services for the development and production of oil in deep water in the Arctic and shale deposits, increased restrictions on the supply of dual-use goods and on the transfer of military technology, adding other 24 people to the sanctions list of individuals, including "Russians, making decisions and oligarchs". Along with it the market decrease was due to both the introduction of new sanctions against the Russian Federation, and the fear of possible counter-measures by Russia – a Foreign Ministry spokesman said that Russia's response would be "fully equal with the damage that is applied with these sanctions to the economies of our countries". An additional negative factor for investors in the second half of the day was released worse than expected statistics from the United States on applications for unemployment benefits.

By the end of trading session the MicexPWR Sector Index looked better than the market – sales on the Russian market after the actual EU decision-making on the new sanctions primarily affected the "blue chips". On Western exchanges the European DJStoxx 600 fell by 0.12%, and the U.S. S&P Index closed near zero.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" are again talking about consolidation

To read full text: <http://www.kommersant.ru/doc/2564835>

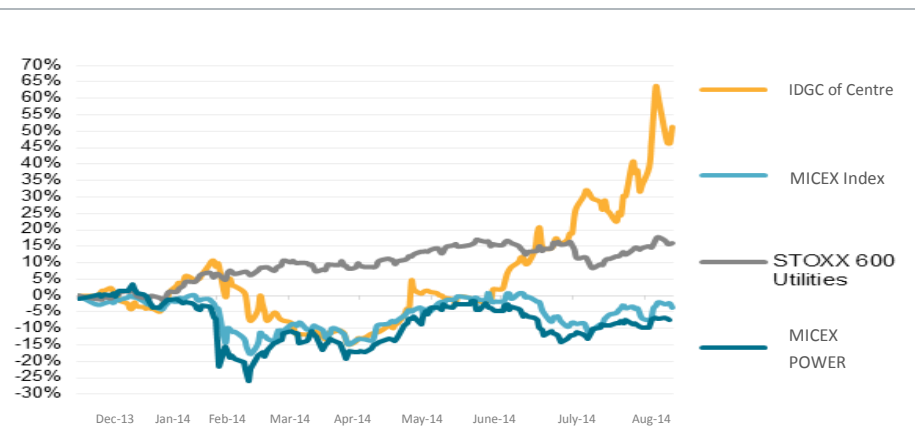
COMPANY NEWS

Orelenergo is actively preparing for winter operation

To read full text:

http://www.ruscable.ru/news/2014/09/10/Orelenergo_vedet_aktivnuu_podgotovku_k_zime/

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 449,63	-1,29%	-3,62%
S&P 500	1 997,45	0,09%	8,07%
FTSE 100	6 799,62	-0,45%	0,75%
DAX	9 691,28	-0,09%	1,46%
DJStoxx 600	344,27	-0,12%	4,88%
STOXX Utilities	322,87	0,23%	16,00%
Nikkei	15 909,20	0,76%	-2,35%
Sensex	26 995,87	-0,23%	27,52%
CSI300	2 423,45	-0,37%	4,01%
Bovespa	58 337,29	0,24%	13,26%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,29	0,29%	-6,16%
USD/RUB	37,17	0,39%	13,57%
Euro/RUB	48,06	0,74%	6,88%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 240,92	-0,71%	3,27%
Brent*, USD/bbl	98,08	0,04%	-8,61%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3309
Capitalisation**, billion RUB	13,97
Capitalisation**, million USD	375,85

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,43%	-7,53%
Shares of IDGC of Centre**	3,41%	51,37%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,56%	-31,92%
FGC UES	-0,02%	-38,24%
IDGC of Volga	-0,04%	10,93%
MOESK	-0,60%	-27,73%
IDGC of Northern Caucasus	2,75%	18,46%
IDGC of Centre and Volga Reg	0,12%	54,90%
IDGC of North-West	-0,26%	9,12%
IDGC of Urals	1,90%	-1,60%
IDGC of Siberia	1,11%	27,66%
IDGC of South	-0,61%	15,51%
Lenenergo	0,93%	17,46%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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