

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market. Following last Friday's results the U.S. indices DJIA and S&P500 rose by 0.5-0.8%, despite some ambiguous statistics: contrary to expectations the industrial output in January declined, while the fall in the processing industry was the worst since May 2009, however, preliminary data on consumer confidence in February were better than expectations. In general, investors continue to ignore the weakness of the U.S. statistics of recent weeks – most experts believe that this is a temporary phenomenon associated with the weather. Moreover, according to some analysts, speculations about some possible slowing pace of the QE-3 exit by the U.S. Federal Reserve on the background of deteriorating statistics are beginning to be put into the market dynamics. The composite MSCI Asia Pacific stock index added about half a percent. Buyers were supported with data on the record total funding in China in January, which levelled the released worse than expected data on growth of the Japanese economy in the IV quarter. April Brent traded near \$109 a barrel – a dollar higher than our closing on Friday.

A half-point increase in the MICEX Index in early trading accelerated to a percent after some moderately positive opening of European markets. However, the subsequent inexpressive dynamics of most European indices and U.S. futures due to lack of trading in the U.S., where they celebrated Presidents' Day became an occasion for profit taking in our market, and the pace of increase of the MICEX Index fell again to less than one percent.

Following the results of the day the MICEX Index gained 0.76% to close trading at 1,507.49 points. Dynamics of the MicexPWR Sector Index underperformed the market mainly due to sales of E.ON Russia shares. From the news of electric grid companies one may mention the statement of Deputy Energy Minister A. Teksler that the Ministry does not abandon plans to privatize IDGCs. "We are not giving up on this. We believe that it should be this year," A. Teksler was quoted by Interfax. At this Deputy Minister added that there is currently ongoing discussion. On Western exchanges the European DJStoxx 600 Index rose by 0.37%, and the American S&P500 Index did not trade.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy keeps plans for privatization of some IDGCs in 2014

The Russian Ministry of Energy keeps plans for privatization of some companies of JSC "Russian Grids" (formerly "IDGC Holding") in 2014, said Deputy Energy Minister Alexey Teksler to PRIME.

To read full text: <http://www.bigpowernews.ru/news/document54771.phtml>

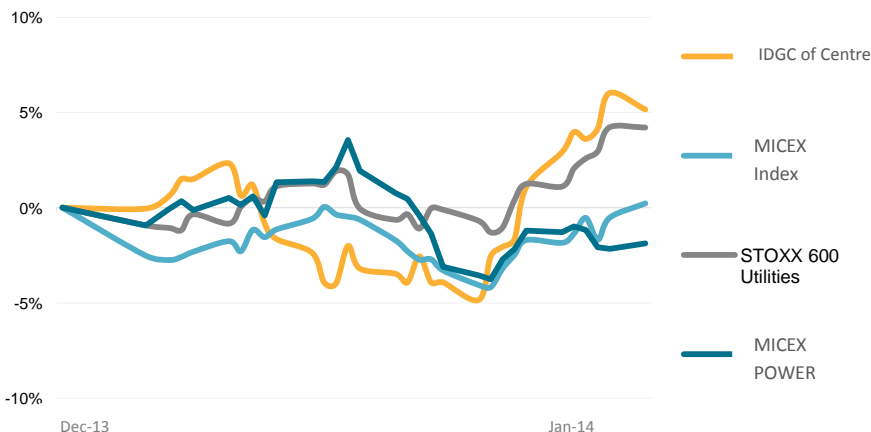
COMPANY NEWS

Following the results of 2013 IDGC of Centre improved energy saving indicators

IDGC of Centre summed up the implementation of the 2013 program "Energy conservation and energy efficiency". Cumulative effect of its implementation was 235 million kWh (675 million rubles), which is 27.3 million kWh (80.5 million rubles) above targets. Electricity losses were minimized to 9.16% - it is 0.27% below the annual plan targets and 0.37 % less than in 2012.

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89123

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 507,49	0,76%	0,23%
S&P 500	1 838,63	0,00%	-0,53%
FTSE 100	6 736,00	1,09%	-0,19%
DAX	9 656,76	-0,06%	1,10%
DJStoxx 600	334,56	0,37%	1,92%
STOXX Utilities	290,04	-0,01%	4,21%
Nikkei	14 393,11	0,56%	-11,65%
Sensex	20 464,06	0,48%	-3,34%
CSI300	2 311,65	0,70%	-0,79%
Bovespa	47 576,33	-1,30%	-7,63%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,37	0,02%	-0,67%
USD/RUB	35,26	1,13%	7,72%
Euro/RUB	48,26	1,62%	7,32%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 331,50	0,97%	10,81%
Brent*, USD/bbl	109,18	0,09%	-0,99%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2299
Capitalisation**, billion RUB	9,71
Capitalisation**, million USD	275,30

Source: Central Bank of Russia, Company calculations

** - at the price of last transaction at MICEX

Russian indexes	Change for the day from 31.12.13	
MICEX-Power Index	0,29%	-1,88%
Shares of IDGC of Centre**	-0,82%	5,17%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	1,38%	-5,53%
FGC UES	0,06%	-8,97%
IDGC of Volga	-0,23%	-5,62%
MOESK	-0,75%	-4,27%
IDGC of Northern Caucasus	-0,45%	0,91%
IDGC of Centre and Volga Reg	0,07%	8,34%
IDGC of North-West	-0,07%	-3,91%
IDGC of Urals	1,34%	-6,27%
IDGC of Siberia	0,00%	-9,22%
IDGC of South	2,78%	-11,56%
Lenenergo	-0,60%	7,97%

Source: MICEX, Company calculations

** - at the price of last transaction at MICEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC
MRKC.RX
MRKC.MM