



IDGC OF CENTRE

DAILY MARKET REVIEW

18 August, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 15th of August some moderately positive external background formed on the Russian market. On Thursday the major U.S. indices gained 0.4%, on Friday the growth of the composite MSCI Asia Pacific index was 0.1%. Markets grew by reducing investors' concerns in relation to a further escalation of tensions in Ukraine after the Russian president's statement that Russia would do everything that depended on it to stop the conflict in the south-east of Ukraine as quickly as possible. October Brent crude futures traded at \$102.6 per barrel – half a dollar below the level of our closing on the 14th of August. Pressure on oil prices, which lowered on the 14th of August below \$102 per barrel for the first time since June 2013, was put by weak GDP data in Germany, France, the Eurozone as a whole, triggered by expectations of falling demand for energy in the region.

The Russian and European markets throughout the trading session were dominated by positive sentiment due mainly to investors' hopes to mitigate tensions in Ukraine. An additional positive backdrop for the markets was the statement by the Ambassador of the European Union in Russia that the EU would not want to continue the sanctions policy toward Russia and not exclusive of reviews of existing measures, subject to stabilization in eastern Ukraine. At the same time, the EU Ambassador said that the European sanctions were not an end in themselves and could be removed earlier than in one year. Against this background in the second half of the trading session the growth of Russian and European indices averaged about one percent. At the end of the day the markets were supported by statistics from the United States by the end of July: data on industrial production were better than expected, the growth rate of producer prices also slowed down, which, according to analysts, in the current uncertainty in the global economy will allow the Fed not to rush to raise the base interest rate. After the completion of the main trading session during the closing auction on the Moscow Stock Exchange all the world's financial markets came under pressure of Ukraine's statements that its armed forces had eliminated a column of heavy military equipment, which allegedly had been transported from the territory of Russia. Bloomberg described the mood in the markets as panic. The MICEX Index, which had played a part of this movement, reduced the day's growth by the fourth, the RTS Index due to the fall of the ruble lost the entire 1.5% growth.

During the entire trading session the MicexPWR Sector Index underperformed the market mainly due to sales of shares in a number of heat generation companies. On Western exchanges the European DJStoxx 600 Index fell 0.40%, and the U.S. S&P Index closed near zero.

ELECTRIC POWER INDUSTRY NEWS

BigpowerNews published approved by the Ministry of Energy Uniform standards of quality of service by grid companies of their customers

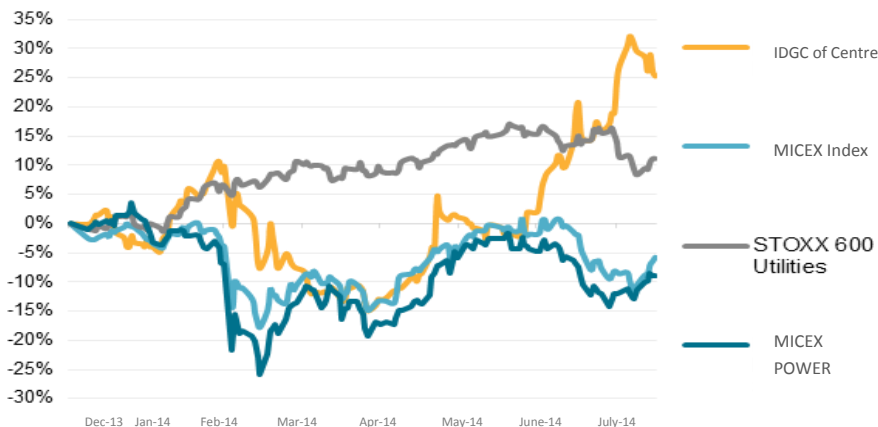
To read full text: <http://www.bigpowernews.ru/news/document57947.phtml>

COMPANY NEWS

IDGC of Center is stepping up the pace of preparations for the winter peak load

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89552

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.13
MICEX	1 417,82	0,73%	-5,74%
S&P 500	1 955,06	-0,01%	5,77%
FTSE 100	6 689,08	0,06%	-0,89%
DAX	9 092,60	-1,44%	-4,81%
DJStoxx 600	329,72	-0,40%	0,44%
STOXX Utilities	309,42	0,02%	11,17%
Nikkei	15 318,34	0,02%	-5,97%
Sensex	26 103,23	0,00%	23,30%
CSI300	2 360,64	1,06%	1,31%
Bovespa	56 963,65	2,12%	10,59%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.13
Euro/USD	1,34	0,24%	-2,81%
USD/RUB	36,04	-0,50%	10,11%
Euro/RUB	48,14	-0,56%	7,05%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.13
Gold, USD/oz	1 304,70	-0,67%	8,58%
Brent*, USD/bbl	103,53	1,43%	-3,53%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2739
Capitalisation**, billion RUB	11,56
Capitalisation**, million USD	320,86

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.13
MICEX-Power Index	0,01%	-8,99%
Shares of IDGC of Centre**	-0,58%	25,30%

Source: MOEX, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.13
JSC Russian Grids	1,19%	-34,49%
FGC UES	0,74%	-39,37%
IDGC of Volga	2,12%	5,79%
MOESK	-0,02%	-25,66%
IDGC of Northern Caucasus	1,78%	10,82%
IDGC of Centre and Volga Reg	-0,05%	63,04%
IDGC of North-West	1,86%	11,86%
IDGC of Urals	-1,34%	-4,08%
IDGC of Siberia	-9,86%	15,08%
IDGC of South	-2,09%	30,76%
Lenenergo	-0,04%	18,06%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

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