



IDGC OF CENTRE

DAILY MARKET REVIEW

02 February, Monday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 30 January some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 1-1.3% on good reporting of a number of companies and strong statistics – the number of applications for unemployment benefits fell to the lowest in 15 years. On Friday the composite index of the Asia-Pacific region after the US market added 0.2%. March Brent futures traded at \$48.8 per barrel – at our closing of January 29th.

On Friday the Russian market still had increased volatility. The trading session started with 1.5% growth of the MICEX Index on media reports about the absence of complete unity in the EU for new tough economic sanctions against Russia. As a result, as expected, the EU Council at the level of Foreign Ministers on Thursday was only able to take a decision on the extension until September 2015 targeted sanctions, which expire in March, and ordered to prepare for a week additions to the sanctions list. However, uncertainty in further steps of the EU persists – after the meeting it was decided to begin preparing "any other necessary measures", the appropriateness of which will be considered at the EU summit February 12. As recalled by Kommersant, those measures included consideration of a ban on exports to Russia of some types of equipment (including for the gas sector), introduction of restrictions on the purchase of Russian sovereign debt, as well as disconnecting the Russian Federation from SWIFT system. Against this background the MICEX Index in the middle of the day lost about half a percent. In the second half of the trading session the mood in our market again improved and the MICEX Index was back to one percent growth, after a surprising to analysts decision of the CBR to cut its key interest rate by 2 percentage points to 15%. Commenting on this decision, Governor of the Central Bank said that the rate cut will help start lending to the real sector of the economy, which is one of the tasks of the anti-crisis plan, but this level is still enough to slow inflation. In addition, buyers were supported with a rise in oil prices above \$49.5 per barrel. The MICEX Index was able to close half-point in positive territory, despite the negative dynamics of western indices, which had responded to their poor statistics – deflation in the Eurozone, having exceeded projections, in January reached a record 0.6%, in the US data on GDP growth in the IV quarter were worse than expected.

During the trading session the MicexPWR Sector Index looked better than the market, recovering from advancing in comparison with the MICEX Index falling on Thursday. According to the results of the day substantive contribution to the growth of the sector indicator was made by shares of E.ON Russia and RusHydro. On Western exchanges the European DJStoxx Index decreased by 0.46%, and the US S&P Index was 1.30% minus.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy developed a plan to save the Russian energy sector in crisis

Grid companies need to compensate for lost income and together with generating ones to cut investment programs.

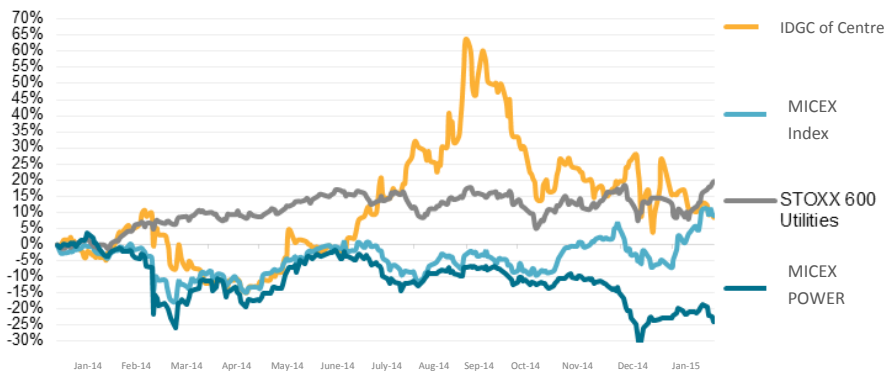
To read full text: <http://www.vedomosti.ru/companies/news/38848301/energetiku-spaset-tarif>

COMPANY NEWS

IDGC of Centre improves the reliability and quality of electricity supply to consumers of the Voronezh region

To read full text: <http://www.mrsk-1.ru/press-center/news/company/47149/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 647,69	0,49%	17,98%
S&P 500	1 994,99	-1,30%	-3,10%
FTSE 100	6 749,40	-0,90%	2,79%
DAX	10 694,32	-0,41%	9,06%
DJStoxx 600	367,05	-0,46%	7,16%
STOXX Utilities	329,61	-1,06%	4,49%
Nikkei	17 674,39	0,39%	1,28%
Sensex	29 182,95	-1,68%	6,12%
CSI300	3 434,39	-1,36%	-2,81%
Bovespa	46 907,68	-1,79%	-6,20%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,13	-0,12%	-7,12%
USD/RUB	68,73	2,35%	22,17%
Euro/RUB	77,57	1,71%	13,50%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 283,79	2,11%	8,39%
Brent*, USD/bbl	52,99	7,86%	-8,97%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2360
Capitalisation**, billion RUB	9,96
Capitalisation**, million USD	144,96

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	1,71%	0,03%
Shares of IDGC of Centre**	-0,42%	-6,53%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	1,20%	-0,53%
FGC UES	0,83%	9,04%
IDGC of Volga	-0,85%	-16,13%
MOESK	1,41%	-13,60%
IDGC of Northern Caucasus	0,79%	4,96%
IDGC of Centre and Volga Reg	-0,38%	-19,57%
IDGC of North-West	0,38%	4,35%
IDGC of Urals	0,00%	-3,60%
IDGC of Siberia	-3,33%	-3,33%
IDGC of South	2,88%	3,88%
Lenenergo	5,15%	10,86%

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