



IDGC OF CENTRE

DAILY MARKET REVIEW

20 June, Friday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market. On the eve the major U.S. indices gained 0.6-0.8%, and the S&P500 updated its historic high. The reason for the rise of the market was the outcome of the meeting of the U.S. Federal Reserve and the subsequent statements of the Central Bank. Firstly, the American Central Bank confirmed its intention to keep rates at current levels for a "substantial" period of time after the asset purchase program completion, and secondly, analysts drew attention to the Fed's downward revision of the interest rate over the long term from 4% to 3.75%. Thirdly, notes Bloomberg, the description of the economic situation became more optimistic in comparison with the Fed's previous statements. Finally, the head of the Central Bank Janet Yellen, noting the validity of the current economic growth, said the share price "does not go beyond historical norms", reducing fears of investors about the formation of a "bubble" on the U.S. stock market. Regarding the reduction of the QE-3 program, as expected by analysts, the Central Bank reduced its repurchase asset amount for the next \$10 billion – \$35 billion a month. The composite MSCI Asia Pacific stock index added over one percent with reaching 6-year highs. Some additional positive background for investors was the announcement by Premier Wu Yi that there would not be "hard landing" of the Chinese economy, and in the long term, the government plans to ensure the growth of not less than 7.5%. August Brent was trading at \$114.6 per barrel – a dollar above our closing on Wednesday.

On the news from the U.S. and China the Russian indices most of the trading session as the European markets had more than a half-point plus. The markets were also supported with released better than expected statistics from the UK on retail sales in May and from the United States on applications for unemployment benefits. However, buying activity in the Russian market was restrained with rising intensity of the armed conflict in eastern Ukraine, despite the stated by Ukrainian President readiness to implement the peace plan in the region. This factor, combined with the uncertain dynamics of U.S. indices in early trading, became the basis for profit taking in our market – the MICEX Index fell back again from the 1500 points level, having lost all of the day's growth.

Dynamics of the MicexPWR Sector Index was adequate with the market dynamics – profit taking in stocks of Russian Grids and E.ON Russia was offset with stock growth of Inter RAO and FGC UES. On Western exchanges the European DJStoxx 600 Index added 0.58%, and the U.S. S&P Index gained 0.13%.

ELECTRIC POWER INDUSTRY NEWS

A resolution of the Russian Government related to the compensation to grid companies of their shortfall in income associated with power grid connection, and tariff rates decision-making, has been published

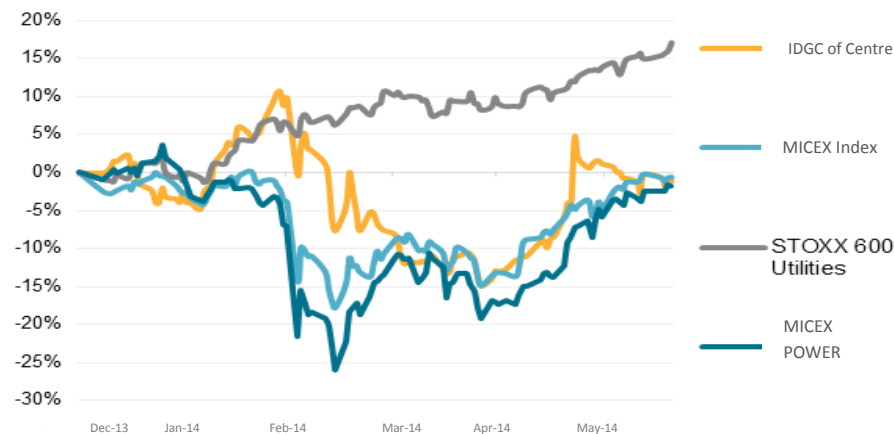
To read full text: http://www.np-sr.ru/presscenter/news/SR_0V036066

COMPANY NEWS

Implementation of the annual ROW clearing program of Tambovenergo is on schedule

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89418

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 495,09	0,05%	-0,60%
S&P 500	1 959,48	0,13%	6,01%
FTSE 100	6 808,11	0,44%	0,87%
DAX	10 004,00	0,74%	4,73%
DJStoxx 600	348,15	0,58%	6,06%
STOXX Utilities	325,89	0,91%	17,09%
Nikkei	15 361,16	1,62%	-5,71%
Sensex	25 201,80	-0,18%	19,04%
CSI300	2 126,91	-1,54%	-8,72%
Bovespa	55 202,54	0,00%	7,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,36	0,34%	-1,22%
USD/RUB	34,82	0,04%	6,40%
Euro/RUB	47,17	-0,09%	4,90%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 320,39	3,34%	9,88%
Brent*, USD/bbl	115,06	0,70%	6,08%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2161
Capitalisation**, billion RUB	9,12
Capitalisation**, million USD	261,99

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	-0,07%	-1,72%
Shares of IDGC of Centre**	0,14%	-1,14%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	-2,86%	-29,99%
FGC UES	0,43%	-34,56%
IDGC of Volga	-0,37%	-16,90%
MOESK	-0,93%	-11,48%
IDGC of Northern Caucasus	2,77%	15,35%
IDGC of Centre and Volga Reg	1,60%	33,39%
IDGC of North-West	0,29%	-1,23%
IDGC of Urals	3,57%	-9,05%
IDGC of Siberia	0,15%	-2,55%
IDGC of South	-0,72%	6,68%
Lenenergo	0,25%	22,41%

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