



IDGC OF CENTRE

DAILY MARKET REVIEW

11 August, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 08th of August some moderately negative external background formed on the Russian market. On Thursday major U.S. indices closed lower by 0.5-0.6% – as noted by Bloomberg, the geopolitical risks associated with the Ukrainian conflict with an excess levelled positive corporate statements and good statistics on the labour market. On Friday U.S. futures lost more than half a percent, and the composite MSCI Asia Pacific index dropped 1.7%. The main contribution to the negative dynamics of the index was made by Japanese stocks – the Nikkei fell by 3% after the Bank of Japan downgraded assessment of exports and industrial production for the current year. Excluding Japan, the loss of the composite MSCI index for the region was 0.6%. In general, geopolitics provided the pressure on equity markets: the introduction of Russian retaliatory sanctions against the West, and the media information that the U.S. President authorized air strikes on Islamist groups in Iraq in the event of their offensive in the city of Erbil, where the diplomatic mission of the United States was located. According to experts, the U.S. military intervention in the situation in Iraq could trigger a sharp rise in tensions in the region. Strong statistics from China held the APR markets from a greater reduction, where the growth rate of exports in July was almost two times higher than expected. September futures for Brent crude were at \$106.4 per barrel – \$1.5 higher than our closing on the 07th of August. Oil prices were supported with news from the United States, and statistics of China, which recorded an increase in oil imports in July.

The Russian market continues to move in the opposite to the western exchanges directions. After some neutral opening in the middle of the day the MICEX Index growth exceeded a percent, whereas the loss of the major European indices averaged about one percent. Among the possible causes of such dynamics of our market experts call players closing short positions in anticipation of a technical correction after a few weeks of active sales. In the second half of the trading session the MICEX Index growth rate accelerated to 2% after the turn of American and European futures indices. Published statistics for the day from Europe and the United States was positive – June data on industrial production in France, export of Germany and labour productivity in the United States in quarter II were better than expected, but amid growing geopolitical risks the mood of foreign investors could not significantly improve. At the end of the day the MICEX Index after all retreated from daily highs – investors chose to take profits, taking into account the uncertain dynamics of western markets.

By the end of the trading session the dynamics of the MicexPWR Sector Index looked better than the market. The main contribution to the MicexPWR growth, about 35%, was made by shares of RusHydro. On Western exchanges the European DJStoxx 600 Index fell by 0.63%, and the U.S. S&P Index rose by 1.15%.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy forecasts in 2014-2020 the growth of electricity consumption in Russia on average 1-1.8% per year

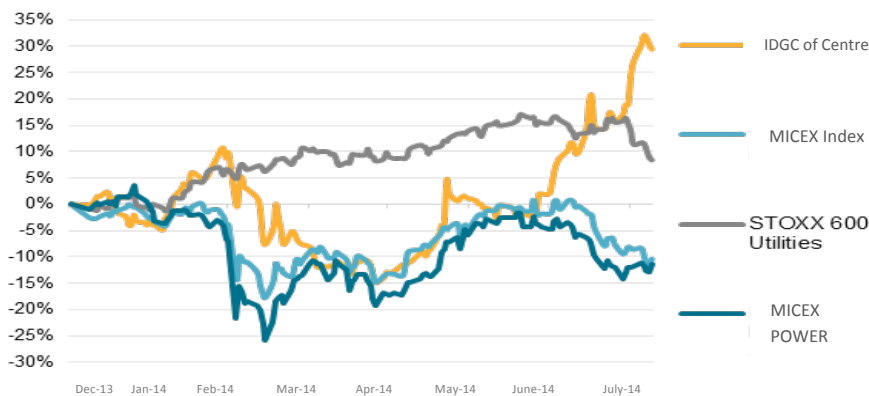
To read full text: <http://www.bigpowernews.ru/news/document57811.phtml>

COMPANY NEWS

Head of "Russian Grids" and IDGC of Centre's management discussed measures to support agricultural and food industry enterprises

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89537

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 348,21	1,10%	-10,36%
S&P 500	1 931,59	1,15%	4,50%
FTSE 100	6 567,36	-0,45%	-2,69%
DAX	9 009,32	-0,33%	-5,68%
DJStoxx 600	324,91	-0,63%	-1,02%
STOXX Utilities	301,70	-0,52%	8,40%
Nikkei	14 778,37	-2,98%	-9,29%
Sensex	25 329,14	-1,02%	19,64%
CSI300	2 331,13	0,16%	0,05%
Bovespa	55 572,93	-1,09%	7,89%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,34	0,44%	-2,75%
USD/RUB	36,25	0,39%	10,76%
Euro/RUB	48,49	0,52%	7,84%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 309,58	-0,23%	8,98%
Brent*, USD/bbl	105,02	-0,40%	-2,64%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2830
Capitalisation**, billion RUB	11,95
Capitalisation**, million USD	329,59

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	1,77%	-11,44%
Shares of IDGC of Centre**	-0,67%	29,46%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	1,65%	-36,42%
FGC UES	2,15%	-40,85%
IDGC of Volga	0,84%	-0,40%
MOESK	-0,73%	-27,12%
IDGC of Northern Caucasus	2,04%	-2,85%
IDGC of Centre and Volga Reg	0,46%	60,81%
IDGC of North-West	-2,75%	9,54%
IDGC of Urals	3,17%	-7,65%
IDGC of Siberia	-4,14%	24,50%
IDGC of South	0,87%	25,39%
Lenenergo	-0,50%	10,73%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange
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