



IDGC OF CENTRE

# DAILY MARKET REVIEW

21 July, Tuesday

2015

## REVIEW OF STOCK MARKETS

Before the opening of trading on 20 July some neutral external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed with opposite changes in the range of 0.2%. At the same time the S&P500 was able to close in positive territory only thanks to a 16% surge of Google shares on good reporting and signals of the management that the company is for the first time in its history ready to share the money with shareholders. For one day, says Bloomberg, Google's capitalization rose to a record for a single session for Wall Street's by \$66.9 billion, which exceeds the value of more than 400 companies in the S&P500 index. In general, the US market observed uncertain dynamics – good reporting on the results of II quarter, good statistics on new construction in June, approaching the rate of growth of consumer prices in June to the target level of the Fed, the resolution of the Greek problem enhances investors' concerns regarding possible more decisive actions of the US Federal Reserve at normalization of monetary policy. Most major stock indices of the Asia-Pacific region traded in a small plus, the Japanese market was closed in observance of the Day of the Sea. Analysts noted the high volatility of the Chinese market after nearly a 15% rebound of stock indices from local minima at the end of the first decade of July. September futures for Brent traded near \$57 a barrel – at the level of our trading close on 17 July. The main negative factor for the oil market is still waiting for expanding imbalance of supply and demand after lifting the sanctions against Iran and increasing oil exports from that country.

Throughout the trading session the Russian market was under the pressure of the renewed decline in oil prices, which tested during the day the level of \$56.5 per barrel on the statement of Iran's oil minister that the country aims to increase the supply of oil regardless of how it will affect the world fuel prices. Against this background, on the daily lows the loss of the MICEX Index exceeded 1.5%, while European markets, in contrast, were dominated by positive sentiment – the growth of the major indices averaged about half a percent. European markets are still supported by optimism regarding Greece – according to media reports, today Athens plans to close the current debt to the ECB and the IMF using for this the today received bridge loan from the EU in the amount of €7.16 billion. In addition, the German Chancellor said that the Eurozone countries consider the possibility of extending the maturity of debts of Greece and lowering interest rates on them. However, according to her, the desire of Greece to remain part of the Eurozone excludes the possibility of the "classical writing off debt of the country – by 30-40%, because it violates European legislation."

During the trading session the MicexPWR Sector Index was generally in line with the dynamics of the MICEX index. The main contribution to the final MicexPWR reduction was made by shares of RusHydro and E.ON Russia.

## ELECTRIC POWER INDUSTRY NEWS

**A working group of the Agency for Strategic Initiatives supported the increase in the fee of grid connection for privileged customers, "Rosseti" and NP TGC offer to raise the price to 2-5 thous. RUB/kW**

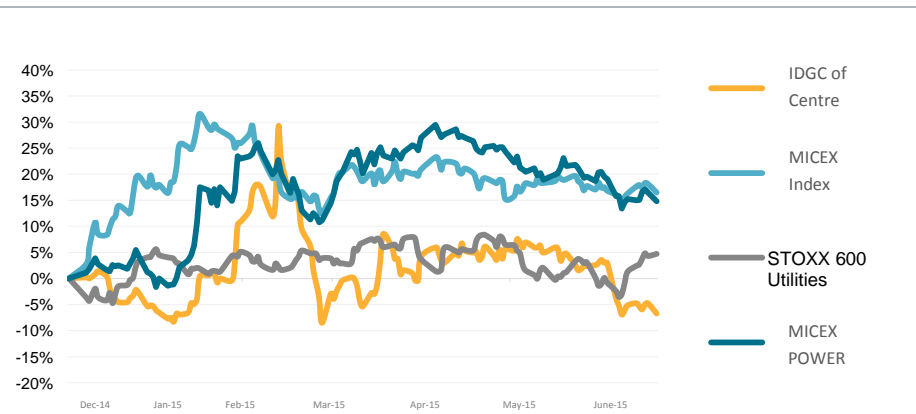
To read full text: <http://www.bigpowernews.ru/news/document65088.phtml>

## COMPANY NEWS

**Questions of payment discipline of consumers to Smolenskenergo are taken under special control of the Administration of the Smolensk region**

To read full text: <http://www.elec.ru/news/2015/07/17/voprosy-platezhnoj-distsipliny-potrebitelej-pered.html>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes   | Value     | Change for the day | fr 31.12.14 |
|-----------------|-----------|--------------------|-------------|
| MICEX           | 1 626,76  | -1,41%             | 16,48%      |
| S&P 500         | 2 128,28  | 0,08%              | 3,37%       |
| FTSE 100        | 6 788,69  | 0,20%              | 3,39%       |
| DAX             | 11 735,72 | 0,53%              | 19,68%      |
| DJStoxx 600     | 406,80    | 0,28%              | 18,76%      |
| STOXX Utilities | 330,25    | 0,39%              | 4,70%       |
| Nikkei          | 20 650,92 | 0,00%              | 18,34%      |
| Sensex          | 28 420,12 | -0,15%             | 3,35%       |
| CSI300          | 4 160,61  | 0,22%              | 17,74%      |
| Bovespa         | 51 600,08 | -1,42%             | 3,18%       |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.14 |
|----------------|-------|--------------------|-------------|
| Euro/USD       | 1,08  | 0,10%              | -10,83%     |
| USD/RUB        | 56,84 | -0,19%             | 1,04%       |
| Euro/RUB       | 61,92 | -0,43%             | -9,40%      |

Source: Bloomberg, Company calculations

| Raw             | Value    | Change for the day | fr 31.12.14 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz    | 1 096,50 | -3,32%             | -7,42%      |
| Brent*, USD/bbl | 56,65    | -0,79%             | -10,82%     |

\* - September futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre      | Value  |
|-------------------------------|--------|
| Last transaction, RUB         | 0,2355 |
| Capitalisation**, billion RUB | 9,94   |
| Capitalisation**, million USD | 174,91 |

Source: Central Bank of Russia, Company calculations

| Russian indexes            | Change for the day | fr 31.12.14 |
|----------------------------|--------------------|-------------|
| MICEX-Power Index          | -1,43%             | 14,82%      |
| Shares of IDGC of Centre** | -2,08%             | -6,73%      |

Source: Bloomberg, Company calculations

| Grid companies               | Change** for the day | fr 31.12.14 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids            | -1,36%               | 13,83%      |
| FGC UES                      | -1,38%               | 38,10%      |
| IDGC of Volga                | -1,17%               | -24,19%     |
| MOESK                        | -1,20%               | -34,40%     |
| IDGC of Northern Caucasus    | 0,64%                | 30,17%      |
| IDGC of Centre and Volga Reg | -2,78%               | -27,54%     |
| IDGC of North-West           | -0,69%               | 13,83%      |
| IDGC of Urals                | -0,68%               | 18,99%      |
| IDGC of Siberia              | 0,67%                | -33,44%     |
| IDGC of South                | 0,00%                | 0,97%       |
| Lenenergo                    | -2,13%               | 44,29%      |

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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## Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

[MRKC](#)

[MRKC.RX](#)

[MRKC.MM](#)