



IDGC OF CENTRE

DAILY MARKET REVIEW

20 February, Friday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 19 February some ambiguous external background formed on the Russian market. The decreasing during the main part of trading on Wednesday US indices DJIA and S&P500 reduced their fall towards the end of trading after the minutes of the last Fed's meeting. As reported by Bloomberg, the Minutes of the January meeting of the Fed surprised investors - the weakness of inflation, a stronger dollar and external risks force leaders of the US Central Bank not to rush into raising interest rates. European stocks rose on Wednesday in anticipation of a compromise between the Greek government and the EU, which would allow to avoid the most severe consequences, including the country's withdrawal from the Eurozone. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.7% and Japan's Nikkei was trading near 15-year highs. The Japanese market was supported by data on the growth of exports in January by 17% y/y – the maximum rate in four years.

April Brent traded around \$59.6 per barrel – \$1.8 below our closing on 18 February. Oil prices are reducing in anticipation of the publication of the US Department of Energy data on oil and petroleum products reserves. According to estimates of experts surveyed by Bloomberg, the oil reserves in the US last week rose by 3 million barrels – up to 420.9 million barrels, the highest level since August 1982. The growth of stocks was observed over the previous five weeks.

The MICEX Index was down earlier in the day, playing on the negative dynamics of oil prices, which continue to be one of the key drivers of the dynamics of the Russian market. Additional pressure on our market was given by a drop in European stock indices with the increasing fears that Greece would not be able to reach agreements with creditors. Representatives of the European Commission confirmed the receipt of a formal request for an extension of the program of financial assistance for six months. At the same time, as The Financial Times note, there are already signs that this request might be rejected. In particular, the official representative of the Ministry of Finance of Germany M. Eger said that his agency was in favour of rejection of the application of Greece, since it "presented no meaningful solutions" of the situation. If the application of Greece is rejected, the country for the first time since 2010 will be without external financial support, and in the coming weeks could face a shortage of funds for debt service. Against this background some stabilization of the situation in Ukraine after the cease-fire in the area of the settlement of Debaltsevo increases the probability of performing the Minsk Agreement, failed to have a significant impact on the market sentiment. Nevertheless, at the end of the day against the background of a rebound in oil prices and the volatility of the start of trading on the US markets, which estimated some controversial statistics – jobless claims fell more than expected, the index of leading economic indicators Conference Board in January grew weaker than the forecast – the MICEX Index managed to reduce the decline and closed just below 1,800 points.

By the end of the trading session the dynamics of the MicexPWR Sector Index looked worse than the market. The main contribution to the advancing MicexPWR reduction was made by shares of FGC UES, E.ON Russia and Inter RAO. On Western exchanges the European DJStoxx Index added 0.27%, and the US S&P 500 Index fell 0.11%.

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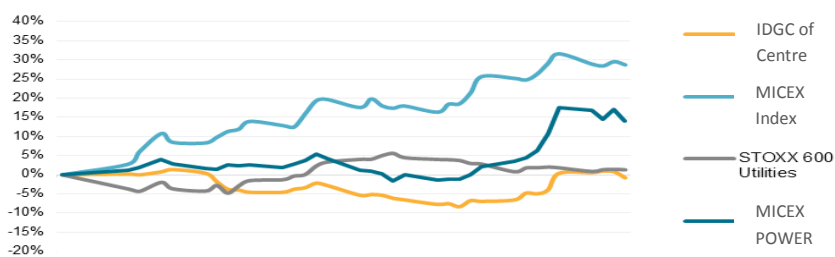
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DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 797,87	-0,65%	28,73%
S&P 500	2 097,45	-0,11%	1,87%
FTSE 100	6 888,90	-0,13%	4,92%
DAX	11 001,94	0,37%	12,20%
DJStoxx 600	381,41	0,27%	11,35%
STOXX Utilities	319,59	-0,13%	1,32%
Nikkei	18 264,79	0,36%	4,66%
Sensex	29 462,27	0,48%	7,14%
CSI300	3 522,32	0,00%	-0,32%
Bovespa	51 294,03	0,03%	2,57%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,14	0,26%	-6,45%
USD/RUB	62,40	-0,69%	10,92%
Euro/RUB	71,08	-0,34%	4,01%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 206,84	-0,46%	1,90%
Brent*, USD/bbl	60,21	-0,53%	1,72%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2505
Capitalisation**, billion RUB	10,58
Capitalisation**, million USD	169,48

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-2,64%	14,04%
Shares of IDGC of Centre**	-1,57%	-0,79%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-2,72%	32,50%
FGC UES	-4,30%	42,70%
IDGC of Volga	-1,37%	-9,86%
MOESK	-2,64%	-11,60%
IDGC of Northern Caucasus	-1,79%	13,22%
IDGC of Centre and Volga Reg	1,01%	-17,39%
IDGC of North-West	-1,26%	24,11%
IDGC of Urals	0,17%	-5,07%
IDGC of Siberia	0,00%	1,33%
IDGC of South	3,94%	19,42%
Lenenergo	-3,23%	20,00%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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