



IDGC OF CENTRE

# DAILY MARKET REVIEW

14 August, Friday

2015

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 13 August some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500, having started their trading session on Wednesday with more than a percent reduction, completed it in different directions near zero. The market correction, including facilitated with speculation regarding a possible change of the Fed raising interest rates due to the deepening problems of the Chinese economy – according to Bloomberg, on Tuesday the likelihood of the Fed rate hike in September is estimated at 44% versus 54% on Monday. In addition, the rebound of the indices was driven by technical factors – the S&P500 index, in particular, was supported by the 200th-day moving average. On Thursday the main country indices of the Asia-Pacific region added on average more than half a percent on the information that the Chinese authorities intend to control the pace of the weakening of the yuan. Firstly, according to media reports, the Chinese authorities to support the yuan began to sell dollars through state-owned banks and restrict the purchase of dollars by banks in the interest of a number of companies. Secondly, Deputy Head of the Chinese Central Bank said that currently there is no reason for further weakening of the national currency, and the regulator is able to hold the course on the equilibrium level. As a result, on Thursday the yuan depreciated 0.5% against the US dollar, after having fallen 2.8% in the previous two days. September futures for Brent traded near \$50 a barrel – a dollar above our closing on 12 August. Oil prices were supported with the stabilized yuan, the IEA forecast increase on growth in the world's oil demand in 2015 to a maximum of five years, the US Department of Energy information on oil reserves decline last week.

During the first half of the day the MICEX Index was half-point in positive territory, mainly focusing on the lateral dynamics of oil prices near \$50 per barrel. In Europe the mood was more optimistic – the composite Stoxx Europe 600 index, having lost for two days of active sales on the news from China more than 4%, on Thursday added about 2%. In the second half of the trading session selling started on the Russian market, the reason for which was the decline in oil prices to the level of \$49 per barrel. Additional pressure on our market was the beginning of trading in the US with a slight decline in major indices and significant slowdown in European markets. Released at the expected level statistics from the US on retail sales in July and applications for unemployment benefits were not able to provide significant support for equity markets. Against this background the MICEX Index went below zero and was able to close trading higher by 0.4% due to growth in "heavy" index shares at the closing auction.

At the end of the trading session the MicexPWR Sector Index underperformed. The main contribution to the final small MicexPWR decline was made by stocks of Rosseti.

## ELECTRIC POWER INDUSTRY NEWS

### Debt grids

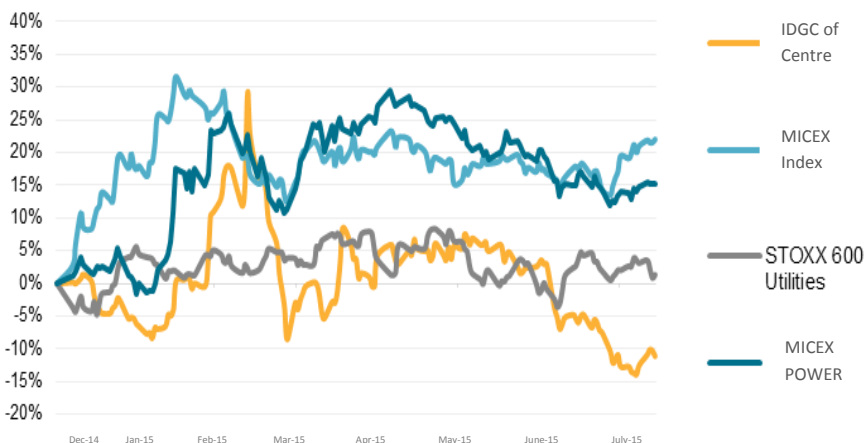
To read full text: <http://peretok.ru/strategy/dolgovye-seti.html>

## COMPANY NEWS

### In the first half of 2015 Orelenergo fulfilled its tax obligations in full

To read full text: <http://www.energostrana.ru/news/powerindustry/22965.html>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 704,11	0,38%	22,02%
S&P 500	2 083,39	-0,13%	1,19%
FTSE 100	6 568,33	-0,04%	0,03%
DAX	11 014,63	0,82%	12,33%
DJStoxx 600	386,69	0,97%	12,89%
STOXX Utilities	319,69	0,48%	1,35%
Nikkei	20 595,55	0,99%	18,02%
Sensex	27 549,53	0,14%	0,18%
CSI300	4 075,46	1,48%	15,33%
Bovespa	48 009,57	-0,78%	-4,00%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,11	-0,32%	-8,37%
USD/RUB	65,02	2,86%	15,57%
Euro/RUB	72,21	3,63%	5,66%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 115,10	-0,83%	-5,85%
Brent*, USD/bbl	49,22	-0,89%	-22,51%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2245
Capitalisation**, billion RUB	9,48
Capitalisation**, million USD	145,78

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-0,06%	15,25%
Shares of IDGC of Centre**	-0,88%	-11,09%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-0,63%	13,35%
FGC UES	-0,06%	43,80%
IDGC of Volga	-1,10%	-19,18%
MOESK	-0,60%	-34,00%
IDGC of Northern Caucasus	0,00%	21,90%
IDGC of Centre and Volga Reg	-1,26%	-26,71%
IDGC of North-West	0,00%	14,23%
IDGC of Urals	-0,88%	10,31%
IDGC of Siberia	0,20%	-43,78%
IDGC of South	-1,83%	4,21%
Lenenergo	-1,62%	56,29%

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