



IDGC OF CENTRE

DAILY MARKET REVIEW

21 July, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 18th of July some negative external background formed on the Russian market. On Thursday the U.S. indices DJIA and S&P500 fell by 0.9-1.2%, on Friday the composite MSCI Asia Pacific stock index lost about 0.5% of. The reason for the decline in the indices was the increase because of geopolitical risks of heightened tensions in Ukraine and the Middle East. In Ukraine in the Donetsk region on Thursday a Malaysian Airline plane fell, which killed 298 people. In this regard getting into the plane of a "ground-to-air" rocket is seen as one of versions of the crash the units to launch which, as noted by the media, are possessed by both sides of the conflict. In the Middle East, Israel on Thursday launched a ground phase of the military operation in the Gaza Strip, whose aim is to stop the rocket attacks by Hamas. September Brent traded at \$108.3 per barrel – a dollar above our closing on the 17th of July.

Active sales continued in the Russian market – at daily lows the MICEX Index decline was more than 2%. The Ukrainian factor mainly continues to put pressure on the market: the negative background due to new U.S. sanctions on Friday was reinforced with the plane crash in the Donetsk region. According to Interfax, citing statements by a senior European diplomat, the possibility of further progress in sanctions against Russia will depend on results of investigating the causes of the fall of the Malaysian aircraft. In turn, as noted by The Financial Times newspaper, if the information that the plane was shot down to be confirmed, tensions in relations between the West and Russia will reach new heights. European markets were also dominated by the pessimistic mood – reduction in major indices averaged within half a percent against the backdrop of withdrawal of investors from the growing geopolitical risks. At the end of the day the MICEX Index was able to play back some losses after a positive start of trading in the U.S., where investors had good support with quarterly reporting of a number of companies.

Following the results of the trading session the MicexPWR Sector Index outperformed the market – selling in the shares of FGC UES and RusHydro was offset by zero dynamics of shares of E.ON Russia, Inter RAO and Russian Grids. On Western exchanges the European DJStoxx 600 Index closed near zero, and the U.S. S&P 500 Index rose by 1.03%.

ELECTRIC POWER INDUSTRY NEWS

Power engineers visited a plant for the production of transformers "Power Machines – Toshiba" and held a meeting with the company's management

To read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=18652

COMPANY NEWS

IDGC of Centre in 2014 to provide electricity for about two thousand plots for individual housing construction in the Belgorod region

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89489

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 422,53	-1,26%	-5,42%
S&P 500	1 978,22	1,03%	7,03%
FTSE 100	6 749,45	0,17%	0,01%
DAX	9 720,02	-0,35%	1,76%
DJStoxx 600	339,66	-0,02%	3,47%
STOXX Utilities	318,02	0,57%	14,26%
Nikkei	15 215,71	-1,01%	-6,60%
Sensex	25 641,56	0,31%	21,12%
CSI300	2 164,14	0,33%	-7,12%
Bovespa	57 012,90	2,47%	10,69%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,35	0,00%	-1,92%
USD/RUB	34,80	1,21%	6,33%
Euro/RUB	47,07	0,94%	4,67%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 310,88	-0,63%	9,09%
Brent*, USD/bbl	107,24	-0,60%	-0,58%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2500
Capitalisation**, billion RUB	10,55
Capitalisation**, million USD	303,29

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	-0,79%	-10,38%
Shares of IDGC of Centre**	-0,75%	14,36%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	0,00%	-35,14%
FGC UES	-2,80%	-39,54%
IDGC of Volga	0,05%	-3,47%
MOESK	-0,38%	-25,78%
IDGC of Northern Caucasus	0,13%	3,56%
IDGC of Centre and Volga Reg	-1,37%	61,54%
IDGC of North-West	0,98%	8,76%
IDGC of Urals	0,08%	-7,40%
IDGC of Siberia	-0,56%	24,11%
IDGC of South	1,82%	18,18%
Lenenergo	2,07%	16,72%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, JSC

127018, Moscow, 2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

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