



IDGC OF CENTRE

# DAILY MARKET REVIEW

05 March, Thursday

2015

## REVIEW OF STOCK MARKETS

Before the opening of trading on 04 March some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 lost 0.5%. As noted by Bloomberg, investors preferred to take profits after their historic highs update the previous day, pending the outcome of the ECB meeting, which will take place on Thursday, and the publication of data on the US labour market on Friday. On Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific was 0.7% down after the US indices, and futures on the US indices were slightly down.

April Brent traded near \$60.6 per barrel – \$0.5 lower than our closing of 03 March. Oil gets cheaper on the eve of the publication of statistics on the fuel supplies in the US – investors are waiting for the next record update. At the same time, the potential drop in oil prices is limited to information that Saudi Arabia since April has been rising oil prices for the Asian markets, the increase will be a maximum of three years with the improvement in demand.

On Wednesday the Russian market corrected after strong growth from the beginning of the week. The main reason for the sale was the intensification of the sanctions subject. Firstly, the US president extended for one year the decree on sanctions against Russia. Secondly, on the basis of the 3rd of March videoconference with the leaders of the United States, Germany, Britain, France, Italy and Chairman of the European Commission the readiness of the West to take a decision on new sanctions against Russia for violations of the Minsk agreements was stated about. Against this background the loss of the MICEX Index in the afternoon exceeded 1.5%. In this case, the major European indices showed nearly zero change on the ambiguous statistics. On the one hand, the growth rate of retail sales in the euro area in January were the highest since May 2013, on the other hand, the composite index of business activity, although it increased to a maximum of 7 months, yet was worse than analysts' expectations. At the end of our trading session the fall of the MICEX Index accelerated to more than 2.5% after decline in oil prices below \$60 a barrel on the data of the next record in US oil inventories, and the start of trading in the US with nearly a percent decrease in major indices, despite the good statistics on employment in the manufacturing sector in January-February and the index of business activity in the service sector in February.

By the end of the trading session the dynamics of the MicexPWR Sector Index looked much better than the market – investors' pessimism, being due to the intensification of the sanctions subject, was played back mainly in "blue chips" of our market. Almost all of the daily MicexPWR growth was provided by shares of OGK-2, Inter RAO and FGC UES. On Western exchanges the European DJStoxx Index gained 0.76%, and the US S&P 500 Index fell 0.44%.

## ELECTRIC POWER INDUSTRY NEWS

### Investment programs are reduced without resistance

Yesterday, Deputy Prime Minister Arkady Dvorkovich held a meeting to reduce investment programs of state-owned utilities. Suggestions were made by "Inter RAO", "Rosatom", "Russian Grids" and Federal Grid Company (FGC UES).

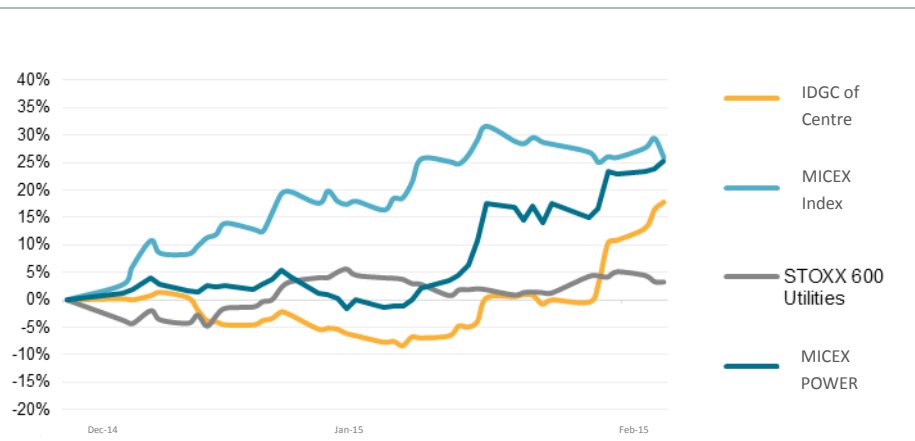
To read full text: <http://www.kommersant.ru/doc/2679998?isSearch=True>

## COMPANY NEWS

### Smolenskenergo struggles with power theft

To read full text: <http://www.mrsk-1.ru/press-center/news/branches/47459/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 759,35	-2,67%	25,97%
S&P 500	2 098,53	-0,44%	1,92%
FTSE 100	6 919,24	0,44%	5,38%
DAX	11 390,38	0,98%	16,16%
DJStoxx 600	390,61	0,76%	14,03%
STOXX Utilities	325,71	-0,07%	3,26%
Nikkei	18 703,60	-0,59%	7,18%
Sensex	29 380,73	-0,72%	6,84%
CSI300	3 530,82	0,65%	-0,08%
Bovespa	50 468,05	-1,63%	0,92%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,11	-1,15%	-8,92%
USD/RUB	62,36	0,23%	10,85%
Euro/RUB	69,85	0,44%	2,20%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 200,34	-0,28%	1,35%
Brent*, USD/bbl	60,55	-0,77%	2,30%

\* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2975
Capitalisation**, billion RUB	12,56
Capitalisation**, million USD	201,39

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	1,15%	25,33%
Shares of IDGC of Centre**	1,19%	17,82%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	0,13%	53,46%
FGC UES	2,73%	70,21%
IDGC of Volga	-2,07%	1,97%
MOESK	0,44%	-8,80%
IDGC of Northern Caucasus	7,85%	53,31%
IDGC of Centre and Volga Reg	1,20%	-12,42%
IDGC of North-West	6,43%	43,87%
IDGC of Urals	17,45%	26,68%
IDGC of Siberia	-1,17%	-6,44%
IDGC of South	6,17%	39,16%
Lenenergo	8,57%	52,00%

Source: MOEX, Company calculations

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

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## Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM