



IDGC OF CENTRE

# DAILY MARKET REVIEW

19 August, Tuesday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 15th of August some moderately positive external background formed on the Russian market. On Thursday the major U.S. indices gained 0.4%, on Friday the growth of the composite MSCI Asia Pacific index was 0.1%. Markets grew by reducing investors' concerns in relation to a further escalation of tensions in Ukraine after the Russian president's statement that Russia would do everything that depended on it to stop the conflict in the south-east of Ukraine as quickly as possible. October Brent crude futures traded at \$102.6 per barrel – half a dollar below the level of our closing on the 14th of August. Pressure on oil prices, which lowered on the 14th of August below \$102 per barrel for the first time since June 2013, was put by weak GDP data in Germany, France, the Eurozone as a whole, triggered by expectations of falling demand for energy in the region.

The Russian and European markets throughout the trading session were dominated by positive sentiment due mainly to investors' hopes to mitigate tensions in Ukraine. An additional positive backdrop for the markets was the statement by the Ambassador of the European Union in Russia that the EU would not want to continue the sanctions policy toward Russia and not exclusive of reviews of existing measures, subject to stabilization in eastern Ukraine. At the same time, the EU Ambassador said that the European sanctions were not an end in themselves and could be removed earlier than in one year. Against this background in the second half of the trading session the growth of Russian and European indices averaged about one percent. At the end of the day the markets were supported by statistics from the United States by the end of July: data on industrial production were better than expected, the growth rate of producer prices also slowed down, which, according to analysts, in the current uncertainty in the global economy will allow the Fed not to rush to raise the base interest rate. After the completion of the main trading session during the closing auction on the Moscow Stock Exchange all the world's financial markets came under pressure of Ukraine's statements that its armed forces had eliminated a column of heavy military equipment, which allegedly had been transported from the territory of Russia. Bloomberg described the mood in the markets as panic. The MICEX Index, which had played a part of this movement, reduced the day's growth by the fourth, the RTS Index due to the fall of the ruble lost the entire 1.5% growth.

During the entire trading session the MicexPWR Sector Index underperformed the market mainly due to sales of shares in a number of heat generation companies. On Western exchanges the European DJStoxx 600 Index gained 1.18%, and the U.S. S&P Index was 0.85% up.

## ELECTRIC POWER INDUSTRY NEWS

**Russian Grids and Russian Technologies are preparing a program of import substitution**  
JSC "Russian Grids" in conjunction with the State Corporation "Russian Technologies" ("Rosteh") are preparing a program of import substitution of electric equipment, followed by the placement of production in the Astrakhan region.

To read full text: <http://www.interfax-russia.ru/South/news.asp?id=530970&sec=1679>

## COMPANY NEWS

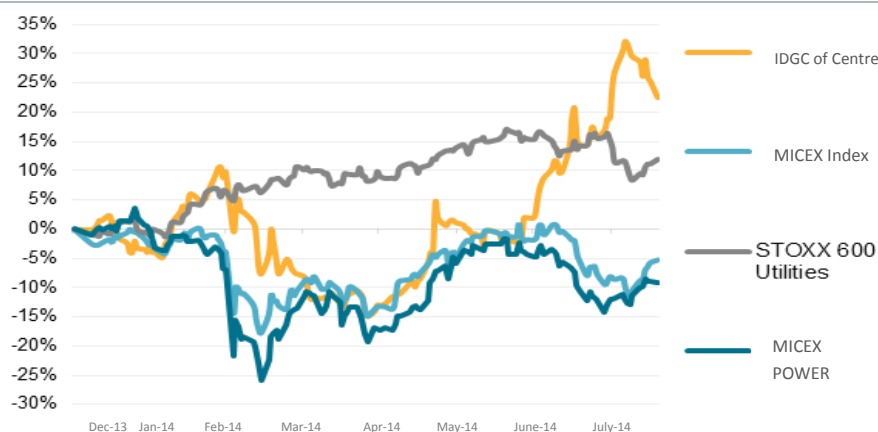
**Smolenskenergo summarized the results of six months of the year on the implementation of the repair program in 2014**

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89556](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89556)

**IDGC of Centre monitors the quality of electric energy**

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89548](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89548)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 425,18	0,52%	-5,25%
S&P 500	1 971,74	0,85%	6,68%
FTSE 100	6 741,25	0,78%	-0,12%
DAX	9 245,33	1,68%	-3,21%
DJStoxx 600	333,60	1,18%	1,63%
STOXX Utilities	311,65	0,72%	11,97%
Nikkei	15 322,60	0,03%	-5,95%
Sensex	26 390,96	1,10%	24,66%
CSI300	2 374,56	0,59%	1,91%
Bovespa	57 560,72	1,05%	11,75%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,34	-0,29%	-3,10%
USD/RUB	36,00	-0,11%	10,00%
Euro/RUB	48,12	-0,04%	7,01%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 298,40	-0,48%	8,05%
Brent*, USD/bbl	101,60	-1,86%	-5,33%

\* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2678
Capitalisation**, billion RUB	11,31
Capitalisation**, million USD	314,04

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,17%	-9,14%
Shares of IDGC of Centre**	-2,23%	22,51%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,39%	-34,75%
FGC UES	-0,90%	-39,92%
IDGC of Volga	-0,41%	5,36%
MOESK	-2,10%	-27,22%
IDGC of Northern Caucasus	-1,69%	8,94%
IDGC of Centre and Volga Reg	0,00%	63,04%
IDGC of North-West	-0,03%	11,83%
IDGC of Urals	-0,39%	-4,45%
IDGC of Siberia	5,99%	21,97%
IDGC of South	-1,19%	29,21%
Lenenergo	-2,99%	14,53%

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