



IDGC OF CENTRE

# DAILY MARKET REVIEW

08 August, Friday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 07th of August some neutral external background formed on the Russian market. On Wednesday major U.S. indices closed the trading session with conditional increase in the range of 0.1% due to the rise in the last minutes of trading. Stock indices of the Asia-Pacific region showed mainly moderately negative dynamics, and the composite MSCI Asia Pacific index lost 0.1%. Growing geopolitical risks associated mainly with Ukraine continue providing pressure on markets. Firstly, the Western media intensified speculation about the possible expansion of Russia's participation in the Ukrainian conflict up to the entry of troops into the territory of Ukraine. Secondly, the war of sanctions, which analysts recently argued about, became a reality – Russian President instructed to prohibit or restrict the import of agricultural products, raw materials and food from the countries that joined the sanctions against Russia. Now experts are trying to assess the impact of the sanctions confrontation between Russia and the West for the world economy, and in this regard, the greatest concern is the potential spread of the sanctions on the supply of energy. September Brent traded around \$104.8 per barrel – at the level of our closing on the 06th of August.

Russian indices, having started the trading session with a small loss, in the middle of the day accelerated their decline – at a daily low their loss was more than 2%. For the second day in a row the main contribution to the negative dynamics of our indices was made by shares of Sberbank and VTB, pending MSCI's decision of further being of these securities in the index of this provider. In general, investors are concerned with the prospects of expanding the sanctions confrontation between Russia and the West. Russian Prime Minister, having informed about an embargo on a number of categories of food products from the EU, USA, Australia, Canada and Norway pursuant to the decree of the President, said that Russia is considering a further ban on overflights of European and American airlines over the territory of the Russian Federation and the introduction of protective measures in the aviation, shipbuilding, automotive industry. In turn, the European Union, firstly, reported that after evaluating the measures of the Russian embargo on food and damages which could amount to €12 billion, the EU "reserves the right to take action that will be needed", and secondly, a representative of the European Commission said that in response to the ban on the Russian transit of Western aircrafts the EU may take similar measures for Russian airlines. Released better than expected statistics on applications for unemployment benefits in the United States, the ECB's decision to maintain the base interest rate of 0.15% and M. Dragi's statement about the need to continue the soft policy made no impression on the Russian market. Nevertheless, at the end of the day the MICEX Index was able to play almost all the losses back due to the growth of "blue chips", which began at 5:00 p.m. in the absence of any significant news amid increasing negative dynamics of European exchanges.

By the end of the trading session the dynamics of the MicexPWR Sector Index looked somewhat worse than the market – major purchases at the end of trading concentrated in "blue chips". On Western exchanges the European DJStoxx 600 Index fell by 0.68%, and the U.S. S&P Index closed with a loss of 0.56%.

## ELECTRIC POWER INDUSTRY NEWS

**Ministry of Energy approved the investment program of FGC UES for 2014 in the amount of 115.95 billion rubles – 25% less than previously planned**

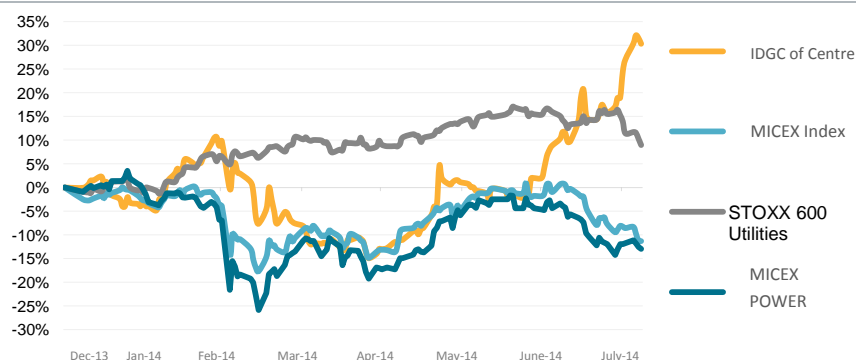
To read full text: <http://www.bigpowernews.ru/news/document57781.phtml>

## COMPANY NEWS

**Smolenskenergo to spend 113.92 million rubles on repairs in the second half of 2014**

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89528](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89528)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 333,53	-0,08%	-11,34%
S&P 500	1 909,57	-0,56%	3,31%
FTSE 100	6 597,37	-0,58%	-2,25%
DAX	9 038,97	-1,00%	-5,37%
DJStoxx 600	326,96	-0,68%	-0,40%
STOXX Utilities	303,27	-1,21%	8,96%
Nikkei	15 232,37	0,48%	-6,50%
Sensex	25 589,01	-0,30%	20,87%
CSI300	2 327,46	-1,51%	-0,11%
Bovespa	56 188,05	-0,53%	9,09%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,34	-0,13%	-3,18%
USD/RUB	36,11	0,87%	10,33%
Euro/RUB	48,24	0,40%	7,28%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 312,63	0,52%	9,24%
Brent*, USD/bbl	105,44	0,81%	-2,25%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2849
Capitalisation**, billion RUB	12,03
Capitalisation**, million USD	333,09

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,49%	-12,98%
Shares of IDGC of Centre**	-0,90%	30,33%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	0,21%	-37,45%
FGC UES	-1,53%	-42,09%
IDGC of Volga	-0,84%	-1,23%
MOESK	0,97%	-26,59%
IDGC of Northern Caucasus	-2,97%	-4,79%
IDGC of Centre and Volga Reg	2,53%	60,07%
IDGC of North-West	5,82%	12,64%
IDGC of Urals	0,90%	-10,49%
IDGC of Siberia	0,00%	29,87%
IDGC of South	4,68%	24,30%
Lenenergo	0,74%	11,29%

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