



IDGC OF CENTRE

DAILY MARKET REVIEW

12 August, Wednesday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 11 August some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 1.3-1.4% on a statement of Deputy Head of the Fed that he does not expect the first Fed rate hike as long as inflation is close to the targeted by the Federal Reserve 2% per annum, and information on major transactions in mergers and acquisitions. However, on Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 0.8% after the Bank of China devaluated the yuan, which makes it more expensive to import goods and raw materials to China, and may reduce their purchases abroad. The Bank of China lowered the official exchange rate of the yuan against the dollar by 1.9% – the maximum change since 1994. In addition, the regulator took further steps to liberalize its currency. Starting from August 11, the Central Bank exchange rate will be based on the market value of the yuan at the end of the previous session, while earlier, writes The Wall Street Journal, the regulator set the reference rate, based on its own considerations, ignoring the movement of the market. According to analysts, the devaluation demonstrates the growing concern of the authorities about the economic growth rate. The weakening of the renminbi, in particular, will help support Chinese exports, which in July fell by 8.3% in annual terms. September futures for Brent traded near \$50.0 per barrel – at the level of our closing on 10 August.

The main driver of the dynamics of the Russian market is still the price of oil. The stability of oil prices around the level of \$50 a barrel provided substantial support to our market in the first half of the day – the growth of the MICEX Index was about one percent. At the same time, the composite European index Stoxx Europe 600 lost more than a percent following the collapse of the stock prices of manufacturers of raw materials, cars and "luxury" products on fears of reduced exports to China. An additional negative factor for European markets was the decline in the index of confidence in the German economy in August to the lowest level since November 2014. In the afternoon, the mood in the Russian market worsened after the resumption of the negative dynamics of oil prices and increased sales in the Western markets – the fall of the Stoxx Europe 600 index accelerated to 1.5%, trading in the United States began with more than a percent reduction in the major indices. Brent quotes fell below \$49 a barrel under pressure from the devaluation of the yuan, information on the OPEC's record production in three years in July, and the World Bank's estimate of the fall in oil prices by 20% in 2016 due to the Iranian supply. Against this background the MICEX Index lost all of the daily growth and closed the day below zero.

During the trading session the MicexPWR Sector Index was consistent with the dynamics of the MICEX Index. The main contribution to the slight MicexPWR decrease on the day was made by the yesterday's leaders – RusHydro and FGC UES, which adjusted after the advancing growth on Monday.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy approved a change in the procedure for determining rates of specific fuel consumption for electricity and heat

To read full text:

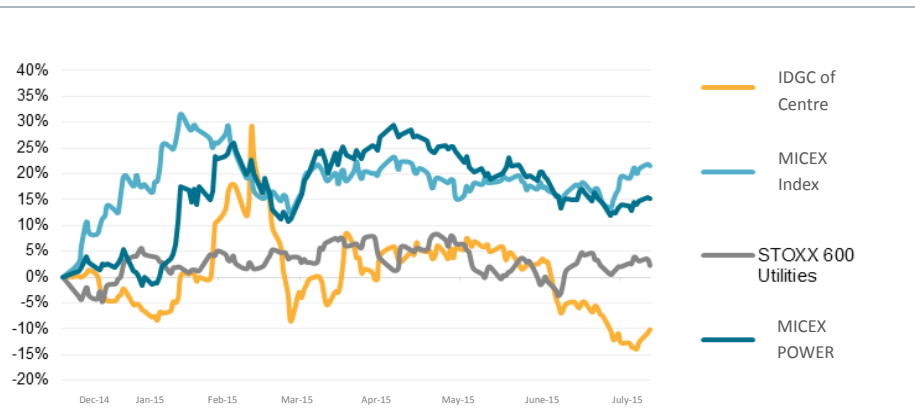
<http://www.bigpowernews.ru/news/document65387.phtml?1&q=0JzQmNCd0K3QndCV0KDQk9Ce>

COMPANY NEWS

IDGC of Centre held a production meeting on topical issues of the company's activity

To read full text: <http://www.mrsk-1.ru/press-center/news/company/48901/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 697,87	-0,24%	21,57%
S&P 500	2 084,07	-0,96%	1,22%
FTSE 100	6 664,54	-1,06%	1,50%
DAX	11 293,65	-2,68%	15,18%
DJStoxx 600	393,61	-1,55%	14,91%
STOXX Utilities	322,61	-1,23%	2,27%
Nikkei	20 720,75	-0,42%	18,74%
Sensex	27 866,09	-0,84%	1,33%
CSI300	4 066,67	-0,43%	15,08%
Bovespa	49 072,34	-0,57%	-1,87%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,10	-0,05%	-9,36%
USD/RUB	64,50	1,03%	14,65%
Euro/RUB	70,75	1,35%	3,53%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 108,95	0,40%	-6,37%
Brent*, USD/bbl	49,18	-2,44%	-22,58%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2270
Capitalisation**, billion RUB	9,58
Capitalisation**, million USD	148,59

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-0,21%	15,16%
Shares of IDGC of Centre**	0,89%	-10,10%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-0,95%	12,98%
FGC UES	-2,23%	43,27%
IDGC of Volga	0,86%	-16,13%
MOESK	0,00%	-32,80%
IDGC of Northern Caucasus	-3,63%	20,66%
IDGC of Centre and Volga Reg	3,65%	-26,50%
IDGC of North-West	2,78%	17,00%
IDGC of Urals	1,34%	11,13%
IDGC of Siberia	0,59%	-43,56%
IDGC of South	-3,79%	6,80%
Lenenergo	0,18%	63,43%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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