



DAILY

MARKET REVIEW

2014

| 10 April, Thursday

## REVIEW OF STOCK MARKETS

Before the opening of trading some neutral external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 closed higher by 0.1-0.4% after correction of oversold stocks of technology companies. Major APR stock indices demonstrated no single dynamics, the leader in the decline was the Japanese market on the yen rising. May Brent traded around \$107.5 per barrel – \$1.5 higher than our closing on Tuesday. According to analysts, oil prices rise on fears of further increasing tensions around Ukraine.

Neutral start of trading on the Russian market changed with a percent decline on the MICEX Index in the middle of the day, despite a half-point increase on average of the major European exchanges, which played back the U.S. futures rise on better than expected statements published by Alcoa. Some negative newsflow put pressure on our market. Western countries accused Russia of destabilizing the situation in the east of Ukraine, declared their readiness to impose new sanctions against Russia. "The United States and its European allies are united in their intention to introduce new sanctions against the energy, banking, mining and defense sectors of the Russian economy, if Moscow does not begin to respect the sovereignty of Ukraine," quoted by Interfax U.S. Secretary of State. Another negative factor for our market was a significant decrease in Economic Development forecasts for GDP growth in 2014 – to 0.5-1% instead of the previously expected 2.5%. And the statement of the first vice-premier Mr. I. Shuvalov did not add optimism to investors that Russian issuers should consider re-registration of foreign exchanges for Moscow. As reported by the media, the speech was also about depositary receipts of our issuers. Nevertheless, at the end of the day, the MICEX Index managed to play most of the losses in the background of a slight growth of the U.S. market in early trading.

Dynamics of the MicexPWR Sector Index outperformed the market mainly due to strong growth in shares of RusHydro and FGC UES.

JPMorgan substantially, by one third, lowered target prices for the three largest electric companies of the segment – Russian Grids, FGC UES and MOESK, having kept recommendations «underweight» for these companies. "We almost do not see investment opportunities in the sector in low predictability of financial performance," told analysts. According to them, despite the fact that the electricity companies traded with low values of multipliers, these levels are justified in the absence of growth potential and in conditions of a low dividend payout. On Western exchanges the European DJStoxx 600 Index rose by 0.38%, and the American S&P 500 Index gained 1.09%.

## ELECTRIC POWER INDUSTRY NEWS

## State-owned companies of the fuel-and-power sector in 2014 to reduce their management and administrative expenses by 15%

"Cuts should not affect the physical volume of construction or quality of purchased products. Such mechanisms are used as removal of intermediaries and affiliation, conducting price and technological audit, optimization of the management structure. Efficiency requirement should be decisive in all types of economic activities in the energy sector," said Mr. A. Novak.

To read full text: [http://www.np-cpp.ru/rus/news/branch\\_news/document5160.phtml](http://www.np-cpp.ru/rus/news/branch_news/document5160.phtml)

## Ministry of Energy expects growth of power consumption in Russia in 2014 by 0.7% — up to 1.017 trillion kWh

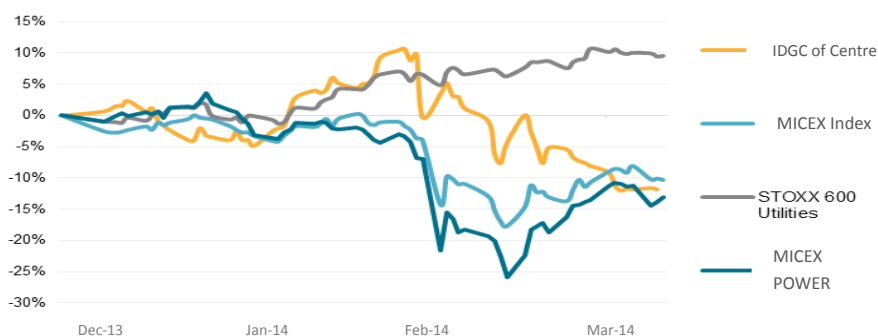
To read full text: <http://www.bigpowernews.ru/news/document55709.phtml?1&q=>

## COMPANY NEWS

## Bryanskenergo is one of the best taxpayers of the Bryansk region

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89247](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89247)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 348,85	-0,26%	-10,32%
S&P 500	1 872,18	1,09%	1,29%
FTSE 100	6 635,61	0,68%	-1,68%
DAX	9 506,35	0,16%	-0,48%
DJStoxx 600	335,16	0,38%	2,10%
STOXX Utilities	304,91	0,10%	9,55%
Nikkei	14 299,69	-2,10%	-12,23%
Sensex	22 702,34	1,61%	7,23%
CSI300	2 238,62	0,06%	-3,92%
Bovespa	51 185,40	-0,86%	-0,62%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,38	0,09%	0,15%
USD/RUB	35,55	0,22%	8,61%
Euro/RUB	48,86	0,50%	8,65%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 311,80	0,24%	9,17%
Brent*, USD/bbl	107,98	0,29%	-1,76%

\* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1927
Capitalisation**, billion RUB	8,14
Capitalisation**, million USD	228,86

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	from 31.12.13
MICEX-Power Index	0,81%	-13,13%
Shares of IDGC of Centre**	-0,26%	-11,85%

Source: MICEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,20%	-35,91%
FGC UES	1,80%	-23,28%
IDGC of Volga	0,79%	-21,77%
MOESK	2,65%	-22,27%
IDGC of Northern Caucasus	1,61%	-1,62%
IDGC of Centre and Volga Reg	1,49%	5,75%
IDGC of North-West	-0,61%	-8,27%
IDGC of Urals	2,54%	-30,30%
IDGC of Siberia	-4,97%	-43,05%
IDGC of South	-0,66%	-29,93%
Lenenergo	6,78%	-0,91%

Source: MICEX, Company calculations

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

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## Tickers

Moscow Exchange  
Bloomberg  
Reuters

MRKC  
MRKC RX  
MRKC.MM