



IDGC OF CENTRE

DAILY MARKET REVIEW

03 August, Monday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 31 July some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed in different directions with a few changes in the range of 0.1%. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%, the main country indices were slightly up, on average, within half a percent. Good statistics on the dynamics of the US GDP – the growth in the II quarter was 2.3%, the results of the I quarter was revised from a decline of 0.2% to an increase of 0.6% – strengthened the growth of expectations on starting the cycle of raising the base interest rate by the Fed in September. However, it was not a reason for selling – as noted by analysts, the markets almost got used to the inevitability of a rate hike, and now they are mainly interested in the degree of activity of the US Federal Reserve at the normalization of the US monetary policy. In particular, the Deutsche Bank believes, it is more important for investors to know the timing not of the first, but the second rate hike – it gives an understanding of the pace and methods of normalizing the monetary policy by the Fed. September futures for Brent traded near \$52.8 per barrel – a dollar below the level at our closing on 30 July. As noted by Bloomberg, a number of factors is pressing on the oil market: oil production in the various regions of the world is close to the maximum levels, in spite of stagnating demand, expectations of growth of exports of Iranian oil, the problems in China's economy, the second largest fuel consumer after the United States, strengthening of the US dollar.

In the first half of the trading session the MICEX Index had the lateral dynamics near zero. Information about expanding US sanctions lists did not have a significant impact on the dynamics of trading - according to media reports, these actions were aimed at preventing the use of schemes to bypass restrictive measures. Basically, the lists were supplemented with Russian companies, which already in fact fall under the sanctions, but were not formally named in the "black" lists. These actions, the newspaper The Wall Street Journal citing a representative of the US administration, are designed to synchronize the US sanctions with European ones and facilitate compliance with the sanctions legislation. In the afternoon the MICEX Index was supported by the decision of the Central Bank of the Russian Federation to reduce the interest rate by 0.5 percentage points to 11% per annum, taking into account, as they say in a statement, "the balance of risks is still biased towards a significant cooling of the economy, despite some increase in inflation risks." The decision of the Central Bank, although there was no surprise to analysts, yet was the reason for the weakening of the ruble, which resulted in an increase in shares of exporters. Against this background the MICEX Index closed trading with a 2% growth, despite the decline of oil prices to around \$52.5 per barrel.

During the trading session the MicexPWR Sector Index underperformed – purchases were mainly concentrated in the "blue chips" of the Russian exporters. The main contribution to the final MicexPWR underperformance in comparison with the MICEX Index was made by a percent reduction of shares of E.ON Russia.

ELECTRIC POWER INDUSTRY NEWS

We change the approach to indexation too often, it needs the predictability of decisions of the State

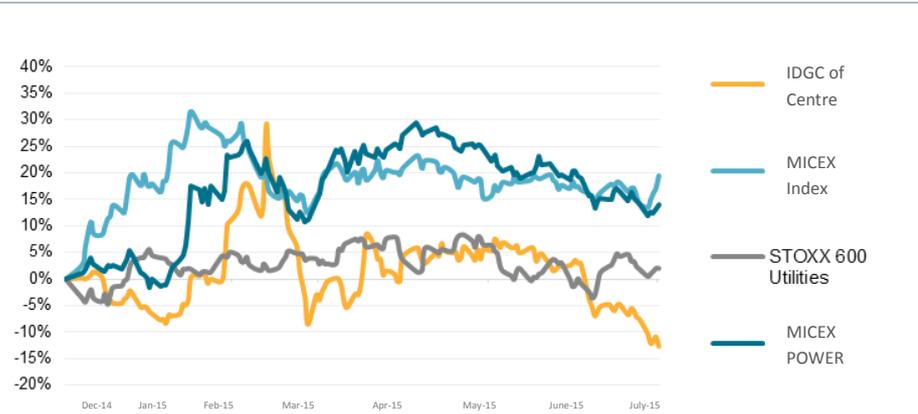
To read full text: <http://www.bigpowernews.ru/interview/speech/document65276.phtml>

COMPANY NEWS

"Smolenskenergo" concluded more than 3 thousand contracts

To read full text: <http://ieport.ru/news/65206-smolenskenergo-zaklyuchil-svyshe-3-tysyach-dogovorov.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 669,00	1,97%	19,50%
S&P 500	2 103,84	-0,23%	2,18%
FTSE 100	6 696,28	0,41%	1,98%
DAX	11 308,99	0,46%	15,33%
DJStoxx 600	396,37	0,03%	15,71%
STOXX Utilities	321,87	-0,02%	2,04%
Nikkei	20 585,24	0,30%	17,96%
Sensex	28 114,56	1,48%	2,24%
CSI300	3 816,70	0,03%	8,01%
Bovespa	50 864,77	1,94%	1,71%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,10	0,65%	-9,65%
USD/RUB	58,99	-1,30%	4,86%
Euro/RUB	64,65	-2,03%	-5,41%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 095,80	0,65%	-7,48%
Brent*, USD/bbl	52,21	-2,06%	-17,81%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2205
Capitalisation**, billion RUB	9,31
Capitalisation**, million USD	157,81

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	0,60%	13,99%
Shares of IDGC of Centre**	-2,00%	-12,67%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	1,29%	13,59%
FGC UES	2,56%	48,83%
IDGC of Volga	0,24%	-25,45%
MOESK	0,00%	-35,60%
IDGC of Northern Caucasus	0,00%	23,97%
IDGC of Centre and Volga Reg	-0,86%	-28,57%
IDGC of North-West	-0,71%	10,67%
IDGC of Urals	-1,01%	12,60%
IDGC of Siberia	-1,48%	-40,89%
IDGC of South	3,56%	3,56%
Lenenergo	1,27%	37,14%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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