



IDGC OF CENTRE

DAILY MARKET REVIEW

08 December, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 05 December some neutral external background formed on the Russian market. On Thursday the U.S. indices DJIA and S&P500 lost 0.1% due to the delay of the ECB's decision to expand the asset purchase program. The ECB Head said the Central Bank's incentive policy will be reviewed in the first quarter of next year, while analysts had expected some specifics on this issue already from the passed on Thursday meeting of the Central Bank. The negative news could be mitigated with the media information, citing sources in the ECB, that the introduction of quantitative easing (QE) will be considered at the January meeting. On Friday the major indices of the Asia-Pacific region showed mixed trends – investors took a wait in anticipation of the publication of statistics on the U.S. labour market. January Brent futures traded at \$69.3 per barrel – a little below our closing December 4th. News of Saudi Arabia's decrease in oil prices for January delivery to customers in the U.S. and Asian countries continues putting pressure on the oil quotations. As Vice-Chairman of the research company IHS said in an interview with Bloomberg, Saudi Arabia hopes that the market will determine the price of oil under the circumstances, and the country's foreign exchange reserves of \$800 billion will allow it to ride out this uncertainty.

Decline in oil prices was the main cause of negative sentiment on the Russian market on Friday. In the morning the MICEX Index loss mainly exceeded one percent on the background of fluctuations in oil prices in the range of \$69-69.5 per barrel. In contrast, the major European indices added on average more than one percent both on the information that the ECB will consider launching QE at the January meeting, and significantly better than expected statistics from Germany on orders of industrial enterprises in October. In the afternoon the drop in oil prices below \$68.5 per barrel sparked increased sales in our market – the loss of the MICEX Index exceeded 3%. The dynamics of the Russian market contrasted sharply with the mood on European markets, where the growth of the major indices accelerated to 2% after the publication of strong data on the U.S. labour market in November – the increase in jobs for 320 thousand was the highest since January 2012, and the unemployment rate remained at 5.8%.

By the end of the trading session the MicexPWR Sector Index looked better than the market – increased sales in the second half of the day mainly affected the "blue chips" of the Russian market. The main contribution to the MicexPWR reduction, about 70%, was made by shares of Inter RAO, Russian Grids and FGC UES. On Western exchanges the European DJStoxx Index rose by 1.78%, and the U.S. S&P Index added 0.17%.

ELECTRIC POWER INDUSTRY NEWS

Delegation of JSC "Russian Grids" visited production facilities of Hyundai Heavy Industries in Korea

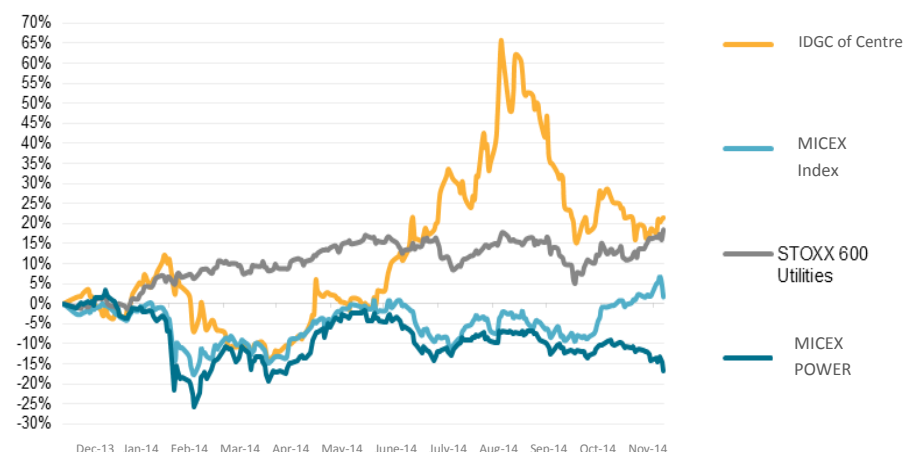
To read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=20396

COMPANY NEWS

Voronezh power engineers paid 600 million rubles as taxes and contributions

To read full text: <http://новостиворонежа.pdf/2014/12/08/13297>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 529,20	-3,34%	1,67%
S&P 500	2 075,37	0,17%	12,28%
FTSE 100	6 742,84	0,95%	-0,09%
DAX	10 087,12	2,39%	5,60%
DJStoxx 600	350,97	1,78%	6,92%
STOXX Utilities	329,71	2,15%	18,46%
Nikkei	17 920,45	0,19%	10,00%
Sensex	28 458,10	-0,37%	34,42%
CSI300	3 124,89	0,66%	34,11%
Bovespa	51 992,89	1,10%	0,94%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,23	-0,74%	-10,92%
USD/RUB	52,69	-3,11%	61,00%
Euro/RUB	64,84	-3,60%	44,19%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 192,35	-1,07%	-0,77%
Brent*, USD/bbl	69,07	-0,82%	-34,77%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2625
Capitalisation**, billion RUB	11,08
Capitalisation**, million USD	210,32

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-2,47%	-16,70%
Shares of IDGC of Centre**	0,38%	21,47%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-4,32%	-36,41%
FGC UES	-4,21%	-42,93%
IDGC of Volga	0,00%	0,97%
MOESK	1,43%	-23,34%
IDGC of Northern Caucasus	-7,46%	-11,59%
IDGC of Centre and Volga Reg	-2,30%	44,66%
IDGC of North-West	0,81%	-12,71%
IDGC of Urals	-1,98%	-6,70%
IDGC of Siberia	0,00%	27,66%
IDGC of South	-2,24%	8,45%
Lenenergo	1,90%	-7,33%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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