



IDGC OF CENTRE

DAILY MARKET REVIEW

16 January, Friday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 15 January some moderately positive external background formed on the Russian market. The US indices DJIA and S&P500 closed the trading session on Wednesday with decrease by 0.6% and 1.0% respectively on the weak statistics on retail sales in December and the deterioration of the World Bank forecasts for the world economy in 2015-2016. At the same time on the daily lows the drop of the indices was 1.7-2.0%, the market managed to reduce the loss in the last hours of trading following the sharp rise in oil prices, which rebounded from the session lows by more than 6%. The composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%, futures on the S&P500 – 0.9%. Markets were supported, in addition to the recovery in oil prices, with statistics from China, where in December funding significantly exceeded analysts' expectations, and information about the first of the last two years reduction of its key interest rate by the Indian Central Bank.

February Brent futures traded near \$48 per barrel – \$1.5 higher than our closing of January 14th. Experts associated the rising oil prices, despite a substantial increase in US oil inventories, mainly with technical factors, in particular, with their being accumulated oversold.

Most of the trading session the MICEX Index had more than a percent minus, playing the recovery in oil prices back – in the afternoon, Brent crude oil price tested the psychological mark of \$50 per barrel. The rise in oil prices also supported European markets, the growth of the major stock indices in Europe in the second half of the trading session averaged more than a per cent, while in the early afternoon the decrease of the European Stoxx Europe 600 reached 2%. Good American statistics became an additional positive factor for investors: producer prices in December fell 0.3% m/m – the maximum rate of decline in three years, and data on the index of manufacturing activity in New York in January were better than expected. Against this background worse than expected statistics on applications for unemployment benefits (analysts attribute this to the seasonal factor) and weak statements of Bank of America and Citigroup had no significant effect on the dynamics of Russian and European indices. By the end of the trading session the growth rate of the MICEX Index however fell to half a percent – the reasons to take profits were pullback in oil prices from daily highs and decline of the US market in early trading.

On Thursday the MicexPWR Sector Index looked worse than the market mainly due to the correction of shares of FGC UES and Russian Grids after strong growth the previous day. On Western exchanges the European DJStoxx Index rose by 2.58%, and the US S&P Index lost 0.92%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" proposed the establishment of regional monitoring commissions for payments with electricity companies

Relevant letters were sent to heads of 68 subjects of the federation - the regions where subsidiaries of the distribution complex of JSC "Russian Grids" operate. Most regions supported the initiative of "Russian Grids".

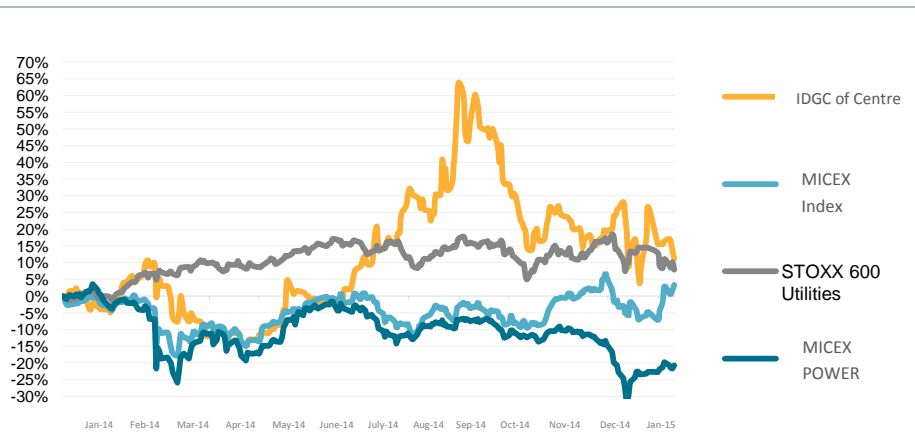
To read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=20640

COMPANY NEWS

IDGC of Centre - Smolenskenergo division executed nearly 9,000 contracts for the provision of value-added services in 2014

To read full text: <http://www.mrsk-1.ru/press-center/news/branches/46986/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 563,21	0,56%	11,93%
S&P 500	1 992,67	-0,92%	-3,22%
FTSE 100	6 498,78	1,73%	-1,03%
DAX	10 032,61	2,20%	2,32%
DJStoxx 600	348,45	2,58%	1,73%
STOXX Utilities	306,31	1,97%	-2,89%
Nikkei	17 108,70	1,86%	-1,96%
Sensex	28 075,55	2,66%	2,10%
CSI300	3 604,12	2,90%	1,99%
Bovespa	48 026,31	0,80%	-3,96%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,16	-1,59%	-4,57%
USD/RUB	66,10	1,94%	17,49%
Euro/RUB	77,96	1,55%	14,08%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 262,75	2,77%	6,62%
Brent*, USD/bbl	48,27	-3,19%	-17,08%

* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2425
Capitalisation**, billion RUB	10,24
Capitalisation**, million USD	154,89

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-0,26%	2,32%
Shares of IDGC of Centre**	-0,21%	-3,96%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-1,08%	9,83%
FGC UES	-2,41%	11,62%
IDGC of Volga	-1,57%	-10,22%
MOESK	1,33%	-8,80%
IDGC of Northern Caucasus	0,41%	2,07%
IDGC of Centre and Volga Reg	-1,41%	-6,21%
IDGC of North-West	0,00%	7,91%
IDGC of Urals	0,00%	-1,64%
IDGC of Siberia	-2,44%	-6,67%
IDGC of South	-1,31%	-2,27%
Lenenergo	-1,34%	4,86%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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