



IDGC OF CENTRE

# DAILY MARKET REVIEW

16 June, Monday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading some neutral external background formed on the Russian market. On Tuesday major U.S. stock indices closed with minor opposite changes within 0.1%. According to Bloomberg, in general, investors took a break for fear that the rise of the markets recently was excessive – capitalization of the companies, included in the S&P500 index, is now at 16.5 times of projected earnings, while in the beginning of February, the ratio was 14.8x. Major indices in the Asia-Pacific region showed mainly weak negative trend, the composite MSCI Asia Pacific index and U.S. index futures lost about 0.1%. Negative background for the markets was the reduction by the World Bank of the forecast for the world economy in 2014 – to 2.8% from 3.2%, which the World Bank expected in January. July Brent traded around \$109.7 per barrel – at our closing on Tuesday.

Most of the trading session the MICEX Index had lateral dynamics near zero, ignoring the average more than half-point reduction in major European exchanges. Our market was supported with expectations of a successful outcome of gas talks with Ukraine, which analysts say could mean a further reduction of tension in relations with Ukraine and, consequently, the risk of expansion of Western sanctions against Russia. In turn, the reason for profit-taking and the rollback of the composite index of the largest enterprises of the region Stoxx Europe 600 from a maximum of six years was the deterioration of the World Bank's forecasts for the world economy. Reduction of unemployment in the UK to the lows since January 2009 failed to provide substantial support to foreign investors. At the end of the day buying activity got intensified in the Russian market, the MICEX Index closed at daily highs, breaking the psychological mark of 1,500 points. Investors, contrary to the assumptions of analysts, did not cut positions before the long weekend, hoping for a constructive solution to the gas problem – EU Energy Commissioner said on Wednesday that negotiations on the supply of Russian gas to Ukraine would be extended to the level of heads of two states.

During the trading session, the MicexPWR Sector Index looked better than the market. On the day the main contribution to the MicexPWR growth, about 60%, was made by shares of RusHydro recovering after sales early in the week. On Western exchanges the European DJStoxx 600 Index lost 0.56%, and the U.S. S&P Index fell by 0.35%.

## ELECTRIC POWER INDUSTRY NEWS

### "Russian Grids" improve energy efficiency of the grid infrastructure in St. Petersburg and Leningrad region

A subsidiary of "Russian Grids" - Lenenergo in 2014 will install about 49 thousand smart electricity meters in Saint-Petersburg and Leningrad region. This will allow the electric grid company to cover 52% of net supply of electric energy to the grid with the "smart" metering system.

To read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=18032](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=18032)

### Ministry of Energy approved the methodology for determining the degree of loading of electric grid facilities

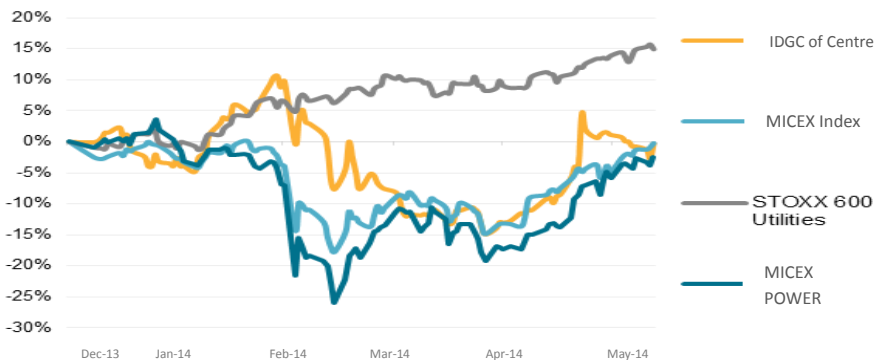
To read full text: <http://www.bigpowernews.ru/news/document56897.phtml>

## COMPANY NEWS

### IDGC of Centre effectively fights against electricity theft

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89397](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89397)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 501,18	0,70%	-0,19%
S&P 500	1 943,89	-0,35%	5,17%
FTSE 100	6 838,87	-0,50%	1,33%
DAX	9 949,81	-0,79%	4,16%
DJStoxx 600	347,74	-0,56%	5,93%
STOXX Utilities	319,90	-0,68%	14,94%
Nikkei	15 069,48	0,50%	-7,50%
Sensex	25 473,89	-0,43%	20,33%
CSI300	2 160,77	-0,02%	-7,26%
Bovespa	55 102,44	0,91%	6,98%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,35	-0,07%	-1,83%
USD/RUB	34,37	0,11%	5,01%
Euro/RUB	46,73	-0,32%	3,91%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 261,07	0,09%	4,95%
Brent*, USD/bbl	109,37	0,47%	0,83%

\* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2180
Capitalisation**, billion RUB	9,20
Capitalisation**, million USD	267,79

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	1,33%	-2,45%
Shares of IDGC of Centre**	2,49%	-0,27%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	0,38%	-31,15%
FGC UES	0,84%	-33,29%
IDGC of Volga	0,15%	-13,78%
MOESK	0,42%	-13,63%
IDGC of Northern Caucasus	-0,77%	16,71%
IDGC of Centre and Volga Reg	-1,36%	32,95%
IDGC of North-West	0,10%	3,87%
IDGC of Urals	0,02%	-10,60%
IDGC of Siberia	0,00%	-3,55%
IDGC of South	2,13%	7,24%
Lenenergo	-0,43%	28,92%

Source: MOEX, Company calculations

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

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### Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM