



IDGC OF CENTRE

DAILY MARKET REVIEW

11 February, Wednesday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 10 February some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed lower by 0.4-0.5% on the Greek problems and weak statistics on China's foreign trade in January. On Tuesday most of the major indices of the Asia-Pacific region, with the exception of Chinese indicators, were slightly down. Statistics from China continues putting pressure on the markets – inflation in January slowed to a minimum of five years, the decline in producer prices was the highest since October 2009. In this case, China's stock market has been growing for the second consecutive day on its own weak economic data – investors are hoping the Central Bank of China will expand measures to stimulate the economy.

March Brent futures traded around \$57.6 per barrel, a dollar below the level of our closing on 09 February. Rising oil prices on Monday, when the cost of Brent rose above \$59.5 per barrel, was supported by the OPEC's forecast reduction on the growth in oil supplies by non-OPEC countries by 0.42 million barrels per day, of which a third will come from the United States. However, on Tuesday the IEA presented not quite an optimistic picture: by the middle of the year experts expect the growth of oil reserves in the developed countries to record levels since August 1998, the recovery in oil prices, as the IEA believes, will be very low-key – the average price of Brent oil in 2016 will amount to only about \$60 per barrel mainly due to increased production in the United States.

The Russian market remains highly volatile. The Tuesday's trading session began with a percent decline on the MICEX Index, but in the middle of the day the ruble index was adding about 1.5%. At these levels the market began profit-taking with a change for active sales in the last hour of trading – the MICEX Index was back to a percent reduction. Uncertainty in investors' sentiment in the Russian market was caused not only by the lack of information on the agenda of the meeting of the leaders of the four countries in the "Norman format", but in general doubts about the possibility of its implementation on the background of media reports of a sharp aggravation of the situation in the south-east of Ukraine. At the end of the day the MICEX Index was able to reduce the loss of up to one third percent after the start of trading in the US with a slight increase in major indices on the information about the ongoing search by the lenders and Greece of a compromise in solving the Greek debt problem.

By the end of the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the daily MicexPWR growth was made by shares of E.ON Russia and Inter RAO.

Analysts of Otkritie in the revision of the electric grid companies decreased the valuation of shares of IDGC of Centre by 19%, to 0.23 ruble, having confirmed the recommendation to "hold". In general, the sector's decline was 18% – in the updated models the analysts, in particular, take into account the deterioration of the macroeconomic outlook for energy consumption and inflation for the next three years. Otkritie does not see any internal drivers to increase the value of companies in the sector either – the government rolled all the plans to liberalize back, and the companies are returning from the RAB-regulation method to the "cost-plus" scheme, possible reduction of investment programs is unlikely to lead to an increase in dividend payments, given the rising cost of debt. On Western exchanges the European DJStoxx Index added 0.64%, and the US S&P Index rose by 1.07%.

ELECTRIC POWER INDUSTRY NEWS

Head of the State Duma Committee: sale of retail assets of "Russian Grids" has no sense

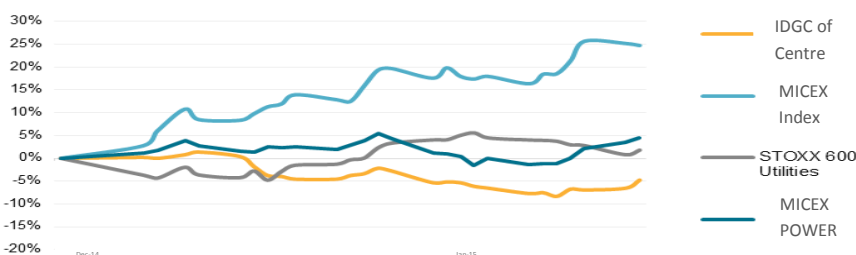
To read full text: <http://ria.ru/economy/20150210/1046962352.html>

COMPANY NEWS

IDGC of Centre was able to significantly reduce the time of grid connection

To read full text: <http://www.mrsk-1.ru/press-center/news/company/47271/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.14	
MICEX	1 742,35	-0,35%	24,76%
S&P 500	2 068,59	1,07%	0,47%
FTSE 100	6 829,12	-0,12%	4,01%
DAX	10 753,83	0,85%	9,67%
DJStoxx 600	372,94	0,64%	8,87%
STOXX Utilities	321,19	1,02%	1,82%
Nikkei	17 652,68	-0,33%	1,16%
Sensex	28 355,62	0,45%	3,11%
CSI300	3 406,94	1,82%	-3,59%
Bovespa	48 510,28	-1,77%	-2,99%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.14	
Euro/USD	1,13	-0,15%	-6,95%
USD/RUB	65,78	-0,40%	16,93%
Euro/RUB	74,58	-1,42%	9,13%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.14	
Gold, USD/oz	1 233,55	-0,44%	4,15%
Brent*, USD/bbl	56,43	-3,27%	-3,06%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2405
Capitalisation**, billion RUB	10,15
Capitalisation**, million USD	154,35

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.14	
MICEX-Power Index	0,97%	4,47%
Shares of IDGC of Centre**	1,91%	-4,75%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.14	
JSC Russian Grids	1,19%	10,82%
FGC UES	-0,28%	17,95%
IDGC of Volga	7,57%	-13,44%
MOESK	0,93%	-12,80%
IDGC of Northern Caucasus	0,80%	3,72%
IDGC of Centre and Volga Reg	3,45%	-22,36%
IDGC of North-West	-0,37%	5,53%
IDGC of Urals	-0,52%	-6,22%
IDGC of Siberia	1,10%	2,22%
IDGC of South	2,56%	3,88%
Lenenergo	0,52%	9,71%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, JSC

127018, Moscow, 2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

Tickers

Moscow Exchange
Bloomberg
Reuters

[MRKC](#)
[MRKC.RX](#)
[MRKC.MM](#)