



IDGC OF CENTRE

DAILY MARKET REVIEW

15 September, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 12 September some neutral external background formed on the Russian market. On Thursday the U.S. indices DJIA and S&P500 closed mixed with the changes at the level of 0.1%. As reported by Bloomberg, positive impact on the market was the resumption of growth in oil prices, but investors worried about the escalation of geopolitical tensions, as well as prospects for raising the Fed's key interest rate. Major indices in the Asia-Pacific region showed mainly moderately positive trend. October Brent traded near \$98 a barrel – almost a dollar higher than our closing on 11 September. Oil prices recovered after falling to a two-year low, instigated, including with the deterioration of OPEC and the IEA forecasts for global oil demand in 2014-2015.

The main driver of the dynamics of the Russian market on Friday was the information about the new sanctions of the European Union and the United States. At the beginning of the day the EU formally introduced advanced restrictive measures against Russia, which, however, were not a surprise to investors. In particular, as expected, the tightening of credit provision affected five Russian banks, which had already fallen under the EU sanctions, and three energy companies – Rosneft, Transneft and Gazprom Neft. In addition, European companies were banned to cooperate with Russia in the field of exploration and development of stranded oil, oil fields in the Arctic, as well as deep-water shelf. Among the 24 individuals additionally included in the sanctions lists, there were no «oligarchs» as promised by the EU on the eve – the only representative of the business was the head of Rostech Mr. S. Chemezov already in the sanctions list of the United States. Basically, the list is made up of representatives of the breakaway republics and the Russian parliament. According to analysts, the expanded EU sanctions do not add fundamentally new negative features in comparison with the first package of sectoral sanctions. For example, with regard to the tightening of credit borrowing, as experts believe, after the first stage of the sanctions Western markets were actually closed for Russian companies, including, because of rising funding costs. With respect to oil technology, analysts say, the damage may become noticeable only after some prolonged – for several years – duration of such sanctions. Against this background, a slight decrease in the MICEX Index at the beginning of the trading session was immediately repurchased, and in the second half of the day the Index added more than a percent, having almost practically fully recovered the loss of Thursday. At the end of the day the growth rate of the MICEX Index fell twice after the information about the new restrictive measures of the United States, which significantly expanded its sanctions list to include both state-owned companies – Sberbank, Gazprom, Transneft, and private ones – Lukoil and Surgutneftegaz.

During the trading session the MicexPWR Sector Index looked a little worse than the market – on Friday "blue chips", the most affected during the sales on Thursday, were rapidly recovering. On Western exchanges the European DJStoxx 600 closed near zero, and the U.S. S&P Index lost 0.60%.

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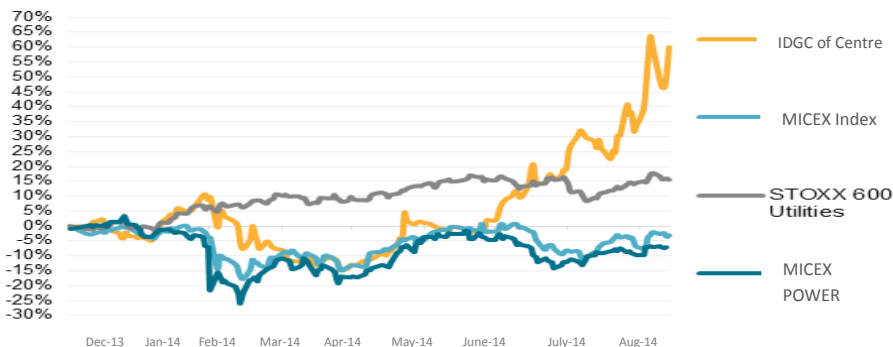
COMPANY NEWS

IDGC of Centre to get down to modernization of Semiluksky electricity grids

To read full text:

<http://riavrn.ru/news/modernizatsiy-semilukskikh-elektrosetey-zaymetsya-mrsk-tsentra/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 458,52	0,61%	-3,03%
S&P 500	1 985,54	-0,60%	7,42%
FTSE 100	6 806,96	0,11%	0,86%
DAX	9 651,13	-0,41%	1,04%
DJStoxx 600	344,27	0,00%	4,88%
STOXX Utilities	321,63	-0,38%	15,56%
Nikkei	15 948,29	0,25%	-2,11%
Sensex	27 061,04	0,24%	27,82%
CSI300	2 438,36	0,61%	4,65%
Bovespa	56 927,81	-2,42%	10,52%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,30	0,19%	-5,99%
USD/RUB	37,38	0,56%	14,20%
Euro/RUB	48,25	0,38%	7,29%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 229,65	-0,91%	2,33%
Brent*, USD/bbl	97,11	-0,99%	-9,51%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3500
Capitalisation**, billion RUB	14,78
Capitalisation**, million USD	395,34

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	0,40%	-7,16%
Shares of IDGC of Centre**	5,77%	60,11%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	1,13%	-31,15%
FGC UES	0,97%	-37,64%
IDGC of Volga	2,77%	14,00%
MOESK	-0,36%	-27,99%
IDGC of Northern Caucasus	-2,08%	16,00%
IDGC of Centre and Volga Reg	-0,94%	53,45%
IDGC of North-West	1,61%	10,88%
IDGC of Urals	-1,08%	-2,67%
IDGC of Siberia	0,00%	27,66%
IDGC of South	1,61%	17,37%
Lenenergo	-0,07%	17,37%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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