



IDGC OF CENTRE

# DAILY MARKET REVIEW

01 July, Tuesday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 30th of June some moderately positive external background formed on the Russian market. Last Friday the U.S. indices DJIA and S&P500 closed with the growth in the range of 0.2% on good consumer confidence statistics. Major stock indices in the Asia-Pacific region added an average of about half a percent. August Brent traded near \$113 a barrel – half a dollar below our closing on the 27th of June. According to Bloomberg, oil becomes cheaper for easing the fear of reducing energy supplies from Iraq due to lack of signs of spreading the conflict to the southern regions of the country.

Of some own pieces of news, one may note the announced on Saturday night decision of Moody's to maintain the rating of the Russian Federation at Baa1 – the highest rating of the world's "three agencies" for the Russian Federation. At the same time the rating outlook was lowered from "stable" to "negative". The rating affirmation, underlines Moody's, is due to a stable budget and a positive external balance and the outlook downgrade – the increased sensitivity of the Russian economy to geopolitical risks and the deterioration of the medium-term economic growth forecast. Russia's rating was placed on review by Moody's on the 28th of March, then the agency said about some likelihood of its reduction by more than one notch.

Despite the fairly soft decision by Moody's on ratings of the Russian Federation, during the trading session the Russian market was dominated by sellers. Pressure on our market was provided with threat of new sanctions – the ultimatum expires today that the EU summit delivered to Russia on Friday, defining a set of requirements to de-escalate tensions in Ukraine, violation of which would entail the introduction of new restrictive measures. For the same period, by 11:00 p.m. Moscow time on Friday the parties to the conflict agreed to extend a temporary truce. Meanwhile, as noted by the media, the situation in the eastern regions of Ukraine during this time did not change, the conflicting parties are preparing for the resumption of active hostilities. At midday the MICEX Index decline exceeded one percent – sales increased following the deterioration of sentiment in European markets, for which poor statistics on retail sales in Germany in May and June inflation in the Eurozone became negative background. However, in the afternoon the MICEX Index played almost all losses back, including, on good statistics on the U.S. housing market, which allowed the U.S. indices to start the trading session slightly up.

During the day the dynamics of the MicexPWR Sector Index was generally in line with the market changes, the main contribution to the final MicexPWR reduction was again made by shares of RusHydro. On Western exchanges the European DJStoxx 600 Index and U.S. S&P Index closed near zero.

## ELECTRIC POWER INDUSTRY NEWS

### "Russian Grids" ask to extend the term

"Russian Grids" ask to change principles of making their investment programs and tariff regulation.

To read full text: <http://www.kommersant.ru/doc/2502798>

### Annual General Meeting of Shareholders of "Russian Grids" was held

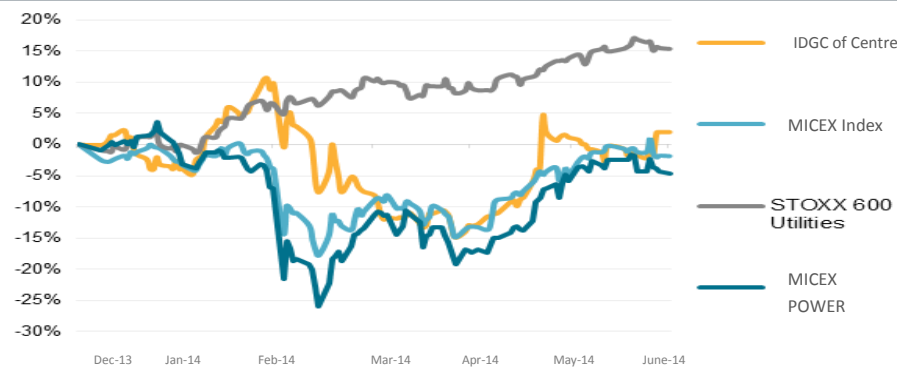
To read full text: [http://www.rosseti.ru/press/news/?ELEMENT\\_ID=18139](http://www.rosseti.ru/press/news/?ELEMENT_ID=18139)

## COMPANY NEWS

### Orel power engineers of IDGC of Centre constructed a new Distribution Zone building

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89434](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89434)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes   | Value     | Change for the day | fr 31.12.13 |
|-----------------|-----------|--------------------|-------------|
| MICEX           | 1 476,38  | -0,06%             | -1,84%      |
| S&P 500         | 1 960,23  | -0,04%             | 6,05%       |
| FTSE 100        | 6 743,94  | -0,20%             | -0,08%      |
| DAX             | 9 833,07  | 0,18%              | 2,94%       |
| DJStoxx 600     | 341,86    | -0,03%             | 4,14%       |
| STOXX Utilities | 321,07    | -0,12%             | 15,36%      |
| Nikkei          | 15 162,10 | 0,44%              | -6,93%      |
| Sensex          | 25 413,78 | 1,25%              | 20,04%      |
| CSI300          | 2 165,12  | 0,69%              | -7,08%      |
| Bovespa         | 53 168,22 | 0,02%              | 3,22%       |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.13 |
|----------------|-------|--------------------|-------------|
| Euro/USD       | 1,37  | 0,30%              | -0,72%      |
| USD/RUB        | 33,63 | -0,36%             | 2,75%       |
| Euro/RUB       | 45,83 | -0,43%             | 1,90%       |

Source: Bloomberg, Company calculations

| Raw             | Value    | Change for the day | fr 31.12.13 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz    | 1 327,33 | 0,85%              | 10,46%      |
| Brent*, USD/bbl | 112,36   | -0,83%             | 3,59%       |

\* - August futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre      | Value  |
|-------------------------------|--------|
| Last transaction, RUB         | 0,2230 |
| Capitalisation**, billion RUB | 9,41   |
| Capitalisation**, million USD | 279,94 |

Source: Central Bank of Russia, Company calculations

| Russian indexes            | Change for the day | fr 31.12.13 |
|----------------------------|--------------------|-------------|
| MICEX-Power Index          | -0,30%             | -4,64%      |
| Shares of IDGC of Centre** | 0,00%              | 2,01%       |

Source: MOEX, Company calculations

| Grid companies               | Change** for the day | fr 31.12.13 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids            | 0,36%                | -29,21%     |
| FGC UES                      | -0,24%               | -34,72%     |
| IDGC of Volga                | 0,48%                | -18,09%     |
| MOESK                        | 1,76%                | -9,88%      |
| IDGC of Northern Caucasus    | 0,23%                | 12,11%      |
| IDGC of Centre and Volga Reg | -0,20%               | 39,04%      |
| IDGC of North-West           | 0,39%                | -1,44%      |
| IDGC of Urals                | -5,17%               | -11,67%     |
| IDGC of Siberia              | 1,32%                | 9,22%       |
| IDGC of South                | 1,42%                | 13,18%      |
| Lenenergo                    | 5,92%                | 25,00%      |

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