



IDGC OF CENTRE

# DAILY MARKET REVIEW

05 May, Tuesday

2015

## REVIEW OF STOCK MARKETS

Before the opening of trading on 30 April some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell 0.4% on weak statistics on the dynamics of GDP in the first quarter – the growth rate of 0.2% was significantly worse than the projected percent growth. The April meeting of the US Federal Reserve, as analysts expected, did not clarify the timing of a possible interest rate increase. At the same time the Fed calls the weakening of the growth of US GDP in the winter months a temporary phenomenon and is waiting for further economic recovery in the coming quarters. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost 1.5%. the fall of the Japanese Nikkei by 2.7% differed from the total dynamics of the markets in the Asian session – investors were disappointed by the decision of the central bank of the country, which had lowered the forecast of inflation and GDP growth in the current and next fiscal years, to refrain from expanding the program to stimulate the economy. June Brent traded around the level of \$65.6 per barrel – half a dollar below our closing 29 April. Oil prices adjusted after a steady rise on Wednesday on the US Department of Energy data about the first for 21 weeks decrease in stocks of fuel at the key terminal in Cushing.

The MICEX Index most of the trading session had more than half a percent plus, on the daily highs the indicator growth exceeded a percent. Our market was supported by oil prices, which had a foothold in the range of \$65-66 per barrel, and the recovery of European markets after the collapse of Stoxx Europe 600 Index by 2.2% after the euro strengthening on the US GDP statistics was a record since the beginning of the year. An additional positive factor for our market was the decision of the Bank of Russia to cut its key interest rate by 1.5 percentage points to 12.5%, accepted, as reported in a statement, "taking into account the weakening of inflationary risks, while maintaining a significant risk of cooling the economy". The decision of the Central Bank was in line with expectations of analysts, who forecast a decline of interest rates in the range of 100-200 basis points. Rich macroeconomic statistics from Europe and the United States was of an ambiguous character and did not have a significant impact on the dynamics of trading. In the Eurozone unemployment data in March were worse than expected, but deflation ended in April, which lasted 4 months, in Germany the fall in retail sales in March was the highest in 15 months, while the unemployment rate in April remained at a record low level, in the US data on incomes and expenditures in March fell short of expectations, while the number of applications for unemployment benefits fell to a 15-year low and wages in private companies in the I quarter grew at a record pace since 2008. The MICEX Index closed trading near daily highs, despite the negative start of trading in the US market, where investors were concerned that the strong labour market data could push the Fed to an earlier rate increase.

At the end of the trading session the MicexPWR Sector Index looked better than the market mainly due to a 10% rise in shares of FGC UES for the lack of significant news for it.

## ELECTRIC POWER INDUSTRY NEWS

**"Russian Grids" are not ready for privatization of IDGCs in 2015, — Mrs. Dergunova**

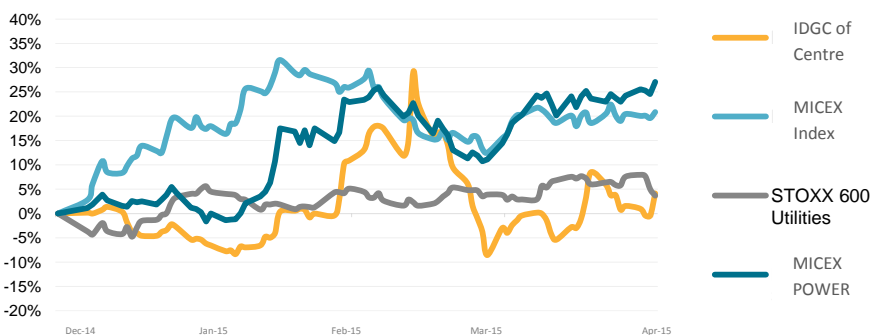
To read full text: <http://www.bigpowernews.ru/news/document63722.phtml>

## COMPANY NEWS

**The investment program of Belgorodenergo for 2015 is one of the most difficult in recent years - the government**

To read full text: <http://www.interfax-russia.ru/Center/news.asp?id=607394&sec=1679>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 688,34	1,04%	20,89%
S&P 500	2 085,51	-1,01%	1,29%
FTSE 100	6 960,63	0,21%	6,01%
DAX	11 454,38	0,19%	16,82%
DJStoxx 600	395,79	-0,38%	15,55%
STOXX Utilities	327,00	-1,23%	3,66%
Nikkei	19 520,01	-2,69%	11,86%
Sensex	27 011,31	-0,79%	-1,77%
CSI300	4 749,89	-0,51%	34,42%
Bovespa	56 229,38	1,63%	12,44%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,12	0,63%	-7,76%
USD/RUB	51,70	-1,15%	-8,10%
Euro/RUB	56,81	-0,17%	-16,88%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 184,37	-1,69%	0,00%
Brent*, USD/bbl	66,78	1,43%	9,10%

\* - May futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2630
Capitalisation**, billion RUB	11,10
Capitalisation**, million USD	214,75

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	1,97%	27,04%
Shares of IDGC of Centre**	4,57%	4,16%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-2,38%	26,72%
FGC UES	10,08%	55,40%
IDGC of Volga	1,26%	-13,44%
MOESK	-1,60%	-26,40%
IDGC of Northern Caucasus	-0,98%	25,21%
IDGC of Centre and Volga Reg	4,44%	-24,53%
IDGC of North-West	-0,35%	11,86%
IDGC of Urals	1,14%	15,88%
IDGC of Siberia	1,00%	-21,78%
IDGC of South	1,62%	1,29%
Lenenergo	-0,64%	34,00%

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