

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market. The U.S. indices DJIA and S&P500, despite the poor statistics on retail sales in January and applications for unemployment benefits, rose on Thursday by 0.4-0.6 %. Major Asia-Pacific region stock indices, except for the Japanese market, being under pressure of the strengthening yen, added over half a percent. U.S. index futures were slightly down. April Brent was trading around \$108.4 per barrel – at the level of our closing on Thursday.

Quite an unexpected half-point increase in the U.S. market, which had ignored its own negative statistics, became a major factor in improving the Russian and European indices in early trading. Good statistics from Europe supported buyers in the middle of the day – the GDP growth of the Eurozone, Germany and France in the IV quarter exceeded analysts' expectations. In the second half of the trading session the oversold on Thursday Russian market showed over one percent rise on the MICEX Index, and the major European indices added on an average about half a percent. Some additional positive background for our market was the information of Emerging Portfolio Fund Research on reduction of capital outflows from funds focused on Russian stocks and the ruble strengthening following statements of the Central Bank of Russia on its readiness to tighten monetary policy in the event of increasing risks to inflation targets. At the end of the day another weak economic report from the U.S. put pressure on markets – contrary to expectations the industrial production in January went down, while the drop in the processing industry was the worst since May 2009. For a greater extent these statistics impressed western exchanges, the Russian indices closed near daily highs.

Following the results of the day the MICEX Index gained 1.19% to close trading at 1,496.18 points. Dynamics of the MicexPWR Sector Index throughout the trading session looked worse than the market mainly due to sales of shares of FGC and E.ON Russia. On Western exchanges the European DJStoxx 600 Index rose by 0.56%, and the American S&P 500 index was 0.48% up.

ELECTRIC POWER INDUSTRY NEWS

Monopolies' tariffs are cut in parts

The Ministry of Economics proposes again to increase pressure on natural monopolies, fixing up to 2030 indexation of tariffs for gas and electricity transmission at a level below inflation. If this idea is approved, from 2017 "Russian Grids" and "Gazprom" will annually lose about 1.5% of revenue in the domestic market in real terms. This is a relatively small loss, but investors are worried about the constant change of rules of the game and the actual rejection of long-term rates.

To read full text: <http://www.kommersant.ru/doc/2410021>

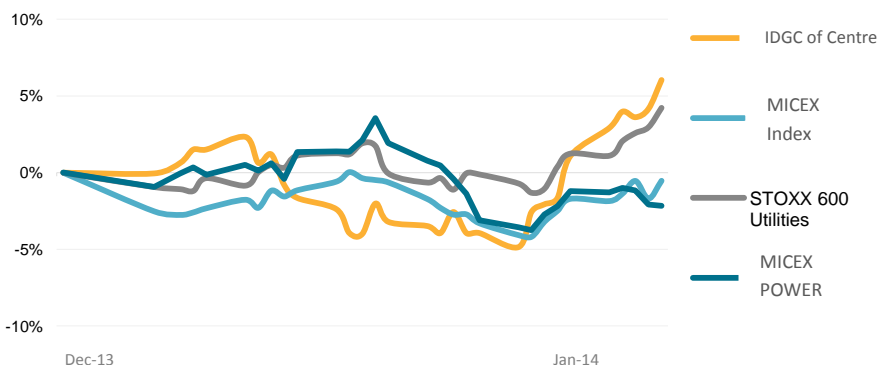
COMPANY NEWS

IDGC of Centre has summed up the implementation of the 2013 investment program

IDGC of Centre has summed up the implementation of the 2013 investment program. The amount of its funding from the operational data was 17.619 billion rubles, which is 0.5% higher than the targets. Including, 8.771 billion rubles were spent on modernization and reconstruction, 8.287 billion rubles – on construction of new and expansion of existing facilities. At the same time, the new construction funding was nearly 7% higher than the annual plan.

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89116

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 496,18	1,19%	-0,53%
S&P 500	1 838,63	0,48%	-0,53%
FTSE 100	6 663,62	0,06%	-1,27%
DAX	9 662,40	0,68%	1,15%
DJStoxx 600	333,32	0,56%	1,54%
STOXX Utilities	290,08	1,22%	4,22%
Nikkei	14 313,03	-1,53%	-12,14%
Sensex	20 366,82	0,86%	-3,80%
CSI300	2 295,57	0,70%	-1,48%
Bovespa	48 201,11	0,81%	-6,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,37	0,17%	-0,70%
USD/RUB	34,86	0,29%	6,51%
Euro/RUB	47,49	0,16%	5,61%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 318,66	1,21%	9,74%
Brent*, USD/bbl	109,08	0,52%	-1,08%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2318
Capitalisation**, billion RUB	9,79
Capitalisation**, million USD	280,72

Source: Central Bank of Russia, Company calculations

** - at the price of last transaction at MICEX

Russian indexes	Change for the day	from 31.12.13
MICEX-Power Index	-0,08%	-2,17%
Shares of IDGC of Centre**	1,80%	6,04%

Source: MICEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	0,84%	-6,82%
FGC UES	-1,42%	-9,03%
IDGC of Volga	-0,23%	-5,40%
MOESK	1,21%	-3,55%
IDGC of Northern Caucasus	-0,06%	1,36%
IDGC of Centre and Volga Reg	-1,47%	8,27%
IDGC of North-West	-2,39%	-3,84%
IDGC of Urals	0,72%	-7,51%
IDGC of Siberia	3,51%	-9,22%
IDGC of South	-1,11%	-13,95%
Lenenergo	-0,90%	8,62%

Source: MICEX, Company calculations

** - at the price of last transaction at MICEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC
MRKC.RX
MRKC.MM