



IDGC OF CENTRE

DAILY MARKET REVIEW

01 October, Wednesday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 30 September some moderately negative external background formed on the Russian market. On Monday the U.S. indices DJIA and S&P500 fell by 0.2-0.3%, while at the beginning of the day the drop was about one percent. On Tuesday the major stock indices of the Asia-Pacific region showed mixed trends – the recovery of the U.S. indices could largely offset the negative impact of the ongoing unrest in Hong Kong and weak statistics on manufacturing activity in September in China and industrial production in Japan in August. November Brent traded around \$97.2 per barrel – \$0.5 above our closing on 29 September.

On Tuesday the Russian market in anticipation of the verdict of the EU on sanctions against Russia was recovering after the fall on Monday – in the middle of the day the growth of the MICEX Index exceeded one percent, despite some unclear trend of European markets reacting to their own poor statistics. Inflation in the Eurozone in September fell to its lowest level since October 2009, reinforcing investors' anxiety about the economy of the region, the unemployment rate in the Eurozone in August remained unchanged at 11.5% – only 0.5 percentage points below historic highs. Against this background released better than expected retail sales data in Germany and consumer spending in France in August, as well as improvement of the GDP growth estimate in quarter II of Great Britain failed to support investors in Europe. Moreover, statistics from the UK increased concerns of markets for more rapid tightening of the monetary policy by the Bank of England. News about the preservation of EU sanctions on the discussion of the situation in Ukraine in the Committee of Permanent Representatives was not a surprise for our market against the background of numerous media publications, which had predicted just such a scenario. In the afternoon, a surge in volatility in the Russian market with a consequent reduction in the growth rate of the MICEX Index to less than half a percent provoked rumours about possible introduction of measures to restrict the movement of capital in Russia. Bloomberg citing its sources reported that the Bank of Russia was considering the introduction of temporary restrictions on the movement of capital, if the outflow from the country got increased. Speculation about this also led to the next renewal of historic highs of the dollar and the bi-currency basket, while the basket for the first time since May briefly appeared in the area of intervention of the Central Bank of the Russian Federation. At the end of the day the markets were supported with published worse than expected statistics from the United States on consumer confidence and the index of manufacturing activity in the Chicago – according to investors, these data, at least, should not contribute to the regulation increase of the Fed in the implementation of its exit strategy.

During the entire trading session the dynamics of the MicexPWR Sector Index looked worse than the market. The main contribution to the slight MicexPWR decrease on the day was made by shares of RusHydro and FGC UES. On Western exchanges the European DJStoxx Index rose by 0.61%, and the U.S. S&P Index lost 0.28%.

ELECTRIC POWER INDUSTRY NEWS

Alexander Novak made a presentation at the XI Forum of Interregional Cooperation of Russia and Kazakhstan

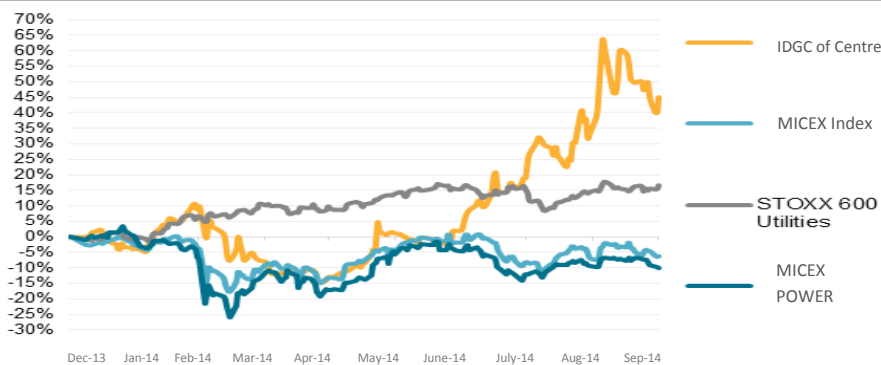
To read full text: http://minenergo.gov.ru/press/min_news/19977.html

COMPANY NEWS

From the beginning of the year the Kursk branch of IDGC of Centre connected more than 1.6 thousand customers to the grid

To read full text: http://www.mrsk-1.ru/press/news/branches/?id_4=89699

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 411,07	0,20%	-6,18%
S&P 500	1 972,29	-0,28%	6,70%
FTSE 100	6 622,72	-0,36%	-1,87%
DAX	9 474,30	0,55%	-0,82%
DJStoxx 600	343,08	0,61%	4,51%
STOXX Utilities	324,67	1,17%	16,65%
Nikkei	16 173,52	-0,84%	-0,72%
Sensex	26 630,51	0,13%	25,79%
CSI300	2 450,99	0,13%	5,19%
Bovespa	54 115,98	-0,93%	5,06%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,26	-0,54%	-8,41%
USD/RUB	39,39	1,71%	20,34%
Euro/RUB	49,95	1,25%	11,08%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 208,15	-0,63%	0,54%
Brent*, USD/bbl	94,67	-2,60%	-11,37%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3172
Capitalisation**, billion RUB	13,39
Capitalisation**, million USD	340,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,27%	-10,03%
Shares of IDGC of Centre**	3,73%	45,11%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	0,38%	-32,43%
FGC UES	-1,66%	-37,39%
IDGC of Volga	-4,33%	7,55%
MOESK	-2,94%	-29,82%
IDGC of Northern Caucasus	-1,40%	-4,21%
IDGC of Centre and Volga Reg	4,44%	39,32%
IDGC of North-West	1,14%	-0,32%
IDGC of Urals	-0,80%	-9,03%
IDGC of Siberia	0,00%	26,26%
IDGC of South	-5,21%	14,89%
Lenenergo	-3,38%	4,87%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

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