



IDGC OF CENTRE

DAILY MARKET REVIEW

25 July, Friday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 24th of July some neutral external background formed on the Russian market. Major U.S. indices closed the trading session mixed: S&P500, adding 0.2%, updated its historic high, DJIA lost 0.2% due to lower Boeing's shares after the publication of the quarterly reporting. No single dynamics of major stock indices in the Asia-Pacific region was observed either. Market sentiment was defined with statistics: the Chinese CSI300 index added about 2% on an increase in the manufacturing activity in China to a maximum of 18 months, the Japanese Nikkei was 0.3% down after weak data on foreign trade – in the 1 half of the year the trade deficit rose to record levels. September Brent traded around \$108 per barrel – half a dollar higher than our closing on the 23rd of July. Oil prices were support with statistics from China.

Waiting for news about some new EU sanctions against Russia, the MICEX Index most of the day had a small minus. At the same time the media published information on this topic did not add optimism to Russian investors. In particular, according to the Financial Times, among the possible restrictive measures yesterday the Committee of Permanent Representatives of EU member states considered a ban for European persons to buy bonds and shares of all Russian banks with state participation above 50%. Really, said the newspaper, the European Commission proposals do not concern the existing securities of Russian banks and government debt. In the second case, according to Financial Times, Europe fears that in response to such a move Russia will stop buying bonds of EU states. In general, the publication notes, even without restrictions of circulation of the RF government bonds, such EU measures will be much bigger than the July round of U.S. sanctions, which in the banking sector affected only Gazprombank and VEB. Expectations of sanctions against Russia exerted pressure on European markets, not allowing play back in full the positive Chinese data and own good statistics – the July composite index of business activity in the Eurozone rose to historic highs. Ambiguous statistics from the U.S., where, on the one hand, the number of applications for unemployment benefits fell to the lowest since February 2006, and, on the other hand, data on sales of new buildings in June were much worse than expected, had no significant effect on the market dynamics. With regard to the EU sanctions against Russia, then, according to media reports, the decision on them was once again postponed, which contributed to the uncertainty in the Russian market. The MICEX Index closed trading in positive territory due solely to the growth of a number of "heavy" index stocks at the closing auction after the main trading session.

Same as on Wednesday, throughout the trading session on Thursday the dynamics of the MicexPWR Sector Index underperformed the market changes. On the day the major contribution to reducing MicexPWR was made by shares of FGC UES and Russian Grids, which lost more than one percent. On Western exchanges the European DJStoxx 600 Index rose 0.43%, and the U.S. S&P 500 Index closed near zero.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" want to consolidate financial flows of grid companies

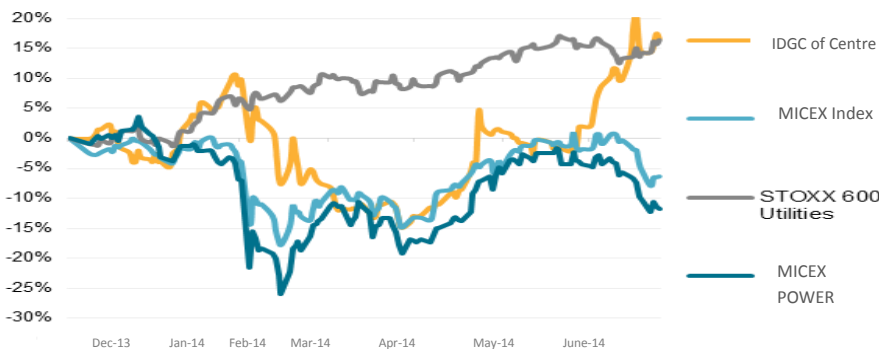
To read full text: <http://www.vedomosti.ru/companies/news/29378391/rosseti-hotyat-edinstva#>

COMPANY NEWS

IDGC of Centre performs grid connection of significant facilities in the Voronezh region

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89503

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 408,80	0,16%	-6,33%
S&P 500	1 987,98	0,05%	7,55%
FTSE 100	6 821,46	0,34%	1,07%
DAX	9 794,06	0,42%	2,53%
DJStoxx 600	344,33	0,43%	4,90%
STOXX Utilities	323,97	0,62%	16,40%
Nikkei	15 284,42	-0,29%	-6,18%
Sensex	26 271,85	0,48%	24,10%
CSI300	2 237,02	1,78%	-3,99%
Bovespa	57 977,56	0,97%	12,56%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,35	0,05%	-2,31%
USD/RUB	34,81	-0,65%	6,36%
Euro/RUB	46,87	-1,06%	4,23%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 293,66	-0,84%	7,66%
Brent*, USD/bbl	107,07	-0,89%	-0,74%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2550
Capitalisation**, billion RUB	10,77
Capitalisation**, million USD	309,27

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,31%	-11,68%
Shares of IDGC of Centre**	-0,70%	16,65%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-1,39%	-36,16%
FGC UES	-1,25%	-40,55%
IDGC of Volga	-1,03%	-6,85%
MOESK	-2,53%	-25,63%
IDGC of Northern Caucasus	-0,07%	-3,63%
IDGC of Centre and Volga Reg	1,76%	71,34%
IDGC of North-West	-0,03%	5,56%
IDGC of Urals	2,41%	-5,49%
IDGC of Siberia	2,17%	30,48%
IDGC of South	2,15%	22,62%
Lenenergo	2,14%	15,39%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

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MRKC

MRKC.RX

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