



IDGC OF CENTRE

DAILY MARKET REVIEW

04 September, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 03 September some neutral external background formed on the Russian market. On the eve the U.S. indices DJIA and S&P500 lost 0.1-0.2%, despite good statistics on manufacturing activity – the ISM Manufacturing Index rose in August to the highest level since March 2011. Uncertainty of investors, according to Bloomberg, is also due to technical factors – the psychological barrier of 2,000 points on the S&P500 index is still relevant. On Wednesday the major indices of the Asia-Pacific region on average added about half a percent. The markets were supported by statistics from the United States of manufacturing activity and data on business activity in the services sector in China – August PMI was able to rise from the 6-months' lows recorded in July. October Brent traded around \$100.8 per barrel – almost a dollar lower than our closing of 02 September. This significant decline in oil prices, analysts, including, associate with the end of the driving season in the United States, which falls on Labor Day.

Neutral start of trading on the Russian market was replaced by a sharp rise in indices after the noon Interfax breaking news citing the press service of the President of Ukraine that the Presidents of Russia and Ukraine had agreed on a "permanent ceasefire in the Donbas". Within a few minutes after the publication of the news the MICEX Index growth rate exceeded 3%, and the RTS Index due to the sharp appreciation of the ruble – 5%. A clarification of Ukraine followed after this, stating the parties had agreed to "cease-fire", and the statement of the press secretary of the President of the Russian Federation that the parties did not discuss a cease-fire, but "steps that would contribute to this", according to investors, judging by the reaction of the market, it did not change the point of this news. The President of Russia, having laid out his plan for ending the conflict in Ukraine, stated that the views of the Presidents of Russia and Ukraine "in the way of resolving the conflict are very close", also contributed to Russian investors' hopes of beginning a real de-escalation of tensions in Ukraine. Optimism, however, not so pronounced, was also observed in European markets, where the afternoon increase in major indices averaged a little more than one percent. Own weak statistics was a restraining factor for Europe: the composite Eurozone PMI fell in August to a minimum this year, and data on retail sales in the Eurozone in July were worse than expected. The Russian indices were closing on the day's highs – at the end of the trading session our market was supported by positive dynamics of the U.S. indices after the publication of strong statistics on orders of industrial enterprises in July.

By the end of the trading session the MicexPWR Sector Index looked a little worse than the market – all pieces of news related to geopolitics, in the first place, are reflected in the dynamics of the "blue chips". On Western exchanges the European DJStoxx 600 Index rose 0.65%, and the U.S. S&P Index closed near zero.

ELECTRIC POWER INDUSTRY NEWS

Electricity consumption in the UES of Russia in August 2014 increased by 1.3% compared to August 2013

To read full text:

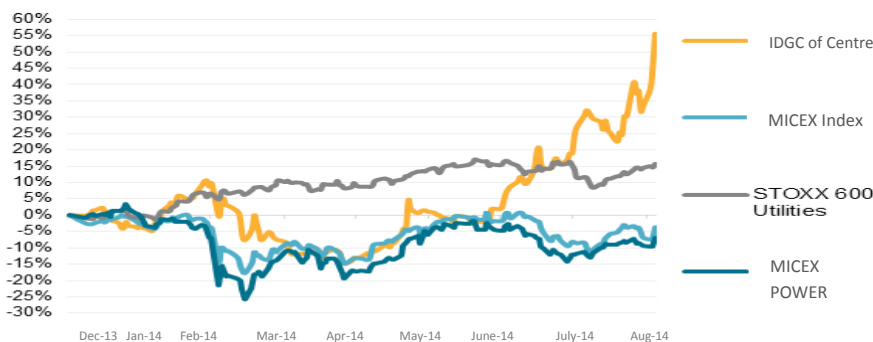
http://www.ruscable.ru/news/2014/09/03/Potreblenie_elektroenergii_v_EES_Rossii_v_avguste/

COMPANY NEWS

IDGC of Centre promotes the socio-economic development of the Lipetsk region

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89617

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 449,29	3,49%	-3,64%
S&P 500	2 000,72	-0,08%	8,24%
FTSE 100	6 873,58	0,65%	1,84%
DAX	9 626,49	1,26%	0,78%
DJStoxx 600	344,97	0,65%	5,09%
STOXX Utilities	322,16	0,98%	15,75%
Nikkei	15 728,35	0,38%	-3,46%
Sensex	27 139,94	0,45%	28,20%
CSI300	2 408,84	0,94%	3,38%
Bovespa	61 837,04	-0,10%	20,06%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,31	0,12%	-4,70%
USD/RUB	37,35	0,14%	14,11%
Euro/RUB	49,02	0,11%	9,00%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 269,40	0,32%	5,64%
Brent*, USD/bbl	102,77	2,42%	-4,24%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3402
Capitalisation**, billion RUB	14,36
Capitalisation**, million USD	384,56

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	2,87%	-7,00%
Shares of IDGC of Centre**	6,78%	55,63%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	2,90%	-31,40%
FGC UES	3,48%	-37,67%
IDGC of Volga	0,72%	10,54%
MOESK	0,65%	-26,15%
IDGC of Northern Caucasus	3,94%	11,08%
IDGC of Centre and Volga Reg	3,00%	52,66%
IDGC of North-West	-1,23%	12,64%
IDGC of Urals	1,03%	-1,77%
IDGC of Siberia	0,00%	25,55%
IDGC of South	-0,15%	23,37%
Lenenergo	-0,81%	16,59%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

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