



IDGC OF CENTRE

# DAILY MARKET REVIEW

22 July, Tuesday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 21st of July some negative newsflow developed on the Russian market. Without waiting for the official investigation into the crash of the Malaysian aircraft, the Western countries said that the plane was brought down by militias of south-eastern Ukraine. Moreover, the U.S. Secretary of State directly accused Russia of supplying militias with an air defense system, by which the plane was hit. In addition, the West imposes on Russia responsibility for delaying the start of an international investigation of the tragedy, threatening with new sanctions. In this case, the newspaper The Wall Street Journal citing senior European officials, the plane crash with multiple fatalities fundamentally changed the rules of the game: before the European Union had no strong supporters of tough measures against Russia, which the U.S. insisted upon, and they appeared after the crash.

A slight decrease in the Russian market quickly transformed into active sales, and in the second half of the day the MICEX Index, breaking the psychological mark of 1,400 points, lost more than 2%. On expectations of new Western sanctions leading investment banks again begin to revise their attitude to Russian equities – yesterday, as reported by Bloomberg, JPMorgan returned the recommendation to "sell" for the Russian market. At the same time, RBC reminds, already June 18 JPMorgan, referring to the reduction of the threat of an escalation of the Ukrainian crisis, raised the recommendation on Russian shares to "buy". European markets, being also under pressure from rising geopolitical risks, showed more restrained pace of decline – an average of about half a percent. After some negative start of trading in the U.S. the activity of sellers in our market got increased, and the loss of the MICEX Index at the end of the day exceeded 2.5%.

During the trading session the dynamics of the MicexPWR Sector Index looked better than the market mainly due to the more moderate in comparison with the market decline of shares of FGC UES, Russian Grids and Inter RAO. On Western exchanges the European DJStoxx 600 Index fell by 0.50%, and the U.S. S&P 500 Index lost 0.23%.

## ELECTRIC POWER INDUSTRY NEWS

### Court ordered "MOESK" on demand of the FAS to pay 232 million rubles of illegal income to the budget

July 15, 2014, the Ninth Arbitration Court of Appeal acknowledged the legality of regulations imposed by the Federal Antimonopoly Service (FAS of Russia) regarding "MOESK" binding the grid company to transfer to the federal budget illegally received income of 232 million rubles.

To read full text: <http://www.bigpowernews.ru/news/document57460.phtml>

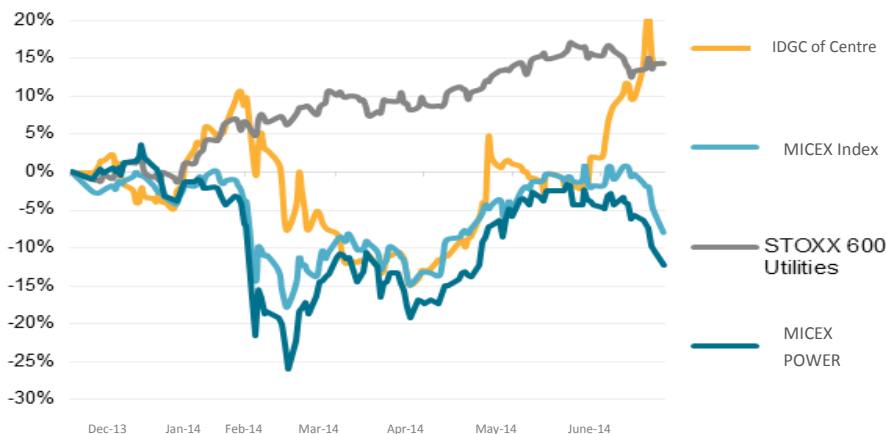
## COMPANY NEWS

### Tambovenergo continues to reduce losses in grids

IDGC of Centre - Tambovenergo division conducts systematic work to reduce commercial losses in the delivery of electricity. One important aspect of this work is to replace lead wire in building using self-supporting insulated wire (SIW).

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89490](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89490)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.13
MICEX	1 384,50	-2,67%	-7,95%
S&P 500	1 973,63	-0,23%	6,78%
FTSE 100	6 728,44	-0,31%	-0,31%
DAX	9 612,05	-1,11%	0,63%
DJStoxx 600	337,95	-0,50%	2,95%
STOXX Utilities	318,28	0,08%	14,35%
Nikkei	15 215,71	0,00%	-6,60%
Sensex	25 715,17	0,29%	21,47%
CSI300	2 166,30	0,10%	-7,03%
Bovespa	57 633,92	1,09%	11,89%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.13
Euro/USD	1,35	-0,02%	-1,94%
USD/RUB	35,16	1,04%	7,44%
Euro/RUB	47,55	1,02%	5,74%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.13
Gold, USD/oz	1 312,49	0,12%	9,22%
Brent*, USD/bbl	107,68	0,41%	-0,18%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2500
Capitalisation**, billion RUB	10,55
Capitalisation**, million USD	300,16

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.13
MICEX-Power Index	-2,05%	-12,22%
Shares of IDGC of Centre**	0,00%	14,36%

Source: MOEX, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.13
JSC Russian Grids	-1,59%	-36,16%
FGC UES	-0,70%	-39,96%
IDGC of Volga	-2,00%	-5,40%
MOESK	1,93%	-24,35%
IDGC of Northern Caucasus	-2,19%	1,30%
IDGC of Centre and Volga Reg	-0,91%	60,07%
IDGC of North-West	-2,78%	5,74%
IDGC of Urals	-1,24%	-8,55%
IDGC of Siberia	1,14%	25,53%
IDGC of South	4,13%	23,06%
Lenenergo	-1,48%	15,00%

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