



IDGC OF CENTRE

DAILY MARKET REVIEW

23 January, Friday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 22 January some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.2-0.5%, on Thursday the major indices of the Asia-Pacific region added on average about half a percent. Investors' optimism was driven by expectations of a large-scale launch of the ECB's asset purchase program – according to Bloomberg, at €50 billion a month until the end of 2016, and with good statistics from the US housing market in December. March Brent traded near \$49 a barrel – at our closing on 21 January. OPEC Secretary General in an interview with Bloomberg said that, in his opinion, oil prices are likely to resume growth than continue to fall to the level of \$20 per barrel, as their decline in recent years is not justified by the dynamics of supply and demand. In addition, he warned that in the absence of adequate investment in oil production over the next five years, including due to the current decline in oil prices, oil price could again rise above \$100 per barrel.

On Thursday the Russian market continued showing strong growth – in the middle of the day the MICEX Index added more than 3%, despite the uncertain dynamics of European indices. Our market was supported with recovery in oil prices above \$50 a barrel and rising expectations of investors in the de-escalation of the conflict in the south-eastern Ukraine after the meeting of foreign ministers of Russia, Ukraine, France and Germany. It is reported that the main outcome of this meeting was an agreement on the demarcation line between the warring parties and the approval of the plan for immediate withdrawal of heavy weapons from the line. In the afternoon the Russian and European markets were supported with the statement of ECB chief to launch a large-scale program of QE. According to Mario Dragi from March 2015 to a sustained improvement in inflation or to the end of September 2016 the ECB will buy securities from both the public and private sectors, with investment grade credit ratings, up to €60 billion per month. The total amount of the asset repurchase, as stated by ECB chief, will exceed €1.1 bln. Against this background the European indices moved to a percent growth, and the MICEX Index closed near daily highs, ignoring the decline in oil prices, which had responded to the dollar strengthening.

By the end of the trading session the MicexPWR Sector Index looked worse than the market mainly due to reduction in shares of TGC-1 and weak, within half a percent, growth in "heavy" index securities of FGC UES and Russian Grids. On Western exchanges the European DJStoxx Index rose by 1.66%, and the US S&P Index gained 1.53%.

ELECTRIC POWER INDUSTRY NEWS

JSC "Russian Grids" ask to index rates by another 4%

To read full text:

<http://www.vedomosti.ru/companies/news/38570871/rosseti-prosyat-dobavit-esche-4>

COMPANY NEWS

IDGC of Centre - Tverenergo division summed up the work with customers in 2014

To read full text: <http://tvernews.ru/news/197439/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 666,56	2,99%	19,33%
S&P 500	2 063,15	1,53%	0,21%
FTSE 100	6 796,63	1,02%	3,51%
DAX	10 435,62	1,32%	6,43%
DJStoxx 600	364,05	1,66%	6,28%
STOXX Utilities	322,62	2,22%	2,28%
Nikkei	17 329,02	0,28%	-0,70%
Sensex	29 006,02	0,41%	5,48%
CSI300	3 567,61	0,53%	0,96%
Bovespa	49 442,62	0,44%	-1,13%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,14	-1,65%	-6,37%
USD/RUB	65,56	0,88%	16,53%
Euro/RUB	75,82	0,73%	10,94%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 302,25	0,71%	9,95%
Brent*, USD/bbl	48,52	-1,04%	-16,65%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2470
Capitalisation**, billion RUB	10,43
Capitalisation**, million USD	159,07

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	1,60%	5,48%
Shares of IDGC of Centre**	1,23%	-2,18%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	0,31%	8,34%
FGC UES	0,48%	15,19%
IDGC of Volga	-2,57%	-11,83%
MOESK	0,44%	-9,20%
IDGC of Northern Caucasus	1,95%	8,26%
IDGC of Centre and Volga Reg	-4,73%	-10,35%
IDGC of North-West	3,50%	5,14%
IDGC of Urals	-1,02%	-4,26%
IDGC of Siberia	-6,12%	-6,22%
IDGC of South	-1,26%	1,62%
Lenenergo	4,67%	8,86%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, JSC

127018, Moscow, 2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

Tickers

Moscow Exchange

Bloomberg

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MRKC

MRKC.RX

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