



IDGC OF CENTRE

# DAILY MARKET REVIEW

04 August, Monday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 01st of August some negative external background formed on the Russian market. On Thursday U.S. indices closed with a decline of 2%, the loss of DJIA was maximum since early February. A combination of several factors provoked sales at markets: firstly, weak statements of a number of companies, secondly, rising fears of more decisive actions by the Fed to raise rates, thirdly, strengthening of geopolitical risks, fourthly, the threat of default in Argentina, which failed to negotiate with creditors on a debt of \$1.5 billion. Overall, writes Bloomberg, the composite index of developed markets MSCI World on Thursday lost 1.4% – the maximum rate of decline in five months. Most markets in the Asia-Pacific region were declining after global markets – the composite MSCI Asia Pacific index lost about one percent. Good statistics on business activity in the manufacture of China – according to official data, PMI in July rose to a maximum of two years, was able to support only the Chinese stock market. September futures for Brent crude oil traded near \$106 a barrel – at the level of our closing on the 31st of July.

Two-percent drop in the American market provoked strong sales on the Russian and European markets, in the middle of the day the loss of stock indices averaged about 1.5%. In the Russian market the decline was led by banking stocks after reports that the bank sanctions list of the European Union included Sberbank and Gazprombank. Additional pressure on our market was put by media reports that the MSCI company in connection with the imposition of sanctions against Russian companies in the index MSCI, announced the launch of several new indices that did not include the Russian securities, and one of the leading providers of indexes in the world S&P Dow Jones Indices announced the start of consultations with clients on the advisability of further being of securities of Russian companies in their indices. In the afternoon the Russian and European indices were able to reduce daily losses after the publication of statistics from the United States. Firstly, in July, unemployment rose by 0.1 percentage points to 6.2%, the number of new jobs in the economy proved weaker than expected. These data somewhat eased investors' concerns about the possibility of a more rapid rise in the interest rate by the Fed of the USA – analysts recall that at the last meeting of the American Central Bank the emphasis was placed on the labour market as a basic condition for the start of the monetary policy tightening. Secondly, data on revenues and expenditures of the population in June, the consumer confidence index in July were in line with expectations, the index of manufacturing activity turned out to be much better than expected, which in July rose to a peak since April 2011.

During the entire trading session the MicexPWR Sector Index looked better than the market – sales on the Russian market were mainly concentrated in the "blue chips". Moreover, many of the most capitalized and liquid sector securities, except RusHydro, closed the day with steady growth. On Western exchanges the European DJStoxx 600 Index fell by 1.21%, and the U.S. S&P Index closed with a loss of 0.29%.

## ELECTRIC POWER INDUSTRY NEWS

### Power lines are stuck between two states

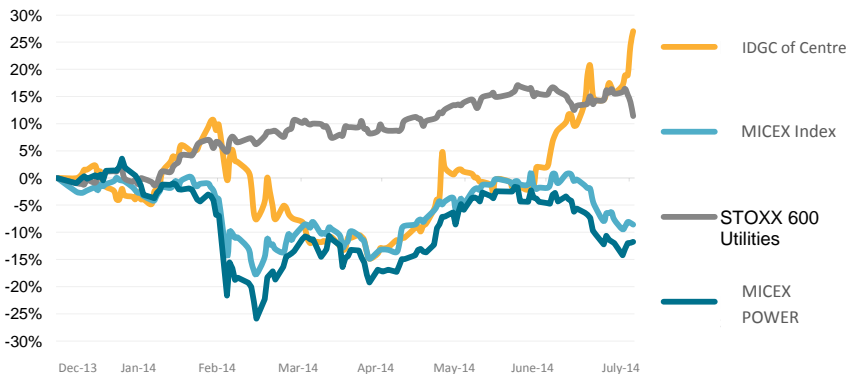
To read full text: <http://www.kommersant.ru/doc/2538355>

## COMPANY NEWS

### The power grid of IDGC of Centre is ready to heat waves

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89516](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89516)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 374,83	-0,35%	-8,59%
S&P 500	1 925,15	-0,29%	4,15%
FTSE 100	6 679,18	-0,76%	-1,04%
DAX	9 210,08	-2,10%	-3,58%
DJStoxx 600	331,91	-1,21%	1,11%
STOXX Utilities	310,12	-2,24%	11,42%
Nikkei	15 523,11	-0,63%	-4,72%
Sensex	25 480,84	-1,60%	20,36%
CSI300	2 329,40	-0,89%	-0,03%
Bovespa	55 902,87	0,13%	8,53%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,34	0,31%	-2,63%
USD/RUB	35,44	-0,79%	8,29%
Euro/RUB	47,47	-0,89%	5,56%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 293,75	0,87%	7,67%
Brent*, USD/bbl	104,84	-1,11%	-2,81%

\* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2777
Capitalisation**, billion RUB	11,72
Capitalisation**, million USD	330,77

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	0,21%	-11,76%
Shares of IDGC of Centre**	2,10%	27,04%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	0,82%	-36,68%
FGC UES	2,28%	-40,34%
IDGC of Volga	6,58%	-1,23%
MOESK	0,48%	-26,23%
IDGC of Northern Caucasus	-0,68%	-5,44%
IDGC of Centre and Volga Reg	-1,29%	67,51%
IDGC of North-West	1,20%	12,43%
IDGC of Urals	-2,46%	-10,62%
IDGC of Siberia	-0,56%	25,53%
IDGC of South	1,00%	22,41%
Lenenergo	-3,93%	13,79%

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