



IDGC OF CENTRE

DAILY MARKET REVIEW

20 January, Tuesday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 19 January some moderately positive external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed with the growth of 1.1-1.3% for good statistics. Firstly, the December inflation was lowest in five years, which, according to analysts, will allow the Fed not to rush with the rise in interest rates. Secondly, the consumer confidence index in January, exceeding expectations, rose to a maximum of 11 years. On Monday, the growth of the composite index of the Asia-Pacific region MSCI Asia Pacific was 0.8%. Of the total market dynamics in the Asian session almost 8% fall of the Chinese CSI300 differed. Shares of financial companies were a driver of the maximum of 6 years' stock market crash of China after the regulator's introduction of the ban on three major brokerage firms to open new accounts for margin trading for three months. The pressure on the Chinese stock market was also given by statistics, fixing the continued fall in property prices in major cities of the country. March Brent futures traded near \$50.3 per barrel – half a dollar above our closing on Friday January 16th. Support for oil prices is still provided by the IEA statement that the agency expects rebalancing of the oil market in the II half of the year due to lower production growth outside OPEC.

On Monday the trading session on the Russian market was characterized by high volatility. In the first half of the day the MICEX Index added more than 2%, despite own negative news background. January 16, Moody's lowered the rating of the Russian Federation from «Baa2» to «Baa3» – the last stage of the investment level, putting it on review for possible further downgrade. Moody's argued their actions, including, with a fall in oil prices and a sharp increase in the rate of the Russian CBR. An additional negative factor for the Russian market was strengthening tensions in the south-east of Ukraine, where active hostilities resumed, and a significant deterioration in EBRD's expectations for the Russian economy in 2015 – the new bank's forecast assumes a fall in GDP of 4.8%. According to analysts, one of the growth drivers of our market at the beginning of the day was the closing of short positions by investors after the S&P had postponed its decision on the rating of the Russian Federation until the end of January. As suggested by some experts, it increases the chances of preserving Russia's investment rating. However, the Russian market could not long ignore its own negative news background, and in the second half of the trading session the market had active profit taking mainly under pressure from rising geopolitical risks. On daily lows the MICEX Index drop exceeded one percent, and the trading closed near these levels.

The MicexPWR Sector Index at the end of the trading session looked better than the MICEX Index – active profit-taking in the afternoon affected mainly "blue chips" of our market. The main contribution to the final reduction of MicexPWR was made by shares of state-owned companies of the electricity sector.

ELECTRIC POWER INDUSTRY NEWS

The State Duma Committee on Energy on January 21 to consider two bills to amend the Law "On Electric Power Industry"

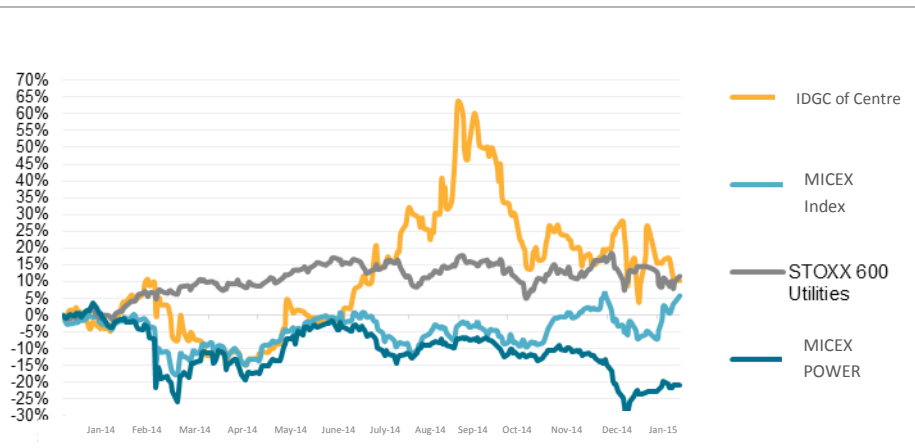
To read full text: <http://www.bigpowernews.ru/news/document61300.phtml>

COMPANY NEWS

Consumer debt to IDGC of Centre for the electricity transmission in January-November 2014 increased by 30% — to 20.6 billion rubles

To read full text: <http://www.bigpowernews.ru/news/document61303.phtml>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change for the day | fr 31.12.14 |
|-----------------|-----------|--------------------|-------------|
| MICEX | 1 576,40 | -0,94% | 12,87% |
| S&P 500 | 2 019,42 | 0,00% | -1,92% |
| FTSE 100 | 6 585,53 | 0,54% | 0,30% |
| DAX | 10 242,35 | 0,73% | 4,45% |
| DJStoxx 600 | 353,18 | 0,22% | 3,11% |
| STOXX Utilities | 311,39 | 0,23% | -1,28% |
| Nikkei | 17 014,29 | 0,89% | -2,50% |
| Sensex | 28 262,01 | 0,50% | 2,77% |
| CSI300 | 3 355,16 | -7,70% | -5,05% |
| Bovespa | 47 758,01 | -2,57% | -4,50% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.14 |
|----------------|-------|--------------------|-------------|
| Euro/USD | 1,16 | 0,36% | -4,51% |
| USD/RUB | 65,17 | 0,52% | 15,85% |
| Euro/RUB | 75,86 | -0,62% | 11,00% |

Source: Bloomberg, Company calculations

| Raw | Value | Change for the day | fr 31.12.14 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz | 1 275,65 | -0,37% | 7,71% |
| Brent*, USD/bbl | 48,84 | -2,65% | -16,10% |

* - March futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,2410 |
| Capitalisation**, billion RUB | 10,17 |
| Capitalisation**, million USD | 156,11 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change for the day | fr 31.12.14 |
|----------------------------|--------------------|-------------|
| MICEX-Power Index | -0,67% | 1,86% |
| Shares of IDGC of Centre** | 0,00% | -4,55% |

Source: MOEX, Company calculations

| Grid companies | Change** for the day | fr 31.12.14 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids | -2,08% | 6,62% |
| FGC UES | -1,89% | 11,56% |
| IDGC of Volga | -3,03% | -13,98% |
| MOESK | 2,69% | -8,40% |
| IDGC of Northern Caucasus | 0,00% | 7,02% |
| IDGC of Centre and Volga Reg | -1,43% | -7,45% |
| IDGC of North-West | -3,02% | 1,58% |
| IDGC of Urals | 0,83% | -0,98% |
| IDGC of Siberia | 5,12% | -1,89% |
| IDGC of South | 4,29% | 2,27% |
| Lenenergo | -2,67% | 4,00% |

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

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