



IDGC OF CENTRE

DAILY MARKET REVIEW

04 March, Wednesday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 03 March some neutral external background formed on the Russian market. On Monday the major US indices closed with the growth by 0.6-0.9%, with the DJIA and S&P500 having updated their historical records, and the NASDAQ Composite for the first time in 15 years exceeded 5,000 points and stood at 1.1% of the historical maximum. The markets were supported with released worse than expected statistics on income and expenditure in January and manufacturing activity in February, which increased, according to investors, the likelihood that the Fed would not rush to raise interest rates in conditions of continuing uncertainty in the US economy. On Tuesday, most of the major indices of the Asia-Pacific region declined on average within half a percent, the outsider was the Chinese stock market – the CSI300 index fell more than 2.5%. Negative background for the market was the Chinese news agency Xinhua message that the Chinese government might set a target for the current year GDP growth at 7% – by 0.4 percentage points worse than the dynamics in 2014.

April Brent futures traded near \$60.4 per barrel, or \$0.6 below our closing on 02 March. Overall, following the results of Monday the price of Brent fell nearly 5% on the information of the continuing excess of OPEC quotas for oil production. Goldman Sachs analysts believe that in order to reduce production to balance the demand the oil has yet to fall in price from the current level.

The MICEX Index began the trading session lower by 0.8% in the correction after the strong growth on Monday. The reason for the profit taking was negative dynamics of the Asian markets and lower oil prices. However, after a moderately positive start of trading in Europe on good statistics from Germany, where the January retail sales growth was the highest in seven years, all the morning decline was purchased, and the MICEX Index continued rising – on the daily highs the growth rate of the indicator exceeded 2%. The main drivers of growth in our market are still ongoing de-escalation of the Ukrainian conflict and oil prices above \$60 a barrel. By the end of the trading session the growth rate of the MICEX Index however fell to 1.4% amid deteriorating sentiment in Western markets: after the reversal the loss of the major European indices was about half a percent, and US indices showed similar dynamics in early trading.

By the end of the trading session the dynamics of the MicexPWR Sector Index, as on Monday, looked worse than the market. After advancing growth of shares of electric power companies in February, investors once again drew attention to "blue chips" of the Russian market in anticipation of reducing geopolitical risks associated with Ukraine. On Western exchanges the European DJStoxx Index lost 0.92%, and the US S&P 500 Index fell 0.45%.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy intends to achieve adoption of rules of technical functioning of the electric power industry this year

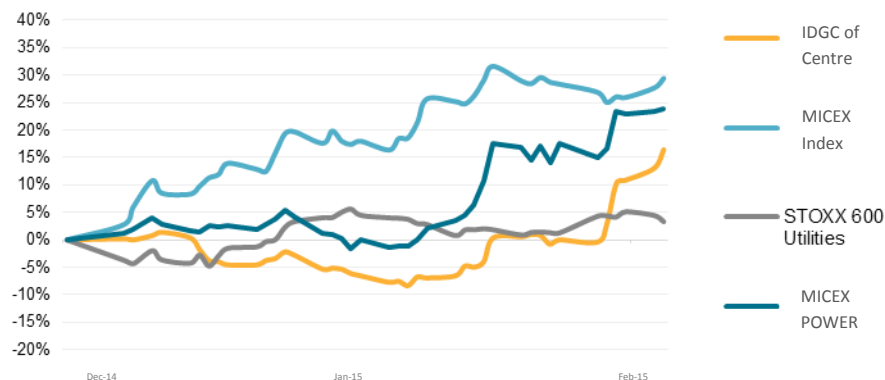
To read full text: <http://www.bigpowernews.ru/news/document62357.phtml>

COMPANY NEWS

IDGC of Centre published its financial statements for 2014 under RAS

To read full text: <http://www.mrsk-1.ru/press-center/news/company/47451/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 807,70	1,37%	29,43%
S&P 500	2 107,78	-0,45%	2,37%
FTSE 100	6 889,13	-0,74%	4,92%
DAX	11 280,36	-1,14%	15,04%
DJStoxx 600	387,68	-0,92%	13,18%
STOXX Utilities	325,93	-1,07%	3,33%
Nikkei	18 815,16	-0,06%	7,82%
Sensex	29 593,73	0,46%	7,62%
CSI300	3 507,90	-2,59%	-0,73%
Bovespa	51 304,10	0,56%	2,59%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,12	0,21%	-7,86%
USD/RUB	62,22	1,56%	10,61%
Euro/RUB	69,54	1,25%	1,76%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 203,74	-0,26%	1,64%
Brent*, USD/bbl	61,02	2,49%	3,09%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2940
Capitalisation**, billion RUB	12,41
Capitalisation**, million USD	199,47

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	0,41%	23,91%
Shares of IDGC of Centre**	2,98%	16,44%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-0,36%	53,26%
FGC UES	1,58%	65,68%
IDGC of Volga	5,06%	4,12%
MOESK	0,00%	-9,20%
IDGC of Northern Caucasus	5,52%	42,15%
IDGC of Centre and Volga Reg	-0,24%	-13,46%
IDGC of North-West	0,29%	35,18%
IDGC of Urals	8,03%	7,86%
IDGC of Siberia	-3,62%	-5,33%
IDGC of South	4,11%	31,07%
Lenenergo	2,51%	40,00%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

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MRKC

MRKC.RX

MRKC.MM