



IDGC OF CENTRE

DAILY MARKET REVIEW

01 August, Friday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 31st of July some neutral external background formed on the Russian market. On Wednesday the main U.S. indices ended the trading session mixed: S&P500 gained conditional 0.01%, and DJIA fell by 0.2%. The main exchanges of the Asia-Pacific region did not show any single dynamics, the composite MSCI Asia Pacific index traded with minimal changes. Strong statistics from the United States gave some support to the market – the rise of GDP in the second quarter by 4% was the highest since the third quarter of 2013. At the same time, these data fueled investors' concerns regarding possible more decisive actions of the Fed to raise interest rates. While these concerns are not reflected in the results of the last meeting of the U.S. Central Bank, which reduced as expected by analysts the volume of repurchased assets for the next \$10 billion to \$25 billion a month, said that the current rate range of 0-0.25% per annum will remain for a "substantial" time after the asset purchase program completion. September Brent traded around \$106.3 per barrel – a dollar below our closing on the 30th of July. Data of the U.S. Department of Energy put pressure on oil prices, which recorded a decline in gasoline consumption to the level of May, despite the peak driving season.

The Russian market spent most of the day in positive territory, ignoring the negative trend of European markets. According to some analysts, one of the main drivers of this growth in our indices is still closing in short positions under the fact of announcement of new sanctions by the United States and the EU, the hardness of which did not surpass the market expectations. In turn, the pessimism of investors in Europe, where the major indices in the afternoon on average lost about one percent, was driven by a half-point reduction in American futures and weak corporate reporting. In this case, the statistics was ambiguous and could not provide support to the markets. On the one hand, data from Germany on retail sales in June and the labour market in July, and the June data on consumer spending in France were better than expected. On the other hand, inflation in the Eurozone in July slowed to its lowest level since October 2009, the unemployment rate in June, although it decreased by 0.1 percentage points compared with May, is still at a very high level – 11.5%, data on applications for unemployment benefits in the United States, and manufacturing activity in the Chicago in July were worse than expected. At the end of the day the activity of sellers in our market got increased, the MICEX Index closed slightly down after a percent reduction of American indices in early trading and some increased negative dynamics of European markets, including, amid speculation as to a possible default of Argentina.

By the end of the trading session the dynamics of the MicexPWR Sector Index looked better than the market, being able to close trading with the conventional plus mainly due to more than 1.5% growth in shares of RusHydro. On Western exchanges the European DJStoxx 600 Index fell by 1.31%, and the U.S. S&P Index closed with a loss of 2.00%.

ELECTRIC POWER INDUSTRY NEWS

Net profit of JSC "Russian Grids" under RAS for 1H 2014 decreased by 39% – down to 3 billion rubles

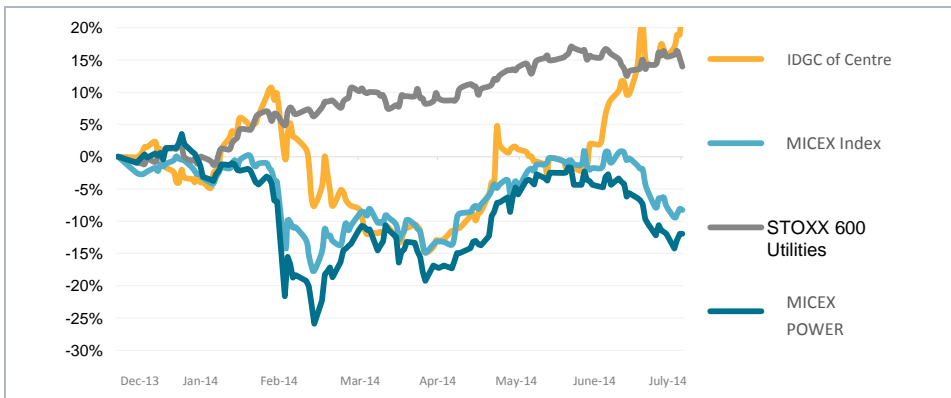
To read full text: <http://www.bigpowernews.ru/press/document57656.phtml>

COMPANY NEWS

IDGC of Centre has published its financial statements for the 1st half of 2014 (RAS). Net profit of the company showed an increase of 66.7%

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89518

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 379,61	-0,18%	-8,28%
S&P 500	1 930,67	-2,00%	4,45%
FTSE 100	6 730,11	-0,64%	-0,28%
DAX	9 407,48	-1,94%	-1,51%
DJStoxx 600	335,99	-1,31%	2,35%
STOXX Utilities	317,21	-1,14%	13,97%
Nikkei	15 620,77	-0,16%	-4,12%
Sensex	25 894,97	-0,74%	22,32%
CSI300	2 350,25	1,22%	0,87%
Bovespa	55 829,41	-1,84%	8,39%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,34	0,04%	-2,93%
USD/RUB	35,73	0,26%	9,16%
Euro/RUB	47,90	0,07%	6,51%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 282,59	-1,06%	6,74%
Brent*, USD/bbl	106,02	-0,46%	-1,72%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2720
Capitalisation**, billion RUB	11,48
Capitalisation**, million USD	321,42

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	0,04%	-11,95%
Shares of IDGC of Centre**	4,62%	24,43%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,41%	-37,19%
FGC UES	-0,47%	-41,67%
IDGC of Volga	0,57%	-7,33%
MOESK	-0,01%	-26,58%
IDGC of Northern Caucasus	1,31%	-4,79%
IDGC of Centre and Volga Reg	-1,72%	69,71%
IDGC of North-West	-1,99%	11,09%
IDGC of Urals	-0,78%	-8,36%
IDGC of Siberia	-3,24%	26,24%
IDGC of South	3,92%	21,19%
Lenenergo	-1,75%	18,45%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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