



IDGC OF CENTRE

# DAILY MARKET REVIEW

25 August, Monday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 22nd of August some moderately positive external background formed on the Russian market. On Thursday the U.S. indices DJIA and S&P500 gained 0.3-0.4%, while the S&P500 updated its historical high, on Friday the composite MSCI Asia Pacific index increased 0.2%. Markets grew on good statistics from the United States: data on applications for unemployment benefits were better than expected, in July sales in the secondary market rose to a maximum of 10 months, the growth rate of the index of leading economic indicators was the highest since March. October Brent crude futures traded at \$102.6 per barrel – almost a dollar higher than our closing on the 21st of August. Oil prices were supported mainly with strong statistics from the United States – the world's largest oil exporter.

Neutral start of trading on the Russian and European markets gave way to negative dynamics after reports that the Russian convoy, without waiting for a formal decision of the Ukrainian authorities, crossed the border with Ukraine and began moving toward Lugansk. A corresponding statement was made by the Russian Foreign Ministry: "Putting forward new artificial requirements and prepositions has become humiliating. It is impossible to continue tolerating such lawlessness, outright lies and inability to agree. All excuses for pulling back the delivery of aid to people in the area of humanitarian catastrophe have been exhausted. The Russian side decided to act." New evidence of the growth of geopolitical risks have become an occasion for active sales – the fall of the MICEX Index in the middle of the day reached almost 2%, and the reduction in major European indices on average exceeded half a percent. Lack of official response of the United States and the European Union to these events kept the markets from a significant decrease – in particular, the EU recalled the "inadequacy and inconsistency" of available information and expectations of speeches by leaders of the Fed and the ECB at the economic symposium in Jackson Hole. At the end of the day the intensity of the situation around the convoy fell slightly after the announcement of the press secretary of President of the Russian Federation that the heads of administrations of Presidents of Russia and Ukraine in a telephone conversation spoke "for a speedy, with no provocations and incidents, completion of operations for the delivery of the Russian humanitarian aid." Against this background the Russian and European indices were able to move away from the day's lows. In addition, the markets were supported with statements of the Fed Chair, who, emphasizing a significant underutilization of the labour force in the United States, despite the country's economic recovery over the past five years, once again said that the Fed "no mechanical answer" to the question about the timing of rates increasing.

During the entire trading session the MicexPWR Sector Index looked better than the market growth – the geopolitical risks, associated with Ukraine, were primarily reflected in the dynamics of Russian "blue chips". On Western exchanges the European DJStoxx 600 Index fell 0.23%, and the U.S. S&P Index lost 0.20%.

## ELECTRIC POWER INDUSTRY NEWS

**The Government approved amendments to the legislation in order to improve the capacity trading at the Wholesale Power and Energy Market**

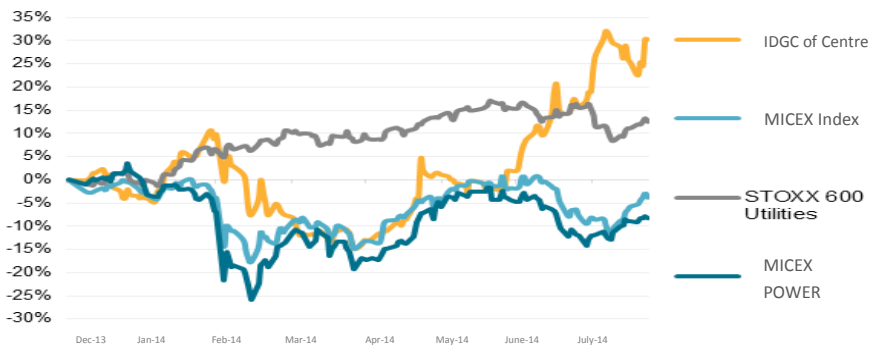
To read full text: <http://www.bigpowernews.ru/news/document58095.phtml>

## COMPANY NEWS

**Tambovenergo is working on clearing and extension of ROWs ahead of schedule**

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89574](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89574)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 446,60	-1,04%	-3,82%
S&P 500	1 988,40	-0,20%	7,58%
FTSE 100	6 775,25	-0,04%	0,39%
DAX	9 339,17	-0,66%	-2,23%
DJStoxx 600	336,75	-0,23%	2,59%
STOXX Utilities	313,20	-0,65%	12,53%
Nikkei	15 539,19	-0,30%	-4,62%
Sensex	26 419,55	0,23%	24,79%
CSI300	2 365,36	0,47%	1,52%
Bovespa	58 407,32	-0,99%	13,40%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,32	-0,28%	-3,97%
USD/RUB	36,33	0,30%	11,01%
Euro/RUB	48,17	-0,05%	7,11%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 281,10	0,34%	6,61%
Brent*, USD/bbl	102,29	-0,33%	-4,69%

\* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2848
Capitalisation**, billion RUB	12,02
Capitalisation**, million USD	330,94

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,56%	-8,28%
Shares of IDGC of Centre**	-0,07%	30,28%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-0,38%	-32,82%
FGC UES	-0,52%	-39,02%
IDGC of Volga	0,76%	10,58%
MOESK	1,37%	-26,08%
IDGC of Northern Caucasus	-0,80%	4,34%
IDGC of Centre and Volga Reg	-0,07%	58,47%
IDGC of North-West	3,13%	16,16%
IDGC of Urals	2,39%	-6,07%
IDGC of Siberia	-2,22%	24,82%
IDGC of South	-0,76%	30,52%
Lenenergo	-0,91%	17,89%

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](mailto:ir@mrsk-1.ru)

## Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM