



IDGC OF CENTRE

DAILY MARKET REVIEW

26 August, Wednesday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 25 August some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with the fall of 3.6-3.9% – record daily losses since August 2011. The trading session in the US had a very high volatility – early in the day the rate of decline amounted to 5.3-6.6%, in the middle of the day the loss reduced to 0.7-0.9%, trading volumes were the highest in the past four years. According to Bloomberg, the main reason for the sharp collapse in world markets, including the US stock market, on the "Black Monday", analysts called the lack of stimulus measures by the Central Bank of China. It was a signal of a possible slowdown in China's GDP more than expected, which in turn will affect the whole world economy – from commodity prices to exchange rates. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific was 1.9% down. The Chinese stock market continued to fall – the CSI300 Index lost 7.1% in the absence of support measures. The Japanese Nikkei fell 4% after companies, writes Bloomberg, oriented to global commerce. At the same time the rest of the Asia-Pacific markets showed signs of recovery after a large-scale crash on the eve – the composite index of the region MSCI Asia Pacific, excluding Japan, added 0.7%, futures on the S&P500 rose by 1.5%. October Brent futures traded at near \$43.1 per barrel – at the close on 24 August. Quotes of oil adjusted after the crash on 24 August by 6.1% to \$42.69 a barrel. As noted by Morgan Stanley, the fundamentals of the oil market is not too strong, but the current drop cannot be explained only with the physical side of the issue – the current price pressure on the oil market is more financial than physical.

On Tuesday the Russian and European markets recovered after the sale on 24 August, including on unfounded assumptions of such a large drop. According to some analysts, the panic in the markets seem disproportionate when compared with the actual change in the economic indicators in the developed countries and the real probability of recession in China. A significant positive factor for the market was the information that the Central Bank of China lowered the rate on loans by 0.25 percentage points and reserve requirements – by 0.5 percentage points. During the day the markets were also supported by statistics: business confidence indices in Germany and consumer confidence in the US in August were better than expected, data on sale of new buildings in the US in July were at the level of forecasts. Against this background on the daily highs the rate of the MICEX Index growth exceeded 2%, the composite European Stoxx Europe 600 – 4%. However, by the end of trading the MICEX Index lost a quarter of the daily growth under the negative pressure on Brent oil prices – quotes, rising to around \$44.5 per barrel by the end of the day fell below the level of \$43.5.

At the end of the trading session the MicexPWR Sector Index looked considerably better than the market, offsetting the advanced drop on Monday, compared with the MICEX Index.

ELECTRIC POWER INDUSTRY NEWS

The Russian Government has not yet decided on the tariffs of natural monopolies in 2016 - Mr. Ulyukayev

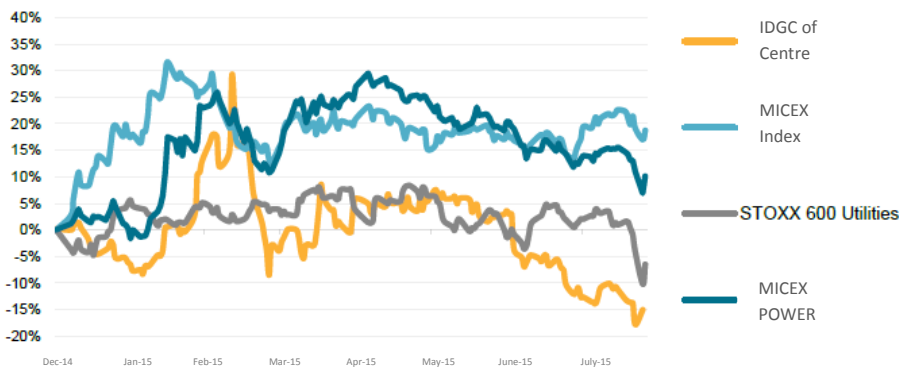
To read full text: <http://www.bigpowernews.ru/news/document65741.phtml>

COMPANY NEWS

IDGC of Centre contributes to the implementation of a regional housing program in the Kursk region

To read full text: <http://www.mrsk-1.ru/press-center/news/company/49940/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.14
MICEX	1 658,13	1,47%	18,73%
S&P 500	1 937,19	2,32%	-5,91%
FTSE 100	6 081,34	3,09%	-7,38%
DAX	10 128,12	4,97%	3,29%
DJStoxx 600	356,29	4,18%	4,01%
STOXX Utilities	294,97	4,12%	-6,49%
Nikkei	17 806,70	-3,96%	2,04%
Sensex	26 032,38	1,13%	-5,33%
CSI300	3 042,93	-7,10%	-13,89%
Bovespa	45 369,59	2,33%	-9,27%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change for the day	Change fr 31.12.14
Euro/USD	1,16	0,00%	-3,96%
USD/RUB	70,75	3,85%	25,75%
Euro/RUB	81,15	5,85%	18,74%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change for the day	Change fr 31.12.14
Gold, USD/oz	1 155,11	0,00%	-2,47%
Brent*, USD/bbl	42,69	0,00%	-25,54%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2145
Capitalisation**, billion RUB	9,06
Capitalisation**, million USD	128,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.14
MICEX-Power Index	3,04%	10,13%
Shares of IDGC of Centre**	3,37%	-15,05%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.14
JSC Russian Grids	2,82%	5,28%
FGC UES	4,89%	37,51%
IDGC of Volga	4,39%	-23,30%
MOESK	0,00%	-34,80%
IDGC of Northern Caucasus	-1,87%	8,68%
IDGC of Centre and Volga Reg	2,09%	-29,19%
IDGC of North-West	0,00%	5,14%
IDGC of Urals	3,02%	6,22%
IDGC of Siberia	2,80%	-42,89%
IDGC of South	1,69%	-2,59%
Lenenergo	1,89%	38,57%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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