



IDGC OF CENTRE

DAILY MARKET REVIEW

11 September, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 10 September some moderately negative external background formed on the Russian market. On the eve the U.S. indices DJIA and S&P500 lost 0.6-0.7% on growing fears of earlier than currently predicted increase in the base interest rate by the Fed. In general, experts say, record levels of the American market reached, especially given the prospects for implementing the exit strategy, make it unattractive for investors. In particular, according to the calculations, which are provided by Bloomberg, the average annual income from investments in equity securities in the periods of all three QE programs was about 20%, whereas without the redemption of bonds – three times less. The experts point to the fact that most large-scale correction of the American market in the current upward trend occurred in the period after the end of QE1 and QE2. On Wednesday the major indices of the Asia-Pacific region on average lost within half a percent, and futures for the American indices were slightly down. October Brent traded around \$99.3 per barrel – \$0.5 below our closing on 09 September. Oil prices, breaking the mark of \$100 per barrel, fell to its lowest level since April of 2013. According to experts, a number of factors put the pressure on oil prices: the problems in China's economy and the Eurozone, the growing American dollar, reducing geopolitical risks of oil supply disruptions, and growth of oil production in Libya.

Negative closing of the American market on Tuesday caused a half-point reduction in Russian and European stock markets in early trading. Further on in the absence of significant news the main reference for the daily dynamics of the indices was the change of American futures – after their turn in the middle of the trading session the Russian and European indices played most of the losses, and the rest of the day mostly had a small minus. In general, uncertainty with the decision of the EU's new sanctions against Russia continues to put the pressure on the markets. According to media reports, the Committee of Permanent Representatives to the EU countries yesterday discussed the situation in Ukraine and the issue of sanctions. At the same time, noted the media, representatives of the European Commission on Tuesday could not give a clear answer to the question of who would decide on the entry into force of the expanded package of sanctions – the Committee of Permanent Representatives, or a new decision of the EU Council would be needed. In addition, there is still no clarity and consistency in the position of the EU in relation to the new package – on the eve the media reported that Finland, Austria, Sweden, Cyprus and Slovakia were against the expansion of sanctions against. On Wednesday, according to media reports, already the OSCE's Chair said that for a while Western countries should refrain from imposing new sanctions against Russia, so as not to jeopardize the process of settling the Ukrainian conflict. Until the end of the day the Russian and European markets were still unable to determine the direction of motion – the Committee of Permanent Representatives to the EU started its meeting at 5:30 p.m. Moscow time, and U.S. indices opened trading with featureless dynamics in a small minus.

During the entire trading session the MicexPWR Sector Index was generally in line with the dynamics of the market, and the main contribution to a slight final decrease in the indicator was made by shares of Inter RAO and of TGC-1. On Western exchanges the European DJStoxx 600 closed near zero, and the U.S. S&P Index gained 0.36%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" and SGCC plan a joint venture with an investment of \$1 billion annually

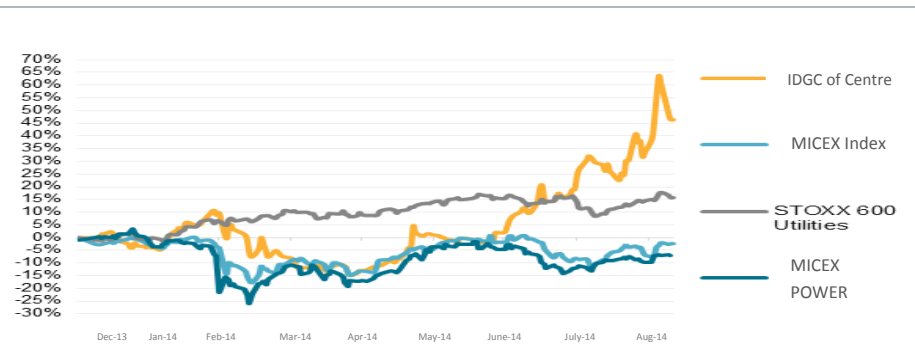
To read full text: <http://ria.ru/economy/20140911/1023608776.html>

COMPANY NEWS

Yarengo analyzes work of Distribution Zones

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89637

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 468,55	0,03%	-2,36%
S&P 500	1 995,69	0,36%	7,97%
FTSE 100	6 830,11	0,02%	1,20%
DAX	9 700,17	-0,11%	1,55%
DJStoxx 600	344,70	-0,05%	5,01%
STOXX Utilities	322,14	0,01%	15,74%
Nikkei	15 788,78	0,25%	-3,08%
Sensex	27 057,41	-0,76%	27,81%
CSI300	2 432,43	-0,52%	4,40%
Bovespa	58 198,66	-0,81%	12,99%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,29	-0,11%	-6,43%
USD/RUB	37,03	-0,16%	13,13%
Euro/RUB	47,71	-0,56%	6,10%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 249,77	-0,45%	4,01%
Brent*, USD/bbl	98,04	-1,13%	-8,65%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3200
Capitalisation**, billion RUB	13,51
Capitalisation**, million USD	364,87

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,30%	-7,13%
Shares of IDGC of Centre**	-0,03%	46,39%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	0,57%	-31,53%
FGC UES	-0,11%	-38,23%
IDGC of Volga	-1,56%	10,97%
MOESK	-0,07%	-27,29%
IDGC of Northern Caucasus	-2,73%	15,28%
IDGC of Centre and Volga Reg	-4,98%	54,71%
IDGC of North-West	-2,84%	9,40%
IDGC of Urals	1,79%	-3,43%
IDGC of Siberia	0,58%	26,26%
IDGC of South	-1,40%	16,22%
Lenenergo	-0,37%	16,38%

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

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