



**DAILY**  
MARKET REVIEW

**REVIEW OF STOCK MARKETS**

Before the opening of trading some moderately positive external background formed on the Russian market. The U.S. indices DJIA and S&P500 rose on Friday by 0.4-0.5% for good statistics on income and expenditure of the population in February. The composite MSCI Asia Pacific stock index added about half a percent, despite the maximum for 8 months fall in industrial production in Japan in February. Futures on the U.S. S&P500 index grew by 0.4%. As Bloomberg says, markets were support with expectations to ease tensions around Ukraine. This past weekend, a meeting of foreign ministers of Russia and the United States was held, following the results of which the Russian Foreign Minister said that the parties agreed to work together with the Government of Ukraine to overcome the crisis in the country. In turn, the U.S. Secretary of State said that the U.S. and Russia agreed that the crisis in Ukraine should be resolved by political means. May Brent was traded at \$107.8 per barrel – half a dollar below our closing on Friday.

For most of the day the Russian market was dominated by cautious optimism, due mainly to news on the Ukrainian problem – the MICEX Index traded mostly sideways within plus half-point. Rise of our market was restrained both with negative actions of Moody's against Russia's ratings and uncertain dynamics of European exchanges. On Friday, after the close of markets Moody's placed the rating of the Russian Federation "Baa1" on review for possible downgrade due to the weakening economy and increased geopolitical risks on the background of the Ukrainian crisis. In turn, the statistics on inflation in the Eurozone in March was negative for Europe – consumer cost growth slowed to the lowest level since October 2009. Anyway, the Russian market was closing at daily highs – growth of indices significantly accelerated after a positive start of trading in the U.S., where the main stock indicators added over half a percent in anticipation of a speech by Fed.

Following the results of the day the MICEX Index gained 1.87% to close trading at 1,369.29 points. Dynamics of the MicexPWR Sector Index throughout the trading session looked much better than the market mainly due to the strong growth of stocks of FGC UES. From the overall dynamics of liquid securities of the electricity sector a final 1.5 % decrease in RusHydro shares stands alone on the news about the change in the approach to the calculation of dividends. According to Interfax, dividend payments for 2013 may reach 25% of the unadjusted profit under IFRS, whereas the possibility of paying 25% of the profit under RAS was previously considered. In the first case, the basis for calculation of dividends is 21 billion rubles, in the second – 35 billion rubles. On Western exchanges the European DJStoxx 600 Index added 0.16%, and the American S&P 500 Index - 0.79%.

**ELECTRIC POWER INDUSTRY NEWS**

**"RusHydro" chose smaller profit**

"RusHydro" as the first of the state-owned energy companies can begin paying dividends in the amount of 25% of net profit under IFRS. But for the company's shareholders, including the state, it would be advantageous, if "RusHydro" kept its previous dividend policy.

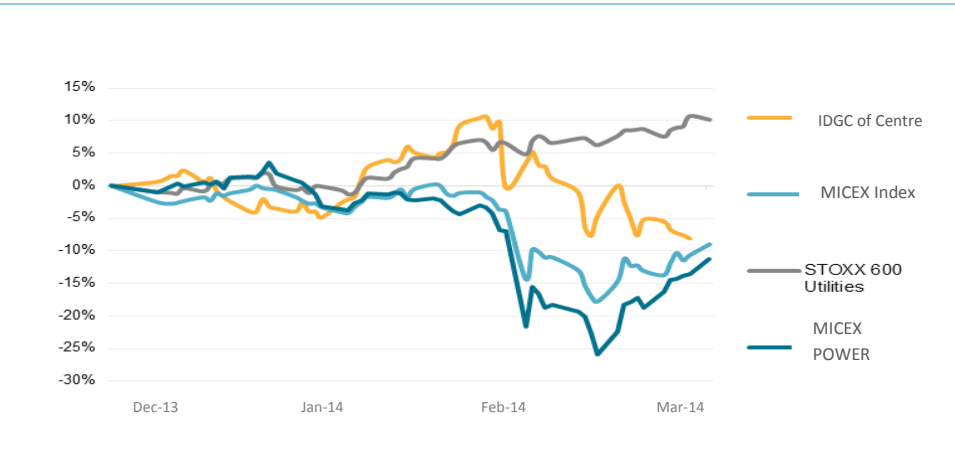
To read full text: <http://kommersant.ru/doc/2442694>

**COMPANY NEWS**

**Effectively organized procurement allowed IDGC of Centre in 2013 to save about 2.3 billion rubles**

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89213](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89213)

**DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY**



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 369,29	1,87%	-8,96%
S&P 500	1 872,34	0,79%	1,30%
FTSE 100	6 598,37	-0,26%	-2,23%
DAX	9 555,91	-0,33%	0,04%
DJStoxx 600	334,31	0,16%	1,84%
STOXX Utilities	306,61	-0,50%	10,16%
Nikkei	14 827,83	0,90%	-8,98%
Sensex	22 386,27	0,21%	5,74%
CSI300	2 146,31	-0,26%	-7,88%
Bovespa	50 414,92	1,30%	-2,12%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,38	0,15%	-0,12%
USD/RUB	35,69	0,30%	9,04%
Euro/RUB	49,05	0,01%	9,08%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 284,01	-0,87%	6,85%
Brent*, USD/bbl	107,76	-0,29%	-1,97%

\* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2009
Capitalisation**, billion RUB	8,48
Capitalisation**, million USD	237,67

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day from 31.12.13	
MICEX-Power Index	2,53%	-11,30%
Shares of IDGC of Centre**	-0,54%	-8,10%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	2,92%	-31,92%
FGC UES	8,62%	-14,61%
IDGC of Volga	2,21%	-20,81%
MOESK	0,71%	-25,76%
IDGC of Northern Caucasus	-0,07%	-3,89%
IDGC of Centre and Volga Reg	1,00%	5,14%
IDGC of North-West	1,96%	-8,48%
IDGC of Urals	3,24%	-29,58%
IDGC of Siberia	2,09%	-36,82%
IDGC of South	-1,21%	-23,87%
Lenenergo	0,90%	-3,28%

Source: MICEX, Company calculations

\*\* - at the price of last transaction at MICEX

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**Tickers**

Moscow Exchange  
Bloomberg  
Reuters

**MRKC**  
**MRKC RX**  
**MRKC.MM**