



IDGC OF CENTRE

DAILY MARKET REVIEW

06 June, Friday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading some neutral external background formed on the Russian market. On the eve the U.S. indices DJIA and S&P500 gained 0.1-0.2% with the next update of the S&P500 record. Good statistics on business activity in the services sector in May – ISM Non-Manufacturing rose to its highest level since August 2013 helped the market close the trades in positive territory. Major stock indices in the Asia-Pacific region traded mixed with the changes within a half percent. July Brent was trading at \$108.3 per barrel – a dollar below our closing on Wednesday. As noted by Bloomberg, oil fell on the U.S. Department of Energy data on the growth of gasoline and distillates last week.

In anticipation of the ECB's rate decision Russian and European indices showed lateral dynamics near zero, ignoring April's statistics on better than expected retail sales in the Eurozone and orders of industrial enterprises in Germany. Buyers in western exchanges somewhat became more active after publication of the ECB meeting results and the comments of its chairman. First, the central bank cut its benchmark interest rate on loans by 10 basis points, down to 0.15% per annum, updating a record low, and for the first time in the history of the currency bloc made a negative deposit rate, lowering it to minus 0.1%. Secondly, M. Dragi said that the ECB would hold several rounds of a target long-term lending program with the first tranche to be €400 billion, and said that the bank was preparing to quantitative easing. However, foreign investors' optimism was quite restrained and quickly dried up – such actions of the ECB to stimulate the European economy were projected by economists and, according to analysts, to a greater extent have already been included in the quotations. Published better than forecasted statistics on applications for unemployment benefits in the U.S. also failed to provide meaningful support to the exchanges. Against this backdrop sales on the Russian market increased, and the MICEX Index closed trading lower by 0.3%.

Dynamics of the MicexPWR Sector Index on the trading session underperformed the market. The main contribution to the MicexPWR reduction was made by shares of Russian Grids, FGC UES and Inter RAO, which had lost an average of about 3%. On Western exchanges the European DJStoxx 600 Index rose 0.42%, and the U.S. S&P Index gained 0.65%.

ELECTRIC POWER INDUSTRY NEWS

The Russian Government to consider a draft of the investment program of "Russian Grids" for 2015-2019 in the amount of 1.4 trillion rubles

To read full text: <http://www.bigpowernews.ru/news/document56774.phtml>

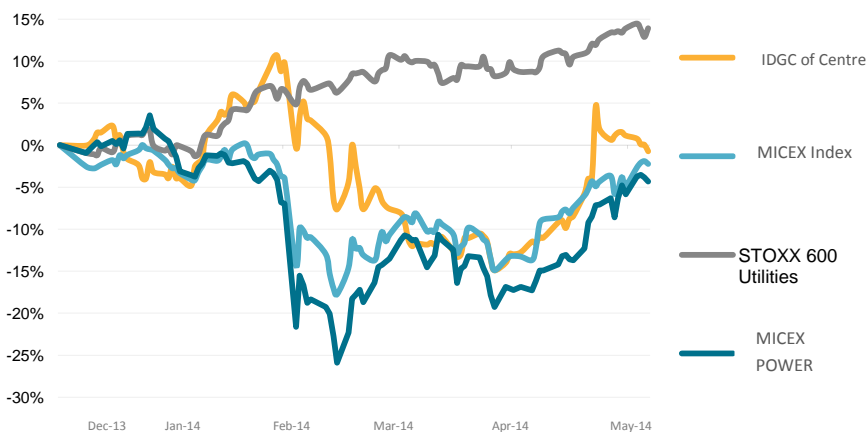
COMPANY NEWS

Repair of Yaroslavl power facilities goes with overfulfillment of the schedule

From January to April IDGC of Centre - Yarenergo division completed 105% of the planned amount for the period of the repair campaign. Repair and overhaul of equipment will be completed in October before the autumn-winter period.

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89388

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 470,70	-0,34%	-2,22%
S&P 500	1 940,46	0,65%	4,98%
FTSE 100	6 813,49	-0,08%	0,95%
DAX	9 947,83	0,21%	4,14%
DJStoxx 600	344,99	0,42%	5,10%
STOXX Utilities	317,06	0,93%	13,92%
Nikkei	15 079,37	0,08%	-7,44%
Sensex	25 019,51	0,86%	18,18%
CSI300	2 150,60	1,05%	-7,70%
Bovespa	51 558,79	-0,53%	0,10%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,36	0,21%	-1,10%
USD/RUB	35,14	0,37%	7,37%
Euro/RUB	47,83	0,41%	6,35%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 253,63	0,78%	4,33%
Brent*, USD/bbl	108,79	0,36%	-0,21%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2170
Capitalisation**, billion RUB	9,16
Capitalisation**, million USD	260,71

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	-0,53%	-4,32%
Shares of IDGC of Centre**	-0,78%	-0,73%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	-3,49%	-32,43%
FGC UES	-2,70%	-34,93%
IDGC of Volga	0,20%	-13,39%
MOESK	-1,03%	-13,41%
IDGC of Northern Caucasus	-2,54%	16,97%
IDGC of Centre and Volga Reg	-0,33%	29,54%
IDGC of North-West	-0,38%	1,72%
IDGC of Urals	-3,14%	-9,05%
IDGC of Siberia	-2,93%	-6,38%
IDGC of South	1,18%	1,27%
Lenenergo	1,41%	26,72%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM