



IDGC OF CENTRE

DAILY MARKET REVIEW

24 July, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 23rd of July some moderately positive external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 closed with a growth of 0.4-0.5% on better than expected published statistics on inflation and housing sales in June, and strong statements of some companies. Major stock indices in the Asia-Pacific region traded mostly slightly positive, the composite MSCI Asia Pacific index added 0.3%. September Brent traded around \$107.2 per barrel – half a dollar below our closing on the 22nd of July. Data of the American Petroleum Institute put pressure on oil prices, which reported a significant increase in gasoline stocks for the past week, despite the peak driving season in the United States.

On Wednesday the Russian market showed high volatility. In the first half of the trading session the MICEX Index growth exceeded a percent – the market was supported by investors' hopes for the absence of grounds for expansion of Western sanctions against Russia. Additional argument in favour of this scenario was the statement of representatives of U.S. intelligence that they had no evidence of Russia's involvement in the crash of the Malaysian airliner in Ukraine. However, in the afternoon, the MICEX Index lost more than half a percent under the pressure of expectations of EU decisions on new sanctions, proposals on which will be considered today. On Tuesday the head of European diplomacy, Catherine Ashton said that the foreign ministers of EU member states had agreed to accelerate the development of new restrictive measures against Russia, including reduced access to financial markets and high-tech products. However, she did not rule out that EU leaders may gather for an extraordinary summit before start of August to discuss the Ukrainian crisis and sanctions against Russia – as reminded by the media, only the summit may decide on economic sanctions of the third level. The yesterday's statement by the EBRD that the bank, guided by the decisions of the last EU summit, stops approving investment projects in Russia, could be an evidence of some resolute attitude of the EU. At the end of the day the MICEX Index still managed to rise above zero – our market was supported with moderately positive start of trading in the U.S. with the next update of the historical record of the S&P500 index.

During the entire trading session the dynamics of the MicexPWR Sector Index underperformed the market, all "heavy" index papers had active sales. The main contribution of about 70% to the resulting MicexPWR reduction was made by shares of E.ON Russia and Inter RAO. On Western exchanges the European DJStoxx 600 Index was 0.12% up, and the U.S. S&P 500 Index gained 0.18%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" and State Grid Corporation of China established a working group to organize a joint venture to invest in power grids of the Russian Federation and other countries

JSC "Russian Grids" and State Grid Corporation of China established a working group to organize activities of a joint venture (JV) for the implementation of projects on modernization and construction of electric grid facilities in the territory of Russia and other countries.

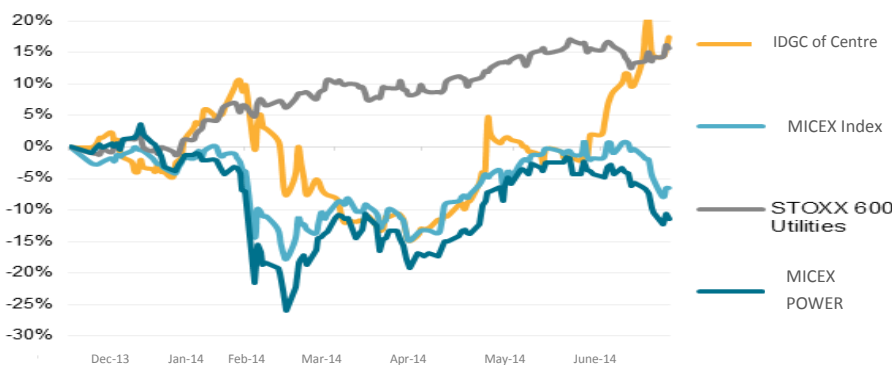
To read full text: <http://www.bigpowernews.ru/news/document57522.phtml>

COMPANY NEWS

Services of Customer Service Centres of Kurskenergo become more popular

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89498

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 406,58	0,04%	-6,48%
S&P 500	1 987,01	0,18%	7,50%
FTSE 100	6 798,15	0,04%	0,73%
DAX	9 753,56	0,20%	2,11%
DJStoxx 600	342,86	0,12%	4,45%
STOXX Utilities	321,98	-0,39%	15,68%
Nikkei	15 328,56	-0,10%	-5,91%
Sensex	26 147,33	0,47%	23,51%
CSI300	2 197,83	0,23%	-5,67%
Bovespa	57 419,96	-0,97%	11,48%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,35	-0,03%	-2,36%
USD/RUB	35,04	-0,15%	7,06%
Euro/RUB	47,38	-0,27%	5,35%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 304,59	-0,14%	8,57%
Brent*, USD/bbl	108,03	0,65%	0,15%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2568
Capitalisation**, billion RUB	10,84
Capitalisation**, million USD	309,42

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,87%	-11,40%
Shares of IDGC of Centre**	1,66%	17,47%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-1,57%	-35,26%
FGC UES	-0,97%	-39,80%
IDGC of Volga	-0,74%	-5,88%
MOESK	-0,17%	-23,70%
IDGC of Northern Caucasus	-1,33%	-3,56%
IDGC of Centre and Volga Reg	5,67%	68,37%
IDGC of North-West	4,53%	5,60%
IDGC of Urals	1,92%	-7,72%
IDGC of Siberia	-4,21%	27,72%
IDGC of South	-0,03%	20,04%
Lenenergo	-1,84%	12,97%

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