



IDGC OF CENTRE

# DAILY MARKET REVIEW

11 July, Friday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 10th of July some neutral external background formed on the Russian market. On the eve of the U.S. indices DJIA and S&P500 gained by half a percent on good reporting of Alcoa and the absence of new signals from the Fed about possible earlier raising the base interest rate. As it follows from the published minutes of the Fed in June, the Central Bank reiterated that the stimulating policy would remain in place for a long time after the completion of the asset purchase program, which is scheduled for October, alongside the document notes that the Fed does not see any substantial gain of inflation risks. However, the main APR stock indices lost an average within half a percent, and U.S. index futures were slightly negative – the markets were under pressure of statistics from Japan and China. In Japan orders for production equipment, for which data are considered a leading indicator of capital investment over the next 6-9 months, collapsed in May to a record 19.5%, in China reports on exports and imports in June were worse than expected. August Brent traded at \$108.2 per barrel – at the level of our closing on the 9th of July.

The Russian market began its trading session with a half-point rise of stock indices, reacting to the growth of U.S. indices and reduced concerns over new sanctions against the Russian Federation in connection with the Ukrainian crisis. According to media reports, the EU restricted themselves with expansion of the sanctions list, in turn, the U.S. postpones their decision on sectoral sanctions against Russia, referring to the need for close cooperation with the EU in this regard. Optimism in our market did not last long – the growth was replaced with sales on the negative dynamics of European markets, triggered by both weak statistics from Japan and China, and published much worse than expected reports on industrial production in May in France and Italy, once again reminding the market of problems of the European economy. In addition, the pressure was given to the markets by the information about problems of the financial sector in Portugal, against which the leaders of reduction in Europe were banks. In the middle of the day the loss of the MICEX Index exceeded a percent, the drop of the main European indices averaged almost 1.5%, and the U.S. futures lost about a percent. In the afternoon sales on the market increased, despite good statistics on applications for unemployment benefits in the U.S., the fall of the MICEX Index exceeded 2%. The Russian market was able to play one third of the loss after not so negative, as suggested by the dynamics of futures, trading start in the United States.

By the end of the trading session the dynamics of the MicexPWR Sector Index underperformed the market. The main contribution to a 2% decline of MicexPWR, more than a quarter, was made by shares of RusHydro. On Western exchanges the European DJStoxx 600 Index fell 1.06%, and the U.S. S&P 500 Index lost 0.41%.

## ELECTRIC POWER INDUSTRY NEWS

**"Russian Grids" and the Ural region to jointly develop the production of innovative types of cables for power lines**

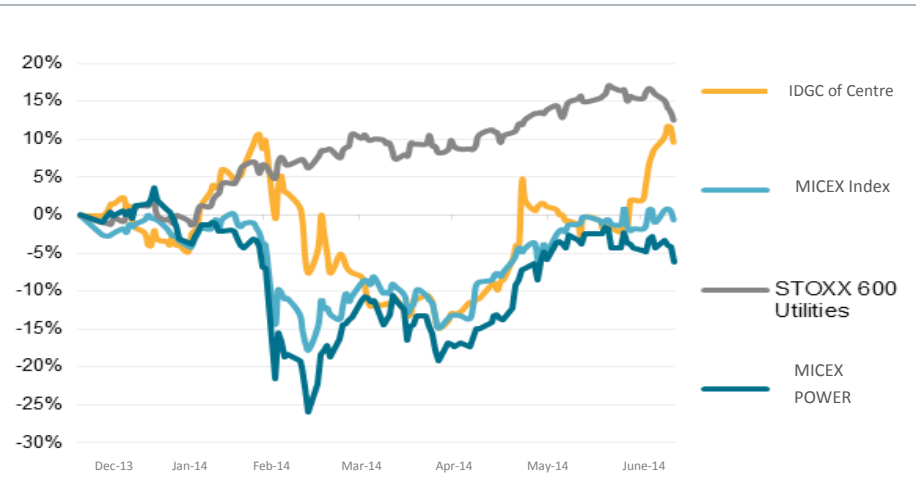
To read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=18254](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=18254)

## COMPANY NEWS

**Orel power engineers of IDGC of Centre clear ROWs along power lines**

To read full text: [http://www.mrsk-1.ru/ru/press/news/branches/?id\\_4=89461](http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89461)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 494,92	-1,22%	-0,61%
S&P 500	1 964,68	-0,41%	6,29%
FTSE 100	6 672,37	-0,68%	-1,14%
DAX	9 659,13	-1,52%	1,12%
DJStoxx 600	336,37	-1,06%	2,47%
STOXX Utilities	313,18	-0,99%	12,52%
Nikkei	15 216,47	-0,56%	-6,60%
Sensex	25 372,75	-0,28%	19,85%
CSI300	2 142,85	-0,27%	-8,03%
Bovespa	54 592,75	1,79%	5,99%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,36	-0,21%	-1,39%
USD/RUB	34,08	-1,02%	4,11%
Euro/RUB	46,41	-0,85%	3,21%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 335,75	0,60%	11,16%
Brent*, USD/bbl	108,67	0,36%	0,18%

\* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2396
Capitalisation**, billion RUB	10,12
Capitalisation**, million USD	296,85

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	-2,06%	-6,20%
Shares of IDGC of Centre**	-1,76%	9,61%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	-3,19%	-33,59%
FGC UES	-1,97%	-36,05%
IDGC of Volga	-0,63%	-3,64%
MOESK	-3,67%	-15,43%
IDGC of Northern Caucasus	-4,51%	6,99%
IDGC of Centre and Volga Reg	-4,50%	55,70%
IDGC of North-West	3,81%	5,60%
IDGC of Urals	-3,98%	-8,75%
IDGC of Siberia	2,45%	19,16%
IDGC of South	-0,08%	14,92%
Lenenergo	-2,75%	15,78%

Source: MOEX, Company calculations

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

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## Tickers

Moscow Exchange

Bloomberg

Reuters

[MRKC](#)

[MRKC.RX](#)

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