



IDGC OF CENTRE

# DAILY MARKET REVIEW

04 July, Friday

2014

## REVIEW OF STOCK MARKETS

Before the opening of trading on the 3rd of July some neutral external background formed on the Russian market. On the eve the U.S. indices DJIA and S&P500, updating their historical highs, gained 0.1% on strong statistics from ADP – June's growth in the number of jobs in the U.S. economy was the highest since November 2012. Major markets in the Asia-Pacific region showed mixed trends, and U.S. index futures were near zero. Agency Bloomberg, noting markets' restrained reaction to the report of ADP, suggested that investors preferred to wait for the official data of Department of Labor of the United States, which may differ significantly from the ADP statistics. August Brent traded at \$111.2 per barrel – a little below our closing on the 2nd of July. Oil prices lost more than 4% from the highs of two weeks ago on the information of both the decreasing concerns on the cutoff of oil from Iraq, and the media reports on the restart after almost a year's blockade of two export terminals, which will increase oil export potential of Libya almost five times.

Pending the outcome of the ECB's meeting and statistics on the U.S. labour market, Russian and European indices spent the first half of the day with a small plus, on average, about half a percent. The Russian market looked slightly worse than the western ones after a 2% growth on Wednesday, despite the information of the media about some possible renewal of the truce in the south-east of Ukraine. On Wednesday in Berlin, Foreign Minister of Ukraine, Russia, France and Germany agreed on a cease-fire declaration, which, in particular, provides a new round of consultations of the conflicting parties with the participation of the OSCE and Russia, and Russia's provision of access for Ukrainian border guards and OSCE observers to the Russian border checkpoints. In the afternoon, the Western markets were supported with strong statistics on the U.S. labour market – unemployment fell to 6.1%, its lowest level since June 2008, new job growth exceeded expectations, and the ECB's statements on long-term preservation of low borrowing costs and determination of the Central Bank to struggle with weak inflation by all available means. The Russian market, in contrast, unexpectedly reacted to the news with sales, the MICEX Index dropped below zero. However, the optimism of the American exchanges, where the DJIA and S&P500 indices began trading with the next update of their historic highs, despite released worse than expected statistics on business activity in the services sector in the U.S. in June, helped the Russian stock indices close in the conventional black.

By the end of the trading session the dynamics of the MicexPWR Sector Index looked better than the market mainly due to the growth of shares of FGC and TGC-1. Stocks of TGK-1 were steadily increasing for a second day in a row on news of a possible payment of special dividends after the sale of Ondskaya hydro power plant to RUSAL. On Western exchanges the European DJStoxx 600 Index was 0.93% up, and the U.S. S&P Index gained 0.55%.

## ELECTRIC POWER INDUSTRY NEWS

**Electricity consumption in Russia in the 1st half of 2014 decreased by 1%, and power generation – by 1.5%**

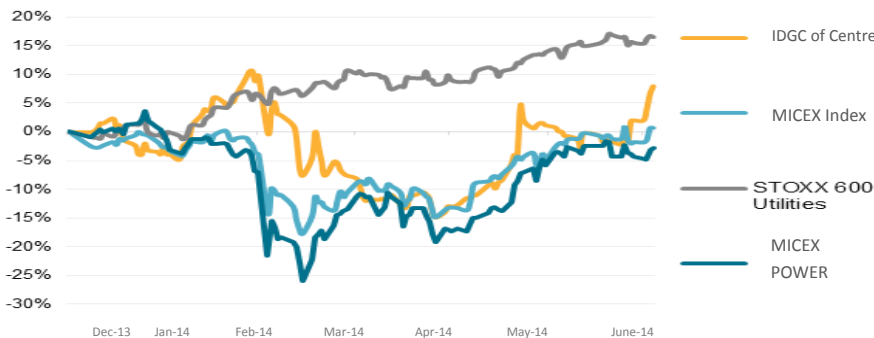
To read full text: <http://www.bigpowernews.ru/news/document57164.phtml?1&q=>

## COMPANY NEWS

**IDGC of Centre to participate in the Innovation Forum of young power engineers "Forsage-2014"**

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89438](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89438)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes   | Value     | Change for the day | fr 31.12.13 |
|-----------------|-----------|--------------------|-------------|
| MICEX           | 1 514,47  | 0,01%              | 0,69%       |
| S&P 500         | 1 985,44  | 0,55%              | 7,42%       |
| FTSE 100        | 6 865,21  | 0,72%              | 1,72%       |
| DAX             | 10 029,43 | 1,19%              | 5,00%       |
| DJStoxx 600     | 348,91    | 0,93%              | 6,29%       |
| STOXX Utilities | 324,21    | -0,19%             | 16,48%      |
| Nikkei          | 15 348,29 | -0,14%             | -5,79%      |
| Sensex          | 25 823,75 | -0,07%             | 21,98%      |
| CSI300          | 2 180,19  | 0,43%              | -6,43%      |
| Bovespa         | 53 874,58 | 1,59%              | 4,60%       |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.13 |
|----------------|-------|--------------------|-------------|
| Euro/USD       | 1,36  | -0,36%             | -1,35%      |
| USD/RUB        | 34,25 | 0,06%              | 4,65%       |
| Euro/RUB       | 46,84 | 0,01%              | 4,16%       |

Source: Bloomberg, Company calculations

| Raw             | Value    | Change for the day | fr 31.12.13 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz    | 1 319,53 | -0,55%             | 9,81%       |
| Brent*, USD/bbl | 111,00   | -0,22%             | 2,33%       |

\* - August futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre      | Value  |
|-------------------------------|--------|
| Last transaction, RUB         | 0,2360 |
| Capitalisation**, billion RUB | 9,96   |
| Capitalisation**, million USD | 290,91 |

Source: Central Bank of Russia, Company calculations

| Russian indexes            | Change for the day | fr 31.12.13 |
|----------------------------|--------------------|-------------|
| MICEX-Power Index          | 0,42%              | -2,71%      |
| Shares of IDGC of Centre** | 1,29%              | 7,96%       |

Source: MOEX, Company calculations

| Grid companies               | Change** for the day | fr 31.12.13 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids            | 0,55%                | -28,83%     |
| FGC UES                      | 2,40%                | -32,38%     |
| IDGC of Volga                | 5,34%                | -12,60%     |
| MOESK                        | 0,26%                | -9,77%      |
| IDGC of Northern Caucasus    | -2,39%               | 8,35%       |
| IDGC of Centre and Volga Reg | 2,29%                | 48,21%      |
| IDGC of North-West           | 1,75%                | -1,55%      |
| IDGC of Urals                | -0,26%               | -11,09%     |
| IDGC of Siberia              | 9,28%                | 20,55%      |
| IDGC of South                | 0,44%                | 13,18%      |
| Lenenergo                    | 0,33%                | 18,97%      |

Source: MOEX, Company calculations

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

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## Tickers

Moscow Exchange

Bloomberg

Reuters

[MRKC](#)

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