



IDGC OF CENTRE

DAILY MARKET REVIEW

29 July, Tuesday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 28th of July some neutral external background formed on the Russian market. On Friday the major U.S. indices lost 0.5-0.7% on weak corporate reporting and strengthening of geopolitical risks, mainly related to Ukraine. Goldman Sachs analysts lowered forecast on the global stock market over the next three months from "overweight" to "neutral" level, noting the increased geopolitical risks and rising bond yields. However, the composite MSCI Asia Pacific stock index was slightly positive. Markets grew after some confident rise of Chinese exchanges – according to analysts, the dynamics of the stock market in China accounted for the positive impact of recent government measures to stimulate the economy. September Brent traded around \$108 per barrel – at the level of our closing on Friday.

Active sales continue in the Russian market in anticipation of new sanctions by the European Union, Monday afternoon the MICEX Index was 2% down. According to media reports, the Committee of Permanent Representatives of the EU countries will discuss the expansion of the sanctions list, and will meet on Tuesday to discuss the proposed by the European Commission prohibitive measures of the "third stage". According to news agencies, a sectoral package of sanctions is intended to limit access for the state-owned banks to capital markets, a ban on trade in defense products and on the transfer of sensitive technologies, including in the energy sector. In this case, according to news reports, President of the European Council at the end of last week proposed to approve the economic sanctions on Tuesday at the level of the Committee of Permanent Representatives, who, however, should first receive appropriate instructions from the heads of the EU. Additional pressure on the Russian market was given by the decision of the Permanent Court of Arbitration in the Hague on payment by Russia of unprecedented \$50 billion in compensation for the former owners of Yukos. Some experts called the decision "political", Russian Foreign Minister, noting that the judicial process has not completed, said that Russia will use all legal options to protect its interests.

By the end of the trading session the dynamics of the MicexPWR Sector Index underperformed the market. All "heavy" index securities of the electricity sector were under selling pressure and the largest contribution to the final decline of the sector index, about a quarter, was made by shares of E.ON Russia, which had fallen by 4.5%. On Western exchanges the European DJStoxx 600 Index decreased by 0.18%, and the U.S. S&P Index closed near zero.

ELECTRIC POWER INDUSTRY NEWS

Energy market did not appreciate the care of the state

The Supervisory Board of NP "Market Council" can now address the question of extension of the guaranteed return on investment contracts for the supply of power from 10 to 15 years.

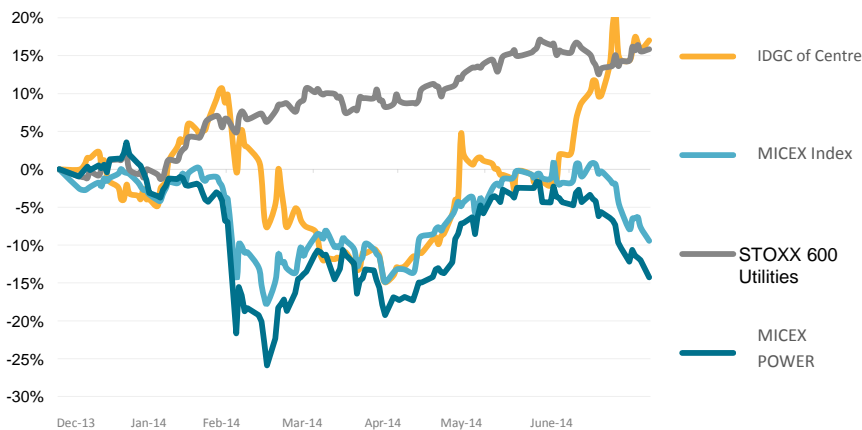
To read full text: <http://www.kommersant.ru/doc/2534110>

COMPANY NEWS

Lipetskenergo shifted to the world standards of electricity quality control

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89511

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 361,94	-1,91%	-9,45%
S&P 500	1 978,91	0,03%	7,06%
FTSE 100	6 788,07	-0,05%	0,58%
DAX	9 598,17	-0,48%	0,48%
DJStoxx 600	341,34	-0,18%	3,98%
STOXX Utilities	322,40	0,25%	15,83%
Nikkei	15 529,40	0,46%	-4,68%
Sensex	25 991,23	-0,52%	22,77%
CSI300	2 323,90	2,81%	-0,26%
Bovespa	57 695,72	-0,22%	12,01%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,34	0,09%	-2,52%
USD/RUB	35,05	-0,07%	7,10%
Euro/RUB	47,22	0,11%	5,00%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 304,05	-0,24%	8,52%
Brent*, USD/bbl	107,57	-0,76%	-0,28%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2558
Capitalisation**, billion RUB	10,80
Capitalisation**, million USD	308,08

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-2,59%	-14,25%
Shares of IDGC of Centre**	1,11%	17,02%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-3,02%	-37,97%
FGC UES	-3,69%	-42,96%
IDGC of Volga	-0,97%	-10,01%
MOESK	-1,84%	-27,70%
IDGC of Northern Caucasus	-0,34%	-4,47%
IDGC of Centre and Volga Reg	0,89%	70,46%
IDGC of North-West	-7,25%	0,35%
IDGC of Urals	-4,98%	-11,40%
IDGC of Siberia	-0,38%	25,62%
IDGC of South	-0,18%	17,99%
Lenenergo	-0,11%	13,66%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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