

DAILY MARKET REVIEW

03 June, Tuesday

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market. On Friday the U.S. indices DJIA and S & P500 added 0.1-0.2%, while the S&P500 updated its historical maximum. The composite MSCI Asia Pacific stock index gained about half a percent, and U.S. index futures were slightly up. Support to investors in the Asian session was provided by statistics from China – May Manufacturing PMI, exceeding forecasts, rose to a five-month high. June Brent was trading at \$109.8 per barrel – half a dollar higher than our closing on Friday.

During the trading session the Russian market was dominated by buyers, on the daily highs the MICEX Index growth reached 3%. Positive background for our market was the information on the progress of negotiations between Russia and Ukraine on the gas issue – the Ukrainian party transferred the first tranche of debt payment for gas, the head of Gazprom said about Ukraine's chances of getting substantial discounts to the current price. According to experts, a constructive solution to the gas issue reduces the likelihood of a new round of tensions between Russia and Ukraine in general and therefore the chances of expanding Western sanctions against Russia. The expectations of recovery in investors' interest in Russian assets is evidenced by the Interfax information that Alfa-Bank may place Eurobonds, becoming according to the agency the de facto first Russian issuer on the international market of the public debt since March this year. However, the rise of the Russian market was restrained with featureless dynamics of western exchanges that were under the pressure of weak statistics: in May Eurozone Manufacturing PMI fell to its lowest level since November 2013, data on manufacturing activity in the United States were worse than expected. After the publication of these data, the Russian investors opted to take part of the daily profit, while sales were of restrained character – the growth rate of the MICEX Index on the day exceeded 2%.

Dynamics of the MicexPWR Sector Index was broadly consistent with the market changes. The main contribution to the MicexPWR growth, about 70%, was made by shares of RusHydro, FGC UES and Russian Grids. On Western exchanges the European DJStoxx 600 Index closed with a gain of 0.24%, and the U.S. S&P Index closed the trading session near zero.

ELECTRIC POWER INDUSTRY NEWS

Polyus Gold has moved to the power industry. Gold miners to construct grids for FGC

To read full text: <http://www.kommersant.ru/doc/2485339>

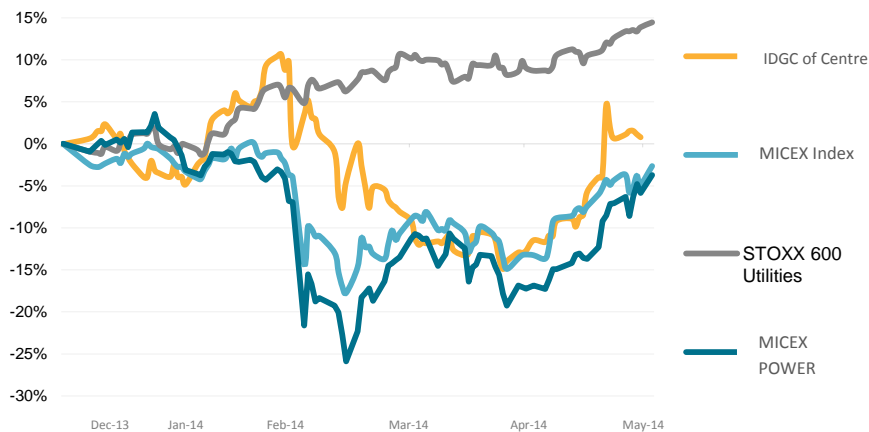
COMPANY NEWS

IDGC of Centre summarizes its work as an electric energy supplier of last resort

IDGC of Centre summarizes its work as an electric energy supplier of last resort in five regions of the Central Federal District. On June 1, 2014 the company completed its work in two last regions, where it was entrusted to execute these powers - in the Bryansk and Smolensk regions.

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89381

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.13
MICEX	1 464,47	2,27%	-2,63%
S&P 500	1 924,97	0,07%	4,14%
FTSE 100	6 864,10	0,29%	1,70%
DAX	9 950,12	0,07%	4,17%
DJStoxx 600	345,08	0,24%	5,12%
STOXX Utilities	318,61	0,51%	14,47%
Nikkei	14 935,92	2,07%	-8,32%
Sensex	24 684,85	1,93%	16,60%
CSI300	2 156,46	0,00%	-7,45%
Bovespa	51 605,83	0,72%	0,19%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.13
Euro/USD	1,36	-0,29%	-1,40%
USD/RUB	34,74	0,25%	6,13%
Euro/RUB	47,27	0,33%	5,11%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.13
Gold, USD/oz	1 243,93	-0,46%	3,52%
Brent*, USD/bbl	108,83	-0,53%	-0,17%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2203
Capitalisation**, billion RUB	9,30
Capitalisation**, million USD	267,76

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.13
MICEX-Power Index	2,26%	-3,71%
Shares of IDGC of Centre**	-0,36%	0,78%

Source: MOEX, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.13
JSC Russian Grids	3,29%	-31,27%
FGC UES	3,60%	-33,85%
IDGC of Volga	0,46%	-12,99%
MOESK	1,21%	-10,03%
IDGC of Northern Caucasus	-8,06%	21,11%
IDGC of Centre and Volga Reg	1,08%	31,58%
IDGC of North-West	1,22%	2,04%
IDGC of Urals	8,11%	-5,91%
IDGC of Siberia	3,30%	-12,06%
IDGC of South	5,12%	-3,67%
Lenenergo	-0,76%	23,06%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange
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