

DAILY MARKET REVIEW

30 August, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 29 August some moderately negative external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed lower by 0.2-0.3% on statements of the Fed executives, which raised expectations of imminent hike in the base interest rate by the US Central Bank. In particular, according to the Fed Chair, speaking at the central bank's annual Jackson Hole summit, the arguments in favour of raising the federal funds rate became more compelling in recent months. In turn, Vice Chairman of the Federal Reserve Stanley Fischer said that the speech of the US Federal Reserve Chair in Jackson Hole leaves the possibility of a rate hike already at the September meeting, at the same time he did not rule out the possibility of two rate increases before the end of 2016. Following the statements, according to the quotations of futures on the Chicago Stock Exchange, the likelihood of raising the Fed's interest rate rose to 42% in September, before the end of 2016 – up to 65%. On Monday the composite Asia-Pacific region index, excluding Japan, lost about 0.5%. At the same time, the Japanese Nikkei 225 rose by 2.3% on the weakening of the yen against the dollar, prompted by general strengthening of the dollar after statements by the Fed officials in Jackson Hole, and the statement by the head of the Bank of Japan that the Central Bank is ready to further ease credit and monetary policy and would not hesitate to extend the stimulus measures if necessary. October Brent traded near the mark of \$49.2 per barrel, or \$0.7 less than the closing level on Friday, August 26th. Oil prices were pressured by the stronger dollar and rising doubts that oil-producing countries could reach an agreement on limiting production within OPEC's informal negotiations in September. According to Oil Minister of Iran, before concluding such an agreement, Iran wants from other countries to recognize its right to increase its market share to the pre-sanction level. In turn, Minister of Energy of the United Arab Emirates said that in order to achieve agreement to freeze it requires participation in it of all the OPEC countries and independent producers.

On Monday the Russian market was under pressure from falling oil prices, which in the second half of the trading session tested the level of \$49 a barrel – on the daily lows the MICEX Index loss exceeded a percent. European markets also showed a negative trend – the Stoxx Europe 600 Index lost about 0.5% on growing concerns in relation to the imminent Fed rate increase. In the afternoon, investors' sentiment improved following the release of statistics from the US, where growth in household spending and income in July was in line with expectations. At the end of the trading session the MICEX Index was able to play two-thirds of the daily losses after the start of trading in the US with more than a half-point increase in the major indices.

During the trading session the MicexPWR Sector Index outperformed mainly due to growth of shares of FGC UES and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Vladimir Putin's intervention in the dispute of participants of the energy market on the normalization of settlements aggravated the struggle between Rosseti and suppliers of last resort, says the newspaper

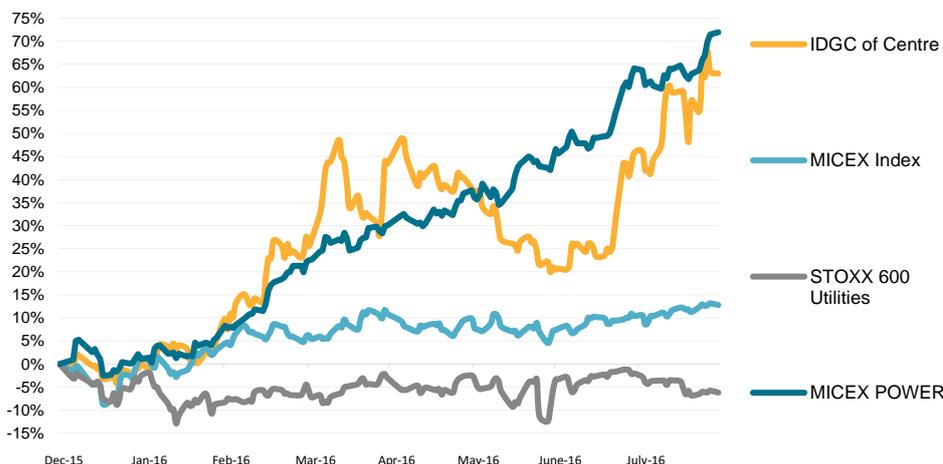
Read full text: <http://www.bigpowernews.ru/markets/document72315.phtml>

COMPANY NEWS

Kurskenergo improves work with customers

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/56845/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 986,72	-0,33%	12,79%
S&P 500	2 180,38	0,52%	6,68%
FTSE 100	6 838,05	0,00%	9,54%
DAX	10 544,44	-0,41%	-1,85%
DJStoxx 600	343,20	-0,15%	-6,18%
STOXX Utilities	287,18	-0,45%	-6,19%
Nikkei	16 737,49	2,30%	-12,06%
Sensex	27 902,66	0,43%	6,83%
CSI300	3 307,78	0,02%	-11,34%
Bovespa	58 610,39	1,55%	35,20%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,20%	-8,07%
USD/RUB	64,74	-0,32%	-11,18%
Euro/RUB	73,09	-0,17%	-8,29%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 323,38	0,17%	24,72%
Brent*, USD/bbl	49,26	-1,32%	14,16%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3180
Capitalisation**, billion RUB	13,43
Capitalisation**, million USD	207,38

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,27%	71,96%
Shares of IDGC of Centre**	-0,31%	62,99%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	2,32%	106,42%
FGC UES	2,48%	190,02%
IDGC of Volga	0,86%	140,62%
MOESK	-3,02%	24,27%
IDGC of Northern Caucasus	-2,33%	34,40%
IDGC of Centre and Volga Reg	-1,32%	54,46%
IDGC of North-West	3,29%	94,53%
IDGC of Urals	1,47%	81,58%
IDGC of Siberia	0,94%	32,17%
IDGC of South	-2,00%	57,05%
Lenenergo	3,40%	139,30%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC.RX
MRKC.MM