

DAILY MARKET REVIEW

20 May, Friday



2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 19 May some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 changed slightly and mixed, on Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost about one percent. The negative background for the markets was the information published on May 18 of the Minutes of the April meeting of the Fed. The Minutes of members of the Federal Open Market Committee noted that the increase in the base rate at the June meeting would be appropriate, if the macro-economic statistical data point to the acceleration of US economic growth in the second quarter, while noting the preservation of downside risks in the global economy. After the publication of the Minutes the likelihood of the Fed raising the base rate at the next meeting on June 14-15, according to market participants, is estimated at 32%, while on Monday it did not exceed 4%. Against this background, the US dollar against major currencies rose to a maximum of seven weeks, which, in turn, led to a decline in commodity prices, including oil and metals. July Brent futures traded near the mark of \$48.2 per barrel, or \$1.4 less than the closing level on 18 May. Additional pressure on the oil quotes was provided by the US Department of Energy data about unexpected increase in inventories by 1.3 million barrels.

The Russian market during the trading decreased in response to the negative external environment and continued correction of oil prices, the additional pressure on our market was given by a decline in European indices. In the second half of the day sales in the market increased amid falling futures for US indices after the publication of statistics from the US, which recorded the maximum rate of decline in the number of applications for unemployment benefits since February this year. The positive statistical data increase participants' expectations regarding an earlier hike in interest rates, which has a negative impact on the stock market. Against this background the loss of the European Stoxx Europe 600 Index was up to 4%, trading in the US begun almost with a percent minus, the MICEX Index closed at the daily lows, having lost 1.3%.

During the day the dynamics of the MicexPWR Sector Index looked better than the MICEX Index mainly due to growth in shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Head of "Rosseti" Oleg Budargin paid a working visit to the Tver region

Director General of PJSC "Rosseti" Oleg Budargin paid a working visit to the Tver region. During the visit the head of "Rosseti" took part in a meeting on long-term development of electric grid facilities of the region under the chairmanship of Acting Tver Region Governor Igor Rudenya. General Director of IDGC of Centre Oleg Isaev and CEO of JSC "Concern Rosenergoatom" Andrey Petrov also took part in the meeting.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=26713

COMPANY NEWS

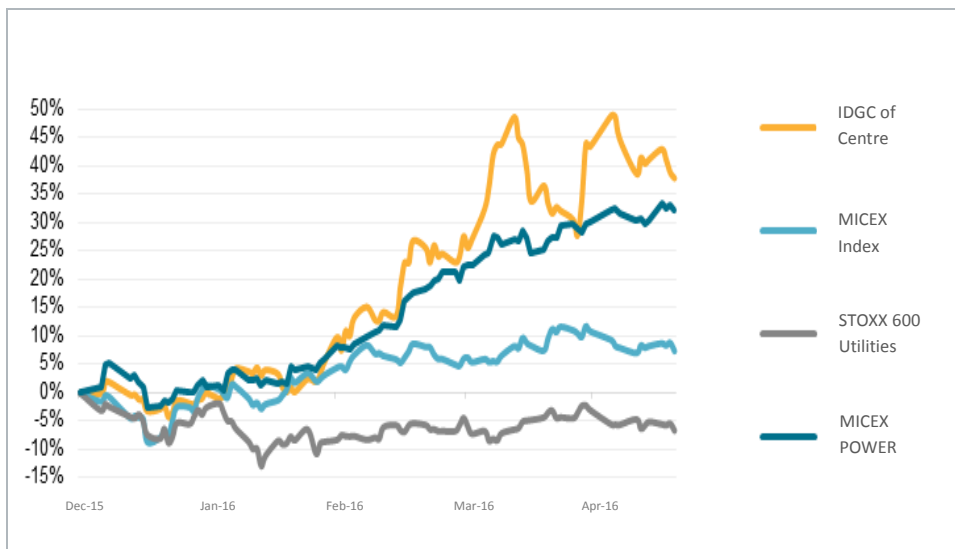
With the support of IDGC of Centre the qualifying stage of the Engineering Championship Case-In passed in Belgorod

Read full text: <http://www.mrsk-1.ru/press-center/news/company/53243/>

Voronezhenergo reduces losses in grids

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/53246/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 891,52	-1,34%	7,39%
S&P 500	2 040,04	-0,37%	-0,19%
FTSE 100	6 053,35	-1,82%	-3,03%
DAX	9 795,89	-1,48%	-8,82%
DJStoxx 600	333,91	-1,09%	-8,72%
STOXX Utilities	285,79	-1,32%	-6,64%
Nikkei	16 646,66	0,01%	-12,54%
Sensex	25 399,72	-1,19%	-2,75%
CSI300	3 062,50	-0,18%	-17,92%
Bovespa	50 132,53	-0,85%	15,65%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,65%	-7,81%
USD/RUB	65,06	0,85%	-10,73%
Euro/RUB	73,31	0,28%	-8,02%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 254,75	-0,30%	18,25%
Brent*, USD/bbl	48,81	-0,25%	18,85%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2690
Capitalisation**, billion RUB	11,36
Capitalisation**, million USD	174,55

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,71%	32,12%
Shares of IDGC of Centre**	-0,74%	37,88%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-2,95%	27,14%
FGC UES	-2,16%	82,00%
IDGC of Volga	0,69%	50,39%
MOESK	-0,19%	37,20%
IDGC of Northern Caucasus	-2,30%	18,80%
IDGC of Centre and Volga Reg	-0,99%	27,71%
IDGC of North-West	-0,22%	66,79%
IDGC of Urals	0,40%	32,11%
IDGC of Siberia	-0,18%	16,39%
IDGC of South	-1,26%	25,32%
Lenenergo	1,22%	26,64%

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