

DAILY MARKET REVIEW

28 June, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday some moderately negative external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 lost 3.4-3.6%, showing the most significant decline in ten months on the information that UK residents voted in favour of the country's exit from the European Union. At the same time, on Monday the composite Asia-Pacific region index MSCI Asia Pacific added about a percent, recovering from Friday's collapse. At the same time, investors ignored the fall of the Chinese yuan against the US dollar to the lowest level since 2010, after the decline of the reference rate of the national currency of the Central Bank of China by 0.9%, which became the most significant since the beginning of the devaluation of the yuan in August 2015. The Japanese Nikkei was the leader in the Asian session, whose growth exceeded 2% on expectations that the Bank of Japan would be forced to expand the asset purchase program to curb the strengthening of the yen. August Brent traded near the mark of \$48.7 per barrel, at the close on Friday, June 24th. According to most experts, writes Bloomberg, a decrease in commodity prices under the Brexit pressure is unlikely to be long-term. In particular, according to IEA forecasts, oil consumption, the main product in the world market, will not change much as a result of Brexit. Earlier in June, reminds Bloomberg, the IEA stated that the excess of oil on the world market will be over soon, and therefore oil prices will balance again.

Stock markets are still pressured by the unexpected outcome of the UK referendum – in the afternoon the MICEX Index lost 1.5%, the Stoxx Europe 600 Index fall reached 4%. At the trading session end the decline of the Russian and European markets accelerated after the start of trading in the US with a 1.5% fall of the major indices.

During the trading session the MicexPWR Sector Index looked significantly better than the market mainly due to strong growth of shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The Government adjusted investments in energy infrastructure to the 2018 World Championship at 14%

The Government adjusted the budget investments, which are provided to "Rosseti" in the construction of energy infrastructure to the World Cup in 2018. The corresponding resolution was posted on the legal information portal.

Read full text: <https://rns.online/sports-economy/Pravitelstvo-na-14-skorrektirovalo-investitsii-v-infrastrukturu-energognabzheniya-k-CHM-2018-2016-06-27/>

COMPANY NEWS

IDGC of Centre increases the efficiency of management of problem receivables

IDGC of Centre continues its system work to collect receivables for electricity and services in its transmission. For the company this issue is extremely relevant: at the beginning of June the size of consumer debt to it reached 24.2 billion rubles, 76% of this amount (18.3 billion rubles) - overdue debts. Meanwhile, IDGC of Centre directs consumers' payments primarily towards financing the core production activities, which is especially important due to the reduction in recent years due to the crisis of investment sources.

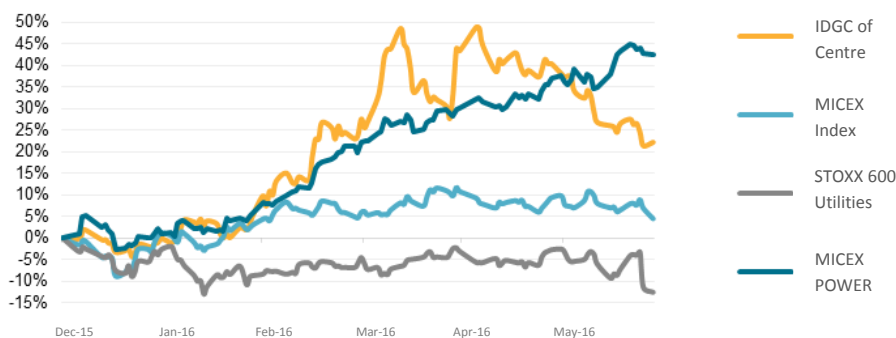
Read full text: <https://www.mrsk-1.ru/press-center/news/company/54041/>

Tambovenergo performs activities of its repair program ahead of schedule

IDGC of Centre - Tambovenergo division summed up the implementation of the repair program for five months in 2016. All scheduled for this period by the document activities were performed, on a number of indicators the work was carried out ahead of schedule.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/54040/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 841,73	-2,26%	4,56%
S&P 500	2 000,54	-1,81%	-2,12%
FTSE 100	5 982,20	-2,55%	-4,17%
DAX	9 268,66	-3,02%	-13,72%
DJStoxx 600	308,75	-4,11%	-15,60%
STOXX Utilities	267,91	-1,36%	-12,48%
Nikkei	15 309,21	2,39%	-19,57%
Sensex	26 402,96	0,02%	1,09%
CSI300	3 120,54	1,41%	-16,36%
Bovespa	49 245,53	-1,72%	13,60%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,10	-0,71%	-9,20%
USD/RUB	65,53	1,88%	-10,09%
Euro/RUB	72,66	-0,33%	-8,83%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 324,60	0,67%	24,83%
Brent*, USD/bbl	47,16	-2,58%	12,80%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2385
Capitalisation**, billion RUB	10,07
Capitalisation**, million USD	153,66

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,23%	42,52%
Shares of IDGC of Centre**	0,63%	22,25%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	0,50%	31,66%
FGC UES	5,48%	154,21%
IDGC of Volga	-4,07%	45,24%
MOESK	-2,00%	17,33%
IDGC of Northern Caucasus	-1,06%	12,40%
IDGC of Centre and Volga Reg	-2,35%	19,27%
IDGC of North-West	-0,92%	56,57%
IDGC of Urals	0,40%	30,53%
IDGC of Siberia	-2,67%	-2,87%
IDGC of South	-0,28%	16,03%
Lenenergo	-0,53%	22,93%

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