



IDGC OF CENTRE

DAILY MARKET REVIEW

03 March, Thursday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 02 March some positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 2.1-2.4% on good statistics on business activity in the US industry in February – the rise of the ISM Manufacturing Index exceeded forecasts, the indicator value was the highest since September 2015. On Wednesday the composite Asia-Pacific region index MSCI Asia Pacific added more than 2.5%. The driver of the Asian markets rise was the Japanese and Chinese markets – the Nikkei index and the CSI300 index jumped by 4.1%. Additionally the Japanese market was supported with the yen weakening, the Chinese market grew in anticipation of further government measures to stimulate the economy. In China, the media remind, on 05 March the annual session of the National People's Congress begins, during which a new economic plan for the next five years will be signed. April Brent futures traded near the mark of \$36.9 per barrel, or \$0.7 higher than the closing level on 01 March. At the end of trading on Tuesday Brent price rose to around \$37.3 per barrel, but the publication of the American Petroleum Institute (API) statistics made investors be cautious – according to the API, US crude stocks last week rose by 9.9 million barrels, several times exceeding analysts' forecasts. According to experts, the huge oil reserves are the next threat to oil quotations after the problem of overproduction will be possibly resolved. According to IEA projections, since the end of 2014 and until the end of this year, world oil reserves may jump by about 1.1 billion barrels, and it can take years to consume them.

On Wednesday the mood of Russian investors was determined by the dynamics of oil prices. After a half-point increase at the start of the day profit-taking began in our market after the cost of Brent reduced to around \$36.4 per barrel – in the second half of the day the MICEX Index loss came close to a percent. At the same time European markets showed mostly moderately positive dynamics. As reported by Bloomberg, investors believe that the sale at the start of the year has passed, and Central Banks of different countries are willing and able to maintain the growth rate of the world economy. In particular, according to analysts of Goldman Sachs, the European Central Bank at a meeting on 10 March may increase the amount of the monthly redemption of securities under the program of quantitative easing (QE) by €10 billion. At the end of the day the market was pressured with a drop in oil prices to around \$36 per barrel after the publication of the US Department of Energy data, which recorded the maximum since April 2015 increase in oil reserves – by 10.4 million barrels.

During the trading session the MicexPWR Sector Index overperformed mainly due to growth in stocks of Rosseti and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

The Government allowed the regions to make their own decisions on the application of social norms on electric energy

The Governmental Resolution of February 29, 2016 №151 approved the right of regions to make their own decisions on the application of social norm of electricity consumption.

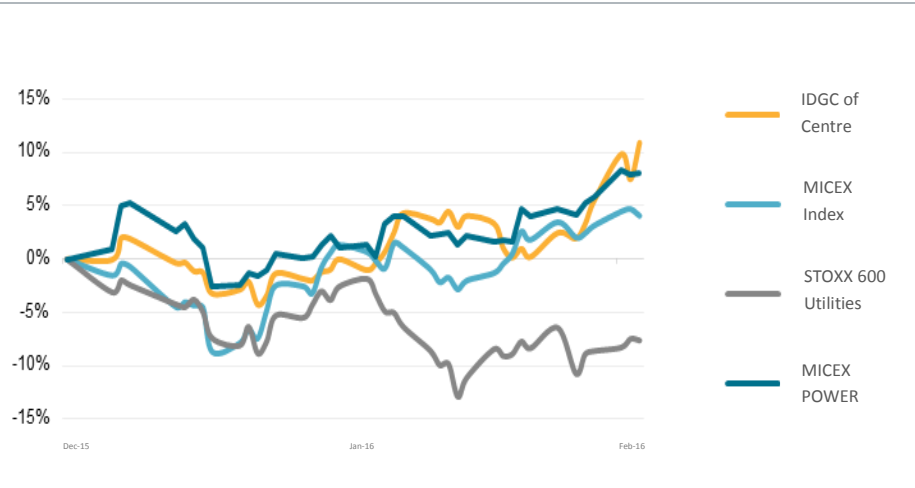
Read full text: <http://www.bigpowernews.ru/markets/document69097.phtml>

COMPANY NEWS

IDGC of Centre approved the repair program for 2016

Read full text: <http://www.mrsk-1.ru/press-center/news/company/51410/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 832,84	-0,61%	4,06%
S&P 500	1 986,45	0,41%	-2,81%
FTSE 100	6 147,06	-0,09%	-1,53%
DAX	9 776,62	0,61%	-9,00%
DJStoxx 600	340,97	0,66%	-6,79%
STOXX Utilities	282,82	-0,16%	-7,61%
Nikkei	16 746,55	4,11%	-12,02%
Sensex	24 242,98	1,95%	-7,18%
CSI300	3 051,33	4,12%	-18,22%
Bovespa	44 893,48	1,75%	3,56%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,09	-0,05%	-10,73%
USD/RUB	74,05	-2,43%	1,61%
Euro/RUB	80,53	-3,09%	1,05%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 239,98	0,64%	16,86%
Brent*, USD/bbl	36,93	0,33%	-6,27%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2164
Capitalisation**, billion RUB	9,14
Capitalisation**, million USD	123,37

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	0,15%	8,02%
Shares of IDGC of Centre**	3,20%	10,92%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	1,61%	14,26%
FGC UES	-1,31%	12,68%
IDGC of Volga	6,22%	22,88%
MOESK	0,64%	5,07%
IDGC of Northern Caucasus	-0,40%	-1,60%
IDGC of Centre and Volga Reg	1,64%	-1,59%
IDGC of North-West	2,74%	36,86%
IDGC of Urals	10,00%	10,00%
IDGC of Siberia	1,19%	4,51%
IDGC of South	2,82%	16,99%
Lenenergo	2,84%	2,62%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

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