



IDGC OF CENTRE

DAILY MARKET REVIEW

04 April, Monday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 01 April some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 lost 0.2% within the consolidation in anticipation of statistics on the US labour market in March and the beginning of the reporting season for the first quarter. As noted by Bloomberg, analysts are quite pessimistic about the financial results of the period – experts predict a fall in profits by 9.3% for companies whose shares are included in the calculation of the S&P 500. On Friday the composite Asia-Pacific region index MSCI Asia Pacific lost more than 2% after the fall of the Japanese Nikkei 225 by 3.5%. The quotes of Japanese stocks are still pressured with the strengthening of the yen and the falling Tankan index, an indicator of confidence of large companies of the processing industry, in the first quarter to the lowest level since June 2013. Only the Chinese CSI 300 of the main regional indices traded in a small plus, which was supported with good statistics on business activity in the industry – the official PMI rose above the threshold level of 50 points for the first time since August 2015. June Brent futures traded near the mark of \$40.2 per barrel, or \$0.4 less than the level of our closing on 31 March. A negative factor for the oil quotations was the information about the growth of oil production by OPEC countries in March.

During the day the Russian and European markets were dominated by sellers – in the second half of the trading session the losses of the MICEX index and the Stoxx Europe 600 Index reached 2%. Negative sentiment of investors was due to the fall in oil prices, the growth of investors' anxiety about the economy of the Eurozone and increasing expectations of a rate hike by the Fed. June Brent futures fell below \$39 a barrel on the background of a statement by Saudi Arabia that the country will go to freeze production only if other major producers, including Iran, join the decision. Despite the growth in March of the manufacturing PMI in the Eurozone, analysts drew attention to the maximum since the end of 2009 fall in producer prices, reflecting the intensification of deflationary pressure on the economy of the region. In the US in March data on the dynamics of new jobs and average hourly wages were better than expected – after the publication of these statistics, says Bloomberg, investors again believe in the possibility of an early rate hike by the Fed. At the end of the trading session the Russian and European markets were able to play most of the losses back after the release of the turned out better than expected statistics from the US on manufacturing activity – in March the ISM Manufacturing Index for the first time since October 2015 exceeded 50 points, and the index of consumer confidence in March.

At the end of the trading session the MicexPWR Sector Index outperformed, having closed the day with a slight increase mainly due to the growth of shares of FGC UES and Irkutskenergo.

ELECTRIC POWER INDUSTRY NEWS

Presidential power line

Rigid internal conflict in Russia's electric grid industry will have to be addressed by President: According to "Kommersant", the state-controlled "Rosseti" and its subsidiary Federal Grid Company (FGC) will present Vladimir Putin with opposite concepts of the sector reform. "Rosseti" insists on full consolidation of subsidiaries and strengthening of control over FGC and major state projects in the transmission grid. FGC offers to deprive the parent holding company of most assets through the privatization of regional grids, and it in return for independence is ready to deal with problems of the Far East.

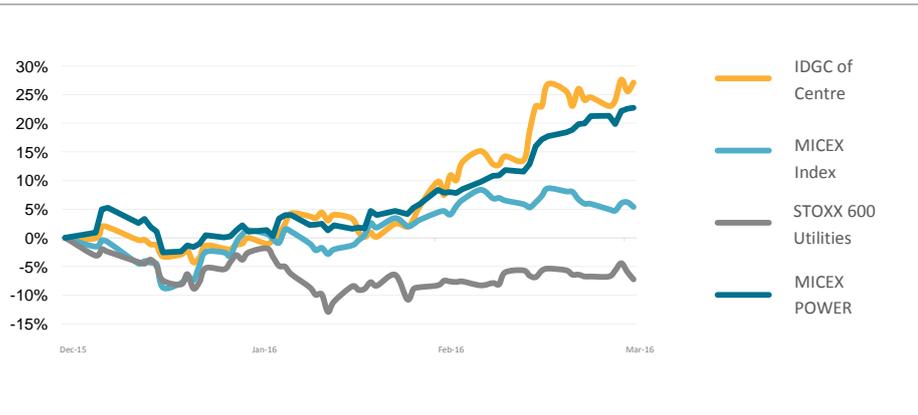
Read full text: <http://www.kommersant.ru/doc/2955115>

COMPANY NEWS

Kostroma power engineers of IDGC of Centre hold energy efficiency lessons

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/52561/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 856,77	-0,77%	5,42%
S&P 500	2 072,78	0,63%	1,41%
FTSE 100	6 146,05	-0,47%	-1,54%
DAX	9 794,64	-1,71%	-8,83%
DJStoxx 600	333,15	-1,30%	-8,93%
STOXX Utilities	283,95	-1,37%	-7,25%
Nikkei	16 164,16	-3,55%	-15,08%
Sensex	25 269,64	-0,28%	-3,25%
CSI300	3 221,90	0,12%	-13,65%
Bovespa	50 561,53	1,01%	16,64%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,14	0,09%	-6,30%
USD/RUB	67,86	0,37%	-6,90%
Euro/RUB	76,92	0,50%	-3,48%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 222,60	-0,82%	15,22%
Brent*, USD/bbl	38,67	-4,12%	-3,95%

* - June futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2480
Capitalisation**, billion RUB	10,47
Capitalisation**, million USD	154,30

Source: Central Bank of Russia, Company calculations

Russian indexes	Value	Change for the day	Change fr 31.12.15
MICEX-Power Index	0,14%	0,14%	22,67%
Shares of IDGC of Centre**	1,22%	1,22%	27,11%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
Rosseti	-0,69%	24,89%
FGC UES	2,66%	42,76%
IDGC of Volga	-1,36%	30,59%
MOESK	0,00%	7,73%
IDGC of Northern Caucasus	1,85%	10,00%
IDGC of Centre and Volga Reg	1,15%	-2,07%
IDGC of North-West	-3,10%	48,54%
IDGC of Urals	-1,30%	19,47%
IDGC of Siberia	1,96%	6,56%
IDGC of South	-3,70%	41,67%
Lenenergo	-1,27%	35,59%

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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