

DAILY MARKET REVIEW

10 June, Friday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 09 June some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with the growth of 0.3-0.4% following the increase in oil prices. The S&P500 index stopped at half a percent from the historical record, registered in May last year. On Thursday the country stock indices of the Asia-Pacific region and futures for US indices traded in negative territory, China's markets were closed due to holidays. As MarketWatch noted, investors refrained from active operations in the markets in anticipation of important events, including the Fed meeting (14-15 June) and the UK referendum on membership in the European Union (23 June). Against this backdrop, good statistics from China did not make an impression on the market participants – inflation in May slowed to the lowest level since January, the pace of the fall in producer prices was the slowest since the end of 2014. According to analysts, the weakening of inflation allows the authorities of the PRC to maintain a soft monetary policy and the slowing rate of decline in producer prices indicates a stabilization of this index, falling continuously for more than four years already. August Brent futures traded near the mark of \$52.8 per barrel, or \$0.5 higher than the closing level on 08 June. The oil prices are supported, writes Bloomberg, by signals of a fundamental change in the balance of supply and demand – US crude oil inventories fell 3.2 million barrels, oil supply disruptions continue in Canada and Nigeria. At the same time, according to the US Department of Energy, oil production in the country has ceased to decrease – according to experts, this may be a sign of willingness of some shale producers to ramp up production at the current level of prices.

Sales continued in the Russian and European markets – in the middle of the trading session the loss of the MICEX Index and the Stoxx Europe 600 Index was about a percent. The markets were pressured by a decline in oil prices, including related to the strengthening of the dollar, and negative dynamics of futures for US indices, which provoked fears of correction in the US stock market. Released better than expected US statistics on applications for unemployment benefits had no significant support to investors.

During the trading session the MicexPWR Sector Index underperformed mainly due to continued fall in shares of FGC UES, which on the daily lows lost more than 7%.

ELECTRIC POWER INDUSTRY NEWS

Price games of generators broken

"NP Market Council" (energy market regulator) and "System Operator of UES" (the SO, energy system operator) think about how to get generators to claim reasonable prices at technological capacity auction. Now the SO is the first to choose the right generation for the grid, and then companies negotiate on the spot electricity market. But energy companies may start price games: for example, they can specify zero or extremely high prices, so that their station is guaranteed to be selected, or, on the contrary, not to participate in the market. To avoid fluctuations, the SO proposed to carry out the technological auction and market trades in one day tendering a single price bid.

Read full text: <http://www.kommersant.ru/doc/3008204>

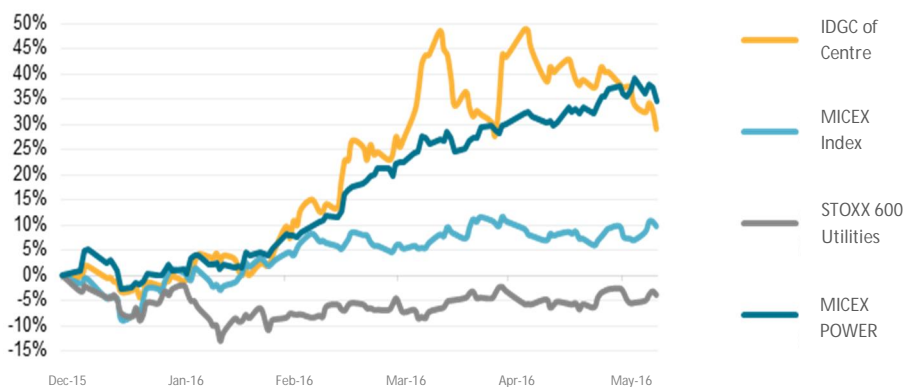
COMPANY NEWS

Smolenskenergo invested in the development of grids 260 mln RUB in 1Q of the current year

IDGC of Centre - Smolenskenergo division fully complied with the plan of the 1st quarter 2016 under the investment program. Capital investments amounted to about 260.716 mln RUB.

Read full text: <http://energycluster.ru/PressReleaseenergycluster/PressReleaseShow.asp?ID=605012>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 934,92	-0,85%	9,85%
S&P 500	2 115,48	-0,17%	3,50%
FTSE 100	6 231,89	-1,10%	-0,17%
DAX	10 088,87	-1,25%	-6,09%
DJStoxx 600	341,25	-0,96%	-6,71%
STOXX Utilities	294,65	-0,71%	-3,75%
Nikkei	16 668,41	-0,97%	-12,43%
Sensex	26 763,46	-0,95%	2,47%
CSI300	3 163,99	0,00%	-15,20%
Bovespa	51 118,46	-0,99%	17,92%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,13	-0,70%	-6,89%
USD/RUB	64,68	-0,81%	-11,26%
Euro/RUB	73,55	-0,76%	-7,71%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 269,80	0,55%	19,67%
Brent*, USD/bbl	51,95	-1,07%	24,25%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2520
Capitalisation**, billion RUB	10,64
Capitalisation**, million USD	164,49

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-2,02%	34,51%
Shares of IDGC of Centre**	-2,89%	29,16%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-1,64%	28,10%
FGC UES	-5,24%	104,16%
IDGC of Volga	-1,63%	39,59%
MOESK	-0,87%	37,47%
IDGC of Northern Caucasus	-0,35%	14,00%
IDGC of Centre and Volga Reg	-1,32%	30,57%
IDGC of North-West	0,23%	60,22%
IDGC of Urals	-0,40%	31,05%
IDGC of Siberia	-2,90%	3,07%
IDGC of South	2,36%	25,32%
Lenenergo	-1,04%	24,45%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
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MRKC
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