



IDGC OF CENTRE

DAILY MARKET REVIEW

21 March, Monday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 18 March some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.7-0.9%, with the DJIA having played back all losses since the beginning of the year. On Friday the composite index MSCI AC Asia excluding Japan added more than a percent. Japan's Nikkei lost 1.2% on the strengthening of the yen to the highest level since October 2014. The main driver of the market dynamics was the results of the Fed meeting, which presented more cautious forecasts of the Central Bank management on activities to tighten monetary policy. According to these forecasts, now only two rate increases are expected to 0.9% at the end of the year instead of the expected four hikes in December to 1.4% in 2016. May Brent futures traded near the mark of \$41.5 per barrel, slightly higher than the closing level on 17 March. Oil prices continue rising on expectations of a meeting of oil-producing countries in Qatar on 17 April, oil production cut in the US to the level of November 2014, and the weakening of the dollar.

Rising oil prices, which in the second half of the day exceeded \$42 per barrel, defined positive mood of Russian investors on Friday – on the daily highs MICEX Index rise exceeded 1.5%. The Central Bank of Russia decision to keep its key interest rate at the level of 11% due to the persistence of high inflation risks was expected by the market, and did not have a significant impact on the dynamics of trading. As noted by Interfax, the "hawkish rhetoric" of the January statement that the Central Bank did in a sharp drop in oil prices, softened somewhat, although it remained fairly tight. "In order to achieve the inflation target the Bank of Russia may make a moderately tight monetary policy for a longer period of time than previously estimated," said in its statement the Central Bank. The limiting factor for our market was uncertain dynamics of European markets – the Stoxx Europe 600 Index traded near zero. The Fed's forecast for the deterioration of the US economy and the revision of the forecast of a rise in interest rates this year increased experts' concerns about the prospects for the global economy, Bloomberg commented on the mood of European investors. However, the MICEX Index was able to complete trades with more than a percent increase against the background of Brent price consolidating at \$42 per barrel and the start of trading in the US with a half-point rise in the main indices, despite worse than expected statistics on the consumer confidence index in March.

At the end of the trading session the MicexPWR Sector Index underperformed mainly due to active sales in shares of Inter RAO, OGC-2 and RusHydro. At the same time, the decline of these securities was largely offset by a 7% growth of shares of E.ON Russia, which played back the information on dividends of 80% of net profit under RAS.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy in the coming weeks to bring a draft energy strategy of Russia until 2035 to the discussion of the Governmental Commission of Fuel and Energy Industry

Read full text: <http://www.bigpowernews.ru/news/document69362.phtml>

COMPANY NEWS

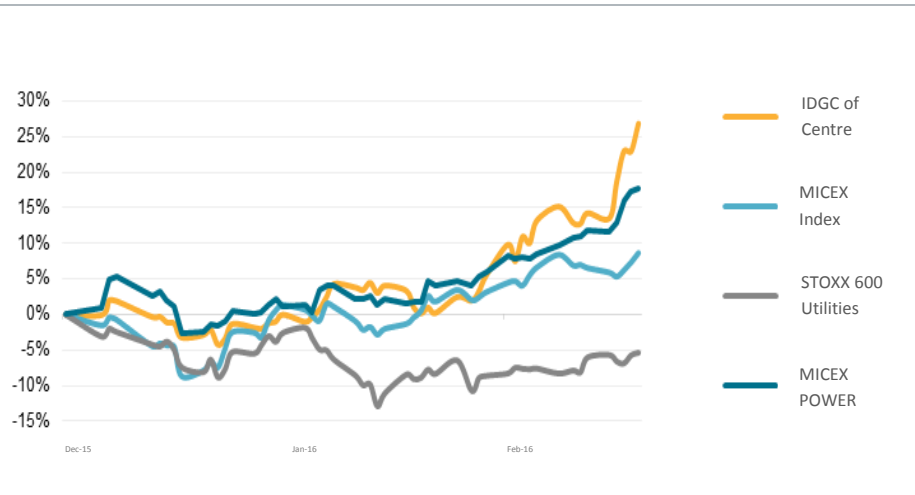
Voronezhenergo summed up the work on labour protection in 2015

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/52439/>

In 2015 Smolenskenergo connected 18 blocks of flats to its grid

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/52435/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 914,02	1,23%	8,67%
S&P 500	2 049,58	0,44%	0,28%
FTSE 100	6 189,64	-0,19%	-0,84%
DAX	9 950,80	0,59%	-7,37%
DJStoxx 600	341,71	0,30%	-6,59%
STOXX Utilities	289,72	0,38%	-5,36%
Nikkei	16 724,81	-1,25%	-12,13%
Sensex	24 952,74	1,12%	-4,46%
CSI300	3 171,96	1,53%	-14,98%
Bovespa	50 814,66	-0,19%	17,22%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,13	-0,42%	-7,30%
USD/RUB	68,56	-3,47%	-5,93%
Euro/RUB	77,16	-2,03%	-3,19%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 255,40	-0,20%	18,31%
Brent*, USD/bbl	41,20	-0,82%	4,57%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2475
Capitalisation**, billion RUB	10,45
Capitalisation**, million USD	152,41

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	0,47%	17,74%
Shares of IDGC of Centre**	3,17%	26,86%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	-2,83%	23,49%
FGC UES	3,87%	28,79%
IDGC of Volga	2,76%	34,19%
MOESK	-0,98%	8,27%
IDGC of Northern Caucasus	-2,62%	4,00%
IDGC of Centre and Volga Reg	0,17%	-3,34%
IDGC of North-West	-2,51%	56,20%
IDGC of Urals	-2,59%	18,95%
IDGC of Siberia	3,37%	6,97%
IDGC of South	1,38%	41,03%
Lenenergo	0,17%	31,00%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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