

DAILY MARKET REVIEW

22 August, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 19 August some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.1-0.2%, on Friday the composite Asia-Pacific region index MSCI Asia Pacific showed comparable changes. As noted by Bloomberg, positive factors for the global stock markets are rising oil prices and expectations that leading central banks of the world will keep the stimulating monetary policy. October Brent futures traded near the mark of \$51 per barrel, or \$0.3 higher than the closing on 18 August. The oil prices were supported by a reduction of stocks of oil and gasoline in the United States, as well as expectations of market stabilization measures that may be taken at the informal meeting of OPEC in late September. At the same time, experts note, at the end of trading on Thursday oil futures for Brent and WTI showed an increase of more than 20% of the local minima, recorded on 2 August that means the return of a "bullish" trend on oil markets. Against this backdrop, hedge funds and speculators are beginning to close short positions more actively, which provides additional support to oil quotes.

The MICEX Index continues trading sideways without certainty near zero. A positive factor for the Russian market on Friday was the increase in oil prices, on the other hand, the activity of buyers is largely held back by negative sentiment in Europe, where the loss of the European Stoxx 600 Index in the afternoon exceeded one percent. The European markets were pressured, including, by statements of the Fed representatives, who raised expectations of an imminent hike of the base interest rate by the US Federal Reserve. In particular, the president of the Federal Reserve Bank of New York confirmed two days ago the expressed view that the Fed might raise rates already at the September meeting and the head of the Federal Reserve Bank of San Francisco said he would prefer to see an early increase in US interest rates. Following the statements, according to the quotations of futures on the Chicago Stock Exchange, the likelihood of the Fed raising interest rates rose to 53% until the end of 2016.

At the end of the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the MicexPWR growth was made by shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The Russian delegation is taking part in the 46th Session of CIGRE

The delegation of "Rosseti" headed by Director General Oleg Budargin is taking part in the 46th Session of the International Council on Large Electric Systems CIGRE in Paris.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=27857

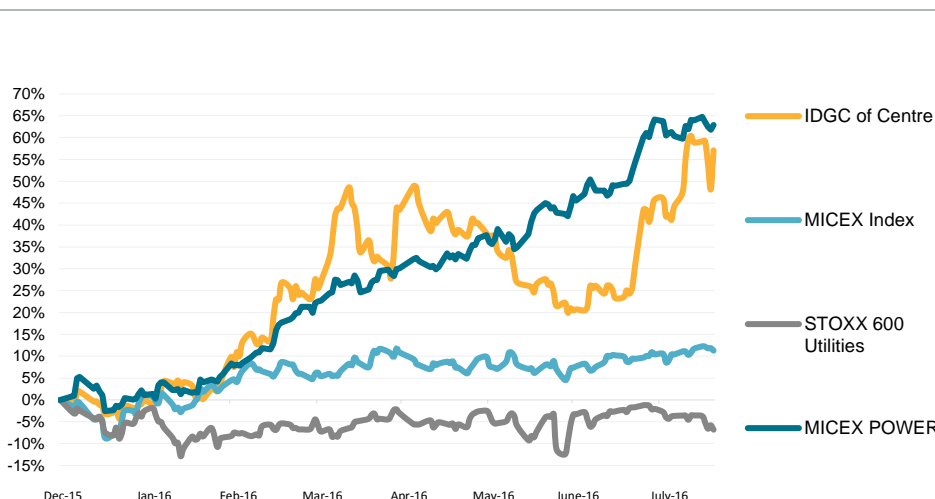
COMPANY NEWS

IDGC of Centre has published its operating results for the 1st half of 2016 under IFRS, profit for the period increased by more than 2 times

IDGC of Centre has published its unaudited interim abbreviated consolidated financial statements for the 1st half of 2016 in accordance with International Financial Reporting Standards (IFRS). IDGC of Centre's revenue for the reporting period amounted to 41,5 bln RUB, including from the provision of electricity transmission services — 40,3 bln RUB, from the provision of electricity grid connection services — 0,6 bln RUB, and other revenue — 0,6 bln RUB. Profit for the period increased by 108,3% and amounted to 2,5 bln RUB.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/56765/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 959,72	-0,53%	11,26%
S&P 500	2 183,87	-0,14%	6,85%
FTSE 100	6 858,95	-0,15%	9,88%
DAX	10 544,36	-0,55%	-1,85%
DJStoxx 600	340,14	-0,81%	-7,02%
STOXX Utilities	285,29	-1,07%	-6,81%
Nikkei	16 545,82	0,36%	-13,07%
Sensex	28 077,00	-0,17%	7,50%
CSI300	3 365,02	0,02%	-9,81%
Bovespa	59 098,92	-0,11%	36,33%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,13	-0,04%	-6,84%
USD/RUB	63,55	-0,70%	-12,81%
Euro/RUB	71,94	-0,20%	-9,74%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 341,47	-0,81%	26,42%
Brent*, USD/bbl	50,88	-0,02%	17,91%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3065
Capitalisation**, billion RUB	12,94
Capitalisation**, million USD	203,62

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,67%	62,88%
Shares of IDGC of Centre**	6,06%	57,10%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	0,44%	97,38%
FGC UES	2,58%	160,12%
IDGC of Volga	3,17%	117,74%
MOESK	0,54%	24,40%
IDGC of Northern Caucasus	1,47%	38,40%
IDGC of Centre and Volga Reg	-0,84%	50,00%
IDGC of North-West	3,74%	82,12%
IDGC of Urals	0,31%	72,63%
IDGC of Siberia	-0,17%	21,11%
IDGC of South	6,19%	53,85%
Lenenergo	-2,35%	117,90%

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