

DAILY MARKET REVIEW

31 August, Wednesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 30 August some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.5-0.6% on good statistics on income and expenditure in July and reduced concerns about raising the Fed rate. According to The Wall Street Journal, on the one hand, the possibility of an early increase in US borrowing costs concerns the overall market less, on the other hand, thanks to this feature the financial sector had the best session for a few weeks – investors expect an improvement in net interest margin. On Tuesday most of the major country indices of the Asia-Pacific region, with the exception of the Japanese Nikkei 225, added within an average of 0.5% after the US market. The Nikkei 225 ended the day lower by 0.1% in the correction after a 2% growth on Monday. The Japanese market was kept from more active sales with statistics – the unemployment rate in July dropped to 3%, the lowest level since 1995. October Brent futures traded at \$49.3 per barrel, at the closing level on 29 August. According to analysts, the main factor in the growth of oil prices in August was active closing of short positions on speculation regarding possible achievement of an agreement by oil producers to freeze production at the September informal meeting of OPEC. With increasing doubts about the feasibility of such an agreement, experts note that this driver is no longer valid, despite the fact that from a fundamental point of view the picture in the oil market has not changed.

For most of the trading session the MICEX Index and the European Stoxx Europe 600 Index were a half-point in positive territory, reacting to the positive closing of US markets on Monday. Released a little worse than expected statistics on the composite index of confidence in the Eurozone and changes of consumer prices in Germany in August did not have a significant impact on investors' sentiment. The MICEX Index in the second half of the trading session updated the historical maximum, stopping one point from the psychological milestone of 2,000 points. At the end of the day profit-taking began in the Russian market – the MICEX Index went into a small minus – the reason for which was the fall of Brent oil prices to around \$48.3 per barrel. In turn, the oil quotations were pressured by strengthening of the US dollar after the publication of strong statistics – the consumer confidence index rose in August to the highest level since September 2015.

At the end of the trading session the MicexPWR Sector Index underperformed mainly due to decrease in shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

PJSC "Rosseti" placed 10-year bonds worth 10 billion rubles

30 August 2016 PJSC "Rosseti" completed placement of exchange-traded bonds of series BO-02 and BO-03 with the total amount on the nominal value of 10 billion rubles with the maturity period of 10 years. The coupon rate was set at 9.15% per annum. The bond issue was placed in favor of Vnesheconombank (VEB).

Read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=27914

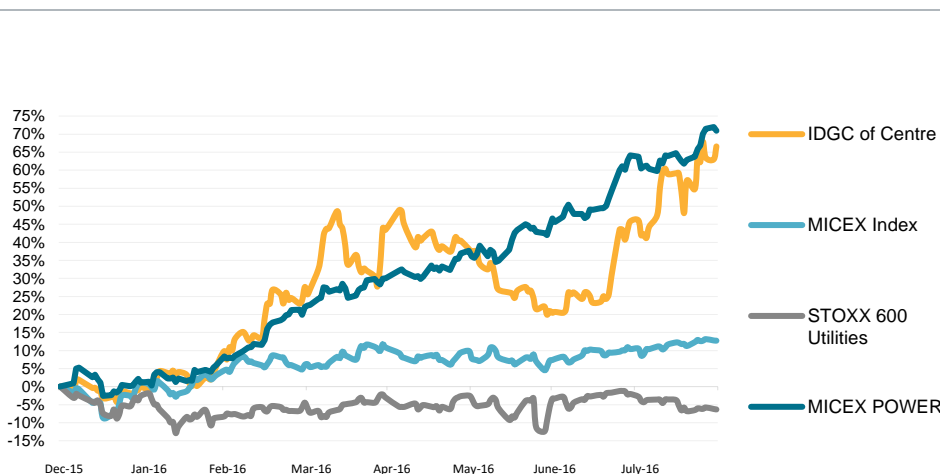
COMPANY NEWS

IDGC of Centre, PJSC successfully placed the issue of exchange-traded bonds series BO-05 worth 5 billion rubles

30 August 2016 IDGC of Centre, PJSC placed exchange-traded bonds series BO-05 with the total nominal value of 5 billion rubles. Bookbuilding was held 24 August 2016 from 10:00 to 12:00.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/56857/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 985,69	-0,05%	12,74%
S&P 500	2 176,12	-0,20%	6,47%
FTSE 100	6 820,79	-0,25%	9,27%
DAX	10 657,64	1,07%	-0,79%
DJStoxx 600	344,75	0,45%	-5,76%
STOXX Utilities	286,76	-0,15%	-6,33%
Nikkei	16 725,36	-0,07%	-12,13%
Sensex	28 343,01	1,58%	8,52%
CSI300	3 311,99	0,13%	-11,23%
Bovespa	58 575,42	-0,06%	35,12%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,22%	-8,28%
USD/RUB	65,08	0,53%	-10,70%
Euro/RUB	72,80	-0,40%	-8,65%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 311,11	-0,93%	23,56%
Brent*, USD/bbl	48,37	-1,81%	12,10%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3250
Capitalisation**, billion RUB	13,72
Capitalisation**, million USD	210,83

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,59%	70,95%
Shares of IDGC of Centre**	2,20%	66,58%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-1,62%	103,08%
FGC UES	-0,93%	187,32%
IDGC of Volga	0,75%	142,42%
MOESK	1,29%	25,87%
IDGC of Northern Caucasus	2,08%	37,20%
IDGC of Centre and Volga Reg	-1,03%	52,87%
IDGC of North-West	-0,56%	93,43%
IDGC of Urals	0,00%	81,58%
IDGC of Siberia	-0,62%	31,35%
IDGC of South	-0,82%	55,77%
Lenenergo	0,09%	139,52%

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