

DAILY MARKET REVIEW

16 May, Monday



2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 13 May some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed mixed with changes in the range of 0.1%. Support of rising oil prices was levelled by selling Apple's stocks, which put pressure on the entire sector of high-tech companies, and weak data on the labour market – the number of applications for unemployment benefits rose to the highest since February 2015. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost more than a percent after the Japanese market – the drop in the Nikkei index, provoked by the strengthening of the yen against the dollar, was 1.4%. In addition, investors reduced investments in risky assets before Saturday's publication of statistics of China on industrial production and retail sales. July Brent futures traded near the mark of \$47.4 per barrel, or \$0.5 higher than the closing level on 12 May. Oil quotes are supported including with the decrease in production in Nigeria – because of militant attacks the oil production fell 600 thousand barrels per day. At the same time, according to media reports, on Thursday one of the militant groups operating in Nigeria put an ultimatum to oil companies – for two weeks to stop production and evacuate workers, or wait for new attacks.

In the first half of the trading session the Russian market was under pressure from the negative sentiment in the western markets and the volatile dynamics of oil prices – on the daily lows the drop of the MICEX Index exceeded a percent. In the second half of the day the MICEX Index was able to play all the losses back and closed slightly up after the turn of the European indices and futures for US indices after the publication of good statistics. In the Eurozone and Germany the GDP growth rates exceeded forecasts in the first quarter. In the United States data on retail sales in April were better than expected – the indicator growth was a record since March 2015 and the consumer confidence index, which in May rose to the levels of a year ago with the maximum rate since 2006.

During the trading session the MicexPWR Sector Index looked somewhat better than the market. The main contribution to the final MicexPWR outperformance compared with the MICEX Index was made by shares of Inter RAO and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

Power companies, whose old stations were included in the long-term competitive capacity auction, asking to cancel the penalties for non-delivery, said the newspaper

Fines prevent owners to close unnecessary stations - including after major failures, while there is serious capacity surplus observed in the market. But consumers, acting beneficiaries of fines, are not willing to just abandon them.

Read full text: <http://www.bigpowernews.ru/markets/document70536.phtml>

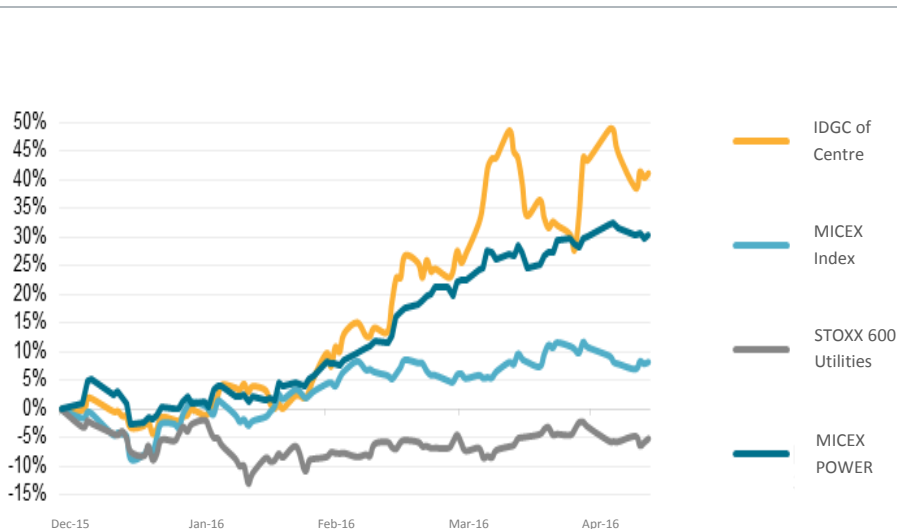
COMPANY NEWS

Orel power engineers insisted on the arrest of accounts of "Oboronenergosbyt"

The Arbitration Court of the Orel region examined and granted the application of IDGC of Centre - Orelenergo division for interim measures. It determined to seize the funds, including those that will come to the bank account of JSC "Oboronenergosbyt". The sum of the requirements is 720.6 thousand rubles. It is payable under a contract for services on electric power transmission for March 2016 and penalties for late payment.

Read full text: http://newsorel.ru/fn_28931.html

ДИНАМИКА КЛЮЧЕВЫХ ИНДЕКСОВ И АКЦИЙ КОМПАНИИ



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 907,19	0,28%	8,28%
S&P 500	2 046,61	-0,85%	0,13%
FTSE 100	6 138,50	0,56%	-1,66%
DAX	9 952,90	0,92%	-7,35%
DJStoxx 600	334,68	0,47%	-8,51%
STOXX Utilities	290,52	0,70%	-5,10%
Nikkei	16 412,21	-1,41%	-13,77%
Sensex	25 489,57	-1,17%	-2,40%
CSI300	3 074,94	-0,49%	-17,58%
Bovespa	51 804,31	-2,70%	19,50%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,13	-0,68%	-6,98%
USD/RUB	64,96	-1,94%	-10,87%
Euro/RUB	74,11	-1,77%	-7,01%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 273,45	0,77%	20,01%
Brent*, USD/bbl	47,83	-0,52%	16,46%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2755
Capitalisation**, billion RUB	11,63
Capitalisation**, million USD	179,05

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,46%	30,46%
Shares of IDGC of Centre**	0,55%	41,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	0,00%	31,66%
FGC UES	0,03%	85,19%
IDGC of Volga	-2,51%	49,87%
MOESK	-0,10%	36,13%
IDGC of Northern Caucasus	0,32%	26,40%
IDGC of Centre and Volga Reg	1,90%	28,18%
IDGC of North-West	-6,60%	70,44%
IDGC of Urals	1,33%	20,53%
IDGC of Siberia	1,82%	14,75%
IDGC of South	-5,58%	30,13%
Lenenergo	-0,34%	28,82%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC RX
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