

DAILY MARKET REVIEW

20 September, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 19 September some neutral external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed lower by 0.4-0.5% on increased concerns about a possible rise in the Fed rate following the statistics, which recorded growth of consumer prices in August above expectations. At the same time, despite the low, according to traders (at 20%), chances to the rate hike in September, a number of experts, including analysts from Goldman Sachs, warned that the market is underestimating the determination of the Federal Reserve, taking into account a number of "hawkish" statements of the US Central Bank leaders made in recent weeks. On Monday the composite Asia-Pacific region index MSCI Asia Pacific, excluding Japan being on holiday, and futures for US indices added about 0.5%. Investors were supported, including, by rising oil prices. November Brent traded near the mark of \$46.5 per barrel, half a dollar higher than Friday's closing on 16 September. A positive factor for the oil market was the news from Libya, which failed to start shipping oil from one of the ports due to the resumption of hostilities, and the statement of the president of Venezuela that oil producers are "close" to a production freeze agreement and may announce it in September.

On Monday the MICEX Index mainly traded in a small plus, within half a percent, in spite of a percent growth of European markets and positive news from S&P. The agency, having affirmed long-term sovereign credit ratings on the Russian Federation at 'BB+', changed the rating outlook from "negative" to "stable". "The outlook revision reflects our view that the external risks have decreased substantially. We expect that the Russian economy and politics will continue adjusting to the conditions of low oil prices, and that the country will maintain a strong net external asset position, and moderate net debt burden in 2016-2019," said the statement. As the media noted, this is the first positive rating action of representatives of the "big three" in the last six years. Activity of buyers in the Russian market was limited by uncertain changes of Brent oil quotations, which in the second half of the day once again tested the level of \$46 per barrel.

During the trading session the MicexPWR Sector Index outperformed mainly due to correction of shares of FGC UES and RusHydro after unmotivated falling on 16 September.

ELECTRIC POWER INDUSTRY NEWS

28.9 gigawatt of spare capacity created in Russia

28.9 gigawatt of spare capacity of generating facilities was created in Russia. Russian Energy Minister Alexander Novak said that, in accordance with the approved plan of priority measures in March of this year, the Ministry of Energy oversees 83 large electric power facilities.

Read full text: <http://www.eprussia.ru/news/base/2016/4356865.htm>

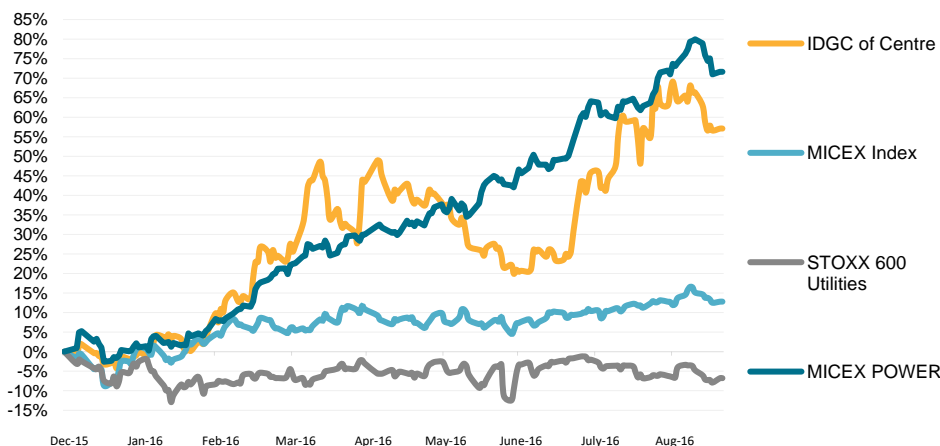
COMPANY NEWS

"Lipetskenergo" participates in the construction of new regional industrial clusters

For electricity supply of Yeletsky section of SEZ "Lipetsk" being under construction power engineers of IDGC of Centre – Lipetskenergo division deployed in the village of New Olshanets in Yeletsky district a 110 kV mobile modular substation of 25 MVA.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/57012/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 986,97	0,25%	12,81%
S&P 500	2 139,12	0,00%	4,66%
FTSE 100	6 813,55	1,54%	9,15%
DAX	10 373,87	0,95%	-3,44%
DJStoxx 600	341,27	1,02%	-6,71%
STOXX Utilities	285,40	1,22%	-6,77%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	28 634,50	0,12%	9,64%
CSI300	3 263,12	0,75%	-12,54%
Bovespa	57 350,38	0,47%	32,30%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,20%	-8,06%
USD/RUB	64,99	-0,34%	-10,82%
Euro/RUB	73,02	-0,26%	-8,38%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 313,19	0,22%	23,76%
Brent*, USD/bbl	45,95	0,39%	4,96%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3065
Capitalisation**, billion RUB	12,94
Capitalisation**, million USD	199,09

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,38%	71,66%
Shares of IDGC of Centre**	0,33%	57,10%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	2,00%	89,98%
FGC UES	3,81%	182,63%
IDGC of Volga	0,13%	100,26%
MOESK	-1,36%	35,47%
IDGC of Northern Caucasus	0,87%	38,80%
IDGC of Centre and Volga Reg	-0,54%	45,38%
IDGC of North-West	1,36%	89,78%
IDGC of Urals	1,71%	56,84%
IDGC of Siberia	0,98%	26,23%
IDGC of South	0,20%	60,26%
Lenenergo	1,71%	120,74%

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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