

DAILY MARKET REVIEW

8 September, Thursday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 07 September some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with the growth of 0.2-0.3%, on Wednesday the composite Asia-Pacific region index MSCI Asia Pacific showed comparable changes. The markets grew at reducing fears of investors about the imminent rise of interest rates by the Fed after publication of weak statistics from the US, where the August index of business activity in the non-manufacturing sector was the lowest since February 2010 and was lower than the most pessimistic forecasts. After the publication of these data, according to futures on the Chicago Stock Exchange, the probability of a rate hike dropped to 24% in September from 32% at the end of the last week, in December – to 52% from 59%. November Brent futures traded near the mark of \$47.5 per barrel, or \$0.6 higher than the closing on 06 September. The oil prices were supported, including, by the weakening of the US dollar on lowering expectations of the rate hike by the US Central Bank.

The MICEX Index continues updating its historical highs, in the first half of the trading session the indicator growth exceeded a percent. In the afternoon, the pace of increase of the MICEX Index fell after the resumption of the negative trend of oil prices – Brent quotations decreased to around \$47 per barrel under pressure of investors' doubt on the ability of oil-producing countries to agree on limitation of production. However, the Russian market was supported by positive sentiment in Europe, where the Stoxx Europe 600 Index added about 0.5%, despite weak statistics: decline in industrial production in Germany and the UK in July was the highest in two years and the year, respectively. The absence of significant investors' reaction to the data was caused by including expectations of the outcome of the ECB meeting to be held today – a number of experts does not exclude the extension of the program to stimulate the Eurozone economy. At the end of the trading session the Russian market was supported by the rise in oil prices to around \$48 per barrel.

During the trading session the MicexPWR Sector Index outperformed mainly due to growth in value of shares of RusHydro and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

MED opposed a draft on the assessment of availability of power facilities for the winter

The Ministry of Economic Development (MED) posted a negative opinion on a draft resolution of the Russian Government on approval of the procedure to assess availability of electricity enterprises for the heating season, according to the agency.

Read full text: <https://ria.ru/economy/20160907/1476350317.html>

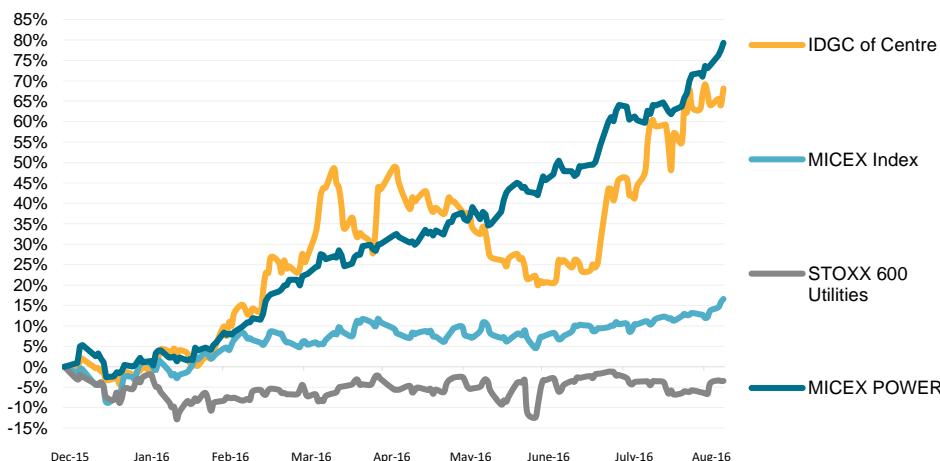
COMPANY NEWS

Orelenergo spent more than a million rubles to improve the reliability of power supply to consumers of Verkhovskiy district

IDGC of Centre – Orelenergo division continues preparing the region's electric grid complex for the autumn-winter operation period. Extensive work was done in settlements of Verkhovskiy district, where more than a million rubles were spent on measures to improve the reliability of power supply of customers.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/56934/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 053,75	0,70%	16,60%
S&P 500	2 186,16	-0,01%	6,96%
FTSE 100	6 846,58	0,30%	9,68%
DAX	10 752,98	0,62%	0,09%
DJStoxx 600	350,46	0,29%	-4,20%
STOXX Utilities	295,48	0,02%	-3,48%
Nikkei	17 012,44	-0,41%	-10,62%
Sensex	28 926,36	-0,18%	10,75%
CSI300	3 340,82	-0,05%	-10,46%
Bovespa	60 129,44	0,00%	38,71%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,08%	-7,61%
USD/RUB	64,83	0,10%	-11,05%
Euro/RUB	72,36	-0,01%	-9,20%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 345,18	-0,36%	26,77%
Brent*, USD/bbl	47,98	1,52%	9,59%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3280
Capitalisation**, billion RUB	13,85
Capitalisation**, million USD	213,59

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,07%	79,30%
Shares of IDGC of Centre**	2,50%	68,12%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,04%	109,17%
FGC UES	0,23%	203,03%
IDGC of Volga	-1,87%	156,30%
MOESK	0,11%	26,27%
IDGC of Northern Caucasus	2,37%	38,40%
IDGC of Centre and Volga Reg	-1,31%	55,89%
IDGC of North-West	-2,49%	85,77%
IDGC of Urals	-0,59%	77,37%
IDGC of Siberia	-3,66%	23,98%
IDGC of South	-1,78%	58,97%
Lenenergo	-1,33%	126,20%

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