



IDGC OF CENTRE

# DAILY MARKET REVIEW

01 February, Monday

2016

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 29 January some positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 gained 0.6-0.8% on rising oil prices and good quarterly reports of several companies. On Friday the rise of the Asia-Pacific region index MSCI Asia Pacific exceeded 1.5%. Additional support for the markets in the Asian session was provided by the information that the Bank of Japan had for the first time implemented negative interest rates on deposit accounts that financial institutions have in the Central Bank. The Bank of Japan explained its decision to reach the inflation target of 2% as soon as possible in the conditions of low oil prices and the desire to stimulate economic growth. As noted by Bloomberg, the regulator expects that the introduction of negative rates will contribute to more active lending by commercial banks, and the victory over deflation will ultimately benefit the entire financial system. The decision of the Bank of Japan triggered a drop in shares of banks and growth of stocks of exporters on the weakened yen, the Nikkei 225 Index after a surge in volatility yet completed trades with the steady growth of 2.8%. March Brent futures traded near the mark of \$34.6 per barrel, or \$0.4 higher than the closing level on 28 January. Oil prices continue rising on the statements of the Minister of Energy of the Russian Federation that Russia and OPEC at the planned meeting in February to discuss the possibility of preparing an agreed reduction in oil production.

The main reference point for the dynamics of the Russian market on Friday was the price of oil. At the beginning of the day the MICEX Index was adding about one percent after the rise of oil prices to around \$34.9 per barrel. The reversal in oil prices from the morning highs became an occasion for profit taking, and the MICEX Index in the second half of the trading session was fixed with a small loss, the loss mostly was not higher than 0.5%. The decision of the Central Bank to maintain the key interest rate at 11% per annum was in line with expectations of analysts and did not have a significant impact on the dynamics of the Russian market. However, the Interfax noted the appearance of the expression "hawkish" rhetoric in the statement of the Central Bank: the regulator for the first time acknowledged the risks to its inflation target at the end of 2017 (4%), and stated the risks to financial stability in the event of prolonged low oil prices, and also warned to tighten the monetary policy in case of higher inflation risks. At the end of the day the mood in the Russian market got improved, the MICEX Index closed with a 0.7% growth. Investors were supported with recovery in oil prices to around \$35 per barrel and rising western markets, in spite of released worse than expected statistics on the dynamics of the US GDP in the IV quarter and the consumer confidence index in January.

During the trading session the MicexPWR Sector Index looked considerably worse than the market. Almost all "heavy" index papers of MicexPWR were under the pressure of active sales, except for shares of E.ON Russia. The main contribution to the resulting decline in the sector indicator was made by shares of Inter RAO UES (-3.6%) and RusHydro (-2.4%).

## ELECTRIC POWER INDUSTRY NEWS

### There will be one of the best centres for testing power line poles in Russia

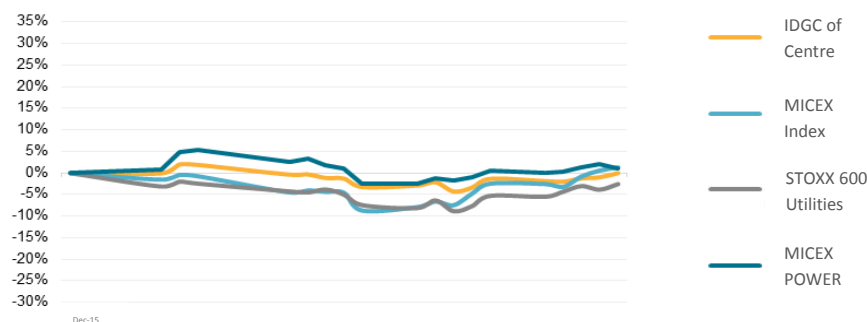
Read full text: <http://www.ensor.ru/actual/news/luchshih-mirovyh-kompleksov-dlya-ispytanij-opor-lep.html>

## COMPANY NEWS

### Tambovergo exceeded the targets for its energy saving program in 2015

Read full text: [http://www.advis.ru/php/view\\_news.php?id=80A8674B-6C24-5247-9ADD-4EC70501ED48](http://www.advis.ru/php/view_news.php?id=80A8674B-6C24-5247-9ADD-4EC70501ED48)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 784,92	0,73%	1,34%
S&P 500	1 940,24	2,48%	-5,07%
FTSE 100	6 083,79	2,56%	-2,54%
DAX	9 798,11	1,64%	-8,80%
DJStoxx 600	342,27	2,20%	-6,44%
STOXX Utilities	298,31	1,32%	-2,55%
Nikkei	17 518,30	2,80%	-7,96%
Sensex	24 870,69	1,64%	-4,77%
CSI300	2 946,09	3,24%	-21,04%
Bovespa	40 405,99	4,60%	-6,79%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,08	-1,04%	-10,91%
USD/RUB	77,37	-2,06%	6,15%
Euro/RUB	84,14	-1,99%	5,57%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 118,21	0,26%	5,38%
Brent*, USD/bbl	35,99	3,42%	-6,59%

\* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1951
Capitalisation**, billion RUB	8,24
Capitalisation**, million USD	106,46

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	-1,09%	1,06%
Shares of IDGC of Centre**	0,98%	0,00%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	-2,55%	-1,68%
FGC UES	-0,76%	-1,52%
IDGC of Volga	0,25%	4,11%
MOESK	0,94%	0,27%
IDGC of Northern Caucasus	1,23%	-1,60%
IDGC of Centre and Volga Reg	0,16%	-0,96%
IDGC of North-West	-1,10%	-1,46%
IDGC of Urals	-1,47%	-0,95%
IDGC of Siberia	-0,22%	-7,99%
IDGC of South	1,59%	2,56%
Lenenergo	-0,67%	-3,49%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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## Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

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