

# DAILY MARKET REVIEW

05 August, Friday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 04 August some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.2-0.3%, on Thursday the composite Asia-Pacific region index MSCI Asia Pacific added more than 0.5%. The markets were supported by a rise in oil prices. October Brent futures traded near the mark of \$43 per barrel, or \$0.3 higher than the closing on 03 August. Oil prices continue rising after the publication on Wednesday of the US Department of Energy data, which recorded in the reporting week reduction of oil production by 55 thousand barrels and a significant decline in oil inventories at Cushing terminal, which houses traded on the NYMEX oil, and gasoline reserves – by 1.2 million and 3.3 million barrels, respectively.

In the first half of the trading session the Russian and European markets rose after the US and Asian markets. In the middle of the day investors were further supported by information to about significant easing by the Bank of England of monetary policy at the end of the 3-4 August meeting. The Central Bank lowered the size of the base interest rate from 0.5%, set in March 2009, to the minimum in its history, 0.25%. The Bank of England also increased its purchase program of government bonds at £60 billion (\$79.8 billion), up to £435 billion, these funds will be spent within 6 months. In addition, the bank may buy corporate bonds in the amount of up to £10 billion in 18 months. As the head of the Central Bank stated, the expansion of stimulus measures, taken by the Bank of England, has been caused by a significant deterioration of the macroeconomic forecasts, after the UK decision to exit the European Union. In particular, the forecast for 2017 was lowered from 2.3% to only 0.8%, for 2018 – from 2.3% to 1.8%. After the publication of the decision of the British Bank the pace of growth of the MICEX Index and the Stoxx Europe 600 Index rose on average a percent. In the afternoon the rise of European markets slowed after an uncertain start of trading in the US, where the market was pressured by weak statistics – the decline in orders for durable goods by 3.6% in June was the most significant since December last year, applications for unemployment benefit increased contrary to expectations. At the same time, the MICEX Index was able to close on the daily highs due to rise in oil prices to around \$43.5 per barrel.

At the end of the trading session the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR underperformance in comparison with the MICEX Index was made by shares of Inter RAO and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

Cabinet set price parameters for long-term competitive capacity auctions for 2016

Russian Prime Minister Dmitry Medvedev signed a resolution on the establishment of power prices, which will be used to determine the demand during the 2016 long-term competitive power auction for supplies from January 1, 2020, the corresponding document was published on the government website.

Read full text: <http://www.bigpowernews.ru/markets/document71874.phtml>

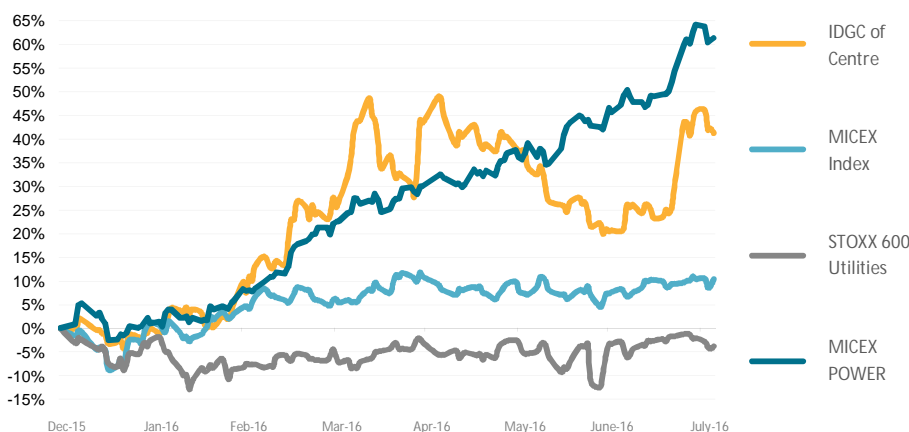
## COMPANY NEWS

Implementation of the repair program of Tambovenergo is on schedule

IDGC of Centre - Tambovenergo division summed up the implementation of the repair program for the first half of 2016. All activities of the program are carried out in full and on time, in some cases, they are ahead of schedule.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/56617/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 944,94	1,34%	10,42%
S&P 500	2 164,25	0,02%	5,89%
FTSE 100	6 740,16	1,59%	7,98%
DAX	10 227,86	0,57%	-4,80%
DJStoxx 600	337,84	0,67%	-7,65%
STOXX Utilities	294,62	0,59%	-3,76%
Nikkei	16 254,89	1,07%	-14,60%
Sensex	27 714,37	0,06%	6,11%
CSI300	3 201,29	0,24%	-14,20%
Bovespa	57 593,89	0,91%	32,86%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	-0,32%	-8,38%
USD/RUB	66,74	-0,21%	-8,43%
Euro/RUB	74,80	-0,14%	-6,15%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 361,15	0,22%	28,28%
Brent*, USD/bbl	44,29	2,76%	2,64%

\* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2755
Capitalisation**, billion RUB	11,63
Capitalisation**, million USD	174,27

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,21%	61,30%
Shares of IDGC of Centre**	-0,72%	41,21%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,82%	87,45%
FGC UES	-0,67%	165,35%
IDGC of Volga	-2,21%	104,37%
MOESK	1,20%	23,87%
IDGC of Northern Caucasus	-1,19%	32,80%
IDGC of Centre and Volga Reg	-4,51%	44,90%
IDGC of North-West	2,09%	78,47%
IDGC of Urals	1,93%	66,84%
IDGC of Siberia	-0,68%	20,08%
IDGC of South	-2,12%	48,08%
Lenenergo	2,02%	87,77%

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](mailto:ir@mrsk-1.ru)

Tickers  
Moscow Exchange (MOEX)  
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MRKC  
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