

DAILY MARKET REVIEW

11 May, Wednesday



2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 10 May some moderately negative external background formed on the Russian market. On Monday the European Stoxx Europe 600 Index was 0.5% up, and the US indices DJIA and S&P500 closed the day mixed with a few changes within 0.2%. As noted by Bloomberg, investors considered the sale of the last two weeks on concerns about the global economic outlook excessive, and the markets attempted to stabilize, despite the weak statistics from China. In China exports fell 1.8% in April in annual terms, imports fell 10.9%. The decline in imports has continued for 18 consecutive months, which, according to analysts, says the weakness of domestic demand in the PRC. On Tuesday the composite stock index of the Asia Pacific region MSCI Asia Pacific added more than 0.5% mainly due to the Japanese securities – the Nikkei Index rose by 2.2%. Japan's stock market was supported by more than a percent weakening of the yen against the dollar on statements of the head of the Ministry of Finance saying that the Government of Japan reserves the right to carry out the foreign exchange market intervention to stabilize the yen in the event of excessive growth. July Brent futures traded at \$44.1 per barrel, or \$1.8 less than the closing level on 06 May. The oil quotes were pressured by the weak data from China and the information that the forest fires in Canada, which led to a drop in raw material extraction, did not cause damage to the oil infrastructure and oil production has begun recovering gradually. The oil prices were kept from greater decrease with a message of Baker Hughes on reduction of the number of active oil and gas rigs in the world in April to the lowest since July 1999.

The Russian market has had for the fifth consecutive trading session active sales, provoked mainly with the oil price volatility. In the middle of the day the loss of the MICEX Index exceeded a percent, in spite of the half-point increase on average of the European Stoxx Europe 600 Index and futures for US indices. At the end of the day the MICEX Index was able to reduce losses after the Brent price rose to around \$45 per barrel. The rising oil prices were due to, including, fears of occurrence of interruptions in the supply of raw material from Nigeria and Libya, and the statement by the representative of the National Iranian Oil Company that Iran is ready to join the plans of freezing oil. According to him, the reason for change of Iran's position is to achieve the desired level of oil production.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR reduction was made by decrease in shares of Inter RAO and Irkutskenergo on Friday's information on the assessment of Irkutskenergo's shares at 19% below the market.

ELECTRIC POWER INDUSTRY NEWS

The forecast of the RF socio-economic development and the tariff ceilings for 17-19

On BigpowerNews the Scenario conditions were published, the basic parameters of the forecast of social and economic development of the Russian Federation and the limiting levels of prices (tariffs) of infrastructure companies for 2017 and the planned period of 2018 and 2019 (May 6, 2016, the RF Ministry of Economic Development).

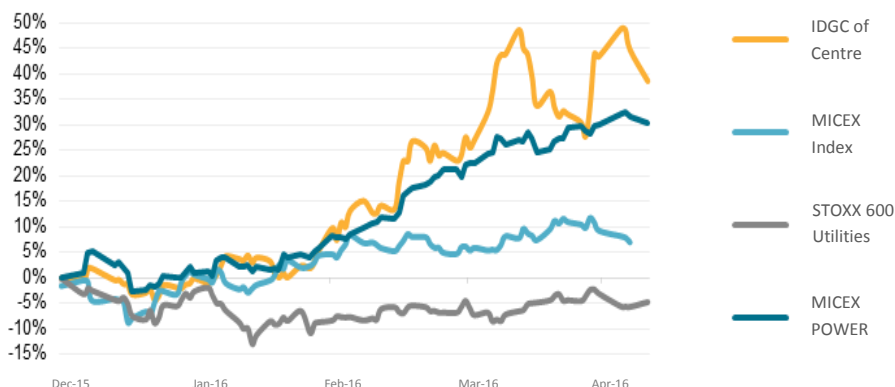
Read full text: <http://www.bigpowernews.ru/markets/document70443.phtml>

COMPANY NEWS

IDGC of Centre put a new substation "Factory" into operation

Read full text: <http://www.mrsk-1.ru/press-center/news/company/53157/>

ДИНАМИКА КЛЮЧЕВЫХ ИНДЕКСОВ И АКЦИЙ КОМПАНИИ



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 885,34	-0,85%	7,04%
S&P 500	2 084,39	1,32%	1,98%
FTSE 100	6 156,65	0,51%	-1,37%
DAX	10 045,44	1,78%	-6,49%
DJStoxx 600	336,24	1,38%	-8,08%
STOXX Utilities	291,83	1,00%	-4,67%
Nikkei	16 565,19	2,85%	-12,97%
Sensex	25 772,53	2,16%	-1,32%
CSI300	3 069,11	-1,96%	-17,74%
Bovespa	53 070,91	2,62%	22,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,14	-0,19%	-6,37%
USD/RUB	66,19	0,46%	-9,18%
Euro/RUB	75,58	0,01%	-5,17%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 265,84	-1,80%	19,30%
Brent*, USD/bbl	45,52	0,33%	10,84%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2705
Capitalisation**, billion RUB	11,42
Capitalisation**, million USD	172,53

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-1,01%	30,39%
Shares of IDGC of Centre**	-4,25%	38,65%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,95%	36,46%
FGC UES	0,97%	81,82%
IDGC of Volga	0,00%	53,47%
MOESK	2,61%	41,47%
IDGC of Northern Caucasus	-1,57%	25,20%
IDGC of Centre and Volga Reg	-0,87%	27,07%
IDGC of North-West	2,44%	68,61%
IDGC of Urals	-2,89%	23,68%
IDGC of Siberia	-1,75%	15,37%
IDGC of South	-0,91%	39,42%
Lenenergo	-1,97%	30,35%

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