

DAILY MARKET REVIEW

12 August, Friday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 11 August some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell 0.2-0.3%, on Thursday the composite Asia-Pacific region index MSCI Asia Pacific, excluding holidaymaking Japan, showed a comparable trend. One of the main factors of the negative changes of the stock markets was the decline in oil prices. October Brent futures traded near the mark of \$43.9 per barrel, or \$0.3 less than the closing level on 10 August. The oil quotes were pressured by the US Department of Energy data, which recorded growth of oil reserves in the country last week, and the media information about record volumes of oil production in Saudi Arabia in July. The combination of these two factors, writes MarketWatch, suggests preservation of significant overproduction of oil in the world, despite numerous interruptions in supplies and a steady decline in US production of hydrocarbons in recent months.

In the Russian market the MICEX and RTS Indices continue consolidating under the annual maximum. Overcoming these levels is prevented mainly by uncertain changes of oil prices, and at the same time investors are kept from active profit taking by inexpensive correctional mood in the western markets. In the first half of the day the MICEX Index had a small loss in response to unsuccessful attempts to overcome Brent at \$44 per barrel, in the second half of the trading session the MICEX Index was able to gain a foothold in positive territory after the rise of oil prices to the level of \$45 per barrel and the positive changes of the European markets. The oil prices were supported by a monthly publication of the IEA review in which experts raised oil demand forecasts in 2016-2017 and reduced expectations of oversupply in the oil market in the second half of the year, suggesting that demand from refineries will play an important role in restoring the balance. In turn, the improvement in sentiment in European markets was due to a rise in oil prices and published better than expected US statistics on applications for unemployment benefits. At the end of the day our market growth accelerated after the start of trading in the US with a half-point increase in the major indices.

At the end of the trading session the MicexPWR Sector Index outperformed. The main contribution to the MicexPWR outperformance compared with the MICEX Index was made by shares of Rosseti, which were supported by positive news background. In particular, Department Director of the energy holding D. Guryanov said that Rosseti predicts a rise in net profit under IFRS by the end of 2016 to 45-50% compared with 2015, EBITDA – by 10-15%, the company's investment program in 2016 will be reduced by 3%.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" predicts a rise in IFRS net profit by 45-50% in 2016

PJSC "Rosseti" expects growth of net profit under International Financial Reporting Standards IFRS in 2016 by 45-50% compared with 2015, EBITDA growth - by 10-15%. Director of the Department of Corporate Governance and Shareholder and Investor Relations of the company Denis Guryanov told journalists about it.

Read full text: <http://tass.ru/tek/3529558>

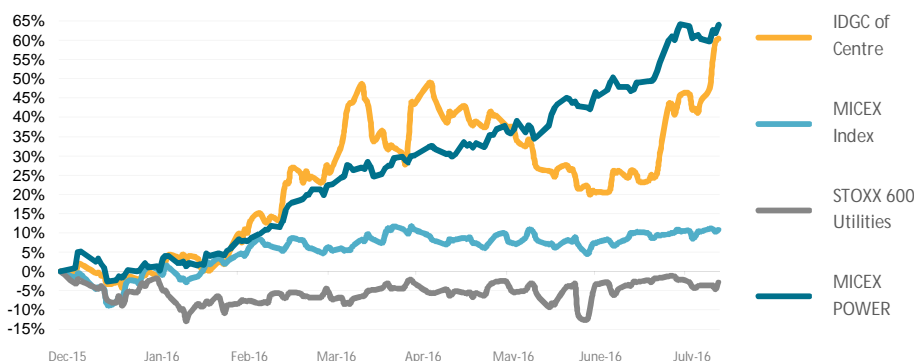
COMPANY NEWS

Rosseti together with IDGC of Centre are holding the Investor's and Analysts' Day in Belgorod

11 and 12 August PJSC "Rosseti" in conjunction with the subsidiary IDGC of Centre, PJSC are holding the Investor's and Analysts' Day. A platform for a constructive dialogue is the Belgorod branch of IDGC of Centre, which occupies a leading position in terms of electricity transmission and connection of customers to power grids.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/56697/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 952,18	0,49%	10,83%
S&P 500	2 186,57	0,51%	6,98%
FTSE 100	6 914,71	0,70%	10,77%
DAX	10 742,84	0,86%	0,00%
DJStoxx 600	346,66	0,78%	-5,23%
STOXX Utilities	295,31	1,07%	-2,82%
Nikkei	16 735,12	0,00%	-12,08%
Sensex	27 859,60	0,31%	6,67%
CSI300	3 233,36	-0,31%	-13,34%
Bovespa	57 521,50	1,06%	32,69%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,00%	2,89%
USD/RUB	64,81	0,04%	-11,07%
Euro/RUB	72,23	0,67%	-9,36%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 346,61	0,00%	26,87%
Brent*, USD/bbl	44,05	0,00%	18,16%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,313
Capitalisation**, billion RUB	13,21
Capitalisation**, million USD	203,88

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,34%	64,08%
Shares of IDGC of Centre**	0,48%	60,43%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	6,44%	102,18%
FGC UES	1,94%	160,86%
IDGC of Volga	3,70%	123,39%
MOESK	0,42%	27,33%
IDGC of Northern Caucasus	1,69%	44,00%
IDGC of Centre and Volga Reg	0,60%	60,03%
IDGC of North-West	2,00%	86,13%
IDGC of Urals	0,31%	71,05%
IDGC of Siberia	1,88%	21,93%
IDGC of South	0,21%	53,85%
Lenenergo	0,26%	151,09%

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

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC.RX
MRKC.MM