

DAILY MARKET REVIEW

20 June, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 17 June some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 gained 0.3-0.5%, on Friday the main country stock indices of the Asia-Pacific region showed comparable changes. The markets rose on easing concerns about the consequences of a possible victory of Brexit supporters of the referendum on 23 June. In particular, at Capital Economics they believe that this does not entail an immediate exit of Great Britain from the European Union – firstly, the referendum is advisory in nature, and secondly, this will take years, during which a new format of relations between the parties will be found. In general, writes Bloomberg, experts believe that the fall of the stock markets in the case of Brexit will be weaker than currently expected, while the final voting for the preservation of the UK within the EU would lead to a sharp rise in the markets. August Brent futures traded near the mark of \$47.8 per barrel, or \$0.5 higher than the closing level on 16 June. The oil prices are recovering after falling for six consecutive trading sessions. At the same time, analysts say, the short-term outlook remains uncertain as disruptions in the supply of raw materials from a number of regions, being a key driver of rising prices in recent years for the oil market, are coming to naught. In particular, Canada has restored the bulk of operations, interrupted as a result of forest fires.

For most of the trading session the MICEX Index and the European Stoxx Europe 600 Index were a percent negative. In addition to easing concerns about the effects of Brexit the markets were supported by rising oil prices above \$48.5 per barrel, the fact that the creditors have approved the issuance of €7.5 billion to Greece from the second tranche, and released better than expected statistics for new buildings in the US in May. At the end of the trading session Russian investors opted to take profits after the start of trading in the US with a half-point decline in the major indices. The MICEX Index lost two-thirds of the daily growth, despite the continued rise in oil prices and the preservation of the positive dynamics of the European markets.

During the trading session the MicexPWR Sector Index was generally in line with the MICEX Index. The main contribution to the final growth of the MicexPWR Index was made by shares of Inter RAO and preferred shares of Rosseti.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" to sell its sales companies individually, said the newspaper

"Rosseti", already in March intending to sell its non-core energy sales assets as a single lot, is changing the scheme: now the companies will be put up for tender separately. The chance to sell troubled assets of the holding in the North Caucasus, accumulating debts due to poor payment discipline, looks low, experts say.

Read full text: <http://www.bigpowernews.ru/markets/document71094.phtml>

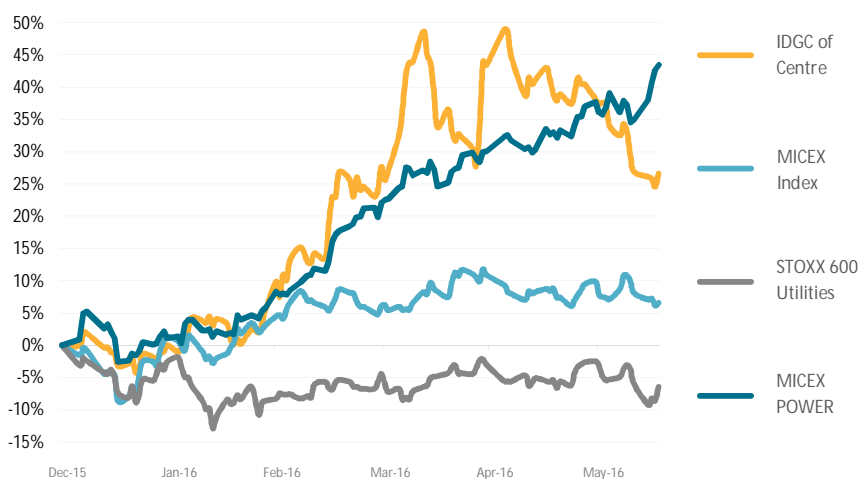
COMPANY NEWS

"Lipetskenergo" implements another innovative project

IDGC of Centre - Lipetskenergo division will perform construction of a 10 kV power line in the Lipetsk region with the use of polymeric poles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/53536/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 877,07	0,39%	6,57%
S&P 500	2 066,82	-0,54%	1,12%
FTSE 100	6 021,09	1,19%	-3,54%
DAX	9 631,36	0,85%	-10,35%
DJStoxx 600	325,78	1,40%	-10,94%
STOXX Utilities	284,24	1,54%	-6,46%
Nikkei	15 599,66	1,07%	-18,04%
Sensex	26 625,91	0,38%	1,95%
CSI300	3 110,36	0,51%	-16,63%
Bovespa	49 695,92	0,58%	14,64%

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

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,00%	3,34%
USD/RUB	65,86	-0,08%	-9,63%
Euro/RUB	74,25	0,41%	-6,84%

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

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 278,43	0,00%	20,45%
Brent*, USD/bbl	47,19	0,00%	26,58%

* - August futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,247
Capitalisation**, billion RUB	10,43
Capitalisation**, million USD	158,33

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,57%	43,46%
Shares of IDGC of Centre**	1,65%	26,60%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	0,40%	36,57%
FGC UES	-2,91%	136,18%
IDGC of Volga	3,02%	40,36%
MOESK	0,58%	39,33%
IDGC of Northern Caucasus	1,82%	12,00%
IDGC of Centre and Volga Reg	0,24%	31,37%
IDGC of North-West	1,35%	64,60%
IDGC of Urals	3,59%	36,84%
IDGC of Siberia	1,62%	2,87%
IDGC of South	0,51%	26,60%
Lenenergo	0,35%	23,80%

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