



IDGC OF CENTRE

DAILY MARKET REVIEW

16 March, Wednesday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 15 March some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed mixed with a 0.1% change. As noted by Bloomberg, investors are waiting for the Fed meeting, which will be held March 15-16. Most analysts believe that the US Central Bank will not change the size of the key interest rate. At the same time traders now assess the likelihood of higher interest rates in the US in 2016 at the level of 77%, although a month ago, these chances were estimated at 30%. In this regard, no less interest to investors is the press conference of the Fed head – in statements of Janet Yellen market participants will be looking for signals about the prospects for monetary policy of the Fed. In these circumstances, Deutsche Bank recommends to investors to remain cautious and not to take risks in the stock market, as the Fed's statement could lead to a sharp revaluation of expectations. On Tuesday the composite Asia-Pacific region index MSCI Asia Pacific lost about one percent, including on the news on the outcome of the meeting of the Bank of Japan. Although the decision of the Central Bank to maintain the monetary policy unchanged was generally expected, investors were disappointed with deterioration by the regulator of the economic situation assessment in the country. May Brent futures traded at \$39.1 per barrel, slightly below the closing level on 14 March. The market is still under pressure of the information that Iran is not ready to join the agreement to freeze oil production until it reaches the pre-sanction production level of 4 million barrels per day - a third above the current production level. At the same time, according to OPEC data, in February, Iran's oil production jumped by 188 thous. barrels per day, showing a record growth since 1997. Experts fear that Iran's actions could reduce the willingness of other oil-producing countries to freeze production.

The MICEX Index started the trading session with more than a half-point increase, playing back the early withdrawal of the main part of the Russian group from Syria – the Russian President gave the corresponding order on Monday. According to analysts, this move will help reduce the geopolitical risk of the Russian Federation. Against this background, in the first half of the day the MICEX Index was trading slightly up, in spite of a percent average loss of the main European indices, and acceleration of oil prices falling, which in the middle of the trading session fell to around \$38.4 per barrel. In the second half of the day the MICEX Index however entrenched in negative territory under the pressure of external negative background, the loss of the index reached 0.7%. Released better than expected US statistics on retail sales in February and the index of manufacturing activity in New York in March did not have significant impact on the dynamics of trading.

At the end of the trading session the MicexPWR Sector Index looked significantly better than the market mainly due to growth of shares of Inter RAO and OGC-2.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin and government officials to discuss the development of the Far East

Read full text: <http://ria.ru/politics/20160316/1390546809.html>

COMPANY NEWS

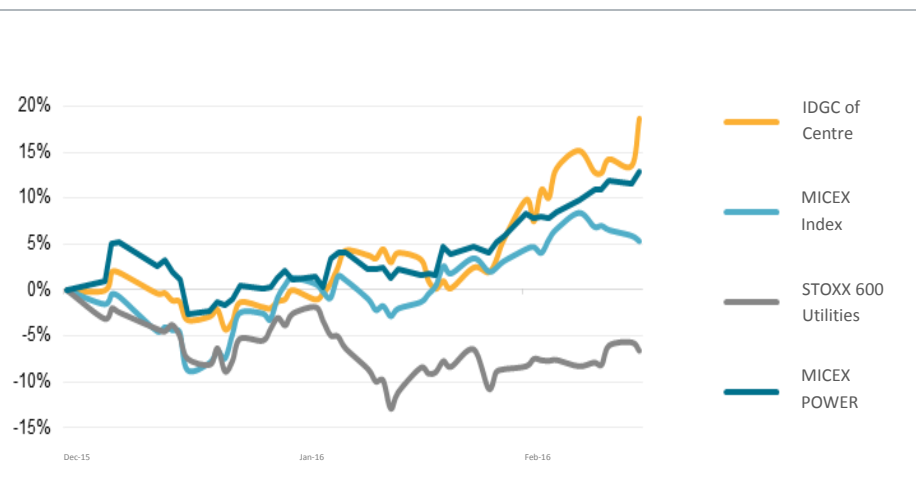
Belgorodenergo spent 71 million RUB on safety in 2015

Read full text: <http://www.bigpowernews.ru/news/document69315.phtml>

Orelenergo reduces grid losses

Read full text: <http://www.energostrana.ru/news/powerindustry/23760.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 855,06	-0,55%	5,32%
S&P 500	2 015,93	-0,18%	-1,37%
FTSE 100	6 139,97	-0,56%	-1,64%
DAX	9 933,85	-0,56%	-7,53%
DJStoxx 600	340,86	-1,10%	-6,82%
STOXX Utilities	285,92	-0,98%	-6,60%
Nikkei	17 117,07	-0,68%	-10,07%
Sensex	24 551,17	-1,02%	-6,00%
CSI300	3 074,78	0,30%	-17,59%
Bovespa	47 130,02	-3,56%	8,72%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,11	0,23%	-8,60%
USD/RUB	70,15	-0,22%	-3,74%
Euro/RUB	78,18	-0,30%	-1,90%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 232,38	-0,23%	16,14%
Brent*, USD/bbl	38,74	-2,00%	-1,68%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2315
Capitalisation**, billion RUB	9,77
Capitalisation**, million USD	139,31

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	1,23%	12,90%
Shares of IDGC of Centre**	4,51%	18,66%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	2,02%	24,67%
FGC UES	1,12%	15,89%
IDGC of Volga	0,79%	30,59%
MOESK	0,00%	9,20%
IDGC of Northern Caucasus	1,12%	8,40%
IDGC of Centre and Volga Reg	-1,63%	-4,14%
IDGC of North-West	8,75%	58,76%
IDGC of Urals	-1,38%	12,63%
IDGC of Siberia	-0,20%	3,48%
IDGC of South	1,64%	39,10%
Lenenergo	0,00%	20,09%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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