

DAILY MARKET REVIEW

13 July, Wednesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 12 July some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.3-0.4%, the S&P500 index updated the historical record. On Tuesday the composite Asia-Pacific region index MSCI Asia Pacific added about 1.5%. The indices rise, writes Bloomberg, was facilitated by the growth of investors' optimism about the global economy after the publication of strong data from the US labour market and expectations that world central banks will not tighten its monetary policy. In particular, the majority of investors, despite the good statistical data, still do not expect an increase of the base interest rate of the Federal Reserve in the current year due to heightened uncertainty caused by the decision of the UK to leave the European Union. The markets in the Asian session were additionally supported by a released better than expected report of the aluminum giant Alcoa for the II quarter. According to some analysts, the coming season in the US reporting can give a pleasant surprise, given the good condition of the US economy in the second quarter. September futures for Brent traded at \$46.6 per barrel, slightly higher than our closing on 11 July. Oil prices remain near two-month lows, despite the rally in the stock markets – investors fear growth of raw supply in the market with an unstable demand. The validity of these concerns is suggested by a message of the agency S&P Global Platts that oil production by OPEC in June increased by 300 thous. barrels per day (b/d) and reached a record since August 2008, 32.7 mln b/d. The oil prices was kept from a larger reduction by the information about disruptions to oil shipping in the main Iraqi port of Basra and the suspension of operation of the pipeline in Nigeria.

The Russian and European markets are still dominated by buyers – in the middle of the day the MICEX Index and the Stoxx Europe 600 Index added about one percent. In the afternoon the MICEX Index growth accelerated after the oil price rise above \$47.5 per barrel. The oil quotations were also supported by OPEC's forecast increase in world oil demand in 2017 to 1.2 million b/d, compared with this year, up to 95.3 mln b/d. At the same time, according to a monthly review of the cartel, next year the excess supply of oil will leave the market by reducing production outside the cartel.

During the trading session the MicexPWR Sector Index looked significantly worse than the market. The main contribution to the final MicexPWR reduction was made by shares of FGC UES – investors continue to actively withdraw from the paper after the ex-dividend date, on the daily lows the drop in shares of FGC UES exceeded 7.5%.

ELECTRIC POWER INDUSTRY NEWS

The FAS to make a draft of long-term rates to the government in the autumn

The Federal Antimonopoly Service of Russia plans in the autumn to bring a draft resolution to the government on long-term rates, told RIA Novosti the head of the electricity regulation office of the FAS Dmitry Vasilyev. "The current tariff making contains a number of shortcomings that should be corrected and taken into account in the formation of tariffs for the next period. As such, long-term rates in the electric power sector already exist. A change that is necessary - it is an adjustment of the order of formation of the long-term tariff procedures, the so-called "RAB-tariffs reset," said Mr. Vasilyev.

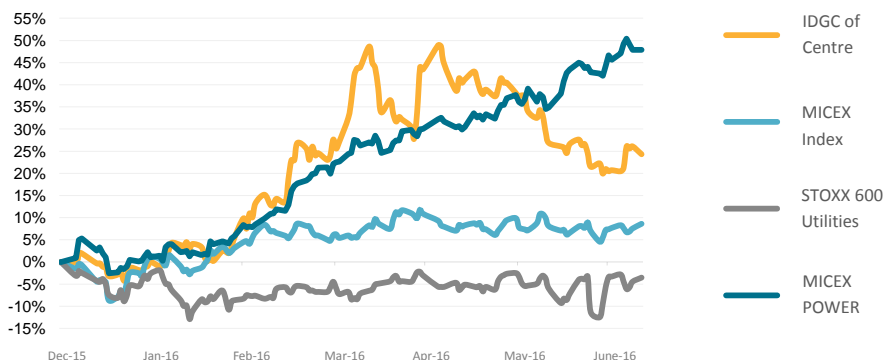
Read full text: <http://www.bigpowernews.ru/markets/document71483.phtml>

COMPANY NEWS

Tambovenergo renews its vehicle fleet

Read full text: http://www.mashportal.ru/company_news-42956.aspx

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 938,36	1,32%	10,05%
S&P 500	2 153,04	0,74%	5,34%
FTSE 100	6 680,69	-0,03%	7,02%
DAX	9 964,07	1,33%	-7,25%
DJStoxx 600	336,26	1,06%	-8,08%
STOXX Utilities	294,78	-0,21%	-2,99%
Nikkei	16 095,65	2,46%	-15,44%
Sensex	27 808,14	0,66%	6,47%
CSI300	3 273,18	2,18%	-12,27%
Bovespa	54 661,46	1,30%	26,09%

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

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	0,00%	1,80%
USD/RUB	64,20	-0,07%	-11,91%
Euro/RUB	70,82	-0,50%	-11,14%

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

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 355,40	0,00%	27,70%
Brent*, USD/bbl	46,25	0,00%	24,06%

* - September futures

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

Shares of IDGC of Centre	Value
Last transaction, RUB	0,246
Capitalisation**, billion RUB	10,39
Capitalisation**, million USD	161,76

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,78%	46,69%
Shares of IDGC of Centre**	1,44%	26,09%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-1,74%	53,19%
FGC UES	-4,62%	140,86%
IDGC of Volga	1,40%	67,61%
MOESK	-0,46%	16,67%
IDGC of Northern Caucasus	0,36%	12,00%
IDGC of Centre and Volga Reg	-0,50%	28,03%
IDGC of North-West	1,14%	60,58%
IDGC of Urals	-0,39%	35,26%
IDGC of Siberia	3,27%	3,48%
IDGC of South	3,99%	25,32%
Lenenergo	1,96%	36,46%

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