

DAILY MARKET REVIEW

12 September, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 09 September some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.2%, on Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost more than 0.5%. The markets were pressured by the ECB statement that the regulator does not see the need for additional stimulus for the economy of the Eurozone. Following the results of the past meeting the ECB kept interest rates on loans at zero, the volume of the asset purchase program (QE) – at the level of €80 billion per month. At the same time the central bank did not extend the validity period of the QE program, which expires in March 2017, whereas such a step was expected by 50% of respondents surveyed by Bloomberg. November Brent futures traded near the mark of \$49.3 per barrel, or \$0.4 less than the closing level on 08 September. Oil is getting cheaper after a 4% rise on Thursday on the US Department of Energy report on the fall of oil reserves in the country by 14.5 million barrels – a record decline in this index since 1999. Experts believe that such a significant reduction in stocks is likely to be the result of one-off factor – Tropical Storm Hermine in the southern and eastern parts of the United States has lowered the supply of oil by sea, and the total volume of its imports has decreased by 1.85 million barrels. At the same time refineries have been operating at full capacity, in spite of the imminent end of the season of massive road trips.

Profit-taking continued in the Russian and European markets, provoked by the ECB's caution in deciding on additional measures to support the Eurozone's economy. The markets were also pressured by statements of Head of the Federal Reserve Bank of Boston, who spoke in favour of a gradual increase in the basic interest rate, noting that the risks facing the US economy have become more balanced. According to the newspaper The Wall Street Journal, expectations of keeping the soft Fed policy and further stimulating measures of the ECB, the Bank of Japan and Bank of England have provided strong support for the stock markets, but recent signals from the leading Central Banks force investors to think about whether this support will continue further on. Against this background, in the second half of the day the losses of the MICEX Index and the European Stoxx Europe 600 Index averaged about one percent. At the end of the day the MICEX Index reduction exceeded one percent after the fall in oil prices to around \$48.5 a barrel on the strengthening of the dollar and the percent fall of the major US indices in early trading.

During the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the final MicexPWR growth was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Russia may create conditions for a single Eurasian energy market, said the head of Rosseti Budargin

The Russian power system has many years of experience in the integrated power system, and it can create the conditions for the single electricity market on the Eurasian continent. This was stated Friday in Tokyo by the head of "Rosseti" Oleg Budargin at the international symposium on the issues of renewable energy.

Read full text: <http://www.bigpowernews.ru/markets/document72527.phtml>

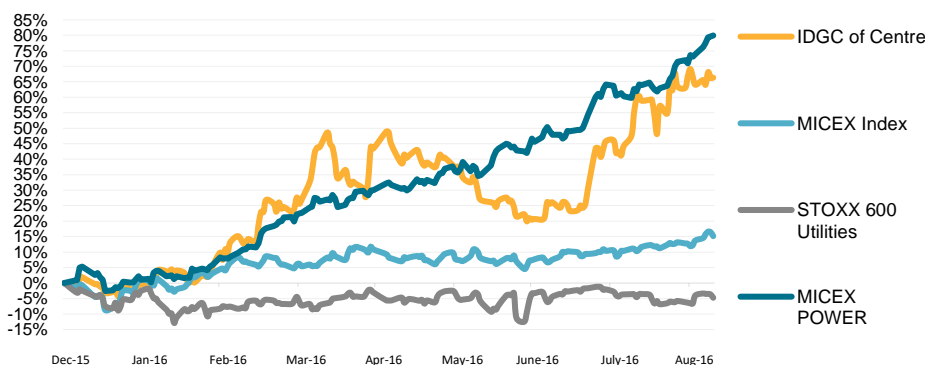
COMPANY NEWS

"Lipetskenergo" company for 260 million rubles has started reconstruction of the substation "Railway Station"

IDGC of Centre - Lipetskenergo has launched the first phase of reconstruction of one of the key supply centres of the city – the 110/6 kV substation "Railway Station", the company said.

Read full text: <http://www.lipetsknews.ru/articles/biznes/kompaniya-lipeckenergo-za-260-mln-rublej-pristupila-k-rekonstrukcii-podstancii>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 028,25	-1,10%	15,15%
S&P 500	2 127,81	-2,45%	4,10%
FTSE 100	6 776,95	-1,19%	8,56%
DAX	10 573,44	-0,95%	-1,58%
DJStoxx 600	345,52	-1,09%	-5,55%
STOXX Utilities	291,62	-1,09%	-4,74%
Nikkei	16 965,76	0,04%	-10,86%
Sensex	28 797,25	-0,85%	10,26%
CSI300	3 318,04	-0,64%	-11,07%
Bovespa	57 999,73	-3,71%	33,79%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,11%	-7,60%
USD/RUB	63,97	-0,63%	-12,22%
Euro/RUB	72,05	-0,49%	-9,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 327,83	-0,78%	25,14%
Brent*, USD/bbl	48,01	-3,96%	9,66%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3245
Capitalisation**, billion RUB	13,70
Capitalisation**, million USD	214,15

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,18%	79,94%
Shares of IDGC of Centre**	0,00%	66,32%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-1,56%	103,54%
FGC UES	-0,70%	202,85%
IDGC of Volga	-6,03%	128,28%
MOESK	1,05%	28,00%
IDGC of Northern Caucasus	-0,85%	40,00%
IDGC of Centre and Volga Reg	-0,51%	56,05%
IDGC of North-West	3,78%	90,15%
IDGC of Urals	-0,31%	69,47%
IDGC of Siberia	-2,55%	25,41%
IDGC of South	4,85%	59,29%
Lenenergo	-1,54%	123,14%

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