



IDGC OF CENTRE

DAILY MARKET REVIEW

15 March, Tuesday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 14 March some moderately positive external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 updated their highs of the year, adding 1.3-1.6% on the decisions of the ECB to expand substantially the incentives of the Eurozone economy. On Monday the growth of the composite Asia-Pacific region index MSCI Asia Pacific was about one percent on good statistics from Japan and expectations of continued government support of the Chinese stock market. In Japan data on orders for engineering equipment in January was significantly better than expected – an increase in orders against December was 15%, in annual terms – 8%. In turn, the new head of the Chinese Commission on the CSRC announced the readiness of the authorities of the PRC to continue supporting the stock market, noting that it is too early to talk about the termination of purchases of shares in the market by the state company China Securities Finance. This piece of news could neutralize the negative weak statistics from China, where in January-February the growth rates of industrial production and retail sales in China declined in annual terms and were worse than expected. May Brent futures traded near the mark of \$40.3 per barrel at the close on Friday, March 11th. Oil prices, noted Bloomberg, are stable, given the mixed signals on the prospects for supply and demand balance in the oil market. On the one hand, Baker Hughes announced the reduction of the number of active drilling rigs in the United States to a minimum since the end of 2009. On the other hand, Iran has confirmed plans to increase oil production to the pre-sanction level of 4 million barrels a day before it will be ready to join the fuel production level freezing.

On Monday the Russian market was under pressure from a renewed decline in oil prices – in the second half of the day Brent quotes, losing more than 3.5%, fell below \$39 per barrel. According to experts, the main drivers for sales in the oil market are Iran's plans to increase the production and export of fuel and concerns of beginning recovery in the US production of shale oil. In addition, analysts said that the steady rise in oil prices is unlikely with huge accumulated reserves of fuel. Against this background, the MICEX Index decline in the second half of the trading session was a percent, despite a percent growth of the European Stoxx Europe 600 Index, which was supported including with better than expected published statistics on industrial production in the Eurozone in January. At the end of the day the MICEX Index was able to reduce the loss by one-third after the return of Brent prices above \$39 per barrel.

During the trading session the MicexPWR Sector Index was generally in line with the dynamics of the MICEX Index. The main contribution to the MicexPWR reduction was made by shares of RusHydro and E.ON Russia.

ELECTRIC POWER INDUSTRY NEWS

Government's bill to minimize the risk of accidents – said Mr. Lipatov

Read full text: <http://regnum.ru/news/economy/2094912.html>

COMPANY NEWS

Russian online survey of the National Entrepreneurial Initiative to assess the business environment in Russia

Read full text: <http://www.mrsk-1.ru/press-center/news/company/51852/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 865,31	-0,60%	5,90%
S&P 500	2 019,64	-0,13%	-1,19%
FTSE 100	6 174,57	0,57%	-1,09%
DAX	9 990,26	1,62%	-7,01%
DJStoxx 600	344,66	0,71%	-5,78%
STOXX Utilities	288,74	0,36%	-5,68%
Nikkei	17 233,75	1,74%	-9,46%
Sensex	24 804,28	0,35%	-5,03%
CSI300	3 065,69	1,57%	-17,83%
Bovespa	48 867,34	-1,55%	12,73%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,11	-0,64%	-8,82%
USD/RUB	70,31	-1,11%	-3,53%
Euro/RUB	78,41	0,55%	-1,61%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 235,27	-1,13%	16,41%
Brent*, USD/bbl	39,53	-2,13%	0,33%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2215
Capitalisation**, billion RUB	9,35
Capitalisation**, million USD	133,01

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	-0,29%	11,53%
Shares of IDGC of Centre**	-0,63%	13,53%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	-1,63%	22,21%
FGC UES	-0,22%	14,61%
IDGC of Volga	0,20%	29,56%
MOESK	1,11%	9,20%
IDGC of Northern Caucasus	1,13%	7,20%
IDGC of Centre and Volga Reg	-1,45%	-2,55%
IDGC of North-West	4,44%	45,99%
IDGC of Urals	-0,46%	14,21%
IDGC of Siberia	-1,75%	3,69%
IDGC of South	8,93%	36,86%
Lenenergo	7,84%	20,09%

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