



IDGC OF CENTRE

DAILY MARKET REVIEW

2016

11 March, Friday

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 10 March some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 gained 0.2-0.6%, the market was supported by a rise in oil prices. On Thursday the increase of the composite stock Asia-Pacific region index MSCI Asia Pacific was about 0.5% with multidirectional dynamics of the major country indices. Japan's Nikkei 225 rose by 1.3% on the weakening of the yen associated with the increase in demand for risky assets in anticipation of the outcome of the ECB meeting. At the same time, the Chinese CSI 300 lost nearly 2% after the publication of statistics on inflation in February – the rates of consumer price growth were the highest since July 2014, while the drop in producer prices continued at the end of the 48th month in a row. Such a significant discrepancy between these indicators, experts believe, puts a difficult choice for the PBOC. On the one hand, the continuing fall in producer prices weakened cash flows of Chinese companies and requires reduction of the key rate of the Central Bank, on the other – active efforts in this direction will be limited by fears of growth of consumer prices. May Brent futures traded near the mark of \$40.8 per barrel, closing at the level of 09 March. Oil prices were supported by the US Department of Energy statistics, which reported a significant decrease in stocks of gasoline and distillates for the week due to the increase of fuel consumption to the highest level since September. These data compensated for the negative background of increase of oil reserves to a record since 1930 to 522 million barrels.

Pending the outcome of the ECB meeting the Russian and European markets were dominated by the lateral dynamics of stock indices near zero. According to a survey conducted by Bloomberg, 98% of respondents were convinced that the ECB will take additional measures to support the economy and the stabilization of inflation: on average it was expected that the ECB deposit rate will be reduced by 10 basis points, to minus 0.40%, the volume of redemption under the QE program will be increased to €75 billion per month from the current €60 billion. At the same time, reminds Bloomberg, no change in the amount of QE was a major disappointment for the markets according to the results of the ECB meeting in December. The determination of the ECB to expand stimulus measures surpassed the wildest expectations: the loan rate was reduced to zero, the amount of the monthly repurchase of assets within the QE increased to €80 billion, the list of securities included in the program of QE was expanded. Against this background, the growth of the Stoxx Europe 600 Index exceeded 2.5%. At the same time, the MICEX Index reaction was neutral – Europe's optimism was offset with reduction of oil prices to around \$40 per barrel. At the end of trading the MICEX Index and the Stoxx Europe 600 Index lost all of the daily growth after the announcement of the ECB that it sees no need for further reduction of interest rates in the current conditions.

During the trading session the MicexPWR Sector Index corresponded to the dynamics of the MICEX Index.

ELECTRIC POWER INDUSTRY NEWS

The main principle of the new tariff policy – "tariff in exchange for efficiency", said Mr. Artemyev

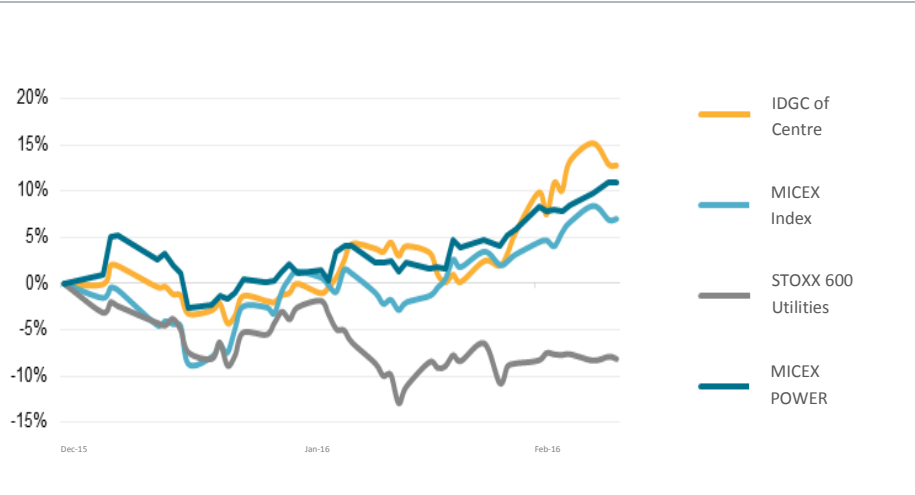
Read full text: <http://www.bigpowernews.ru/markets/document69216.phtml>

COMPANY NEWS

Leaders of "Lipetskenergo" participated in the meeting following the results of activities in 2015 of the fuel and energy industry

Read full text: <http://forpress.ru/release/52765/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 884,63	0,09%	7,00%
S&P 500	1 989,57	0,02%	-2,66%
FTSE 100	6 036,70	-1,78%	-3,29%
DAX	9 498,15	-2,31%	-11,59%
DJStoxx 600	333,50	-1,66%	-8,83%
STOXX Utilities	281,32	-0,25%	-8,10%
Nikkei	16 852,35	1,26%	-11,46%
Sensex	24 623,34	-0,69%	-5,72%
CSI300	3 013,15	-1,91%	-19,24%
Bovespa	49 571,11	1,86%	14,35%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,12	1,50%	-7,92%
USD/RUB	72,38	-1,10%	-0,69%
Euro/RUB	79,45	-0,83%	-0,31%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 272,25	1,52%	19,90%
Brent*, USD/bbl	40,05	-2,48%	1,65%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2200
Capitalisation**, billion RUB	9,29
Capitalisation**, million USD	128,33

Source: Central Bank of Russia, Company calculations

Russian indexes	Value	Change for the day	Change fr 31.12.15
MICEX-Power Index	0,06%	10,92%	
Shares of IDGC of Centre**	-0,09%	12,76%	

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	-0,54%	25,11%
FGC UES	-1,30%	13,65%
IDGC of Volga	1,84%	28,02%
MOESK	-0,87%	6,67%
IDGC of Northern Caucasus	4,07%	2,40%
IDGC of Centre and Volga Reg	0,65%	-0,96%
IDGC of North-West	7,92%	44,16%
IDGC of Urals	-2,29%	12,11%
IDGC of Siberia	10,04%	12,30%
IDGC of South	5,49%	23,08%
Lenenergo	2,85%	10,48%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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