



IDGC OF CENTRE

DAILY MARKET REVIEW

02 March, Wednesday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 01 March some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 lost 0.7-0.8% due to concerns, according to Bloomberg, with respect to the Chinese economy and discontent with the G20 indecision. On Tuesday the composite Asia-Pacific region index MSCI Asia Pacific added more than half a percent, playing on a decrease of reserve requirements by China People's Bank for Chinese banks and rising oil prices. At the same time the rise of markets was restrained with weak statistics from China, which recorded a significant reduction in business activity in the industry in January – the official PMI fell to a four-year low. Analysts had expected a decline of business activity due to a long weekend in celebration of the New Year on the lunar calendar, but the scale of the indicator fall exceeded expectations. China's Manufacturing PMI has been in the negative area (below the threshold level of 50 points) for more than six consecutive months. May Brent futures traded at \$36.9 per barrel, or \$0.6 higher than the closing level on 29 February. The oil prices were supported with the information on reduction of oil production in various regions of the world. In the United States production decreased in December for the first time since 2011 – by 1.8% y/y to 9.26 million barrels a day, OPEC production in February decreased by 79 thousand barrels per day due to decrease of production in Iraq and Nigeria. In addition, according to The Wall Street Journal, the leading US producers of shale oil and gas, in recent years having increased production, has started reducing it for the first time. As noted by the WSJ, the production reduction was announced by companies that considered not only successful but also highly effective in the industry.

Most of the trading session the MICEX Index had a slight increase, mainly in the range of 0.5%. Buyers' uncertainty was due to the proximity of the important resistance at 1,850 points, and the lateral dynamics of the May Brent futures below \$37 per barrel. European markets looked a bit better – in the afternoon the increase in the Stoxx Europe 600 was about one percent. European markets were supported, including, with the provided statistics for the Eurozone: data on business activity in the industry in February were better than expected, the unemployment rate in January fell to a minimum of 4.5 years. At the end of the day the Russian market was pressured with a reduction in the cost of Brent to around \$36 per barrel. The MICEX Index lost all of the daily growth, ignoring the improvement in investors' sentiment in the western exchanges after the publication of statistics on the index of industrial activity in the US in February – the rise of the ISM Manufacturing Index exceeded forecasts, the indicator value was the highest since September last year.

During the trading session the MicexPWR Sector Index underperformed mainly due to profit-taking in stocks of Rosseti after a sharp rise on Monday.

ELECTRIC POWER INDUSTRY NEWS

Consumers not to be punished for extra wires

The Government is against payments for unused grids

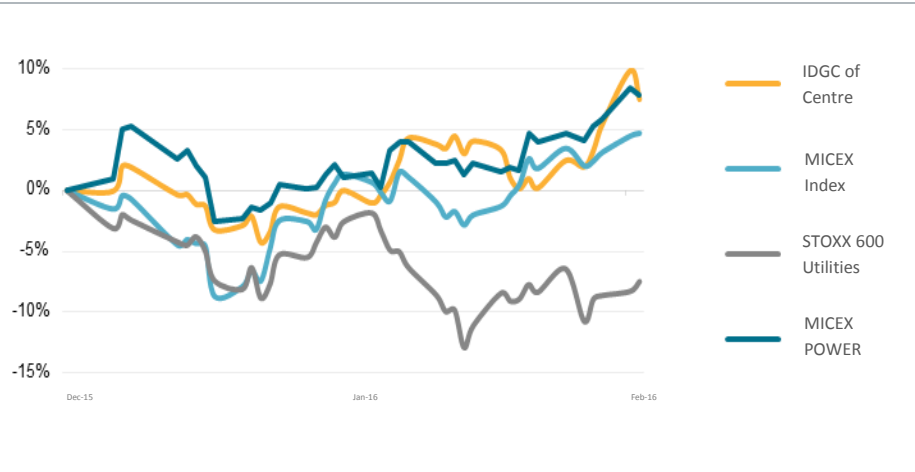
Read full text: <http://www.kommersant.ru/doc/2927912>

COMPANY NEWS

IDGC of Centre has published its financial statements for 2015 under RAS, EBITDA margin increased to 19%

Read full text: <http://www.mrsk-1.ru/press-center/news/company/51391/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 844,17	0,22%	4,70%
S&P 500	1 978,35	2,39%	-3,21%
FTSE 100	6 152,88	0,92%	-1,43%
DAX	9 717,16	2,34%	-9,55%
DJStoxx 600	338,72	1,44%	-7,41%
STOXX Utilities	283,26	0,87%	-7,47%
Nikkei	16 085,51	0,37%	-15,49%
Sensex	23 779,35	3,38%	-8,95%
CSI300	2 930,69	1,85%	-21,45%
Bovespa	44 121,79	3,10%	1,78%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,09	-0,16%	-10,69%
USD/RUB	75,90	1,08%	4,14%
Euro/RUB	83,10	0,15%	4,27%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 232,15	-0,53%	16,12%
Brent*, USD/bbl	36,81	0,66%	-6,57%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2097
Capitalisation**, billion RUB	8,85
Capitalisation**, million USD	116,64

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	-0,46%	7,85%
Shares of IDGC of Centre**	-2,15%	7,48%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	-4,04%	12,45%
FGC UES	-0,50%	14,18%
IDGC of Volga	-1,75%	15,68%
MOESK	-1,26%	4,40%
IDGC of Northern Caucasus	-0,80%	-1,20%
IDGC of Centre and Volga Reg	-2,41%	-3,18%
IDGC of North-West	10,27%	33,21%
IDGC of Urals	-0,52%	0,00%
IDGC of Siberia	-0,20%	3,28%
IDGC of South	0,57%	13,78%
Lenenergo	-1,08%	-0,22%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

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