



IDGC OF CENTRE

DAILY MARKET REVIEW

02 February, Tuesday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 1 February some moderately positive external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed with the rise of 2.5%, demonstrating the best growth in four months. Investors were supported with an extension of measures to stimulate the economy by the Bank of Japan, rising oil prices and good reporting of several major companies, including Microsoft. On Monday the composite Asia-Pacific region index MSCI Asia Pacific added about a percent in the multidirectional dynamics of the major country indices. The limiting factor for the markets in the Asian session again was the growth of concerns about the prospects for the Chinese economy after the publication of weak statistics on business activity in January. According to official data, the manufacturing PMI fell to its lowest level in three years 49.4 points, the indicator has been in the negative zone (below 50 points) for six months. In addition, the official PMI for the non-manufacturing sector fell to 53.5 points from December's 54.4. Meanwhile, analysts remind, it is the services sector that gave cause for optimism in November and December. April Brent futures traded near the mark of \$35.3 per barrel, or \$0.3 less than the closing level on Friday, 22 January. The market was pressured with statistics from the PRC and Bloomberg's data on increase of oil production by OPEC in January to 33.11 million barrels per day. In addition, the main driver of the sharp rise in oil prices in recent days – the statement of the Ministry of Energy of the Russian Federation on a possible agreement with the OPEC to cut oil production – began to lose its power in the absence of additional information.

Growth of investors' anxiety about the economy of China and the decline in oil prices to around \$35 a barrel were the main factors that determined the pessimistic mood in the Russian and European markets earlier in the week. Statistics from Europe and the United States was of ambiguous character and could not provide substantial support to buyers. Business activity growth in the industry in the Eurozone slowed in January in line with expectations, while at the same time, notes Bloomberg, the most significant decline in prices of industrial enterprises over the year once again returns the attention of investors and analysts to the deflationary risks in the Eurozone. In the US public spending remained unchanged in December, although income growth exceeded the forecast. Against this background, the afternoon decline in the MICEX Index and European Stoxx Europe 600 was about one percent. The indices were able to play part of the losses back after the publication of worse than expected statistics on business activity in the US industry – according to investors, the data will not add confidence in the Fed's decision to tighten monetary policy.

During the trading session the MicexPWR Sector Index overperformed. The main contribution to the final growth of the MicexPWR Index was made by shares of RusHydro and Enel Russia.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" participates in the All-Russian start-up tour 2016

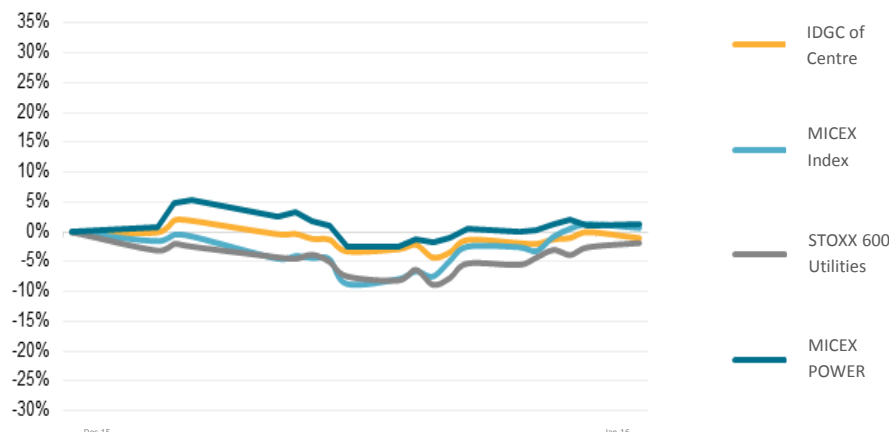
Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=26032

COMPANY NEWS

IDGC of Centre performed its repair campaign in 2015 in excess of the targets

Read full text: <http://www.mrsk-1.ru/press-center/news/company/51036/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.15
MICEX	1 773,21	-0,66%	0,67%
S&P 500	1 939,38	-0,04%	-5,12%
FTSE 100	6 060,10	-0,39%	-2,92%
DAX	9 757,88	-0,41%	-9,17%
DJStoxx 600	341,61	-0,19%	-6,62%
STOXX Utilities	300,48	0,73%	-1,85%
Nikkei	17 865,23	1,98%	-6,14%
Sensex	24 824,83	-0,18%	-4,95%
CSI300	2 901,05	-1,53%	-22,24%
Bovespa	40 570,04	0,41%	-6,41%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.15
Euro/USD	1,09	0,55%	-10,41%
USD/RUB	75,17	-2,84%	3,14%
Euro/RUB	81,91	-2,65%	2,77%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.15
Gold, USD/oz	1 128,41	0,91%	6,34%
Brent*, USD/bbl	34,24	-4,86%	-11,13%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1931
Capitalisation**, billion RUB	8,15
Capitalisation**, million USD	108,45

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.15
MICEX-Power Index	0,32%	1,38%
Shares of IDGC of Centre**	-1,03%	-1,03%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.15
JSC Russian Grids	1,11%	-0,59%
FGC UES	0,63%	-0,89%
IDGC of Volga	-1,23%	2,83%
MOESK	0,00%	0,27%
IDGC of Northern Caucasus	-1,63%	-3,20%
IDGC of Centre and Volga Reg	0,32%	-0,64%
IDGC of North-West	0,37%	-1,09%
IDGC of Urals	0,96%	0,00%
IDGC of Siberia	-0,22%	-8,20%
IDGC of South	-1,56%	0,96%
Lenenergo	2,49%	-1,09%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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Reuters

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