

DAILY MARKET REVIEW

22 September, Thursday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 21 September some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose within 0.1% pending the outcome of the meeting of the Central Banks of the United States and Japan. On Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added about 1.5% on the decision of the Bank of Japan to revise its monetary policy due to the fact that the Central Bank has not succeeded in restoring inflation to the 2% target for the promised two years. According to media reports, the Bank of Japan abandoned the monetary base landmark as one of the main targets and moved to targeting the yield on 10-year government bonds at the current level near zero. To control the yield curve the Central Bank launches new market operations, in which the regulator has refused to restrict government bonds redeemable on maturity. At the same time, the Central Bank has kept the annual rate of redemption of Japanese government bonds, which allow to increase the assets on the balance sheet by ¥80 trillion (\$780 billion). As leaders of the Bank of Japan have noted, the increase in the monetary base (and, accordingly, the purchase of securities) will continue as long as inflation in Japan is not restored to a stable 2% per year. November Brent futures traded near the mark of \$46.6 per barrel, or \$0.5 higher than the closing level on 20 September. Oil quotations were supported by the American Petroleum Institute information about the next sharp decrease in fuel stocks in the United States – by 7.5 million barrels. Thus, the experts noted, a record drop of oil reserves in the last week since 1999 – by 14.5 million barrels – was not a one-off factor.

Waiting for news from the Fed the MICEX Index and the European Stoxx Europe 600 Index on Wednesday showed flat changes in positive territory – between 0.5% and 1%, respectively. Following the results of trading, the MICEX Index was slightly up on the background of a moderately positive start of the trading session in the US. The Russian market was supported by a rise in oil prices following the publication of good statistics by the US Department of Energy in the last week: oil inventories fell to a seven-month low, and gasoline stocks also declined, reaching the lowest level since the beginning of the year.

During the trading session the MicexPWR Sector Index outperformed mainly due to growth of shares of FGC UES, RusHydro and Inter RAO. From current pieces of news of electric grid companies, one can mark a message of the S&P agency on changing outlook of ratings of Rosseti and FGC UES to "stable" from "negative" after a similar action in relation to the sovereign ratings of Russia.

ELECTRIC POWER INDUSTRY NEWS

Rosseti took part in the "Utilities Day", organized by the investment company ATON

21 September the management of PJSC "Rosseti" took part in the "Utilities Day", organized by the investment company ATON. Representatives of 29 investment companies also participated in the event.

Read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=28040

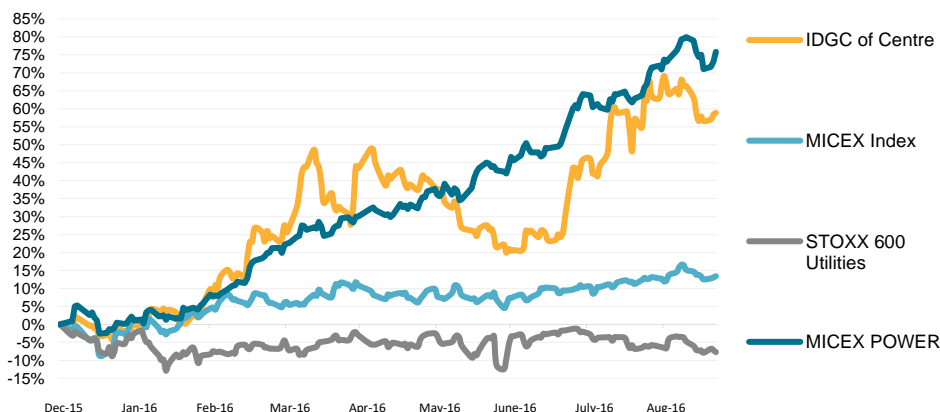
COMPANY NEWS

From the beginning of the year Lipetskenergo's experts processed more than 53 thousand applications from consumers

From January to August 2016 inclusive, IDGC of Centre – Lipetskenergo division received 53,690 requests from consumers, an increase of 10.5% over the same period last year.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/57029/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 997,67	0,30%	13,42%
S&P 500	2 163,12	1,09%	5,83%
FTSE 100	6 834,77	0,06%	9,49%
DAX	10 436,49	0,41%	-2,85%
DJStoxx 600	342,46	0,43%	-6,38%
STOXX Utilities	282,48	-0,57%	-7,73%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	28 507,42	-0,06%	9,15%
CSI300	3 266,64	0,28%	-12,45%
Bovespa	58 393,92	1,14%	34,70%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,04%	-8,21%
USD/RUB	64,75	-0,26%	-11,16%
Euro/RUB	72,53	0,11%	-9,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 335,17	1,55%	25,83%
Brent*, USD/bbl	46,83	2,07%	6,97%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3100
Capitalisation**, billion RUB	13,09
Capitalisation**, million USD	202,12

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,59%	75,81%
Shares of IDGC of Centre**	0,32%	58,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,20%	93,58%
FGC UES	2,91%	192,54%
IDGC of Volga	4,86%	110,80%
MOESK	-0,51%	31,33%
IDGC of Northern Caucasus	-0,58%	37,60%
IDGC of Centre and Volga Reg	1,84%	50,00%
IDGC of North-West	3,68%	95,26%
IDGC of Urals	3,70%	62,11%
IDGC of Siberia	-4,63%	22,34%
IDGC of South	2,64%	61,86%
Lenenergo	1,67%	125,33%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
 127018, Moscow, 2nd Yamskaya, 4
 +7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
 +7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
 Moscow Exchange (MOEX)
 Bloomberg
 Reuters

MRKC
MRKC.RX
MRKC.MM