



# DAILY MARKET REVIEW

18 March, Friday

2016

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 17 March some positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.4-0.6%, on Thursday the composite Asia-Pacific region index MSCI Asia Pacific added about 2%. The markets were supported by the outcome of the Fed meeting, the minutes of which indicate that the Fed heads are planning a slower increase in interest rates than it was in December. The Fed as expected kept interest rates in the target range of 0.25-0.50%, at the same time forecasts of heads of US Federal Reserve assume only two rate hikes in 2016 to 0.9% at the end of the year instead of the expected four hikes in December to 1.4%. However, the news provoked a significant weakening of the dollar – the DXY index dropped to a 5-month low, which in turn put pressure on the Japanese market – the Nikkei 225 ended the day slightly down. May Brent futures traded near the mark of \$40.6 per barrel, or \$0.5 higher than the closing level on 16 March. Oil prices rose on expectations of oil-producing countries meeting in Qatar on 17 April, the oil production reduction in the United States to the levels of November 2014, and the dollar weakening. However, some experts believe that a 30% sharp increase in oil prices over the past month is due mainly to the termination of operation of oil pipelines in Iraq and Nigeria due to explosions. In particular, Citigroup estimates that in connection with it the world market lost at least 0.8 million barrels per day, or about 1% of the world production. Bloomberg stressed that the violations in the oil supply in Nigeria and Iraq are temporary, so in a short time the previous volumes will return to the world market.

The Russian market, reacting to the positive dynamics of world markets and the rise in oil prices above \$41 per barrel, began trading with a 1.5% rise of the MICEX Index, which again tested the psychological mark of 1,900 points. However, in the middle of the day the MICEX Index lost nearly all the growth under the pressure of active sales in Europe due to the sharp appreciation of the euro. The strong euro, experts say, firstly, is negative for exporters, secondly, complicates the task of the ECB to stimulate the growth of the Eurozone's economy, as it puts pressure on inflation due to lower cost of imports. Against this background the Stoxx Europe 600 Index fall reached 1.8% and the MICEX Index growth rate declined to 0.2%. At the end of the trading session the MICEX Index still managed to return to a percent growth – buyers were supported by oil prices, which got above \$41 per barrel, and the growth of the US market in early trading.

During the day the MicexPWR Sector Index was generally in line with the dynamics of the MICEX Index. The main contribution to the final MicexPWR growth was made by shares of RusHydro and Mosenergo.

## ELECTRIC POWER INDUSTRY NEWS

### FGC UES wants to pay more to the state

In 2015 FGC UES received a net profit of 44 billion rubles, while the year before its loss exceeded 20 billion rubles. In this regard, the company plans to pay a dividend, the size of which is currently being discussed. It can range from 25% to 50% by a decision of the government. But the company is offering to move from fixed percent to absolute figures, which will increase the payment without reference to the level of profit.

Read full text: <http://www.kommersant.ru/doc/2939692>

## COMPANY NEWS

### Branches of IDGC of Centre launched "Days of Entrepreneurs"

Read full text: <http://www.mrsk-1.ru/press-center/news/company/52423/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 890,79	1,05%	7,35%
S&P 500	2 040,59	0,66%	-0,16%
FTSE 100	6 201,12	0,42%	-0,66%
DAX	9 892,20	-0,91%	-7,92%
DJStoxx 600	340,68	-0,09%	-6,87%
STOXX Utilities	288,63	1,22%	-5,72%
Nikkei	16 936,38	-0,22%	-11,02%
Sensex	24 677,37	-0,02%	-5,51%
CSI300	3 124,20	1,11%	-16,26%
Bovespa	50 913,79	6,60%	17,45%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,13	2,06%	-6,90%
USD/RUB	71,03	0,69%	-2,55%
Euro/RUB	78,75	0,54%	-1,18%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 257,97	-0,36%	18,55%
Brent*, USD/bbl	41,54	3,00%	5,43%

\* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2399
Capitalisation**, billion RUB	10,13
Capitalisation**, million USD	142,60

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	0,99%	17,19%
Shares of IDGC of Centre**	0,00%	22,96%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	-1,32%	27,10%
FGC UES	0,48%	23,99%
IDGC of Volga	-1,55%	30,59%
MOESK	-0,61%	9,33%
IDGC of Northern Caucasus	-1,84%	6,80%
IDGC of Centre and Volga Reg	-0,33%	-3,50%
IDGC of North-West	-0,90%	60,22%
IDGC of Urals	1,75%	22,11%
IDGC of Siberia	0,40%	3,48%
IDGC of South	-1,36%	39,10%
Lenenergo	10,11%	30,79%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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### Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

[MRKC](#)

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