

# DAILY MARKET REVIEW

2 September, Friday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 01 September some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell 0.2-0.3% on published better than expected ADP employment data in the US industry in August, which raised concern of investors about the Fed raising interest rates soon. In general, as The Wall Street Journal notes, the indicators last month moved in a narrow range at low trading volumes – one of the reasons for this "paralysis" was a lack of confidence of market participants in the future course of US monetary policy. On Thursday, most of the major country indices of the Asia-Pacific region decreased within an average of 0.5%, despite strong statistics from China, where the official index of business activity in the processing industry in August rose to 50.4 points from 49.9 points in July with the expected decline to 49.8 points. Only the Japanese Nikkei 225 closed trading with small plus, which was supported by continued weakening of the yen against the US dollar. November Brent futures traded near the mark of \$47.1 per barrel, at the closing level on 31 August. Oil prices stabilized after almost a 3% fall on Tuesday on the US Department of Energy data, which recorded growth in oil inventories last week by 2.3 million barrels, more than double of the forecast.

In the first half of the day the Russian and European markets were dominated by optimism, the MICEX Index and the Stoxx Europe 600 Index added an average of about 0.5% on good Chinese statistics. An additional positive factor for Russian investors was own statistics – the manufacturing PMI index by the end of August for the second time this year climbed above the threshold level of 50 points. In the second half of the day investors' sentiment significantly deteriorated in the western markets, the European indices and US futures went negative after publication of weak data on business activity in the US industry in August. The ISM Manufacturing index decreased to 49.4 points from 52.6 points in July, falling below the threshold of 50 points for the first time since February, the sub-index that tracks the flow of new orders fell to the lowest level this year, and the employment sub-index declined to its lowest level since 2012. As noted by Bloomberg, such weak data on the state of the processing industry caused surprise of experts, because other indicators generally speak about the continuing recovery of the US economy. At the same time, the same indicator, calculated by Markit, fell only to 52 points from 52.1 points in July. The MICEX Index was able to close trading in positive territory, despite the drop in Brent oil prices below \$46 per barrel and the beginning of trading in the US with a half-point decline in the major indices.

During the trading session the MicexPWR Sector Index underperformed mainly due to profit-taking in shares of FGC UES and RusHydro after strong growth in the previous day.

## ELECTRIC POWER INDUSTRY NEWS

**Ministry of Energy of the Russian Federation in the near future to introduce to the government a draft of the energy strategy up to 2035**

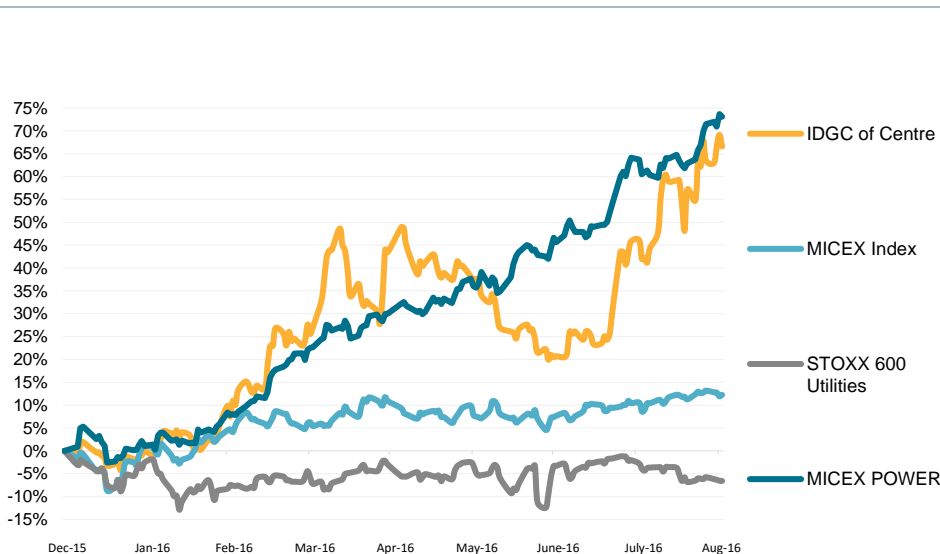
Read full text: <http://www.bigpowernews.ru/markets/document72369.phtml>

## COMPANY NEWS

**Kostromaenergo in the first half of the year saved 3.6 million kWh of electricity**

Read full text: <http://energycluster.ru/PressReleaseenergycluster/PressReleaseShow.asp?ID=614587>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 976.91	0,27%	12,24%
S&P 500	2 170.86	0,00%	6,21%
FTSE 100	6 745.97	-0,52%	8,07%
DAX	10 534.31	-0,55%	-1,94%
DJStoxx 600	343.66	0,04%	-6,06%
STOXX Utilities	285.97	-0,06%	-6,59%
Nikkei	16 926.84	0,23%	-11,07%
Sensex	28 423.48	-0,10%	8,83%
CSI300	3 301.58	-0,79%	-11,51%
Bovespa	58 236.27	0,58%	34,34%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,36%	-7,89%
USD/RUB	65,25	0,53%	-10,47%
Euro/RUB	72,69	0,25%	-8,80%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 313.89	0,38%	23,82%
Brent*, USD/bbl	45,45	-3,07%	3,81%

\* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3250
Capitalisation**, billion RUB	13,72
Capitalisation**, million USD	210,27

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,34%	73,07%
Shares of IDGC of Centre**	-1,52%	66,58%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,48%	103,49%
FGC UES	-1,02%	191,60%
IDGC of Volga	1,24%	151,41%
MOESK	0,00%	25,33%
IDGC of Northern Caucasus	-0,29%	37,20%
IDGC of Centre and Volga Reg	-1,46%	60,67%
IDGC of North-West	-1,70%	90,15%
IDGC of Urals	-0,88%	78,42%
IDGC of Siberia	0,16%	30,94%
IDGC of South	1,86%	58,33%
Lenenergo	-2,69%	129,48%

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](mailto:ir@mrsk-1.ru)

### Tickers

Moscow Exchange (MOEX)  
Bloomberg  
Reuters

MRKC  
MRKC.RX  
MRKC.MM