

DAILY MARKET REVIEW

10 August, Wednesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 09 August some neutral external background formed on the Russian market. On Monday the US indices DJIA and S&P500 were 0.1% down at low activity of investors – according to The Wall Street Journal, the volume of trading on Monday was one of the lowest in the current year. US stocks are at historic highs, experts note the US market being overbought – the S&P500 by the P/E multiplier rose above 20x for the first time since 2009. On Tuesday the composite Asia-Pacific region index MSCI Asia Pacific added about 0.5%. The markets in the Asian session were supported, including, by statistics from China, where in July consumer price inflation fell to 1.8% y/y. As experts note, the inflation in China is significantly below the target of the People's Bank of China at the level of 3%, which gives the central bank the ability to maintain a soft monetary policy against the backdrop of the continuing deterioration in the global economic recovery. Brent October futures traded at \$44.9 per barrel, or \$0.4 less than the closing level on 08 August. Oil quotes were adjusting after strong growth on Monday on statements from OPEC about a possible recovery in demand in the second half of the year and an intention to resume negotiations on freezing oil production.

The MICEX Index most of the day was trading near zero despite the increase in oil prices above \$45 a barrel and rising European markets – the Stoxx Europe 600 Index added more than 0.5% on good corporate reports and optimism regarding the preservation of stimulating monetary policy of leading central banks of the world. At the same time, according to Bloomberg, the German stock DAX Index rose by 20% from the low recorded in February, which corresponds to the definition of a "bullish" trend.

During the trading session the MicexPWR Sector Index looked significantly better than the market mainly due to strong growth of shares of FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy proposes to increase the power reserve

In July the Ministry of Energy presented for public discussion a draft order to increase the power reserve factor for competitive auctions for 2020. The document was posted on the portal regulation.gov. Reserve power is paid by consumers so that generating companies will not reduce generation of electricity at the time of repair - to cover peak demand and provide energy exports. According to the project the planned values should be increased by 2.1 pp to 20.8% in the first price zone (European Russia, the Urals) and by 0.85 pp to 28.3% - in the second (Siberia).

Read full text: <http://www.vedomosti.ru/business/articles/2016/08/09/652224-minenergo-predlagaet-velichit-rezerv-moschnosti>

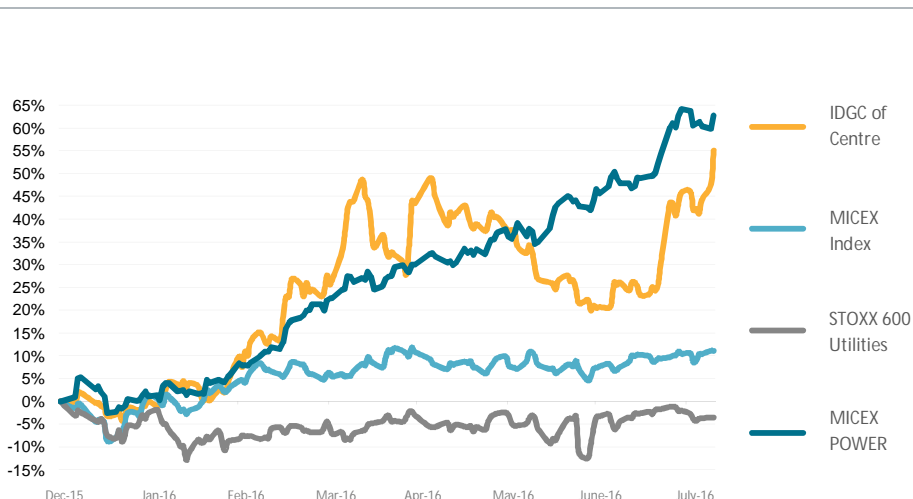
COMPANY NEWS

Belgorodenergo to spent 373 million rubles on grid connection of social facilities

As part of the investment program of this year IDGC of Centre - Belgorodenergo division will perform grid connection of 75 socially important budgetary institutions with a total capacity of 17.4 MW. 23 educational, about 10 health and social service institutions, the same number of cultural and sports facilities will be connected to the power grid. About 373 million rubles will be allocated for these purposes.

Read full text: <http://mediatron.ru/news-2016-avg-036985.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 956.42	-0.03%	11.07%
S&P 500	2 181.74	0.04%	6.74%
FTSE 100	6 851.30	0.62%	9.76%
DAX	10 692.90	2.50%	-0.47%
DJStoxx 600	344.67	0.92%	-5.78%
STOXX Utilities	295.14	-0.01%	-3.59%
Nikkei	16 764.97	0.69%	-11.92%
Sensex	28 085.16	-0.35%	7.53%
CSI300	3 256.98	0.70%	-12.70%
Bovespa	57 689.41	0.09%	33.08%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	0.23%	-8.67%
USD/RUB	65,08	-0.74%	-10.71%
Euro/RUB	72,15	-1.21%	-9.47%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 340,73	0.41%	26.35%
Brent*, USD/bbl	44,98	-0.90%	4,24%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3025
Capitalisation**, billion RUB	12,77
Capitalisation**, million USD	196,23

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,84%	62,68%
Shares of IDGC of Centre**	5,03%	55,05%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,26%	89,45%
FGC UES	3,73%	157,58%
IDGC of Volga	-0,24%	110,80%
MOESK	1,48%	27,87%
IDGC of Northern Caucasus	4,65%	44,00%
IDGC of Centre and Volga Reg	3,68%	61,62%
IDGC of North-West	2,78%	89,05%
IDGC of Urals	2,85%	71,05%
IDGC of Siberia	-1,68%	20,08%
IDGC of South	0,41%	56,09%
Lenenergo	4,03%	142,58%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
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MRKC
MRKC RX
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