

DAILY MARKET REVIEW

18 August, Thursday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 17 August some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed lower by 0.5% on increased concerns about a possible rise in Fed rates in September after good statistics on new construction and industrial production in July, and the statement of the Federal Reserve Bank of New York Head that the Fed may raise its benchmark interest rate at the next meeting. On Wednesday the main country indices of the Asia-Pacific region were trading mixed. Japan's Nikkei 225 gained 0.9% due to the weakening of the yen after the statement of a representative of the Ministry of Finance that the government will have to take action if the rapid strengthening of the yen continues. On Tuesday the US dollar against the yen fell to 99.54 yen, having fallen below the psychological mark of 100 ¥/\$1 for the first time since November 2013. October Brent futures traded near the mark of \$48.8 per barrel, slightly below the closing level on 16 August. Oil prices, the driver of growth of which in the last few days was speculating on the possible harmonization of actions by oil producers to stabilize the market, ceased to rise after reports that Iran is not interested in freezing oil production. According to media reports, Iran still wants to increase the oil production to the pre-sanction level – 4-4.2 million barrels a day – before considering the possibility of participating in such deals. Thus a representative of the Iranian Oil Ministry said that the country has no plans to reach this level of production at the time of the informal meeting of the OPEC countries, scheduled for 26-28 September.

The Russian market still has profit-taking after the update of historic highs on Tuesday – in the middle of the day the reduction of the MICEX Index reached 0.8%. In the afternoon Russian investors were supported by the growth of quotations of Brent crude oil to around \$49.5 per barrel after the publication of the US Department of Energy statistics, which recorded a reduction in inventories of gasoline and crude oil last week, including in Cushing terminal, which houses oil traded on the NYMEX. At the same time the positive factor of the oil price increase was largely offset by negative changes of the western markets – at the end of our trades the loss of the Stoxx Europe 600 Index and major US indices averaged about 0.5%.

At the end of the trading session the MicexPWR Sector Index underperformed. The main contribution to the sectoral indicator underperformance in comparison with the MICEX Index was made by shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

FAS in September to forward to the Cabinet amendments to reference calculations of electricity suppliers

The Federal Antimonopoly Service (FAS) plans within two weeks to forward for consideration in agencies draft amendments, under which electricity suppliers will be transferred to reference calculations of surpluses, the government will receive the document in September, told reporters Deputy Minister Vitaly Korolev after a meeting of the specialized expert council.

Read full text: <http://www.bigpowernews.ru/markets/document72092.phtml>

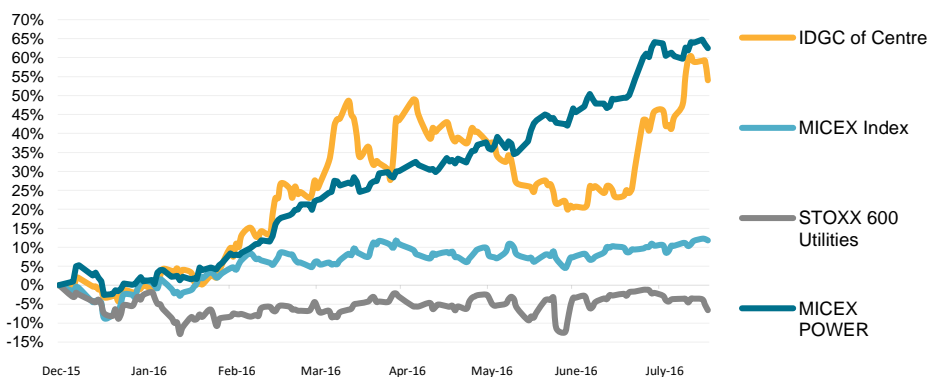
COMPANY NEWS

For 6 months Smolenskenergo spent 1.3 million rubles to provide reliable and environmentally friendly production

The Smolensk branch spent more than 1.3 million rubles to implement measures of IDGC of Centre's environmental policy for 6 months of 2016.

Read full text: <http://smoldaily.ru/na-obespechenie-nadezhnogo-i-ekologicheskii-bezopasnogo-proizvodstva-smolenskenergo-za-6-mesyatsev-byilo-napravleno-1-3-mln-rublej>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 969,19	-0,33%	11,80%
S&P 500	2 182,22	0,19%	6,77%
FTSE 100	6 859,15	-0,50%	9,88%
DAX	10 537,67	-1,30%	-1,91%
DJStoxx 600	340,47	-0,83%	-6,93%
STOXX Utilities	285,94	-1,47%	-6,60%
Nikkei	16 745,64	0,90%	-12,02%
Sensex	28 005,37	-0,21%	7,23%
CSI300	3 373,05	-0,15%	-9,59%
Bovespa	59 323,83	0,80%	36,85%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,13	0,04%	-7,27%
USD/RUB	63,95	-0,40%	-12,25%
Euro/RUB	71,96	0,33%	-9,70%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 348,73	0,18%	27,11%
Brent*, USD/bbl	49,85	1,26%	15,53%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3005
Capitalisation**, billion RUB	12,69
Capitalisation**, million USD	198,38

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,64%	62,46%
Shares of IDGC of Centre**	-3,22%	54,02%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,46%	98,93%
FGC UES	-0,34%	153,35%
IDGC of Volga	-0,97%	110,80%
MOESK	0,64%	25,87%
IDGC of Northern Caucasus	-0,86%	38,00%
IDGC of Centre and Volga Reg	-0,31%	53,34%
IDGC of North-West	-1,01%	78,10%
IDGC of Urals	0,30%	76,32%
IDGC of Siberia	-0,51%	20,49%
IDGC of South	-1,07%	48,40%
Lenenergo	-2,57%	131,44%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
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MRKC
MRKC RX
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