

DAILY MARKET REVIEW

29 June, Wednesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 28 June some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 fell 1.5-1.8%, continuing to play back the results of the referendum in the UK. On Tuesday US index futures added nearly a percent, most of the major indices of the Asia-Pacific region grew up. Those indices traded in the red, whose calculation base has a large number of European stocks – for example, the Australian S&P/ASX 200 and Hong Kong's Hang Seng. As noted by Bloomberg, the markets rose on expectations of a gradual stabilization of the situation after Brexit, in addition, investors are counting on further measures to support the economy in a number of countries. In particular, traders are expecting stimulating monetary policies in the United States to be maintained: bets on increase of the cost of Fed credit until February 2017 are low, while the chances of its decline in September are estimated by the market at 15%. Prior to the British referendum, none of the market participants expected the Fed lowering rates. August Brent futures traded at \$47.9 per barrel, or \$0.6 higher than the closing level on 27 June. Oil prices are stabilizing after a two-day drop, the quotations are supported including by the dollar weakening and the media information about the threat of a strike of Norwegian oil workers demanding higher wages.

On Tuesday the Russian and European markets recovered after two days of active sales. Investors were also supported by statistics from the US, where data on the GDP growth in the first quarter and the consumer confidence index in June were better than expected. In the second half of the trading session the MICEX Index and the European Stoxx Europe 600 Index added about a percent and 3%, respectively. Underperformance of the Russian market was due, firstly, to lower losses on Friday-Monday, and, secondly, to the uncertain dynamics of oil prices, which after rising to around \$48.5 per barrel by the end of our trading fell below the morning levels.

During the trading session the MicexPWR Sector Index underperformed mainly due to the ongoing for the second consecutive day fall of shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" and the Ministry of Agriculture of Russia develop cooperation to support agricultural producers

28 June, PJSC "Rosseti" and the Ministry of Agriculture of the Russian Federation signed an agreement on cooperation in the framework of implementation of the State program of agricultural development and regulation of markets of agricultural products, raw materials and food until 2020. The document was signed by Minister of Agriculture Alexander Tkachev and Head of PJSC "Rosseti" Oleg Budargin.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=27033

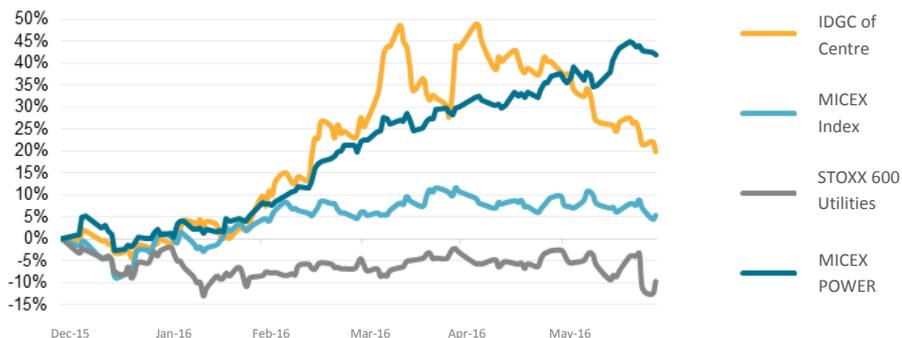
COMPANY NEWS

Smolenskenergo produced the preliminary results of the summer control measurement of electrical loads and voltage levels in the grids

15 June 2016, IDGC of Centre - Smolenskenergo division held a regular summer control measurement of electrical loads and voltage levels in the grids. As part of the activities power engineers carried out hourly control measurements of the actual flow distribution, voltages and loads in the nodes, load power connected to the emergency control and included in the schedules of temporary outages. Control time to determine the measurements was established by the Regional dispatch control centre of power grids of the Kaluga, Bryansk and Smolensk regions (Smolensk Transmission Control Centre).

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/55081/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 857,23	0,84%	5,44%
S&P 500	2 036,09	1,78%	-0,38%
FTSE 100	6 140,39	2,64%	-1,63%
DAX	9 447,28	1,93%	-12,06%
DJStoxx 600	316,70	2,57%	-13,43%
STOXX Utilities	276,75	3,30%	-9,60%
Nikkei	15 323,14	0,09%	-19,49%
Sensex	26 524,55	0,46%	1,56%
CSI300	3 136,40	0,51%	-15,94%
Bovespa	50 006,56	1,55%	15,36%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	0,13%	-9,09%
USD/RUB	65,06	-0,72%	-10,73%
Euro/RUB	71,94	-0,99%	-9,73%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 311,79	-0,97%	23,63%
Brent*, USD/bbl	48,58	3,01%	16,19%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2340
Capitalisation**, billion RUB	9,88
Capitalisation**, million USD	151,85

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,35%	42,02%
Shares of IDGC of Centre**	-1,89%	19,94%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	0,75%	32,64%
FGC UES	1,32%	157,58%
IDGC of Volga	2,30%	48,59%
MOESK	-0,23%	17,07%
IDGC of Northern Caucasus	0,00%	12,40%
IDGC of Centre and Volga Reg	-1,34%	17,68%
IDGC of North-West	-0,93%	55,11%
IDGC of Urals	-1,61%	28,42%
IDGC of Siberia	3,38%	0,41%
IDGC of South	0,55%	16,67%
Lenenergo	1,42%	24,67%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC.RX
MRKC.MM