

DAILY MARKET REVIEW

04 July, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 01 July some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 1.3-1.4% on, on Friday the composite Asia-Pacific region index MSCI Asia Pacific added about 0.5%. Investors' optimism was driven by information about the readiness of the leading central banks to support financial markets. The head of the Bank of England said that the Central Bank may be forced to soften monetary policy in the summer months to compensate for the reaction to the decision of the British to give up membership in the European Union. In addition, according to media reports, the ECB may extend the possibility of redemption of government bonds because of the sharp decline in the yield on the Brexit background the number of available government securities for redemption reduced in accordance with applicable regulations. At the same time, the activity of buyers in the Asian session was restricted with weak statistics from China, where the official manufacturing PMI in June fell to the lowest 50 points in four months from 50.1 points in May. At the same time, another similar index, calculated by Caixin Media and Markit, fell even more significantly – to 48.6 points from 49.2 in May. September futures for Brent traded near the mark of \$49.9 per barrel, slightly higher than the closing level on 30 June. Oil quotations were also supported by statements of the US and Saudi Arabia energy officials that the global oil market is coming back to equilibrium. The head of the Ministry of Energy of Saudi Arabia expects that supply and demand will balance already this year, while the US Secretary of Energy believes that rebalancing could be delayed until next year.

The Russian and European markets are still dominated by positive sentiment. After the flat trend at the beginning of the trading session, in the afternoon the MICEX and European Stoxx Europe 600 Indices added on average about half a percent. The markets were supported in addition to the expected expansion of incentive programs by global central banks with statistics – unemployment in the Eurozone in May dropped to the lowest level since July 2011, data on business activity in industry in the Eurozone and the US in June were better than expected, while the US ISM Manufacturing rose to a peak since February 2015.

During the trading session the MicexPWR Sector Index underperformed mainly due to shares of Unipro, which lost for the day more than 5% after the ex-dividend date.

ELECTRIC POWER INDUSTRY NEWS

FAS Russia to prepare proposals for the introduction of long-term rates

The Federal Antimonopoly Service (FAS) of Russia will prepare proposals for the introduction of long-term rates, the corresponding order was given by Russian President Vladimir Putin at a meeting with the head of the FAS Igor Artyemov.

Read full text: <http://ria.ru/economy/20160701/1455794017.html>

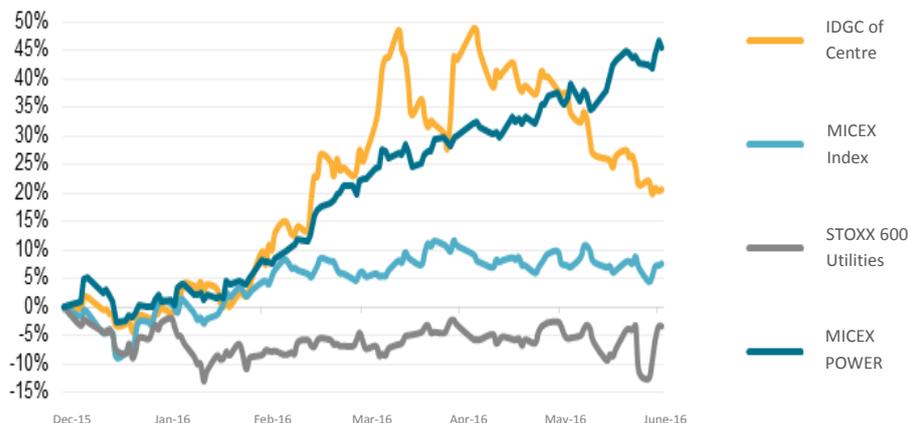
COMPANY NEWS

IDGC of Centre implements occupational standards

One of the most important innovations in 2016 in the field of HR management is entering into force on 1 July 2016 of Art. 195.3 of the Labour Code regulating the procedure for the application of occupational standards.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/56291/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 896,62	0,29%	7,68%
S&P 500	2 102,95	0,19%	2,89%
FTSE 100	6 577,83	1,13%	5,37%
DAX	9 776,12	0,99%	-9,00%
DJStoxx 600	332,24	0,72%	-9,18%
STOXX Utilities	296,08	0,09%	-3,28%
Nikkei	15 682,48	0,68%	-17,61%
Sensex	27 144,91	0,54%	3,93%
CSI300	3 154,20	0,01%	-15,46%
Bovespa	52 233,04	1,37%	20,49%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	0,57%	-8,40%
USD/RUB	64,18	-0,13%	-11,95%
Euro/RUB	71,29	0,12%	-10,55%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 341,35	1,47%	26,41%
Brent*, USD/bbl	50,35	1,29%	18,44%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2355
Capitalisation**, billion RUB	9,94
Capitalisation**, million USD	154,92

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,68%	45,64%
Shares of IDGC of Centre**	0,21%	20,71%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,73%	34,39%
FGC UES	1,05%	166,25%
IDGC of Volga	-1,72%	46,79%
MOESK	0,22%	19,07%
IDGC of Northern Caucasus	0,36%	10,80%
IDGC of Centre and Volga Reg	-0,27%	19,11%
IDGC of North-West	1,40%	58,76%
IDGC of Urals	-0,80%	30,53%
IDGC of Siberia	-2,36%	1,84%
IDGC of South	-1,38%	14,74%
Lenenergo	0,35%	26,86%

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