

DAILY MARKET REVIEW

16 August, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday some neutral external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed lower by 0.1-0.2% on published worse than expected data on retail sales in July and the consumer confidence index in August, which offset an increase in oil prices and good statements of a number of companies. On Monday the main country indices of the Asia-Pacific region showed mixed trends. Japan's Nikkei 225 lost 0.3% after the publication of weak statistics – Japan's GDP in the second quarter did not change compared to the previous three months due to falling exports and lower capital investment of companies. At the same time, the Chinese CSI300 added 3% on media reports about a possible launch in December 2016 of the program of interaction of the stock exchanges of Hong Kong and Shenzhen. As noted by analysts, the piece of news is positive, at least in two ways – firstly, it shows a decline in concern of the authorities of the PRC about a sharp outflow of capital from the country, and secondly, the program gives investors more access to the Chinese market. October Brent traded near the mark of \$47.3 per barrel, or \$0.7 higher than the closing level on Friday, August 12th. Oil prices continue rising after a 6% rise last week, which became the highest since April. The market was supported by a statement of Minister of Petroleum of Saudi Arabia that the kingdom is ready to take part in coordinated action of oil producers to help achieve a balance of the oil market. At the same time, a deterrent to oil quotations was data from Baker Hughes, which recorded the ongoing seventh consecutive week growth in the number of operating in the US oil drilling rigs.

On Monday the MICEX Index updated its historical maximum after the rise in oil prices – in the second half of the trading session Brent quotes tested the level of \$48 a barrel on the information about the readiness of oil-producing countries to discuss measures to stabilize the market. Moderately positive dynamics of the western markets also contributed to the Russian market growth – the European Stoxx Europe 600 Index and major US indices in the second half of the day added within 0.5%.

During the trading session the MicexPWR Sector Index corresponded to the changes of the MICEX Index. The main contribution to the MicexPWR growth was made by shares of Quadra, which grew by 30% on good reporting for the first half of the year, as well as shares of Rosseti.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" for a month to develop a program to reduce operating costs by 10%

The Board of Directors of "Rosseti" in a meeting on Friday instructed Director General of the company Oleg Budargin to make changes to the long-term program of development of the company and its subsidiaries relating to the reduction of operating expenses, the company said.

Read full text: <http://www.bigpowernews.ru/news/document72041.phtml?1&q=>

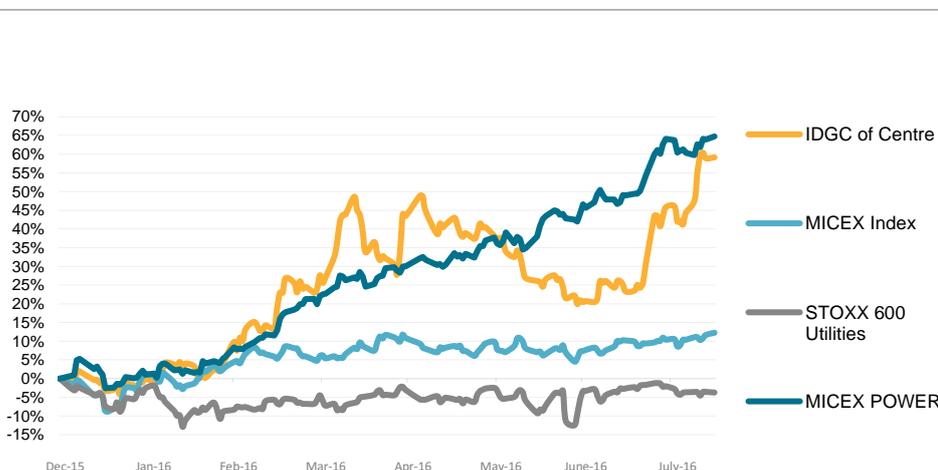
COMPANY NEWS

The economic effect from the implementation of the energy saving and energy efficiency program of Smolenskenergo in 1H 2016 amounted to 47 million rubles

The total economic effect from the implementation of the energy saving and energy efficiency program in the first half of 2016 at IDGC of Centre – Smolenskenergo division amounted to 19.77 million kWh in the sum of 47.06 million rubles, having reached and significantly exceeded the established targets.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/56721/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 977,28	0,51%	12,26%
S&P 500	2 190,15	0,28%	7,15%
FTSE 100	6 941,19	0,36%	11,20%
DAX	10 739,21	0,24%	-0,04%
DJStoxx 600	346,05	-0,01%	-5,40%
STOXX Utilities	294,75	-0,17%	-3,72%
Nikkei	16 869,56	-0,30%	-11,37%
Sensex	28 152,40	0,00%	7,79%
CSI300	3 393,42	3,01%	-9,05%
Bovespa	59 145,98	1,45%	36,44%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,17%	-8,03%
USD/RUB	64,34	-0,94%	-11,73%
Euro/RUB	71,72	-1,03%	-10,01%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 339,40	0,26%	26,23%
Brent*, USD/bbl	48,35	2,94%	12,05%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3105
Capitalisation**, billion RUB	13,11
Capitalisation**, million USD	203,75

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,49%	64,75%
Shares of IDGC of Centre**	0,16%	59,15%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,54%	100,94%
FGC UES	-0,50%	158,87%
IDGC of Volga	-3,04%	113,37%
MOESK	0,63%	27,47%
IDGC of Northern Caucasus	3,19%	42,40%
IDGC of Centre and Volga Reg	-0,90%	57,01%
IDGC of North-West	-1,00%	80,66%
IDGC of Urals	2,17%	73,68%
IDGC of Siberia	0,34%	21,72%
IDGC of South	-0,85%	50,00%
Lenenergo	4,13%	147,60%

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