

# DAILY MARKET REVIEW

27 May, Friday



2016

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 26 May some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.7-0.8%, as MarketWatch notes, market participants have started taking easier the possibility of an early hike of interest rates by the Fed, considering that the US economy has stabilized enough to successfully transfer the increase in the cost of lending. On Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added about half a percent, futures on US indices were in conditional minus. July Brent futures traded near the mark of \$50.1 per barrel, or \$0.9 higher than the closing level on 25 May. The quotes were supported, for the first time since November having surpassed the mark of \$50 per barrel, by the US Department of Energy data on a stronger-than-expected decrease in oil reserves in the country, which declined by 4.2 million barrels. As noted by Bloomberg, the data may indicate a change in the balance of supply and demand of raw materials – the recent disruptions in oil supplies to the market from Canada and Nigeria, demand growth for it from China and India, led the market participants to revise their forecasts.

The Russian market rose in the first half of the day in response to good external environment and continued growth of oil prices, our market was further supported by moderate positive dynamics of European indices. In the afternoon the market sentiment deteriorated against the backdrop of a rollback of oil prices. Inexpressive dynamics of US exchanges at the opening, after the controversial statistical data also failed to provide substantial support to investors' sentiment. In the US the number of applications for unemployment benefits fell last week more than expected, orders for durable goods in April rose by 3.4% compared with March, while orders excluding aircraft and military equipment, which serves an indicator of business investment, contrary to expectations decreased compared to March by 0.8%. Nevertheless, at the end of trading the MICEX Index again accelerated its growth following the return of oil prices above \$50 per barrel of Brent.

During the day the MicexPWR Sector Index underperformed the MICEX Index, the main contribution to the final lag of the sector indicator was made by shares of Inter RAO.

## ELECTRIC POWER INDUSTRY NEWS

### Generating companies offer the privatization of networks

The conference "Electric Power Industry of Russia", held recently in Kaliningrad, discussed urgent problems of rising prices.

Read full text: <http://www.ensor.ru/actual/news/generiruyushie-kompanii-predlagayut-privatizaciyu-setej.html>

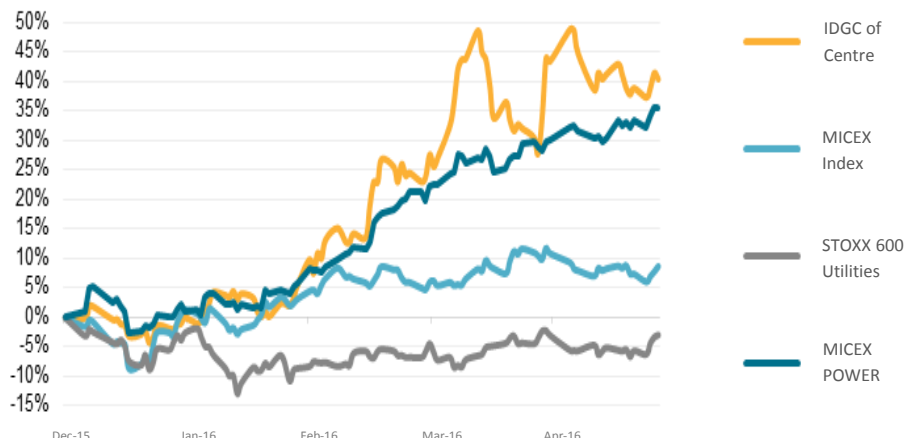
## COMPANY NEWS

### Smolenskenergo increases grid connection of trade enterprises

IDGC of Centre - Smolenskenergo division in the past year performed grid connection of 16 trade enterprises. So, in the city of Smolensk the connection of four sites with a total capacity of 328 kW to the grid of Smolenskenergo was completed.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/53322/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 914,31	0,82%	8,68%
S&P 500	2 090,10	-0,02%	2,26%
FTSE 100	6 265,65	0,04%	0,37%
DAX	10 272,71	0,66%	-4,38%
DJStoxx 600	348,91	0,10%	-4,62%
STOXX Utilities	297,05	0,37%	-2,97%
Nikkei	16 772,46	0,09%	-11,88%
Sensex	26 366,68	1,88%	0,95%
CSI300	3 064,21	0,16%	-17,87%
Bovespa	49 482,86	0,00%	14,15%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,15%	-8,07%
USD/RUB	65,89	-1,72%	-9,59%
Euro/RUB	73,46	-2,10%	-7,83%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 219,80	-0,38%	14,96%
Brent*, USD/bbl	49,59	-0,30%	20,75%

\* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2740
Capitalisation**, billion RUB	11,57
Capitalisation**, million USD	175,55

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,01%	35,44%
Shares of IDGC of Centre**	-0,72%	40,44%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	2,01%	36,07%
FGC UES	-0,12%	106,78%
IDGC of Volga	-1,67%	51,41%
MOESK	0,10%	37,20%
IDGC of Northern Caucasus	-0,33%	19,20%
IDGC of Centre and Volga Reg	0,49%	30,57%
IDGC of North-West	2,42%	70,07%
IDGC of Urals	1,23%	30,00%
IDGC of Siberia	-2,26%	6,56%
IDGC of South	2,01%	30,13%
Lenenergo	-1,02%	26,64%

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