



IDGC OF CENTRE

DAILY MARKET REVIEW

09 February, Tuesday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 08 February some moderately positive external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed with the decline of 1.3-1.8% on the ambiguous statistics on the labour market in January, provoked by expectations to raise rates by the Fed. Despite the minimum since September 2015 increase in the number of jobs in the economy, the unemployment rate fell to 4.9%, the lowest level since February 2008. In addition, analysts noticed an increase in the wage growth rate and increasing share of the population in the labour force. After the publication of these data, according to Bloomberg, the likelihood that the US Federal Reserve will increase rates at least once this year, according to traders, rose to 53% against 46% prior to the statistics release. On Monday the main country indices of the Asia-Pacific region did not show uniform dynamics, with some markets, including China, being closed in observance of the New Year on the lunar calendar. Confident rise was observed only in Japan, where the Nikkei added more than a percent on the weakening of the yen against the dollar, the growing increase in the expectations of the Fed raising rates. At the same time, most markets were under pressure from Chinese statistics, which in January recorded a decrease of currency reserves by \$99.5 billion to its lowest level since May 2012. According to analysts, the reduction of reserves is due to expectations of further decline in the yuan and more substantial slowdown in the country's economy than the government forecasts – to 6.2-6.3% against the official 6.5-7%. April Brent futures traded near the mark of \$34.3 per barrel, or \$0.4 less than the closing level on Friday, 05 February. Negative background for the oil market, including, was the lack of progress on the reduction of production in the negotiation of oil-producing countries. In particular, over the weekend a meeting of oil ministers of Saudi Arabia and Venezuela ended with no result on this matter.

Neutral dynamics of the Russian and European markets gave way to active sales following the collapse of oil prices to around \$33 per barrel. In the middle of the day the reduction in the MICEX Index and the European Stoxx Europe 600 was about 2% and 3%, respectively. "The reasons for concern are the same: China, oil and statistical data," - BNP Paribas Fortis formulated the view of investors. At the end of the day the reduction in the Russian and European markets accelerated after the start of trading in the US with a 2% drop in major indices.

During the day the MicexPWR Sector Index dynamics was generally in line with the MICEX Index. The main contribution to the final MicexPWR reduction was made by shares of E.ON Russia (-7%), which were pressured by the company's statement that the emergency power unit at Berezovskaya GRES is not likely to be started up in the current year.

ELECTRIC POWER INDUSTRY NEWS

The FAS is going to cancel the framework Federal Law on Natural Monopolies, replacing it with a chapter of the law on competition and editing methods for the calculation of tariffs, at the same time it can keep the "cost plus" method of tariff making

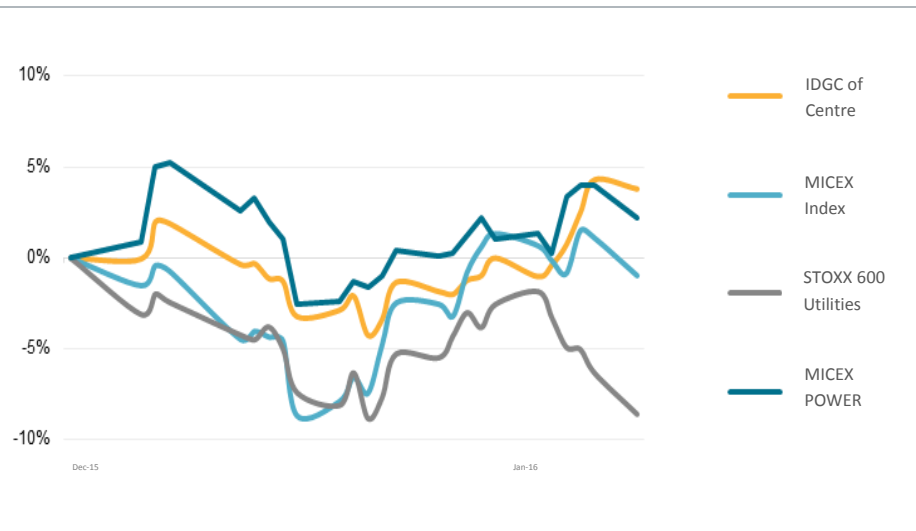
Read full text: <http://www.bigpowernews.ru/markets/document68626.phtml>

COMPANY NEWS

In 2016 Smolenskenergo to invest 1.264 billion rubles in the electric grid complex of the region

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/51181/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.15
MICEX	1 744,27	-2,04%	-0,97%
S&P 500	1 853,44	-1,42%	-9,32%
FTSE 100	5 689,36	-2,71%	-8,86%
DAX	8 979,36	-3,30%	-16,42%
DJStoxx 600	314,36	-3,54%	-14,06%
STOXX Utilities	279,81	-2,42%	-8,60%
Nikkei	17 004,30	1,10%	-10,66%
Sensex	24 287,42	-1,34%	-7,01%
CSI300	2 963,79	0,00%	-20,56%
Bovespa	40 592,09	0,00%	-6,36%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.15
Euro/USD	1,12	0,06%	-8,16%
USD/RUB	77,34	1,15%	6,12%
Euro/RUB	86,58	2,08%	8,63%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.15
Gold, USD/oz	1 189,23	1,35%	12,08%
Brent*, USD/bbl	32,88	-3,46%	-14,66%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2025
Capitalisation**, billion RUB	8,55
Capitalisation**, million USD	110,54

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.15
MICEX-Power Index	-1,71%	2,23%
Shares of IDGC of Centre**	-0,49%	3,79%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.15
JSC Russian Grids	-1,80%	2,62%
FGC UES	-1,47%	1,85%
IDGC of Volga	-2,10%	7,97%
MOESK	-0,91%	1,20%
IDGC of Northern Caucasus	0,00%	-0,80%
IDGC of Centre and Volga Reg	0,31%	3,98%
IDGC of North-West	-1,03%	4,74%
IDGC of Urals	-1,54%	1,05%
IDGC of Siberia	3,43%	4,92%
IDGC of South	0,00%	4,81%
Lenenergo	-1,29%	0,22%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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