

DAILY MARKET REVIEW

03 June, Friday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 02 June some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with slight increase on average in the range of 0.1% on ambiguous statistics. Data on business activity in the manufacturing sector in May were better than expectations, in the regional Fed survey (Beige Book) for April-May discreet or moderate recovery in economic activity in seven of 12 districts and slowdown in two districts was ascertained. On Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost about one percent, following the fall of the Japanese Nikkei by 2.3%. The Japanese market was pressured by a stronger yen, which offset positive information about the postponement of raising the consumption tax. As noted by Bloomberg, the yen rises against all major currencies amid concerns related to the potential exit of the UK from the European Union (Brexit) and upcoming decisions of the Fed on the interest rate. August Brent futures traded near the mark of \$49.7 per barrel, closing at the level of 01 June. The oil prices were supported by information of The Wall Street Journal that the OPEC countries before the summit on 02 June discussed the possibility of imposing restrictions on the maximum level of collective production, which would mean a return to the old system of quotas within the cartel. As recalled in the WSJ, the December OPEC's rejection of quotas became one of the most important factors in the fall in oil prices at the beginning of this year to a minimum of 13 years.

The Russian market remains under selling pressure, on the daily lows the loss the MICEX Index approached one percent. Negative background for our market was the decline in oil prices to around \$49 a barrel after reports that OPEC countries failed to reach agreement on a new ceiling of oil production of the cartel. The Russian market was kept from more active sales with neutral dynamics of western exchanges, where the decline of oil prices was offset by statements of the ECB that rates would remain at "current or lower level" much longer than the term of the asset repurchase program, which would continue at least until the end of March 2017 and, if necessary, even longer, and published statistical as a whole at the level of expectations US data in the number of new jobs in May and applications for unemployment benefits. At the end of the day the MICEX Index played back most of the losses after the publication of statistics of the US Department of Energy, which returned the oil prices to around \$50 per barrel – the Department reported a decrease in stocks and crude oil production in the country.

During the trading session the MicexPWR Sector Index outperformed mainly due to shares of FGC UES, which added more than 7% on the day.

ELECTRIC POWER INDUSTRY NEWS

The Government instructed the Ministry of Energy to develop for energy-intensive consumers schemes to purchase electric energy, bypassing the wholesale market, says the newspaper

Officials decided to cancel the motivation system of the grid holding depending on technical indicators

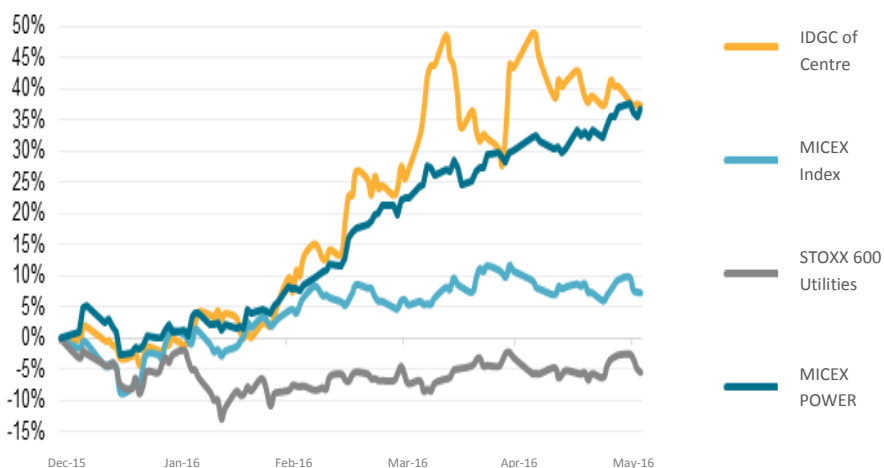
Read full text: <http://www.bigpowernews.ru/markets/document70836.phtml>

COMPANY NEWS

Kurskenergo started massive repair work

Read full text: <https://www.mrsk-1.ru/press-center/news/company/53357/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 890,78	-0,13%	7,35%
S&P 500	2 105,26	0,28%	3,00%
FTSE 100	6 185,61	-0,10%	-0,91%
DAX	10 208,00	0,03%	-4,98%
DJStoxx 600	344,35	0,07%	-5,87%
STOXX Utilities	289,54	-0,66%	-5,42%
Nikkei	16 562,55	-2,32%	-12,98%
Sensex	26 843,14	0,48%	2,78%
CSI300	3 167,10	0,21%	-15,11%
Bovespa	49 887,24	1,78%	15,08%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,16%	-8,23%
USD/RUB	66,62	0,94%	-8,60%
Euro/RUB	74,21	1,05%	-6,89%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 211,00	-0,16%	14,13%
Brent*, USD/bbl	50,04	0,64%	19,68%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2680
Capitalisation**, billion RUB	11,31
Capitalisation**, million USD	169,85

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,75%	36,70%
Shares of IDGC of Centre**	-0,19%	37,37%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-3,25%	26,68%
FGC UES	7,29%	132,27%
IDGC of Volga	-1,01%	51,16%
MOESK	0,38%	39,07%
IDGC of Northern Caucasus	0,68%	18,80%
IDGC of Centre and Volga Reg	1,44%	34,39%
IDGC of North-West	-2,20%	62,04%
IDGC of Urals	0,40%	31,05%
IDGC of Siberia	1,85%	1,43%
IDGC of South	-1,50%	26,28%
Lenenergo	0,52%	27,07%

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