

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 15 June some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 0.2-0.3% on fears of a possible exit of Great Britain from the EU. On Wednesday the main country indices of the Asia-Pacific region were trading without any single dynamics pending the outcome of meetings of the Federal Reserve and the Bank of Japan. The leader in the Asian session was the Chinese market – the CSI300 index added 1.3%, in spite of the MSCI decision not to include the shares of Chinese companies with domestic listing in the calculation of its indices. According to media reports, the MSCI still believes that the level of transparency of the internal Chinese market is insufficient, and for foreign investors it still has a number of limitations. Meanwhile, reports Bloomberg, the inclusion in the global indices of listed domestic shares of Chinese companies in the long term can lead to an influx of hundreds of billions of dollars into the Chinese market. August Brent futures traded near the mark of \$49.3 per barrel, or \$0.4 less than the closing level on 14 June. Negative background for the oil quotations was the strengthening of the US dollar on growing risks of Brexit and data of the American Petroleum Institute, which reported an increase in US oil inventories by 1.2 million barrels. At the same time, the decline in oil prices was restrained by the IEA statement that the excess fuel on the world market in the first half of 2016 was approximately 40% lower than previously expected. At the same time, according to the IEA estimates, next year the supply of oil will be almost equal to the demand.

On Wednesday the Russian and European markets corrected after active sales – in the middle of the trading session the MICEX Index and the Stoxx Europe 600 Index added about half a percent or more than a percent, respectively. Lagging dynamics of the MICEX Index was mainly due to the continued decline in oil prices – Brent price dropped to around \$49 per barrel. In turn, European investors were supported by the statistics: the Eurozone's trade balance surplus in April rose to a record high against the background of a significant increase in export volumes, the unemployment rate in the UK in February and April dropped to its lowest level since 2005, the inflation data in France in May were better than expected. In the afternoon the Russian market followed the price of oil. The MICEX Index moved into negative territory after the fall of the cost of Brent below \$49 per barrel. However, after the US Department of Energy data, which recorded a decline in reserves and production of oil last week, the quotations of Brent returned to the area of \$49.5 per barrel, having supported the MICEX Index, which closed trading slightly up.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the sector indicator outperformance in comparison with the MICEX Index was made by shares of FGC UES, recovering from active sales in the previous week.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" in 2017 wants to get from FGC some electric grid assets

"Rosseti" by the end of 2017 expects to receive from its major "daughter" FGC some electric grid assets as well as rights to claims for debts of "daughters", operating in the North Caucasus and Tuva, according to a decision of the Board of Directors of "Rosseti".

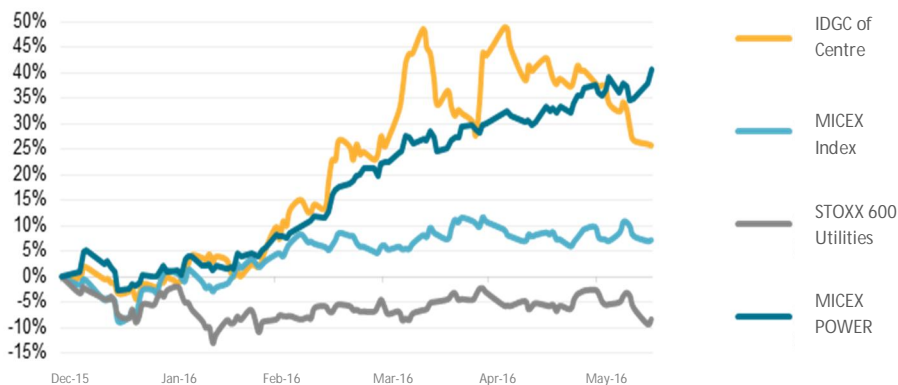
Read full text: <http://ria.ru/economy/20160615/1448178806.html>

COMPANY NEWS

Belgorod power engineers discussed with entrepreneurs the topical issues of connection to the power grid

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/53509/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 889,75	0,20%	7,29%
S&P 500	2 071,50	-0,18%	1,35%
FTSE 100	5 966,80	0,73%	-4,41%
DAX	9 606,71	0,92%	-10,58%
DJStoxx 600	323,63	0,97%	-11,53%
STOXX Utilities	280,88	1,08%	-8,25%
Nikkei	15 919,58	0,38%	-16,36%
Sensex	26 726,34	1,25%	2,33%
CSI300	3 116,37	1,31%	-16,47%
Bovespa	48 914,74	0,55%	12,84%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,22%	-7,56%
USD/RUB	66,03	2,04%	-9,40%
Euro/RUB	74,32	1,54%	-6,75%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 291,75	0,47%	21,74%
Brent*, USD/bbl	48,97	-1,73%	17,13%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2455
Capitalisation**, billion RUB	10,36
Capitalisation**, million USD	156,97

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	2,06%	40,79%
Shares of IDGC of Centre**	-0,20%	25,83%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,88%	30,35%
FGC UES	6,09%	132,15%
IDGC of Volga	0,38%	37,02%
MOESK	0,10%	38,67%
IDGC of Northern Caucasus	0,71%	12,80%
IDGC of Centre and Volga Reg	0,24%	30,89%
IDGC of North-West	0,00%	61,68%
IDGC of Urals	-1,19%	31,05%
IDGC of Siberia	0,62%	0,20%
IDGC of South	0,00%	24,36%
Lenenergo	-1,23%	22,27%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
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MRKC
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