

DAILY MARKET REVIEW

14 June, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 10 June some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 lost 0.1-0.2%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific decreased a percent. Pessimism in the markets, writes Bloomberg, was driven by concerns about global economic growth, the dollar strengthening and falling oil prices. August Brent futures traded near the mark of \$51.5 per barrel, or \$0.4 less than the closing level on 09 June. Oil, having added for the week more than 3.5%, got cheaper on Friday against the background of the dollar strengthening, however, the market was supported, experts say, by absence of "bearish" news and reports on disruptions to oil supplies in Canada and Nigeria.

On Friday the Russian market was dominated by sellers, in the afternoon the MICEX Index decline exceeded a percent. The market was pressured by investors' reduction of open positions before the long weekend and negative sentiment on European markets. Against this background the cut in the key interest rate by 0.5 percentage points to 10.5% per annum did not have a material impact on the dynamics of our market. At mid-day the pace of the fall of the Stoxx Europe 600 Index was close to 2% on fears about the prospects for the world economy, and speculation on the consequences of a possible exit of Great Britain from the EU. According to The Wall Street Journal survey, in June economists have sharply worsened the outlook for the US labour market over the next 12 months after the data of very weak employment growth in May. In general, the economists have paid attention to the strengthening of external risks to the US economy and general slowdown. With regard to the Brexit consequences, a stress test, conducted by Axioma, showed that in this case, European stocks could fall 24%. To simulate the potential Brexit impact on the market, writes Bloomberg, Axioma analyzed the market reaction to events that had already occurred, including the European debt crisis and the referendum on Scottish independence. At the end of the day sales on the Russian market increased after the decline of Brent quotations below \$51 per barrel and the start of trading in the US with more than a half-point decrease in major indices.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR growth was made by shares of Inter RAO, which were supported by information that some of the funds, received by the company for the stake in Irkutskenergo, may be directed to the dividend for 2016.

ELECTRIC POWER INDUSTRY NEWS

The Board of Directors of PJSC "Rosseti" adopted a number of strategic decisions June 9, an in-peron meeting of the Board of Directors of "Rosseti" chaired by Russian Energy Minister Alexander Novak adopted a series of strategic decisions that determine the activity of the Group of Companies.

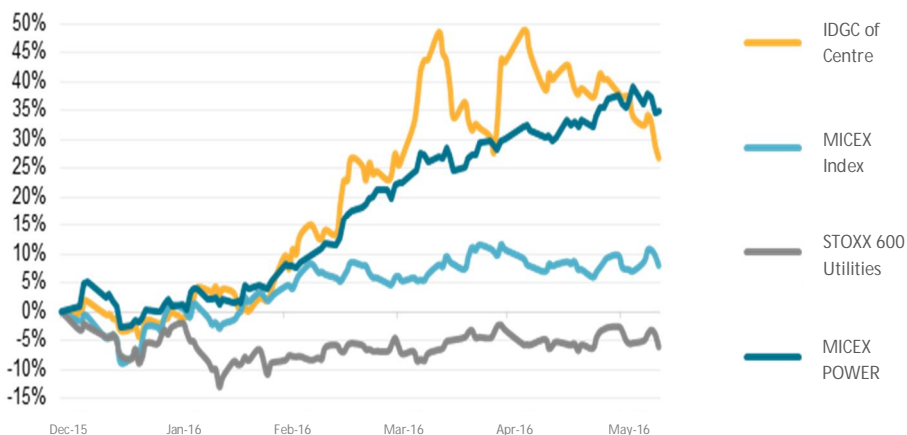
Read full text: <https://www.mrsk-1.ru/press-center/news/holding/53477/>

COMPANY NEWS

IDGC of Centre upgrades important energy facilities in the Kostroma region
IDGC of Centre - Kostromaenergo division has started implementation of projects of the investment program of 2016 - the reconstruction of the substation 110/35/10 kV "SU GRES" and 110/35/6 kV "Kostroma-3".

Read full text: <https://www.mrsk-1.ru/press-center/news/company/53474/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 903,61	-1,62%	8,08%
S&P 500	2 096,07	-0,92%	2,55%
FTSE 100	6 115,76	-1,86%	-2,03%
DAX	9 834,62	-2,52%	-8,46%
DJStoxx 600	332,92	-2,44%	-8,99%
STOXX Utilities	287,78	-2,33%	-5,99%
Nikkei	16 601,36	-0,40%	-12,78%
Sensex	26 635,75	-0,48%	1,98%
CSI300	3 163,99	0,00%	-15,20%
Bovespa	49 422,16	-3,32%	14,01%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,13	-0,60%	-7,45%
USD/RUB	63,74	-1,45%	-12,54%
Euro/RUB	72,57	-1,34%	-8,95%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 274,24	0,35%	20,09%
Brent*, USD/bbl	50,54	-2,71%	20,88%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2475
Capitalisation**, billion RUB	10,45
Capitalisation**, million USD	163,93

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,28%	34,89%
Shares of IDGC of Centre**	-1,79%	26,86%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,75%	27,14%
FGC UES	1,42%	107,05%
IDGC of Volga	-1,66%	37,28%
MOESK	0,10%	37,60%
IDGC of Northern Caucasus	-3,16%	10,40%
IDGC of Centre and Volga Reg	-1,22%	28,98%
IDGC of North-West	-1,14%	58,39%
IDGC of Urals	-0,40%	30,53%
IDGC of Siberia	-2,98%	0,00%
IDGC of South	-2,56%	22,12%
Lenenergo	1,40%	26,20%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
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MRKC
MRKC RX
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