



DAILY MARKET REVIEW

17 March, Thursday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 16 March some neutral external background formed on the Russian market. The US indices have been closing trading for the third consecutive day with slight opposite changes – on Tuesday the DJIA rose by 0.1%, and S&P500 lost 0.2%. On Wednesday the main country indices of the Asia-Pacific region also traded without any single dynamics. Investors took a wait before the publication of the Fed meeting results. Analysts believe that the US Central Bank will keep its key interest rate in the range of 0.25-0.5%. At the same time the experts predict that the Fed governors will leave a possibility of increasing interest rates in the future, in case of improvement of basic macroeconomic indicators, however, will lower the number of planned in 2016 hikes from four, as expected in December. As reported by Bloomberg, based on the quotations of futures contracts, traders expect on average two hikes in 2016. One of the factors which, according to analysts, could keep the Fed from a more decisive action to tighten monetary policy is soft policy of the ECB and the Bank of Japan. As economists say, the differences in the actions of the world's largest Central Banks can trigger the growth of the dollar, which, in turn, will be a blow to exports and employment in the manufacturing industry and threatens to slow down the rate of inflation. May Brent futures traded near the mark of \$39.1 per barrel, or \$0.6 higher than the closing level on 15 March. Oil prices were supported with statistics from the American Petroleum Institute, which reported the lowest in the last four weeks growth in US oil inventories by 1.5 million barrels, which was below analysts' expectations.

In anticipation of the Fed meeting on Wednesday the Russian and European stock markets were dominated by lateral dynamics of the major indices near zero. Published US statistics was ambiguous in terms of evaluating its impact on the Fed decision on monetary policy and did not have significant impact on the dynamics of trading. In February the number of new buildings in the United States peaked in five months, the consumer price index excluding energy and food on an annual basis was a record since May 2012, the industrial production fall exceeded forecasts. However, the MICEX Index, having accelerated at the end of the day, was able to complete trades with the growth of 0.9% – our market was support with a rise in Brent oil prices above \$40 a barrel on the media information that the meeting of oil-producing countries on the oil production freeze will be held 17 April in Qatar, and the US Department of Energy data, which recorded a decline in oil production in the country.

During the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the sector indicator outperformance in comparison with the MICEX Index was made by shares of FGC UES and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

Financial results of PJSC "Rosseti" under RAS for 2015

At the end of 2015 PJSC "Rosseti" received net profit, excluding the revaluation of shares in subsidiaries and affiliates, owned by PSC "Rosseti", in the amount of 3 570 mln RUB, which is 15% higher than in 2014.

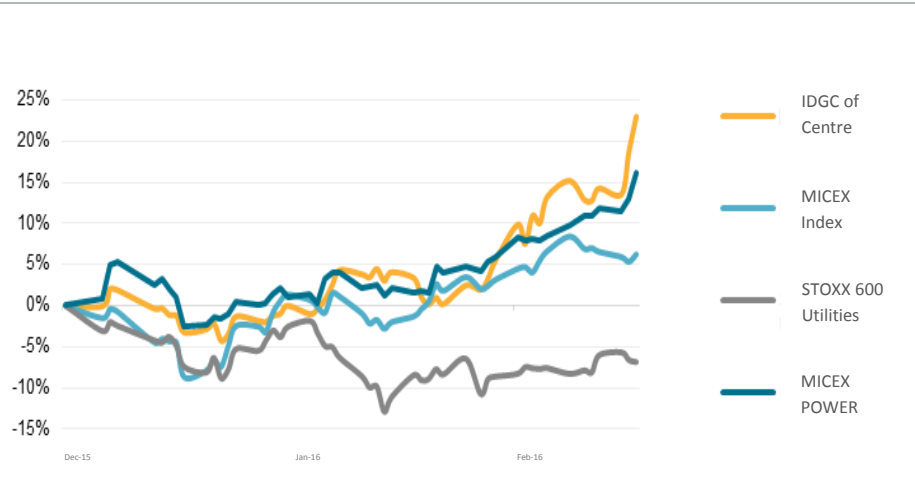
Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=26279

COMPANY NEWS

IDGC of Centre is ready to work during the spring flood

Read full text: <http://www.bigpowernews.ru/press/document69310.phtml>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 871,20	0,87%	6,24%
S&P 500	2 027,22	0,56%	-0,82%
FTSE 100	6 175,49	0,58%	-1,07%
DAX	9 983,41	0,50%	-7,07%
DJStoxx 600	341,00	0,04%	-6,78%
STOXX Utilities	285,14	-0,27%	-6,86%
Nikkei	16 974,45	-0,83%	-10,82%
Sensex	24 682,48	0,53%	-5,49%
CSI300	3 090,03	0,50%	-17,18%
Bovespa	47 763,43	1,34%	10,18%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,11	-0,19%	-8,78%
USD/RUB	70,54	0,55%	-3,21%
Euro/RUB	78,33	0,19%	-1,72%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 262,57	2,45%	18,99%
Brent*, USD/bbl	40,33	4,10%	2,36%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2399
Capitalisation**, billion RUB	10,13
Capitalisation**, million USD	143,58

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	2,77%	16,03%
Shares of IDGC of Centre**	3,63%	22,96%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	3,31%	28,80%
FGC UES	6,48%	23,40%
IDGC of Volga	1,57%	32,65%
MOESK	0,73%	10,00%
IDGC of Northern Caucasus	0,37%	8,80%
IDGC of Centre and Volga Reg	1,00%	-3,18%
IDGC of North-West	1,84%	61,68%
IDGC of Urals	6,54%	20,00%
IDGC of Siberia	-0,40%	3,07%
IDGC of South	1,38%	41,03%
Lenenergo	-1,09%	18,78%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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