

DAILY MARKET REVIEW

15 August, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 12 August some positive external background formed on the Russian market. On Thursday the major US indices DJIA and S&P500 and the Nasdaq Composite rose by 0.5-0.6%, while renewing their historic highs, which has not been observed since 1999. The main positive factor for the market was increase in oil prices and strong statements of a number of large companies. On Friday, following the increase in US stocks, the main country indices of the Asia-Pacific region on average added about one percent. At the same time, investors ignored released worse than expected statistics from China on industrial production and retail sales in July. October Brent futures traded near the mark of \$46.3 per barrel, or \$0.7 higher than the closing level on 11 August. On Thursday the nearest futures on Brent and WTI jumped more than 4% on statements of Saudi Arabia's oil minister that the kingdom is ready to take part in coordinated action to help the oil market reach equilibrium. In addition, the oil quotations were supported by a monthly publication of the IEA review in which experts raised oil demand forecasts for 2016-2017 and reduced expectations of oversupply on the market in the second half of the year.

On Friday the Russian market was dominated by positive sentiment due to rising oil prices – at the end of the day Brent quotes approached \$47 per barrel. At the same time Russian investors' activity was held back by a small decrease in the western markets, which were pressured, including, by statistics from the US on retail sales in July and the consumer confidence index in August, which did not support forecasts of analysts. Nevertheless, the MICEX Index closed trading increasing by 0.8% at 10 points short of the historical high.

At the end of the trading session the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR underperformance in comparison with the MICEX Index was made by shares of Rosseti, which corrected after a sharp rise on Thursday.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy is against the creation of River Fund

The Ministry of Energy criticized the idea of the Ministry of Transport on the introduction of the River Fund. The Ministry prepared a response to the Ministry of Transport, which states that it will inevitably lead to an increase in electricity prices, as well as to risks of failure to perform the investment program of "RusHydro". And this is the construction of new hydropower plants, projects of the subsidiary "UES of the East" for the construction of new power plants in the Far East.

Read full text: <http://izvestia.ru/news/627045>

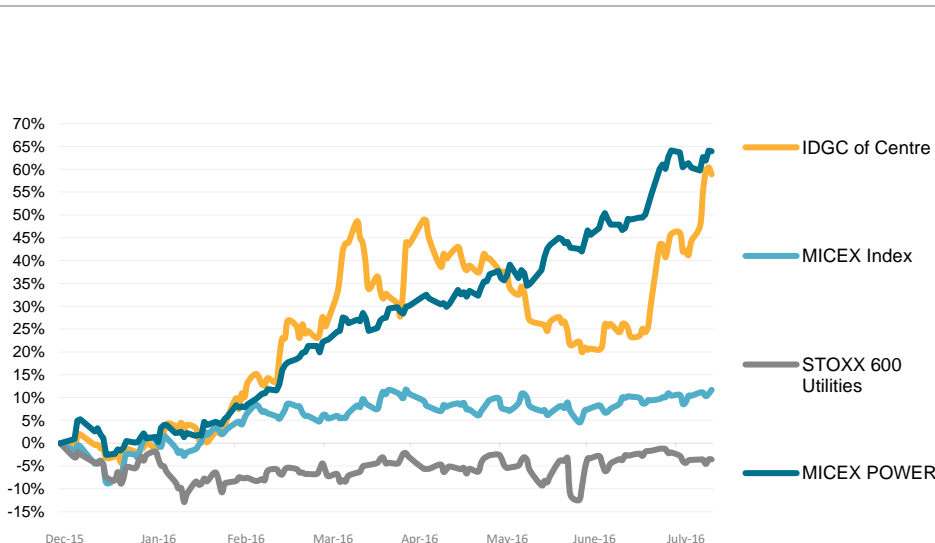
COMPANY NEWS

Since the beginning of the year Kurskenergo decreased overdue receivables by 27.3 million rubles

IDGC of Centre – Kurskenergo division continues systematic work aimed at the collection of receivables formed as a result of performance of functions of an electric energy supplier of last resort in the Kursk region (from 01.02.2013 till 31.03.2014).

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/56708/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 967,18	0,77%	11,69%
S&P 500	2 184,05	-0,08%	6,85%
FTSE 100	6 916,02	0,02%	10,79%
DAX	10 713,43	-0,27%	-0,28%
DJStox 600	346,09	-0,16%	-5,39%
STOXX Utilities	295,26	-0,02%	-3,55%
Nikkei	16 919,92	1,10%	-11,11%
Sensex	28 152,40	1,05%	7,79%
CSI300	3 294,23	1,88%	-11,71%
Bovespa	58 298,41	0,00%	34,48%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,04%	-8,18%
USD/RUB	64,95	0,21%	-10,88%
Euro/RUB	72,46	0,32%	-9,08%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 335,97	-0,21%	25,90%
Brent*, USD/bbl	46,97	2,02%	8,85%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3100
Capitalisation**, billion RUB	13,09
Capitalisation**, million USD	201,50

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,08%	63,95%
Shares of IDGC of Centre**	-0,96%	58,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-2,13%	97,88%
FGC UES	-0,26%	160,17%
IDGC of Volga	-1,50%	120,05%
MOESK	-0,52%	26,67%
IDGC of Northern Caucasus	-4,17%	38,00%
IDGC of Centre and Volga Reg	-1,00%	58,44%
IDGC of North-West	-1,96%	82,48%
IDGC of Urals	-0,62%	70,00%
IDGC of Siberia	-0,50%	21,31%
IDGC of South	-1,67%	51,28%
Lenenergo	-5,30%	137,77%

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