



IDGC OF CENTRE

DAILY MARKET REVIEW

19 February, Friday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 18 February some positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 1.6%, on Thursday the composite Asia-Pacific region index MSCI Asia Pacific added about 2%. The markets were supported with higher oil prices and increased investors' confidence that the Fed will not rush to increase interest rates. As it follows from the January FOMC minutes, writes Bloomberg, due to the increasing uncertainty for the US economy, most of the Fed's executives agreed that the best solution is to wait for more information about the state of the economy, before going on to further raise interest rates in 2016. Only the Chinese CSI 300 traded in a small minus out of the main Asia-Pacific indices in the Asian session, being under pressured with statistics, which recorded a drop in producer prices in January, which continues for record 47 consecutive months. April Brent futures traded near the mark of \$34.7 per barrel, or \$0.7 higher than the closing level on 17 February. Positive background for oil prices was a report of the American Petroleum Institute on the reduction of oil reserves in the country for the week by 3.3 million barrels. At the same time, some analysts noted the current rally in the oil market as excessive, taking into account the great uncertainty around the agreement to freeze oil production by oil-producing countries. In particular, Iran's Minister of Petroleum said that Iran welcomes cooperation between OPEC and other oil-producing countries, yet did not say whether his country was going to join the agreement to freeze the production level concluded by Russia, Saudi Arabia, Venezuela and Qatar.

The continuing rise in oil prices – Brent quotes entrenched above \$35 a barrel – was the main driver of the rise of the Russian and European markets. In the second half of the trading session the MICEX Index and the Stoxx Europe 600 Index added about 2% and a percent, respectively. Additional support to our market could be provided by a report from S&P that as a result of unscheduled review of ratings of the major oil-producing countries due to deteriorating forecasts for oil prices, the agency does not expect a significant deterioration in assessment of the Russian economy and therefore affirmed the ratings of the Russian Federation. At the same time S&P lowered the ratings of a number of countries after all, including Saudi Arabia, Brazil and Kazakhstan. Uncertain start of trading in the US and profit-taking in Europe did not become a reason for deterioration of investors' sentiment on the Russian market – the MICEX Index, breaking the psychological mark of 1,800 points, updated the annual maximum.

For the first time in four trading sessions the MicexPWR Sector Index overperformed. The main contribution to the advancing sector indicator dynamics compared with the MICEX Index was made by shares of RusHydro (+ 6.1%) and Inter RAO (+ 5.6%). In general, a steady growth with an update of yearly highs (for a daily close) was showed by all "heavy" index papers of MicexPWR, except for shares of E.ON Russia.

ELECTRIC POWER INDUSTRY NEWS

Leading specialists of IR-Service of the Russian electric grid complex identified key areas of interaction with shareholders and investors

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=26082

COMPANY NEWS

IDGC of Centre does effective claim-related work on the collection of receivables from the largest defaulters

Read full text: <http://www.mrsk-1.ru/press-center/news/company/51303/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 807,21	2,08%	2,60%
S&P 500	1 917,83	-0,47%	-6,17%
FTSE 100	5 971,95	-0,97%	-4,33%
DAX	9 463,64	0,92%	-11,91%
DJStoxx 600	328,91	0,04%	-10,09%
STOXX Utilities	282,50	1,29%	-7,72%
Nikkei	16 196,80	2,28%	-14,90%
Sensex	23 649,22	1,14%	-9,45%
CSI300	3 053,70	-0,31%	-18,15%
Bovespa	41 477,63	-0,37%	-4,32%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,11	-0,27%	-8,57%
USD/RUB	77,85	2,11%	6,82%
Euro/RUB	86,96	2,20%	9,11%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 230,87	1,85%	16,00%
Brent*, USD/bbl	34,28	-0,64%	-11,03%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1970
Capitalisation**, billion RUB	8,32
Capitalisation**, million USD	106,83

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	2,98%	4,69%
Shares of IDGC of Centre**	0,82%	0,97%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	3,98%	8,41%
FGC UES	2,18%	6,53%
IDGC of Volga	1,69%	7,97%
MOESK	0,53%	1,20%
IDGC of Northern Caucasus	0,00%	-2,80%
IDGC of Centre and Volga Reg	1,65%	-2,07%
IDGC of North-West	3,57%	5,84%
IDGC of Urals	-0,52%	0,00%
IDGC of Siberia	1,87%	0,41%
IDGC of South	1,54%	5,45%
Lenenergo	0,00%	-3,49%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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