

# DAILY MARKET REVIEW

27 June, Monday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 24 June some negative external background formed on the Russian market. Global financial markets came under severe pressure of results of the referendum in the UK, where 51.9% of Britons with a turnout of 72% voted in favour of the country's exit from the EU. The consequence of this unexpected outcome – for the entire week in the markets there was growing confidence that the UK would remain in the EU – was an active flight of investors to quality. The composite stock index of the Asia-Pacific region MSCI Asia Pacific and futures for US indices lost about 5%, the fall in commodity price index, calculated by Bloomberg, and the index of emerging market currencies, calculated by JPMorgan, exceeded 2% and 3%, respectively. At the same time, the price of gold jumped to levels in March 2014, the Japanese yen strengthened against the dollar to the level of August 2014, the price of government bonds of the United States and Germany sharply increased. The biggest Brexit risk, writes The Wall Street Journal, is that it indicates a movement towards the reduction of international trade, free movement of capital and the further cooling of the global economy. In addition, analysts believe that the "divorce" between London and Brussels can lead to increased feelings of disintegration in other European countries, which increases the likelihood of a new crisis in the European Union. August Brent futures traded near the mark of \$48.3 per barrel, \$2 below the closing level on 23 June. On the Asian session lows the fall of the Brent crude oil price exceeded 6%, quotations fell to around \$47.5 per barrel.

The MICEX and European Stoxx Europe 600 Indices began the trading session with a fall of 4% and 9%, respectively. At the same time, the media noted, sales in Europe were of frankly panicked character – the collapse of the indices was the most significant since October 1987, trading in a number of shares was suspended in the first minutes of trading. Outsiders of the morning movement were UK banks, which lost about 30% of the capitalization at the beginning of the day. By mid-day, the MICEX Index was able to reduce the loss of one-third. Analysts point out that the impact of Brexit on the Russian economy will be limited, and the main risks are associated with the decline in oil prices and, to a lesser extent – with the slowdown of the world economy. At the same time, experts do not expect a significant drop of oil prices due Brexit, in particular, UBS believes that prices will not fall below the level of \$43-46 per barrel. In the afternoon, the mood in the global markets improved somewhat after statements of the financial G7, the Fed and the ECB on the willingness of central banks to support the market if necessary.

During the trading session the MicexPWR Sector Index outperformed – the negative factor of Brexit was played back primarily in the first-tier shares. The main contribution to the MicexPWR outperformance compared with the MICEX Index was made by shares of FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### The Russian Government acquired the right to establish requirements for the safety of electric power facilities

The Russian Government received the authority to approve documents establishing the requirements for reliability and safety of electric power facilities. The relevant law was signed 23 June by Russian President Vladimir Putin, according to the Kremlin's official portal.

Read full text: <http://www.bigpowemews.ru/markets/document71219.phtml?1&q=>

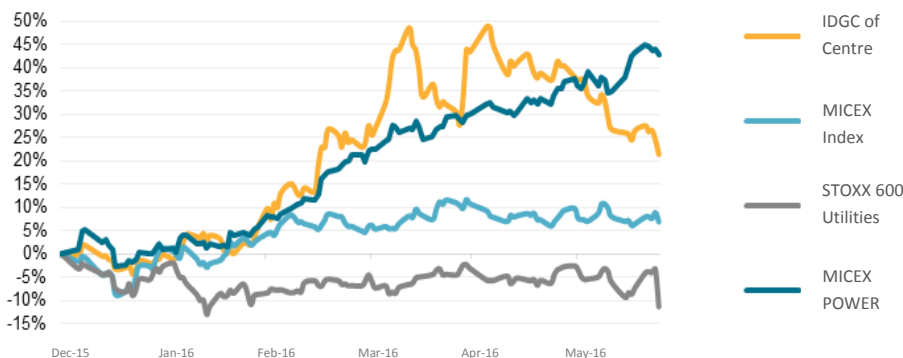
## COMPANY NEWS

### Kurskenergo involves industry veterans to participate in the safety activities

IDGC of Centre - Kurskenergo division held the regular Safety Day – which is a monthly event, whose aim is to identify violations and deviations from the requirements of the rules, regulations and instructions that regulate this area of activity.

Read full text: <http://www.46tv.ru/line/kursk/056435/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 884,41	-1,82%	6,99%
S&P 500	2 037,41	-3,59%	-0,32%
FTSE 100	6 138,69	-3,15%	-1,66%
DAX	9 557,16	-6,82%	-11,04%
DJStoxx 600	321,98	-7,03%	-11,98%
STOXX Utilities	271,60	-8,32%	-11,28%
Nikkei	14 952,02	-7,92%	-21,44%
Sensex	26 397,71	-2,24%	1,07%
CSI300	3 077,16	-1,29%	-17,52%
Bovespa	50 105,26	-2,82%	15,58%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	-2,08%	-8,55%
USD/RUB	64,32	0,95%	-11,75%
Euro/RUB	72,90	1,52%	-8,53%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 315,75	4,69%	24,00%
Brent*, USD/bbl	48,41	-4,91%	15,79%

\* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2370
Capitalisation**, billion RUB	10,01
Capitalisation**, million USD	155,56

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,84%	42,85%
Shares of IDGC of Centre**	-2,47%	21,48%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-1,88%	31,00%
FGC UES	1,52%	140,99%
IDGC of Volga	4,99%	51,41%
MOESK	-3,23%	19,73%
IDGC of Northern Caucasus	-1,05%	13,60%
IDGC of Centre and Volga Reg	-7,48%	22,13%
IDGC of North-West	-7,48%	58,03%
IDGC of Urals	0,00%	30,00%
IDGC of Siberia	0,00%	-0,20%
IDGC of South	-3,20%	16,35%
Lenenergo	-1,05%	23,58%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

**IDGC of Centre, PJSC**  
127018, Moscow, 2nd Yamskaya, 4  
+7 (495) 747 92 92  
<http://mrsk-1.com/en/investors/>

**IR Division**  
+7 (495) 747 92 92, ext. 33-34  
[ir@mrsk-1.ru](mailto:ir@mrsk-1.ru)

**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
Reuters

**MRKC**  
**MRKC RX**  
**MRKC.MM**