



IDGC OF CENTRE

# DAILY MARKET REVIEW

18 February, Thursday

2016

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 17 February some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 1.4-1.7%, reacting to the European rally on Monday – at the beginning of the week the US stock exchanges were closed in observance of Presidents' Day. On Wednesday most of the major indices of the Asia-Pacific region were down, the composite MSCI Asia Pacific Index lost about one percent. The markets were pressured by a decline in oil prices and the volatility of the yuan – China's Central Bank yesterday lowered the reference rate of the national currency to the lowest in the past month after a record growth of the yuan in 10 years on Monday. Under these conditions, according to Bloomberg, the demand for the "safe haven" currency again increased, including the Japanese yen, which in turn led to a reduction of the Nikkei 225 by 1.4%. At the same time, the Chinese CSI 300 added about one percent on media reports that the Chinese authorities intend to actively stimulate the economy, and consider, in particular, increase in public investment, as well as new measures to support bank lending. April Brent futures traded near the mark of \$32.1 per barrel, or \$0.7 less than the closing level on 16 February. Analysts estimate the impact of a potential agreement between Russia and OPEC to freeze oil market still quite skeptically. Experts call the two main factors that limit the prospects of this agreement: firstly, the lack of readiness of Iran, just freed from sanctions, for any action to limit oil production, and secondly, the high elasticity of oil shale mining - if oil prices recover, the US can rapidly increase production. As Goldman Sachs noted, shale companies can increase production for 80 days in case of increase in oil prices, "and it would be suicide" for the Russian Federation and Saudi Arabia.

Neutral start of trading on the Russian market was replaced by a percent increase in the wake of renewed oil price rise on the media reports that ministers of petroleum of Iran, Iraq, Qatar and Venezuela are in talks on oil prices. In addition, our market was supported by some positive sentiment in Europe – the Stoxx Europe 600 Index added about 2% on positive corporate pieces of news of a number of companies, including the banking sector. In the afternoon an additional positive factor for the markets was good statistics from the US, where in January data on industrial production and producer prices were better than expected.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR reduction was made by shares of E.ON Russia and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### Consumers do not want to pay for capacity of Berezovskaya GRES

They fear that the repair of the burned unit will be performed as planned, which will cost them 5 billion rubles.

Read full text: <http://www.vedomosti.ru/business/articles/2016/02/17/629947-potrebiteli-ne-hotyat-platit-moschnost-berezovskoi-gres>

## COMPANY NEWS

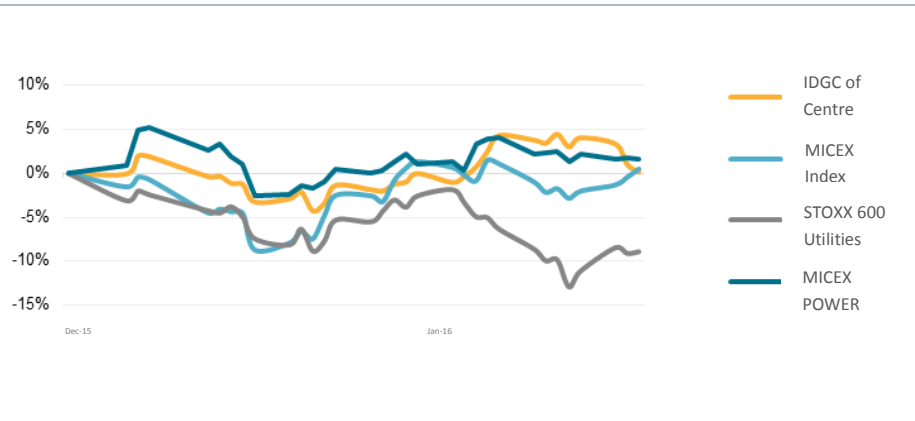
### In 2015 Voronezhenergo increased the net electricity supply and reduced losses

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/51286/>

### Tambovenergo summed up the work with customers in 2015

Read full text: <http://www.mrsk-1.ru/press-center/news/branches/51297/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 770,31	0,94%	0,51%
S&P 500	1 926,82	1,65%	-5,73%
FTSE 100	6 030,32	2,87%	-3,40%
DAX	9 377,21	2,65%	-12,71%
DJStoxx 600	328,77	2,62%	-10,13%
STOXX Utilities	278,89	0,20%	-8,90%
Nikkei	15 836,36	-1,36%	-16,80%
Sensex	23 381,87	0,82%	-10,47%
CSI300	3 063,32	0,87%	-17,90%
Bovespa	41 630,82	1,67%	-3,97%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,11	0,07%	-8,32%
USD/RUB	76,25	-1,97%	4,61%
Euro/RUB	85,09	-2,41%	6,77%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 208,50	0,67%	13,89%
Brent*, USD/bbl	34,50	7,21%	-10,46%

\* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1954
Capitalisation**, billion RUB	8,25
Capitalisation**, million USD	108,20

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	-0,16%	1,66%
Shares of IDGC of Centre**	-0,86%	0,15%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	1,38%	4,26%
FGC UES	-1,67%	4,26%
IDGC of Volga	2,23%	6,17%
MOESK	-0,13%	0,67%
IDGC of Northern Caucasus	-0,41%	-2,80%
IDGC of Centre and Volga Reg	0,17%	-3,66%
IDGC of North-West	1,08%	2,19%
IDGC of Urals	-0,52%	0,53%
IDGC of Siberia	-1,84%	-1,43%
IDGC of South	0,93%	3,85%
Lenenergo	0,45%	-3,49%

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