



IDGC OF CENTRE

DAILY MARKET REVIEW

03 February, Wednesday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 2 February some neutral external background formed on the Russian market. The US indices DJIA and S&P500, having started their trading session on Monday with a percent drop, could close it with minor losses in the range of 0.1%. The market was pressured with weak statistics on business activity in the industry in China and the US in January – their PMI for several months is below the threshold level of 50 points, and the decline in oil prices. At the same time the problem of the global economy once again became an occasion for speculation in relation to the forced reduction in activity of the Fed's decision to tighten the monetary policy. In particular, writes MarketWatch, US stock indices reacted with a growth to the statement of Deputy Head of the Federal Reserve S. Fisher that markets can be wrong, skeptically assessing the possibility of interest rate increase this year. Last month, reminds MarketWatch, S. Fisher called "too low" market expectations that the Fed will raise rates twice in 2016. On Tuesday the composite Asia-Pacific region index MSCI Asia Pacific lost more than 0.5%. Only Chinese indices traded in the positive area out of the major country stock indicators in the region – in particular, the CSI300 growth exceeded 2%. The market was supported with information about the latest injections by the Bank of China into the financial system to prevent liquidity shortages during the celebration of the New Year on the Chinese calendar. April Brent futures traded at \$33.6 per barrel, \$1.1 below the closing level of 1 February. Oil prices, noted Bloomberg, are going down, losing the taken position last week, in anticipation of the publication of data on stocks of fuel in the US market. In addition, all market participants with bigger doubts regard attempts of oil-producing countries to agree on a coordinated reduction of production.

Throughout the trading session the Russian and European markets were under pressure from the ongoing decline in oil prices. In the middle of the day Brent quotes fell below \$33 a barrel, triggering a drop in the MICEX Index and Stoxx Europe 600 by more than a percent and 1.5%, respectively. Sales in Europe were increased by weak quarterly reporting of a number of large companies, in particular, BP and UBS. Released better than expected statistics on unemployment in Germany and the Eurozone were not able to provide support to European investors. In turn, the Russian market participants ignored the media information that the Federal Property Management Agency had submitted to the government a proposal on the possibility of increasing the minimum threshold of dividend of state-owned companies "up to 50%". At the same time, according to the head of the Federal Property Management Agency, the talk is already about dividends following the results of 2015 and applies to all state-owned companies. The rate of the MICEX Index decline dropped to less than a percent, despite increased sales in Europe and a 1.5% drop in the major indices in early trading in the United States.

During the trading session the MicexPWR Sector Index dynamics as a whole corresponded to the MICEX Index. The main contribution to the resulting decline in the MicexPWR Index was made by shares of E.ON Russia, which lost about 7% on the news that a new power unit at Berezhovskaya GRES 800 MW, which was started in the autumn of 2015, was shut down for unplanned repairs after a failure.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" discussed in the extended format the operation of the electric grid complex in the current financial and economic conditions

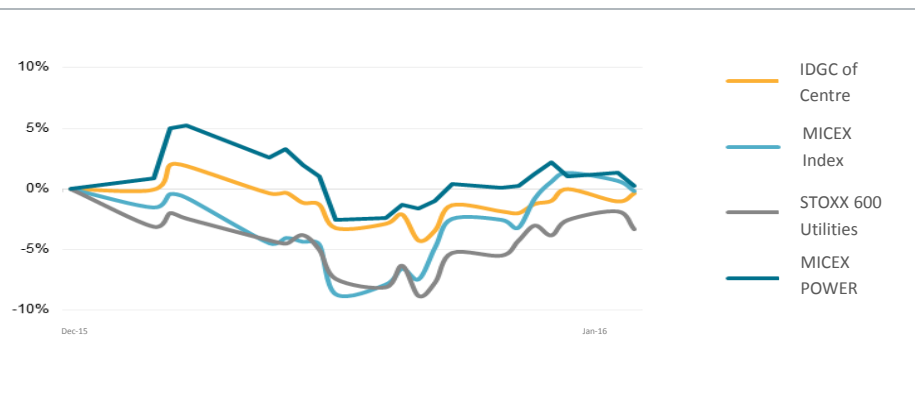
Read full text: http://www.advis.ru/php/view_news.php?id=8E6138A8-3CA3-9943-94BF-F01D00A33D84

COMPANY NEWS

IDGC of Centre summed up the work to reduce accounts receivable in 2015

Read full text: <http://www.mrsk-1.ru/press-center/news/company/51050/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.15
MICEX	1 758,26	-0,84%	-0,18%
S&P 500	1 903,03	-1,87%	-6,89%
FTSE 100	5 922,01	-2,28%	-5,13%
DAX	9 581,04	-1,81%	-10,82%
DJStoxx 600	334,59	-2,05%	-8,53%
STOXX Utilities	295,96	-1,50%	-3,32%
Nikkei	17 750,68	-0,64%	-6,74%
Sensex	24 539,00	-1,15%	-6,04%
CSI300	2 961,33	2,08%	-20,63%
Bovespa	38 596,17	-4,87%	-10,97%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.15
Euro/USD	1,09	0,17%	-10,26%
USD/RUB	76,33	1,54%	4,72%
Euro/RUB	82,81	1,11%	3,91%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.15
Gold, USD/oz	1 129,01	0,05%	6,40%
Brent*, USD/bbl	32,72	-4,44%	-15,08%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1944
Capitalisation**, billion RUB	8,21
Capitalisation**, million USD	107,53

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.15
MICEX-Power Index	-1,09%	0,28%
Shares of IDGC of Centre**	0,67%	-0,36%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.15
JSC Russian Grids	0,83%	0,24%
FGC UES	-1,22%	-2,10%
IDGC of Volga	1,25%	4,11%
MOESK	-0,27%	0,00%
IDGC of Northern Caucasus	0,41%	-2,80%
IDGC of Centre and Volga Reg	1,44%	0,80%
IDGC of North-West	0,00%	-1,09%
IDGC of Urals	0,00%	0,00%
IDGC of Siberia	0,22%	-7,99%
IDGC of South	1,59%	2,56%
Lenenergo	-0,44%	-1,53%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)
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