

DAILY MARKET REVIEW

19 July, Tuesday



2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 18 July some neutral external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed with opposite changes in the range of 0.1% on ambiguous statistics. On the one hand, data on retail sales and industrial production in June were better than expected, on the other hand, the July index of consumer confidence and manufacturing activity in New York fell contrary to forecasts. On Monday the composite Asia-Pacific region index MSCI Asia Pacific, excluding Japan, being on holiday, added about 0.5%. As MarketWatch noted, the Asian markets ignored the coup in Turkey – experts do not believe that the political turmoil in Turkey will have a significant impact on global financial markets. September Brent traded near the mark of \$47.6 per barrel, at our closing on Friday, July 15th. At the end of the Friday's trading, oil quotes rose to around \$48 a barrel on news from Turkey, which plays a strategic role in the supply of oil from the Caspian region, as well as Russia and the Middle East. The passage of ships through the Bosphorus was closed on Friday for a few hours, however, according to media reports, at present transit and loading of tankers is in normal operation. As soon as the threat to oil supplies through the Bosphorus was over, oil prices began to decline.

On Monday the Russian market was under pressure of negative dynamics of oil prices. In the afternoon Brent quotes dropped to \$46.5 per barrel on the announcement of the company Baker Hughes, which recorded continued growth in the number of active drilling rigs in the US. According to analysts, this may indicate that the current level of oil prices suits manufacturers, and they are willing to invest in the expansion of production. Against this background the MICEX Index loss exceeded a percent, while the European Stoxx Europe 600 Index traded near zero. At the end of the day the MICEX Index was able to play three quarters of the losses back after the start of trading in the US with a slight increase in the major indices and turn of the oil prices from the daily lows.

During the trading session the MicexPWR Sector Index outperformed mainly due to the growth of shares of Yunipro, Rosseti and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Russia to provide Iran with two loans totalling €2.2 bln

Russia will provide Iran with the state export credit in the amount of €12 bln for financing the construction of thermal power units in the Islamic Republic. This follows from the Russian Government statement. Another loan in the amount of up to €1 bln is allocated for the electrification of the railway section of Garmsar - Ince Burun. The total length of the section is 495 km, including 203 km in the mountainous area. During the work 32 stations and 95 tunnels will also be electrified, seven traction substations and 11 sectionalizers will be constructed, six duty points of contact network and a building of the section power supply.

Read full text: <http://tass.ru/ekonomika/3464415>

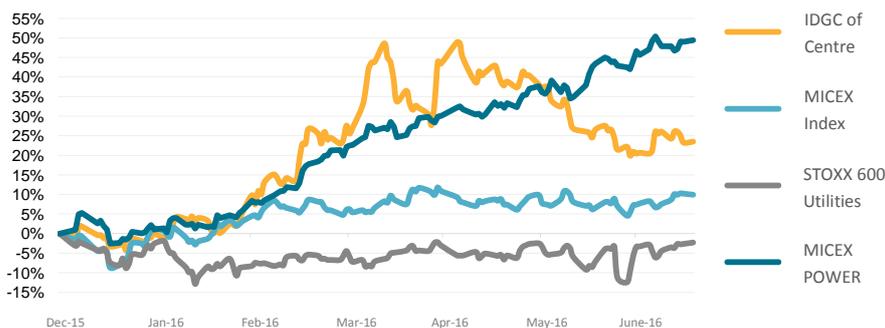
COMPANY NEWS

Orelenergo exceeded the plan of clearing ROWs of power lines in the first half of the year

IDGC of Centre - Orelenergo division summed up the results of work on clearing and extension of ROWs of overhead power lines (Conductors) for six months of 2016. During this period the energy company cleared 352.1 hectares of ROWs that exceeds the planned figures by 2.4%. 3.6 million rubles were spent for this purpose. In the second half of 2016 Orelenergo plans to carry out clearing and extension of 381.1 hectares of ROWs along overhead lines.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/56439/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 936,07	-0,25%	9,92%
S&P 500	2 166,89	0,24%	6,02%
FTSE 100	6 695,42	0,39%	7,26%
DAX	10 063,13	-0,04%	-6,33%
DJStoxx 600	338,70	0,23%	-7,41%
STOXX Utilities	299,17	0,35%	-2,27%
Nikkei	16 497,85	0,00%	-13,32%
Sensex	27 746,66	-0,32%	6,24%
CSI300	3 262,02	-0,44%	-12,57%
Bovespa	56 484,21	1,63%	30,30%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	0,33%	-8,93%
USD/RUB	63,17	-0,64%	-13,33%
Euro/RUB	70,34	-0,32%	-11,74%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 328,85	-0,64%	25,23%
Brent*, USD/bbl	46,96	-1,37%	10,47%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2410
Capitalisation**, billion RUB	10,17
Capitalisation**, million USD	161,07

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,27%	49,42%
Shares of IDGC of Centre**	0,21%	23,53%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	2,24%	54,61%
FGC UES	1,04%	147,47%
IDGC of Volga	-4,25%	68,12%
MOESK	-0,22%	18,40%
IDGC of Northern Caucasus	3,18%	16,80%
IDGC of Centre and Volga Reg	-0,99%	27,23%
IDGC of North-West	0,44%	66,79%
IDGC of Urals	-0,78%	34,74%
IDGC of Siberia	-1,19%	2,46%
IDGC of South	3,97%	25,96%
Lenenergo	0,65%	36,03%

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
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