

DAILY MARKET REVIEW

29 August, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 26 August some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.1-0.2%. As MarketWatch noted, investors were waiting for the main event of this week – Fed Chair's speech at a conference in Jackson Hole. On Friday the composite Asia Pacific region index Asia-Pacific MSCI lost more than 0.5%. More pronounced negative changes of this indicator were mainly due to sales of Japanese equities. The Nikkei 225 index fell 1.2% under the pressure of weak statistics – consumer prices in Japan fell in July at the end of the fifth month in a row. These data, according to Reuters, strengthened the dominant market view that the stimulus program was not able to change the deflationary mood of businesses and consumers. October Brent futures traded near the mark of \$49.5 per barrel, at the closing level on 25 August. Oil prices, which gained on Thursday a percent on media reports that Iran had officially confirmed its participation in OPEC talks in September, stopped rising after Oil Minister of Saudi Arabia said that in general he does not consider it necessary to intervene in the operation of market forces, noting that the market itself is already "moving in the right direction".

For most of the trading session the Russian and European markets were moving sideways in anticipation of the Fed Chair's speech. Published statistics for the day was neutral – data on changes of the GDP in the US, the UK and France in the second quarter were in line with expectations, and did not have a significant impact on the changes of trading. Stock indices moved to moderate growth after the statement of the Federal Reserve Chair, who noted an improvement in conditions in the US economy that the Fed still considers a gradual increase in rates justified. At the same time Janet Yellen reported that the arguments in favour of raising rates have become more persuasive in the past few months, stressing however that the decision to increase it will depend on the extent to which the incoming statistical data would confirm the current outlook for the US economy. Against this background the MICEX Index updated the historical maximum, having stopped for the day several points from the psychological mark of 2,000 points.

At the end of the trading session the MicexPWR Sector Index outperformed. The main contribution to the MicexPWR growth was made by shares of Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Net profit of "Rosseti" under IFRS in 1H 2016 increased by 2.2 times - up to almost 54 billion rubles

Consolidated net profit of PJSC "Rosseti" under International Financial Reporting Standards (IFRS) in January-June 2016 increased by 2.2 times compared to the same period of 2015 and reached 53.8 billion rubles, says the company.

Read full text: <http://www.bigpowernews.ru/news/document72292.phtml>

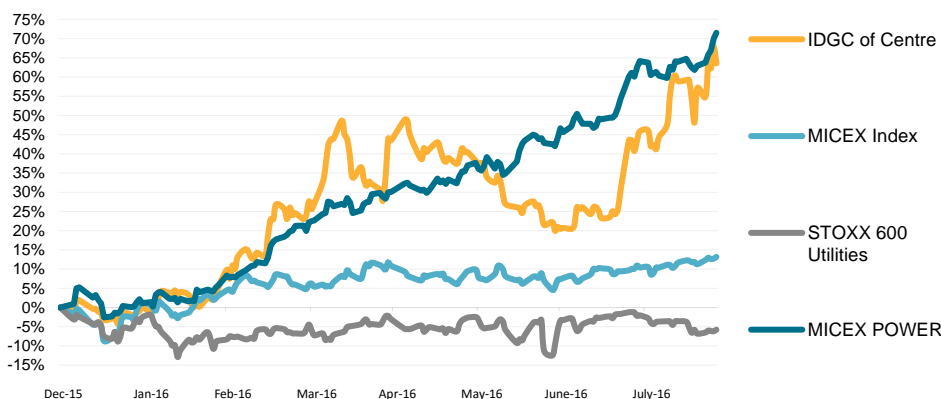
COMPANY NEWS

IDGC of Centre connected to the grid in Kostroma a new hypermarket of a large international construction retailer

IDGC of Centre – Kostromaenergo division implemented connection to its grid of a new hypermarket "Leroy Merlin" in the city of Kostroma. Maximum connected capacity of power devices amounted to 1.424 MW with the second reliability category of electrical networks of 10 kV.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/56832/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 993,35	0,39%	13,17%
S&P 500	2 169,04	-0,16%	6,12%
FTSE 100	6 838,05	0,31%	9,54%
DAX	10 587,77	0,55%	-1,45%
DJStoxx 600	343,72	0,50%	-6,04%
STOXX Utilities	288,47	0,44%	-5,77%
Nikkei	16 360,71	-1,18%	-14,04%
Sensex	27 782,25	-0,19%	6,37%
CSI300	3 307,09	-0,06%	-11,36%
Bovespa	57 716,25	-0,01%	33,14%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,71%	-7,89%
USD/RUB	64,95	0,20%	-10,89%
Euro/RUB	73,21	0,01%	-8,14%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 321,18	-0,06%	24,51%
Brent*, USD/bbl	49,92	0,50%	15,69%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3190
Capitalisation**, billion RUB	13,47
Capitalisation**, million USD	207,37

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,88%	71,50%
Shares of IDGC of Centre**	-2,60%	63,51%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-2,23%	101,75%
FGC UES	2,28%	183,00%
IDGC of Volga	2,32%	138,56%
MOESK	2,23%	28,13%
IDGC of Northern Caucasus	-1,71%	37,60%
IDGC of Centre and Volga Reg	-1,21%	56,53%
IDGC of North-West	0,98%	88,32%
IDGC of Urals	1,80%	78,95%
IDGC of Siberia	0,79%	30,94%
IDGC of South	1,21%	60,26%
Lenenergo	0,38%	131,44%

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