

DAILY MARKET REVIEW

24 May, Tuesday



2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 23 May some moderately negative external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed with the growth of 0.4-0.6%, continuing to play back on expectations of a possible rate hike following the results of the June meeting of the Fed. On Monday the composite Asia-Pacific region index MSCI Asia Pacific was slightly up against the backdrop of multidirectional dynamics of the major markets. The Japanese market declined following the appreciation of the yen, as well as data on the continuing fall in exports, which have decreased for the seventh consecutive month. Brent traded near the mark of \$48.2 per barrel, or \$0.5 less than the closing level on Friday, May 20th. The oil quotes were pressured with news about restoring production in Canada, as well as a further increase in production of raw materials in Iran. According to Managing Director of the National Iranian Oil Company R. Djawadi, Iran plans to increase oil exports to the pre-sanction level of 2.2 million barrels per day by the beginning of August from the current about 2 million b/d. At the same time R. Djawadi also stressed that Iran, at this stage, until the extraction and export of oil has not come to the pre-sanction level, does not plan to join any agreements on production freeze. Also Friday, the oilfield service company Baker Hughes reported on the first increase in 17 weeks of the number of drilling rigs operating in the US.

The Russian market declined during the trading session on Monday, reacting to the fall of oil prices, which decreased below \$48 per barrel of Brent, and the unfavourable situation on the world markets in the context of a weakening interest in risky assets. European markets were also in the red zone - a negative factor for indices was own statistics - the PMI composite index of 19 Eurozone's countries, calculated by Markit Economics, fell in May to the lowest in 16 months, reaching 52.9 points versus 53 points a month earlier. In the afternoon selling pressure eased somewhat after oil prices returned to above \$48 a barrel, and moderately positive dynamics of US exchanges at the start. Against this backdrop, the pace of the MICEX index fall decreased slightly, however, the decline following the trading results was more than 1.2%.

During the trading session the MicexPWR Sector Index outperformed mainly due to shares of FGC UES, which are still supported by the dividend expectations.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy to rewrite the general scheme of the electric power industry

The Ministry makes an optimistic forecast for the commissioning of new facilities, but does not indicate how it is financed.

Read full text: <http://www.vedomosti.ru/business/articles/2016/05/24/642114-minenergo-budet-perepisivat-genshemu-elektoenergetiki>

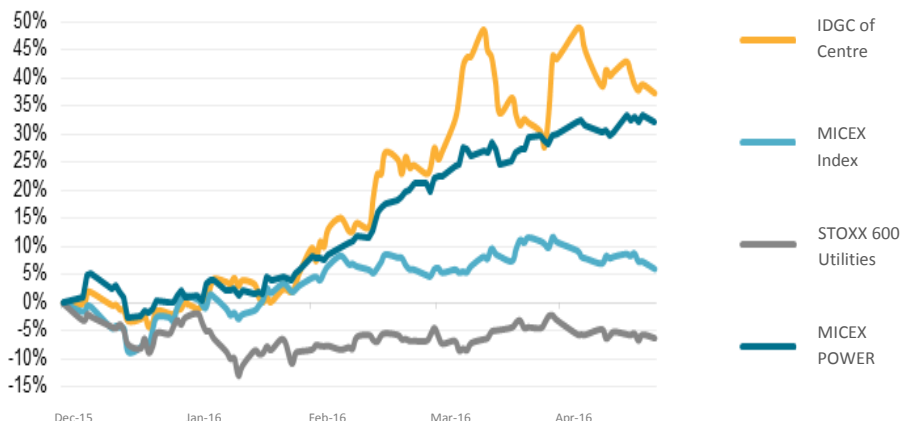
COMPANY NEWS

Belgorodenergo reconstructs 5 high feeding centers

IDGC of Centre - Belgorodenergo division has started to implement a program to improve the reliability of equipment and supply centres. This year five substations of 35-110 kV will have comprehensive reconstruction at the same time. The volume of capital investments will be more than 418 million rubles.

Read full text: <http://www.kommersant.ru/doc/2994651>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 868,43	-1,21%	6,08%
S&P 500	2 048,04	-0,21%	0,20%
FTSE 100	6 136,43	-0,32%	-1,70%
DAX	9 842,29	-0,74%	-8,38%
DJStoxx 600	336,69	-0,39%	-7,96%
STOXX Utilities	287,00	-0,69%	-6,25%
Nikkei	16 654,60	-0,49%	-12,50%
Sensex	25 230,36	-0,28%	-3,40%
CSI300	3 087,22	0,29%	-17,25%
Bovespa	49 330,42	-0,79%	13,80%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,12%	-7,79%
USD/RUB	66,38	0,25%	-8,93%
Euro/RUB	74,46	0,25%	-6,57%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 249,13	-0,23%	17,72%
Brent*, USD/bbl	48,35	-0,76%	17,73%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2680
Capitalisation**, billion RUB	11,31
Capitalisation**, million USD	170,46

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,77%	32,32%
Shares of IDGC of Centre**	-1,11%	37,37%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,02%	28,38%
FGC UES	0,89%	90,24%
IDGC of Volga	-1,89%	46,79%
MOESK	0,78%	37,87%
IDGC of Northern Caucasus	-0,67%	18,80%
IDGC of Centre and Volga Reg	-1,00%	26,59%
IDGC of North-West	-1,96%	64,23%
IDGC of Urals	-1,98%	30,00%
IDGC of Siberia	-3,64%	8,61%
IDGC of South	-0,52%	23,08%
Lenenergo	-0,35%	25,11%

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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