



DAILY MARKET REVIEW

24 March, Thursday

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 23 March some moderately negative external background formed on the Russian market. The day before the US indices DJIA and S&P500 fell 0.1-0.2%. On Wednesday the composite Asia-Pacific region index MSCI Asia Pacific lost more than 0.5%. The financial markets were pressured with growing geopolitical risks triggered by the terrorist attacks in Belgium. At the same time, experts note a very low activity of trading before the Easter weekend – in particular, the volume of trading in the US stock market on Tuesday was the lowest since the beginning of 2016. May Brent futures traded near the mark of \$41.3 per barrel, slightly below the closing level on 22 March. Oil prices remain stable, despite the data of the American Petroleum Institute, which reported a sharp, 9 million barrels, growth of oil reserves in the past week. This negative background could be offset by the Financial Times information that Saudi Arabia is ready to take a decision to freeze production, even if Iran does not want to join this agreement. As the newspaper writes, oil-producing countries of the Persian Gulf still link the agreement conclusion to freeze oil with participation of Iran. Recently, however, they question the country's ability to ramp up production quickly, and this, says Financial Times, could be one of the reasons why they can conclude the agreement even without Iran. Another reason is growing debts of the countries of the Persian Gulf. According to Moody's, if oil prices in the next two years remain at a low level, the fiscal deficit of these countries could reach \$270 billion. At the same time the previously little state debt of Saudi Arabia may reach 20% of GDP in 2017.

Uncertain dynamics of the Russian market in the first half of the day was replaced by active sales following the drop in oil prices to around \$41 per barrel – the loss of the MICEX Index exceeded 1.5%. Moderately positive sentiment on European markets, recovering after the decline on 22 March, failed to provide significant support to Russian investors. At the end of the day the rate of decline of the MICEX Index fell after the publication of controversial statistics of the US Department of Energy on the oil market. On the one hand, oil stocks in the country rose by 9.4 million barrels, on the other hand, oil production fell to the lowest level since November 2014, the reduction of oil reserves in Cushing terminal, where the oil is stored for trading on the NYMEX, and gasoline stocks was the highest since September 2015 and March 2014, respectively.

During the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the final rise of the sector indicator was made by shares of Irkutskenergo, the price of which rose by 15.2%. These securities were supported by the information of Interfax, which reported the possibility of removal of the state restriction on the sale to private hands of a 40% stake owned by Inter RAO – such a proposal was in the letter of Head of En+ to Russian Prime Minister. Now, Interfax reminds, the only possible buyer of this package is Rosneftegas.

ELECTRIC POWER INDUSTRY NEWS

March 21 in the framework of the Russian Business Week the Conference "Formation of the electric power industry development strategy" was held

Read full text: <http://www.bigpowernews.ru/press/document69506.phtml>

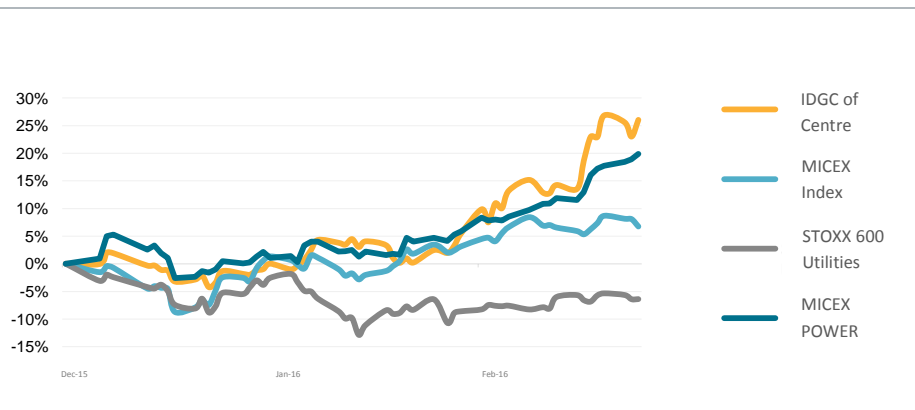
COMPANY NEWS

Corporate Governance Rating of IDGC of Centre was upgraded to NCGR 7++ «Developed Corporate Governance Practice»

Russian Institute of Directors revaluated IDGC of Centre's national corporate governance rating and raised the rating by one notch – to the level of NCGR 7++ «Developed Corporate Governance Practice».

Read full text: <http://www.mrsk-1.ru/press-center/news/company/52457/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.15
MICEX	1 879,89	-1,24%	6,73%
S&P 500	2 036,71	-0,64%	-0,35%
FTSE 100	6 199,11	0,10%	-0,69%
DAX	10 022,93	0,33%	-6,70%
DJStoxx 600	340,07	-0,07%	-7,04%
STOXX Utilities	286,51	0,02%	-6,41%
Nikkei	17 000,98	-0,28%	-10,68%
Sensex	25 337,56	0,03%	-2,99%
CSI300	3 236,09	0,32%	-13,26%
Bovespa	49 690,05	-2,59%	14,63%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.15
Euro/USD	1,12	-0,33%	-8,00%
USD/RUB	67,78	-1,50%	-7,01%
Euro/RUB	76,14	-1,71%	-4,46%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.15
Gold, USD/oz	1 220,11	-2,26%	14,99%
Brent*, USD/bbl	40,47	-3,16%	2,72%

* - May futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2459
Capitalisation**, billion RUB	10,38
Capitalisation**, million USD	153,17

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.15
MICEX-Power Index	0,82%	19,86%
Shares of IDGC of Centre**	2,46%	26,04%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.15
JSC Russian Grids	1,02%	30,13%
FGC UES	0,89%	39,53%
IDGC of Volga	2,72%	35,99%
MOESK	0,62%	7,87%
IDGC of Northern Caucasus	4,85%	12,40%
IDGC of Centre and Volga Reg	0,00%	-3,98%
IDGC of North-West	-0,23%	58,76%
IDGC of Urals	4,46%	23,16%
IDGC of Siberia	0,00%	4,51%
IDGC of South	0,22%	48,08%
Lenenergo	2,69%	33,19%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

[MRKC](#)

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