

DAILY MARKET REVIEW

08 August, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 05 August some neutral external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 practically did not change, on Friday the composite Asia-Pacific region index MSCI Asia Pacific was in a small plus. The positive factor of significant easing of monetary policy by the Bank of England was offset by weak statistics from the US, where a drop in orders for durable goods in June was a record since December last year. Expectations of statistics on the US labour market also contributed to reduction of volatility of stock indices. As experts noted, a significant deviation from the forecast data can cause strong movements in the financial markets: a good report will increase the chance of the Fed raising interest rates at the September meeting, weak data will raise concern about the US economic outlook. October Brent futures traded near the mark of \$43.8 per barrel, or \$0.2 higher than the closing on 04 August. Oil quotations are still supported with the US Department of Energy information about sharp decline in gasoline stocks last week, which eased fears of investors about the oversupply of oil on the market. After the publication of these data Brent and WTI oil price increased by 6%.

Prior to the publication of statistics on the US labour market the MICEX Index and the European Stoxx Europe 600 Index traded sideways near zero. The US data were better than expected – in July the number of jobs increased by 255 thousand, 1.5 times higher than expected, the number of new jobs in June was increased after revision. The statistics improved sentiment in the western exchanges – growth of the Stoxx Europe 600 Index and the US futures exceeded 0.5%. According to experts, these data indicate a good condition of the US economy, but is unlikely to give more determination to the Fed to raise interest rate in the conditions of increased uncertainty about the global economy due to Brexit. According to Bloomberg, with the quotations of futures on the level of the basic interest rate, the probability of its increase in the current year is now estimated by traders at 46%, whereas prior to the publication of the report the Department of Labor estimated the chances at 37%. The probability of a rate hike is more than 50% only in March 2017. At the same time, the US dollar growth, which had responded to the growth of chances of lending cost increase, put pressure on oil prices, and accordingly on the Russian market – the MICEX Index to the end of the day was trading slightly down, within a half percent.

At the end of the trading session the MicexPWR Sector Index underperformed. The main contribution to the MicexPWR underperformance in comparison with the MICEX Index was made by shares of FGC UES and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" summed up the interim availability of electric grid facilities for the autumn-winter operation period of 2016-2017

As part of the announced in PJSC "Rosseti" Engineer of the Year August 4-5, 2016 a production meeting of chief engineers of subsidiaries of PJSC "Rosseti" is being held in Rostov-on-Don under the leadership of Deputy Director General - Chief Engineer of PJSC "Rosseti" Alexander Faustov on preparing electric grid facilities for the autumn-winter operation period of 2016-2017.

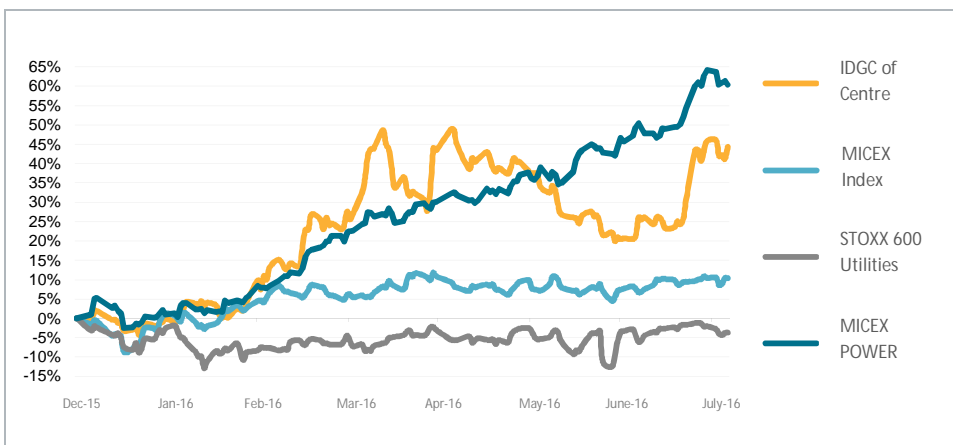
Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=27534

COMPANY NEWS

IDGC of Centre sued AtomEnergSbyt, the amount of the claim is more than 420 million rubles
IDGC of Centre filed a lawsuit to recover from JSC "AtomEnergSbyt" more than 420 million rubles. The Arbitration Court of the Tver Region will consider the case September 21, 2016.

Read full text: <http://www.tver-portal.ru/jandeks-novosti-meni/9902-mrsk-tsentra-podala-v-sud-na-atomenergobyt-summa-iska-bolee-420-mln-rub.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 944,31	-0,03%	10,39%
S&P 500	2 182,87	0,86%	6,80%
FTSE 100	6 793,47	0,79%	8,83%
DAX	10 367,21	1,36%	-3,50%
DJStoxx 600	341,38	1,05%	-6,68%
STOXX Utilities	294,94	0,11%	-3,66%
Nikkei	16 254,45	0,00%	-14,60%
Sensex	28 078,35	1,31%	7,51%
CSI300	3 205,11	0,12%	-14,10%
Bovespa	57 661,14	0,12%	33,01%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	-0,47%	-8,81%
USD/RUB	66,39	-0,52%	-8,90%
Euro/RUB	73,92	-1,17%	-7,24%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 336,00	-1,85%	25,91%
Brent*, USD/bbl	44,27	-0,05%	2,60%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2815
Capitalisation**, billion RUB	11,88
Capitalisation**, million USD	179,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,60%	60,33%
Shares of IDGC of Centre**	2,18%	44,28%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,26%	89,80%
FGC UES	-2,32%	159,19%
IDGC of Volga	0,25%	104,88%
MOESK	0,54%	24,53%
IDGC of Northern Caucasus	1,51%	34,80%
IDGC of Centre and Volga Reg	6,04%	53,66%
IDGC of North-West	-0,82%	77,01%
IDGC of Urals	0,00%	66,84%
IDGC of Siberia	-0,85%	19,06%
IDGC of South	0,87%	49,36%
Lenenergo	16,28%	118,34%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
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MRKC
MRKC RX
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