

DAILY MARKET REVIEW

15 July, Friday



ROSSETI



IDGC OF CENTRE

2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 14 July some moderately positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed with weak growth in the range of 0.15% with the next update of historic highs. On Thursday the composite Asia-Pacific region index MSCI Asia Pacific traded slightly up, futures for US indices grew 0.5%. Cautious optimism of investors on Thursday was due to expectations that the Bank of England after the meeting, which takes place 13-14 July, can lower the interest rate for the first time in more than seven years in order to support the country's economy after the decision of the British to exit the EU. Most analysts, as MarketWatch notes, expect the rate reduction by 0.25 percentage points to 0.25%. At the same time, some experts believe that the Central Bank would prefer to wait for more symptoms of the Brexit impact on the economy of the country before starting actions. September futures for Brent traded near the mark of \$46.8 per barrel, or \$0.5 higher than our closing on 13 July. Oil prices recovered after the fall by 4.5% on Wednesday on the US Department of Energy data, which reported an increase in stocks of petroleum products and crude oil production last week. These statistics confirmed, first of all, concerns of the IEA experts, who warned that growth of stocks could jeopardize the entire pricing structure of the oil market, and, secondly, the concern of investors regarding the possible start of the recovery of shale oil production in the US.

In the first half of the day the MICEX Index was mainly in a small minus, within an average of 0.5%, while the Stoxx Europe 600 Index showed a percent growth. The Russian market was pressured by low oil prices, while European markets rose in anticipation of reduction of the Bank of England rate. Volatility in financial markets increased after the decision of the British regulator to keep the interest rate at 0.5%. The minutes of the meeting state that the majority of the Central Bank managers tend to mitigate the monetary policy in August. The brief turbulence ended with the strengthening of the British pound and a small decrease in the rate of rise of the Stoxx Europe 600 Index. In the afternoon the markets were supported by better than expected statistics from the US on applications for unemployment benefits and JPMorgan statements for the second quarter. Against this background the MICEX Index was able to close trading in positive territory.

During the trading session the MicexPWR Sector Index looked significantly better than the market due to the growth of shares of FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Electricity certification cancelled?

The Supreme Court of the Russian Federation took the side of PJSC "MOESK" in a dispute with the Federal Antimonopoly Service of the Moscow region, which ordered the company to have electrical energy certified, as well as to pay a fine in the amount of 660 million rubles. MOESK is the first company to have waived electricity certification. However, the majority of companies continue to pay for this procedure.

Read full text: <http://peretok.ru/nets/sertifikatsiya-elektroenergii-otmenaetsya.html>

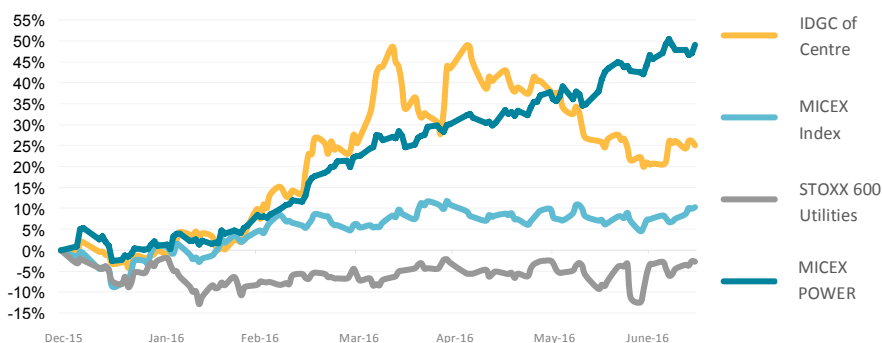
COMPANY NEWS

IDGC of Centre effectively combats non-metered power consumption

IDGC of Centre continues to implement measures to curb non-metered and non-contractual power consumption. As practice shows, theft of electricity is often committed by interfering with the operation of metering devices for the purpose of adjusting their readings. For this unscrupulous consumers carry out various manipulations with seals installed in metering devices by state verification officers, controlling their condition and correct readings.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/56412/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 942,46	0,34%	10,28%
S&P 500	2 163,75	0,53%	5,86%
FTSE 100	6 654,47	-0,24%	6,60%
DAX	10 068,30	1,39%	-6,28%
DJStoxx 600	338,50	0,80%	-7,47%
STOXX Utilities	297,76	-0,11%	-2,73%
Nikkei	16 385,89	0,95%	-13,91%
Sensex	27 942,11	0,46%	6,99%
CSI300	3 276,76	-0,19%	-12,17%
Bovespa	55 480,87	1,62%	27,98%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	0,05%	-8,59%
USD/RUB	63,85	-0,08%	-12,39%
Euro/RUB	70,56	-0,60%	-11,47%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 335,23	-0,55%	25,83%
Brent*, USD/bbl	47,37	2,40%	11,43%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2440
Capitalisation**, billion RUB	10,30
Capitalisation**, million USD	161,33

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,35%	49,12%
Shares of IDGC of Centre**	-0,81%	25,06%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,70%	51,75%
FGC UES	4,90%	150,37%
IDGC of Volga	1,15%	80,46%
MOESK	-0,11%	18,13%
IDGC of Northern Caucasus	-1,74%	13,20%
IDGC of Centre and Volga Reg	-0,37%	27,71%
IDGC of North-West	-1,29%	67,52%
IDGC of Urals	-0,78%	34,21%
IDGC of Siberia	-1,74%	4,30%
IDGC of South	-3,79%	22,12%
Lenenergo	0,00%	34,50%

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