

DAILY MARKET REVIEW

25 May, Wednesday



2016

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 24 May some moderately negative external background formed on the Russian market. On Monday the European Stoxx Europe 600 index finished trading slightly down, the US indices DJIA and S&P500 closed down within 0.2%. On Tuesday most Asian stock indices declined, the composite Asia-Pacific region index MSCI Asia Pacific lost about 0.6%. The markets are still pressured with a fall in prices of various commodities and uncertainty about the future Fed's actions on borrowing costs. July Brent futures traded at \$48.0 per barrel, at the close on 23 May. Oil prices consolidated in anticipation of publication of data on stocks of fuel in the US market.

The Russian market started the day rising, recovering after a decline of last trading sessions. An additional positive factor for our market was increase of European markets against the background of good statistics for GDP growth in Germany in the I quarter, as well as strengths of statistical data on the May index of confidence in the German economy, as calculated by the Zew Centre. In the afternoon buyers were supported by a recovery in oil prices, and rising US exchanges at the opening, intensified after publication of strong statistics on sales of new buildings in the US in April, the increase of which was the highest in 24 years. Against this background the MICEX Index at the end of the day accelerated its growth, having closed 0.8% up.

At the end of the trading session the MicexPWR Sector Index outperformed. The main contribution to the sector indicator outperformance was made by increasing shares of FGC UES and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Governmental Commission sent the energy strategy draft for revision in terms of the electric power industry

At the end of April the Governmental Commission on the electric power industry, chaired by Deputy Prime Minister Arkady Dvorkovich, considered a draft of the energy strategy of the Russian Federation up to 2035 in terms of the development of the electric power industry and the general scheme of allocation of power facilities until 2035.

Read full text: <http://www.bigpowemews.ru/news/document70703.phtml>

Rosseti considers dividends for the 1st quarter of 2016

The power grid state monopolist Rosseti, managing all of electric grid facilities of Russia and planning to refuse the payment of dividends for 2015 due to formal loss under RAS, is considering payment for the first quarter of 2016.

Read full text: <http://bcs-express.ru/novosti-i-analitika/rosseti-rassmatrivauiut-vyplatu-dividendov-za-1-kvartal-2016-goda>

COMPANY NEWS

Kurskenergo improves customer care

IDGC of Centre - Kurskenergo division summed up the customer care for 1Q 2016. During this period the number of requests to the company's offices increased by 18% versus last year. The number of complaints declined by 26%.

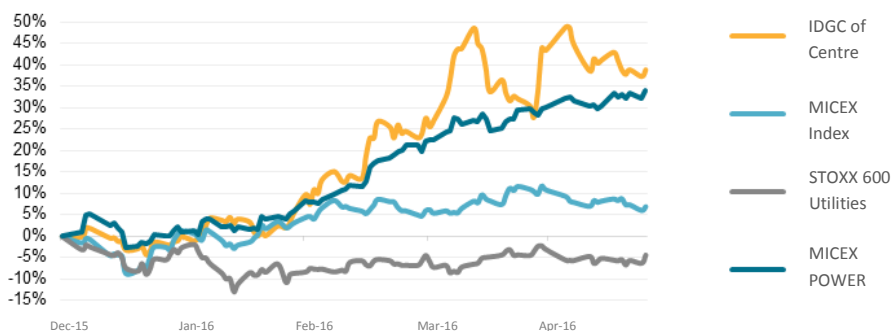
Read full text: <http://www.46tv.ru/line/kursk/055285/>

Smolenskenergo continues to work on the collection of receivables

IDGC of Centre - Smolenskenergo division continues to perform claim-related work to collect receivables for services on electric power transmission and electricity supply during the execution of the functions of the electric power supplier of last resort in the territory of the Smolensk region.

Read full text: <http://smoldaily.ru/smolenskenergo-prodolzhaet-rabotu-po-pogasheniyu-debitorskoy-zadolzhennosti-2>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 884,12	0,84%	6,97%
S&P 500	2 076,06	1,37%	1,57%
FTSE 100	6 219,26	1,35%	-0,37%
DAX	10 057,31	2,18%	-6,38%
DJStoxx 600	344,12	2,21%	-5,93%
STOXX Utilities	292,76	2,01%	-4,37%
Nikkei	16 498,76	-0,94%	-13,32%
Sensex	25 305,47	0,30%	-3,11%
CSI300	3 063,56	-0,77%	-17,89%
Bovespa	49 345,19	0,03%	13,83%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	-0,54%	-8,29%
USD/RUB	67,05	1,01%	-8,01%
Euro/RUB	75,27	1,08%	-5,56%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 227,21	-1,75%	15,65%
Brent*, USD/bbl	48,61	0,54%	18,36%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2710
Capitalisation**, billion RUB	11,44
Capitalisation**, million USD	170,64

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,31%	34,05%
Shares of IDGC of Centre**	1,12%	38,90%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	4,17%	33,73%
FGC UES	5,65%	100,98%
IDGC of Volga	3,15%	51,41%
MOESK	0,10%	38,00%
IDGC of Northern Caucasus	0,34%	19,20%
IDGC of Centre and Volga Reg	1,89%	28,98%
IDGC of North-West	-0,22%	63,87%
IDGC of Urals	-0,81%	28,95%
IDGC of Siberia	-1,32%	7,17%
IDGC of South	0,78%	24,04%
Lenenergo	1,22%	26,64%

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