

DAILY MARKET REVIEW

19 August, Friday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 18 August some neutral external background formed on the Russian market. The US indices DJIA and S&P500, losing about 0.5% in the first half of the day, were able to close the trading session on Wednesday with the growth of 0.1-0.2%. The market was supported by publication of the July Fed meeting minutes, from which investors concluded that the Fed would not rush to increase interest rates in conditions of continuing uncertainty in the global economy. On the one hand, it is noted in the report, short-term risks to slow the US economy weakened, on the other hand, Fed officials are still concerned about external factors, in particular, the weakening of the Chinese economy and the problems of European banks. On Thursday the composite Asia-Pacific region index MSCI Asia Pacific lost more than 0.5% following the decline of Japanese stocks. The Nikkei Index fell 1.5% on renewed strengthening of the yen and weak statistics. The dollar-yen again went below the psychological level of ¥100/\$1 because of the weakening of the dollar, triggered by news from the US Federal Reserve. In July Japan's exports and imports fell at a record pace since October 2009 – 14% and 25%, respectively. At the same time the fall in exports continues for nine months in a row, which has not been observed since the last global financial crisis. Among the main causes of the problems of the Japanese exporters analysts called the strengthening of the yen and the problems of the Chinese economy. October Brent futures traded near the mark of \$49.7 per barrel, or \$0.2 higher than the closing level of 17 August. Oil prices continue rising on the statistics of the US Department of Energy, which recorded a reduction in inventories of gasoline and crude oil last week, including at Cushing terminal, which stores oil traded on the NYMEX. A further positive factor for the oil quotations was the weakening of the US dollar.

The MICEX Index spent the Thursday's trading session flat near zero. Rising oil prices to around \$50.5 per barrel and positive sentiment in Europe were not able to provide significant support for our market. Major European indices rose on average within 0.5% both on declining concerns about the rise of interest rates by the Fed at next meetings, and their own good statistics. In the Eurozone in July consumer prices rose in line with expectations, unemployment in France in the second quarter fell below 10% for the first time in nearly four years, in the UK in July retail sales growth significantly exceeded forecasts. In the afternoon the Western markets were supported by statistics from the US, where data on applications for unemployment benefits and the July index of leading economic indicators were better than expected. The Western positive factor did not impress the Russian market much, the MICEX Index closed trading in conditional plus.

At the end of the trading session the MicexPWR Sector Index underperformed. The main contribution to the sectoral indicator underperformance in comparison with the MICEX Index was made by shares of Rosseti and IDGC of Centre.

ELECTRIC POWER INDUSTRY NEWS

The Government to discuss a project to reduce energy consumption by budget organizations

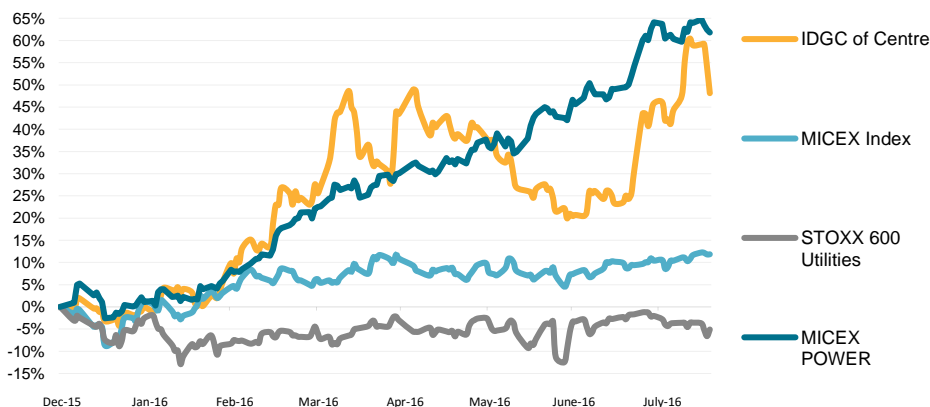
Read full text: <http://www.bigpowernews.ru/markets/document72104.phtml>

COMPANY NEWS

Tverenergo spent 193 million rubles to implement the investment program in the first half of 2016

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/56749/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 970.07	0,04%	11,85%
S&P 500	2 183.30	0,05%	6,82%
FTSE 100	6 868.96	0,14%	10,04%
DAX	10 603.03	0,62%	-1,30%
DJStoxx 600	342,91	0,72%	-6,26%
STOXX Utilities	288.39	0,86%	-5,09%
Nikkei	16 486.01	-1,55%	-13,39%
Sensex	28 123.44	0,42%	7,68%
CSI300	3 364.49	-0,25%	-9,82%
Bovespa	59 125.94	-0,33%	36,39%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,13	0,00%	3,93%
USD/RUB	63,99	0,07%	-12,20%
Euro/RUB	72,08	0,16%	-9,55%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 348,73	0,00%	27,07%
Brent*, USD/bbl	49,85	0,00%	33,72%

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,289
Capitalisation**, billion RUB	12,20
Capitalisation**, million USD	190,66

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,41%	61,79%
Shares of IDGC of Centre**	-3,83%	48,13%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-1,22%	96,51%
FGC UES	0,09%	153,59%
IDGC of Volga	0,12%	111,05%
MOESK	-1,69%	23,73%
IDGC of Northern Caucasus	-1,16%	36,40%
IDGC of Centre and Volga Reg	-1,35%	51,27%
IDGC of North-West	-1,43%	75,55%
IDGC of Urals	-2,39%	72,11%
IDGC of Siberia	0,68%	21,31%
IDGC of South	-2,38%	44,87%
Lenenergo	-3,58%	123,14%

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