

DAILY

MARKET REVIEW

2015



16 November, Monday

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 13 November some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed lower by 1.4-1.5%, on Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost about one percent. The markets were pressured with growing expectations for a rate hike at the Fed's December meeting, facilitated by verbal intervention by heads of the US Central Bank. In particular, Deputy Head of the Federal Reserve Stanley Fischer stated that the US economy had successfully coped with the dollar strengthening and weakening economic recovery abroad, adding that December is likely to be "appropriate" time for a rate hike. In turn, Chair of the Federal Reserve Bank of St. Louis, being a voting member of the FOMC, said that emergency stimulus measures, including a zero interest rate, was no longer needed for the US economy, which had almost recovered to the normal state. According to Bloomberg, the futures market currently estimates the probability of a December Fed rate hike at 64% against 27% less than a month ago. December Brent futures traded near the mark of \$44.2 per barrel and a dollar lower than our November 12 closing. A negative factor for the oil quotations were data on a sharp rise in US oil reserves, three times more than expected. In general, according to the IEA, oil inventories in the world rose to a record level of about 3 billion barrels, despite the fact that the collapse in prices brought growth in demand to a maximum of five years. According to the IEA experts, significant fuel reserves will restrain the growth of oil prices in the foreseeable future.

The MICEX Index started the trading session on Friday with nearly a percent decline, which is the middle of the day was fully redeemed after the rise in oil prices to around \$44.8 per barrel. However, negative dynamics of European stock markets, where the major indices losses on average were approaching a percent, did not allow the MICEX Index to get a foothold in the positive area, the loss of the indicator once again exceeded 0.5%. Negative sentiment in Europe was due to a decrease in futures for US indices and published worse than expected statistics on the GDP dynamics of the Eurozone in the third quarter. Sentiment in the western exchanges worsened after the publication of not justified forecasts on retail sales in October in the United States – the decline in the European markets accelerated, trading in the US began with more than half-point in the red. An additional negative factor for the Russian market was the fall in oil prices to around \$43.6 per barrel, the MICEX Index closed trading lower by 0.7%.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the advanced negative MicexPWR dynamics compared with the MICEX Index was made by shares of RusHydro, which lost 4.5% on the day.

ELECTRIC POWER INDUSTRY NEWS

Regions to freeze heat

The government has decided to raise the minimum tariffs for heat and electricity for the population in 2016. Minimum levels of heat tariffs for the population does not change at all, and maximum ones will grow by only 3.4%, for electric energy the range of indexation will be 1-7.5%.

Read full text: <http://www.kommersant.ru/doc/2854989>

COMPANY NEWS

The Board of Directors of IDGC of Centre approved the adjusted Business Plan of the Company, including the Investment Program, for 2015

Read full text: <http://www.mrsk-1.ru/press-center/news/company/50475/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 728,17	-0,68%	23,74%
S&P 500	2 023,04	-1,12%	-1,74%
FTSE 100	6 118,28	-0,98%	-6,82%
DAX	10 708,40	-0,69%	9,21%
DJStoxx 600	369,53	-0,81%	7,88%
STOXX Utilities	304,07	-0,27%	-3,60%
Nikkei	19 596,91	-0,51%	12,30%
Sensex	25 610,53	-0,99%	-6,87%
CSI300	3 746,24	-1,29%	6,01%
Bovespa	46 517,04	-0,78%	-6,98%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,08	-0,06%	-11,38%
USD/RUB	65,45	1,37%	16,35%
Euro/RUB	70,34	1,38%	2,92%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 083,91	-0,12%	-8,48%
Brent*, USD/bbl	44,47	-1,59%	-32,70%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1947
Capitalisation**, billion RUB	8,22
Capitalisation**, million USD	125,58

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-1,40%	15,62%
Shares of IDGC of Centre**	-1,12%	-22,89%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-1,48%	4,31%
FGC UES	-2,44%	31,95%
IDGC of Volga	-1,28%	-31,00%
MOESK	-0,51%	-37,04%
IDGC of Northern Caucasus	-1,57%	3,72%
IDGC of Centre and Volga Reg	-1,55%	-34,27%
IDGC of North-West	1,49%	7,51%
IDGC of Urals	6,57%	61,87%
IDGC of Siberia	0,00%	-40,78%
IDGC of South	-0,90%	6,47%
Lenenergo	-2,01%	39,14%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

MRKC

Bloomberg

MRKC.RX

Reuters

MRKC.MM