

DAILY MARKET REVIEW

16 November, Wednesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 15 November some neutral external background formed on the Russian market. On Monday the US indices S&P500 and DJIA closed mixed with changes in the range of 0.1%. At the same time, the DJIA index has updated a record level for the third consecutive session, and the S&P500 is several points from historic highs. Experts note that the US market rally stalled after the turn of the US dollar – the DXY index was unable to overcome the psychological mark of 100 points, and the beginning of a correction in the US Treasuries market. As analysts believe, the changes of the financial markets have already incorporated almost inevitable increase in the Fed base interest rate in December – according to Bloomberg data, the probability of such an outcome is the maximum of 92% this year, and now investors are trying to assess the pace of increase in the Fed rate in the medium term. Main country stock indices of the Asia-Pacific region showed a decrease of less than half a percent, while sellers' activity in Asian emerging markets declined substantially. January Brent futures traded near the mark of \$45.1 per barrel, or \$1.2 higher than the closing level on 14 November. Oil prices recovered after falling on Monday to 3-month lows because of growing doubts that OPEC will be able to negotiate a reduction in oil production in an amount sufficient to balance the market – according to experts, now there is an overproduction of about 1 million barrels per day. The oil market was supported, including, by a statement of oil minister of Saudi Arabia that OPEC has simply no other choice but to come to a consensus at the November meeting.

For most of the trading session the MICEX Index was slightly up after a moderate rise in western markets – the Stoxx Europe 600 Index and futures for US indices added on average within 0.5%. Investors were supported by both the rise in oil prices and statistics: in Germany the index of confidence in the economy in November exceeded expectations, in the US data on retail sales in October and the index of manufacturing activity in New York in November were better than expected. At the same time, the activity of buyers was constrained by the continued strengthening of the expectations of the Fed raising rates at the December meeting – the likelihood of that increased to 94%, backed by good US statistics and statements by the Federal Reserve representatives. In particular, the head of the Federal Reserve Bank said that market expectations of the rate increase in December is quite justified, because the economy is approaching to full employment and inflation to the Fed target level. Against this background the MICEX Index after all could not stay in positive territory, having closed trading lower by 0.2%, despite the persistence of positive sentiment in the western markets.

During the trading session the MicexPWR Sector Index outperformed mainly due to strong growth in shares of Inter RAO on information on the inclusion of these securities in the calculation base of the MSCI Russia Index.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" met with investors in the framework of the "Utilities' Day" conference, organized by the financial group BCS

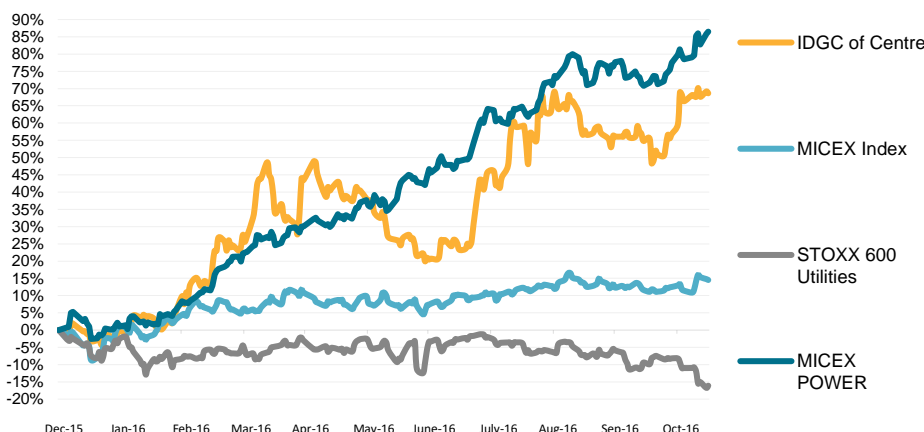
Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=28480

COMPANY NEWS

Kurskenergo for 9 months of this year connected 1,654 facilities to the power grid

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/57707/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 017,06	-0,24%	14,52%
S&P 500	2 180,39	0,75%	6,68%
FTSE 100	6 792,74	0,59%	8,82%
DAX	10 735,14	0,39%	-0,07%
DJStoxx 600	339,16	0,27%	-7,29%
STOXX Utilities	256,81	0,73%	-16,11%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 304,63	-1,92%	0,72%
CSI300	3 429,87	-0,01%	-8,07%
Bovespa	59 657,46	0,00%	37,62%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,07	-0,16%	-11,72%
USD/RUB	65,86	0,99%	-9,64%
Euro/RUB	71,05	-0,11%	-10,85%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 228,73	0,60%	15,80%
Brent*, USD/bbl	46,95	5,67%	4,43%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3290
Capitalisation**, billion RUB	13,89
Capitalisation**, million USD	210,90

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,35%	86,50%
Shares of IDGC of Centre**	-0,30%	68,63%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	-0,48%	128,17%
FGC UES	-0,44%	188,30%
IDGC of Volga	-2,16%	121,59%
MOESK	0,34%	19,73%
IDGC of Northern Caucasus	-1,20%	31,60%
IDGC of Centre and Volga Reg	2,19%	92,83%
IDGC of North-West	-1,72%	66,79%
IDGC of Urals	-2,61%	57,37%
IDGC of Siberia	2,82%	27,05%
IDGC of South	5,25%	66,99%
Lenenergo, ordinary shares	-3,26%	107,21%

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