

DAILY MARKET REVIEW

10 January, Tuesday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 9 January some moderately positive external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 gained 0.3-0.4% on generally neutral statistics on the labour market in the US in December – the unemployment rate, as expected, rose from 4.6%, the lowest figure since May 2007, up to 4.7%, the growth in the number of jobs was slightly worse than expected, the rate of wage increase was the highest since June 2009 – 2.9% in annual terms. As noted by analysts, the data on employment were not strong enough for the Fed to think about accelerating the rate increase, but at the same time and not so weak to worry about the state of the US economy. On Monday most of the major country indices of the Asia-Pacific region in the absence of Japan being on holiday showed an increase on average within 0.5%, futures for US indices were slightly up. March Brent futures traded near the mark of \$56.9 per barrel, or \$0.2 higher than the closing level on Friday 6 January. Oil prices, Bloomberg noted, declined on concerns that in conditions of increasing exports from Iran, Libya, and growing activity of shale oil producers OPEC's efforts to balance the market will have a limited effect.

The main benchmark for the Russian market on Monday was the trend of oil prices. A half-point increase in the MICEX Index at the beginning of the trading session on the back of improved sentiment in global markets gave way to a comparable decrease after reversal of oil prices. In the afternoon the price of Brent crude oil fell below \$56 a barrel on growing risks of increasing production at previously uneconomic fields, including shale in the US, under the conditions of rising oil prices. In particular, according to analysts from Energy Aspects, the US in 2017 can increase production by 200 thousand barrels per day, which is equivalent to one sixth of the amount of the announced reduction in OPEC production. At the end of the trading session the MICEX Index was able to play most of the losses back after neutral start of trading in the US.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR growth in opposition with the MICEX Index was made by shares of TGK-1 and Yunipro.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" found reserves to reduce costs

Revenue of "Rosseti" on results of 2016, according to preliminary estimates, will amount to more than RUB 850 billion, which is 11% higher than in 2015, the company said. Net profit for 2016 will also be higher than a year ago, as expected by "Rosseti", but the figure is not announced. In the first half of 2016 the net profit increased in comparison with January - June 2015 two times to RUB 53.8 billion.

Read full text: <http://www.vedomosti.ru/business/articles/2017/01/09/672136-rosseti-rezervi-rashodov>

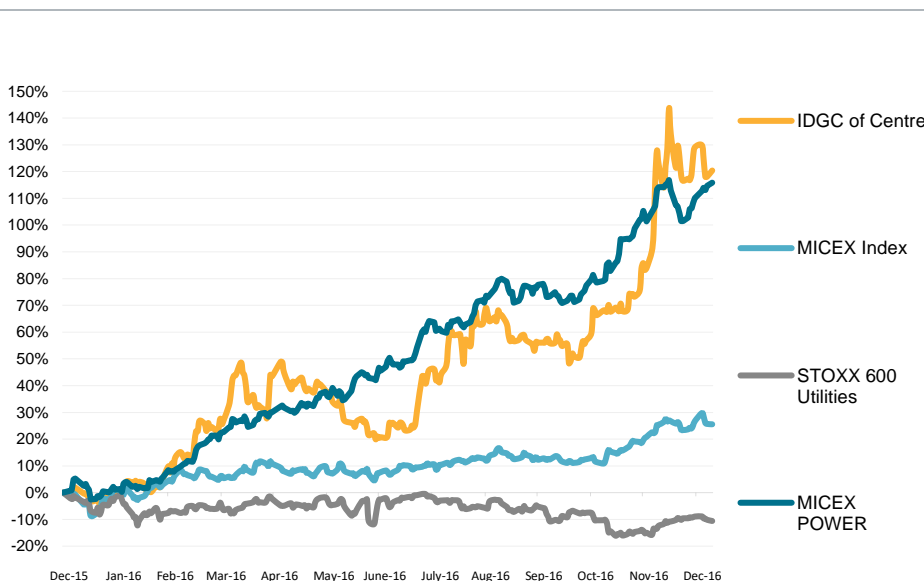
COMPANY NEWS

The city authorities to sell "Voronezhgorelektroset"

The city authorities plan to sell "Voronezhgorelektroset" in January 2017. However, they do not do it until they check the valuation of assets at RUB 1.58 billion.

Read full text: <http://www.elektroportal.ru/news/news-79042.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 211,25	-0,12%	-0,96%
S&P 500	2 268,90	-0,35%	1,34%
FTSE 100	7 237,77	0,38%	1,33%
DAX	11 563,99	-0,30%	0,72%
DJStoxx 600	363,67	-0,49%	0,62%
STOXX Utilities	271,67	-0,51%	-1,84%
Nikkei	19 454,33	0,00%	1,78%
Sensex	26 726,55	-0,12%	0,38%
CSI300	3 363,90	0,48%	1,63%
Bovespa	61 700,29	0,06%	2,45%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,06	0,37%	0,51%
USD/RUB	60,66	0,00%	0,00%
Euro/RUB	63,81	0,00%	0,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 181,10	0,72%	2,93%
Brent*, USD/bbl	54,94	-3,78%	-3,31%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4300
Capitalisation**, billion RUB	18,15
Capitalisation**, million USD	299,29

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,56%	2,75%
Shares of IDGC of Centre**	1,06%	-3,80%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	1,50%	6,87%
FGC UES	0,04%	1,37%
IDGC of Volga	6,07%	1,43%
MOESK	0,96%	5,12%
IDGC of Northern Caucasus	-0,91%	-1,13%
IDGC of Centre and Volga Reg	1,41%	1,82%
IDGC of North-West	2,45%	-1,09%
IDGC of Urals	-2,07%	0,61%
IDGC of Siberia	0,72%	0,12%
IDGC of South	0,19%	-0,76%
Lenenergo, ordinary shares	0,00%	1,45%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC

127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers

Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC.RX
MRKC.MM