



IDGC OF CENTRE

DAILY MARKET REVIEW

04 December, Friday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 03 December some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 lost 0.9-1.1%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific was 0.3% down. The markets were pressured with a drop in oil prices and the speech of the Fed Chair, which strengthened the confidence of investors that interest rates will be raised at the December meeting. In particular, Janet Yellen said that delaying the normalization of monetary policy in the United States may result in the need for its sharp tightening in the future, which will hit financial markets and cause a recession in the country. The head of the Federal Reserve expressed confidence that the US economy is sufficient to provide the required rise of the labour market and higher inflation to the target level of 2%. January Brent futures traded near the mark of \$43.1 per barrel – \$0.8 below the closing level on 02 December. Thus at the end of trading on Wednesday the Brent price fell by 4.4% to \$42.5 per barrel, having updated the yearly low for the daily closing. A negative factor for the oil market was growth in US oil inventories at the end of the tenth week in a row, and the dollar strengthening after statements by Chair of the US Federal Reserve.

The MICEX and major European indices began the trading session with a small, within half a percent, reduction under the pressure of negative closing of US markets. Pessimism in the markets did not last long, and in the middle of day stock indices got into the positive area in anticipation of new stimulus from the ECB. According to a survey of Bloomberg, more than two-thirds of those surveyed analysts believe the ECB following the meeting of the regulator on 03 December would announce reduction of interest rates on deposits, as well as an extension of time and increase of the quantitative easing program. The expectations of the market participants did not materialize in full – the deposit rate was reduced by 0.1 percentage points, to minus 0.3%. M. Dragi announced an extension of QE until March 2017 and early redemption of regional bonds of the Eurozone countries, and at the same time the ECB did not expand the scope of repurchased assets from the current monthly €60 billion. This fact disappointed investors and triggered sharp movements in the financial markets – the euro rose against the dollar by more than 2%, the dollar DXY index lost more than a percent, the fall in the European stock index Stoxx Europe 600, which was adding a percent before the statements of M. Dragi, reached nearly 3%. Practically there was no reaction of the Russian market to the statements of the ECB – the MICEX Index after a short burst of volatility returned to a percent growth. Released worse than expected US statistics on business activity in the non-manufacturing sector in November also put pressure only on Western markets, while the MICEX Index closed near daily highs.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the resulting decline in the sector indicator was made by shares of RusHydro and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin instructed to equalize the energy tariffs in the Far East with average Russian

The decision could cost consumers 22 billion rubles a year

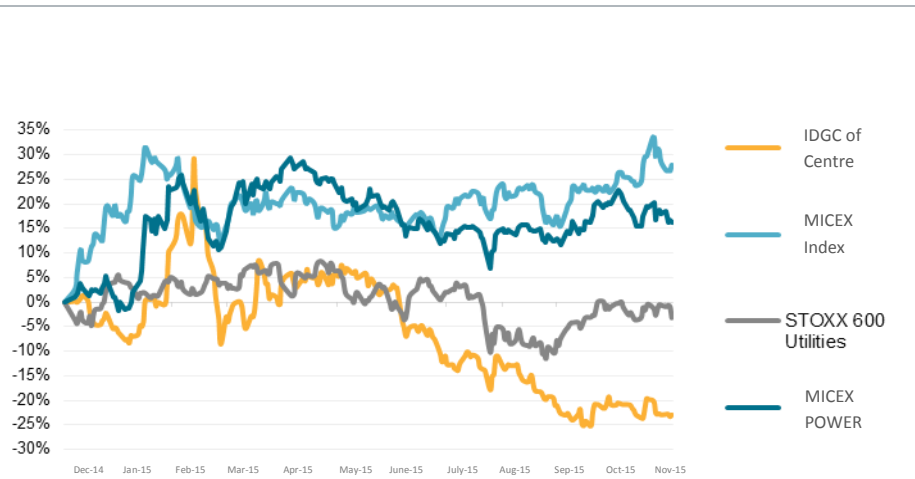
Read full text: <http://www.vedomosti.ru/business/articles/2015/12/03/619481-putin-energotarifi>

COMPANY NEWS

IDGC of Centre, PJSC successfully placed the issue of exchange-traded bonds series BO-04 of 5 bln RUB

Read full text: <http://www.mrsk-1.ru/press-center/news/company/50635/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.14
MICEX	1 787,23	0,97%	27,97%
S&P 500	2 049,62	-1,44%	-0,45%
FTSE 100	6 275,00	-2,27%	-4,43%
DAX	10 789,24	-3,58%	10,03%
DJStoxx 600	372,11	-3,14%	8,63%
STOXX Utilities	305,53	-2,30%	-3,14%
Nikkei	19 939,90	0,01%	14,26%
Sensex	25 886,62	-0,89%	-5,86%
CSI300	3 749,30	0,73%	6,10%
Bovespa	46 393,26	3,29%	-7,23%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.14
Euro/USD	1,09	2,99%	-10,32%
USD/RUB	66,74	0,73%	18,63%
Euro/RUB	70,86	1,04%	3,69%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.14
Gold, USD/oz	1 062,11	0,80%	-10,32%
Brent*, USD/bbl	43,84	3,18%	-33,66%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1947
Capitalisation**, billion RUB	8,22
Capitalisation**, million USD	123,16

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change fr 31.12.14
MICEX-Power Index	-0,36%	16,22%
Shares of IDGC of Centre**	0,46%	-22,89%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.14
JSC Russian Grids	-0,94%	7,15%
FGC UES	-0,80%	32,41%
IDGC of Volga	0,00%	-29,93%
MOESK	-0,13%	-39,28%
IDGC of Northern Caucasus	1,20%	4,55%
IDGC of Centre and Volga Reg	0,15%	-32,92%
IDGC of North-West	1,48%	8,30%
IDGC of Urals	2,59%	55,48%
IDGC of Siberia	-3,10%	-44,44%
IDGC of South	-0,62%	3,24%
Lenenergo	0,20%	44,57%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

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