

DAILY MARKET REVIEW

26 October, Wednesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 25 October some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.4-0.5% on good corporate reporting. According to Bloomberg, about a quarter of the companies in the S&P500 index have reported for the third quarter, of which 78% and 65% showed better-than-expected profit and revenue, respectively. Following the US market on Tuesday, the composite index of the Asia-Pacific region MSCI Asia Pacific added more than 0.5%. The Japanese market was additionally supported by the yen weakening after the publication of strong statistics by Markit on manufacturing activity in the US in October, which raised expectations of the Fed raising rate at the December meeting. December Brent futures traded at \$51.4 per barrel, or \$0.2 higher than the closing level on 24 October. Oil prices consolidated in anticipation of the news on the development of the situation around Iraqi oil minister's statement that his country should be excluded from the agreement on the limitation of production – according to the media, talks of the head of OPEC with the leadership of Iraq are to be held on Tuesday.

On Tuesday the Russian market was dominated by buyers. In the afternoon the MICEX Index growth exceeded a percent, despite inexpressive changes of the western markets, and a decline in oil prices. The main reason for the uncertain sentiment on the western stock markets was the rise of concerns with regard to increasing the Fed rate until the end of the year – according to Bloomberg data, the probability of such an outcome is 73%. Against this backdrop, the dollar DXY index rose to highs since February 2016, which in turn was an additional negative factor for oil prices, already under pressure from the statements of representatives of Iraq. At the end of the day the MICEX Index growth slowed down to 0.7% – investors preferred to take some profits after the start of trading in the US with major indices declining by one third percent and Brent quotations falling below \$51 per barrel.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final sector indicator outperformance in comparison with the MICEX Index was made by shares of RusHydro and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Energy tariffs in the Far East to be aligned to the average level in 2-3 years, said Mr. Galushka

The process of balancing energy tariffs in the Far East to the average level will be completed within 2-3 years. This was announced on Monday, 24 October, to TASS by Minister of Development of the Far East Alexander Galushka.

Read full text: <http://www.bigpowernews.ru/markets/document73376.phtml>

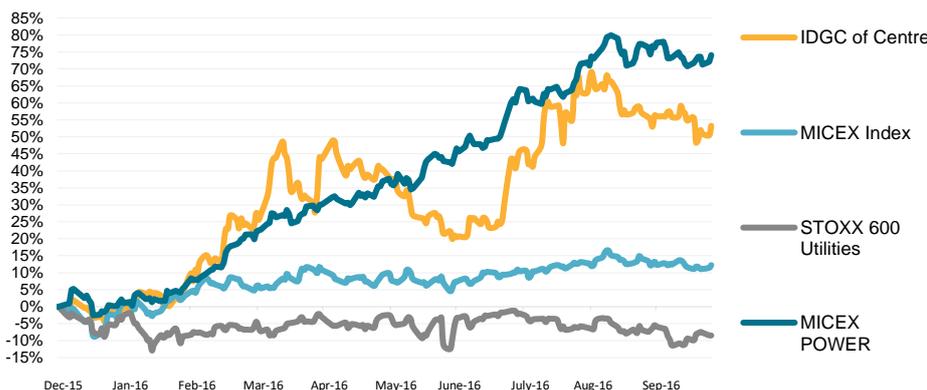
COMPANY NEWS

IDGC of Centre within the import substitution policy tested diagnostic equipment manufactured by "Rostec" Corporation

In the Tambov region there was a two-day meeting held of heads of diagnostic services of IDGC of Centre's branches. On the site of the training centre of the Tambov branch of the company they learned and tested advanced diagnostic devices produced domestically. Representatives of companies-producers from different regions of Russia also participated in the meeting - they are all included in "Rostec" Corporation. The event was held as part of the import substitution policy of the state.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57315/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 977,19	0,73%	12,25%
S&P 500	2 143,16	-0,38%	4,85%
FTSE 100	7 017,64	0,45%	12,42%
DAX	10 757,31	-0,04%	0,13%
DJStoxx 600	343,07	-0,35%	-6,22%
STOXX Utilities	280,21	-0,04%	-8,47%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	28 091,42	-0,31%	7,56%
CSI300	3 367,45	0,00%	-9,74%
Bovespa	63 866,20	-0,30%	47,33%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,09	0,12%	-10,41%
USD/RUB	62,23	-0,34%	-14,61%
Euro/RUB	67,73	-0,44%	-15,02%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 273,87	0,75%	20,05%
Brent*, USD/bbl	50,79	-1,30%	14,39%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2990
Capitalisation**, billion RUB	12,62
Capitalisation**, million USD	202,83

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,17%	74,13%
Shares of IDGC of Centre**	1,87%	53,25%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	0,66%	98,71%
FGC UES	1,53%	182,88%
IDGC of Volga	-0,98%	81,23%
MOESK	-0,46%	14,67%
IDGC of Northern Caucasus	3,31%	24,80%
IDGC of Centre and Volga Reg	-1,34%	40,92%
IDGC of North-West	1,02%	80,66%
IDGC of Urals	2,90%	49,47%
IDGC of Siberia	0,18%	12,91%
IDGC of South	2,29%	57,69%
Lenenergo, ordinary shares	4,69%	129,26%

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