

# DAILY MARKET REVIEW

24 October, Monday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 21 October some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 closed the trading session lower by 0.1-0.2%, on Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific showed a comparable trend. The markets were pressured by a decline in oil prices and growing doubts of market participants about the ability of the world's Central Banks to provide long-term effective support to the economy. In particular, the newspaper The Wall Street Journal writes that many investors are worried that after the unprecedented expansionary policies by central banks of the world over the years their ability to support growth and inflation seriously weakened. This, experts say, may also indicate indecisiveness of the ECB in the expansion of economic incentives, despite far from the target values inflation and uncertain growth in the Eurozone's economy, and the statement of the head of the Bank of Japan that the regulator can move the timeline again to achieve a 2% inflation level. December Brent futures traded near the mark of \$51.4 per barrel, slightly below the closing level on 20 October. Oil quotes stabilized after more than a 2% fall on Thursday. As noted by Bloomberg, investors are closely monitoring statements of representatives of OPEC countries and Russia, who are trying to agree on action to limit production. In this context, a negative factor for the market was a statement by the head of Rosneft that the company has an opportunity to significantly increase oil production. In general, according to him, Russia is able to increase production by 200 million tons a year, or 4 million barrels per day. In addition, some analysts pointed out that the fall in oil prices coincided with the completion of placement of bonds by Saudi Arabia at a record \$17.5 billion for the emerging markets.

Throughout the trading session the MICEX index and the European Stoxx Europe 600 Index were flat near zero – corrective rise in oil prices and good reporting of a number of European companies was offset by negative changes of futures for US indices and the subsequent opening of trading in the US in a small minus. In turn, the US market was pressured by weak quarterly statements of several companies and continued strengthening of the dollar.

During the trading session the MicexPWR Sector Index underperformed. The main contribution to the final MicexPWR reduction was made by shares of Inter RAO and RusHydro.

## ELECTRIC POWER INDUSTRY NEWS

### Change of work of suppliers of last resort with "reference mark-ups" may occur on January 1, said the FAS

The Federal Antimonopoly Service is ready already in 2017 to unify the profitability of electricity suppliers of last resort, by entering a reference mark-up for them to the price of 1 kWh. This should reduce the profitability spread of sales, which now varies greatly across regions. If before the introduction of the standard the margin of suppliers of last resort was too low, the FAS promises a five-year transitional period for the containment of growth of tariffs. But the industry fears that the sharp decline in high mark-ups will lead to a loss of solvency of power sales.

Read full text: <http://www.bigpowernews.ru/markets/document73300.phtml>

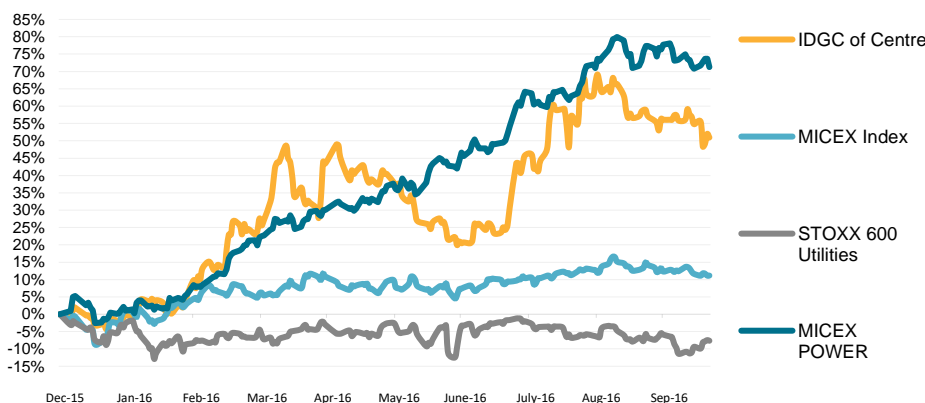
## COMPANY NEWS

### Orelenergo installs remote control at feeding centres

IDGC of Centre – Orelenergo division does regular work to equip 35/110 kV substations with automated systems of dispatching management "SISTEL MTC-30".

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/57294/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes   | Value     | Change  |             |
|-----------------|-----------|---------|-------------|
|                 |           | per day | fr 31.12.15 |
| MICEX           | 1 957,70  | 0,03%   | 11,15%      |
| S&P 500         | 2 141,16  | -0,01%  | 4,76%       |
| FTSE 100        | 7 020,47  | -0,09%  | 12,47%      |
| DAX             | 10 710,73 | 0,09%   | -0,30%      |
| DJStoxx 600     | 344,29    | 0,00%   | -5,88%      |
| STOXX Utilities | 282,71    | -0,22%  | -7,65%      |
| Nikkei          | 16 519,29 | 0,00%   | -13,21%     |
| Sensex          | 28 077,18 | -0,19%  | 7,50%       |
| CSI300          | 3 327,74  | 0,28%   | -10,81%     |
| Bovespa         | 64 108,08 | 0,42%   | 47,88%      |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change  |             |
|----------------|-------|---------|-------------|
|                |       | per day | fr 31.12.15 |
| Euro/USD       | 1,09  | -0,56%  | -10,47%     |
| USD/RUB        | 62,42 | -0,26%  | -14,36%     |
| Euro/RUB       | 68,47 | -0,43%  | -14,08%     |

Source: Bloomberg, Company calculations

| Raw             | Value    | Change  |             |
|-----------------|----------|---------|-------------|
|                 |          | per day | fr 31.12.15 |
| Gold, USD/oz    | 1 266,46 | 0,06%   | 19,35%      |
| Brent*, USD/bbl | 51,78    | 0,78%   | 16,62%      |

\* - December futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre      | Value  |
|-------------------------------|--------|
| Last transaction, RUB         | 0,2945 |
| Capitalisation**, billion RUB | 12,43  |
| Capitalisation**, million USD | 199,19 |

Source: Central Bank of Russia, Company calculations

| Russian indexes            | Change  |             |
|----------------------------|---------|-------------|
|                            | per day | fr 31.12.15 |
| MICEX-Power Index          | -1,38%  | 71,23%      |
| Shares of IDGC of Centre** | -0,67%  | 50,95%      |

Source: Bloomberg, Company calculations

| Grid companies               | Change** |             |
|------------------------------|----------|-------------|
|                              | per day  | fr 31.12.15 |
| Rosseti                      | -1,83%   | 94,43%      |
| FGC UES                      | -0,96%   | 178,11%     |
| IDGC of Volga                | -1,76%   | 86,12%      |
| MOESK                        | -1,22%   | 18,80%      |
| IDGC of Northern Caucasus    | -0,64%   | 24,00%      |
| IDGC of Centre and Volga Reg | -1,63%   | 43,79%      |
| IDGC of North-West           | 1,05%    | 76,28%      |
| IDGC of Urals                | -0,36%   | 47,37%      |
| IDGC of Siberia              | -2,96%   | 14,34%      |
| IDGC of South                | -1,06%   | 49,04%      |
| Lenenergo, ordinary shares   | -1,43%   | 125,76%     |

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](mailto:ir@mrsk-1.ru)

**Tickers**  
Moscow Exchange (MOEX)  
Bloomberg  
Reuters

**MRKC**  
**MRKC.RX**  
**MRKC.MM**