



## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 26 October some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 lost 0.5% due to weak reporting of a number of large companies, which neutralized the positive background of strong statistics. In the USA in September the growth of orders for durable goods was twice as high as forecasts, the sales of new houses were the highest for the last 10 years. On Thursday the main country indices of the Asia-Pacific region showed small growth, including due to good corporate reporting. December Brent futures traded near the mark of \$58.4 per barrel, \$0.3 higher than our closing on 25 October. Stabilization of Brent quotations near annual highs was due to The Wall Street Journal publication that Saudi Arabia and Russia want to extend the agreement on limiting production to the end of 2018. At the same time, the rise in oil prices was held back by data from the US Department of Energy, which recorded a recovery of production of more than a million barrels per day and an increase in oil reserves.

The MICEX Index spent most of the trading session in a small minus within half a percent within the overall trend of profit-taking in emerging markets, in anticipation of a decrease in the amount of stimulation of the economy from the European Central Bank. As a result of the passed meeting the ECB, while maintaining all key interest rates at the same level, including the rate on refinancing operations – at zero level, announced a reduction in the volume of asset purchases within QE from the current level of €60 billion per month to €30 billion per month from January 2018. At the same time, the regulator extended the program until at least September of next year and reserved the right to expand the asset repurchase program if the state of the Eurozone's economy requires it. In addition, at the final press conference, the head of the ECB said that the regulator expects interest rates to remain at the current level for a long time after the completion of the QE program. The ECB decisions and comments by Mario Dragi provoked a percentage weakening of the euro against the dollar, which, in turn, supported European markets – the European Stoxx Europe 600 Index in the afternoon added more than a percent. Against this backdrop the MICEX Index at the end of the day tried to gain a foothold in positive territory, but still closed trading with losses of 0.1%. As Bloomberg noted, the MICEX Index has been declining for the sixth consecutive session, which is the longest period of decrease since mid-February.

As a result of the trading session the MicexPWR Sector Index looked better than the broad market. The main contribution to the MicexPWR growth in the antiphase with the MICEX Index was made by shares of Gazprom generation companies and FGC UES. A 24% increase in shares of IDGC of South at the maximum turnover this year differed from the general changes of shares of grid companies. These securities were supported by strong RAS financials for January-September: the company's net profit was 1.5 billion rubles against the loss of 107 million rubles a year earlier.

## ELECTRIC POWER INDUSTRY NEWS

### The payback mechanism of investments into modernization of power plants can start working not earlier than 2019, says Mr. Novak

The payback mechanism of investments in the modernization of power plants can start working not earlier than 2019, Russian Energy Minister Alexander Novak told journalists.

Read full text: <http://www.bigpowernews.ru/markets/document80296.phtml>

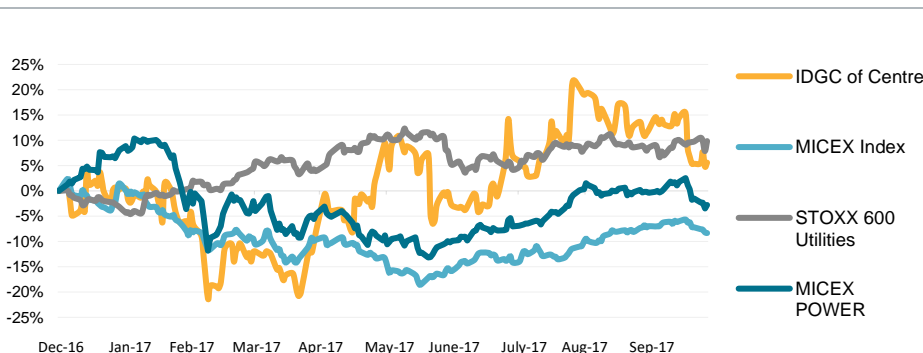
## COMPANY NEWS

### More than 900 employees of Kurskenergo upgraded their qualifications from the beginning of the year

IDGC of Centre - Kurskenergo division summed up the work on training of personnel for nine months of this year. During this period, more than 900 employees of the branch were trained and upgraded their qualifications.

Read full text: <http://radio-kurs.ru/32124-bolee-900-sotrudnikov-kurskenergo-povysili-kvalifikaciyu-s-nachala-goda.html>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 046,69	-0,14%	-8,33%
S&P 500	2 560,40	0,13%	14,36%
FTSE 100	7 486,50	0,53%	4,81%
DAX	13 133,28	1,39%	14,39%
DJStoxx 600	391,27	1,07%	8,26%
STOXX Utilities	304,03	1,84%	9,85%
Nikkei	21 739,78	0,15%	13,74%
Sensex	33 147,13	0,32%	24,49%
CSI300	3 993,57	0,42%	20,65%
Bovespa	75 896,35	-1,01%	26,02%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,17	-1,11%	11,08%
USD/RUB	57,61	0,05%	-5,02%
Euro/RUB	67,77	0,13%	6,21%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 266,99	-0,83%	10,41%
Brent*, USD/bbl	59,30	1,47%	0,97%

\* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4720
Capitalisation**, billion RUB	19,93
Capitalisation**, million USD	345,87

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,69%	-2,80%
Shares of IDGC of Centre**	0,75%	5,59%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,98%	-19,22%
FGC UES	1,05%	-19,29%
IDGC of Volga	0,74%	94,29%
MOESK	0,59%	-4,68%
IDGC of Northern Caucasus	2,67%	-12,93%
IDGC of Centre and Volga Reg	2,23%	110,68%
IDGC of North-West	-0,17%	5,09%
IDGC of Urals	0,83%	10,64%
IDGC of Siberia	6,67%	54,72%
IDGC of South	24,4%	-6,49%
Lenenergo, ordinary shares	0,40%	-9,36%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	-0,75%	-8,74%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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

**MRKC**  
**MRKC:RM**  
**MRKC:MM**