

DAILY MARKET REVIEW

1 December, Thursday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 30 November some moderately positive external background formed on the Russian market. On Tuesday the US indices S&P500 and DJIA rose by 0.1%, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific traded near zero when multidirectional changes of the major country indices in the region. Strong statistics from the US, where data on the GDP for the III quarter and the consumer confidence index in November were much better than expected, could not provide significant support to investors, whose entire attention now focuses on the upcoming summit of OPEC. January Brent futures traded near the mark of \$47.3 per barrel, or \$0.8 higher than the closing level on 29 November. Oil prices recovered after a 4% drop on Tuesday, triggered by growing doubts of experts that OPEC will be able to agree on limiting oil production at the meeting on 30 November. Oil price increase on Wednesday was due to the media information about a softer position of Iran and Iraq, who previously insisted on significant preferences in determining their quotas, and statements by some representatives of OPEC that the cartel would still be able to overcome their differences and agree on a collective reduction of production.

The Russian and European markets in the first half of the trading session were dominated by moderate optimism, the MICEX Index and the Stoxx Europe 600 Index added within an average of 0.5% after rising oil. The cost of the January Brent contract rose to around \$50 a barrel on Reuters information that OPEC members at the meeting were discussing a bigger reduction in production than previously thought – by 1.4 million barrels per day. In the afternoon the Russian market growth accelerated, the MICEX Index updated historical maximum after information that OPEC could agree to cut oil production by 1.2 million barrels per day to 32.5 mln b/d. At the same time, the activity of Russian buyers was limited by uncertain trends of the Western markets, in spite of released better than expected statistics from the US on employment in the manufacturing sector in November, incomes of the population in October and manufacturing activity in Chicago in November.

During the trading session the MicexPWR Sector Index looked significantly better than the market mainly due to strong growth of shares of FGC UES and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Full equalization of energy tariffs in the Russian Federation is impossible and technologically pointless, said Mr. Dvorkovich

Full equalization of tariffs for electricity in Russia is impossible and technologically pointless, said Deputy Prime Minister Arkady Dvorkovich in a speech at the Government Hour in the Federation Council.

Read full text: <http://www.bigpowernews.ru/markets/document74197.phtml>

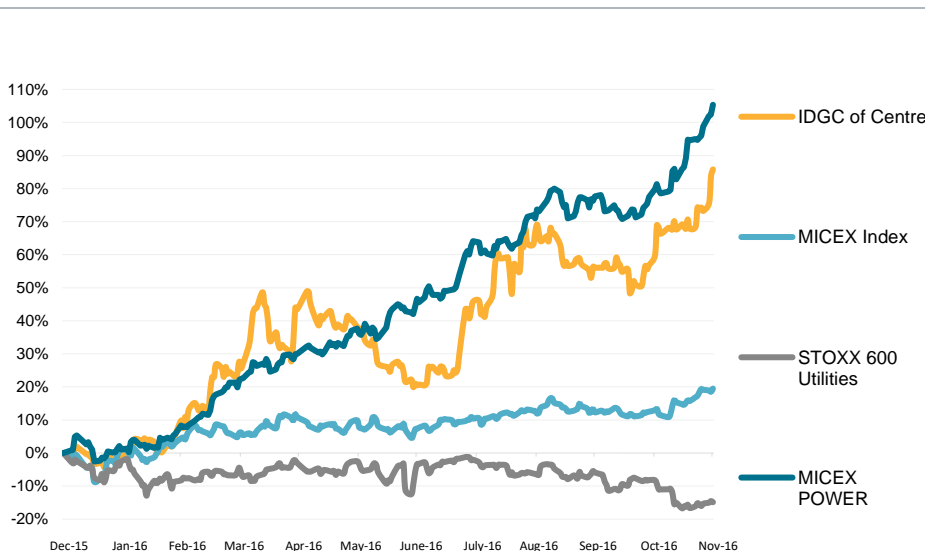
COMPANY NEWS

"Lipetskenergo" supplied electricity to a new production site

IDGC of Centre – Lipetskenergo division provided power of 3.6 MW to a plant for production of electric motors of "Genborg" LLC, which was solemnly opened on 18 November in Usmansky district.

Read full text: <http://www.elektroportal.ru/news/news-78208.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 104,91	0,87%	19,50%
S&P 500	2 198,81	-0,27%	7,58%
FTSE 100	6 783,79	0,17%	8,67%
DAX	10 640,30	0,19%	-0,96%
DJStoxx 600	341,99	0,31%	-6,51%
STOXX Utilities	260,57	-0,42%	-14,88%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 652,81	0,98%	2,05%
CSI300	3 538,00	-0,73%	-5,17%
Bovespa	61 906,36	1,51%	42,81%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,06	-0,26%	-12,82%
USD/RUB	64,94	0,05%	-10,89%
Euro/RUB	68,84	-0,46%	-13,62%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 173,20	-1,27%	10,56%
Brent*, USD/bbl	51,84	9,55%	13,91%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3625
Capitalisation**, billion RUB	15,30
Capitalisation**, million USD	235,65

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,50%	105,35%
Shares of IDGC of Centre**	1,12%	85,80%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	2,68%	164,13%
FGC UES	4,22%	237,04%
IDGC of Volga	2,97%	158,87%
MOESK	0,22%	19,33%
IDGC of Northern Caucasus	0,00%	39,20%
IDGC of Centre and Volga Reg	3,19%	152,07%
IDGC of North-West	7,38%	80,66%
IDGC of Urals	-2,32%	77,37%
IDGC of Siberia	2,97%	27,87%
IDGC of South	3,70%	79,49%
Lenenergo, ordinary shares	4,66%	115,72%

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