

DAILY MARKET REVIEW

29 September, Thursday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 28 September some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 0.6-0.7% on the results of the first televised debate of the US presidential candidates – Hillary Clinton won, whose position, experts say, is safer for the financial markets. In addition, investors were strongly supported by statistics – according to the Conference Board, the consumer confidence index rose to a maximum of nine years in September. On Wednesday the composite Asia-Pacific region index MSCI Asia Pacific lost about 1%, mainly due to decline of the Japanese market, driven by shares of financial sector companies. According to MarketWatch, investors gradually come to the view that a negative interest rate on deposits, which negatively affects the banks' revenues, will remain the basis of the Bank of Japan's policy. November Brent futures traded near the mark of \$46.2 per barrel, or \$0.5 higher than the closing level on 27 September. Oil prices corrected after a 3% drop on Tuesday, triggered by growing doubts of market participants about effectiveness of the meeting of oil producing countries in Algeria, including because of Iran's position, which made it clear that it is not ready to freeze production until the return of the market share, fixed prior to the introduction of international sanctions. Data of the US American Petroleum Institute on reduction of fuel stocks and statements by Minister of Energy of Saudi Arabia on willingness to compromise contributed to stabilization of oil prices. In particular, he said, in determining the level of freezing oil production, Iran, Libya and Nigeria should be allowed to produce maximum volumes, "making sense".

On Wednesday the Russian and European markets recovered after a few days of sales following the increase in oil prices on expectations of convergence of Saudi Arabia and Iran on the issue of freezing oil production. Against this background, in the middle of the day the MICEX Index and the Stoxx Europe 600 Index added about one percent. However, at the end of the day the MICEX Index growth rate slowed down considerably after the fall in oil prices to around \$46 per barrel, triggered by the strengthening of the dollar after the announcement of the Fed that the US Central Bank interest rate may be raised before the end of the year.

During the trading session the MicexPWR Sector Index outperformed mainly due to growth of Irkutskenergo's shares. At the end of the day the paper added 13.2% on the information from Kommersant that the Bank of Russia, responding to complaints from a minority shareholder in Irkutskenergo, limited the right of EuroSibEnergo and its subsidiary Telmamsky Hydroelectric Power Station to vote at meetings of Irkutskenergo's shareholders. As Kommersant recalls, as a result of the purchase from Inter RAO of a 40% package of the company EuroSibEnergo accumulated a 90% holding in Irkutskenergo, however, contrary to the requirements of the law, has not yet sent an offer to the shareholders. In addition, writes Kommersant, Irkutskenergo's minority shareholders are not satisfied with the price of redemption of shares, set by the company's Board of Directors - 60% below the price at which the package of Inter RAO was acquired.

ELECTRIC POWER INDUSTRY NEWS

Mr. Medvedev called for creation of a retail energy market model with distributed generation

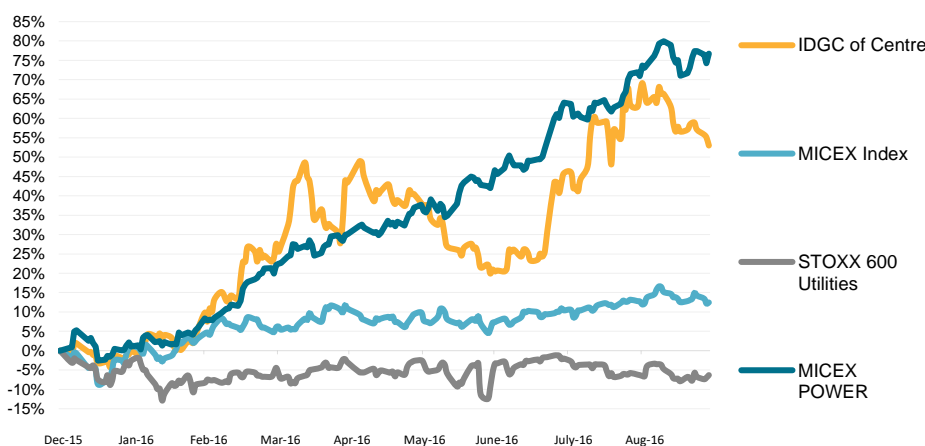
Read full text: <http://www.bigpowernews.ru/markets/document72839.phtml>

COMPANY NEWS

Lipetsk branch of IDGC of Centre recognized as one of the most successful in the country to reduce the period of connection to the power grid

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57084/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 980,68	0,26%	12,45%
S&P 500	2 171,37	0,53%	6,23%
FTSE 100	6 849,38	0,61%	9,72%
DAX	10 438,34	0,74%	-2,84%
DJStoxx 600	342,57	0,70%	-6,35%
STOXX Utilities	286,82	0,70%	-6,31%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	28 292,81	0,24%	8,33%
CSI300	3 230,89	-0,30%	-13,40%
Bovespa	59 355,77	1,67%	36,92%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	-0,09%	-7,80%
USD/RUB	63,69	-0,71%	-12,61%
Euro/RUB	71,64	-0,58%	-10,11%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 321,54	-0,44%	24,54%
Brent*, USD/bbl	48,69	5,92%	11,22%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2985
Capitalisation**, billion RUB	12,60
Capitalisation**, million USD	197,86

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,43%	76,77%
Shares of IDGC of Centre**	-1,32%	53,00%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,78%	92,23%
FGC UES	3,01%	198,48%
IDGC of Volga	-0,26%	96,40%
MOESK	-0,32%	26,40%
IDGC of Northern Caucasus	0,00%	40,80%
IDGC of Centre and Volga Reg	-0,86%	46,50%
IDGC of North-West	1,33%	94,16%
IDGC of Urals	-2,62%	56,32%
IDGC of Siberia	2,18%	24,59%
IDGC of South	2,12%	54,17%
Lenenergo	1,44%	131,44%

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
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