

# DAILY MARKET REVIEW

16 December, Friday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on 15 December there was negative external background. On Wednesday the US indices DJIA and S&P500 fell 0.6-0.8%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific lost more than 1.5%. The markets were pressured by surprising for analysts raising the Fed's forecasts on growth of rates pace in 2017. Following the results of the last meeting the Fed predictably increased the benchmark interest rate by 0.25 percentage points to 0.5-0.75%, at the same time raised its forecast for the number of rate increases in 2017 to three from the expected two rate hikes in September. According to the head of the Fed, raising rates is a sign of confidence in the US economy, a signal that the US economy has reached a steady state, and its growth will continue and the increase in the number of possible rate hikes is associated with the program, which the new US president is intended to implement, in particular, possible increase of tax incentives. The news provoked a sharp strengthening of the US dollar – the DXY index rose to a maximum of 14 years, which in turn led to a decrease in the value of assets denominated in dollars. Of the Asian stock markets only the Japanese market positively reacted to the rise of the dollar – the Nikkei225 index closed slightly up following the rise in shares of exporters on the weaker yen. February Brent futures traded near the mark of \$53.9 per barrel, or \$1.8 less than the level of our closing on 14 December. Oil prices declined both because of the strengthening of the dollar and fears of investors that higher Fed rates may adversely affect the rate of economic growth in developing countries and, consequently, the demand for oil. For most of the trading session on Wednesday the Russian market, like all emerging markets, was under pressure from the US Central Bank forecast of more than previously expected increases in the key interest rate. At the same time, the MICEX Index still showed a significantly more restrained trend in comparison with other emerging markets – on the daily lows the index losses amounted to little more than a percent in comparison with almost a 3% drop in the composite index MSCI EMEA EM. The Russian market was held from more active sales by both the stable Brent oil price around the level of \$53.5 per barrel and positive sentiment on the main European markets. In turn, buyers in Europe were supported by statistics, which recorded increase in manufacturing activity in the Eurozone in December to the highest level since 2011, and the weakening of the euro against the dollar, which supported stocks of exporters – the euro-dollar pair fell to the lowest level since January 2003. An additional positive factor for the markets was the US statistics: the number of applications for unemployment benefits has been below \$300 thousand for 93 weeks – the longest period since the 70s, inflation in November accelerated to a maximum of two years, data on manufacturing activity in New York and Philadelphia in December were better than expected. Against this background the European indices increased their growth rate, trading the US market began with more than a half-point rise in the major indices, the MICEX Index at the end of the day was able to play all the losses back and closed higher by 0.4%.

During the trading session the MicexPWR Sector Index looked somewhat better than the market. The main contribution to the final outperformance of the sector indicator in comparison with the MICEX Index was made by shares of RusHydro, which gained 2% on strong statements under IFRS for nine months.

## ELECTRIC POWER INDUSTRY NEWS

### The increase in utility tariffs in Russia in 2017 not to exceed the projected inflation rate of 4%

The increase in utility tariffs in Russia will not exceed the projected inflation rate of 4% next year, stated Russian Prime Minister Dmitry Medvedev.

Read full text: <http://www.bigpowernews.ru/markets/document74490.phtml>

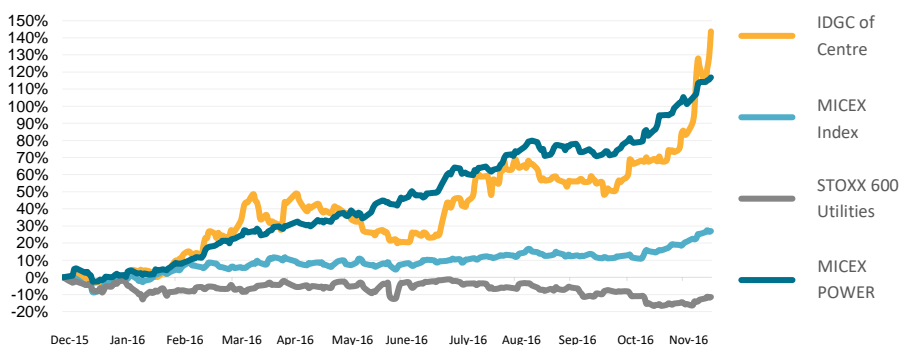
## COMPANY NEWS

### IDGC of Centre summarized the work with requests of consumers for 10 months in 2016

During 10 months of 2016 IDGC of Centre received 825,000 customer requests. Of these, 31% - information requests, 30% - applications for provision of services, 21% - requests for reference information or consultations with specialists, 18% - others.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/58328/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 237,23	0,37%	27,02%
S&P 500	2 262,03	0,39%	10,67%
FTSE 100	6 999,01	0,72%	12,12%
DAX	11 366,40	1,08%	5,80%
DJStoxx 600	358,79	0,86%	-1,92%
STOXX Utilities	270,91	0,47%	-11,50%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 519,07	-0,31%	1,54%
CSI300	3 340,43	-1,14%	-10,47%
Bovespa	58 396,16	0,32%	34,71%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,04	-2,26%	-14,34%
USD/RUB	60,81	-0,43%	-16,57%
Euro/RUB	64,75	-0,34%	-18,75%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 128,50	-1,26%	6,35%
Brent*, USD/bbl	54,02	0,22%	18,70%

\* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4755
Capitalisation**, billion RUB	20,07
Capitalisation**, million USD	330,13

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,61%	116,84%
Shares of IDGC of Centre**	6,61%	143,72%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	-1,72%	184,93%
FGC UES	-0,16%	243,74%
IDGC of Volga	7,65%	214,65%
MOESK	3,14%	31,33%
IDGC of Northern Caucasus	-1,98%	78,40%
IDGC of Centre and Volga Reg	4,14%	148,41%
IDGC of North-West	8,57%	112,77%
IDGC of Urals	-1,45%	79,47%
IDGC of Siberia	5,40%	96,11%
IDGC of South	0,00%	71,47%
Lenenergo, ordinary shares	-1,45%	137,55%

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