



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 25 October some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 added 0.7% and 0.2%, respectively. The outpacing growth in the DJIA index was mainly due to a 5% jump in Caterpillar and 3M shares after the publication of good quarterly statements. At the same time, media reports that several republican senators are not going to support tax reform, as well as Bloomberg information that at the meeting with the US president the majority of Republican senators favoured the appointment of an economist at Stanford University, J. Taylor, a supporter of tight monetary policy, as the new head of the Federal Reserve, became constraining factors for the broader SP500 index. Following the US markets, the main country stock indices of the Asia-Pacific region showed a predominantly positive trend, with the exception of the Nikkei225 – traders took profits after 16 days of a straight rise. December Brent futures traded near \$58.4 per barrel, \$0.3 higher than our closing on 24 October. Oil prices were also supported by the Saudi Energy Minister that the cartel is determined to reduce OECD oil reserves to an average level of five years before smoothly withdrawing from the OPEC+ deal.

In the first half of the trading session the MICEX Index was in a small plus within half a percent due to the stability of oil above \$58 per barrel and moderately positive sentiment on European markets. The European Stoxx Europe 600 Index in the middle of the day added about one third percent, including thanks to strong statistics from Germany, where the index of the business climate in October rose to a record level. In the second half of the day the Russian and European stock indices moved to negative territory after correction on US exchanges, the reason for which was weak reporting of a number of large companies that neutralized the positive background of good statistics – in the US in September the growth in orders for durable goods was twice the forecasts, sales of new homes were the highest in the last 10 years.

As a result of the trading session the MicexPWR Sector Index looked worse than the broad market. The main contribution to the MicexPWR underperformance in comparison with the MICEX Index was made by shares of grid companies – FGC UES, IDGC of Centre and Volga Region and Rosseti. Shares of Rosseti could be pressured by RAS statements for nine months – the company's net profit fell 25 times, to 7.3 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy of Russia proposes to distribute the load at "cross-subsidization" to all consumers, says Mr. Novak

The Ministry of Energy of Russia proposes to distribute the burden of cross-subsidization in the electric power industry to all consumers except the population, said the head of the agency Alexander Novak during the government hour in the State Duma.

Read full text: <http://www.bigpowernews.ru/markets/document80293.phtml>

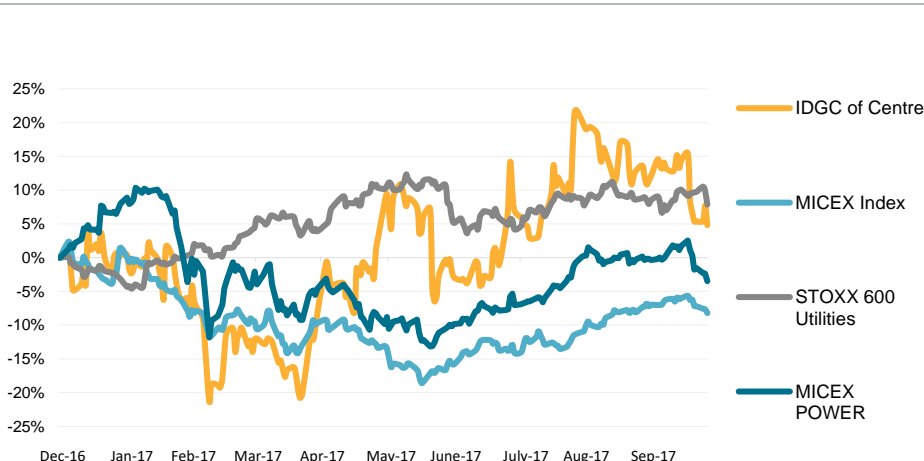
COMPANY NEWS

Tverenergo held a meeting of chief engineers of Distribution Zones

A meeting of chief engineers of Distribution Zones was held at the Tver Training and Production Centre of IDGC of Centre - Tverenergo division. Within the meeting under the leadership of Deputy Director - Chief Engineer of the branch Alexander Chumachenko, issues of reliability of power supply to consumers and labour protection at the enterprise were discussed.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/62195/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 049,48	-0,60%	-8,21%
S&P 500	2 557,15	-0,47%	14,22%
FTSE 100	7 447,21	-1,05%	4,26%
DAX	12 953,41	-0,46%	12,82%
DJStoxx 600	387,13	-0,57%	7,11%
STOXX Utilities	298,54	-1,79%	7,87%
Nikkei	21 707,62	-0,45%	13,57%
Sensex	33 042,50	1,33%	24,10%
CSI300	3 976,95	0,44%	20,15%
Bovespa	76 671,13	0,42%	27,30%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	0,42%	12,32%
USD/RUB	57,59	0,20%	-5,06%
Euro/RUB	67,69	0,19%	6,07%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 277,53	0,07%	11,33%
Brent*, USD/bbl	58,44	0,19%	-0,49%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4685
Capitalisation**, billion RUB	19,78
Capitalisation**, million USD	343,48

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,15%	-3,47%
Shares of IDGC of Centre**	-2,70%	4,81%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,45%	-20,01%
FGC UES	-1,34%	-20,13%
IDGC of Volga	-3,57%	92,86%
MOESK	0,12%	-5,23%
IDGC of Northern Caucasus	0,54%	-15,19%
IDGC of Centre and Volga Reg	-5,28%	106,08%
IDGC of North-West	0,17%	5,27%
IDGC of Urals	-0,82%	9,73%
IDGC of Siberia	-1,22%	45,04%
IDGC of South	-0,25%	-24,81%
Lenenergo, ordinary shares	-2,17%	-9,72%
TRK, ordinary shares	0,00%	-15,97%
Kubanenergo	0,00%	-8,05%

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
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