

# DAILY MARKET REVIEW

6 December, Tuesday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 05 December some moderately negative external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed the trading session mixed with changes in the range of 0.1%. Statistics on the labour market was of ambiguous character in November – the unemployment rate fell to its lowest level in nine years of 4.6%, at the same time the workforce and the hourly wage reduced, compared with October, and did not have significant impact on the changes of the indices. According to experts, these data should not change the current plans of the US Federal Reserve to tighten monetary policy. On Monday the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost about one percent under the pressure of information that the Italian prime minister had resigned after at the referendum the citizens voted against his proposals for constitutional reform. According to analysts, in the worst scenario, the resignation of the prime minister bears the risk for the unity of the European Union and the Eurozone – if Eurosceptics possibly win early parliamentary elections. February Brent futures traded near the mark of \$53.9 per barrel, or \$0.3 less than the closing level on 02 December. Oil prices consolidated after a 15% rise over the past week on the information that the OPEC countries for the first time since 2008 were able to negotiate a reduction in oil production by 1.2 million barrels per day.

The results of the Italian referendum did not become a pretext for sales in the Russian and European markets – in the first place, its negative for the prime minister of Italy results were already discounted by the market, and secondly, investors believe that the political problems of the third Eurozone economy will force the ECB to continue expansionary policy, thirdly, experts believe that the ruling political parties in Italy can avoid early parliamentary elections, forming a technical government. Moreover, the MICEX Index and the Stoxx Europe 600 Index in the second half of the trading session added more than a percent and 0.5%, respectively, after soaring commodity prices. In turn, one of the main raw materials sector growth driver was the weakening of the US dollar – the DXY index dropped to a two-week low on doubts of investors that the Fed after the ambiguous statistics of the November labour market will implement exit strategy at a more active pace than previously expected. In addition, equity markets were supported by the statistics: in the Eurozone retail sales growth in October was the highest since August 2014, the consolidated PMI in November rose to a maximum of 11 months, in the US the index of business activity in the service sector in November was a record for the year.

During the trading session the MicexPWR Sector Index was generally in line with the changes of the MICEX Index. The main contribution to the MicexPWR growth was made by shares of RusHydro and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

**"Rosseti" proposes to exclude the Ministry of Energy from the process of approval of investment programs**

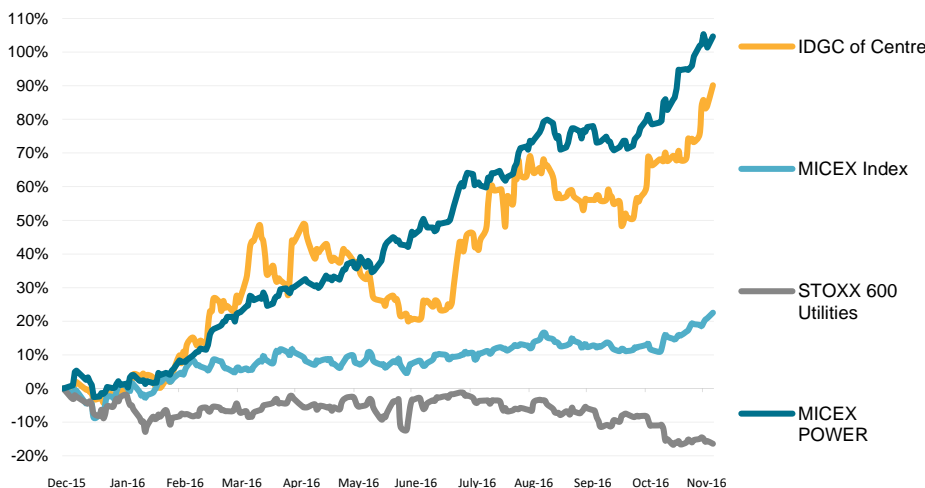
Read full text: <http://www.kommersant.ru/doc/3158203>

## COMPANY NEWS

**Belgorod power engineers are completing the implementation of the annual program of reconstruction of dilapidated grids**

Read full text: <http://www.interfax-russia.ru/Center/news.asp?id=788470&sec=1679>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 158,33	1,38%	22,54%
S&P 500	2 204,71	0,58%	7,87%
FTSE 100	6 746,83	0,24%	8,08%
DAX	10 684,83	1,63%	-0,54%
DJStoxx 600	341,27	0,56%	-6,71%
STOXX Utilities	255,82	-0,98%	-16,43%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 349,10	0,45%	0,89%
CSI300	3 469,41	-1,69%	-7,01%
Bovespa	59 831,73	-0,80%	38,02%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,08	0,98%	-11,43%
USD/RUB	64,15	0,74%	-11,98%
Euro/RUB	68,47	1,26%	-14,09%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 170,38	-0,60%	10,30%
Brent*, USD/bbl	54,94	0,88%	20,72%

\* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3710
Capitalisation**, billion RUB	15,66
Capitalisation**, million USD	244,15

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,69%	104,72%
Shares of IDGC of Centre**	3,34%	90,16%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	3,30%	163,10%
FGC UES	4,09%	238,38%
IDGC of Volga	2,28%	165,55%
MOESK	-0,11%	18,53%
IDGC of Northern Caucasus	-0,54%	47,20%
IDGC of Centre and Volga Reg	0,14%	127,71%
IDGC of North-West	1,42%	82,12%
IDGC of Urals	-1,24%	67,37%
IDGC of Siberia	3,37%	31,97%
IDGC of South	-1,39%	59,62%
Lenenergo, ordinary shares	2,01%	122,05%

Source: MOEX, Company calculations

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

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### Tickers

Moscow Exchange (MOEX)  
Bloomberg  
Reuters

MRKC  
MRKC.RX  
MRKC.MM