



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 12 January some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.3-0.5% after shares of oil and gas companies, on Thursday most of the major stock indices of the Asia-Pacific region declined, US index futures were slightly down. The focus of investors was on the first after the November elections press conference of the 45th US president at which market participants expected details of the new economic program, which was announced during the election campaign. In this respect, the speech of Donald Trump disappointed investors – he did not add any details to the plans for tax reform and increased spending on infrastructure, which were the main drivers of the rally of stock markets of developed countries and the US dollar after the election. The most pronounced reaction of investors on the speech of Donald Trump was observed in the dollar – the DXY index lost more than 1.5%. In general, according to analysts, the main result of the press conference of the new US president was the rise of uncertainty in the financial markets. March Brent futures traded near the mark of \$55.3 per barrel, or \$0.7 higher than the closing level on 11 January. Oil quotations were supported by weakening of the dollar and the US Department of Energy data on the results of the last week, which recorded the highest on record volume of oil processing at US refineries and reduced inventories at the Cushing terminal, which stores oil traded on the NYMEX.

On Thursday the Russian and European markets were dominated by a moderately negative mood – most of the day the MICEX Index and the European Stoxx Europe 600 Index were slightly negative in the range of 0.5%. The stock markets were pressured mainly by increasing uncertainty surrounding the economic policy of the new US president after his first press conference and relevant investors' doubt on the validity of "Trump Rally". The markets avoided more active sales with good statistics: Germany's GDP in 2016 increased at a maximum of five years, 1.9%, data on industrial production in the Eurozone in November and applications for unemployment benefits in the US were better than expected. Selling pressure in the European markets increased after the start of trading in the US with nearly a percent decline in the major indices. At the same time the MICEX Index losses were limited to 0.3% – Russian investors were supported by Brent oil prices above \$56 per barrel.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR growth in opposition with the MICEX Index was made by shares of RusHydro and IDGC of Centre.

ELECTRIC POWER INDUSTRY NEWS

Grid companies and generators get rid of sales

"Rosseti" and "RusHydro" in 2017 are going to gradually get rid of non-core assets in energy sales companies. According to analysts, the overall sales business of "RusHydro" looks more attractive to investors than distressed sales of "Rosseti", located in the North Caucasus.

Read full text: <http://www.kommersant.ru/doc/3189274>

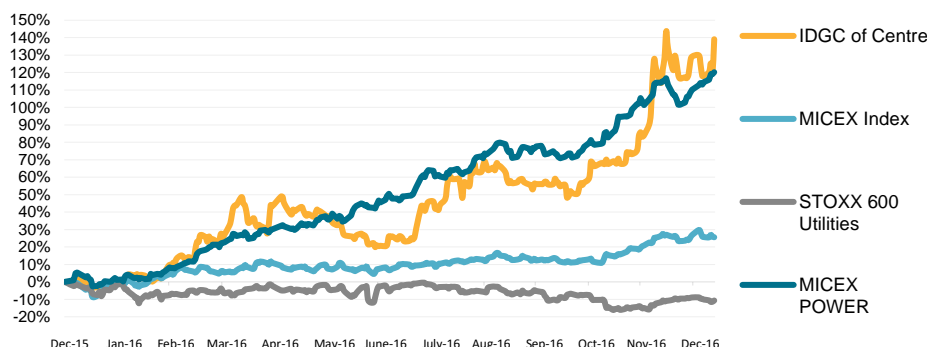
COMPANY NEWS

IDGC of Centre in 2017 to increase investments in power grid facilities of the Voronezh region by 18%

IDGC of Centre in 2017 plans to invest in the development of power grid infrastructure of the Voronezh region 1.3 billion rubles, which is 18% more than in 2016, says the press service of the company. It was said at a meeting of Governor of the region Alexey Gordyev with General Director of IDGC of Centre Oleg Isaev on Thursday.

Read full text: <http://www.interfax-russia.ru/Center/news.asp?id=798843&sec=1679>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 212,00	-0,30%	-0,93%
S&P 500	2 270,44	-0,21%	1,41%
FTSE 100	7 292,37	0,03%	2,09%
DAX	11 521,04	-1,07%	0,35%
DJStoxx 600	362,51	-0,65%	0,30%
STOXX Utilities	271,44	0,77%	-1,93%
Nikkei	19 134,70	-1,19%	0,11%
Sensex	27 247,16	0,39%	2,33%
CSI300	3 317,62	-0,51%	0,23%
Bovespa	63 953,93	2,41%	6,19%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,06	0,85%	1,26%
USD/RUB	60,16	0,35%	-0,82%
Euro/RUB	63,52	-0,04%	-0,46%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 195,43	0,32%	4,18%
Brent*, USD/bbl	56,01	1,65%	-1,43%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4665
Capitalisation**, billion RUB	19,69
Capitalisation**, million USD	327,36

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,52%	4,83%
Shares of IDGC of Centre**	8,74%	4,36%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,97%	10,15%
FGC UES	1,23%	1,99%
IDGC of Volga	1,40%	3,75%
MOESK	-0,11%	3,23%
IDGC of Northern Caucasus	0,00%	-1,36%
IDGC of Centre and Volga Reg	2,16%	5,41%
IDGC of North-West	0,54%	1,45%
IDGC of Urals	2,42%	3,04%
IDGC of Siberia	2,85%	3,58%
IDGC of South	-0,93%	2,10%
Lenenergo, ordinary shares	-1,25%	0,09%

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