



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday some positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 1.1-1.4%, despite a 5% drop in futures early in the day, provoked by the news of the election of Donald Trump as a new US president. According to experts, one of the reasons for a drastic change of mood in the markets was a calm, balanced and rational tone of Donald Trump's first statements after his victory in the elections. This, in turn, allowed the market to move from emotional reactions to the election results to a calmer analysis of the pre-election promises of the new president. At the same time, investors paid attention to sectors which, according to them, will be the main beneficiaries of the "trumponomics" based on lower taxes, increase of infrastructure spending and mitigation of state regulation - financial, industrial and healthcare. Companies of these segments became the driver of growth of US indices on Wednesday. On Thursday, following the US market the composite index of the Asia-Pacific region MSCI Asia Pacific added about 3%, recouping all the losses of Wednesday. At the same time, analysts warned of risks of volatility in the markets gain, noting the continued high degree of uncertainty about the implementation of Donald Trump's election program and their impact on the US economy and the world economy as a whole. In particular, economists note high inflationary potential of Donald Trump's program that can help accelerate the process of raising the Fed rate. In turn, the S&P and Fitch agencies indicate risks for the US ratings associated with a growth of public debt and an increase in political uncertainty. January Brent futures traded near the mark of \$46.8 per barrel, or \$1.1 higher than the closing level on 09 November. Brent quotes, falling at the beginning of Wednesday below \$45 per barrel, could demonstrate strong growth followed by a general return of investors' interest in high-risk assets. In addition, according to experts, the potential decline in oil prices is now largely limited to expectations of the November OPEC meeting results.

The Russian market has been growing steadily for the second day in a row – in the second half of the trading session the MICEX Index, updating the historical maximum, added more than 3% at the maximum trading volumes since February 2015. According to analysts, surveyed by Bloomberg, the Russian market is the main beneficiary of the election of Donald Trump as the new US president and the main investment idea in our market is now waiting easing of sanctions in the medium term. In the last hour of trading the MICEX Index rate of increase halved under the pressure of rising correctional sentiment on foreign markets and oil prices returning to around \$46 per barrel.

At the end of the trading session the MicexPWR Sector Index underperformed – on Thursday the purchases were concentrated in the first-tier shares. The main contribution to the MicexPWR underperformance in comparison with the MICEX Index was made by shares of Mosenergo, where investors took profits after a more than 30% growth since the beginning of November.

ELECTRIC POWER INDUSTRY NEWS

Annual Report of "Rosseti" recognized as one of the best in the area of disclosure of corporate governance information

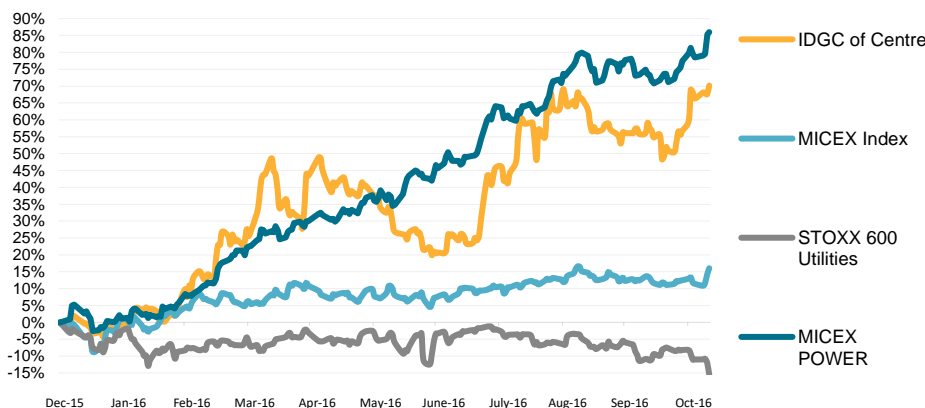
Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=28447

COMPANY NEWS

Kostroma branch of IDGC of Centre entered the All-Russian Register "Book of Honour in 2016"

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57658/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 044,03	1,61%	16,05%
S&P 500	2 167,48	0,20%	6,04%
FTSE 100	6 827,98	-1,21%	9,38%
DAX	10 630,12	-0,15%	-1,05%
DJStoxx 600	338,88	-0,27%	-7,36%
STOXX Utilities	258,73	-3,99%	-15,48%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 517,68	0,97%	5,36%
CSI300	3 390,61	1,12%	-9,12%
Bovespa	61 200,96	-3,25%	41,18%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,09	0,00%	0,44%
USD/RUB	63,89	0,25%	-12,33%
Euro/RUB	71,35	1,27%	-10,47%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 259,20	-1,47%	18,67%
Brent*, USD/bbl	45,84	-1,12%	1,96%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3320
Capitalisation**, billion RUB	14,02
Capitalisation**, million USD	219,37

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,39%	86,01%
Shares of IDGC of Centre**	1,53%	70,17%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	0,37%	119,15%
FGC UES	0,76%	179,49%
IDGC of Volga	1,79%	119,79%
MOESK	0,22%	19,60%
IDGC of Northern Caucasus	-0,32%	23,20%
IDGC of Centre and Volga Reg	4,43%	76,43%
IDGC of North-West	2,18%	70,80%
IDGC of Urals	3,44%	58,42%
IDGC of Siberia	0,00%	27,05%
IDGC of South	1,45%	57,37%
Lenenergo, ordinary shares	0,10%	118,56%

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