



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 17 October some neutral external background formed on the Russian market. The US indices DJIA and S&P500, having started their Friday trading with nearly a percent increase on statistics, which recorded growth in retail sales for the first time in three months, and released better than expected reporting of JPMorgan, Citigroup and Wells Fargo for the III quarter, closed the day with weak growth, averaging around 0.1%. The slowdown of the market growth was triggered by increased investors' anxiety about the global economic outlook after a series of allegations of the US Federal Reserve Chair. In particular, Janet Yellen said that she supports the idea of continuing low interest rates, which would allow the US economy to gain momentum and mitigate the effects of a prolonged period of weak economic growth. In general, said the Fed head, the weak pace of global economic growth is likely to contribute to maintaining low interest rates by central banks worldwide, in connection with which, in her view, it will be more difficult for regulators to deal with a new recession in case of its occurrence. On Monday the composite Asia-Pacific region index MSCI Asia Pacific and futures for US indices lost about half a percent. December Brent traded near the mark of \$51.7 per barrel, slightly higher than the closing level on Friday, 14 October. Oil prices are still supported by expectations of a constructive completion of the meeting of OPEC in November, which may decide to limit oil production. At the same time, experts note the growth of "bullish" sentiment in the oil market – in particular, the number of net long positions in WTI crude oil last week rose to the highest since July 2014.

On Monday the Russian and European stock markets were dominated by moderately negative sentiment due to rising investors' concerns about the global economy. During the trading session the loss of the MICEX Index and the European Stoxx Europe 600 Index averaged about 0.5%. The Russian market looked somewhat better, which was supported by the information that Fitch agency confirmed the Russian Federation ratings at the last stage of the investment grade "BBB-", improved the outlook on the ratings to "stable" from "negative". Current news background was generally neutral, without providing significant influence on the changes of the markets: in the Eurozone consumer prices in September rose at a record pace in two years, in the US industrial production in September increased at the level of expectations, contrary to forecasts the index of business activity in New York in October declined, reporting of Bank of America exceeded expectations.

During the trading session the MicexPWR Index outperformed. The main contribution to the total growth of the sector indicator was made by shares of RusHydro and Rosseti.

ELECTRIC POWER INDUSTRY NEWS

Consumers to have a clear way to the generation

The Ministry of Energy offers a new retail reform

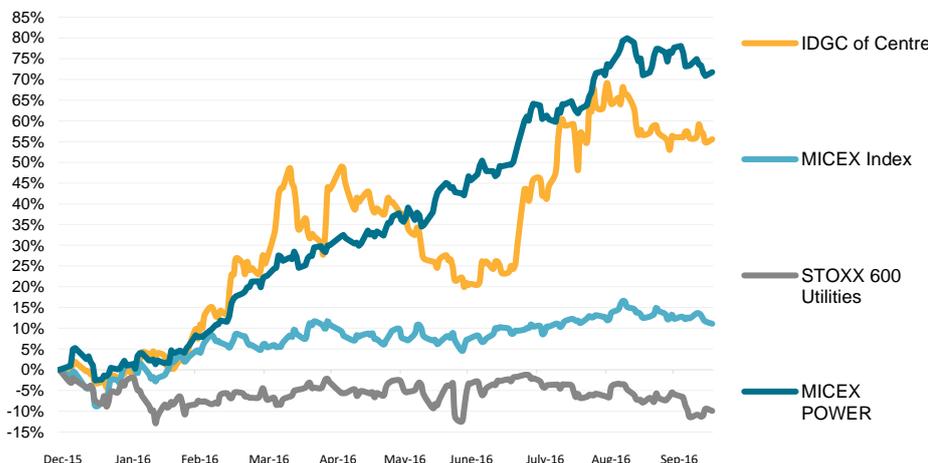
Read full text: <http://www.kommersant.ru/doc/3118347>

COMPANY NEWS

Belgorod power engineers to connect 84 homes to electricity mains until the end of the year

Read full text: <https://fonar.tv/news/2016/10/17/belgorodskie-energetiki-do-konca-goda-podklyuchat-k-elektrichestvu-84-doma>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 956,95	-0,48%	11,10%
S&P 500	2 126,50	-0,30%	4,04%
FTSE 100	6 947,55	-0,94%	11,30%
DAX	10 503,57	-0,73%	-2,23%
DJStoxx 600	337,42	-0,74%	-7,76%
STOXX Utilities	275,80	-0,57%	-9,91%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 529,97	-0,52%	5,41%
CSI300	3 277,88	-0,85%	-12,14%
Bovespa	62 696,11	1,50%	44,63%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,10	0,26%	-9,51%
USD/RUB	62,99	-0,56%	-13,57%
Euro/RUB	69,37	-0,50%	-12,95%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 255,85	0,39%	18,35%
Brent*, USD/bbl	51,52	-0,83%	16,04%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3035
Capitalisation**, billion RUB	12,81
Capitalisation**, million USD	203,40

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,55%	71,75%
Shares of IDGC of Centre**	0,50%	55,56%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,85%	95,81%
FGC UES	0,07%	176,70%
IDGC of Volga	3,30%	101,29%
MOESK	0,21%	24,53%
IDGC of Northern Caucasus	-2,11%	29,60%
IDGC of Centre and Volga Reg	1,19%	49,52%
IDGC of North-West	-0,41%	76,64%
IDGC of Urals	-0,37%	43,16%
IDGC of Siberia	-0,84%	20,49%
IDGC of South	2,13%	53,85%
Lenenergo	-1,15%	124,89%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
 Moscow Exchange (MOEX)
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