

DAILY MARKET REVIEW

1 November, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 31 October some moderately negative external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed with a slight decrease in the range of 0.3%. The market was pressure by strong statistics – in the third quarter the GDP grew by maximum in two years 2.9%, which raised the probability of the Fed rate increase in December to a record this year of 75%, and increased uncertainty about the outcome of the US presidential election. According to a survey conducted by the newspaper The Washington Post and ABC television channel, last week the gap between Hillary Clinton leading with confidence, until recently, and Donald Trump declined immediately by 10 percentage points to 2 minimum percentage points. It should be noted that economists consider Donald Trump's victory in the presidential election as one of the most important, along with Brexit, risks to the financial markets. On Monday most of the major country stock indices of the Asia-Pacific region declined after the US market. An additional negative factor for investors was a fall in oil prices and released worse than expected Japanese statistics on industrial production and retail sales in September. January Brent futures traded near the mark of \$50.4 per barrel, or \$0.7 less than the closing level on Friday, 28 October. Oil prices fell on media reports that the negotiations of experts of the OPEC countries to agree upon specific parameters of an agreement on joint reduction of production ended without result. The main stumbling block, says Bloomberg, is still reluctance of Iraq and Iran to participate in the reduction of production to achieve agreement on the level of quotas.

On Monday the MICEX Index traded flat near zero, mainly in a small plus, despite a half-point reduction in the European Stoxx Europe 600 Index and the drop in oil prices below \$50 per barrel. The MICEX Index was mainly supported by growth of Gazprom's shares on news that the Ministry of Finance budgeted in 2017 more than two-fold increase in the dividend of the company in comparison with the payments following the results of 2015. Appearing throughout the day statistics as a whole was neutral in nature and did not provide significant impact on the trading trend: the Eurozone GDP growth in the third quarter was in line with expectations, inflation in the Eurozone in September was the highest since June 2014, increase in the US household spending in September exceeded expectations, while income growth was below forecasts.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final outperformance of the sector indicator in comparison with the MICEX Index was made by shares of Yunipro, which added 4.4% for the day on news that the company plans to pay an interim dividend for nine months.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" in 2017-2019 to reduce the stockholding in six IDGCs to 25% plus 1 share

"Rosseti" in 2017-2019 will reduce its stake in six of eight large regional "daughters" - Interregional Distribution Grid Companies (IDGCs) - to 25% plus 1 share, according to the materials to the draft budget of the Russian Federation.

Read full text: <http://www.bigpowernews.ru/news/document73485.phtml>

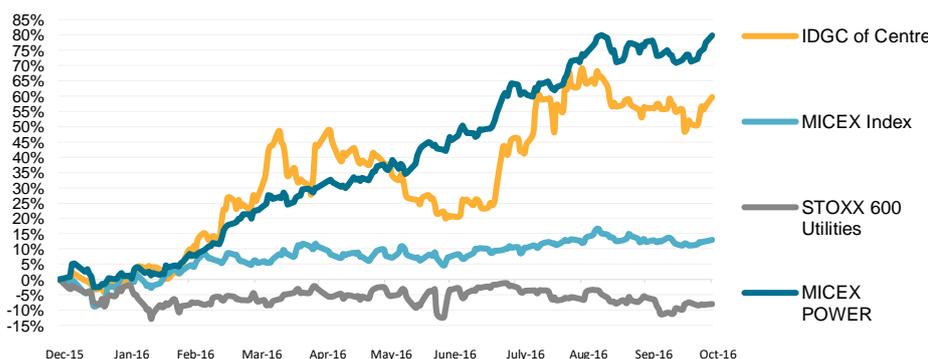
COMPANY NEWS

IDGC of Centre continues developing value-added services and improving their quality

IDGC of Centre summed up the sale of value-added services for nine months of 2016. During the reporting period the company received 110,253 applications for the provision of value-added services - 17% more than in the same period of 2015 (94,474 applications).

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57378/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 989.64	0,40%	12,96%
S&P 500	2 131.13	0,22%	4,27%
FTSE 100	6 958.80	-0,54%	11,48%
DAX	10 684.89	-0,11%	-0,54%
DJStoxx 600	339.29	-0,44%	-7,25%
STOXX Utilities	281.59	0,19%	-8,02%
Nikkei	16 519.29	0,00%	-13,21%
Sensex	27 941.51	0,00%	6,98%
CSI300	3 336.28	-0,12%	-10,58%
Bovespa	64 764.18	0,71%	49,40%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,10	-0,22%	-9,84%
USD/RUB	62,90	-0,22%	-13,69%
Euro/RUB	68,68	-0,12%	-13,83%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 273,71	-0,14%	20,04%
Brent*, USD/bbl	48,81	-3,69%	9,93%

* - January futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3115
Capitalisation**, billion RUB	13,15
Capitalisation**, million USD	209,06

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,32%	79,77%
Shares of IDGC of Centre**	1,80%	59,66%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,14%	113,10%
FGC UES	1,18%	187,88%
IDGC of Volga	4,94%	107,71%
MOESK	-1,68%	16,93%
IDGC of Northern Caucasus	-2,84%	23,20%
IDGC of Centre and Volga Reg	4,85%	54,78%
IDGC of North-West	-3,13%	69,71%
IDGC of Urals	4,23%	68,42%
IDGC of Siberia	0,88%	16,80%
IDGC of South	-1,81%	56,73%
Lenenergo, ordinary shares	2,57%	135,37%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

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