

DAILY MARKET REVIEW

15 November, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 14 November some neutral external background formed on the Russian market. Last Friday the US indices S&P500 and DJIA closed with a decrease of 0.1% and growth of 0.2%, respectively. The advanced DJIA changes continue reflecting investors' bet on companies of financial and industrial sectors, which, analysts say, are the main beneficiaries of the "trumponomics". Main country stock indices of the Asia-Pacific region were trading without any changes. Japan's Nikkei added 1.7% on strong statistics and the yen weakening – Japan's GDP growth in the III quarter by 2.2% more than twice exceeded projections, the yen-dollar pair rose to the maximum values for five months because of the rising dollar index DXY to the levels of last December. At the same time, most regional markets relating to emerging markets, showed a negative trend – the composite index MSCI EM ASIA lost about 1.5% on growing fears of a tougher implementation of the Fed exit strategy after Donald Trump's victory in the presidential elections. January Brent futures traded near the mark of \$44.7 per barrel, at the closing level on Friday 11 November. Oil quotes are still under pressure of both the stronger dollar and growth of investors' doubt on OPEC's ability to reach an agreement on the limitation of oil production at the summit on 30 November.

Changes of the MICEX Index on Monday differed by high volatility. In the first half of the trading session the MICEX Index added 0.5% after rising US futures and European markets – the rise of the Stoxx Europe 600 Index in the middle of the day exceeded a percent. In the second half of the day the MICEX Index lost 0.7% under pressure from the ongoing sales in emerging markets – decline in the composite index MSCI EM was approximately 1.5%, drop in oil prices to around \$ 44 per barrel, including due to the dollar strengthening and increasing negative sentiment in western markets – the Stoxx Europe 600 Index lost all the morning rise and returned to zero. At the end of the day the MICEX Index was able to play back some losses after the start of trading in the US major indices with a slight increase with the next update of the historical record of the DJIA index.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the total MicexPWR growth out of phase with the MICEX Index was made by shares of FGC UES and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Electricity rates continue growing in Russia

According to the forecast of the Ministry of Economic Development of the Russian Federation, electricity rates continue growing in Russia. In 2017 they will increase minimum by 5%.

Read full text: <http://www.gzt-sv.ru/2016/11/14/rossii-prodolzhayut-rasti-tarifey-elektroenergiyu.html>

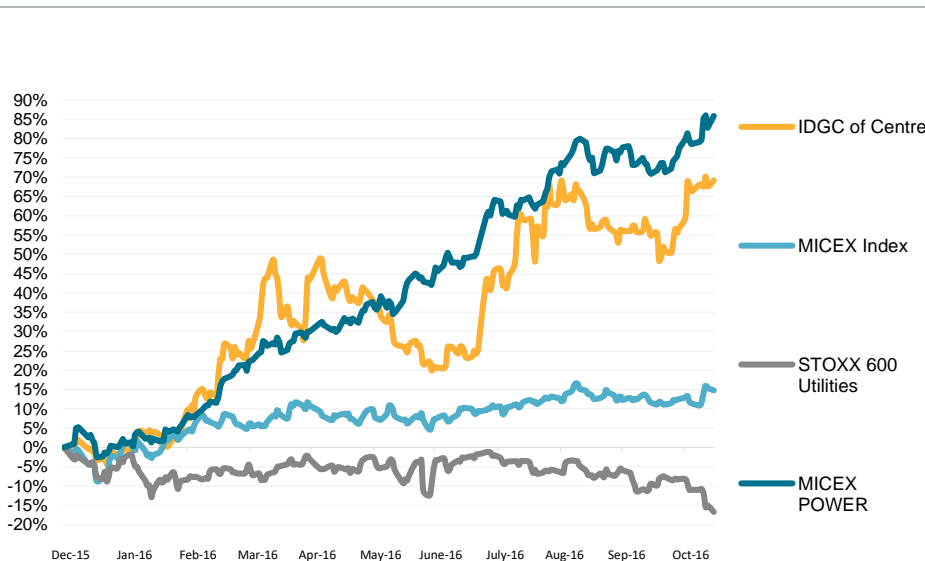
COMPANY NEWS

Belgorod power engineers since the beginning of the year managed to recover from perpetrators 27 million rubles for stolen electricity

Staff of IDGC of Centre – Belgorodenergo division for January-October 2016 revealed more than 1 thousand cases of theft of electricity totalling 36.7 million rubles, said the press service of the company.

Read full text: <http://www.interfax-russia.ru/Center/news.asp?id=782341&sec=1679>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 021,99	-0,49%	14,80%
S&P 500	2 164,20	-0,01%	5,88%
FTSE 100	6 753,18	0,34%	8,18%
DAX	10 693,69	0,24%	-0,46%
DJStoxx 600	338,23	0,22%	-7,54%
STOXX Utilities	254,95	-2,00%	-16,72%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 818,82	0,00%	2,69%
CSI300	3 430,25	0,38%	-8,06%
Bovespa	59 657,46	0,80%	37,62%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,07	-0,98%	-11,58%
USD/RUB	65,22	2,84%	-10,52%
Euro/RUB	71,13	2,58%	-10,76%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 221,35	-0,51%	15,10%
Brent*, USD/bbl	44,43	-0,72%	-1,18%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3300
Capitalisation**, billion RUB	13,93
Capitalisation**, million USD	213,63

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,67%	85,85%
Shares of IDGC of Centre**	0,92%	69,14%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	2,94%	129,26%
FGC UES	4,02%	189,56%
IDGC of Volga	1,61%	126,48%
MOESK	-0,78%	19,33%
IDGC of Northern Caucasus	7,42%	33,20%
IDGC of Centre and Volga Reg	7,24%	88,69%
IDGC of North-West	0,65%	69,71%
IDGC of Urals	4,42%	61,58%
IDGC of Siberia	-1,31%	23,57%
IDGC of South	2,27%	58,65%
Lenenergo, ordinary shares	-1,41%	114,19%

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