

DAILY MARKET REVIEW

11 October, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 10 October some neutral external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 closed lower by 0.2-0.3%. According to MarketWatch, weaker-than-expected data on the US labour market in September has not yet reduced the expectation of raising the base interest rate at the December Fed meeting, including due to statements of the Fed governors. In particular, president of the Federal Reserve Bank of Cleveland Loretta Mester said that, in her view, the US economy has reached full employment, and vice-chair of the US Federal Reserve Stanley Fischer said that the Department of Labor report indicates the adequacy of a possible Fed rate hike. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific, excluding Japan being on holiday, and futures for US indices traded in a small plus. Growth of the Chinese CSI300 at more than one percent after a week's holiday differed from the overall changes of Asian markets, including on information on the measures taken by the authorities to curb the overheated real estate market rise – according to some analysts, part of the funds from this market can go to the stock market. In general, investors in the Asian session were supported by the results of the second debate of the US presidential candidates, which Clinton won again. Markets, writes Bloomberg, are considering Hillary Clinton as a known and clear factor for them, while Donald Trump seems to them more unpredictable, so the reaction to another victory of the Democratic candidate at the debates was positive. December Brent traded near the mark of \$51.6 per barrel, or \$0.2 less than the closing level on Friday, October 7th. Oil quotes were pressured by information from Baker Hughes about continued growth in the number of working oil drilling rigs in the US. At the same time, this negative information was largely offset by expectations of concluding an agreement to limit oil production by OPEC.

On Monday some positive sentiment prevailed on the Russian and European stock markets, in the second half of the day the MICEX Index and the Stoxx Europe 600 Index added about one percent. The markets were supported by both the results of the US presidential candidates' debate and rising oil prices. Brent price for the first time this year exceeded the level of \$53 a barrel on statements of the Russian President that Russia is ready to join the OPEC agreement to limit oil production and OPEC's head that the agreement to reduce production by OPEC countries can be achieved before November 30th.

At the end of the trading session the MicexPWR Sector Index underperformed mainly due to active sales in shares of Inter RAO, which on Monday lost 2.7%, pressured by information exit from equity of a UCP fund company, which owned 8.7% stake in Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" can get power grid assets of the Ministry of Defense through the debt of "Oboronenergosbyt" for electricity transmission of 4.3 billion rubles, said the newspaper

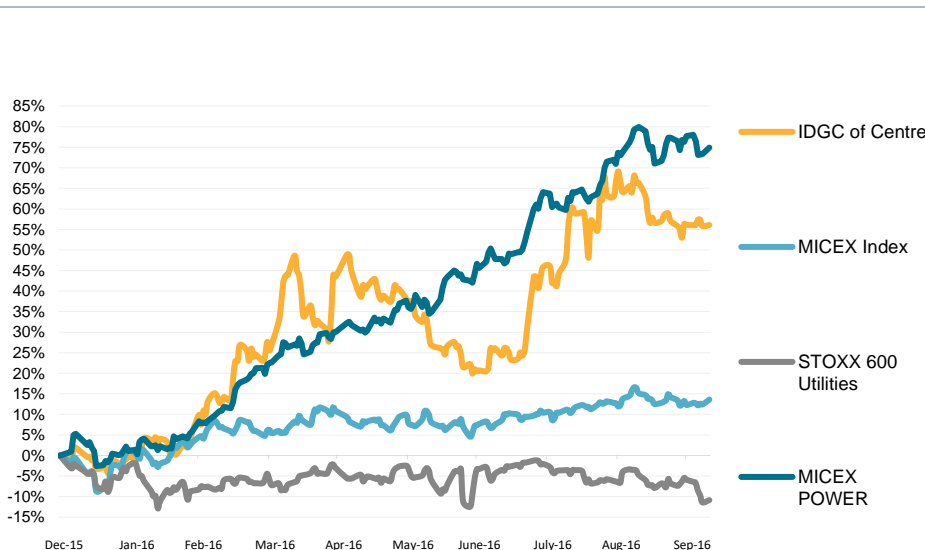
Read full text: <http://www.bigpowernews.ru/markets/document73052.phtml>

COMPANY NEWS

Power engineers of Kazakhstan studied IDGC of Centre's experience in the implementation of advanced automated control systems of a regional power grid

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57190/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 001,10	1,06%	13,61%
S&P 500	2 163,66	0,46%	5,86%
FTSE 100	7 097,50	0,75%	13,70%
DAX	10 624,08	1,27%	-1,11%
DJStoxx 600	341,98	0,69%	-6,51%
STOXX Utilities	272,88	0,63%	-10,86%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	28 082,34	0,08%	7,52%
CSI300	3 293,87	1,25%	-11,72%
Bovespa	61 668,33	0,92%	42,26%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	-0,51%	-8,33%
USD/RUB	62,30	-0,14%	-14,52%
Euro/RUB	69,23	-0,89%	-13,13%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 259,65	0,20%	18,71%
Brent*, USD/bbl	53,14	2,33%	19,68%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3045
Capitalisation**, billion RUB	12,86
Capitalisation**, million USD	206,34

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,90%	74,93%
Shares of IDGC of Centre**	0,16%	56,07%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	3,90%	97,60%
FGC UES	2,47%	194,61%
IDGC of Volga	2,41%	96,40%
MOESK	0,00%	25,60%
IDGC of Northern Caucasus	-0,87%	36,00%
IDGC of Centre and Volga Reg	0,87%	48,25%
IDGC of North-West	-0,20%	82,48%
IDGC of Urals	0,34%	53,68%
IDGC of Siberia	-1,19%	19,26%
IDGC of South	-2,26%	52,56%
Lenenergo	0,77%	127,73%

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