

DAILY MARKET REVIEW

26 December, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 23 December some moderately negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.1-0.2% on the ambiguous statistics: on the one hand, data on the GDP changes and consumer spending in the III quarter, orders for durable goods in November were better than expected, on the other hand, the number of applications for unemployment benefits rose to a maximum of six months, data on revenues and expenditures of the population in November were worse than expected. On Friday, after the US market the composite stock index of the Asia-Pacific region MSCI Asia Pacific lost about 0.5%, excluding Japan, where markets were closed in observance of Emperor's Day. February Brent futures traded near the mark of \$54.8 per barrel, or \$0.4 less than the closing level on 22 December. As noted by Bloomberg, crude oil got cheaper on Friday under pressure from a stronger dollar and profit-taking in anticipation of the long weekend.

On Friday the main reference point for the Russian market was the price of oil. Against the background of Brent price stability near the level of \$55 per barrel in the first half of the day the MICEX Index added an average of about 0.5% in the correction after a 1.7% fall on Thursday. In the second half of the trading session on the Russian market sales resumed after Brent quotations declining below \$54.3 per barrel – the MICEX Index loss reached 0.5%. The next turn and the rise in oil prices to the morning levels allowed the MICEX Index to play almost all the losses back and close near zero. Additional support for our market was given by good statistics from the US, where the consumer confidence index in December updated a maximum of 13 years, sales of new buildings in November were better than expected, and a neutral trend of major US indices in early trading.

During the trading session the MicexPWR Sector Index trend was generally in line with the MICEX Index.

ELECTRIC POWER INDUSTRY NEWS

Cabinet introduced to the State Duma a bill on licensing of sales activity

The Russian government has made to the State Duma a bill, developed by the Ministry of Energy, on licensing of sales activity, according to the website of the Cabinet.

Read full text: <http://www.bigpowernews.ru/markets/document74628.phtml>

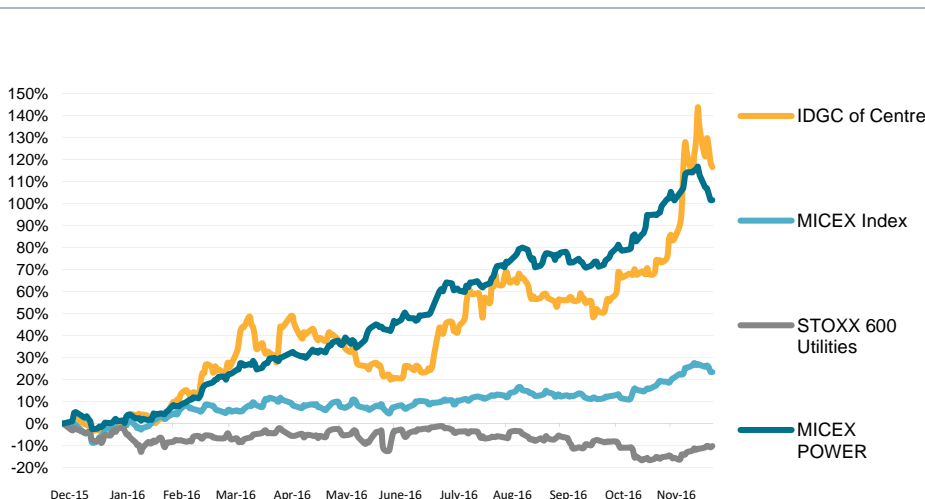
COMPANY NEWS

IDGC of Centre's Board of Directors approved the Company's Business Plan for 2017, including the Investment Program

A meeting of the Company's Board of Directors was held on 20 December 2016, which approved the Company's Business Plan, including the Investment Program for 2017. The Business Plan for 2017 is formed taking into account the forecast of socio-economic development of the Russian Federation for 2017-2019 (hereinafter – the Forecast), prepared by the Ministry of Economic Development of Russia. Scenario conditions for the formation of the Business Plan for 2017 in most branches provide for growth of an average joint operation tariff for electricity transmission services within the Forecast parameters. According to the Business Plan by the end of 2017 operating costs per unit of electrical equipment operation and maintenance in line with the Strategy of Development of electric grid facilities of the Russian Federation should be reduced by at least 25%, adjusted for inflation to the level of 2012.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/58399/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 173,18	-0,07%	23,38%
S&P 500	2 263,79	0,13%	10,76%
FTSE 100	7 068,17	0,06%	13,23%
DAX	11 449,93	-0,05%	6,58%
DJStoxx 600	359,98	0,04%	-1,59%
STOXX Utilities	274,74	0,67%	-10,25%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 040,70	0,24%	-0,29%
CSI300	3 307,60	-0,84%	-11,35%
Bovespa	57 937,11	1,19%	33,65%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,05	0,13%	-13,99%
USD/RUB	60,86	-0,40%	-16,49%
Euro/RUB	63,56	-0,08%	-20,25%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 133,30	0,44%	6,80%
Brent*, USD/bbl	55,16	0,20%	21,20%

* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4225
Capitalisation**, billion RUB	17,84
Capitalisation**, million USD	293,06

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,02%	101,52%
Shares of IDGC of Centre**	-0,94%	116,56%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	-1,61%	142,31%
FGC UES	-1,09%	223,77%
IDGC of Volga	-0,19%	174,81%
MOESK	-3,64%	20,13%
IDGC of Northern Caucasus	-4,99%	60,00%
IDGC of Centre and Volga Reg	-0,14%	132,17%
IDGC of North-West	1,94%	91,61%
IDGC of Urals	0,62%	70,53%
IDGC of Siberia	3,37%	69,67%
IDGC of South	0,81%	59,62%
Lenenergo, ordinary shares	-1,99%	126,20%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
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