

DAILY MARKET REVIEW

14 November, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 11 November some neutral external background formed on the Russian market. In the US on Thursday the DJIA index, having updated the historical maximum, rose by 1,2%, the S&P500 index – by 0.2%. The difference in percentage points in the changes of the indicators was due to greater weight in the DJIA index of shares of financial companies and industrial sectors that investors believe will be the main beneficiaries of the "trumponomics". According to experts, the presidency of Donald Trump shall be beneficial to these sectors, taking into account his promises to ease the government regulation, lower taxes, and to significantly increase investments in infrastructure. On Friday the stock markets of the Asia-Pacific region showed mixed trends: indices of developed countries generally grew up, while emerging markets were pressured by strong sales – the MSCI EM Asia index lost more than 2.5%. The fall of the emerging markets was caused by growing expectations of accelerating the process of tightening the monetary policy by the US Central Bank, provoked by Donald Trump's pro-inflation plans. Convincing evidence of inflationary risk growth in the US was a jump in yield of US Treasuries – according to Bloomberg, for 10-year bonds in the last four sessions the yield increase was the highest in 2.5 years, for 30 years – since 2009. January Brent futures traded near the mark of \$45.6 per barrel, or \$0.4 less than the closing level on 10 November. Oil prices declined after the IEA report that OPEC crude oil in October rose to a record level of 33.83 million barrels per day. In this regard, skepticism is growing at the market towards the achievement by OPEC's countries of an agreement to limit production. Without these agreements, stated the IEA, 2017 could be "another year of continued growth in demand on the world market".

Most of the trading session the MICEX Index was flat near zero. The activity of Russian buyers, who continue playing back on expectations of easing sanctions after the election of a new US president Donald Trump, was largely limited with moderately negative changes of European markets and decline in oil prices to around \$45 per barrel. Released better than expected US statistics on the consumer confidence index in November – the indicator increased to a maximum of five months – could not provide significant support to the market. According to analysts, the data will be revised downward, as the surveys were conducted before the US presidential election. At the end of the day sales in our market increased after the start of trading in the US with a half-point decline in the major indices and oil prices falling to around \$44.5 per barrel.

During the trading session the MicexPWR Sector Index looked significantly worse than the market. The main contribution to the final MicexPWR reduction was made by shares of Mosenergo and Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Federal Property Management Agency put up for sale state-owned shares of 6 electric grid companies, including four IDGCs

Federal Property Management Agency issued a resolution on the conditions of privatization of shares "IDGC of Centre", "IDGC of Siberia", "IDGC of Volga", "IDGC of South", "Tomsk Distribution Company" and Kabardino-Balkaria Joint Stock Energy and Electrification Company.

Read full text: <http://www.bigpowernews.ru/news/document73762.phtml>

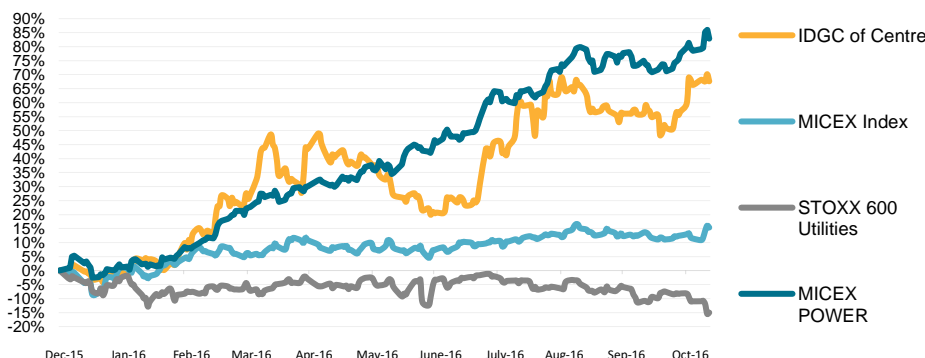
COMPANY NEWS

IDGC of Centre – a prize-winner of the contest of annual reports

8 November 2016 the ceremony of awarding winners of the XIX annual contest of annual reports, organized by Moscow Exchange and "RCB" media group, was held.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57659/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 031,92	-0,59%	15,36%
S&P 500	2 164,45	-0,14%	5,90%
FTSE 100	6 730,43	-1,43%	7,82%
DAX	10 667,95	0,36%	-0,70%
DJStoxx 600	337,50	-0,41%	-7,74%
STOXX Utilities	260,14	0,54%	-15,02%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 818,82	-2,54%	2,69%
CSI300	3 417,22	0,78%	-8,41%
Bovespa	59 183,51	-3,30%	36,52%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,09	-0,32%	-10,71%
USD/RUB	63,42	-0,75%	-12,99%
Euro/RUB	69,34	-2,82%	-13,00%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 227,64	-2,51%	15,70%
Brent*, USD/bbl	44,75	-2,38%	-0,47%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3270
Capitalisation**, billion RUB	13,81
Capitalisation**, million USD	217,69

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-1,72%	82,81%
Shares of IDGC of Centre**	-1,51%	67,61%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	1,62%	122,71%
FGC UES	-0,40%	178,37%
IDGC of Volga	1,40%	122,88%
MOESK	0,56%	20,27%
IDGC of Northern Caucasus	0,65%	24,00%
IDGC of Centre and Volga Reg	-0,27%	75,96%
IDGC of North-West	-1,28%	68,61%
IDGC of Urals	-2,33%	54,74%
IDGC of Siberia	-1,45%	25,20%
IDGC of South	-1,43%	55,13%
Lenenergo, ordinary shares	-0,60%	117,25%

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