

DAILY MARKET REVIEW

17 November, Thursday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 16 November some moderately positive external background formed on the Russian market. On Tuesday the US indices S&P500 and DJIA rose by 0.3-0.7%, the composite stock index of the Asia-Pacific region MSCI Asia Pacific added about 0.5%. The market growth was due to higher oil prices and strong statistics from the US, where retail sales growth in September and October was the highest since the beginning of 2014. At the same time, experts note that the strong US statistics increases the chances of raising the base interest rate at the December Fed meeting, which in turn limited the activity of buyers. According to Bloomberg, raising the likelihood of the Fed rate hike is now estimated at 94% by the market against 82% at the end of last week. At the same time, according to President of the Federal Reserve Bank of Boston, these expectations are fully justified, given that inflation is close to the Fed target level. January Brent futures traded near the mark of \$47.3 per barrel, or \$1.4 higher than the closing level on 15 November. The main driver of rising oil prices was the media information that OPEC countries will still be able to reach agreement on reducing production – in particular, it is about possible rapprochement of Saudi Arabia, Iran and Iraq, and coordination of production levels for Libya and Nigeria. The news allowed investors to ignore the message of the American Petroleum Institute on increase in US oil inventories by 3.7 million barrels, including at the terminal in Cushing, where oil traded on NYMEX is stored – at maximum since August 1.1 million barrels.

In the first half of the trading session the MICEX Index had more than a percent plus, reacting to rising oil prices. Additional support to our market could be provided by an overview of Bank of America Merrill Lynch, where analysts confirmed their positive view on the stock market of the Russian Federation, taking into account including the expected easing of sanctions against Russia. The experts came to such a conclusion, according to the review, after a series of meetings with politicians and economists in Washington. In the afternoon the pace of growth of the MICEX Index slowed to half a percent against the strengthening of negative sentiment in Europe, where the loss of the major stock indices was close to a percent, and the start of trading in the US with a slight decline in the major indices after publication of worse than expected statistics on industrial production in October.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR growth was made by shares of Rosseti and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

The FAS proposed to freeze some tariffs for the population for 5 years

The Federal Antimonopoly Service proposes not to index some tariffs for the population within five years, said the head of the agency Igor Artemyev.

Read full text: <http://www.bigpowernews.ru/markets/document73864.phtml>

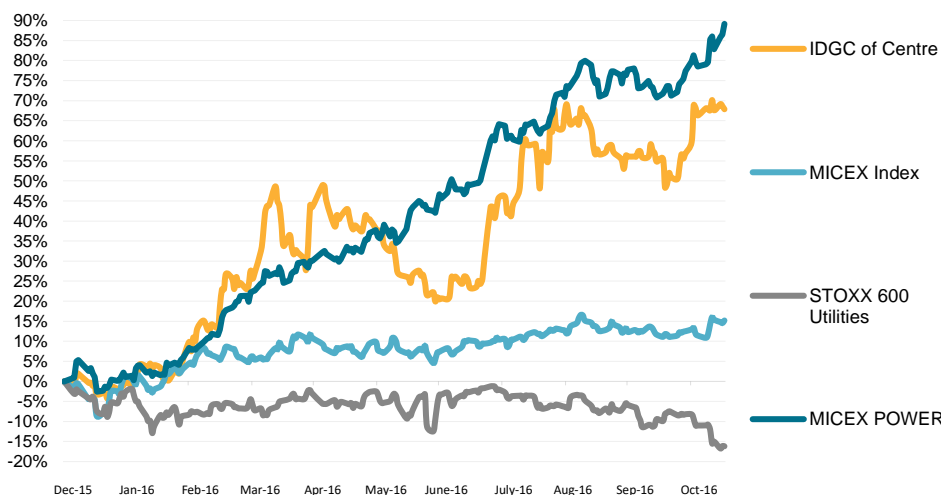
COMPANY NEWS

"IDGC of Centre" approved 001P series bonds program of 40 billion rubles

The Board of Directors of "IDGC of Centre" today approved the 001P series bonds program of 40 billion rubles inclusive and the prospectus of securities, the issuer said in a statement.

Read full text: <http://ru.cbonds.info/news/item/855081/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 028,92	0,59%	15,19%
S&P 500	2 176,94	-0,16%	6,51%
FTSE 100	6 749,72	-0,63%	8,13%
DAX	10 663,87	-0,66%	-0,74%
DJStoxx 600	338,47	-0,20%	-7,47%
STOXX Utilities	256,59	-0,09%	-16,18%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 298,69	-0,02%	0,69%
CSI300	3 429,59	-0,01%	-8,08%
Bovespa	60 759,32	1,85%	40,16%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,07	-0,34%	-12,02%
USD/RUB	65,55	-0,46%	-10,05%
Euro/RUB	70,62	-0,61%	-11,40%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 224,99	-0,30%	15,45%
Brent*, USD/bbl	46,63	-0,68%	3,71%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3275
Capitalisation**, billion RUB	13,83
Capitalisation**, million USD	210,91

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,42%	89,15%
Shares of IDGC of Centre**	-0,46%	67,86%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	4,55%	138,54%
FGC UES	0,38%	189,39%
IDGC of Volga	1,97%	125,96%
MOESK	-0,45%	19,20%
IDGC of Northern Caucasus	-1,22%	30,00%
IDGC of Centre and Volga Reg	2,48%	97,61%
IDGC of North-West	4,16%	73,72%
IDGC of Urals	-0,33%	56,84%
IDGC of Siberia	3,87%	31,97%
IDGC of South	0,77%	68,27%
Lenenergo, ordinary shares	1,37%	110,04%

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