



IDGC OF CENTRE

DAILY MARKET REVIEW

07 December, Monday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 04 December some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 1.4%, on Friday the composite index of the Asia-Pacific region MSCI Asia Pacific lost over a percent. The markets were pressured with a number of factors. Firstly, investors were disappointed by the ECB's caution, which following the results of the last meeting did not increase the amount of repurchase of assets from the current €60 billion a month, contrary to expectations of most analysts. Secondly, the Fed Chair, writes Bloomberg, presenting cautious but optimistic forecasts for the US economy, once again made clear that needed conditions to increase the basic interest rate have been met. Thirdly, the index of business activity in the US non-manufacturing sector in November fell to the lowest level since May, worse than expected. The analysts pointed out that this decline followed a drop of the similar manufacturing indicator to the lowest level since 2009. January Brent futures traded near the mark of \$43.8 per barrel, or \$0.5 higher than the closing level on 03 December. Oil prices continue to recover after an update of the annual minimum on Wednesday, oil quotations on Friday were supported with a weaker dollar after the statements of the ECB on measures to support the Eurozone's economy and the expectations of the outcome of the OPEC meeting on 04 December.

In the first half of the day the MICEX Index showed sideways dynamics near zero, despite continued sufficiently active sales in Europe. The Russian market was supported with increased by Moody's rating outlook for Russia "Ba1" (one notch below the investment grade) from "negative" to "stable". Among the factors that influenced this decision, Moody's indicated stabilization of external finance of Russia, as well as the reduced likelihood of a new strong shock to the economy, for example by tightening Western sanctions over the next 12-18 months. The mood in the Russian market deteriorated sharply after the release of strong statistics on the US labour market, which increased the chances of a rate hike at the Fed's December meeting. In November job growth in the US economy exceeded expectations, the October indicator was revised upward, unemployment rate remained at a minimum of seven years at 5%. Additional pressure on our market was given by a fall in prices of Brent crude oil to annual lows after reports that OPEC increased oil production quotas by 1.5 million barrels per day to 31.5 million bars a day. Against this background the MICEX Index lost more than 2%. By the end of the day the rate of decline of the Russian market slowed down somewhat after the turn in oil prices from the local minima and the start of trading in the US with a percent increase in the major indices.

At the end of the trading session the MicexPWR Sector Index overperformed. The main contribution to the advanced MicexPWR dynamics compared with the MICEX Index was made by shares of RusHydro, which grew up by 1.2% in the correction after active sales on Thursday.

ELECTRIC POWER INDUSTRY NEWS

Electricity consumption in Russia for 11 months of 2015 decreased by 0.1%

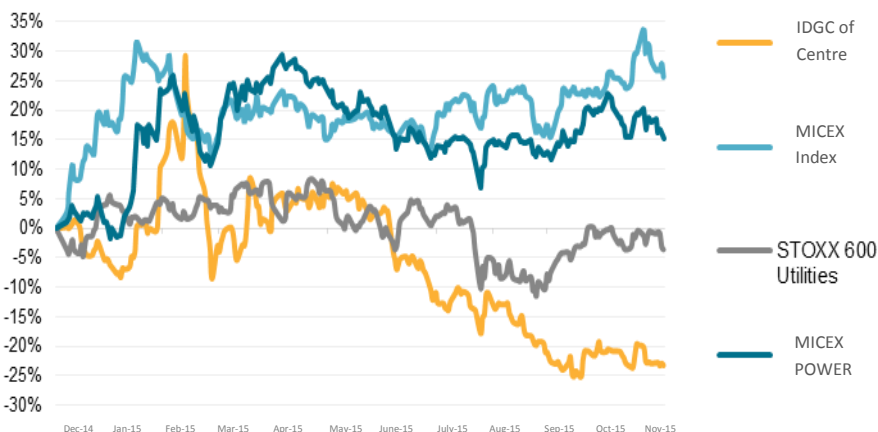
Read full text: <http://www.bigpowernews.ru/markets/document67669.phtml>

COMPANY NEWS

IDGC of Centre tightens measures in the struggle for the payment discipline

Read full text: <http://www.mrsk-1.ru/press-center/news/company/50645/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 755,22	-1,79%	25,68%
S&P 500	2 091,69	2,05%	1,59%
FTSE 100	6 238,29	-0,59%	-4,99%
DAX	10 752,10	-0,34%	9,65%
DJStoxx 600	370,59	-0,41%	8,19%
STOXX Utilities	304,18	-0,44%	-3,57%
Nikkei	19 504,48	-2,18%	11,77%
Sensex	25 638,11	-0,96%	-6,77%
CSI300	3 677,59	-1,91%	4,07%
Bovespa	45 360,76	-2,23%	-9,29%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,09	-0,19%	-10,50%
USD/RUB	67,77	1,54%	20,46%
Euro/RUB	71,74	1,24%	4,97%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 086,44	2,29%	-8,27%
Brent*, USD/bbl	43,00	-1,92%	-34,93%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1939
Capitalisation**, billion RUB	8,19
Capitalisation**, million USD	120,79

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-0,75%	15,35%
Shares of IDGC of Centre**	-0,41%	-23,21%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-0,34%	6,79%
FGC UES	-0,58%	31,65%
IDGC of Volga	1,02%	-29,21%
MOESK	-0,79%	-39,76%
IDGC of Northern Caucasus	-0,40%	4,13%
IDGC of Centre and Volga Reg	-1,23%	-33,75%
IDGC of North-West	-1,82%	6,32%
IDGC of Urals	-0,11%	55,32%
IDGC of Siberia	2,00%	-43,33%
IDGC of South	0,31%	3,56%
Lenenergo	-1,19%	42,86%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)
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