

DAILY MARKET REVIEW

8 November, Tuesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 07 November some positive external background formed on the Russian market. The US indices DJIA and S&P500 closed last Friday with a decrease of 0.2% under the pressure of political risks associated with the presidential elections. At the same time, analysts note that the pre-election situation increasingly resembles a referendum on Brexit – the latest polls record the fluctuations in voters' preferences while the financial markets continue to bet on the victory of Hillary Clinton. Neutral statistics on the labour market in October – unemployment fell to 4.9%, job growth was worse than expected, but it was the highest in two months – did not have a significant impact on the trading trend. According to Bloomberg, these data should not make adjustments to the Fed's plans, set on the gradual normalization of monetary policy. On Monday the composite index of the Asia-Pacific region MSCI Asia Pacific added about 0.5%, futures for US indices grew more than a percent. The main driver of the market recovery was a significant increase in chances of the Democratic candidate to win the presidential race after the statements of the FBI that the Office would not reopen an investigation against Hillary Clinton because of her email correspondence. January Brent futures traded near the mark of \$46.1 per barrel, or \$0.5 less than the closing level on Thursday, November 3rd. Oil prices consolidated after nearly a 10% collapse last week, triggered by growing doubts about OPEC's ability to reach an agreement on the limitation of production and the US Department of Energy report on a record, at least since 1982, weekly increase in oil reserves of 14.4 million barrels.

For most of the trading session the MICEX Index was slightly up, despite strong growth of western markets – the Stoxx Europe 600 Index and futures for US indices added more than a percent on investors' growing confidence in the victory of Hillary Clinton in the presidential election. At the same time, the main reference point for the Russian investors on Monday was inexpressive changes of Brent quotations, which in the second half of the day fell to around \$45.5 per barrel. Against this background the Russian market resumed sales, the MICEX Index closed trading in negative territory, having lost 0.5%.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the total growth of the sector indicator was made by shares of Mosenergo, which added 14% on the day in the absence of significant news. These securities could be supported by increased dividend expectations after good RAS reporting for nine months, the technical factor – the growth of the securities accelerated after overcoming the strong resistance at the level of 1.75 rubles, an order of a large buyer.

ELECTRIC POWER INDUSTRY NEWS

Consumption and generation of electric energy in Russia for 10 months 2016 rose by 1.1% and 1.5%, respectively (version 1)

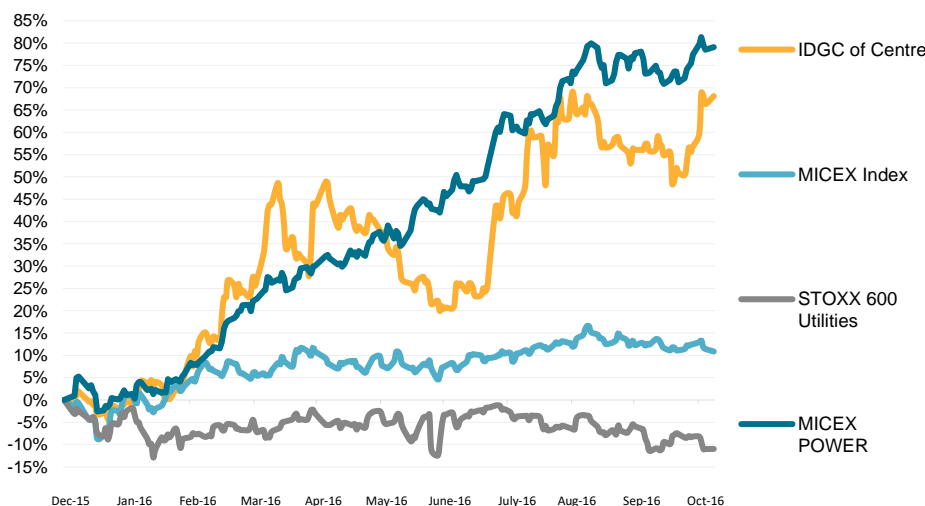
Read full text: <http://www.bigpowernews.ru/markets/document73620.phtml?1&q=>

COMPANY NEWS

Smolenskenergo concluded more than 12 thousand contracts for the provision of value-added services for 9 months of 2016

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/57426/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 952,69	-0,51%	10,86%
S&P 500	2 131,52	2,05%	4,28%
FTSE 100	6 806,90	0,24%	9,04%
DAX	10 456,95	1,27%	-2,66%
DJStoxx 600	333,84	0,69%	-8,74%
STOXX Utilities	272,55	0,03%	-10,97%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 458,99	0,10%	5,14%
CSI300	3 356,59	-0,25%	-10,04%
Bovespa	64 051,65	3,73%	47,75%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,10	-0,63%	-9,16%
USD/RUB	63,50	0,14%	-12,87%
Euro/RUB	70,60	0,52%	-11,42%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 281,64	-1,62%	20,78%
Brent*, USD/bbl	46,15	-0,43%	2,65%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3280
Capitalisation**, billion RUB	13,85
Capitalisation**, million USD	218,06

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,31%	79,10%
Shares of IDGC of Centre**	1,08%	68,12%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-2,11%	116,27%
FGC UES	-2,89%	170,56%
IDGC of Volga	2,59%	113,62%
MOESK	-1,58%	16,53%
IDGC of Northern Caucasus	-0,65%	22,80%
IDGC of Centre and Volga Reg	-0,10%	67,20%
IDGC of North-West	-3,17%	67,15%
IDGC of Urals	-1,99%	55,79%
IDGC of Siberia	2,02%	24,39%
IDGC of South	-0,40%	58,65%
Lenenergo, ordinary shares	-2,03%	120,74%

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