



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 30 September some negative external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 fell 0.9-1.0%, on Friday the composite Asia-Pacific region index MSCI Asia Pacific lost about 1%. Only the Chinese market was able to close with slight increase in the Asian session on statistics on business activity in the industry – according to Markit Economics and Caixin Media, the PMI index has not fallen below a threshold level of 50 points for the third month in a row, and its growth in September to 50.1 points reflects moderate increase in the sector activity. In general, the markets were pressured by problems of the largest bank in Germany Deutsche Bank, from which US regulators require the payment of \$14 billion as part of the settlement of claims under the case of manipulation of mortgage securities prices in the period before the 2008 crisis, and fears of their spread to the entire banking sector. According to The Wall Street Journal information, a number of large and influential hedge funds has begun to withdraw assets from the bank – clients of these funds, as well as customers of the investment division of Deutsche Bank and business in the area of wealth management, concerned about the situation in the bank and expressed fears that they might lose their money in case of aggravation of the bank's problems. At the same time, notes the WSJ, investors are more likely to draw parallels with the financial crisis of 2008, when large hedge funds withdrew funds from financial companies, which provided primary brokerage services, including Bear Stearns and Lehman Brothers, which hastened the collapse of these companies. November Brent futures traded near the mark of \$48.7 per barrel, or \$0.5 less than the closing level on 29 September. Despite the prevailing skepticism about the chances of realization of preliminary agreements on the reduction of oil production reached in Algeria, market participants nevertheless point out that this agreement in the first place shows the willingness of OPEC members to coordinate their actions in the market, and secondly, it means the actual rejection of the strategy of the last two years, which focused on holding the share of the oil market in the fight against US shale companies.

On Friday the Russian market declined after the European markets, the negative changes of which were triggered by the problems of Deutsche Bank. In the afternoon the loss of the MICEX Index and the Stoxx Europe 600 Index was about a percent. At the same time, in the early trading the fall of the Stoxx Europe 600 reached 1.7% – it could play part of the loss back after the publication of statistics on the Eurozone: the unemployment rate in August remained at a minimum since 2011 at 10.1%, the growth of consumer prices in September was the highest since January. At the end of the day the mood in the western markets improved after a statement of the head of Deutsche Bank that recent media reports "cause unwarranted fear", while the bank is distinguished with "strong core indicators" – trading in the United States began almost with a percent growth of the major indices, the Stoxx Europe 600 Index went into a small plus. At the same time, the MICEX Index closed trading near daily lows, ignoring the positive changes of the western markets and the increase in oil prices to around \$49 per barrel.

At the end of the day the MicexPWR Sector Index looked significantly better than the market. The main contribution to the MicexPWR outperformance compared with the MICEX Index was made by common shares of Rosseti, which closed trading with a 6% growth at maximum volumes since 26 August on the statement of the head of the company that Rosseti is willing to pay a dividend of 50% net profit in the long term if shareholders agree to such dividend sizes.

ELECTRIC POWER INDUSTRY NEWS

"Rosseti" ready to pay a dividend of 50% net profit in the long term, says Mr. Budargin

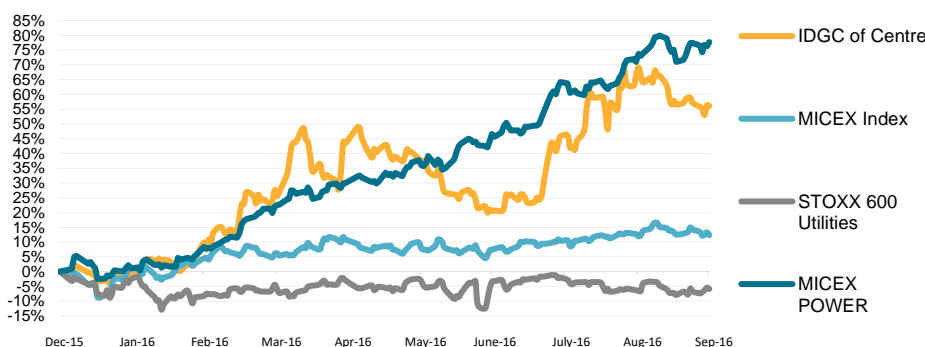
Read full text: <http://www.bigpowernews.ru/markets/stocks/document72911.phtml>

COMPANY NEWS

Tambovergo repaired a power transformer at the substation "Sitovskaya"

Read full text: <http://www.energyland.info/analitic-show-151202>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 978,00	-0,91%	12,30%
S&P 500	2 168,27	0,80%	6,08%
FTSE 100	6 899,33	-0,29%	10,53%
DAX	10 511,02	1,01%	-2,16%
DJStoxx 600	342,92	0,06%	-6,26%
STOXX Utilities	288,10	-0,48%	-5,89%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 865,96	0,14%	6,69%
CSI300	3 253,28	0,27%	-12,80%
Bovespa	58 367,05	0,03%	34,64%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,11%	-7,58%
USD/RUB	63,16	-1,24%	-13,34%
Euro/RUB	70,88	-0,97%	-11,06%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 315,87	-0,34%	24,01%
Brent*, USD/bbl	50,19	0,76%	13,04%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3045
Capitalisation**, billion RUB	12,86
Capitalisation**, million USD	203,54

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,77%	77,71%
Shares of IDGC of Centre**	-0,16%	56,07%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	6,02%	103,71%
FGC UES	1,40%	200,49%
IDGC of Volga	1,96%	101,03%
MOESK	1,36%	29,07%
IDGC of Northern Caucasus	0,28%	41,20%
IDGC of Centre and Volga Reg	0,54%	48,09%
IDGC of North-West	1,51%	95,99%
IDGC of Urals	-0,34%	54,74%
IDGC of Siberia	1,20%	21,31%
IDGC of South	1,87%	57,37%
Lenenergo	2,24%	139,08%

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