

DAILY MARKET REVIEW

19 October, Wednesday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 18 October some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 lost 0.3% on statements of the vice chair of the Fed Stanley Fischer testifying to the continuing uncertainty about the prospects for both the Federal Reserve's monetary policy and the US economy as a whole. According to Stanley Fischer, while maintaining interest rates at current low levels the US economy in future will be more vulnerable and may face deeper and longer recessions. At the same time, he said, rising interest rates in the US is constrained by a number of factors – from low labour productivity and weak economic outlook to the aging population and the growing savings rate. On Tuesday the composite Asia-Pacific region index MSCI Asia Pacific added more than 0.5%. The markets were supported, writes the Financial Times, by the dollar correction after the recent rally and the recovery in oil and metal prices. December Brent futures traded at \$51.9 per barrel, or \$0.5 higher than the closing level on 17 October. Oil prices rose both on the dollar weakening and forecasts of the US Energy Information Administration, in accordance with which the production of shale oil in the country in November will be reduced to the lowest level since March 2014.

On Tuesday the MICEX Index corrected after falling for four consecutive trading sessions, on the daily highs the index growth rate approached a percent. Our market was supported by growth of Brent quotations to around \$52 per barrel and positive sentiment in Europe, where the European Stoxx Europe 600 Index in the second half of the day added more than 1.5% following the weakening dollar and rising commodity prices. The rate of rise of the Russian and European markets slowed down a little after publication of statistics from the US, where in September an increase in consumer prices in annual terms by 1.5% was the highest since October 2014, compared to August prices rose at the fastest pace since April. The data indicate the total gain in inflation, speak in favour of raising the Fed rate, Bloomberg noted.

During the day the changes of the sector MicexPWR Index were generally in line with the MICEX Index. The main contribution to the total growth of the sector indicator was made by shares of Inter RAO and FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Rosseti offers to link the dividend requirements of state-owned companies with the tariff rate policy

"Rosseti" asks to take into account in the tariff policy the requirement for the payment of dividends of state-owned companies. Director General of PJSC Rosseti Oleg Budargin told reporters about it on the sidelines of the International Electric Power Forum "Rugrids-Electro".

Read full text: <http://www.bigpowernews.ru/markets/stocks/document73225.phtml>

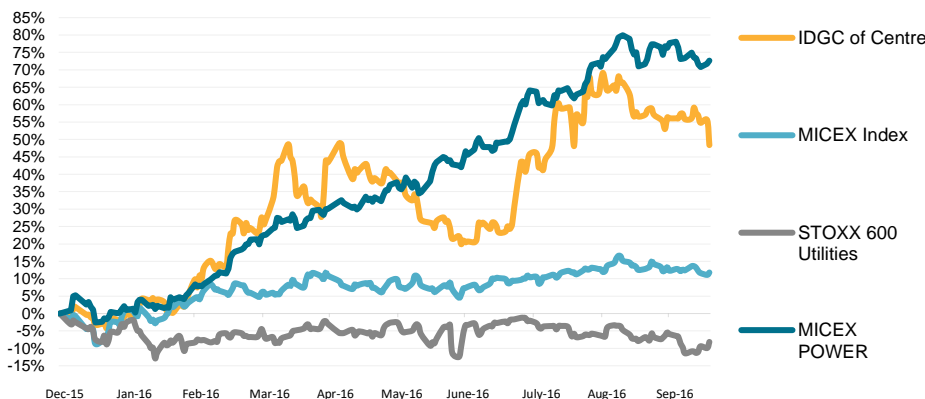
COMPANY NEWS

"Lipetskenergo" achieved reduction of receivables

Since the beginning of the year as part of the reduction in receivables specialists of the legal office of IDGC of Centre – Lipetskenergo division filed 952 claims for debt collection. Of these, to date 552 have been satisfied in the amount of 657.6 million rubles. In addition, in accordance with Article 395 of the Civil Code of the Russian Federation non-payers in court were charged interest on borrowed funds, the total sum of which amounted to 41.7 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/57249/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|-----------------|-----------|---------|-------------|
| | | per day | fr 31.12.15 |
| MICEX | 1 969,11 | 0,62% | 11,79% |
| S&P 500 | 2 139,60 | 0,62% | 4,68% |
| FTSE 100 | 7 000,06 | 0,76% | 12,14% |
| DAX | 10 631,55 | 1,22% | -1,04% |
| DJStoxx 600 | 342,48 | 1,50% | -6,38% |
| STOXX Utilities | 281,19 | 1,95% | -8,15% |
| Nikkei | 16 519,29 | 0,00% | -13,21% |
| Sensex | 28 050,88 | 1,89% | 7,40% |
| CSI300 | 3 321,33 | 1,33% | -10,98% |
| Bovespa | 63 782,21 | 1,73% | 47,13% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change | |
|----------------|-------|---------|-------------|
| | | per day | fr 31.12.15 |
| Euro/USD | 1,10 | -0,10% | -9,60% |
| USD/RUB | 63,15 | 0,25% | -13,35% |
| Euro/RUB | 69,36 | -0,02% | -12,97% |

Source: Bloomberg, Company calculations

| Raw | Value | Change | |
|-----------------|----------|---------|-------------|
| | | per day | fr 31.12.15 |
| Gold, USD/oz | 1 262,50 | 0,53% | 18,98% |
| Brent*, USD/bbl | 51,68 | 0,31% | 16,40% |

* - December futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,2895 |
| Capitalisation**, billion RUB | 12,22 |
| Capitalisation**, million USD | 193,54 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change | |
|----------------------------|---------|-------------|
| | per day | fr 31.12.15 |
| MICEX-Power Index | 0,55% | 72,69% |
| Shares of IDGC of Centre** | -4,61% | 48,39% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|------------------------------|----------|-------------|
| | per day | fr 31.12.15 |
| Rosseti | -1,59% | 92,69% |
| FGC UES | 2,15% | 182,66% |
| IDGC of Volga | -2,17% | 96,92% |
| MOESK | -2,25% | 21,73% |
| IDGC of Northern Caucasus | 1,23% | 31,20% |
| IDGC of Centre and Volga Reg | -2,77% | 45,38% |
| IDGC of North-West | -1,03% | 74,82% |
| IDGC of Urals | 2,94% | 47,37% |
| IDGC of Siberia | -1,87% | 18,24% |
| IDGC of South | 0,00% | 53,85% |
| Lenenergo | 3,69% | 133,19% |

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
127018, Moscow, 2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC.RX
MRKC.MM