

# DAILY MARKET REVIEW

23 September, Friday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 22 September some positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 0.9-1.1%, on Thursday the composite stock index of the Asia-Pacific region MSCI Asia Pacific, excluding Japan being on holiday, added about one percent. The markets were supported by the Fed's decision to keep the interest rate in the range of 0.25-0.5% per annum and generally cautious tone of the Fed's statements about the prospects for its increase. In particular, the FOMC statement noted that the arguments in favour of a rate hike have increased, however, the Fed's leadership has decided to "wait for new signals of the progress conservation in moving towards the main objectives" of the Central Bank. In turn, at the final press conference the head of the US Federal Reserve reported that the precautionary approach to tightening monetary policy is more appropriate, since short-term interest rates are still close to zero. At the same time, she said, a gradual increase in the rate is likely to be sufficient for the normalization of monetary policy for several years. November Brent futures traded near the mark of \$47.2 per barrel, or \$0.4 higher than the closing level on 21 September. A positive factor for the oil prices was a weakening of the dollar on the outcome of the Fed meeting and the US Department of Energy statistics, which recorded a drop of oil and gasoline reserves in the country to the lows since February and the beginning of the year, respectively.

On Thursday the Russian and European markets were dominated by buyers – in the second half of the day the MICEX Index and the Stoxx Europe 600 Index added about one percent and 1.5%, respectively, reacting to the outcome of the Fed meeting. According to the futures on the level of the interest rate of the US Federal Reserve, the probability of its increase in November, given the upcoming presidential election, is estimated by the market below 20%, in December – around 60%. At the same time, says a number of experts, before the end of the year there may be many more factors and risks that could undermine the Fed's determination, taking into account including the preservation of ultrasoft policy of the ECB and the Bank of Japan. Released throughout the day statistics was ambiguous and did not have significant impact on the market changes: the data on applications for unemployment benefits in the US and the data on the index of business confidence in the economy of France in September were better than expected, the data on new home sales in the secondary US market in August turned out to be worse than expected. At the end of the day the MICEX Index growth accelerated after the start of trading in the US with a half-point rise on the main indices and the growth of Brent oil prices to around \$47.8 per barrel.

At the end of the trading session the MicexPWR Sector Index underperformed mainly due to profit-taking in shares of FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### The Government clarified the formula for calculating the rate of return on invested capital in the rules of the wholesale market of electric energy and power

Resolution of the Government of 09.09.2016 №891 approved changes to item 245 of the Rules of the wholesale market of electric energy and power.

Read full text: <http://www.bigpowernews.ru/markets/document72708.phtml?1&q=>

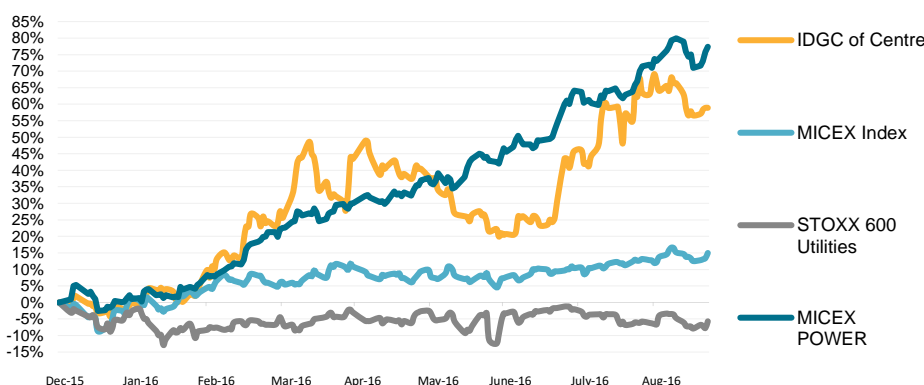
## COMPANY NEWS

### IDGC of Centre's representatives took part in the event "Utilities Day", organized by the investment company ATON

21 September, the management of IDGC of Centre, PJSC took part in the event, organized by the investment company ATON, - "Utilities Day". At the meeting there were representatives of more than 25 investment companies.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57039/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 025,30	1,38%	14,99%
S&P 500	2 177,18	0,65%	6,52%
FTSE 100	6 911,40	1,12%	10,72%
DAX	10 674,18	2,28%	-0,64%
DJStoxx 600	347,86	1,58%	-4,91%
STOXX Utilities	288,70	2,20%	-5,69%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	28 773,13	0,93%	10,17%
CSI300	3 291,12	0,75%	-11,79%
Bovespa	58 994,17	1,03%	36,09%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,62%	-7,64%
USD/RUB	64,44	-0,48%	-11,58%
Euro/RUB	71,84	-0,95%	-9,86%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 337,07	0,14%	26,01%
Brent*, USD/bbl	47,65	1,75%	8,84%

\* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3100
Capitalisation**, billion RUB	13,09
Capitalisation**, million USD	203,09

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,88%	77,36%
Shares of IDGC of Centre**	0,00%	58,89%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,95%	97,36%
FGC UES	-0,09%	192,29%
IDGC of Volga	-0,37%	110,03%
MOESK	0,51%	32,00%
IDGC of Northern Caucasus	0,58%	38,40%
IDGC of Centre and Volga Reg	0,64%	50,96%
IDGC of North-West	-0,37%	94,53%
IDGC of Urals	5,19%	70,53%
IDGC of Siberia	-0,84%	21,31%
IDGC of South	-0,40%	61,22%
Lenenergo	1,94%	129,69%

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**