

DAILY MARKET REVIEW

18 November, Friday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 17 November some neutral external background formed on the Russian market. On Wednesday the US indices S&P500 and DJIA fell 0.2-0.3%, most major stock indices of the Asia-Pacific region were trading slightly up, on average, adding about 0.2%. Experts note that the volatility caused by the first reaction to the US election results has decreased significantly. Investors took a wait, trying to assess the next steps of the US Federal Reserve, in particular, the pace of increase in the Fed rate in the medium term, taking into account the changed political background. At the same time the rate increase in December to a greater extent has already been discounted in the changes of the global financial markets – the probability of this event, according to Bloomberg, is already 94%. In this connection, the attention of investors on Thursday focused on the speech of Fed Chair in Congress – the first public speech of Janet Yellen after the victory of Donald Trump in the presidential election. January Brent futures traded near the mark of \$46.5 per barrel, or \$0.7 less than the closing level on 16 November. The positive effect of the statement by the Minister of Energy of Russia that Russia is ready to join the OPEC agreement to stabilize oil production was abundantly offset by the US Department of Energy data, which recorded an increase of oil reserves in the country last week by 5.3 million barrels.

Pending speech of Fed Chair Russian and European indices traded flat near zero. The Russian market looked somewhat better, which is supported by the growth of quotations of Brent to around \$47 a barrel on the information on scheduled informal consultations today of OPEC countries on limitation of oil production. Strong statistics from the US did not have a significant impact on investors' sentiment, in which the inflation in October accelerated to a maximum of two years, the number of new buildings increased to a maximum of nine years, the number of applications for unemployment benefits fell to the lowest since 1973. On the one hand, these data indicate a good condition of the US economy, on the other – reinforce concerns about the acceleration of the implementation of the Fed's exit strategy. This concern was strengthened a little later by the text of the statements of the Federal Reserve Chair, spread by Western media, which indicated that the Fed is not going to delay the interest rate hike. In general, the news provoked a strengthening of the volatility in the foreign markets, which, however, did not prevent the MICEX Index to close trades near daily highs.

During the trading session the MicexPWR Sector Index looked significantly better than the market. The main contribution to the final MicexPWR growth was made by shares of FGC UES and Rosseti, which were supported by strengthening expectations of dividend after the publication of strong statements of FGC UES under IFRS for nine months – net profit almost doubled to 59 billion rubles.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Economic Development opposed the extension of the capacity supply agreement program

Read full text: <http://www.bigpowernews.ru/markets/document73871.phtml>

COMPANY NEWS

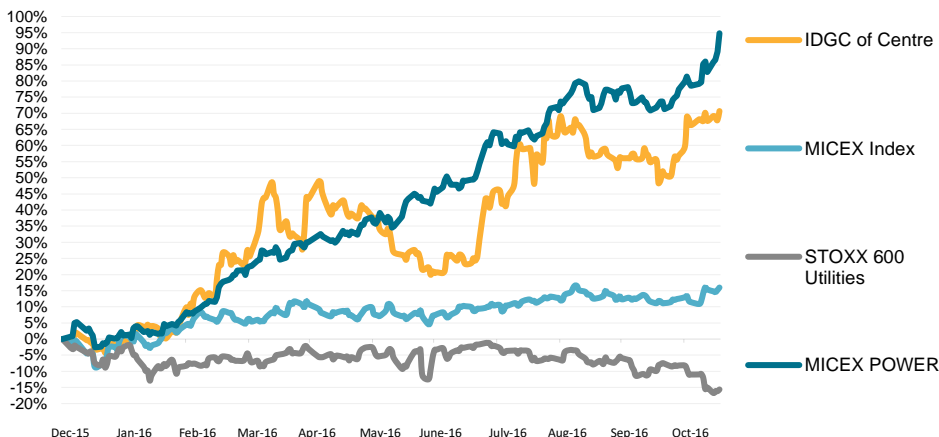
Functions of a supplier of last resort transferred to IDGC of Centre in 4 cities of the Tver region

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57751/>

IDGC of Centre took part in the "Utilities Day" conference, organized by the FG "BCS"

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57748/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 042,76	0,68%	15,98%
S&P 500	2 187,12	0,47%	7,01%
FTSE 100	6 794,71	0,67%	8,85%
DAX	10 685,54	0,20%	-0,53%
DJStoxx 600	340,60	0,63%	-6,89%
STOXX Utilities	258,32	0,67%	-15,62%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 227,62	-0,27%	0,42%
CSI300	3 436,53	0,20%	-7,89%
Bovespa	59 770,47	-1,63%	37,88%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,06	-0,56%	-12,51%
USD/RUB	64,55	-1,54%	-11,44%
Euro/RUB	69,24	-1,95%	-13,12%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 216,42	-0,70%	14,64%
Brent*, USD/bbl	46,49	-0,30%	3,40%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3330
Capitalisation**, billion RUB	14,00
Capitalisation**, million USD	217,81

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	2,98%	94,80%
Shares of IDGC of Centre**	1,68%	70,68%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	6,18%	153,28%
FGC UES	6,27%	207,53%
IDGC of Volga	5,12%	137,53%
MOESK	-0,89%	18,13%
IDGC of Northern Caucasus	1,54%	32,00%
IDGC of Centre and Volga Reg	1,85%	101,27%
IDGC of North-West	-0,84%	72,26%
IDGC of Urals	2,35%	60,53%
IDGC of Siberia	0,93%	33,20%
IDGC of South	2,86%	73,08%
Lenenergo, ordinary shares	-0,21%	109,61%

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
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