

DAILY MARKET REVIEW

17 October, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 14 October some neutral external background formed on the Russian market. The US indices DJIA and S&P500, having started their trading session on Thursday with more than a percent fall on weak Chinese statistics for September exports, by the end of the day were able to reduce the loss to 0.2-0.3%. On Friday the composite stock index of the Asia-Pacific region MSCI Asia Pacific traded in a small plus. The main driver of the changes of the markets in the Asian session was once again statistics from China – September producer prices for the first time in 4.5 years increased in annual terms, growth in consumer prices was more than expected. According to some analysts, these statistical data may indicate a reduction of deflationary risks for the global economy. December Brent futures traded near the mark of \$52.2 per barrel, or \$0.2 higher than the closing level on 13 October. Oil quotes stabilized after the burst of volatility, provoked by controversial data on stocks from the US Department of Energy. Last week, crude oil inventories increased for the first time in six weeks, with an increase of almost 5 million barrels being the highest in six months. At the same time, oil inventories decreased in Cushing terminal, which stores oil traded on the NYMEX, production of oil, gasoline and distillate stocks reduced.

For most of the trading session the MICEX Index was slightly negative, despite more than a percent increase in the European Stoxx Europe 600 Index on Chinese statistics on inflation and Brent quotations, which got near the mark of \$52 per barrel. Experts believe that the changes of the Russian market have begun, including, taking into account growth of geopolitical risks associated with Syria – according to media reports, the EU is considering new sanctions against Russia, accusing it of aggravation of the situation around Aleppo. At the same time, according to analysts, the main risk is associated not so much with the new unlikely "Syrian" sanctions, but with a sharp reduction in the chances of beginning the process of mitigation of the sectoral sanctions, imposed in connection with the Ukrainian events. In the second half of the day foreign investors were supported by news from the US – revenues and profits of JPMorgan, Citigroup and Wells Fargo for the III quarter exceeded expectations, in September retail sales rose for the first time in three months. Against this background, the growth of the Stoxx Europe 600 Index accelerated to 1.5%, on average, the major US indices added three quarters of a percent in early trading. At the end of the day sales in our market increased after reduction in the rate of growth of the European and US stock indices, and decline of the Brent oil quotations to around \$51.5 per barrel.

During the trading session the MicexPWR Sector Index was generally in line with the changes of the MICEX Index. The main contribution to the final MicexPWR reduction, as well as on Thursday, was made by shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy may propose to reduce the dividend threshold of 50% for a number of state-owned companies

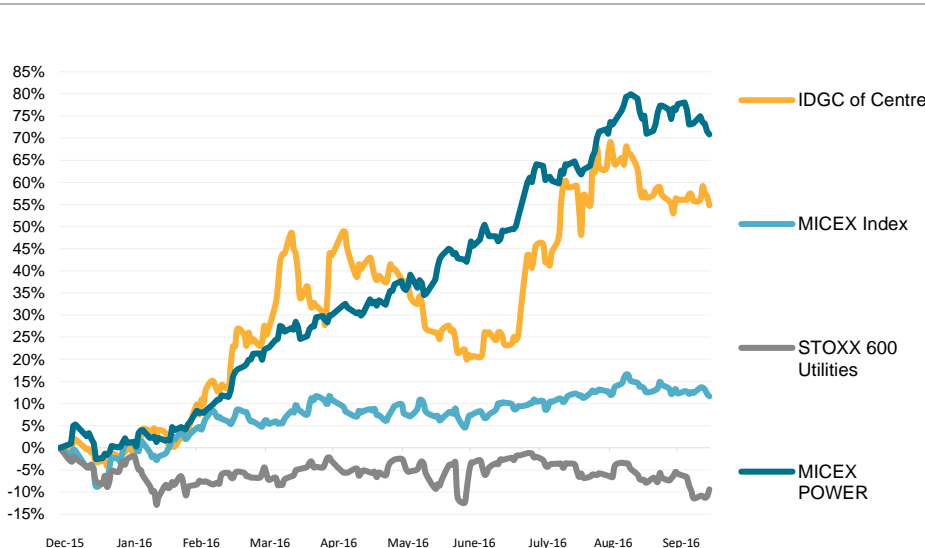
Read full text: <http://www.bigpowernews.ru/markets/stocks/document73170.phtml>

COMPANY NEWS

IDGC of Centre took part in the annual forum VTB Capital "RUSSIA CALLING!"

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57240/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 966,39	-0,50%	11,64%
S&P 500	2 132,98	0,02%	4,36%
FTSE 100	7 013,55	0,51%	12,35%
DAX	10 580,38	1,60%	-1,51%
DJStoxx 600	339,95	1,29%	-7,07%
STOXX Utilities	277,37	1,78%	-9,39%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 673,60	0,11%	5,96%
CSI300	3 305,85	0,10%	-11,40%
Bovespa	61 767,22	1,06%	42,49%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,10	-0,62%	-9,75%
USD/RUB	63,35	1,21%	-13,08%
Euro/RUB	69,73	0,88%	-12,51%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 251,03	-0,56%	17,90%
Brent*, USD/bbl	51,95	-0,15%	17,00%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3020
Capitalisation**, billion RUB	12,75
Capitalisation**, million USD	201,27

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,42%	70,82%
Shares of IDGC of Centre**	-1,31%	54,79%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	0,05%	92,25%
FGC UES	-2,32%	176,50%
IDGC of Volga	-1,94%	94,86%
MOESK	-1,58%	24,27%
IDGC of Northern Caucasus	-0,60%	32,40%
IDGC of Centre and Volga Reg	-0,11%	47,77%
IDGC of North-West	-2,02%	77,37%
IDGC of Urals	-4,55%	43,68%
IDGC of Siberia	-1,33%	21,52%
IDGC of South	1,73%	50,64%
Lenenergo	0,48%	127,51%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
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