

DAILY MARKET REVIEW

28 October, Friday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 27 October some neutral external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed mixed with changes in the range of 0.2%, on Thursday the composite Asia-Pacific region index lost more than 0.5%. The main driver of the market changes was the current corporate reporting; ambiguous in the US and weak enough in the Asia Pacific region. December Brent futures traded near the mark of \$50.2 per barrel, slightly higher than the closing level on 26 October. Oil prices were supported by the US Department of Energy data, which recorded a reduction of oil reserves in the country last week, including at Cushing terminal, which stores oil traded on the NYMEX.

For most of the trading session the MICEX Index was in a small plus in the range 0.5% – our market was supported by Brent quotations got above \$50 per barrel, and growth of futures for US indices. At the same time, the activity of buyers in the Russian market was limited with inexpressive changes of European markets – the Stoxx Europe 600 Index mostly traded sideways near zero on the background of publication of mostly weak corporate statements, which offset optimism of US futures. Posted during the day statistics was neutral in nature and did not have significant impact on investors' sentiment as a whole: in the UK the third quarter GDP rose more than expected, data on applications for unemployment benefits in the US were slightly worse than expected.

At the end of the trading session the MicexPWR Sector Index looked somewhat better than the market mainly due to growth of stocks of Rosseti, supported by strong statements under RAS for nine months.

ELECTRIC POWER INDUSTRY NEWS

Investors await generous dividends from "Rosseti"

"Rosseti" received dividends from subsidiaries. This allowed the state holding to fix a record net profit under RAS for nine months of 2016 at 22 billion rubles, which is more than 6 times higher than the same period last year. These figures are published in Thursday's "Rosseti" report.

Read full text: <http://www.vedomosti.ru/business/articles/2016/10/28/662731-investori-zhdut>

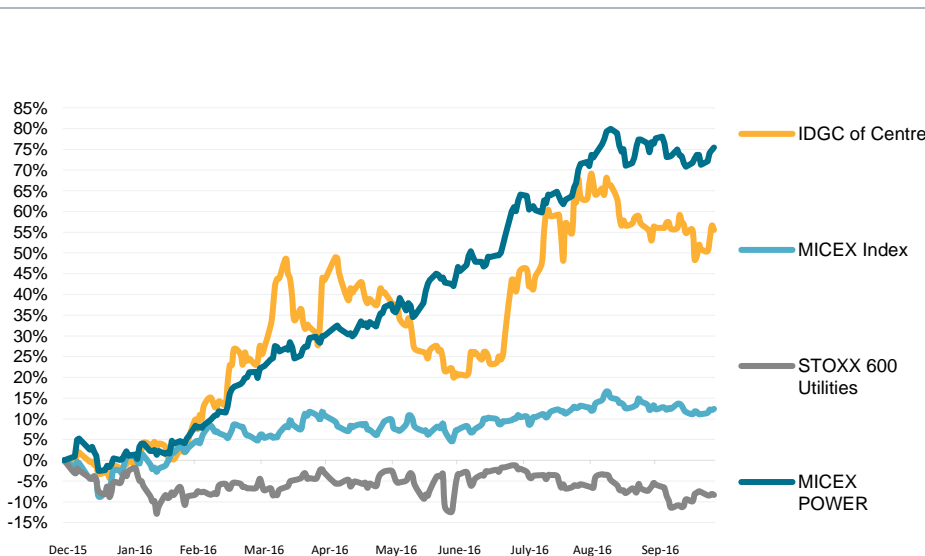
COMPANY NEWS

For 9 months of 2016 Smolenskenergo spent 2.3 million rubles on the environmentally safe production

For 9 months of 2016 the Smolensk branch spent more than 2.3 million rubles on implementation of measures of the environmental policy of IDGC of Centre. The main tasks in the implementation of environmental programs of IDGC of Centre – Smolenskenergo division for this period were: organization of the primary inventory of waste production; organizing the timely delivery of waste disposal generated during repair, maintenance and reconstruction of power grids; greater control over the conditions of temporary storage of used mercury lamps, container marking control for the accumulation of waste of hazard classes I - IV; bringing the places of soil contamination into compliance; performance of environmental inspections in structural units.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/57346/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 979,80	0,25%	12,40%
S&P 500	2 133,04	-0,30%	4,36%
FTSE 100	6 986,57	0,41%	11,92%
DAX	10 717,08	0,07%	-0,24%
DJStoxx 600	341,71	-0,01%	-6,59%
STOXX Utilities	280,54	-0,29%	-8,36%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 915,90	0,29%	6,89%
CSI300	3 345,70	-0,27%	-10,33%
Bovespa	64 249,50	0,66%	48,21%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,09	-0,18%	-10,41%
USD/RUB	62,26	0,34%	-14,58%
Euro/RUB	67,93	0,64%	-14,77%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 268,40	0,10%	19,54%
Brent*, USD/bbl	50,47	0,98%	13,67%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3035
Capitalisation**, billion RUB	12,81
Capitalisation**, million USD	205,80

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,37%	75,43%
Shares of IDGC of Centre**	-0,65%	55,56%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	3,34%	104,52%
FGC UES	-1,86%	184,51%
IDGC of Volga	12,20%	105,66%
MOESK	0,23%	14,93%
IDGC of Northern Caucasus	0,64%	25,60%
IDGC of Centre and Volga Reg	2,45%	39,97%
IDGC of North-West	-1,02%	77,37%
IDGC of Urals	3,55%	53,68%
IDGC of Siberia	2,34%	16,39%
IDGC of South	-1,02%	55,13%
Lenenergo, ordinary shares	-0,58%	124,24%

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