



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 19 January some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 closed in different directions with the changes within 0.2%, on Thursday the main country stock indices of the Asia-Pacific region did not show a single trend either. On the one hand, investors were supported by positive statistical data on the US economy – inflation in 2016 accelerated to a maximum of five years at 2.1%, growth in industrial production in December was the highest since November 2014. On the other hand, the activity of buyers was held back by reports of Goldman Sachs and Citigroup, which disappointed investors, and a statement of the Fed head that the US economy may be faced with an excessively high inflation and financial instability, if the increase in interest rates is delayed for a long time. At the same time, experts note, in her speech, the head of the Federal Reserve signalled a steady and gradual increase in the key Fed rate in the next few years – until the end of 2019, when it will reach the new standard of 3%. These statements, including, contributed to the US dollar reversal, which had been weakening against major currencies since the beginning of the year, and a percent increase in the Japanese Nikkei225. March Brent futures traded near the mark of \$54.5 per barrel, or \$0.2 higher than the closing level on 18 January. Oil prices stabilized after almost a 3% fall on Wednesday on fears that growth in shale oil production in the US could negate the results of production cuts by OPEC and other countries.

On Thursday the Russian market was pressured by negative changes in oil prices – on the daily lows the loss of the MICEX Index approached a percent after decline of Brent quotations to around \$54.1 per barrel. An additional reason for the sale was Interfax information with reference to the statement of First Deputy Prime Minister Shuvalov that the government does not intend to take a new decision on the 50% dividend payout for all state-owned companies, but will prefer an individual approach. At the end of the day, the MICEX Index was able to play more than half of the daily losses back with improved sentiment in the western markets, following statements by the ECB head about the feasibility of the asset repurchase program until a sustainable correction of inflation and preservation of interest rates in the Eurozone at the current level or lower for a long time after the QE completion. In addition, investors were support by strong statistics from the US, where the number of applications for unemployment benefits fell to the lowest since 1973, data on the number of new buildings in December, business activity in Philadelphia in January were better than expected.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR outperformance compared with the MICEX Index was made by shares of RusHydro, which added 4.5% on the maximum for the time of trading on the Moscow stock exchange daily turnover.

ELECTRIC POWER INDUSTRY NEWS

State Duma Committee on Economic Policy supported the bill to audit investment programs of monopolies, despite objections of the Committee on Energy

The State Duma Committee on Economic Policy, Industry, Innovative Development and Entrepreneurship recommended the lower house of Parliament to adopt in first reading a bill aimed at introducing the legislative regulation of investment activities of natural monopolies.

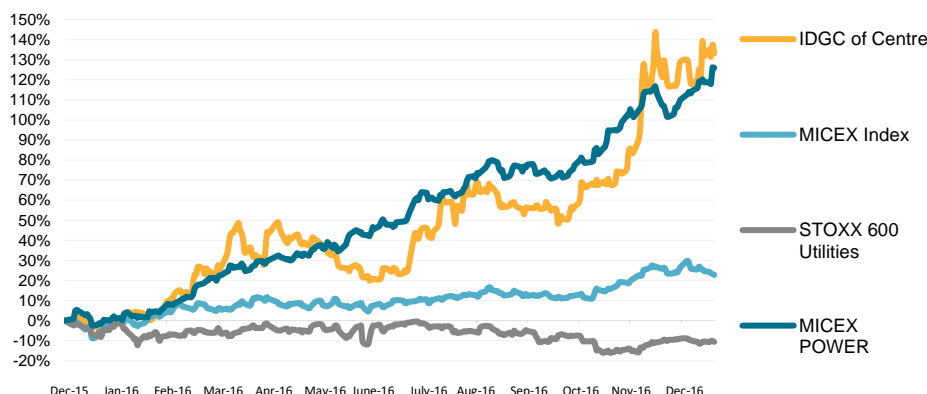
Read full text: <http://www.bigpowernews.ru/markets/document74983.phtml>

COMPANY NEWS

Orelenergo held the Safety Day

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/58646/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 162,25	-0,36%	-3,16%
S&P 500	2 263,69	-0,36%	1,11%
FTSE 100	7 208,44	-0,54%	0,92%
DAX	11 596,89	-0,02%	1,01%
DJStoxx 600	362,85	-0,06%	0,40%
STOXX Utilities	271,74	-0,51%	-1,82%
Nikkei	19 072,25	0,94%	-0,22%
Sensex	27 308,60	0,19%	2,56%
CSI300	3 329,29	-0,30%	0,58%
Bovespa	63 950,86	-0,31%	6,18%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,06	-0,48%	1,09%
USD/RUB	59,18	-0,37%	-2,43%
Euro/RUB	63,23	-0,10%	-0,92%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 204,85	0,05%	5,00%
Brent*, USD/bbl	54,16	0,45%	-4,68%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4550
Capitalisation**, billion RUB	19,21
Capitalisation**, million USD	324,57

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-0,13%	7,55%
Shares of IDGC of Centre**	-1,83%	1,79%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	0,49%	8,40%
FGC UES	-3,07%	4,12%
IDGC of Volga	3,93%	18,04%
MOESK	-1,55%	5,79%
IDGC of Northern Caucasus	-0,23%	-0,68%
IDGC of Centre and Volga Reg	-0,19%	8,65%
IDGC of North-West	-0,36%	2,00%
IDGC of Urals	-0,29%	3,95%
IDGC of Siberia	2,02%	8,72%
IDGC of South	-0,38%	-0,57%
Lenenergo, ordinary shares	3,13%	1,73%

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