



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 16 October some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a slight increase of about 0.1%, on Monday the main country indices of the Asia-Pacific region showed a predominantly positive trend, the Japanese Nikkei225 updated the record for 21 years. Demand for risky assets was due to a weaker than expected inflation in the US in September, which lowered expectations of an increase in the Fed's interest rate in December. In addition, retail sales in the US rose in September at a maximum rate since 2015 due to economic recovery after hurricanes, the consumer confidence index in October jumped to a maximum in 13 years. Negative exception in the Asian session was the Chinese CSI300, which was 0.2% down, including on data indicating a slowdown in consumer prices in China in September. December Brent futures traded near the mark of \$57.9 per barrel, \$0.7 higher than the closing level on Friday, 13 October. The upswing of quotations to the annual maximum was caused by a number of factors. Firstly, there remains a threat of disruptions in the supply of raw materials from the Iraqi province of Kirkuk, where Iraq intends to restore control over the oil fields by force. Secondly, there is a growing likelihood of new US sanctions against Iran after the US president stated that he does not intend to confirm to Congress that Iran has fulfilled the terms of the nuclear deal. Finally, the data of the oil service company Baker Hughes recorded a further decline in operating drilling rigs in the US.

The MICEX Index spent most of the trading session in a small plus within half a percent due to higher oil prices and the preservation of investors' demand for shares in developing countries – the consolidated index MSCI Emerging Markets updated the six-year maximum. At the same time, buyers' activity was constrained by uncertain changes of European markets, the pressure on which, among other things, was provided by the Spanish problems – in the opinion of analysts, the declaration of independence by Catalonia could provoke serious unrest in the country. At the end of the day, Russian investors were supported by regular US market records that neutralized the retreat of Brent quotations from daily highs on information on the peaceful transition of Kirkuk's oil fields to the control of the Iraqi government.

As a result of the trading session the MicexPWR Sector Index outperformed, the main contribution to the MicexPWR outperformance in comparison with the MICEX Index was made by shares of Rosseti and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Electricity meters are leaders in terms of quantity among metering devices in residential houses of the Russian Federation

The equipment of meters in Russia in residential buildings is the best in the electricity sector, according to materials for parliamentary hearings in the State Duma on energy efficiency. According to data at the beginning of 2017, PRIME reports, the equipment of apartment houses with common electricity meters accounted for 67%, hot water - 62%, heat - 61%, cold water - 49%, gas - 2%.

Read full text: <http://www.bigpowernews.ru/markets/document80137.phtml>

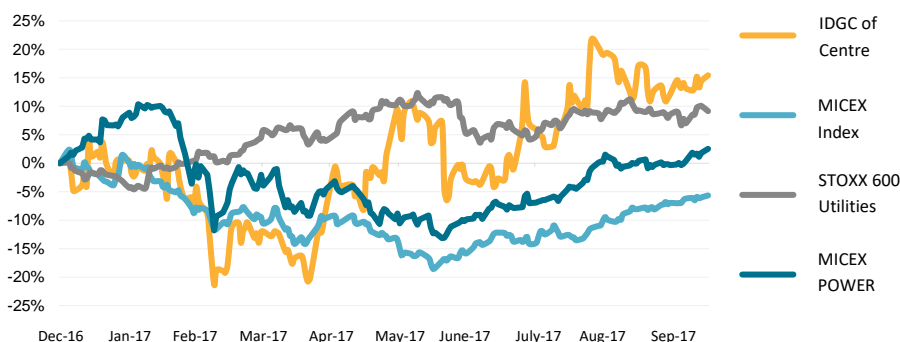
COMPANY NEWS

IDGC of Centre overfulfills the plan to reduce losses in grids

IDGC of Centre summed up the work on reducing losses in electric grids for eight months of 2017. Following the results of this period, their level as a whole for the Company was 9.01%, which is 0.23% lower than the Business Plan and 0.09% lower than the 2016 results, brought to comparable conditions with 2017. Savings relative to the Business Plan amounted to 93.222 million kWh, compared to 2016, the losses in the company's grids decreased by 35.052 million kWh.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/62110/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	2 106,39	0,36%	-5,66%
S&P 500	2 557,64	0,18%	14,24%
FTSE 100	7 526,97	-0,11%	5,38%
DAX	13 003,70	0,09%	13,26%
DJStoxx 600	391,41	0,00%	8,30%
STOXX Utilities	302,08	-0,83%	9,14%
Nikkei	21 255,56	0,47%	11,20%
Sensex	32 633,64	0,62%	22,56%
CSI300	3 913,45	-0,19%	18,23%
Bovespa	76 891,84	-0,13%	27,67%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,18	-0,08%	12,29%
USD/RUB	57,62	-0,12%	-5,01%
Euro/RUB	68,14	-0,45%	6,79%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 295,79	-0,62%	12,92%
Brent*, USD/bbl	57,82	1,14%	-1,55%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,5160
Capitalisation**, billion RUB	21,78
Capitalisation**, million USD	378,07

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,74%	2,53%
Shares of IDGC of Centre**	0,88%	15,44%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,29%	-6,12%
FGC UES	0,32%	-15,21%
IDGC of Volga	0,00%	110,54%
MOESK	0,23%	-1,45%
IDGC of Northern Caucasus	0,71%	-3,17%
IDGC of Centre and Volga Reg	0,35%	133,92%
IDGC of North-West	1,57%	17,82%
IDGC of Urals	-0,26%	17,02%
IDGC of Siberia	2,77%	64,04%
IDGC of South	0,45%	-14,89%
Lenenergo, ordinary shares	1,40%	-1,00%
TRK, ordinary shares	0,00%	-13,03%
Kubanenergo	6,54%	-4,48%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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Bloomberg

Reuters

MRKC
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