

DAILY MARKET REVIEW

7 November, Monday

2016



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 02 November some negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 lost 0.4-0.7% under the pressure of uncertainty regarding the outcome of the presidential elections and the growing confidence in the Fed rate increase in December – according to Bloomberg data, the probability of this event has grown to the maximum this year of 80%. At the end of the last Federal Reserve meeting as expected kept its key interest rate in the target range of 0.25-0.50% per annum, at the same time, analysts have noticed a number of changes in the text of the Federal Reserve report, which, in their opinion, indicate the willingness of the Fed to increase lending cost in December. On Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific, excluding Japan that was resting, was slightly down with multidirectional changes of the major country indices. Only the Chinese CSI300 showed strong growth on good statistics – the composite index of business activity in October, according to the Markit/Caixin, grew up to the maximum mark of 52.9 for the entire time of such data provision by these providers. January Brent futures traded near the mark of \$47.4 per barrel, or \$0.6 higher than the closing level of the 2nd of November. Oil prices recovered after a 3% fall on Wednesday, provoked by the US Department of Energy report on an increase of oil reserves by 14.4 million barrels – the maximum weekly gain at least since 1982.

Most of the trading session the MICEX Index was in a small minus, despite an increase in the average within 0.5% of the European Stoxx Europe 600 Index and futures for US indices. The western markets were supported, including, by the results of recent opinion polls, which fixed the returning leadership of Hillary Clinton in the US presidential race, and good reporting of a number of European banks. In turn, the Russian market was pressured by uncertain changes of oil prices and reduction of long positions by investors before the three-day weekend. In the afternoon, the western markets growth slowed down, sales on the Russian market increased after release of statistics in the US, where data on business activity in the services sector in October and applications for unemployment benefits were worse than expected.

During the day the changes of the MicexPWR Sector Index were generally in line with the market. The main contribution to the resulting reduction in the sector indicator was made by shares of Yunipro and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Oksana Shatokhina: increase of operational efficiency saved Rosseti 46 billion rubles

PJSC "Rosseti" expects to achieve savings by reducing operating expenses in the amount of over 46 billion rubles in 2016 to the level of 2012, when the company began to implement its policy to improve operational efficiency, told RIA Novosti Deputy General Director for Economics of "Rosseti" Oksana Shatokhina.

Read full text: <https://ria.ru/economy/20161103/1480651261.html>

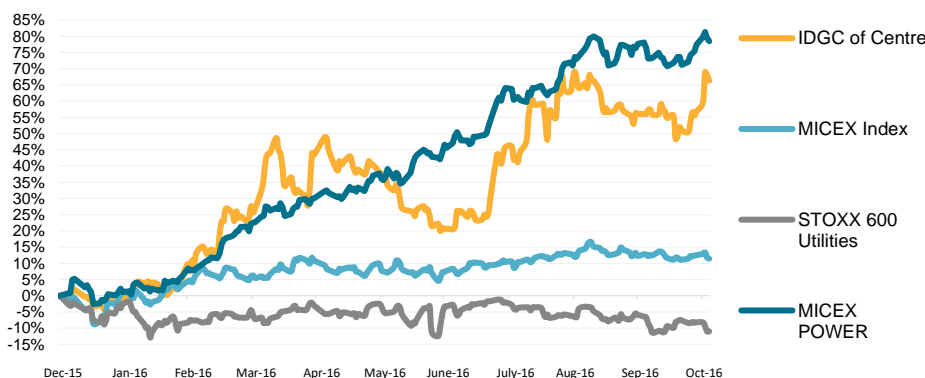
COMPANY NEWS

NRA confirmed IDGC of Centre's credit rating at "AA", outlook "stable"

"National Rating Agency" confirmed IDGC of Centre's credit rating at "AA" with a stable outlook. The credit rating was first assigned to the Company 22.08.2007 at the level "A". The last rating action dated 16.12.2015, when the credit rating was affirmed at "AA" with a stable outlook.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57420/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 962,71	-0,31%	11,43%
S&P 500	2 088,66	-0,44%	2,19%
FTSE 100	6 790,51	-0,80%	8,78%
DAX	10 325,88	-0,43%	-3,88%
DJStoxx 600	331,56	0,00%	-9,36%
STOXX Utilities	272,46	0,03%	-11,00%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 430,28	-0,35%	5,03%
CSI300	3 365,08	0,95%	-9,81%
Bovespa	61 750,17	-2,49%	42,45%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,11	0,12%	-8,59%
USD/RUB	63,42	0,34%	-12,99%
Euro/RUB	70,23	1,25%	-11,87%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 302,70	0,45%	22,77%
Brent*, USD/bbl	46,35	-1,09%	3,09%

* - January futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3245
Capitalisation**, billion RUB	13,70
Capitalisation**, million USD	216,03

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-0,52%	78,53%
Shares of IDGC of Centre**	-1,07%	66,32%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,59%	120,92%
FGC UES	0,12%	178,62%
IDGC of Volga	-2,53%	108,23%
MOESK	-0,22%	18,40%
IDGC of Northern Caucasus	-1,28%	23,60%
IDGC of Centre and Volga Reg	-2,41%	67,36%
IDGC of North-West	-1,05%	72,63%
IDGC of Urals	-2,27%	58,95%
IDGC of Siberia	1,19%	21,93%
IDGC of South	0,40%	59,29%
Lenenergo, ordinary shares	-1,62%	125,33%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
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MRKC
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