

# DAILY MARKET REVIEW

8 December, Thursday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 07 December some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 0.2-0.3%, while the DJIA once again updated the historical maximum, on Wednesday the composite index of the Asia-Pacific region MSCI Asia Pacific added more than 0.5%. The markets were supported by statistics – in the US labour productivity in the III quarter increased for the first time in the past four quarters, and expectations regarding the extension of the term of the ECB's quantitative easing program, which expires in March 2017. February Brent futures traded near the mark of \$53.8 per barrel, at our closure of 06 December. Oil prices stabilized after a percent fall on Tuesday, triggered by the media information about the record level of oil production in November in the OPEC countries. The market was supported by a message of the American Petroleum Institute on reduction of oil reserves in the US last week by more than 2 million barrels.

On Wednesday the MICEX index mainly was flat near zero, despite strong growth of European markets. The limiting factor for Russian buyers is still inexpressive changes of oil prices – according to analysts, short-term potential growth of oil prices has almost exhausted in the absence of conclusive evidence of OPEC's ability to meet the conditions of the production reduction agreement. At the same time, the Stoxx Europe 600 Index during the day added about one percent in anticipation of the ECB meeting at which, according to experts, the extension of at least for six months of the asset repurchase program will be announced, while maintaining the current rate of €80 billion per month. At the same time, polled by Bloomberg analysts believe that the extension of the ECB's stimulus will be the last – in the current situation, it is only due to increased political uncertainty in Italy after the failure of the referendum on constitutional reform.

At the end of the trading session the MicexPWR Sector Index outperformed mainly due to strong growth of stocks of IDGC of Centre and TGK-1.

## ELECTRIC POWER INDUSTRY NEWS

### Mr. Putin instructed to standardize the connection of buildings under construction to the technical networks

Russian President Vladimir Putin instructed the government to introduce legislation to the unified rules of connection of capital construction facilities to engineering and technical infrastructure, says the Kremlin website.

A capital construction project, according to the Russian law, is recognized as a building, structure, facility, facilities, construction of which has not been completed, except for temporary buildings, stalls, sheds and other similar structures.

Read full text: <http://www.bigpowemews.ru/news/document74356.phtml>

## COMPANY NEWS

### Smolenskenergo's employees conducted more 170 raids to detect and prevent non-metered electricity consumption

IDGC of Centre – Smolenskenergo division for 9 months of 2016 conducted 171 raids to detect and prevent non-metered electricity consumption. As a result, the power company identified large theft of electricity in the amount of 49 million rubles.

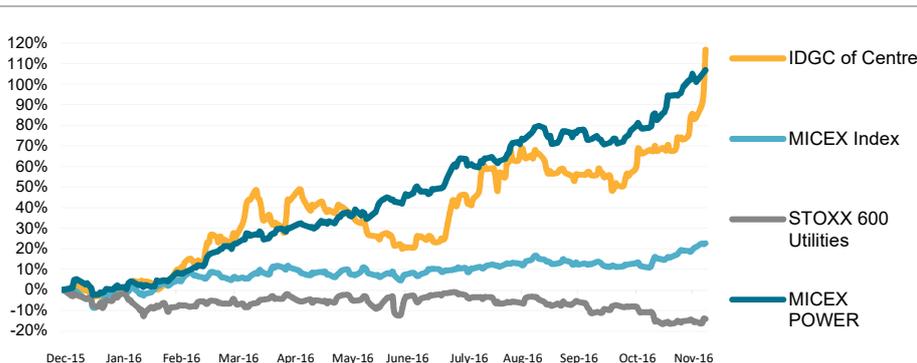
Read full text: <https://www.mrsk-1.ru/press-center/news/branches/58237/>

### Tver power engineers of IDGC of Centre restored electricity supply in the Tver region

On the morning of 6 December on the territory of the Tver region there was a number of local blackouts in 58 towns of Bezhetsky, Veseyegonsky, Kesovogorsky, Kimrsky, Maksatikhinsky, Penovsky and Sonkovsky districts. By the end of the working day damage to the electric grid was removed, electricity supply to consumers was restored.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/58242/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 160,51	0,38%	22,66%
S&P 500	2 241,35	1,32%	9,66%
FTSE 100	6 902,23	1,81%	10,57%
DAX	10 986,69	1,96%	2,27%
DJStoxx 600	347,70	0,91%	-4,95%
STOXX Utilities	262,49	-0,16%	-14,26%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 236,87	-0,59%	0,46%
CSI300	3 475,75	0,48%	-6,84%
Bovespa	61 414,40	0,53%	41,67%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,07	0,30%	-11,62%
USD/RUB	63,87	-0,08%	-12,36%
Euro/RUB	68,69	1,36%	-13,81%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 173,98	0,35%	10,64%
Brent*, USD/bbl	53,00	-1,72%	16,46%

\* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4235
Capitalisation**, billion RUB	17,88
Capitalisation**, million USD	279,91

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,61%	107,12%
Shares of IDGC of Centre**	10,43%	117,07%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	1,63%	167,40%
FGC UES	-0,05%	234,21%
IDGC of Volga	7,85%	193,06%
MOESK	1,35%	20,00%
IDGC of Northern Caucasus	3,32%	49,20%
IDGC of Centre and Volga Reg	7,18%	147,29%
IDGC of North-West	-0,80%	81,02%
IDGC of Urals	3,17%	71,05%
IDGC of Siberia	3,34%	32,99%
IDGC of South	-0,60%	59,29%
Lenenergo, ordinary shares	1,03%	136,03%

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