



IDGC OF CENTRE

# DAILY MARKET REVIEW

18 December, Friday

2015

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 17 December some positive external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 rose by 1.3-1.5%, on Thursday the composite index of the Asia-Pacific region MSCI Asia Pacific added about a percent. Markets were supported by the results of the held December 15-16 meeting of the FOMC. Firstly, the Fed, as expected by the vast majority of economists and market participants, decided for the first since June 2006 increase in the key interest rate – the target range was raised by 0.25 percentage points to 0.25-0.5%. Secondly, the Fed's statements on further possible increase in the key interest rate were very cautious. In particular, the statement said: "the Fed expects that the character of changes in the economic situation will only give foundation for a gradual increase in interest rates." As noted by the media, graphical forecasts of heads of the Fed, released simultaneously with the communiqué, show that in 2016 the rate can be increased four times by 25 basis points, while the median forecast for the rate at the end of the year is 1.375%. In general, experts believe that the Fed's decision on the interest rate has already been priced in, and the removal of uncertainty about the medium-term prospects of tighter monetary policy could substantially reduce the volatility in the financial markets. However, analysts expect an increase of pressure on emerging markets, the extent of which will depend on the pace of appreciation of the dollar and dollar-denominated loans. February Brent futures traded near the mark of \$37.2 per barrel – \$0.5 below the closing level on 16 December. The market was pressured by the strengthening of the dollar and the US Department of Energy data, which reported an increase in oil reserves up to a maximum for this time of year since 1930. An additional negative factor for oil quotations was the statement by the Iranian President that he expects the removal of sanctions in late December or January.

The Russian market after volatile trading in the first half of the day could still gain a foothold in more than a percent plus after confident rise in Europe, where on the news of the Fed the rate of growth of the Stoxx Europe 600 index exceeded 2%. During the day investors were also supported by statistics: in the United States data on applications for unemployment benefits and the index of leading economic indicators in November were better than expected, in the UK retail sales growth in November was three times higher than expected.

During the trading session the MicexPWR Sector Index looked worse than the MICEX Index mainly due to negative dynamics of RusHydro and Inter RAO. Profit taking was in shares of RusHydro after a sharp rise on Wednesday. In turn, pressure on the shares of Inter RAO could be provided with information of Kommersant, which reported that Norilsk Nickel is considering selling a package of these securities at a price of 1.1 RUB – at this level after the morning fall the shares of Inter RAO spent most of the trading session.

## ELECTRIC POWER INDUSTRY NEWS

### Merging grids

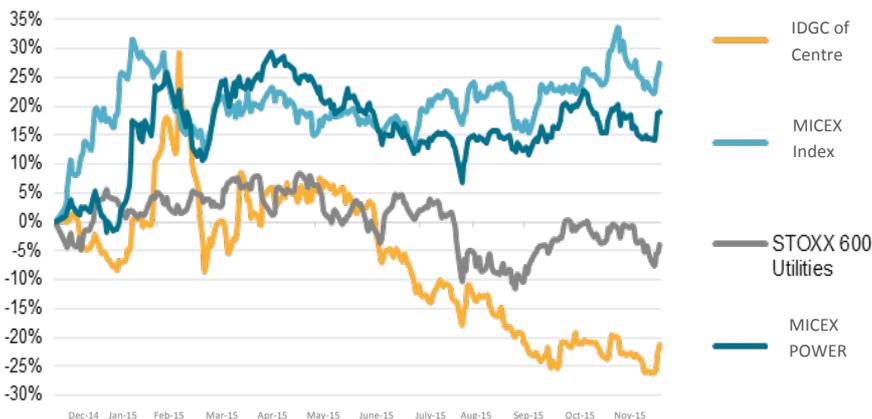
Read full text: <http://www.kommersant.ru/doc/2878491>

## COMPANY NEWS

**Governor of the Belgorod region thanked the head of IDGC of Centre Oleg Isaev for his contribution to the development of the Belgorod region**

Read full text: <http://www.mrsk-1.ru/press-center/news/company/50753/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 780,97	1,50%	27,52%
S&P 500	2 041,89	-1,50%	-0,83%
FTSE 100	6 102,54	0,68%	-7,06%
DAX	10 738,12	2,57%	9,51%
DJStoxx 600	364,90	1,24%	6,53%
STOXX Utilities	303,16	1,49%	-3,89%
Nikkei	19 353,56	1,59%	10,90%
Sensex	25 803,78	1,21%	-6,17%
CSI300	3 755,89	1,91%	6,29%
Bovespa	45 261,48	0,55%	-9,49%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,08	-0,98%	-11,01%
USD/RUB	70,40	-0,60%	25,14%
Euro/RUB	77,04	-1,52%	12,73%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 051,10	-1,98%	-11,25%
Brent*, USD/bbl	37,06	-0,88%	-44,45%

\* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1989
Capitalisation**, billion RUB	8,40
Capitalisation**, million USD	119,28

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	0,06%	18,97%
Shares of IDGC of Centre**	1,74%	-21,23%

Source: Bloomberg, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	0,95%	10,31%
FGC UES	0,12%	32,81%
IDGC of Volga	1,52%	-28,32%
MOESK	-0,26%	-39,44%
IDGC of Northern Caucasus	0,40%	2,89%
IDGC of Centre and Volga Reg	0,63%	-33,64%
IDGC of North-West	0,00%	9,88%
IDGC of Urals	-2,13%	50,08%
IDGC of Siberia	0,00%	-44,44%
IDGC of South	-1,25%	1,94%
Lenenergo	-1,48%	33,43%

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