



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 19 October some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 rose by 0.4-0.6% on good corporate reporting and strong inflation data – in September an increase in consumer prices was the highest in two years. As noted by Bloomberg, these data added confidence that the US economy is strong enough to safely survive the gradual tightening of monetary policy. On Tuesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added about 0.5% after the US market. Released at the level of expectations Chinese statistics on the changes of GDP in the third quarter (+6.7% y/y), industrial production and retail sales in September did not have a significant impact on the market trend. December Brent futures traded near the mark of \$52.3 per barrel, or \$0.8 higher than the closing level on 18 October. Oil quotes were supported by the data of the American Petroleum Institute, which recorded a reduction of oil reserves by almost 4 million barrels.

For most of the trading session the MICEX Index and the European Stoxx Europe 600 Index were flat near zero. Contradictory news from the US did not allow the markets to determine the direction of motion – a positive factor of good statements of several companies, including Morgan Stanley, was offset by a fall of the number of new buildings in September to the lowest since March 2015. In addition, investors are cautious before the ECB meeting today – two weeks ago, reminded analysts, the markets came under pressure to Bloomberg's data that the ECB might reduce the volume of purchase of securities under the asset repurchase program from the current €80 billion per month closer to the end of its term in March 2017. Against this backdrop, investors were not impressed with a 1.5% increase in oil prices after publication of strong statistics by the US Department of Energy: oil reserves in the country last week fell 5.3 million barrels, while reserves at the terminal in Cushing, where traded on the NYMEX crude oil is stored, fell 1.6 million barrels – the biggest decline since April.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR growth in the opposition with the MICEX Index was made by shares of RusHydro, adding almost 4% in the absence of significant news for this.

ELECTRIC POWER INDUSTRY NEWS

Ministry of Energy to develop new mechanisms for attracting investment in the electric power sector

The Ministry of Energy of the Russian Federation in the updated version of "Energy Strategy until 2035" plans to develop and implement new mechanisms for attracting investments in the electricity and heating sectors as part of changes to the model of relations in the field of heating with pricing based on the principle of an "alternative boiler", the development of competition in the wholesale and retail markets of electric energy.

Read full text: <http://www.bigpowernews.ru/markets/document73232.phtml>

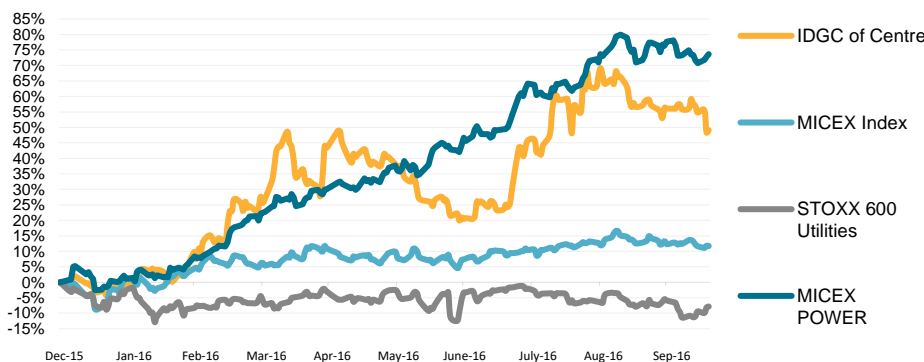
COMPANY NEWS

IDGC of Centre presented an innovative development of a package transformer substation with an integrated charging station for electric vehicles at the International Energy Forum RUGRID-ELECTRO

IDGC of Centre's delegation, headed by General Director Oleg Isaev, took part in the International Forum RUGRID-ELECTRO, held in Moscow on 18-19 October 2016 at the World Trade Center. Within the framework of the International Forum RUGRID-ELECTRO IDGC of Centre presented its own innovative development of a package transformer substation with built-in charging stations and load control.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57269/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 967,50	-0,08%	11,70%
S&P 500	2 144,29	0,22%	4,91%
FTSE 100	7 021,92	0,31%	12,49%
DAX	10 645,68	0,13%	-0,91%
DJStoxx 600	343,64	0,34%	-6,06%
STOXX Utilities	282,18	0,35%	-7,82%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 984,37	-0,24%	7,15%
CSI300	3 316,24	-0,15%	-11,12%
Bovespa	63 505,61	-0,43%	46,50%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,10	-0,20%	-9,78%
USD/RUB	62,89	-0,41%	-13,71%
Euro/RUB	69,26	-0,14%	-13,10%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 269,23	0,53%	19,61%
Brent*, USD/bbl	52,67	1,92%	18,63%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2910
Capitalisation**, billion RUB	12,29
Capitalisation**, million USD	195,35

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,56%	73,66%
Shares of IDGC of Centre**	0,52%	49,15%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,47%	95,52%
FGC UES	0,37%	183,70%
IDGC of Volga	-1,04%	94,86%
MOESK	-0,99%	20,53%
IDGC of Northern Caucasus	-5,18%	24,40%
IDGC of Centre and Volga Reg	0,11%	45,54%
IDGC of North-West	-1,46%	72,26%
IDGC of Urals	-2,14%	44,21%
IDGC of Siberia	-0,35%	17,83%
IDGC of South	-0,83%	52,56%
Lenenergo	-1,40%	129,91%

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