



REVIEW OF STOCK MARKETS

Before the opening of trading on Friday 16 December some moderately positive external background formed on the Russian market. On Thursday the US indices DJIA and S&P500 rose by 0.3-0.4%. The driver of the market recovery after declining in the previous trading session, provoked by an increase in the Fed's forecasts of growth of pace of the interest rate in 2017, was companies of the financial sector, which, according to experts, will be the main beneficiaries of the increase in the key rate. Investors were additionally supported by released better than expected US statistics on applications for unemployment benefits, manufacturing activity in New York and Philadelphia in December. On Friday the composite index of the Asia-Pacific region MSCI Asia Pacific added about half a percent after the US market. February Brent futures traded near the mark of \$54.1 per barrel, or \$0.4 higher than our closing level on 15 December. As noted by Bloomberg, oil prices rose despite news publication, in different directions affecting the prospects of the world market for raw materials rebalancing. On the one hand, Kuwait has informed its customers about the intention to reduce the supply, thus confirming its commitment to OPEC agreements on reduction of production, on the other hand, according to media reports, Libya and Nigeria are actively restoring the work of a number of fields, blocked by the fighting.

For most of the trading session on Friday the MICEX Index was flat near zero, ignoring the rise in oil prices and moderately positive sentiment in the western markets. The CBR decision to keep its key interest rate at the level of 10% was forecast by all experts and did not have a material impact on the trend of our market. At the end of the day sales on the Russian market increased somewhat, despite growth of Brent quotations to around \$55 per barrel, and the start of trading in the US with slight growth in major indices despite weak statistics – the drop in the number of new buildings in November by 18.7% turned out significantly worse than expected.

At the end of the trading session the MicexPWR Sector Index looked significantly worse than the market mainly due to falling shares of Inter RAO (-3%), RusHydro (-3.2%) and Yunipro (-3.7%).

ELECTRIC POWER INDUSTRY NEWS

The State Duma approved in the first reading a bill on a target model of the heating market

The State Duma on Friday, 16 December, at the plenary session passed the first reading of a government bill on a target model of the thermal energy market, aimed at motivating heating market participants to invest in improving the efficiency of their respective systems.

Read full text: <http://www.bigpowernews.ru/markets/document74540.phtml>

COMPANY NEWS

IDGC of Centre took 2nd place in the I Annual Contest of IR-sections of corporate websites

The contest organizers - NP "ARFI" (Non-Profit Partnership "The Russian Investor Relations & Financial Communications Alliance") and EQS GROUP, an international leader in providing services in the field of digital corporate communications. Web sites of large and medium-sized companies from all sectors and forms of ownership of Russia and the CIS countries, interacting with the investment community, participated in the contest.

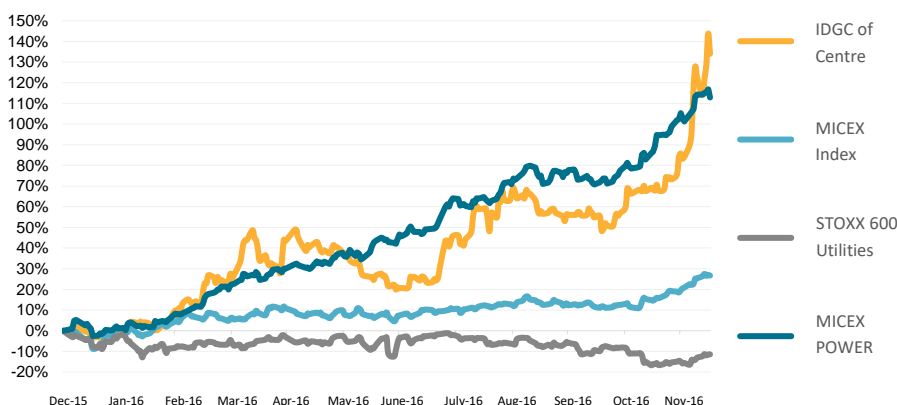
Read more about the event: <http://arfi.ru/events/IR-cases-contest/>

IDGC of Centre to supply power to large agrobusiness enterprises in the Orel region

IDGC of Centre – Orelenergo division has started work on connection to electric grids of a large regional agriculture facility – a grain warehouse of "Orel-Agro-Product" LLC in Kromsky district. The facility connected capacity will be 2.12 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/58337/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 231,41	-0,26%	26,69%
S&P 500	2 258,07	-0,18%	10,48%
FTSE 100	7 011,64	0,18%	12,32%
DAX	11 404,01	0,33%	6,15%
DJStoxx 600	360,02	0,34%	-1,58%
STOXX Utilities	271,10	0,07%	-11,44%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	26 489,56	-0,11%	1,42%
CSI300	3 346,03	0,17%	-10,32%
Bovespa	58 389,04	-0,01%	34,69%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,05	0,36%	-14,03%
USD/RUB	61,64	1,36%	-15,43%
Euro/RUB	64,61	-0,22%	-18,93%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 134,88	0,57%	6,95%
Brent*, USD/bbl	55,21	2,20%	21,31%

* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4565
Capitalisation**, billion RUB	19,27
Capitalisation**, million USD	312,68

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-1,85%	112,83%
Shares of IDGC of Centre**	-4,00%	133,98%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	-1,18%	181,57%
FGC UES	-0,71%	241,30%
IDGC of Volga	-2,61%	206,43%
MOESK	7,61%	41,33%
IDGC of Northern Caucasus	0,45%	79,20%
IDGC of Centre and Volga Reg	-1,03%	145,86%
IDGC of North-West	-0,51%	111,68%
IDGC of Urals	0,59%	80,53%
IDGC of Siberia	1,15%	98,36%
IDGC of South	1,50%	74,04%
Lenenergo, ordinary shares	1,93%	142,14%

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