



REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 06 December some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.2-0.5% on strong statistics – the index of business activity in the service sector rose to a high for the year, and statements of a number of Fed officials testifying maintaining a cautious approach to implementation of the exit strategy. In particular, according to the head of the Federal Reserve Bank of Chicago, the policy of the new US president can improve the prospects for the economy and the Federal Reserve should keep patience, waiting for new budget programs. In turn, the head of the Federal Reserve Bank of New York announced the support of the gradual tightening of monetary policy while maintaining the current trends in the development of the US economy. On Tuesday the composite index of the Asia-Pacific region MSCI Asia Pacific added more than 0.5% following the US market. In general, according to some experts, says Bloomberg, "the Trump rally" is returning to the markets after a short break. February Brent futures traded near the mark of \$54.6 per barrel, or \$0.4 less than the closing level on 05 December. Oil quotes were down on media reports that oil production by OPEC in November was a record, rising from 33.8 to 34.2 million barrels per day. This piece of news reinforced investors' concerns with regard to OPEC's ability to follow the agreement to reduce oil production, as well as the readiness of countries outside of OPEC to comply with the preliminary agreement to limit production.

For most of the trading session on Tuesday the MICEX Index and the European Stoxx Europe 600 Index were flat changing in the range of 0.5%. The Russian market showed lagging behind in comparison with changes in Europe under pressure of lower oil prices – in the second half of the day Brent quotes dropped to the mark of \$53.5 per barrel on the growing doubts of market participants in the possibility of extending the oil rally, taking into account the OPEC's oil production record in November. At the same time, European investors were supported with good statistics – the estimate of the GDP growth in the Eurozone in the III quarter was improved, the growth of orders of German industrial enterprises in October was the highest in two years, the US labour productivity in the III quarter grew up for the first time in the last four quarters. In addition, the current changes of the European markets have already incorporated expectations that, in connection with the Italian events, the ECB will be forced to keep the QE program volume at the level of €80 billion per month, and will announce its extension, at least, for six months.

During the trading session the MicexPWR Sector Index outperformed. The main contribution to the final MicexPWR growth in opposition with the MICEX Index was made by shares of Inter RAO, restoring after active sales the previous week.

ELECTRIC POWER INDUSTRY NEWS

On-site inspections of technical condition of power facilities, carried out in October 2016, were summed up

In October 2016, a commission of the Russian Ministry of Energy carried out on-site inspections of technical condition of equipment, organization of maintenance and repair of six power plants and three power grid enterprises.

Read full text: <http://minenergo.gov.ru/node/6658>

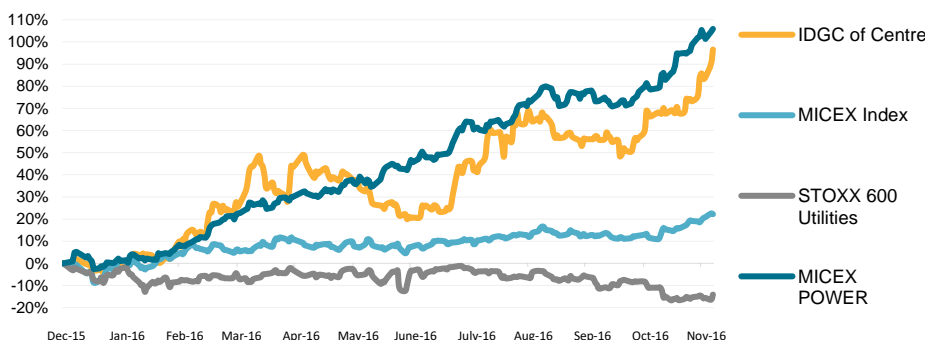
COMPANY NEWS

IDGC of Centre promotes the development of agro-industrial facilities of the Smolensk region

IDGC of Centre – Smolenskenergo division in support of the development of agro-industrial facilities in the territory of the Smolensk region is implementing priority projects of grid connection and providing additional capacity to facilities and enterprises of the agro-industrial complex.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/58238/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|-----------------|-----------|---------|-------------|
| | | per day | fr 31.12.15 |
| MICEX | 2 152,35 | -0,28% | 22,20% |
| S&P 500 | 2 212,23 | 0,34% | 8,23% |
| FTSE 100 | 6 779,84 | 0,49% | 8,61% |
| DAX | 10 775,32 | 0,85% | 0,30% |
| DJStoxx 600 | 344,57 | 0,97% | -5,81% |
| STOXX Utilities | 262,90 | 2,77% | -14,12% |
| Nikkei | 16 519,29 | 0,00% | -13,21% |
| Sensex | 26 392,76 | 0,17% | 1,05% |
| CSI300 | 3 459,15 | -0,30% | -7,29% |
| Bovespa | 61 088,25 | 2,10% | 40,92% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change | |
|----------------|-------|---------|-------------|
| | | per day | fr 31.12.15 |
| Euro/USD | 1,07 | -0,52% | -11,89% |
| USD/RUB | 63,92 | -0,36% | -12,29% |
| Euro/RUB | 67,77 | -1,03% | -14,97% |

Source: Bloomberg, Company calculations

| Raw | Value | Change | |
|-----------------|----------|---------|-------------|
| | | per day | fr 31.12.15 |
| Gold, USD/oz | 1 169,85 | -0,05% | 10,25% |
| Brent*, USD/bbl | 53,93 | -1,84% | 18,50% |

* - February futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,3835 |
| Capitalisation**, billion RUB | 16,19 |
| Capitalisation**, million USD | 253,28 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change | |
|----------------------------|---------|-------------|
| | per day | fr 31.12.15 |
| MICEX-Power Index | 0,56% | 105,88% |
| Shares of IDGC of Centre** | 3,37% | 96,57% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|------------------------------|----------|-------------|
| | per day | fr 31.12.15 |
| Rosseti, ordinary shares | 0,00% | 163,10% |
| FGC UES | -1,18% | 234,38% |
| IDGC of Volga | 2,32% | 171,72% |
| MOESK | -0,11% | 18,40% |
| IDGC of Northern Caucasus | -1,90% | 44,40% |
| IDGC of Centre and Volga Reg | 1,33% | 130,73% |
| IDGC of North-West | 0,20% | 82,48% |
| IDGC of Urals | -0,94% | 65,79% |
| IDGC of Siberia | -2,48% | 28,69% |
| IDGC of South | 0,40% | 60,26% |
| Lenenergo, ordinary shares | 5,21% | 133,62% |

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