

# DAILY MARKET REVIEW

25 November, Friday

2016



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 24 November some moderately positive external background formed on the Russian market. On Wednesday the US indices S&P500 and DJIA, having updated their historical highs, rose by 0.1-0.3%, the composite index of the Asia-Pacific region MSCI Asia Pacific showed comparable changes on Thursday. The markets were supported by released better than expected US statistics on orders for durable goods in October and the consumer confidence index in November. Experts believe that the good macro data from the US suggest that the world's largest economy will be able to safely survive the increase in the key interest rate. According to Bloomberg, the probability of increasing the rate by 0.25 percentage points to 0.5-0.75% in the recent days has been 100%. The markets found further evidence of the confidence in the November minutes of the Fed, which noted that the increase in interest rates "may become appropriate pretty soon". Following the growing confidence of imminent tightening of monetary policy of the Fed the dollar rally continued – the DXY index rose to levels of 13 years ago. In these circumstances, the stock markets of developing countries were under pressure again, in particular, the composite index MSCI Asia EM on Thursday lost more than 0.5% – investors fear strengthening of capital outflows from emerging markets. January Brent futures traded near the mark of \$49 per barrel, or \$0.3 less than the closing level on 23 November. Oil prices, writes Bloomberg, have stopped moving waiting for news from OPEC, which will conduct next week decisive meetings for the agreement finalization on the limitation of oil production. At the same time, a major stumbling block on the way to achieving it is still the position of Iran and Iraq, who insist on preferential treatment in the determination of their quotas.

The MICEX index continues updating its historical highs, despite uncertain changes of European markets and oil prices. Analysts at JPMorgan confirmed the Russian stock market estimate at "overweight", noting among the main drivers of growth of Russian stocks the recovery of the Russian economy in 2017, the expected rise in oil prices to \$60 per barrel and a significant potential to increase dividend payments. At the same time, according to experts, the Russian stocks offer the best dividend yield among major emerging markets.

During the trading session the MicexPWR Sector Index underperformed due to the ongoing active profit-taking in shares of Inter RAO, which by the end of Thursday lost 3%.

## ELECTRIC POWER INDUSTRY NEWS

### Mr. Novak asked the FAS to draw attention to tariffs of power grid companies

Russian Energy Minister Alexander Novak asked the Federal Antimonopoly Service (FAS) to draw attention to the situation with tariff making for electricity grid companies, tells PRIME.

Read full text: <http://www.bigpowernews.ru/markets/document74066.phtml>

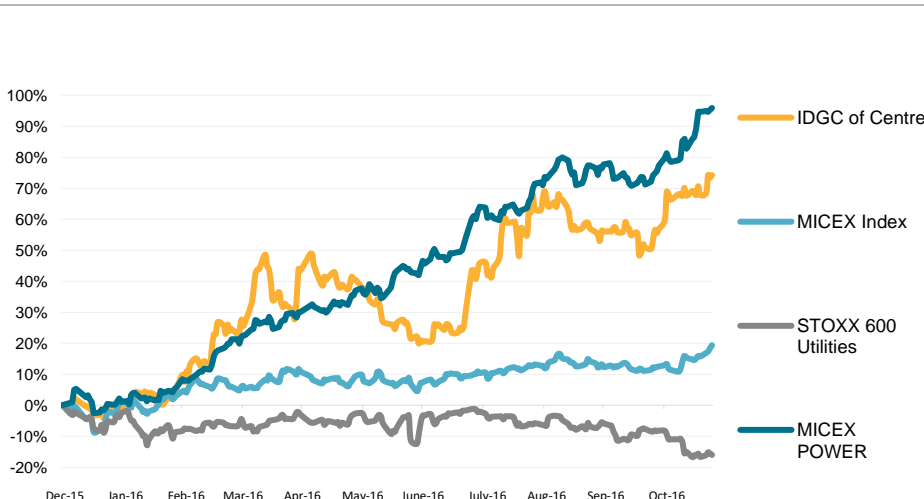
## COMPANY NEWS

### Four projects of IDGC of Centre were among prize winners of MediaTEK and ENES contests

In the framework of the ENES 2016 V International Forum on energy saving, energy efficiency and energy development there was awarding of prize winners of the All-Russian "MediaTEK 2016" Award and the All-Russian contest of implemented projects in the field of energy saving and energy efficiency ENES-2016.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57847/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes   | Value     | Change  |             |
|-----------------|-----------|---------|-------------|
|                 |           | per day | fr 31.12.15 |
| MICEX           | 2 102,97  | 0,83%   | 19,39%      |
| S&P 500         | 2 204,72  | 0,00%   | 7,87%       |
| FTSE 100        | 6 829,20  | 0,17%   | 9,40%       |
| DAX             | 10 689,26 | 0,25%   | -0,50%      |
| DJStoxx 600     | 341,84    | 0,31%   | -6,55%      |
| STOXX Utilities | 257,05    | -0,59%  | -16,03%     |
| Nikkei          | 16 519,29 | 0,00%   | -13,21%     |
| Sensex          | 25 860,17 | -0,74%  | -0,99%      |
| CSI300          | 3 488,74  | 0,40%   | -6,49%      |
| Bovespa         | 61 395,53 | -0,95%  | 41,63%      |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change  |             |
|----------------|-------|---------|-------------|
|                |       | per day | fr 31.12.15 |
| Euro/USD       | 1,06  | -0,02%  | -13,18%     |
| USD/RUB        | 64,01 | 0,60%   | -12,18%     |
| Euro/RUB       | 68,05 | 0,76%   | -14,61%     |

Source: Bloomberg, Company calculations

| Raw             | Value    | Change  |             |
|-----------------|----------|---------|-------------|
|                 |          | per day | fr 31.12.15 |
| Gold, USD/oz    | 1 181,67 | -0,56%  | 11,36%      |
| Brent*, USD/bbl | 49,00    | 0,10%   | 8,99%       |

\* - January futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre      | Value  |
|-------------------------------|--------|
| Last transaction, RUB         | 0,3400 |
| Capitalisation**, billion RUB | 14,35  |
| Capitalisation**, million USD | 224,25 |

Source: Central Bank of Russia, Company calculations

| Russian indexes            | Change  |             |
|----------------------------|---------|-------------|
|                            | per day | fr 31.12.15 |
| MICEX-Power Index          | 0,28%   | 95,92%      |
| Shares of IDGC of Centre** | 0,44%   | 74,27%      |

Source: Bloomberg, Company calculations

| Grid companies               | Change** |             |
|------------------------------|----------|-------------|
|                              | per day  | fr 31.12.15 |
| Rosseti, ordinary shares     | 0,74%    | 146,70%     |
| FGC UES                      | 2,40%    | 213,13%     |
| IDGC of Volga                | -1,39%   | 137,79%     |
| MOESK                        | -0,34%   | 16,27%      |
| IDGC of Northern Caucasus    | 0,00%    | 31,20%      |
| IDGC of Centre and Volga Reg | -1,80%   | 108,76%     |
| IDGC of North-West           | -0,65%   | 66,79%      |
| IDGC of Urals                | 5,81%    | 72,63%      |
| IDGC of Siberia              | -3,94%   | 26,64%      |
| IDGC of South                | -0,19%   | 65,06%      |
| Lenenergo, ordinary shares   | -0,73%   | 108,52%     |

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